

Capital Improvements Joint Bond Review Committee

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SPECIAL SUBCOMMITTEE MEETING SC TRANSPORTATION INFRASTRUCTURE BANK CHARLESTON COUNTY MARK CLARK EXTENSION PROJECT FUNDING

DATE: Wednesday, April 3, 2019
TIME: 9:00 a.m.
LOCATION: Room 105, Gressette Building

MEMBERS: Senator Thomas C. Alexander, Chairman
Senator Paul G. Campbell, Jr.
Representative Leonidas E. Stavrinakis
Representative J. Gary Simrill

AGENDA

1. Opening Comments
2. Presentation by Charleston County, South Carolina
3. Future Meeting and Next Steps

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March 7, 2019

The Honorable J. Elliott Summey
Chairman
Charleston County Council
Lonnie Hamilton, III, Public Services Building
4045 Bridge View Drive
North Charleston, South Carolina 29405

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

Gentlemen:

At its meeting on February 20, 2019, the Joint Bond Review Committee established a special subcommittee to study Charleston County's funding commitment for the Mark Clark Extension project pursuant to an amended Intergovernmental Agreement executed on January 10, 2019, by and among the South Carolina Transportation Infrastructure Bank, Charleston County, and the South Carolina Department of Transportation. The subcommittee has scheduled its initial meeting to be held on Wednesday, March 20, 2019, at 9:00 AM to receive presentations from the Bank and the County. The subcommittee expects to schedule future meetings for presentations by the South Carolina Department of Transportation and others as appropriate.

The subcommittee is aware of the County's fulfillment of its local match commitment of \$117 million as determined in the findings of the Intergovernmental Agreement; accordingly, the interests and focus of the subcommittee are on the sufficiency of revenue to support the payment obligations of the County under the Intergovernmental Agreement. The subcommittee encourages both the Bank and the County to use their discretion in providing information that is germane to the subcommittee's directive, but is particularly interested in receiving information about the following topics.

The Honorable J. Elliott Summey
John B. White, Jr., Esquire
March 7, 2019
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1. A summary of the provisions of the Intergovernmental Agreement, as amended, including without limitation (a) differences in the original and the amended agreement; (b) obligations of each party; and (c) provisions covering default, remedies, and recourse. This summary should be provided by the Bank; the County may but need not provide its own summary, comments and observations with respect to this topic.
2. Any legal analyses undertaken with respect to enforceability and validity of the Intergovernmental Agreement and its provisions, particularly with regard to (a) fulfillment of notice requirements prior to execution; (b) validity of the Transportation Sales Tax as the principal source of revenue for this project under the provisions of the referendums authorizing its imposition; (c) provisions for annual appropriation of Transportation Sales Tax revenue and the binding effect of these provisions on future county councils; and (d) the County's legal authority to enter into an obligation with a potentially undetermined financial commitment.
3. A summary of current and expected commitments and payment obligations of the Transportation Sales Tax, including existing and forecasted debt service, existing contractual payment obligations, and existing and planned future commitments and payment obligations for projects delineated in the referendums, all integrated with the payment forecast reflected in Schedule A of the Intergovernmental Agreement, with priority reflected for each payment obligation so that the subcommittee can understand payment parity, superiority and subordination for and among each of the commitments and payment obligations.
4. Sufficiency of Transportation Sales Tax revenue to cover the various payment obligations throughout the term of the Intergovernmental Agreement, demonstrated under likely and reasonable alternative assumptions, including at a minimum a break-even analysis that reflects the sensitivity of Transportation Sales Tax revenue to growth assumptions.
5. Any presently identifiable "other lawful sources" available to fund the payment obligations of the County as contemplated by Section 3.2B of the Intergovernmental Agreement.
6. Status and amounts of potential sources identified in Resolution #16-07 adopted by Charleston County Council on April 7, 2016, and in the financial plan dated March 15, 2018.

We will provide further information with regard to location and other meeting details as soon as it is available. In the meantime, please contact Rick Harmon, Research Director for the committee, if you have any questions or need additional information. We look forward to seeing you on March 20.

Very truly yours,



Thomas C. Alexander
Subcommittee Chairman

c: Joseph Dawson, III, Esquire
Charleston County Attorney

Robert E. Tyson, Jr., Esquire
Robinson Gray Stepp & Laffitte, LLC