

**Capital Improvements
Joint Bond Review Committee**

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JOINT BOND REVIEW COMMITTEE MEETING
Tuesday, August 11, 2020 10:30 a.m.
Zoom Video Conference

AGENDA

PAGE

| | |
|---|----|
| 1. South Carolina Transportation Infrastructure Bank Funding for Highway Projects | 1 |
| 2. Proposed Leases | |
| a. South Carolina Department of Motor Vehicles 122 Edgeworth Street, Greenville..... | 32 |
| b. South Carolina Department of Revenue 201 Arbor Lake Drive, Columbia | 36 |
| c. South Carolina Department of Vocational Rehabilitation 2070 Northbrook Boulevard, North Charleston..... | 41 |
| 3. Proposed Permanent Improvement Projects | 45 |
| 4. Status Report of JBRC Broadband Oversight Subcommittee | 52 |
| 5. COVID-19 Allocations, Expenditures and Status Pursuant to Act 135 of 2020 | 53 |
| South Carolina Department of Health and Environmental Control..... | 54 |
| Medical University of South Carolina | 77 |
| 6. SC Jobs Economic Development Authority Annual Report..... | 80 |
| 7. Future Meeting | 84 |

Live-streaming of this meeting will be available at www.scstatehouse.gov.

AGENCY: South Carolina Transportation Infrastructure Bank

SUBJECT: Funding for Highway Projects

Chapter 43 of Title 11 (the South Carolina Transportation Infrastructure Bank Act) provides that the bank may provide loans and other financial assistance to pay for all or part of eligible costs of qualified projects, subject to the review and approval of the Joint Bond Review Committee. The Act also provides that funding may be raised for qualified projects through the issuance of revenue bonds, subject to the review and approval of the committee.

By letter dated July 24, 2020, the Infrastructure Bank Board requested approval of the Joint Bond Review Committee for financial assistance approved by the bank on July 7, 2020, for 7 projects, and for the potential issuance by the bank of up to \$363 million in revenue bonds as needed to provide financial assistance to these projects. The projects approved for financial assistance are summarized as follows.

Beaufort County - US 278 Corridor. Up to \$120,000,000 (grant)
Widening 4 lanes to 6 lanes of US 278 from Moss Creek Drive to Spanish Wells Road, including the replacement/widening of both the east bound & west bound bridges over Mackay Creek and Skull Creek. Total cost of \$272,370,112 with local match of \$92,300,000 and other funds of \$60,071,112. Bank-assigned total project score: 86.

Charleston County - Main Road (Segment A)¹ - Up to \$40,785,500 (grant)
Grade separated interchange at US-17 (Savannah Highway) and Main Road (S-20); additionally, 2 miles of Main/Bohicket Road (S-20) will be widened to 4 lanes from Bees Ferry Road to River Road. Total cost of \$111,000,000 with local match of \$70,214,500. Bank-assigned total project score: 92.85.

City of Charleston - US-17 Septima Clark - Up to \$21,500,000 (grant)
Improvements to US-17 (Septima Clark) between the Ashley River and I-26, including a tunnel conveyance, pump stations, drop shafts, and surface drainage improvements.² The project is being completed in 5 phases; of which Phases 1 through 3 are complete and phase 4 is under construction. Phase 5 is the last phase to be completed and includes the installation of multiple pump stations and associated infrastructure to increase the gravity flow capacity provided by the previous phases, and to assist in relieving flooding issues on US-17 and in the Medical District. Total cost of \$43,000,000 with local match of \$21,500,000. Bank-assigned total project score: 65.

Greenville County - Woodruff Road Parallel³ - Up to \$49,010,199 (grant)
Construction of a 5-lane new location roadway parallel to existing Woodruff Road from Roper Mountain Road/Verdae Boulevard to Smith Hines Road to promote relief of extreme congestion throughout the Woodruff Road corridor. Total cost of \$121,346,932 with local match of \$30,336,733 and other funds of \$42,000,000. Bank-assigned total project score: 66.9.

¹ Also described as Main Road & Bohicket Road.

² The bank currently has an agreement with the City of Charleston to fund earlier phases of construction.

³ Also described as Woodruff Road Congestion Relief Project.

Jasper County/City of Hardeeville - I-95 Exit 3 - Up to \$56,191,806 (½ grant; ½ loan)
Construction of a new interchange at Exit 3 including a new connecting road (Riverport Parkway) generally along the existing Purrysburg Road alignment; construction of a 1.5 mile parkway north of I-95; and construction of a 3 mile parkway south of I-95. The existing Purrysburg Road Bridge over I-95 will be replaced and a new bridge will be constructed over the CSX rail line parallel to I-95. Bank funds will be used for work on the interchange and the rail line bridge. Total cost of \$82,463,074 with local match of \$20,748,186 and other funds of \$5,523,082. Loan term is for 15 years with a 3.5% interest rate. Bank-assigned total project score: 65.

York County - I-77 Exit 85 - Up to \$42,171,050 (grant)
Interchange improvements to the existing interchange of I-77 at SC 160 (Exit 85), with anticipated construction of 2 new bridges spanning I-77 and replacing/widening the existing SC-160 Bridge over I-77. Total cost of \$49,613,000 with local match of \$7,441,950. Bank-assigned total project score: 65.

York County - I-77 Exit 82 (A-C) - Up to \$32,486,150 (grant)
Interchange improvements to the existing interchange of I-77 with Celanese/Cherry Road (Exit 82 A, B, &C). Total cost of \$38,219,000 with local match of \$5,732,850. Bank-assigned total project score: 65.

Statutory Requirements

Project Approvals. The bank board must determine eligible projects and select those qualified to receive a loan or other financial assistance, with preference given to eligible projects which have local financial support. The board must consider the projected feasibility of the project and the amount and degree of risk to be assumed by the bank, and also may consider without limitation the local support of the project; economic benefit and enhancement of mobility, public safety, project completion, and transportation services; the ability of the applicant to repay a loan; the financial or in-kind contributions to the project; weighting to areas of the state experiencing high unemployment; and whether the governing bodies of the county or the municipality in which the project is to be located provide by resolution a finding that the project is essential to economic development, or the bank receives a resolution or certificate from the Coordinating Council for Economic Development that the project is essential to economic development in the State, or both. Eligible projects must have eligible costs of at least \$25 million.⁴

The bank is also required to prioritize its projects in accordance certain provisions of Act 114 of 2007, which was amended by Act 275 of 2016, particularly taking into consideration financial viability including estimated maintenance and repair costs over the expected life of the project; public safety; potential for economic development; traffic volume and congestion; truck traffic; the pavement quality index; environmental impact; alternative transportation solutions; and consistency with local land use plans.⁵

⁴ SC Code Section 11-43-180.

⁵ SC Code Sections 11-43-265, requiring compliance with prioritization criteria prescribed in SC Code Section 57-1-370(B)(8).

Revenue Bonds. The Bank is authorized to issue bonds to raise funds for qualified projects, subject to the review and approval of the Joint Bond Review Committee.⁶ The bonds must be authorized by a resolution of the bank, with determinations made by the bank as to maturity, denominations, medium of payment, repurchase provisions, interest timing and rates, and method of sale. The state treasurer must issue the bonds of the bank not later than 60 days upon the resolution of the bank authorizing the issuance of the bonds.⁷

Demonstration by Bank of Compliance with Statutory Requirements

Prior to accepting applications for bank assistance, the Bank developed and adopted objective scoring criteria incorporating the statutory requirements described above, which scoring criteria form the basis to establish qualified projects and their priorities. Scoring includes consideration for local match and its relationship to total project cost; other funds; the Metropolitan Planning Organization and Council of Governments score; a public benefit preliminary score; and a financial plan score. Scores derived from application of the bank's methodology are reflected for each of the projects in the summary above, with further supporting details included in documentation accompanying the bank's request. The threshold score for qualifying projects under this approval request was 65 points.

The Bank has also adopted standard terms and conditions with which each project awarded financial assistance must comply.

By resolution adopted on July 16, 2020, the South Carolina Department of Transportation Commission approved the July 7, 2020, decision by the bank board to provide loans and financial assistance to the 7 projects, following the commission's findings among others that, with the exception of the US-17 Septima Clark Parkway project, the projects are included in the appropriate Council of Government's or Metropolitan Planning Organization's currently approved regional transportation plans or appropriate SCDOT statewide strategic program category, ranked in lists included as an attachment to the commission's resolution. The commission made a further finding that due to significant financial considerations it is appropriate to deviate from the regional or statewide lists in order to complete the US-17 Septima Clark Parkway project through an additional investment by the bank.

The bank has provided a certificate of its financial advisor reflecting sufficiency of revenues to support the bank's existing indebtedness. The bank has further demonstrated that it has sufficient financial resources to fund the projects through a combination of \$230 million in unrestricted cash on hand; \$145 million in revenue bond capacity; and potential future excess cash in 3 to 5 years ranging from \$60 to \$115 million. Accordingly, the bank has near term financial capacity in a range of \$435 to \$490 million, and immediate financial capacity of \$375 million, available to fund the projects.

In connection with its request for committee approval of issuance of up to \$363 million of revenue bonds, the proceeds of which may be used to fund the projects, the bank's financial advisor estimated a pre-COVID-19 debt capacity for the bank of \$380 million, but has reduced

⁶ SC Code Section 11-43-315.

⁷ SC Code Section 11-43-340.

that estimate to \$145 million in recognition of the potential temporary effects of COVID-19 on revenues of the bank.⁸

Action taken by the bank in approving these projects included these considerations, including available debt capacity and other financial resources. The bank has agreed to provide to the committee in executed form any resolutions adopted by the bank, along with an updated analysis of debt capacity, promptly upon issuance of any bonds authorized pursuant to this approval.

Accordingly, the bank has demonstrated compliance with the provisions and met the conditions of the South Carolina Transportation Infrastructure Bank Act for financial assistance approved by the bank on July 7, 2020, for 7 projects and, subject to the conditions reflected in the committee action below, for the potential issuance of revenue bonds by the bank as needed to provide financial assistance to these projects.

COMMITTEE ACTION:

1. Review and approve the financial assistance approved by the bank on July 7, 2020, for the 7 projects described herein.
2. Review and approve the potential issuance of up to \$363 million in revenue bonds as needed by the bank to provide financial assistance to these projects, conditioned on the bank's providing to the committee in executed form any resolutions adopted by the bank, along with an updated analysis of debt capacity, promptly upon issuance of any bonds authorized pursuant to this approval.

ATTACHMENTS:

1. Letter dated July 24, 2020, from John B. White, Jr., Esquire, Chairman, South Carolina Transportation Infrastructure Bank.
2. Selected supporting materials accompanying the bank's request.
3. Resolution dated July 16, 2020, of the South Carolina Department of Transportation Commission.

AVAILABLE:

1. Statutory references.
2. Complete submission materials.
3. JBRC project and debt authorizations to date.

⁸ The bank's financial advisor, PFM, has indicated that its estimates should not be used without the following notes: "PFM is not an econometric forecasting firm, and we have NOT forecasted impacts to SCTIB. We have taken reports provided by Moody's Investors Services and FitchRatings, the two firms that rate the Bank's Revenue Bonds, and used that to adjust Bank projected revenues down from the historical trend lines we typically use. The rating agencies did not specifically address the Bank's revenues but gave general information on the relative impacts to various types of revenues commonly used to secure municipal bonds. The revenue adjustments reflected herein are not PFM predictions of future outcomes but rather our best interpretations of the rating agency cases being applied across the municipal bond industry. Rating agency views of economic and revenue impacts as a result of the COVID-19 pandemic continue to evolve rapidly. We cannot represent that every rating agency report has been incorporated into this revenue stress case. These materials should not be forwarded or used without these important notes."

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South Carolina
Transportation Infrastructure Bank



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July 24, 2020

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

RE: SC Transportation Infrastructure Bank Requests

Dear Chairman Leatherman:

On July 7, 2020, the South Carolina Transportation Infrastructure Bank (SCTIB or Bank) approved financial assistance for seven projects. Per the South Carolina Transportation Infrastructure Bank Act (S.C. Code Sections 11-43-110, et seq.), the Bank requests Joint Bond Review Committee (JBRC) approval of financial assistance provided by the Bank for these projects and for the potential issuance of revenue bonds by the Bank as needed to provide financial assistance to the seven qualified projects.

For your review, please find enclosed summaries of each project, including the financial terms for each project. This summary includes the financial assistance to be provided by the Bank, the local match contribution (including the source of funds for the local match), other sources of funds and the purpose and description for each project (Attachment A).

In 2019, the SCTIB established a financial assistance application process that detailed the criteria for the scoring and prioritization of potential applicants consistent with the applicable provisions of the SCTIB Act. Complying with this process and after thorough analysis, the Bank Board approved financial assistance for the seven projects (Attachment B). Prior to that action, the Bank Evaluation Committee reviewed, scored, and recommended the seven projects to the Bank Board.

Prior to making its decision, the Bank's Financial Advisor advised that the Bank has the necessary financial capacity to provide financial assistance to the projects described below. The Bank Board discussed, reviewed, and scored these projects too. The Bank Board also voted that each project awarded financial assistance must comply among other things with the standard terms and conditions which are enclosed (Attachment C).

The following applications were approved by the Bank Board for financial assistance:

- Beaufort County – US 278 Corridor - Up to \$120,000,000 (grant)
- Charleston County – Main Road (Segment A) - Up to \$40,785,500 (grant)
- City of Charleston – US 17 Septima Clark - Up to \$21,500,000 (grant)
- Greenville County – Woodruff Road Parallel - Up to \$49,010,199 (grant)
- Jasper County/City of Hardeeville – I 95 Exit 3 - Up to \$56,191,806 (½ grant, ½ loan)
- York County – I 77 Exit 85 – Up to \$42,171,050 (grant)
- York County – I 77 Exit 82 (A-C) – Up to \$32,486,150 (grant).

The SCDOT Commission approved the projects at its meeting on July 16, 2020 (Attachment D)

Therefore, the Bank requests the JBRC take the following actions at its next meeting:


Approve the following:

1. A grant up to the amount of \$120,000,000 for the Beaufort County US 278 Project;
2. A grant up to the amount of \$40,785,500 for the Charleston County Main Road Segment A Project;
3. A grant in the amount of up to an additional \$21,500,000 for Phase 5 of the City of Charleston US 17 Septima Clark Project
4. A grant up to the amount of \$49,010,199 for the Greenville County Woodruff Road Parallel Project;
5. A grant up to the amount of \$28,095,903 for the Jasper County/City of Hardeeville I-95 Exit 3 Interchange Project and a loan up to the amount of \$28,095,903 for the Jasper County/City of Hardeeville I-95 Exit 3 Interchange Project;
6. A grant up to the amount of \$42,171,050 for the York County I-77, Exit 85 Project; and
7. A grant up to the amount of \$32,486,150 for the York County I-77, Exit 82 Project.

Further, the Bank requests JBRC approval for the issuance by the Bank of up to \$363 million in revenue bonds as needed to fund the financial assistance for the projects as explained herein.

Thank you for your consideration of this request. Should you have any questions, please contact Tami Reed at (803) 737-2875

Sincerely,


John B. White, Jr.
Chairman

Enclosures

Cc: Board Members

US 278 Corridor Improvement Project:

Beaufort County

This project includes the widening four lanes to six lanes of US 278 from Moss Creek Drive to Spanish Wells Road and includes the replacement/widening of both the east bound & west bound bridges over Mackay Creek and Skull Creek.

| | |
|----------------------------------|--|
| Project Type | Widening |
| Total Cost | \$272,370,112 |
| SCTIB Request | \$120,000,000 |
| Local Match | \$92,300,000* |
| Local Match as % of Total Cost | 34% |
| Other Funds | \$60,071,112** |
| MPO/COG Score | 74 (74/2*1.1 = 40.7) |
| Public Benefit Preliminary Score | 50 (40.7 + 10 pts for Economic Development) |
| Financial Plan Score | 36 (excess match - 18 pts, other federal funds – 18 pts) |
| TOTAL SCORE | 86 |

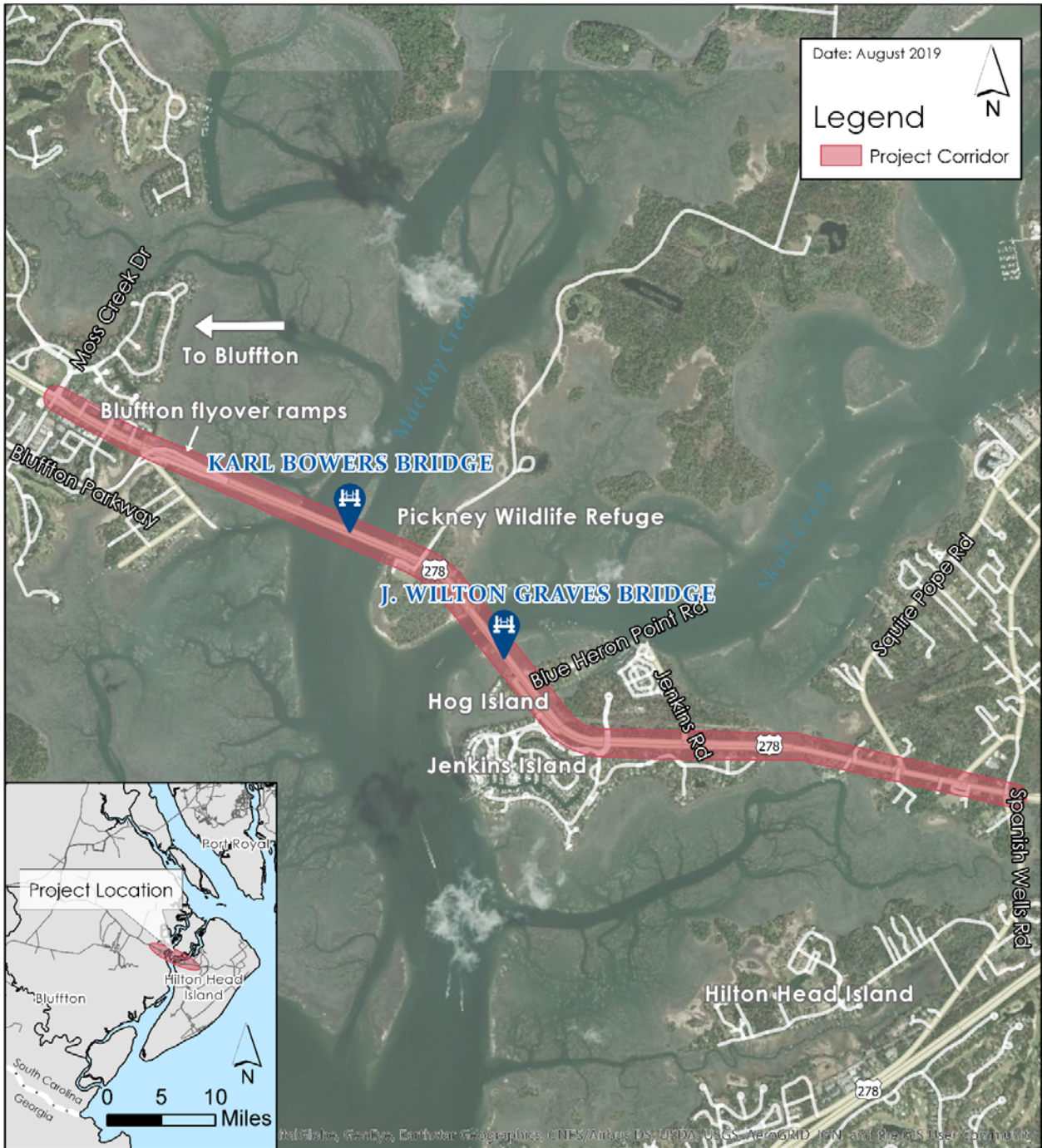
*Beaufort County One Cent Sales tax \$80 million and Beaufort County Road Impact Fees \$12.3 million


**Federal Guideshare/Local Money for the Environmental Assessment/Preliminary Engineering \$4.2 million; SCDOT Bridge Replacement Funds \$43,521,112; Beaufort County Funds for Jenkins Island Work \$9 million; Town of Hilton Head Right-of-Way Dedication \$3,350,000f

Program Category: Lowcountry Area Transportation Study (LATS) MPO

SCDOT Interstate/NHS Bridge

Plan Identification: LATS 2040 Long Range Transportation Improvement Plan – #1 2016 Interstate/NHS Bridge Ranking - #2 (US 278 east bound over Mackay Creek)



| | | |
|--|------------------------------------|---|
| <p>PROJECT CORRIDOR</p> <p>Beaufort County - US 278 Bridges to Hilton Head Island</p> | <p>0 0.25 0.5 1 Miles</p> <p>8</p> |  |
|--|------------------------------------|---|

Main Road & Bohicket Road:

Charleston County

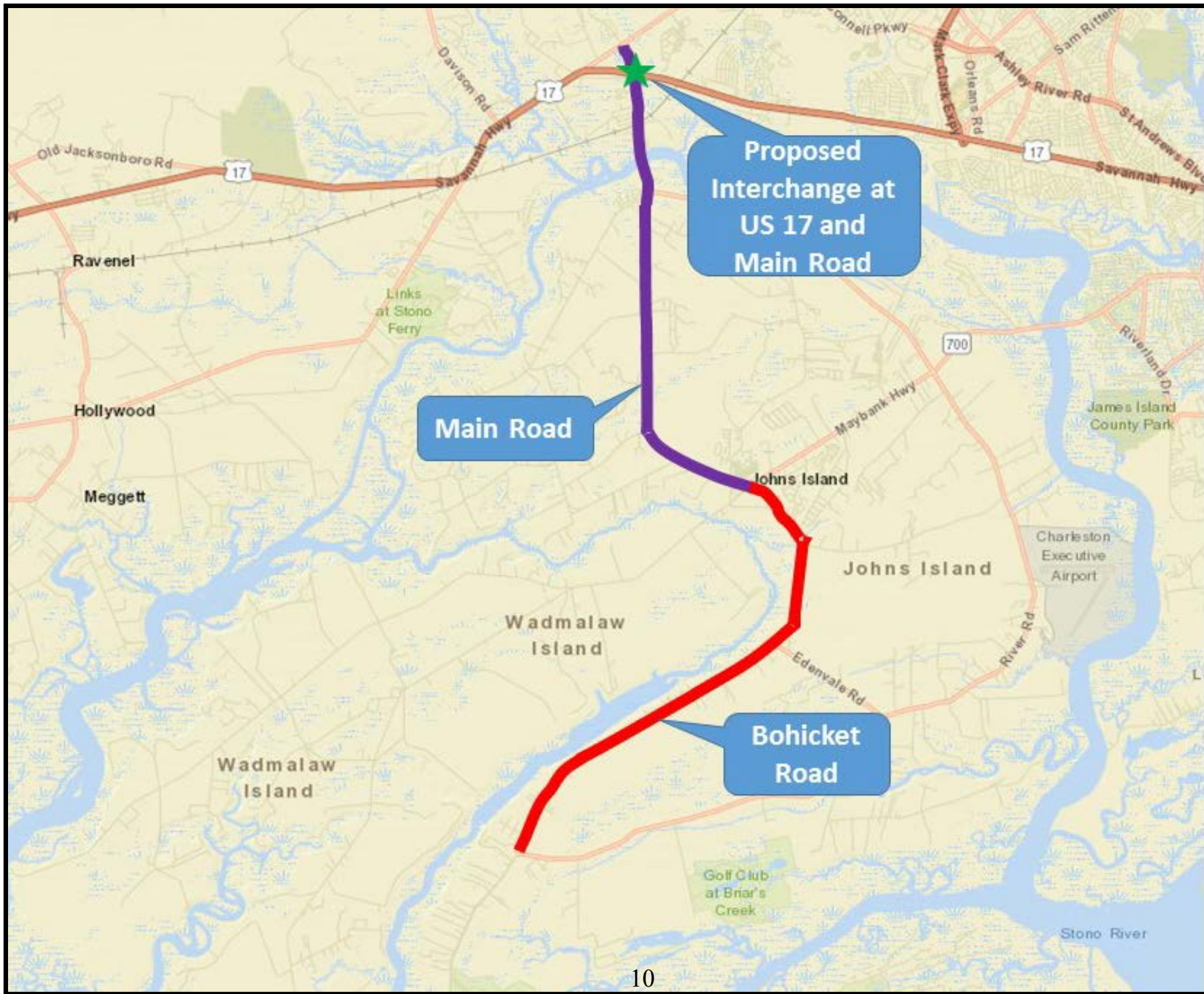
This project includes a grade separated interchange at US 17 (Savannah Highway) and Main Road (S-20). In addition, two miles of Main/Bohicket Road (S-20) will be widened to four lanes from Bees Ferry Road to River Road.

| | |
|----------------------------------|---|
| Project Type | Widening |
| Total Cost | \$111,000,000* |
| SCTIB Request | \$40,785,500 |
| Local Match | \$70,214,500* Charleston County (2016 Transportation Sales Tax) |
| Local Match as % of Total Cost | 63%* |
| Other Funds | \$0 |
| MPO/COG Score | 59.71 in Charleston Area Transportation Study |
| Public Benefit Preliminary Score | 42.85 ($59.71/2 = 28.86 * 1.1 = 32.85 + 10$ pts) National Highway System Route |
| Financial Plan Score | 50 (excess match 10 pts for each 5% above 5 *10) |
| TOTAL SCORE | 92.85 |

*Project total and match increased 7/6/20 Evaluation Committee Meeting Presentation

Program Category: Charleston Area Transportation Study (CHATS) MPO SCDOT Safety Program

Plan Identification: CHATS 2040 Long Range Transportation Improvement Plan, Committed Roadway Projects and included in SCDOT's 2015 Highway Safety Improvement Program.



US17/Septima Clark Parkway Project – Phase 5

City of Charleston

This project is a project along US 17 (Septima Clark) between the Ashley River and I-26. It includes a tunnel conveyance, pump stations, drop shafts, and surface drainage improvements. This project is being completed in five phases. Phases one through three are complete and phase four is under construction. Phase 5 is the last phase to be completed and includes the installation of multiple pump stations and associated infrastructure to increase the gravity flow capacity provided by the previous phases and to assist in relieving flooding issues on US 17 and in the Medical District.

| | |
|----------------------------------|--|
| Project Type | Road Drainage |
| Total Cost | \$43,000,000* |
| SCTIB Request | \$21,500,000 |
| Local Match | \$21,500,000** |
| Local Match as % of Total Cost | 50% |
| Other Funds | \$0 |
| MPO/COG Score | None |
| Public Benefit Preliminary Score | 15** |
| Financial Plan Score | 50 (excess match 10 pts for each 5% above 5 *10) |
| TOTAL SCORE | 65 |

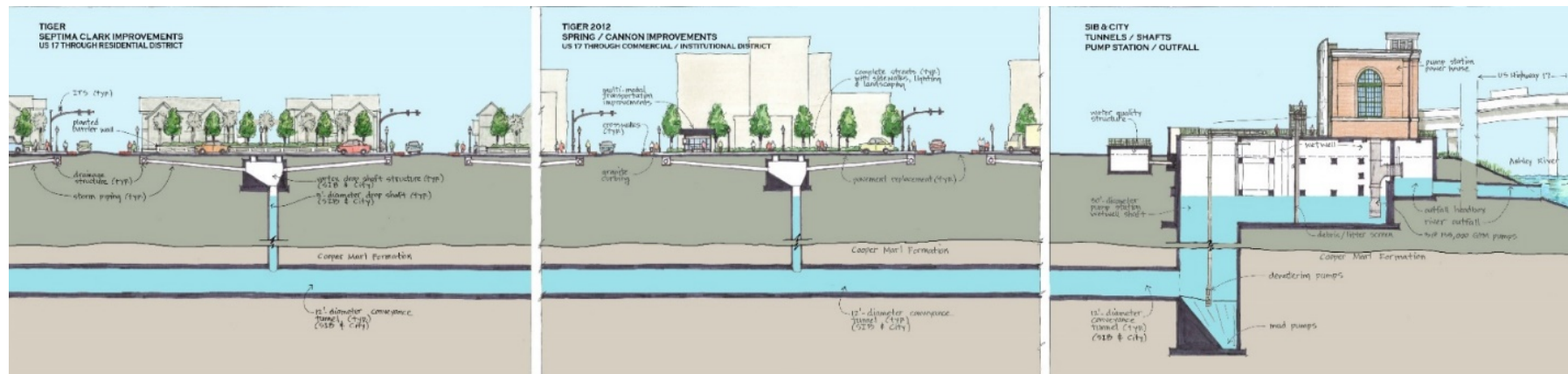
* Total estimated Project cost of \$197 million. The City proposes amending the Agreement to increase the City contribution to the Project by \$21.5 million to a total of \$87.5 million and the STIB contribution by \$21.5 million to a total of \$109.5 million; a 50/50 cost share of the additional funding needs.

** City's Drainage Fund and the King Street Gateway Tax Increment Financing

*** 15 points awarded to Public Benefit due to complete important existing project in a major transportation corridor.

Program Category: Charleston Area Transportation Study (CHATS) MPO

Plan Identification: CHATS 2017 - 2022 Transportation Improvement Plan



Spring / Fishburne US 17 Drainage Improvements



Woodruff Rd Congestion Relief Project:

(Greenville County)

This project includes a 5-lane new location roadway parallel to existing Woodruff Road from Roper Mountain Road/Verdae Boulevard to Smith Hines Road. The proposed project will help alleviate extreme congestion experienced throughout the Woodruff Road corridor.

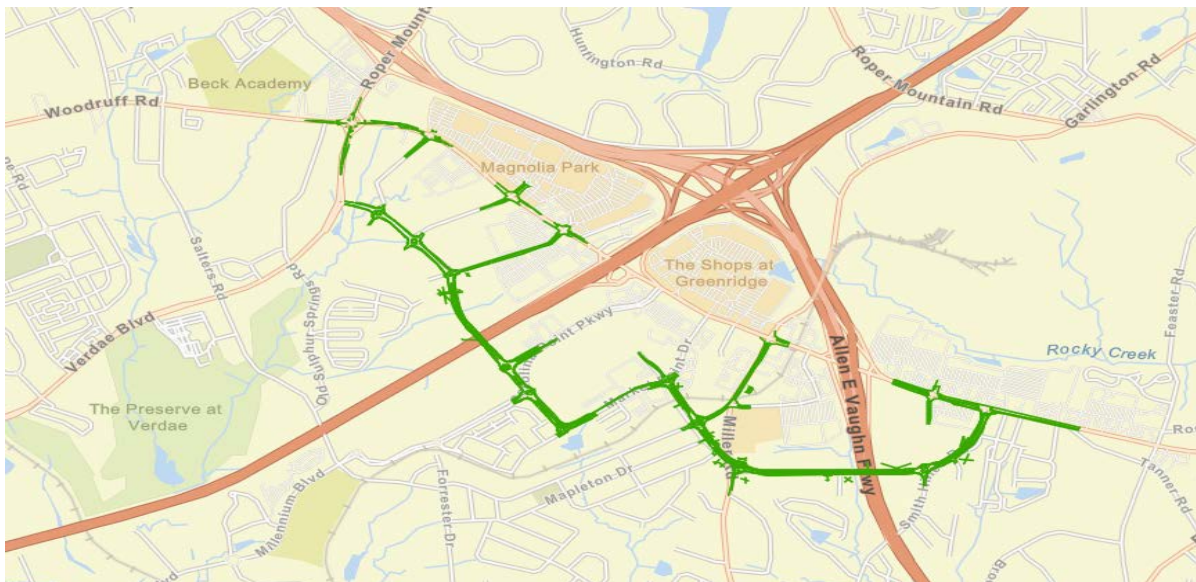
| | |
|----------------------------------|---|
| Project Type | Congestion Relief/Parallel Road |
| Total Cost | \$121,346,932 |
| SCTIB Request | \$49,010,199 |
| Local Match | \$30,336,733 * |
| Local Match as % of Total Cost | 25% |
| Other Funds | \$42,000,000 ** |
| MPO/COG Score | 58 in Greenville-Pickens Area Transportation Study |
| Public Benefit Preliminary Score | 41.9 (58/2 = 29 * 1.1 = 31.9 + 10 pts) Statewide Multiplier |
| Financial Plan Score | 25 (Guideshares 35%(5 pts for every 5% = 35)) (25 points Max) |
| TOTAL SCORE | 66.9 |

*From Special Source Revenue Bonds. Bonds will be repaid from revenue from the County road maintenance fee.

**SCDOT has authorized the use of Federal Guideshare funding on the Woodruff Road Project.

Program Category: Greenville-Pickens Area Transportation Study (GPATS) MPO

Plan Identification: GPATS 2035 Long Range Transportation Improvement Plan – #1 GPATS 2021 – 2026 Transportation Improvement Plan – #1





Exit 3 I-95 Interchange

Jasper/Hardeeville

This project includes a new interchange at Exit 3 to include a new connecting road (Riverport Parkway) generally along the exiting Purrysburg Road alignment; construction of 1.5 mile parkway north of I-95; and construction of a 3 mile parkway south of I-95. The existing Purrysburg Road Bridge over I-95 will be replaced as well as a new bridge over the CSX rail line parallel to I-95. Bank funds used for work on interchange and rail line bridge.

| | |
|----------------------------------|--|
| Project Type | New Interchange |
| Total Cost | \$82,463,074 (Including loan principal and interest) |
| SCTIB Request | \$28,095,903 Loan \$28,095,903 Grant |
| Local Match | \$20,748,186** |
| Local Match as % of Total Cost | 25% |
| Other Funds | \$5,523,082*** |
| MPO/COG Score | 55 from Lowcountry Area Transportation Study |
| Public Benefit Preliminary Score | 50 ($55/2 = 27.5 * 1.1 = 30.25 + 10$ pts) +9.75**** |
| Financial Plan Score | 15 **** |
| TOTAL SCORE | 65 |

* Local Match proposed is a 15 year SCTIB Loan for \$28,095,903 (3.5%). The loan will be secured by a Tax Increment Financing Program and Agreement entered into by Jasper County, the City of Hardeeville, and the Jasper County School District. Additional security will be provided by a Municipal Improvement District established by the City of Hardeeville and as stated in the terms of agreements with the Bank. The property owner, SLF III – Hardeeville, L.P., will establish a Letter of Credit that will secure the annual debt service payment on the loan. The SCDOT shall act as project manager for the construction of the interchange.

**Match Third Party funding of Riverport Parkway improvements of \$20,748,186

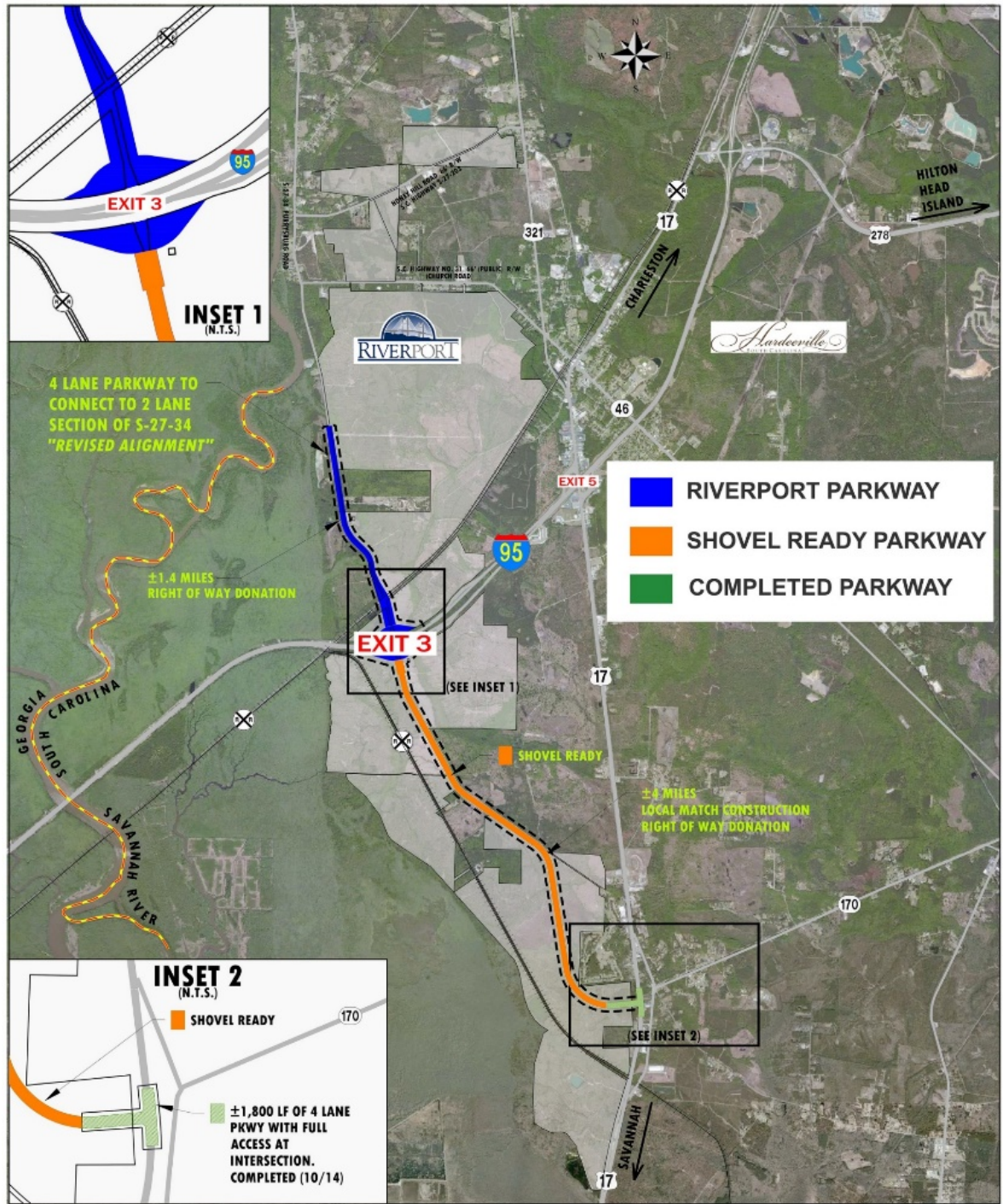
***Other funds proposed do not qualify as local match but could possibly be applied to project ROW Donation of \$5,523,082 as other funds. For a total of \$26,271,268 from developer.

****Public Benefit Score increased per Committee to 50 points due to Economic Impact of project as discussed by Mayor and others presentations. Financial Plan Score 15 points awarded due to the minimum match requirement.

Program Category: Lowcountry Area Transportation Study (LATS) MPO; SCDOT Rural Interstate Freight Network

Plan Identification: LATS 2040 Long Range Transportation Improvement Plan, (Interchange Imp.) #3;

2018 SCDOT Rural Interstate Freight Network - #2 Project



I-77 Corridor Project (Exit 85)

York County

This project includes interchange improvements to the existing interchange of I-77 @ SC 160 (Exit 85). It is anticipated that this project will include 2 new bridges spanning I-77 and replacing/widening the existing SC 160 bridge over I-77.

Exit 85 – SC160

| | |
|----------------------------------|---|
| Project Type | Widening |
| Total Cost | \$49,613,000 |
| SCTIB Request | \$42,171,050 |
| Local Match | \$7,441,950* |
| Local Match as % of Total Cost | 15% |
| Other Funds | \$0 |
| MPO/COG Score | 90.53 |
| Public Benefit Preliminary Score | 50 (90.53/2 = 45.27 * 1.1 = 49.80) + 10 pts Economic Develop. |
| Financial Plan Score | 15** |
| TOTAL SCORE | 65 |

* York County C-Funds authorized by the County Transportation Committee

**Minimum Match of 15%. Project deemed eligible and qualified per Operating Guidelines. Project had maximum Public Benefit Score.

Program Category: Rock Hill-Fort Mill Area Transportation Study (RFATS) MPO; SCDOT 2007 Interstate Interchange Ranking List

Plan Identification: RFATS 2045 Long Range Transportation Plan – #1 Project



I-77 Corridor Project Exit 82 (A-C)

York County

This project includes interchange improvements to the existing interchange of I-77 with Celanese/Cherry Road (Exit 82 A, B, &C)

Exit 82 A-C – Celanese Road and Cherry Road

| | |
|----------------------------------|---|
| Project Type | Widening |
| Total Cost | \$38,219,000 |
| SCTIB Request | \$32,486,150 |
| Local Match | \$5,732,850* |
| Local Match as % of Total Cost | 15% |
| Other Funds | \$0 |
| MPO/COG Score | 79.12 |
| Public Benefit Preliminary Score | 50 (79.12/2 = 39.56 * 1.1 = 43.52) + 10 pts Economic Develop. |
| Financial Plan Score | 15** |
| TOTAL SCORE | 65 |

*York County C-Funds authorized by the County Transportation Committee

**Minimum Match of 15%. Project deemed eligible and qualified per Operating Guidelines. Project had maximum Public Benefit Score.

Program Category: Rock Hill-Fort Mill Area Transportation Study (RFATS) MPO; SCDOT 2007 Interstate Interchange Ranking List

Plan Identification: RFATS 2045 Long Range Transportation Plan – #5 Project



SOUTH CAROLINA TRANSPORTATION INFRASTRUCTURE BANK

RESOLUTION ON

APPLICATIONS FOR FUNDING

WHEREAS, at its meeting on June 26, 2018, the Bank Board voted to recommence its acceptance and consideration of applications.

WHEREAS, at its meeting on August 7, 2019, the Bank Board voted to approve an amended Application to reflect certain recommendations of the Evaluation Committee.

WHEREAS, the Bank invited applications from project sponsors or owners to be submitted by September 1, 2019, and did receive such applications.

WHEREAS, at its meeting on July 6, 2020, the Evaluation Committee reviewed the applications for funding and has made recommendations concerning those applications.

WHEREAS, the Bank Board has reviewed and considered its available funding capacity, the project applications for funding, and the Evaluation Committee's recommendations.

NOW, THEREFORE, the Board of the Bank hereby resolves that:

Section 1. The Bank will make available no more than \$367 million to be reserved and set aside for the applications submitted as part of this round of applications for funding.

Section 2. The Bank will provide funding for the following projects in the following amounts, subject to the conditions specified in Section 3 below:

| Applicant | Project | Score | Financial Assistance |
|--------------------|-----------------------------|-------|---|
| Beaufort County | US 278 | 86 | \$120,000,000 (Grant) |
| Charleston County | Main Road and Bohicket Road | 92.85 | \$40,785,500 (Grant) |
| City of Charleston | US 17/Septima Clark | 65 | \$21,500,000 (Grant) |
| Jasper/Hardeeville | I-95, Exit 3 | 65 | \$28,095,903 (Loan) \$28,095,903 (Grant) |

Section 3. The approval of the foregoing funding amounts is subject to the following conditions:

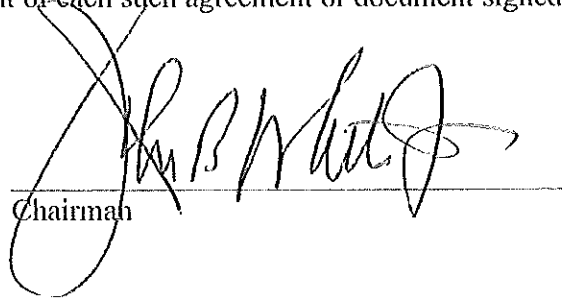
- a. the Bank, the project sponsor, and any other appropriate parties entering into an Agreement, and any other instruments, in a form and with contents acceptable to the Bank, including the Standard Conditions attached hereto as Appendix A and the final terms of the loan to Jasper/Hardeeville being acceptable to the Bank;
- b. the Joint Bond Review Committee of the General Assembly, the South Carolina Department of Transportation Commission, and any other federal or state

governmental entity granting any approvals necessary for the Bank to provide funding and for the project to be fully funded and completed; and

- c. the foregoing funding approvals having no adverse impact on the Bank or its obligations to projects previously approved for financial assistance by the Bank.

Section 4. The Chairman and Vice Chairman are hereby authorized, upon the advice of legal counsel for the Bank, to sign any agreements or documents and undertake any other measures necessary to implement the foregoing actions, and the Chairman's or Vice Chairman's signature shall be conclusive evidence of the form and content of each such agreement or document signed by him.

Adopted July 7, 2020.


Chairman

ATTEST:


Secretary

SOUTH CAROLINA TRANSPORTATION INFRASTRUCTURE BANK

RESOLUTION ON

APPLICATIONS FOR FUNDING

WHEREAS, at its meeting on June 26, 2018, the Bank Board voted to recommence its acceptance and consideration of applications.

WHEREAS, at its meeting on August 7, 2019, the Bank Board voted to approve an amended Application to reflect certain recommendations of the Evaluation Committee.

WHEREAS, the Bank invited applications from project sponsors or owners to be submitted by September 1, 2019, and did receive such applications.

WHEREAS, at its meeting on July 6, 2020, the Evaluation Committee reviewed the applications for funding and has made recommendations concerning those applications.

WHEREAS, the Bank Board has reviewed and considered its available funding capacity, the project applications for funding, and the Evaluation Committee's recommendations.

NOW, THEREFORE, the Board of the Bank hereby resolves that:

Section 1. The Bank will make available no more than \$367 million to be reserved and set aside for the applications submitted as part of this round of applications for funding.

Section 2. The Bank will provide funding for the following projects in the following amounts, subject to the conditions specified in Section 3 below:

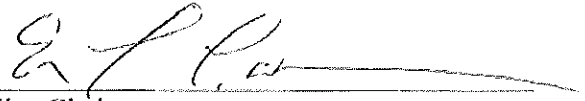
| Applicant | Project | Score | Financial Assistance |
|-------------------|---------------|-------|----------------------|
| Greenville County | Woodruff Road | 66.9 | \$49,010,199 (Grant) |
| York County | I-77, Exit 85 | 65 | \$42,171,050 (Grant) |
| York County | I-77, Exit 82 | 65 | \$32,486,150 (Grant) |

Section 3. The approval of the foregoing funding amounts is subject to the following conditions:

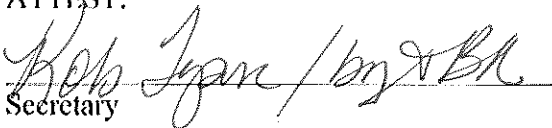
- a. the Bank, the project sponsor, and any other appropriate parties entering into an Agreement, and any other instruments, in a form and with contents acceptable to the Bank, including the Standard Conditions attached hereto as Appendix A;
- b. the Joint Bond Review Committee of the General Assembly, the South Carolina Department of Transportation Commission, and any other federal or state governmental entity granting any approvals necessary for the Bank to provide funding and for the project to be fully funded and completed; and
- c. the foregoing funding approvals having no adverse impact on the Bank or its obligations to projects previously approved for financial assistance by the Bank.

Section 4. The Chairman and Vice Chairman are hereby authorized, upon the advice of legal counsel for the Bank, to sign any agreements or documents and undertake any other measures necessary to implement the foregoing actions, and the Chairman's or Vice Chairman's signature shall be conclusive evidence of the form and content of each such agreement or document signed by him.

Adopted July 7, 2020.


Vice Chairman

ATTEST:


Secretary

SOUTH CAROLINA TRANSPORTATION INFRASTRUCTURE BANK

STANDARD CONDITIONS

- (1) The Bank, project sponsor, and SCDOT (if participating in the Project) must enter into an Intergovernmental Agreement (“IGA”) and any other instruments or agreements required by the Bank, all in a form and with contents and terms acceptable to the Bank, to implement the provision of financial assistance by the Bank and these conditions.
- (2) To implement financial assistance provided by the Bank, the Joint Bond Review Committee of the General Assembly, SCDOT and any other governmental authorities required by South Carolina law or regulation must provide its approval.
- (3) The Bank must determine that the provision of financial assistance by the Bank will not have any adverse impact on the Bank or its financial assistance obligations to projects previously approved by the Bank.
- (4) The Bank must receive all financial contributions, assistance, grants or matches for the Project from all sources and participants other than the Bank on such schedule as the Bank shall establish.
- (5) The Bank may require the project sponsor to pledge some or all of its financial contributions to the project to the payment of debt issued by the Bank, and the project sponsor shall enter into and execute all agreements, instruments, documents, provisions and terms deemed necessary by the Bank to meet this requirement.
- (6) Any funds committed to the project by the Bank remaining after completion of the project must be transferred to the Bank unless this condition is waived or modified by the Bank.
- (7) Any material change in scope of the Project must be approved by Bank, may require an amendment to the IGA, and may be subject to the JBRC or other government approvals.
- (8) At request of the Bank, any entities, agencies or firms providing financial contributions, grants or assistance to, or otherwise participating in, the project shall execute any other documents, agreements or instruments that are required by the Bank to evidence or establish their obligations to the Bank and/or the project. The documents, agreements or instruments must be in a form and with contents acceptable to the Bank.
- (9) The project sponsor warrants that it has full power and authority to execute, deliver and perform and to enter into and carry out the transactions contemplated by the IGA.
- (10) The project sponsor warrants that no further authorizations, consents or approvals of governmental bodies or agencies are required for the performance of the obligations in the IGA.

(11) If requested by the Bank, the project sponsor shall provide a written opinion addressed to the Bank by legal counsel to the project sponsor in a form and with conclusions satisfactory to the Bank.

(12) The project sponsor shall defend, indemnify and hold the Bank harmless from and against any and all liabilities, claims, or actions arising out of or relating to the project.

(13) Upon default to the Bank, the project sponsors and other entities, agencies or firms providing financial contributions, grants or assistance to the project acknowledge the statutory authority of the State Treasurer to withhold funds allotted or appropriated by the State to them and to apply those funds to make or complete any committed/required payments to the Bank.

(14) The project sponsor warrants that no litigation, nor any proceeding before any governmental agency involving the project sponsor is pending, or to the knowledge of the project sponsor, threatened, in which any potentially adverse outcome would have a materially adverse impact on the ability of the project sponsor to meet its obligations under its financial assistance arrangement with the Bank.

(15) The Bank shall be reimbursed for costs that are discovered not to be eligible costs.

(16) These Standard Conditions incorporate by reference the conditions and requirements set forth in the Operating Guidelines, Procedures, and Standard Conditions adopted by the Bank Board, and as they may be updated from time to time.

(17) These are Standard Conditions, and the Bank reserves the right to require additional conditions on a project-by-project basis.

July 21, 2020

Mr. John B. White, Jr.
Chairman, South Carolina Transportation Infrastructure Bank
955 Park Street, Room 120B
Columbia, SC 29201

Dear Chairman White:

Please find enclosed a Resolution of the South Carolina Department of Transportation Commission (Commission) approving the recent decision by the South Carolina Transportation Infrastructure Bank Board of Directors to provide loans and financial assistance for seven projects.

During their deliberations, the Commission echoed some of the same concerns raised during the Infrastructure Bank Board of Directors meeting regarding the ability of the rural areas of the state to compete effectively against the urban areas for Infrastructure Bank funding awards.

SCDOT congratulates the Infrastructure Bank on developing and implementing a robust project evaluation process and we appreciate the excellent working relationship between SCDOT and the Infrastructure Bank that has been forged under your leadership.

Should you have any questions or concerns, please do not hesitate to contact us.

Sincerely,



Christy A. Hall, P.E.
Secretary of Transportation

CC: SCDOT Commission

Enclosure

Post Office Box 191
955 Park Street, Room 309
Columbia, SC 29202-0191



www.scdot.org
An Equal Opportunity
Affirmative Action Employer
855-GO-SCDOT (855-467-2368)

A RESOLUTION

A RESOLUTION OF THE SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION COMMISSION APPROVING THE JULY 7, 2020 DECISION BY THE SOUTH CAROLINA STATE TRANSPORTATION INFRASTRUCTURE BANK BOARD OF DIRECTORS TO PROVIDE LOANS AND FINANCIAL ASSISTANCE TO VARIOUS APPLICANTS.

WHEREAS, South Carolina Code Section 11-43-150(D) requires the Board of Directors of the South Carolina State Transportation Infrastructure Bank (STIB) to submit decisions to provide loans or other financial assistances to a qualified borrowers on a qualified project to the South Carolina Department of Transportation (SCDOT) Commission for its consideration; and

WHEREAS, South Carolina Code Section 11-43-150(D) further requires the SCDOT Commission to approve or reject the decisions of the STIB Board of Directors, or request additional information; and

WHEREAS, the STIB Board approved two resolutions on July 7, 2020 approving loans and other financial assistance in the amount of \$362,144,705 for the following projects and as noted in Attachment A; and

| Project | Applicant | Financial Assistance |
|---------------------------------|--------------------|---|
| Main / Bohicket Road | Charleston County | \$40,785,500 (Grant) |
| US 278 | Beaufort County | \$120,000,000 (Grant) |
| Woodruff Road Congestion Relief | Greenville County | \$49,010,199 (Grant) |
| I-77, Exit 82 | York County | \$32,486,150 (Grant) |
| I-77, Exit 85 | York County | \$42,171,050 (Grant) |
| I-95, Exit 3 | Jasper/Hardeeville | \$28,095,903 (Loan) \$28,095,903 (Grant) |
| US 17/Septima Clark Parkway | City of Charleston | \$21,500,000 (Grant) |

WHEREAS, Act 114 of 2007 requires that the SCDOT Commission select projects considering objective and quantifiable factors such as financial viability, safety, economic development, traffic volumes and congestion, truck traffic, pavement condition, environmental impacts, transportation alternatives and consistency with local land use plans; and

WHEREAS, the SCDOT Commission utilizes the Council of Governments and Metropolitan Planning Organizations transportation planning processes to identify and prioritize the regional transportation needs in accordance with the Act 114 requirements within their geographic regions; and

WHEREAS, the SCDOT Commission utilizes statewide ranking lists in accordance with Act 114 requirements for statewide strategic program categories such as Interstate Widening, Bridge Replacements and Safety Projects; and

WHEREAS, in accordance with SC Code of State Regulations 63-10 (C) 2, the SCDOT Commission may deviate from the order in the ranked lists based on significant financial or engineering considerations, delayed permitting, *force majeure*, pending legal actions, federal law or regulation, or economic growth; and

WHEREAS, the SCDOT Commission finds that the Main/Bohicket, US 278, Woodruff Road Congestion Relief, I-77 Exit 82, I-77 Exit 85 and I-95 Exit 3 projects are all included in the appropriate Council of Government's or Metropolitan Planning Organization's currently approved regional transportation plans or appropriate SCDOT statewide strategic program category ranked lists as shown in Attachment B; and

WHEREAS, the SCDOT Commission further finds that due to significant financial considerations it is appropriate to deviate from the regional or statewide lists in order to complete the US 17 / Septima Clark Parkway project through an additional investment by the STIB;

THEREFORE, BE IT RESOLVED that in meeting assembled this 16th day of July, 2020 the SCDOT Commission approves the July 7, 2020 decision of the STIB Board of Directors to select and fund the projects described above and as noted in Attachment A; and

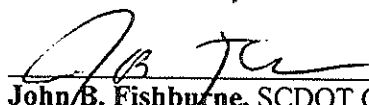
BE IT FURTHER RESOLVED THAT a true copy of this resolution be forwarded to the STIB Board and the Joint Bond Review Committee.



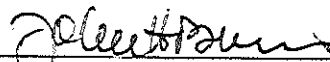
Tony K. Cox, SCDOT Commission Chairman
Seventh Congressional District



Robert D. Robbins, SCDOT Commissioner
First Congressional District



John B. Fishburne, SCDOT Commission Vice-chair
Sixth Congressional District



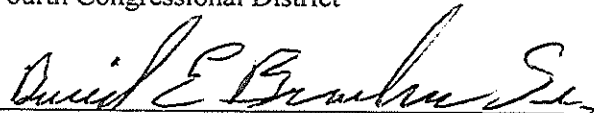
John H. Burriss, Sr., SCDOT Commissioner
Second Congressional District



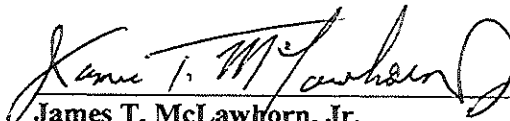
Dr. Ben H. Davis, SCDOT Commissioner
Third Congressional District



Woodrow W. Willard, SCDOT Commissioner
Fourth Congressional District



David E. Branham, Sr. SCDOT Commissioner
Fifth Congressional District



James T. McLawhorn, Jr.
Governor's At-Large Appointee

BOARD OF DIRECTORS

John B. White, Jr., *Chairman*

Ernest Duncan, *Vice Chairman*

Tony K. Cox

Senator Hugh K. Leatherman, Sr.

H.B. "Chip" Limehouse, III

David B. Shehan

Representative J. Gary Simrill

TRUE COPY

South Carolina Transportation Infrastructure Bank



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

July 16, 2020

The Honorable Tony Cox, Chairman
South Carolina Department of Transportation
955 Park Street
Columbia, South Carolina 29201

RE: SCTIB Project Approval Requests

Dear Chairman Cox:

The South Carolina Transportation Infrastructure Bank ("SCTIB" or "Bank") submits to the Department of Transportation Commission ("Commission") for its consideration of the Bank's decision to provide financial assistance to seven projects. The Bank makes its request based on the statutory language requiring the Bank to submit its decisions on financial assistance or loans to the Commission prior to the Bank providing the loan or financial assistance to a qualified project. South Carolina Code Section 11-43-150 (D).

On July 7, 2020, the Bank Board unanimously approved financial assistance and one loan to seven projects. The Bank approved these projects in two separate Resolutions. See enclosed Resolutions with Appendix. The Bank's Evaluation Committee heard presentations from each of the project applicants. The Committee ranked the project requests based on the Bank's established evaluation criteria and Operating Guidelines and recommended the following financial assistance.

| Applicant | Project | Financial Assistance |
|--------------------|-----------------------------|---|
| Beaufort County | US 278 | \$120,000,000 (Grant) |
| Charleston County | Main Road and Bohicket Road | \$ 40,785,500 (Grant) |
| City of Charleston | US 17/Septima Clark | \$ 21,500,000 (Grant) |
| Jasper/Hardeeville | I-95, Exit 3 | \$ 28,095,903 (Loan) \$ 28,095,903 (Grant) |
| Greenville County | Woodruff Road | \$ 49,010,199 (Grant) |
| York County | I-77, Exit 85 | \$ 42,171,050 (Grant) |
| York County | I-77, Exit 82 | \$ 32,486,150 (Grant) |

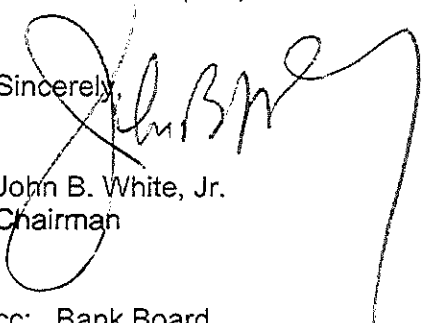
The projects approved were not all of the applications considered by the Committee and Board. The SCTIB Board will consider a Phase 2 of the pending applications before the end of the year based on the Bank's capacity and economic conditions.

Therefore, the Bank is requesting the SCDOT Commission take the following action:

Approve the Bank Board of Directors' decisions to provide grants and one loan to the respective applicants for the projects as listed above.

Thank you for your consideration of this request. Should you have any questions, please contact Tami Reed at (803) 737-2875.

Sincerely,



John B. White, Jr.
Chairman

cc: Bank Board

AGENCY: Department of Administration
Facilities Management and Property Services

SUBJECT: Proposed Lease
South Carolina Department of Motor Vehicles
122 Edgeworth Street, Greenville

The South Carolina Department of Motor Vehicles requests review of its proposal to lease 7,917 square feet of office space located at 122 Edgeworth Street, Greenville from Blue Creative, LLC. The Department has been in a holdover status under its current lease located at 300 University Ridge, which is now owned by Greenville County, since July 1, 2018. The County intends to redevelop the building and has requested that the agency vacate the space.

The SC Department of Administration conducted a solicitation following a determination that other state space was not available. The Department of Administration received 4 responses, 2 of which were eliminated for various reasons. Of the 2 remaining proposals, the location selected is the lowest bid, is the most accessible to the public, and has the best parking available to support staff, customers and testing conducted by the Department of Motor Vehicles.

The proposed landlord has the ability to purchase but does not yet own the facility; accordingly, the lease is contingent upon Blue Creative, LLC purchasing the property. The landlord will upfit the building as agreeable to the agency, with the exception of furniture, information technology and cabling, which will be at the tenant's expense.

The term of the proposed lease is 12 years beginning on December 12, 2020. Rent equates to \$27.82 per square foot for the first year and will increase by 2.5% each year thereafter. Rent includes all operating expenses other than electricity through December 31, 2021; thereafter, increases in operating expenses are the responsibility of the tenant. Total rent over the term is \$3,038,483. The lease includes adequate parking for all employees and visitors, and meets state space standards. No option to purchase the property is included in the lease.

The Department of Administration reports that lease payments will be made from state appropriations, and the agency's submission represents that funding for payments will be sufficient throughout the lease term. The Department of Administration reports that comparable rates for similar commercial space in the area range from \$25.00 to \$30.00 per square foot.

COMMITTEE ACTION:

Review and make recommendation regarding the proposed 12-year lease.

ATTACHMENTS:

1. Department of Administration, Facilities Management and Property Services Agenda Item Worksheet.
2. South Carolina Department of Motor Vehicles letter.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET


Meeting Scheduled for: August 11, 2020

Regular Agenda

1. Submitted by:

(a) Agency: Department of Administration

(b) Authorized Official Signature:


Ashlie Lancaster, Director

2. Subject: Department of Motor Vehicles Lease at 122 Edgeworth Street, Greenville, SC

3. Summary and Background Information:

The South Carolina Department of Motor Vehicles requests approval to lease 7,917 square feet of office space at 122 Edgeworth Street, Greenville, SC from Blue Creative, LLC. This is a single tenant building. The Department of Motor Vehicles has been in holdover at 300 University Ridge, Suite 105 (which is now owned by the County of Greenville) since July 1, 2018. The County of Greenville intends to redevelop the building and has requested the agency to vacate the space.

After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for commercial space which resulted in four proposals. One proposal was eliminated because the offeror did not own the property and did not demonstrate that it had the ability to acquire the property, and one proposal was eliminated because it was on the 3rd floor of a building with only one elevator with a capacity of 6 persons at a time which would not accommodate the accessibility needs of the DMV for approximately 800 customers per day. Of the remaining two proposals, the selected location was the lowest bid, most accessible to the public, and had the best parking availability for staff, customers, and testing accommodations.

By contract, the proposed landlord has the ability to purchase, but does not yet own 122 Edgeworth Street. Accordingly, the lease is contingent upon Blue Creative, LLC purchasing the property in fee simple and completing the tenant improvements. The landlord will upfit the building as agreeable to the agency with all IT/Cabling and furniture at tenant's expense.

The lease term will be twelve years and is expected to commence on or about December 12, 2020. The base rental rate for the first year of the term is \$27.82 per square foot with a 2.5% annual escalation rate for an annual aggregate amount of \$220,251. The total base rent to be paid over the 12-year term will be \$3,038,483.49. The base rent over the term is as follows:

| Term | Base Rent/sq.ft. | Annual Rent | Monthly Rent |
|-------------|-------------------------|--------------------|---------------------|
| Year 1 | \$ 27.82 | \$ 220,250.94 | \$ 18,354.25 |
| Year 2 | \$ 28.52 | \$ 225,757.21 | \$ 18,813.10 |
| Year 3 | \$ 29.23 | \$ 231,401.14 | \$ 19,283.43 |
| Year 4 | \$ 29.96 | \$ 237,186.17 | \$ 19,765.51 |
| Year 5 | \$ 30.71 | \$ 243,115.83 | \$ 20,259.65 |
| Year 6 | \$ 31.48 | \$ 249,193.72 | \$ 20,766.14 |
| Year 7 | \$ 32.26 | \$ 255,423.57 | \$ 21,285.30 |
| Year 8 | \$ 33.07 | \$ 261,809.15 | \$ 21,817.43 |
| Year 9 | \$ 33.90 | \$ 268,354.38 | \$ 22,362.87 |
| Year 10 | \$ 34.74 | \$ 275,063.24 | \$ 22,921.94 |
| Year 11 | \$ 35.61 | \$ 281,939.82 | \$ 23,494.99 |
| Year 12 | \$ 36.50 | \$ 288,988.32 | \$ 24,082.36 |

Operating expenses, other than electricity, which accrue during the period from the lease commencement date through December 31, 2021 will be included in the base rental rate. Thereafter, increases in such building operating costs are the responsibility of the tenant.

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

| Tenant | Location | Rate /SF |
|-------------------|---------------------|-----------------|
| Vacant | 200 E. Broad Street | 26.00 |
| Vacant | 104 S. Main Street | \$25.00 |
| Vacant (Proposed) | 2422 Wade Hampton | 30.00 |

* The above rates are subject to base rent and/or operating expense escalations.

The South Carolina Department of Motor Vehicles has adequate funds for the lease according to a Budget Approval Form submitted June 26, 2020, which also includes a multi-year plan. Lease payments will be funded through state appropriations. The lease meets the state space standards with a density of approximately 74 usable square foot/employee.

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

5. What is recommendation of the division of Facilities Management and Property Services? Approve the proposed twelve-year lease.

6. List of Supporting Documents:

- (a) Letter from the South Carolina Department of Motor Vehicles dated June 26, 2020.
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56



Henry McMaster
Governor

Kevin A. Shwedo
Executive Director

State of South Carolina
Department of Motor Vehicles

June 26, 2020

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

RE: Lease for 122 Edgeworth Street, Greenville, SC 29601

Dear Ms. Lancaster:

The South Carolina Department of Motor Vehicles (DMV) requests approval by the Joint Bond Review Committee to enter into a 144-month (12-year) lease with Blue Creative, LLC for 7,917 square feet of space at 122 Edgeworth Street, Greenville, SC 29601. DMV requires new space as our current property owner did not renew DMV's lease located at 300 University Ridge, Suite 105, Greenville, South Carolina 29601.

DMV, in conjunction with the SC Department of Administration, reviewed many locations, over the past five solicitations, and conducted site visits to each location. After evaluations, DMV concluded that the 122 Edgeworth Street property best meets the Agency's requirements. We considered building accessibility for our citizens, security, office design, parking, and cost in our decision-making process.

DMV requests the maximum lease period of 12 years to maintain a secure site to protect citizens, employees, and sensitive customer data. A longer lease period will provide a consistent location for constituents and minimized office relocation costs in the future, especially given that locations are becoming much more difficult to procure in the Greenville area. The total cost of this lease for its entirety is \$3,038,483.49.

Thank you for your assistance and for your consideration of SCDMV's request.

Sincerely,

Kevin A. Shwedo
Executive Director

AGENCY: Department of Administration
Facilities Management and Property Services

SUBJECT: Proposed Lease
South Carolina Department of Revenue
201 Arbor Lake Drive, Columbia

The South Carolina Department of Revenue requests review of its proposal to lease 21,107 square feet of office and warehouse space located at 201 Arbor Lake Drive, Columbia from DRV Fontaine Sub, LLC. The agency's current space located at 1942 Laurel Street does not meet the Department's needs for space accommodating its Business Continuity Plan, which includes requirements for a public taxpayer assistance area, support technology, and security.

The SC Department of Administration conducted a solicitation following a determination that other state space was not available. The Department of Administration received 3 responses, and the selected proposal is the least expensive alternative.

The term of the proposed lease is 10 years beginning on September 1, 2020. Rent at the blended rate for office and warehouse space equates to \$11.08 per square foot for the first year and will increase by 2.5% each year. Rent includes all operating expenses. Total rent over the term is \$2,620,225. The lease includes adequate surface parking for all employees and visitors, and meets state space standards. No option to purchase the property is included in the lease.

The Department of Administration reports that lease payments will be funded by state appropriations, and the agency's submission represents that funding for payments will be sufficient throughout the lease term. The Department of Administration reports that comparable rates for similar commercial space in the area range from \$12.59 to \$14.63 per square foot.

COMMITTEE ACTION:

Review and make recommendation regarding the proposed 10-year lease.

ATTACHMENTS:

1. Department of Administration, Facilities Management and Property Services Agenda Item Worksheet.
2. South Carolina Department of Revenue letter.


**JOINT BOND REVIEW COMMITTEE
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: August 11, 2020

Regular Agenda

1. Submitted by:

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


 Ashlie Lancaster, Director

2. Subject: Department of Revenue Lease at 201 Arbor Lake Dr., Columbia, SC

3. Summary and Background Information:

The South Carolina Department of Revenue requests approval to lease 21,107 square feet of office and warehouse (40% warehouse and 60% office) space at 201 Arbor Lake Drive in Columbia, SC from DRV Fontaine Sub, LLC. This space is required to move the agency's warehouse office and designated disaster recovery site currently located at 1942 Laurel Street, which does not meet the needs of their Business Continuity Plan, as it does not, among other things, allow for a public taxpayer assistance area and support technology and security needs.

After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for commercial space. Three responses were received with the selected proposal being the least expensive option.

The lease term will be ten years commencing on September 1, 2020. The rental rate, blended for warehouse and office space, for the term will be \$11.08 square foot for an annual aggregate amount of \$233,866.00. Thereafter, the rate increases by 2.5% annually. The total rent to be paid over the 10-year term will be \$2,620,225.00.

Landlord will provide adequate surface parking adjacent to the building for all employees and visitors. The maximum rent over the term is as follows:

| TERM | PERIOD: FROM - TO | ANNUAL RENT | MONTHLY RENT (ROUNDED) | RENT PER SF |
|---------|-------------------------|--------------|------------------------|-------------|
| YEAR 1 | 09/01/2020 - 08/31/2021 | \$233,866.00 | \$19,489.00 | \$11.08 |
| YEAR 2 | 09/01/2021 - 08/31/2022 | \$239,776.00 | \$19,981.00 | \$11.36 |
| YEAR 3 | 09/01/2022 - 08/31/2023 | \$245,685.00 | \$20,474.00 | \$11.64 |
| YEAR 4 | 09/01/2023 - 08/31/2024 | \$251,807.00 | \$20,984.00 | \$11.93 |
| YEAR 5 | 09/01/2024 - 08/31/2025 | \$258,139.00 | \$21,512.00 | \$12.23 |
| YEAR 6 | 09/01/2025 - 08/31/2026 | \$264,682.00 | \$22,057.00 | \$12.54 |
| YEAR 7 | 09/01/2026 - 08/31/2027 | \$271,225.00 | \$22,602.00 | \$12.85 |
| YEAR 8 | 09/01/2027 - 08/31/2028 | \$277,979.00 | \$23,165.00 | \$13.17 |
| YEAR 9 | 09/01/2028 - 08/31/2029 | \$284,945.00 | \$23,745.00 | \$13.50 |
| YEAR 10 | 09/01/2029 - 08/31/2030 | \$292,121.00 | \$24,343.00 | \$13.84 |

| | | | | |
|--|-----------------------------|----------------|-------------|---------|
| | Total for 10 years | \$2,620,225.00 | | |
| | Average for 10 years | \$262,022.50 | \$21,835.20 | \$12.41 |

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

| Tenant | Location | Rate /SF |
|-------------------|-----------------------|-----------------|
| Vacant (Proposed) | 1628 Browning Road | \$12.59* |
| Vacant | 3827 Broad River Road | \$14.00 |
| Vacant | 5017 Two Notch Road | \$14.00 |
| Vacant (Proposed) | 120 Research Drive | \$14.63* |

*Rentable SF average over term

The South Carolina Department of Revenue has adequate funds for the lease according to a Budget Approval Form submitted July 16, 2020, which also includes a multi-year plan. The lease meets the state space standards with a density of 170 usable square foot/employee and also includes 14,000 square feet of warehouse space, of which 4,000 square feet is climate controlled.

No option to purchase the property is included in the lease.

4. What is JBRC asked to do? Approve the proposed ten-year lease for the South Carolina Department of Revenue located at 201 Arbor Lake Drive in Columbia.

5. What is recommendation of the division of Facilities Management and Property Services? Approval of the proposed ten-year lease for the South Carolina Department of Revenue located at 201 Arbor Lake Drive in Columbia.

6. List of Supporting Documents:

- (a) Letter from the South Carolina Department of Revenue dated July 15, 2020.
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56

State of South Carolina
Department of Revenue



HENRY D. MCMASTER
Governor

W. HARTLEY POWELL
Director

300A OUTLET POINTE BOULEVARD
POST OFFICE BOX 125
COLUMBIA, SOUTH CAROLINA 29214
Telephone: (803) 898-5040
Facsimile : (803) 896-0023
Director@dor.sc.gov

July 15, 2020

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

RE: Lease for 201 Arbor Lake Drive, Columbia

Dear Ms. Lancaster:

The South Carolina Department of Revenue (DOR) requests approval by the Joint Bond Review committee of a 10-year lease with DRV Fontaine Sub, LLC for approximately 21,107 square feet of warehouse space at 201 Arbor Lake Drive, Columbia, SC. This space is required to move our warehouse office and designated disaster recovery site currently located at 1942 Laurel St Columbia SC. Our current leased space does not meet the needs of our Business Continuity Plan.

It is not practical or economical to renovate our current location to meet the business needs of our Business Continuity Plan. Our current leased space was built in the late 1940s, and environmental testing results show that the joint compound in the walls contains asbestos. The asbestos must be abated by a licensed asbestos contractor prior to beginning any renovations. In addition, the current heating and air system cannot support up to 100 people, the electrical capacity is limited and is unable to support our technology and security needs, restroom facilities are inadequate, and the current configuration does not allow for a public taxpayer assistance area.

We received three proposals in response to our solicitation and conducted site visits at the two lowest bids. After evaluations, we concluded the 201 Arbor Lake Drive property best meets our requirements. We considered the following in our decision-making: security, cost, proximity to the interstate, and building accessibility for the taxpayers and deliveries. This location will serve two purposes: a workspace for the warehouse job duties as the primary user and a relocation site

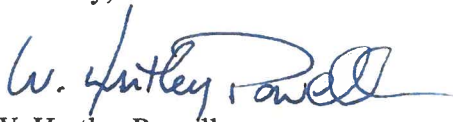
Ms. Lancaster
July 15, 2020
Page Two

in the event of a disaster occurrence. This site meets the requirements of our Business Continuity Plan, allowing DOR to continue business services while we restore or replace our main facility and resume business processes to pre-disaster level.

We request the maximum lease period of 10-years to build and maintain a secure site to protect taxpayers, employees, and sensitive taxpayer information. Moving the DOR highly sophisticated security systems is costly, so a longer lease term minimizes the significant cost of more frequent office re-locations.

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

Sincerely,

A handwritten signature in blue ink that reads "W. Hartley Powell". The signature is fluid and cursive, with a long horizontal stroke at the end.

W. Hartley Powell
Director

AGENCY: Department of Administration
Facilities Management and Property Services

SUBJECT: Proposed Lease
South Carolina Department of Vocational Rehabilitation
2070 Northbrook Boulevard, North Charleston

The South Carolina Department of Vocational Rehabilitation requests review of its proposal to lease 22,931 square feet of office space located at 2070 Northbrook Boulevard, North Charleston from Northbrook, Ltd., a Florida limited partnership. The agency currently leases space at this location at a rate of \$18.57 per square foot under a lease that expired on June 30, 2020.

The SC Department of Administration conducted a solicitation following a determination that other state space was not available. The Department of Administration received 5 responses, and the selected proposal is the least expensive alternative.

The term of the proposed lease is 7 years beginning on July 1, 2020. Rent equates to \$19.13 per square foot for the first year, including operating expenses. After the first year, base rent will increase by 3% per year, and the tenant will be responsible for increases in annual operating expenses, subject to a 3% cap. Total rent over the term is \$3,361,704. The lease includes adequate surface parking for all employees and visitors, and meets state space standards. No option to purchase the property is included in the lease.

The Department of Administration reports that lease payments will be made by federal funds, and the agency's submission represents that funding for payments will be sufficient throughout the lease term. The Department of Administration reports that comparable rates for similar commercial space in the area range from \$20.36 to \$28.46 per square foot.

COMMITTEE ACTION:

Review and make recommendation regarding the proposed 7-year lease.

ATTACHMENTS:

1. Department of Administration, Facilities Management and Property Services Agenda Item Worksheet.
2. South Carolina Department of Vocational Rehabilitation letter.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 11, 2020

Regular Agenda

1. Submitted by:

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


Ashlie Lancaster, Director

2. Subject: Vocational Rehabilitation Department Lease of 2070 Northbrook Blvd, North Charleston, SC

3. Summary and Background Information:

The South Carolina Vocational Rehabilitation Department requests approval to lease 22,931 square feet of space at its current location at 2070 Northbrook Boulevard in North Charleston from Northbrook, Ltd, a Florida limited partnership made up of SLR Associates of Charleston, L.P as a limited partner and Charleston-Northbrook, Inc. as general partner.

The Disability Determination Services (DDS) Charleston Regional Office of the Vocational Rehabilitation Department currently leases 22,931 square feet at the selected location at a rate of \$18.57 per square foot under a lease that expired June 30, 2020.

After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for commercial space. Five responses were received with the selected location, at 2070 Northbrook Boulevard, being the least expensive option.

The new lease term will be seven years commencing July 1, 2020. Rent will be \$36,556.00 per month or \$438,670.00 per year (\$19.13 per square foot) for the first year of the lease. The base rent portion of the total annual rent begins at \$12.47 per square foot and increases three percent annually and the operating expense portion of the rent is \$6.66 per square foot. Beginning with the second year of the lease, Vocational Rehabilitation Department will be responsible for increases in annual operating expenses over the previous year up to a three percent cap. Assuming operating expenses increase at three percent per year, the maximum total rent to be over the seven year term is \$3,361,704.00 as follows:

| Year | Date | Rate/SF w/ Max Operating Increases | Annual Rent w/ Max Operating Increases |
|------|----------|------------------------------------|--|
| 1 | 7/1/2020 | \$19.13 | \$438,670.00 |
| 2 | 7/1/2021 | \$19.71 | \$452,064.00 |
| 3 | 7/1/2022 | \$20.30 | \$465,486.00 |
| 4 | 7/1/2023 | \$20.91 | \$479,402.00 |

| | | | |
|---|----------|---------|--------------|
| 5 | 7/1/2024 | \$21.54 | \$493,821.00 |
| 6 | 7/1/2025 | \$22.18 | \$508,521.00 |
| 7 | 7/1/2026 | \$22.84 | \$523,740.00 |

Landlord will provide adequate surface parking adjacent to the building for all employees and visitors. The Landlord has allowed an upfit allowance of \$140,000.

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

| TENANT | LOCATION | RATE * |
|-------------------|------------------------|-----------|
| Dept. of Revenue | 2070 Northbrook | \$20.36** |
| Vacant (Proposed) | 8085 River Avenue | \$23.42 |
| Vacant (Proposed) | Aviation Business Park | \$28.46 |
| Vacant (Proposed) | 4390 Belle Oakes | \$28.46 |

*Rentable SF average over term

**Subject to operating expense escalations.

Vocational Rehabilitation has adequate funds for the lease according the Budget Approval Form submitted July 17, 2020 which also includes a multi-year plan. The lease meets the state space standards with a density of 151 usable square foot/employee.

No option to purchase the property is included in the lease.

4. What is JBRC asked to do? Approve the proposed seven-year lease for the South Carolina Vocational Rehabilitation Department located at 2070 Northbrook Boulevard, North Charleston.

5. What is recommendation of the division of Facilities Management and Property Services? Approval of the proposed seven-year lease for the Vocational Rehabilitation Department located at 2070 Northbrook Boulevard, North Charleston.

7. List of Supporting Documents:

- (a) Letter from Vocational Rehabilitation dated July 1, 2020
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56



July 1, 2020

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

RE: Lease CL002722

Dear Ms. Lancaster,

The Disability Determination Services (DDS) unit of the South Carolina Vocational Rehabilitation Department is federally funded exclusively by the Social Security Administration. Our agency processes approximately 69,000 disability claims each year, serving constituents through offices in Charleston, Columbia, and Greenville. This includes approximately 600 S.C. Retirement Systems claims, 12,000 DHHS Medicaid Disability claims, and 50 Homestead claims. The DDS Charleston Regional Office lease expired June 30, 2020 and negotiations by the Department of Administration have been undertaken to renew the lease at the current location at a slightly higher cost per square foot.

We respectfully request your continued assistance in obtaining JBRC and SFAA approval of this lease.

Sincerely,

A handwritten signature in black ink that reads 'Eric S. Moore'.

Eric S. Moore
Director of Administration

CC: Anne Mayo, DDS Director
Lori Loftis, DDS Senior Manager

Felicia W. Johnson, Commissioner

**The South Carolina Vocational Rehabilitation Department prepares and assists
eligible South Carolinians with disabilities to achieve and maintain competitive employment**

State Office • 1410 Boston Avenue • P.O. Box 15 • West Columbia, South Carolina 29170-0015 • scvrd.net
803-896-6500 (Office) • 803-896-6553 (TTY) • 800-832-7526 (Toll free) • 803-896-6558 (Fax) • info@scvrd.net

AGENCY: Department of Administration
Capital Budget Office

SUBJECT: Proposed Permanent Improvement Projects

The Department of Administration has submitted 4 proposals for Permanent Improvement Projects on behalf of agencies. Summary review is recommended for these projects, as follows:

| | Items | Existing Budget | Proposed Budget Change | Estimated Total Project Cost |
|--|-------|--------------------|------------------------------|------------------------------------|
| Agencies | | | | |
| E24 - Office of the Adjutant General | 1 | 688,000 | 81,000 | 769,000 |
| J12 - Department of Mental Health | 2 | 20,000 | 329,850 | 3,797,350 |
| J16 - Department of Disabilities & Special Needs | 1 | - | 4,125 | 275,000 |
| Agencies Total | 4 | 708,000 | 414,975 | 4,841,350 |
| Grand Total | 4 | 708,000 | 414,975 | 4,841,350 |

COMMITTEE ACTION:

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

ATTACHMENTS:

1. Department of Administration, Capital Budget Office, Agenda Item Worksheet - Summary 1-2021.

Phase II Increase

1. Project: Office of the Adjutant General
 E24.9812: Statewide Readiness Center Female Latrines
- Request: Increase the Phase II budget to continue with the design of the Kingstree and Newberry female latrines.
- Included in CPIP: Yes – 2019 CPIP Priority 4 of 18 in FY20
 (this portion estimated at \$600,000 & estimated at \$2,650,000 for all 12 facilities)
- Phase I Approval: August 2018 (estimated at \$2,233,435 for all 12 facilities) (JBRC/SFAA)
 Phase II Approval: April 2019 (estimated at \$2,450,000) (JBRC/SFAA)
 CHE Approval: N/A
 Supporting Details: Pages 1-8

| Source of Funds | Original Budget Amount | Cumulative Changes Since Original Budget | Current Budget | Adjustment Requested | Total Budget After Current Adjustment |
|--------------------------------|------------------------|--|----------------|----------------------|---------------------------------------|
| Appropriated State | 12,500 | 309,500 | 322,000 | 20,250 | 342,250 |
| Federal, National Guard Bureau | 37,500 | 328,500 | 366,000 | 60,750 | 426,750 |
| All Sources | <u>50,000</u> | <u>638,000</u> | <u>688,000</u> | <u>81,000</u> | <u>769,000</u> |

- Summary of Work: The project was established to renovate and expand existing female latrines in various readiness centers across the state. The initial group of readiness centers include North Charleston, Walterboro, Edgefield, Mt. Pleasant, Marion, Saluda, Mullins, Batesburg, Dillon, Seneca, Conway and Rock Hill. The North Charleston facility was completed in this project in October 2019. The Saluda and Rock Hill facilities are under design and construction. The funds in this request will be used for Kingstree and Newberry. The scope of work includes renovating existing female latrine and constructing additional authorized space to include new utilities and fixtures, along with any required mechanical, electrical and plumbing work.
- Rationale: Due to the rising number of female soldiers adequate latrine space is needed. Per NG Pam 415-12, the assigned unit(s) are authorized 2,000 square feet of latrine space. This project will allow the female soldiers to have the required number of facilities (toilets, showers, changing areas) they need to conduct training.
- Facility Characteristics: Each female latrine is 72 square feet to 339 square feet and were constructed from 1958 to 1989 (62 years to 31 years old).
- Financial Impact: The project will be funded with Appropriated State Funds (uncommitted balance \$1.3 million at June 23, 2020) and Federal, National Guard Bureau Funds (uncommitted balance \$12 million at June 23, 2020). Revenue to this fund is received from the Construction and Facilities Management Office’s Master Cooperative Agreement funds. The project is expected to result in an increase of \$3,000 (years 1 thru 3) in annual operating expenses.

Full Project Estimate: \$2,650,000 (internal) (for all 11 facilities) funded by Appropriated State and National Guard Bureau Funds. Contract execution is expected in August 2020 for Easley with construction completion in August 2021. Constructed completion in expected in March 2021.

Establish Project for A&E Design

2. Project: Department of Mental Health
 J12.9789: Columbia Area Retherm Installation
- Request: Establish Phase I pre-design to replace the existing retherm equipment located at the Columbia area DMH facilities and Harris hospital in Anderson.
- Included in CPIP: No – The project was not considered a PIP at the time the 2019 CPIP was submitted.
- CHE Approval: N/A
- Supporting Details: Pages 9-17

| Source of Funds | Original Budget Amount | Cumulative Changes Since Original Budget | Current Budget | Adjustment Requested | Total Budget After Current Adjustment |
|--|------------------------|--|----------------|----------------------|---------------------------------------|
| Other, Capital Improvement & Maintenance | | | | 52,500 | 52,500 |
| All Sources | | | | <u>52,500</u> | <u>52,500</u> |

Summary of Work: The project will remove the existing 50amp service and install a new 30amp service to each piece of equipment. All of the existing equipment and wire will be removed back to the electrical panels for a clean demolition and installation per code.

Rationale: In 2022 Aladdin Food Service will discontinue supporting and making parts for the existing retherm equipment currently in use. This project will help feed the 850+ individuals requiring service provided by DMH.

Facility Characteristics: The facilities affected are Morris Village, Bryan/Hall Hospital, Harris Hospital, Stone VA Nursing Home, Roddey Nursing Home, and DDSN Midlands Center, which are a total of 332,348 square feet and were constructed between 1971 to 1983 (49 years to 37 years old). The area affected by this project is 23,591 square feet. The programs that utilize the facilities affected are Psychiatric hospitals, Nursing homes and Drug Rehab facilities, and are occupied by a total of 850 patients, residents, clients, plus 1,000+ staff.

Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$4.3 million at June 30, 2020). Revenue to this fund is authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. The project is expected to result in a decrease of \$5,000 (year 1), and \$10,000 (years 2 and 3) in annual operating expenses.

Full Project Estimate: \$3,500,000 (internal) funded by Capital Improvement & Maintenance funds.

Final Land Acquisition

3. Project: Department of Mental Health
 J12.9784: Gaffney Building Purchase
- Request: To purchase a single-story office building office building on 2.183 acres of land located at 133 Wilmac Road in Gaffney.
- Included in CPIP: Yes – 2019 CPIP Priority 9 of 12 in FY23 (Cherokee Mental Health Clinic Construction estimated at \$3,600,000 – this request is to purchase a bldg. in lieu of constructing one)
- Phase I Approval: December 2019 (estimated at \$335,000) (JBRC)
- CHE Approval: N/A
- Supporting Details: Pages 19-50

| Source of Funds | Original Budget Amount | Cumulative Changes Since Original Budget | Current Budget | Adjustment Requested | Total Budget After Current Adjustment |
|--|------------------------|--|----------------|----------------------|---------------------------------------|
| Other, Capital Improvement & Maintenance | 20,000 | | 20,000 | 275,000 | 295,000 |
| All Sources | <u>20,000</u> | | <u>20,000</u> | <u>275,000</u> | <u>295,000</u> |

Rationale: The building will replace current leased space utilized by the Cherokee Mental Health Clinic. The proposed location is advantageous as it is right next to the high school serving Gaffney. The clinic provides programs for adult and child services, school based mental health services, telepsychiatry. The clinic typically has 2-3 doctors, 3 nurses, 20 staff total and sees 800 patients a year. The current facility that houses the clinic is a leased facility that is for sale and in poor condition. The current lease is \$4,400 a month.

Characteristics: The property to be acquired is a 6,435 square foot single-story office building constructed in 1990 (30 years old) and located on 2.183 acres of land at 133 Wilmac Road in Gaffney. The property includes an asphalt parking area and parks 40 cars comfortably.

Financial Impact: The property is offered by the Department of Employment and Workforce through the Department of Administration, Real Property Services for \$275,000. An appraisal was completed by Real Estate Appraisers and Consultants in January 2020 and valued the property at \$451,000. A Phase I Environmental Site Assessment was completed by Bunnell Lammons Engineering in January 2020 and revealed no evidence of recognized environmental conditions (RECs), Controlled Recognized Environmental Conditions (CRECs) or Historical Recognized Environmental Conditions (HRECs). A Business Environmental Risk (BER) was identified, which was suspected asbestos containing materials were observed but site reconnaissance did not observe evidence of significantly damaged suspect asbestos containing materials. A Building Condition Assessment was completed by Bunnell Lammons Engineering in February 2020 and found approximately \$207,000 worth of building improvements that will need to be addressed. These items include repairing or renovating several building systems to meet code, ADA, and safety requirements. Examples include installing a GFI outlet in the kitchen, fix trip hazards, landscaping, address ADA issues, repair a retaining wall, minor repair to the roof, clean the building, replace caulk where needed, etc. All 3 HVAC units will be replaced, including the water heater. The building has been empty for more than 3 years and

maintained enough to keep its value. The estimated cost to resolve these BCA issues is \$207,000. In addition, the facility will require additional HVAC, electrical and data due to private office space creation from the open spaces in the floor plan that is estimated to cost approximately \$200,000. All work will be requested in a separate permanent improvement project after the building is acquired, at approximately \$400,000. The acquisition will be funded from Other, Capital Improvement & Maintenance Funds (uncommitted balance \$4.3 million at June 30, 2020). The project is expected to result in a decrease of \$30,000 (year 1) and \$62,800 (years 2 and 3), in annual operating expenses.

Establish Project for A&E Design

4. Project: Department of Disabilities & Special Needs
 J16.9928: Whitten Center – HVAC Replacement of VAV Terminals and EM Controls
- Request: Establish Phase I pre-design to replace the variable air volume (VAV) terminals for Whitten Center Dorm 205 HVAC system.
- Included in CPIP: Yes - 2019 CPIP Priority 1 of 4 in FY2020 (estimated at \$275,000)
 CHE Approval: N/A
 Supporting Details: Pages 51-60

| Source of Funds | Original Budget Amount | Cumulative Changes Since Original Budget | Current Budget | Adjustment Requested | Total Budget After Current Adjustment |
|---------------------|------------------------|--|----------------|----------------------|---------------------------------------|
| Excess Debt Service | | | | 4,125 | 4,125 |
| All Sources | | | | <u>4,125</u> | <u>4,125</u> |

- Summary of Work: The project will connect the new VAV terminals to existing ductwork and existing piping. New control valves and VAV terminal controls are included and will connect full building HVAC system to the existing campus energy management control system. The work includes necessary ceiling work, test & balance, and other miscellaneous work associated with the HVAC system for this dormitory with medically fragile residents.
- Rationale: The existing 25-year-old HVAC system VAV Terminals are at the end of their useful life, energy inefficient, and difficult to maintain in operable condition.
- Facility Characteristics: The facility is 16,826 square feet and was constructed in 1995 (25 years old). The facility is utilized by their residential programs which include 22 stake holders plus staff.
- Financial Impact: The project will be funded from Excess Debt Service funds (uncommitted balance \$2.5 million at February 29,2020). Revenue to the fund is invested and held by the State Treasurer’s Office on behalf of SCDDSN and are comprised of revenues of the commission that exceeds the payment due or to become due during the then current fiscal year and an additional sum equal to the maximum annual debt service requirement of the obligations for a succeeding fiscal year. The project is not expected to result in any change in annual operating expenditures.
- Full Project Estimate: \$275,000 (internal) funded by Excess Debt Service Funds.

AGENCY: Joint Bond Review Committee

SUBJECT: Status Report of JBRC Broadband Oversight Subcommittee

Both the Joint Bond Review Committee and the General Assembly view access to broadband as a necessary part of participation in modern life and business. The General Assembly recognized this necessity in authorizing \$50 million for the purpose of “Broadband Mapping and Planning, Infrastructure and Mobile Hotspots” under the provisions of Act 142 of 2020 (the “CARES Authorization Act”).

While these funds are specifically appropriated for broadband access during the COVID-19 pandemic response, the appropriation fits within the broader topic of broadband access or lack thereof facing many parts of the state.

Recognizing the importance for the committee to ensure the funds authorized under Act 142 are expended appropriately and in a timely manner, Chairman Leatherman established the JBRC Broadband Oversight Subcommittee, and appointed as members:

Senator Alexander, Co-Chair
Senator Campbell

Representative Cobb-Hunter, Co-Chair
Representative Simrill

The co-chairs will provide a status report on the activities of the subcommittee.

COMMITTEE ACTION:

Receive the status report of the subcommittee as information.

ATTACHMENTS:

None.

AGENCY: South Carolina Department of Health and Environmental Control
Medical University of South Carolina

SUBJECT: COVID-19 Allocations, Expenditures and Status
Pursuant to Act 135 of 2020

Act 135 of 2020 includes provisions for allocations by the SC Department of Health and Environmental Control to hospitals in support of the statewide COVID-19 testing plan and, after making these allocations, the Department must provide the Governor and the committee with a written explanation of its methodology.¹ The Act further provides that the Department must submit to the committee, for its review and comment, any plan for expenditure under the provisions of the Act or any expenditure of federal funds for COVID-19 pandemic response.²

Responsive to these provisions, the South Carolina Department of Health and Environmental Control and the Medical University of South Carolina presented for review and comment of the committee at its meeting on June 23, 2020, the Hospital Allocation Plan for Community COVID-19 Testing and the SC Collaborative Statewide Testing Plan, along with a report dated June 1, 2020, of allocations and expenditures of federal funds made pursuant to Act 135.

In further compliance with these provisions and responsive to member questions expressed at the committee meeting on June 23, the Department has submitted a comprehensive report dated July 31, 2020, which incorporates the status of testing, collaboration, contact tracing and other topics of member interest, along with updated actual and projected expenditures of federal funds for the COVID-19 pandemic response, as of July 30, 2020.

Moreover, the Medical University of South Carolina has provided a separate report with a comprehensive summary of its statewide COVID-19 expenditures and projections, along with a report of its community-based testing statistics for both At Risk Communities and Fixed Sites as of July 27, 2020 and July 30, 2020, respectively.

COMMITTEE ACTION:

Review and comment in accordance with the provisions of Act 135 of 2020.

ATTACHMENTS:

1. Report of the South Carolina Department of Health and Environmental Control dated July 31, 2020.
2. Reports of the Medical University of South Carolina dated as of July 27, 2020 and July 30, 2020.

¹ Section 3(C)(2)(b).

² Section 3(C)(4).



Update to the Joint Bond Review Committee

July 31, 2020

Contents

| | |
|--|----|
| The State of Testing in South Carolina..... | 1 |
| Testing by the Numbers | 2 |
| A Collaborative Approach to Testing..... | 2 |
| DHEC’s Role | 2 |
| Testing Challenges and Process Improvement | 3 |
| High Demand | 3 |
| Personal Protective Equipment..... | 3 |
| Testing Supplies..... | 3 |
| Heat..... | 3 |
| Staffing..... | 4 |
| Suitable Venues (traffic, space, shelter, etc.)..... | 4 |
| Responding to Local Needs/Hotspots While Ensuring Access to Testing..... | 4 |
| Testing in Residential Care Facilities | 4 |
| Hospital Reimbursement for Testing | 5 |
| Next Steps for Testing | 5 |
| DHEC’s Public Health Laboratory Capacity..... | 6 |
| Next Steps for Laboratories | 6 |
| The State of Contact Tracing in South Carolina..... | 7 |
| Contact Tracing Challenges and Process Improvements..... | 7 |
| Next Steps for Contact Tracing..... | 8 |
| Additional Responses to Questions and Topics Presented by the Committee..... | 8 |
| Hospital Capacity and Change in Reporting from CDC to HHS..... | 8 |
| Personal Protective Equipment..... | 9 |
| Nursing Home Visitation | 9 |
| Engaging Community Resources..... | 9 |
| Responding to Constituent Inquiries..... | 10 |
| DHEC COVID-19 Expenditure Snapshot as of July 30, 2020 | 11 |
| What is the Outlook for Sufficiency of Funding?..... | 12 |
| Testing..... | 12 |
| Contact Tracing..... | 14 |
| Personal Protective Equipment..... | 15 |
| Personnel..... | 16 |
| Education Campaign..... | 17 |

| | |
|--|----|
| Quarantine and Isolation for Indigent Population..... | 18 |
| Transport and Storage..... | 19 |
| Technology, Staff Support, Cleaning and Other Grant Specific | 20 |



Update to the Joint Bond Review Committee

July 31, 2020

The global COVID-19 pandemic has placed unprecedented public health challenges on our state and its communities. The South Carolina Department of Health and Environmental Control (DHEC) remains committed to protecting the health and safety of all South Carolinians as we continue to respond to this public health threat.

During its June 23, 2020, meeting, the Joint Bond Review Committee asked DHEC to respond by its next scheduled meeting to certain questions raised by committee members. Those responses are below.

THE STATE OF TESTING IN SOUTH CAROLINA

Questions: *How many testing events have been conducted, including weekly trends, number of tests, associated costs? What is the outlook, and is funding likely to be sufficient to cover plans?*

The Medical University of South Carolina (MUSC) is the lead for the state's testing plan. MUSC, DHEC and our community partners continue to enhance testing statewide, especially in rural and underserved communities with limited access to care. For the month of May, we exceeded the initial federal baseline goal of testing **2% of the population**, or 110,000 South Carolinians. The state has since increased its goal of testing approximately 110,000 residents per month to **140,000 residents per month**.

This expansive testing allows us to better understand the overall prevalence of the virus in our state and helps us quickly determine any hot spots. Increased testing also helps provide a better understanding of the overall prevalence of the virus within South Carolina. In May, MUSC, in collaboration with DHEC and the South Carolina Hospital Association (SCHA), developed [South Carolina's testing plan](#) in coordination with federal partners.

As of July 30, a total of **755,034 tests** were conducted in the state. DHEC's Public Health Laboratory (PHL) is operating extended hours and is testing specimens seven days a week. The PHL's current timeframe for providing results to health care providers is 24-48 hours.

As part of our ongoing efforts to increase testing in underserved and rural communities across the state, DHEC continues to work with Federally Qualified Health Centers (FQHCs) and other community partners to set up mobile testing clinics that bring testing to these communities.

TESTING BY THE NUMBERS

As of July 30, 2020, South Carolina has:

- Performed 755,034 tests
- Conducted universal testing of all **40,000 residents and staff** in the state's **more than 190 nursing homes**.
- Held **603 mobile testing events**.
- Scheduled **143 mobile testing events** through September 29.
- Activated **215 standing testing sites**.

Individuals tested by month (molecular and serology):

- March 2020 (11,722)
- April 2020 (42,243)
- May 2020 (128,157)
- June 2020 (189,878)
- July 2020 (264,076) (as of 11:59 pm, 7/30/2020)

A COLLABORATIVE APPROACH TO TESTING

DHEC and MUSC are both actively engaged in continued collaboration through weekly meetings related to testing and future testing goals. Once a week, the Central Coordination Testing Team meets to discuss testing plans moving forward. This team consists of DHEC, MUSC, SCHA, SC National Guard, SC Department of Education, SC Office of Rural Health, and other hospital systems.

DHEC'S ROLE

As part of the state's coordinated testing efforts, and in alignment with the Continuing Resolution signed into law on May 18, DHEC is charged with the financial, logistic, and administrative support for the state COVID-19-testing plan. This includes:

- **Regular communication** with MUSC and SCHA,
- **Collaboration** with local partners (hospitals, medical providers, local community leaders, other stakeholders),
- **Access** to hotspot and testing sites/density data,
- **Coordination** of all testing efforts, and
- **Providing** needed resources, testing kits, and other supplies.

TESTING CHALLENGES AND PROCESS IMPROVEMENT

As South Carolina continues to expand access to testing, it will remain critical that DHEC and our partners have plans in place to help address current and potential future challenges to our ability to perform testing.

Current identified challenges to testing include:

- High demand
- Personal protective equipment (PPE)
- Testing supplies
- Heat
- Staffing
- Suitable venues (traffic, space, shelter, etc.)
- Responding to local needs/hotspots while ensuring access to testing across the state
- Testing in residential care facilities

DHEC is committed to working with MUSC and other community partners to address these and future challenges head on.

HIGH DEMAND

DHEC recognizes the high demand for testing across the state. We have been working on a new logistical method that will increase testing across the state in every county. The new method will begin on August 1, 2020 and will provide at least one testing opportunity in each county, per week. This plan is also going to increase the average number of daily testing opportunities from **7.7 events a day**, to **12 events a day**. We anticipate this new plan will meet the needs of the current high demand for testing.

PERSONAL PROTECTIVE EQUIPMENT

PPE can still be a challenge for testing partners to obtain. Size small and extra-large gloves, gowns, and n-95 masks are once again becoming more difficult to locate. Challenges include vendors still wishing to sell in large quantities (over 100,000 units), which can make it difficult for smaller medical providers to find supplies.

TESTING SUPPLIES

Several weeks ago, a national shortage of testing supplies, including viral transport media (VTM), created a backlog in U.S. and statewide testing for COVID-19. Our PHL team immediately began work to produce our own transport media substitute. Extra supplies of the transport media substitute are being produced by PHL to supplement the swabs and VTM that the US Department of Health and Human Services is currently providing. Doing this will allow DHEC to have ample supplies to continue to support testing sites across the state.

HEAT

With temperatures exceeding 80 degrees, South Carolina's warm summer months and severe weather can significantly impact the health and safety of staff and patients at testing sites. DHEC has taken several protective measures to address the heat, to ensure the safety of both specimen

collectors and clients. We have purchased tents, cooling vests and misting fans for use during testing events. We have also encouraged our partners to adjust their testing event times to earlier in the morning, or later in the day. Currently, we are still able to use schools for drive-through testing. DHEC has requested that district superintendents allow access to air-conditioned areas (gyms) for staff to cool down between clients.

STAFFING

DHEC is working on contracts to obtain **1,000 specimen collectors** to support testing sites if hospital partners are unable to provide personnel for specimen collections. DHEC's Bureau of Emergency Services has also trained **225 EMTs in specimen collection** across the state and continues to set up training sessions for EMTs to expand staffing capacity at testing sites.

SUITABLE VENUES (TRAFFIC, SPACE, SHELTER, ETC.)

DHEC continues to work with county Emergency Managers and the National Guard to identify sites that are safe and suitable for testing venues. These partners are coordinating with local school districts and governments to identify sites that provide the most ideal locations for mass testing.

RESPONDING TO LOCAL NEEDS/HOTSPOTS WHILE ENSURING ACCESS TO TESTING

DHEC has developed a data intelligence branch, which provides guidance on hotspots and the need for testing. The new plan will ensure every county in the state is tested at least once a week. However, we will still heavily rely on data to help us determine hotspots across the state. Once a hotspot has been identified, DHEC will activate the National Guard Rapid Response Team, which can go in and test a community quickly.

TESTING IN RESIDENTIAL CARE FACILITIES

On Friday, July 24, DHEC released our new Long-Term Care Facility (LTCF) Guidance document outlining testing and retesting recommendations for all LTCFs, including nursing homes, community residential care facilities (assisted living facilities), and other long-term care congregate settings. This guidance was shared with all LTCF associations in the state and facilities. The guidance recommends that LTCFs conduct testing for COVID-19 to detect current infections among residents and staff as an important addition to infection prevention and control measures, allowing for rapid detection of cases and implementation of measures to prevent ongoing transmission within facilities. Because there are various scenarios in which viral testing of residents and staff may be initiated, the guidance provides current recommendations to guide considerations for initial and repeat testing in LTCFs. In addition to sharing the guidance with the associations and facilities, DHEC staff is offering a webinar for facilities in case they have any further needs or need clarification on guidance and recommendations.

HOSPITAL REIMBURSEMENT FOR TESTING

Questions: *Hospital reimbursements to date, is there any backlog? How much funding has been distributed? How many contracts were received? What kind of accountability measures has DHEC put into place for these funds? What is the outlook for sufficiency of funding?*

Per requirements in the Continuing Resolution, DHEC allocated **\$40 million** to **51 hospital systems** representing **94 facilities** across the state for testing events occurring on or after **June 1, 2020**. An additional **\$10 million** was set-aside for reimbursement for events occurring prior to June 1.

To establish accountability, hospital systems are required to enter into a contractual agreement outlining mutual responsibilities and requirements, as well as a pre-established reimbursement rate for hosting and staffing testing events. Once the agreements are signed, hospitals submit an invoice for each testing event. Hospitals must attest with each invoice that no other funds are available or will be sought for reimbursement of the same expenses.

DHEC believes that hospital funding is helping the citizens in their regions. Hospitals with DHEC agreements are offering testing events in their areas, and many are now working to establish semi-permanent sites, making testing on a local level more convenient and accessible.

DHEC will continue to work with hospitals to establish community testing events in support of the statewide testing plan and provide reimbursement. Hospitals that use their initial allocation may ask for an increase in their allocated amount.

DHEC extended the deadline for hospital agreements and communicated this information on multiple occasions with CEOs as well as through SCHA. **19 systems** representing **48 facilities** established agreements. This represents **51% of facilities**.

To date, DHEC has approved invoices totaling **\$759,430** for payment. Additional invoices are currently being reviewed for accuracy and will be disbursed once through the approval process. Overall processing time for paid hospital invoices from date of receipt to date authorized to pay is **8.88 calendar days**. Processing took place as the fiscal year was changing, which caused a delay.

NEXT STEPS FOR TESTING

As we increase our testing capacity, we must also enhance our ability to provide those being tested with timely test results and information. By continuing to support process improvements, like the ones listed above, DHEC and our partners are focused on ensuring the confirmation of contact information of those being tested. To assist in this effort, we will be providing the option of receiving electronic notification of test results through our electronic notification system (ReadyOp).

Moving forward, for all coordinated sites, we will be working to provide additional testing events.

- **Our goal: 12 sites** per day (**7,500 tests**), with at least one testing opportunity per county each week.

We will also be adding more specimen collectors and expanding our laboratory capacity.

DHEC'S PUBLIC HEALTH LABORATORY CAPACITY

Questions: *How many tests are being performed each day? What percentage of capacity does that represent? What is the turnaround time? What is the backlog? When is capacity likely to be reached? What are plans to increase capacity? What are the associated costs? What is the outlook, and is funding likely to be sufficient to cover plans?*

In the beginning of the pandemic, DHEC's Public Health Lab could test **500 specimens a day**. By early June, DHEC had increased its capacity to approximately **2,000 specimens a day** by implementing a number of actions. Some of these actions included:

- Keeping the lab open seven days a week.
- Expanding staff hours.
- Bringing in additional equipment and machines.
- Using staff from other areas, and repurposing equipment by reprogramming it for the COVID-19 response.
- Switching testing methodology to a multiplex PCR, which shortened the time to perform a test thus decreasing turnaround time.

As of July 29 (COB), the lab has conducted **160,523 tests**. This represents **22.4% of all COVID-19 diagnostic testing**.

NEXT STEPS FOR LABORATORIES

There remains unused capacity with certain private laboratories, including hospital laboratories. Identified challenges include:

- Supply disruptions/shortages
- Delays at some private labs
- Electronic interfaces

If all the state labs ran at full capacity, it would bring the state's total testing capacity to approximately **20,000 tests per day**. These numbers do not include large commercial labs such as LabCorp and Quest.

In addition, DHEC has signed purchase orders with four additional labs, bringing the total combined daily capacity to approximately **8,300 specimens per day**. To partner with DHEC, labs must have the ability to return test results in **48 hours or less**.

Increasing DHEC's capacity further will be challenging. DHEC's laboratory is currently running in two shifts and would experience extreme difficulty in finding staff with the training, skills, and willingness to run a third shift.

THE STATE OF CONTACT TRACING IN SOUTH CAROLINA

Questions: *How many contact tracers have been hired? What measures are available to describe contract tracing results and associated costs? What is the outlook? Is funding likely to be sufficient to cover plans?*

Contact tracing isn't new to DHEC. During normal operations, we have **approximately 20 contact tracers** who perform this methodology to help limit the spread of diseases like tuberculosis and hepatitis. Our infectious disease experts investigate hundreds of disease outbreaks each year.

The mission of contact tracing is to ensure that people who are exposed to a contagious person are provided education regarding the next steps and how to seek testing if indicated. Without contact tracing, there is significant risk of the uncontrolled spread of any infectious disease. In contact tracing, our public health staff work with people who have tested positive for an infectious disease. Our staff work with those who have tested positive to help them recall everyone with whom they have had close, prolonged contact with during the timeframe in which they were capable of spreading the germ. These people who have potentially been exposed to the ill person are known as contacts.

DHEC has been conducting contact tracing for COVID-19 cases since the first reports in the state. We currently have over **795 members performing contact tracing** working across the state and are prepared to bring on an **additional 500 more over the next four weeks.**

There are currently two trainings, both from professional public health institutions:

- (1) Johns Hopkins School of Public Health
- (2) The Association of State and Territorial Health Officials.

Both organizations are not-for-profit and are offering the trainings at no charge during this public health emergency. DHEC also worked with South Carolina Area Health Education Consortium (AHEC) to ensure that the training is custom tailored for use in South Carolina.

CONTACT TRACING CHALLENGES AND PROCESS IMPROVEMENTS

We are now seeing more than 1,000 cases day after day. With cases continuing at that level daily, it is a significant challenge to interview more than 1,000 people each day to counsel them about prevention measures they should take and learn who they may have had close contact with. If each case had 3 contacts, that means attempting to contact 4,000 people daily.

Contact tracing as a means to control disease spread is very effective when there are a relatively small number of cases. We call this containment. However, when there is widespread community transmission, contact tracing is less effective in preventing spread. At that point, the work needed to combat this disease must take place at the population level, not the individual level. That means focusing on group settings and institutions where people congregate, such as nursing homes, correctional facilities, beaches, and certain businesses or other facilities. The intent is to prevent local outbreaks that can affect large groups of people.

NEXT STEPS FOR CONTACT TRACING

DHEC is rapidly setting up patient management software that will expand our capacity to rapidly reach contacts, provide education on the importance of quarantine, and will allow us to monitor them during their period of quarantine for additional educational opportunities as needed. We have the ability to expand our personnel capacity as needed.

As part of this process, our regions are currently working to significantly increase staff on our local public health teams to ensure that case investigations occur in a timely manner and that we are able to maintain standard operations and continue to provide quality customer service.

ADDITIONAL RESPONSES TO QUESTIONS AND TOPICS PRESENTED BY THE COMMITTEE

In addition to the overarching themes listed above, JBRC had questions related to the recent change in reporting of hospital bed reporting to the federal government, hospital capacity and staffing, PPE, nursing home visitations, and public information access and engagement.

HOSPITAL CAPACITY AND CHANGE IN REPORTING FROM CDC TO HHS

Since July 22, the federal government has required hospitals nationwide to report data directly to the U.S. Department of Health and Human Services through a new TeleTracking system, which replaces the Centers for Disease Control and Prevention's (CDC) National Healthcare Safety Network system that had been used by hospitals for reporting data throughout the COVID-19 pandemic. Currently, the TeleTracking system asks hospitals to report all available beds as one total number, not broken down by bed type as the NHSN system had. Therefore, hospitals' total number of beds reported includes pediatric beds, neonatal intensive care unit (ICU) bassinets, psychiatric beds, labor and delivery beds, rehabilitation beds and others. As a practical matter, not all of these bed types could be used for caring for adult patients hospitalized with COVID-19, or other medical issues.

DHEC is working with the S.C. Hospital Association to create a new process for gathering inpatient bed availability and occupancy from each hospital in the state, as this is the reporting metric that best provides the number of hospital beds available for caring for adult COVID-19 patients.

South Carolina and multiple other states are also working in close coordination with federal partners to improve the new TeleTracking system's reporting structure in order to provide the most accurate and actionable data possible.

As we continue to refine hospital bed data, with the TeleTracking system now implemented by South Carolina hospitals, DHEC is able to resume reporting of the following key information as of July 30:

- **ICU beds:** 1,447 total; 309 available; 1,138 in use (78.65% utilization rate)
- **COVID-19 patients hospitalized:** 1,516; 373 in ICU; 237 ventilated

PERSONAL PROTECTIVE EQUIPMENT

South Carolina received its PPE from the Strategic National Stockpile (SNS) based on the 2010 Census. DHEC requested the state's maximum allocation of PPE from the SNS. PPE was distributed to all 46 counties. The SNS allocation was inadequate to meet demand for PPE. Many SNS supplies had expired (lower level of protection). There was an insufficient supply of PPE nationwide early in the pandemic. Many businesses took advantage of the pandemic and were selling counterfeit products. Vendors required purchases in very large quantities, making it difficult for smaller healthcare providers to obtain PPE.

Approximately 853,000 N-95 masks along with gloves, face shields, gowns, surgical facemasks, coveralls and other PPE supplies were provided to EMD for distribution to meet critical resource needs across the state. PPE has been provided for many community testing events.

NURSING HOME VISITATION

A link to the latest DHEC guidance regarding closed-window visits at nursing homes and assisted living facilities can be found [here](#). As you will see, while current Executive Orders continue to direct DHEC to restrict visitation at these facilities in all but end-of-life situations, visitors are allowed to communicate with their loved ones through closed windows. Facilities are encouraged to work with both residents and their visitors to schedule closed-window visits and ensure continued compliance with visitation restrictions.

DHEC's Bureau of Healthcare Quality has not issued any guidance on porch visits; however, it is actively looking into additional, safe alternatives for residents and their loved ones while still restricting visitation.

In addition, the Centers for Medicare and Medicaid Services (CMS) have made funding available to Nursing Homes via their Civil Monetary Penalty (CMP) Reinvestment program. Nursing Homes can request up to \$3,000 in CMP funds to purchase assistive communication technology such as I-pads, tablets, webcams and accessories so that residents can remain in communication with their families. The application for the CMP Grants is available on DHEC's website [here](#). As of July 2, 91 nursing homes in the state have been approved for the grant funding.

ENGAGING COMMUNITY RESOURCES

We learn more about COVID-19 as this outbreak progresses. One of the key things we have discovered is that older adults and people who have serious underlying medical conditions, such as heart disease and diabetes, are at a higher risk of severe illness from this virus.

Local and national data also show that African Americans are disproportionately impacted by this disease. Although African Americans make up about **27%** of South Carolina's population, they comprise **26.6% of COVID-19 cases** and **37.2% of related deaths**. At the core of this problem is the fact African Americans are disproportionately affected by conditions such as cardiovascular disease, diabetes, asthma, and obesity and are more likely to encounter circumstances that limit adequate access to care. People with such health conditions and limited access to care are at higher risk of severe illness from COVID-19. Meanwhile, approximately **83.1% of all those who have died** from the disease have been 61 or older.

Intense outreach and prevention efforts are needed to help control spread in our communities. To do this will require strong data intelligence to help us successfully collect and

understand data points needed to support data-driven decision making at the state and community levels. This includes analyzing and publishing data that highlights communities at greater risk of developing serious complication from COVID-19.

As we move forward in this event response, we recognize the importance of sharing quality data with and engaging our community partners so that we are better able to prepare for and respond to current and potential challenges.

In an effort to reach the different communities at higher risk of having severe illness from the disease we are working with our state and local partners, both public and private. This includes:

- Elevating and reviving our Office of Multicultural Health to the Office of Diversity, Equity and Inclusion
- Connecting with partners through existing work with the State Health Improvement Plan including focused linkages around the priorities of behavioral health, chronic health conditions, access to healthcare, resilient children, and social determinants
- Working with churches to help communicate prevention messaging
- Taking our WIC services 100 percent over the phone – since March there have been more than 4,000 new enrollments
- Expanding options in a variety of food categories to address WIC product shortages
- Working with Environmental Justice advocates to raise awareness
- Increasing availability of public health data to help provide information to assist in decision making, including demographics
- Providing sneeze guards to restaurants and DMVs
- Conducting universal testing for staff and residents at all 194 nursing homes in the state
- Working with community partners to develop and deploy an enhanced testing strategy
- Working with universities and colleges to enhance outreach to youth and young adults
- Developing [communications and outreach toolkits](#) to amplify community driven messaging

In addition, DHEC continues to work with its partners, public and private, to educate health care providers, the public and news media through personal contact, interviews, public service announcements (PSAs), advertisement, billboards and updated information on the agency's website, blog and social media (Twitter and Facebook are used heavily). In addition, the agency is leveraging alternative marketing strategies, including digital advertisements (i.e. website banners and social media advertisement) as well as advertisement placements in pharmacies, gas stations, and grocery store parking lots. The DHEC Care Line (1-855-472-3432) also remains open to receive calls from the public for general information related to COVID-19.

RESPONDING TO CONSTITUENT INQUIRIES

Early in the response, DHEC established a CareLine and trained staff to answer the public's general questions about COVID-19. DHEC promoted the CareLine on its social media platforms and its COVID-19 website. The CareLine is available to the public between 8 a.m. and 6 p.m.

daily for live, one-on-one questions. The CareLine became operational on February 27 and as of July 30 has answered a total of 53,155 calls.

In addition to calling, constituents can also email the agency. As of July 31, our Constituent Services team has received a total of 4,980 COVID-19 queries; 4,971 are closed and only nine are open.

DHEC COVID-19 EXPENDITURE SNAPSHOT AS OF JULY 30, 2020

As of July 30, 2020, DHEC has spent a total of \$27,189,156 from COVID-19 funding in response to the pandemic. In addition, DHEC estimates an additional \$15 million in costs associated with personnel who have been redirected to respond to the pandemic and are funded from other funds that allow COVID-19 activities.

| Expenditure Category | Expended through 7/30/20* | Estimated** Additional Expenditures through 12/31/20 | Total Estimated Expenditures through 12/31/20 |
|--|----------------------------------|---|--|
| Testing | \$8,133,467 | \$123,309,341 | \$131,442,809 |
| Contact Tracing | \$310,590 | \$33,612,100 | \$33,922,690 |
| Personal Protective Equipment (PPE) & Medical Supplies | \$9,119,251 | \$1,993,637 | \$11,112,888 |
| Personnel | \$6,064,744 | \$26,260,195 | \$32,324,939 |
| Education Campaign | \$1,558,443 | \$1,451,557 | \$3,010,000 |
| Quarantine & Isolation for Indigent Population | \$16,831 | \$2,036,749 | \$2,053,580 |
| Transport & Storage | \$287,812 | \$1,404,000 | \$1,691,812 |
| Technology, Staff Support, Cleaning & Other Grant Specific | \$1,698,018 | \$8,041,622 | \$9,739,640 |
| TOTAL | \$27,189,156 | \$198,109,201 | \$225,298,357 |

**Reflects actual expenditures on all designated COVID-19 funds through date listed. These are initial reporting numbers and are subject to change until the fiscal year has been finalized.*

***Includes current obligations associated with personnel and existing purchase orders, as well as projected additional costs for the time period. Projected costs reflect preliminary estimates for response activities through the end of the calendar year for current disease levels. Projections are subject to change as our response efforts adjust to the developing situation.*

WHAT IS THE OUTLOOK FOR SUFFICIENCY OF FUNDING?

DHEC anticipates the need for additional funding to meet testing and contact tracing needs for COVID-19. We are actively evaluating our cost projections given the increased demand for services, available Federal resources, and the length of the pandemic response. Our current estimate of potential expenditures through the end of the calendar year are included below. A portion of these costs will be covered by appropriated CARES Act and other Federal funding. More refined and specific resource requests are forthcoming by late August. Response to COVID-19 is a rapidly evolving event. All projections are based on data available at the time of this report and are subject to change.

TESTING

| Category | Spent as of 7/30/2020 | Estimated Potential Expenditures through 12/31/2020* | Total Potential Expenditures through 12/31/2020* |
|--------------------------------------|-----------------------|--|--|
| Testing (excluding DHEC staff costs) | \$8,133,467 | \$123,309,341 | \$131,442,809 |

* Response to COVID-19 is a rapidly evolving event. All projections are based on data available at the time of this report and are subject to change.

KEY PERFORMANCE DATA

- As of July 28, 2020: 734,149 COVID-19 tests have been conducted in SC. Samples are collected through private medical providers, static testing sites and community testing events utilizing both the DHEC lab and private labs for analyzing samples. To date, 23.2% of all molecular/diagnostic tests have been analyzed by the DHEC lab.
- As of July 27, 2020: 563 mobile community testing events have occurred. These events were hosted by private partners including hospitals and FQHCs along with DHEC and the National Guard.
- Monthly Testing Goal Update:

| Month | Individuals Tested (Goal)** | Individuals Tested (Actual)** |
|------------|-----------------------------|-------------------------------|
| May 2020 | 110,000 | 128,157 |
| June 2020 | 140,000 | 189,878 |
| July 2020* | 140,000 | 238,726 |

* July 2020 numbers as of COB on 07/27/2020

**Includes both molecular (diagnostic) and serology (antibody) tests

- Overall processing time for paid hospital invoices from date of receipt to date authorized to pay is 8.88 calendar days. Processing crossed the change in fiscal year, which caused a delay.

EXPENDITURES

- \$759,430 has been spent to reimburse hospitals for 59 community testing events
- \$4,023,936 has been spent on outside laboratory costs for assistance in processing samples for nursing homes and other testing events
- Costs for the DHEC staff performing COVID-19 testing is captured under the Personnel category. This does not include staff who have been redirected to COVID-19 testing and are paid on other funds that allow COVID-19 activities.

PROJECTIONS

- Expenses incurred by DHEC will depend on multiple factors, including testing demand, percent of tests done in free community testing events, the extent to which the DHEC lab or other labs are utilized, and the extent to which billing insurance is feasible and allowable.
- Estimated additional expenditures include \$44.2M to reimburse hospitals and FQHCs for community testing events not yet invoiced or yet to occur
- Estimated additional \$43.5M for analyzing tests at private labs (augmenting DHEC lab capacity)
- Currently, the Federal government has supplied testing reagents to the DHEC lab. We have been told to expect this will change and estimates include three months of monthly reagents at a cost of \$1M/month.
- Additional lab testing equipment and related IT system enhancements, testing reagents (chemicals) and COVID-19 prevalence study (\$15.6M)
- Additional community testing capacity (\$15.8M)

ADDITIONAL FUNDING NEEDS

- Additional funds may be needed to meet testing goals through the end of June 2021.
 - Demand for testing continues to increase as do the statewide testing goals.
 - \$42.4 million in CARES Act funding for testing and contact tracing expires December 2020. It is uncertain at this time how much additional Federal funding will be made available.
 - DHEC has only been invoiced for 59 testing events, and a much larger number of events have already occurred. We are monitoring costs closely and will have better estimates at a future date.

CONTACT TRACING

| Category | Spent as of 7/30/2020 | Estimated Potential Expenditures through 12/31/2020* | Total Potential Expenditures through 12/31/2020* |
|--|-----------------------|--|--|
| Contact Tracing (excluding DHEC staff costs) | \$310,590 | \$33,612,100 | \$33,922,690 |

* Response to COVID-19 is a rapidly evolving event. All projections are based on data available at the time of this report and are subject to change.

KEY PERFORMANCE DATA

- 796 people are actively conducting contact tracing (566 investigators and 230 contract contact monitors). An additional 370 contact monitors have been identified and trained.
- DHEC is actively recruiting and training additional contact investigator staff.
- For individuals who Opt In to contact monitoring, DHEC has implemented contact monitoring software.

EXPENDITURES

- DHEC has 4 contracts in place for contact monitoring and investigation staffing. To date, invoices for \$309,452 have been received and processed for payment.
- Costs for the DHEC staff doing contact investigation is captured under the Personnel category. This does not include staff who have been redirected to contact tracing and are paid on other funds that allow COVID-19 activities.

PROJECTIONS

- Includes an average of 770 contractual contact monitors and 250 contact investigators through the end of December 2020.
- Includes contact monitoring and testing software annual maintenance and costs to meet SC specifications (\$2.5 million)

ADDITIONAL FUNDING NEEDS

- Additional funds may be needed to meet the demand for contact tracing
 - The number of positive cases has grown and thus demand for contact tracing.
 - \$42.4 million in CARES Act funding for testing and contact tracing expires December 2020. It is uncertain at this time how much additional Federal funding will be made available.
 - DHEC continues to recruit and hire additional staff to assure timely and effective contact monitoring.

PERSONAL PROTECTIVE EQUIPMENT

| Category | Spent as of 7/30/2020 | Estimated Potential Expenditures through 12/31/2020* | Total Potential Expenditures through 12/31/2020* |
|--|-----------------------|--|--|
| Personal Protective Equipment (PPE) and Medical Supplies | \$9,119,251 | \$1,993,637 | \$11,112,888 |

* Response to COVID-19 is a rapidly evolving event. All projections are based on data available at the time of this report and are subject to change.

KEY PERFORMANCE DATA

- Approximately 853,000 N-95 masks along with other PPE supplies were provided to EMD for distribution to meet critical resource needs across the state.
- PPE has been provided for many community testing events.

EXPENDITURES

- The majority of PPE expenditures to date (approximately \$7.9 million) include support to EMD for distribution to meet critical resource requests across the state. Moving forward, EMD has been charged with establishing a PPE stockpile and meeting the statewide needs.
- Approximately \$900,000 has been spent for PPE to support DHEC testing events and ongoing DHEC clinical services
- Approximately \$163,000 has been spent on other medical supplies.

PROJECTIONS

- Estimated additional expenditures are based on DHEC specific needs and estimates for testing events where select partners are unable to provide their own PPE.
 - If PPE prices spike again and or needs increase our projected costs could increase.
- Estimates do not include statewide needs for non-DHEC providers.

PERSONNEL

| Category | Spent as of 7/30/2020 | Estimated Potential Expenditures through 12/31/2020* | Total Potential Expenditures through 12/31/2020* |
|---|-----------------------|--|--|
| Personnel (for various COVID-19 activities) | \$6,064,744 | \$26,260,195 | \$32,324,939 |

* Response to COVID-19 is a rapidly evolving event. All projections are based on data available at the time of this report and are subject to change.

Personnel costs expended on COVID-19 funds total over \$6M. In addition, DHEC estimates that we have incurred \$15M in personnel costs on staff who have been redirected to COVID-19 and are paid on other funds that allow COVID-19 activities.

KEY PERFORMANCE DATA

- As of July 28, DHEC has hired or is in the process of onboarding 533 additional staff and is actively recruiting another 58 positions. This does not include contractual staff.
- In addition, a large number of staff have been redirected to COVID-19 response activities.
- As of July 27, 2020: 1,860 staff members have worked a total of 430,601 hours responding to COVID-19.

EXPENDITURES

- COVID-19-specific funding spent on DHEC staff for pandemic response. This does not include contractual staff.
- Costs include new staff hired for COVID-19 response.
- Costs include salary for redirected staff whose Federal funding source did not allow COVID-19 as an allowable activity as well as overtime for existing staff. Costs for staffs who are funded by other funds that allow COVID-19 activities are not included.
- Generally, personnel expenditures lag at least 1 month between the time work is completed and payment is made. Lag time is greater for the accounting time required to change the source of funding for federally funded staff who have been redirected for part or all of their time.

PROJECTIONS

- Estimated additional expenditures are based on expenditures to date, plus the projected number of additional staff to be hired.

EDUCATION CAMPAIGN

| Category | Spent as of 7/30/2020 | Estimated Potential Expenditures through 12/31/2020* | Total Potential Expenditures through 12/31/2020* |
|--------------------|-----------------------|--|--|
| Education Campaign | \$1,555,868 | \$1,451,557 | \$3,010,000 |

* Response to COVID-19 is a rapidly evolving event. All projections are based on data available at the time of this report and are subject to change.

KEY PERFORMANCE DATA

- Stop the Spread campaign
- Stay SC Strong campaign
- Influencer Public Announcements
- Outreach and telebriefings with faith-based leaders
- Telebriefing with environmental justice leaders

EXPENDITURES

- Multiple advertising venues, including network and cable TV, radio, billboards, and print advertising with COVID-19 prevention messages.

PROJECTIONS

- Expenditures until the end of the calendar year include extensive statewide media buys through cable TV, network TV, online video, streaming/connected TV, radio, billboards, print advertising, digital advertising, social media advertising, retail advertising, and out-of-home advertising at gas stations and grocery stores.

QUARANTINE AND ISOLATION FOR INDIGENT POPULATION

| Category | Spent as of 7/30/2020 | Estimated Potential Expenditures through 12/31/2020* | Total Potential Expenditures through 12/31/2020* |
|--|-----------------------|--|--|
| Quarantine and Isolation for indigent population | \$16,831 | \$2,036,749 | \$2,053,580 |

* Response to COVID-19 is a rapidly evolving event. All projections are based on data available at the time of this report and are subject to change.

KEY PERFORMANCE DATA

- 42 purchase orders in place with private entities to house indigent patients requiring quarantine or isolation
- 4 contracts in place with Counties for quarantine or isolation of indigent patients
- 61 individuals without means quarantined or isolated since March 2020.

EXPENDITURES

- Include indigent non-congregate housing costs for quarantine and isolation
- Includes cleaning and other ancillary costs for non-congregate housing of indigent patients

PROJECTIONS

- Actual expenditures will depend on how many indigent patients need to be quarantined.
- Estimated costs include the potential for non-congregate housing of indigent individuals should there be a need for a coastal evacuation due to a Hurricane.

TRANSPORT AND STORAGE

| Category | Spent as of 7/30/2020 | Estimated Potential Expenditures through 12/31/2020* | Total Potential Expenditures through 12/31/2020* |
|--|-----------------------|--|--|
| Transport & Storage (excluding DHEC staff costs) | \$287,812 | \$1,404,000 | \$1,691,812 |

* Response to COVID-19 is a rapidly evolving event. All projections are based on data available at the time of this report and are subject to change.

KEY PERFORMANCE DATA

- Distribution of supplies (masks, gowns, coveralls, face shields, and gloves) from the Strategic National Stockpile to counties to fill critical needs
- Distribution of 14,652 vials of Remdesivir (RDV) to hospitals to treat 2,442 patients
- Delivery of testing supplies for health care facilities and the PH lab and other supplies to support community testing events.

EXPENDITURES

- Support for EMD distribution of Strategic National Stockpile (\$250,000)
- Includes costs of rented refrigerated and box trucks, pharmaceutical storage.
- Transportation costs for daily and weekly shipments that include COVID-19 testing supplies for health care facilities and for the PH Lab: PPE, cooling vests, tents and other supplies to support Testing Sites;

PROJECTIONS

- Potential for COVID patient transports.
- Partial support of EMD temporary warehouse costs (\$1.3 million).

TECHNOLOGY, STAFF SUPPORT, CLEANING AND OTHER GRANT SPECIFIC

| Category | Spent as of 7/30/2020 | Estimated Potential Expenditures through 12/31/2020* | Total Potential Expenditures through 12/31/2020* |
|--|-----------------------|--|--|
| Technology, Staff Support, Cleaning & Other Grant Specific | \$1,698,018 | \$8,041,622 | \$9,739,640 |

* Response to COVID-19 is a rapidly evolving event. All projections are based on data available at the time of this report and are subject to change.

KEY PERFORMANCE DATA

- DHEC has received several grants that are focused for very specific activities and populations and expenditures are summarized here.
- General operating costs that support multiple other activities mentioned above.

EXPENDITURES

- Includes operating costs required for DHEC staff responding to COVID-19 (travel, office supplies, etc.)
- Includes additional software licenses, hardware and other technology to support new staff and remote network access (approximately \$1.18 million)
- Includes costs required for sanitizing DHEC facilities when indicated and recommended (approximately \$110,000).

PROJECTIONS

- System enhancements for the Immunization registry to prepare for COVID-19 vaccinations
- Syndromic Surveillance enhancements for early detection of new hotspots
- Miscellaneous lab IT supplies and training
- IT needs and operating for additional staffing
- Grant specific deliverables (healthcare partner contracts, immunization preparedness, housing opportunities for people with AIDs)



COVID-19 Statewide Expenditures

Category Descriptions

Data as of July 27th, 2020

| Category | Description | Expense to date |
|---|---|------------------------|
| Testing Capacity – Supplies and Labor | Equipment, supply, and labor dedicated to the fixed testing locations that exist on the MUSC Charleston, Florence, and Lancaster campuses. | \$6,394,340 |
| Mobile Testing – Staffing | Labor to operate the sites (registration, clinical, and command), team to provide test result call backs, and information solution team to develop workflow and automation. | \$1,069,477 |
| Mobile Testing – Supplies | The biggest expense is lab equipment, reagent, and nasal swabs. Other minor expenses include specimen bags, labels, hand sanitizer, etc. | \$8,674,388 |
| Mobile Testing – PPE | Gloves, masks, face shields, gowns, goggles, etc. | \$1,172,962 |
| Mobile Testing – Cost and Tent Operations | Testing cost is inclusive of the testing kit creation (labor and material) and the laboratory labor expense to process the test. Tent operations include setup items, (generators and traffic cones), courier payments to transport labs back to Charleston, and other miscellaneous expenses to operate the rural site. | \$711,422 |
| Mobile Testing – Education | Signage used for navigation / wayfinding thru the testing sites and for statewide publicity / communications. | \$12,861 |
| Mobile Testing – Quarantine | Intended for care team members who need to quarantine after exposure from a testing site. | \$0 |
| Mobile Testing – Transportation | Rental truck lease and fuel for the trucks traveling from Charleston to testing site. Also, for employee mileage reimbursement. | \$40,363 |
| Mobile Testing – Contingency | Employee lodging, meals (when not donated by local partners), water / beverages, and ice (keep test samples cold). | \$7,866 |



COVID-19 Statewide Expenditures

Spend Rate

As of July 27, 2020 we have spent \$18,083,679 with the majority of the expense reported in the first 4 weeks. More recently, we have settled into an approximate weekly operational expense of \$800K. We intend to purchase additional lab equipment, to further increase the testing capacity, and will invest in a statewide marketing / education campaign focused on COVID-19. Based on those expected costs and the remaining state appropriation, we anticipate the funding to be exhausted by late August 2020.

In order for MUSC to continue operations, we project the need for an additional \$30M through May 15th, 2021.

| | |
|---|----------------------|
| Last Report Date | 07/27/2020 |
| Original Amount | \$ 25,000,000 |
| Spend to date | \$ 18,083,679 |
| Expected costs (equipment / marketing) | \$ 1,500,000 |
| Subtotal | \$ 19,583,679 |
| Remaining spend | \$ 5,416,321 |
| Weekly spend | \$ 800,000 |
| Weeks of operation | 6.8 |
| Months of operation | 1.7 |
| Projected End | 08/27/2020 |

Community-based Testing Statistics

Data as of 7/30/2020

“At Risk Community / Pop Up” COVID testing count. Shown by patient’s home county, as listed on their driver’s license.

“Fixed Site / MUSC campus” COVID testing count. Shown by patient’s county, as listed on their driver’s license.

Total COVID-19 testing

| PATIENT HOME COUNTY | # TESTS |
|---------------------|---------------|
| FLORENCE | 7,540 |
| RICHLAND | 7,017 |
| CHARLESTON | 5,285 |
| MARION | 2,112 |
| SUMTER | 1,759 |
| SPARTANBURG | 1,727 |
| WILLIAMSBURG | 1,647 |
| HORRY | 1,583 |
| DARLINGTON | 1,258 |
| LANCASTER | 1,241 |
| ORANGEBURG | 1,207 |
| YORK | 1,181 |
| CHESTER | 1,177 |
| BERKELEY | 1,088 |
| LEXINGTON | 1,053 |
| DORCHESTER | 745 |
| KERSHAW | 678 |
| GEORGETOWN | 477 |
| DILLON | 426 |
| FAIRFIELD | 382 |
| HAMPTON | 369 |
| AIKEN | 248 |
| GREENVILLE | 217 |
| CLARENDON | 130 |
| CALHOUN | 129 |
| BEAUFORT | 102 |
| LEE | 98 |
| COLLETON | 96 |
| CHESTERFIELD | 81 |
| PICKENS | 72 |
| ANDERSON | 67 |
| CHEROKEE | 61 |
| UNION | 55 |
| NEWBERRY | 54 |
| JASPER | 53 |
| BAMBERG | 47 |
| OCONEE | 43 |
| MARLBORO | 42 |
| ALLENDALE | 40 |
| BARNWELL | 32 |
| LAURENS | 24 |
| GREENWOOD | 12 |
| OTHER* | 3,127 |
| Grand Total | 44,782 |

| PATIENT HOME COUNTY | # TESTS |
|---------------------|---------------|
| CHARLESTON | 21,092 |
| BERKELEY | 5,976 |
| DORCHESTER | 4,532 |
| FLORENCE | 3,049 |
| LANCASTER | 1,721 |
| HORRY | 1,054 |
| MARION | 761 |
| CHESTER | 684 |
| DARLINGTON | 584 |
| BEAUFORT | 488 |
| COLLETON | 387 |
| WILLIAMSBURG | 371 |
| ORANGEBURG | 333 |
| YORK | 331 |
| GEORGETOWN | 295 |
| DILLON | 256 |
| SUMTER | 252 |
| RICHLAND | 199 |
| CLARENDON | 158 |
| CHESTERFIELD | 152 |
| LEXINGTON | 135 |
| KERSHAW | 81 |
| LEE | 68 |
| GREENVILLE | 68 |
| MARLBORO | 62 |
| HAMPTON | 59 |
| SPARTANBURG | 58 |
| JASPER | 56 |
| FAIRFIELD | 34 |
| ANDERSON | 33 |
| AIKEN | 24 |
| PICKENS | 22 |
| BAMBERG | 22 |
| CALHOUN | 20 |
| UNION | 18 |
| BARNWELL | 12 |
| GREENWOOD | 11 |
| NEWBERRY | 10 |
| OTHER* | 1,134 |
| Grand Total | 44,602 |

| PATIENT HOME COUNTY | # TESTS |
|-----------------------|----------------|
| At Risk Testing | 44,782 |
| Fixed Testing | 44,602 |
| MUSC Charleston | 14,659 |
| Affiliated Facilities | 11,917 |
| MUSC Florence | 2,554 |
| MUSC Lancaster | 641 |
| MUSC Marion | 543 |
| MUSC Chester | 407 |
| MUSC Nursing Centers | 308 |
| Other | 4,560 |
| Grand Total | 124,973 |

* “OTHER” includes counties with less than 10 residents with completed tests, patient’s home county is outside South Carolina, and any registration discrepancies.

AGENCY: South Carolina Jobs Economic Development Authority

SUBJECT: Annual Report

The South Carolina Jobs-Economic Development Authority was created under Act 145 of 1983¹ (South Carolina Jobs - Economic Development Fund Act) as a state-owned enterprise with functions and duties, generally to

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

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

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

Among other things, the Authority is charged with responsibility to

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

¹ Codified at Chapter 43, Title 41.

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

The Authority's enabling legislation provides that

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

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

- 1) Bond Closings for Fiscal Year 2019-20
- 2) Approvals of the Coordinating Council Enterprise Committee for Fiscal Year 2019-20

The reports are provided as information to the Committee.

COMMITTEE ACTION:

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

ATTACHMENTS:

1. Bond Closing Report - Fiscal Year 2020.
2. Coordinating Council Enterprise Committee Approvals for FY 2019-20.

AVAILABLE:

1. SC Code Section 11-43-110(A).
2. Audited Financial Report for the Fiscal Year Ended June 30, 2019.



**SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY
 BOND CLOSINGS - FISCAL YEAR 2020
 JUL 1, 2019 - JUNE 30, 2020**

| COMPANY | COUNTY | FINAL BOND AMOUNT | DATE CLOSED | EXISTING JOBS | JOBS CREATED | TYPE OF FINANCING |
|--|----------------------|------------------------------|------------------------|--------------------------|-------------------------|---|
| Technical College of The Lowcountry Foundation | Beaufort | \$8,000,000 | 7/30/2019 | 210 | 11 | New Money Construction |
| Lexington/Richland Alcohol & Drug Abuse Council | Lexington & Richland | \$3,638,200 | 8/1/2019 | 157 | 0 | Refunds Series 2009 |
| Lowcountry Leadership Charter School 2019A | Charleston | \$10,145,000 | 9/17/2019 | 70 | 0 | Acquire Leased Campus |
| Lowcountry Leadership Charter School 2019B [T] | Charleston | \$375,000 | 9/17/2019 | see above | see above | Refinances Bank loan |
| Conway Hospital 2019 [T] | Horry | \$43,218,000 | 9/20/2019 | 1442 | 20 | Refunds Series 2007 |
| Lander RWS Properties 2019A | Greenwood | \$9,330,000 | 11/18/2019 | 427 | 0 | Refunds Series 2009 |
| Lander RWS Properties 2019B [T] | Greenwood | \$95,000 | 11/18/2019 | see above | see above | Refunds Series 2009 |
| St. Joseph Candler Hospital Health System 2019C | Beaufort | \$19,020,000 | 11/20/2019 | 17 | 16 | New Money Construction |
| CR River Park Independent Living 2019A | Horry | \$29,835,000 | 12/6/2010 | 0 | 15 | New Money Construction |
| CR River Park Independent Living 2019B [T] | Horry | \$1,255,000 | 12/6/2019 | see above | see above | New Money Construction |
| RePower South Berkeley 2019 [T] | Berkeley | \$3,000,000 | 12/6/2019 | 0 | 0 | Refinance debt of 2017 project |
| Spartanburg Preparatory School 2019A | Spartanburg | \$11,465,000 | 12/19/2019 | 72 | 5 | New Money Construction |
| Spartanburg Preparatory School 2019B [T] | Spartanburg | \$305,000 | 12/19/2019 | see above | see above | New Money Construction |
| Legion Collegiate Academy 2019A | York | \$13,030,000 | 12/19/2019 | 0 | 52 | New Money Construction |
| Legion Collegiate Academy 2019B [T] | York | \$860,000 | 12/19/2019 | see above | see above | New Money Construction |
| Bishop Gadsden Episcopal Retirement Comm. 2019A | Charleston | \$50,555,000 | 12/20/2019 | 380 | 104 | New Money Construction |
| Bishop Gadsden Episcopal Retirement Comm. 2019B | Charleston | \$50,000,000 | 12/20/2019 | see above | see above | New Money Construction |
| Upstate Senior Living dba Woodlands at Furman 2020A | Greenville | \$18,695,000 | 1/23/2020 | 164 | 10 | New Money/Renovations |
| Upstate Senior Living dba Woodlands at Furman 2020B | Greenville | \$17,000,000 | 1/23/2020 | see above | see above | New Money/Renovations |
| Hilton Head Christian Academy | Beaufort | \$23,915,000 | 1/30/2020 | 56 | 12 | New Money Construction |
| AHP of Columbia- Hunt Club Village Apartment s | Richland | \$17,115,000 | 2/18/2020 | 3 | 1 | Acquire & Rehab Workforce Housing Complex |
| Cherokee Charter Academy 2020A | Cherokee | \$11,370,000 | 3/30/2020 | 0 | 78 | New Money Construction |
| Cherokee Charter Academy 2020B [T] | Cherokee | \$435,000 | 3/30/2020 | see above | see above | New Money Construction |
| Bon Secours Mercy Health System 2020A | Berk/Chas/Green. | \$234,855,000 | 4/15/2020 | 8800 | 0 | Refin. Prior debt/Capital Improvemts |
| Bon Secours Mercy Health System 2020B | Berk/Chas/Green. | \$87,380,000 | 4/15/2020 | see above | see above | Refin. Prior debt/Capital Improvemts |
| Montage Living- Avondale Senior Living 2020A | Lancaster | \$32,865,000 | 4/24/2020 | 0 | 85 | New Money Construction |
| Montage Living- Avondale Senior Living 2020B [T] | Lancaster | \$395,000 | 4/24/2020 | see above | see above | New Money Construction |
| We Are Sharing Hope SC | Charleston | \$20,000,000 | 6/3/2020 | 105 | 5 | New Money Construction |
| Total Bonds Issued YTD FY 2020 >>>>> | | \$718,151,200 | | | | |

| PROJECT NAME | COUNTY | ASSOCIATED JOB # | INDUCEMENT AMOUNT | JEDA INDUCEMENT DATE | COORDINATING COUNCIL ENTERPRISE COMMITTEE APPROVAL DATE |
|---|-----------------------|------------------|-------------------|-----------------------|---|
| Lander RWS Properties | Greenwood | 438 | \$13.25MM | 6/19/2019 | 7/11/2019 |
| Lexington/Richland Alcohol and Drug Abuse Council | Lexington/Richland | 157 | \$3.65MM | 6/19/2019 | 7/11/2019 |
| The Heritage at Forest Acres Properties, LLC | Richland | 85 | \$60MM | 7/17/2019 | 8/1/2019 |
| Port Royal I, LLC | Beaufort | 3 | \$30MM | 7/17/2019 | 8/1/2019 |
| Spartanburg Preparatory School | Spartanburg | 77 | \$11MM | 8/21/2019 | 9/12/2019 |
| Conway Hospital, Inc. | Horry | 1,462 | \$45MM | 8/21/2019 | 9/12/2019 |
| Bishop Gadsden Retirement Community | Charleston | 484 | \$115MM | 8/21/2019 | 9/12/2019 |
| Upstate Senior Living dba The Woodlands at Furman | Greenville | 174 | \$50MM | 8/21/2019 | 9/12/2019 |
| CareAlliance Health Services dba Roper St. Francis Healthcare | Berkeley & Charleston | 5600 | \$315MM | 9/18/2019 | 10/3/2019 |
| C.R.Senior Living-River Park Independent Living | Horry | 15 | \$10MM | 9/18/2019 | 10/3/2019 |
| St. Joseph Cander Hospital Health System | Beaufort | 33 | \$30MM | 9/18/2019 | 10/3/2019 |
| South Carolina Student Loan Corporation | Statewide | 27 | \$120MM | 10/16/2019 | 11/7/2019 |
| Spartanburg Preparatory School | Spartanburg | 77 | \$14MM | 10/16/2019 (amending) | 11/7/2019 |
| Upstate Senior Living dba The Woodlands at Furman | Greenville | 174 | \$50MM | 10/16/2019 (amending) | 11/7/2019 |
| Hilton Head Christian Academy | Beaufort | 67 | \$26MM | 11/20/2019 | 12/5/2019 |
| AHP of Columbia- Hunt Club Village Apartments | Richland | 4 | \$18MM | 12/11/2019 | 1/30/2020 |
| Cherokee Charter Academy | Cherokee | 50 | \$20MM | 1/22/2020 | 1/30/2020 |
| Presbyterian Communities of South Carolina | Dorch/Pick/Lex. | 21 | \$30MM | 12/11/2019 | 1/30/2020 |
| Bon Secours MercyHealth System | Berk/Chas/Green. | 8800 | \$475MM | 2/19/2020 | 3/5/2020 |
| Montage Living- Avondale Senior Living | Horry | 85 | \$45MM | 3/18/2020 | 4/2/2020 |
| We Are Sharing Hope SC | Charleston | 105 | \$20MM | 11/20/2019 | 4/20/2020 |
| BullStreet Parking, LLC | Richland | 500 | \$31 | 5/20/2020 | 6/4/2020 |
| Foundation for Affordable Housing- Atrium Place Apartments | Richland | 7 | \$28MM | 5/20/2020 | 6/4/2020 |
| Last Step Recycling, LLC | Chester | 63 | \$47MM | 5/20/2020 | 6/4/2020 |
| RecoverSC Local Government Liquidity Program | Statewide | TBD | \$100MM | 5/20/2020 | 6/4/2020 |

AGENCY: Joint Bond Review Committee

SUBJECT: Future Meeting

The next meeting of the State Fiscal Accountability Authority is tentatively scheduled for Tuesday, October 13, 2020.

2020

| | | | |
|----------------------|----------------------|----------------------|----------------------|
| January | April | July | October |
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| | 31 | 30 31 | |
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| March | June | September | December |
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| 22 23 24 25 26 27 28 | 21 22 23 24 25 26 27 | 20 21 22 23 24 25 26 | 20 21 22 23 24 25 26 |
| 29 30 31 | 28 29 30 | 27 28 29 30 | 27 28 29 30 31 |

COMMITTEE ACTION:

Schedule next meeting.

ATTACHMENTS:

None.