

Capital Improvements
Joint Bond Review Committee

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JOINT BOND REVIEW COMMITTEE MEETING
Tuesday, October 18, 2022, 10:00 a.m.
105 Gressette Building

AGENDA

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AGENCY: South Carolina Department of Commerce

SUBJECT: Proposed Funding to Support Economic Development Projects

Proposed Expenditures from Department of Commerce Closing Fund. Proviso 50.10 of the Fiscal Year 2022-23 Appropriations Act establishes within the South Carolina Department of Commerce the Closing Fund to encourage and facilitate economic development, and for the purpose of competitive recruitment, with use of the Fund for these purposes subject to approval by the Coordinating Council for Economic Development. Proviso 118.19(B)(46)(a) of the Fiscal Year 2022-23 Appropriations Act made provision for a \$200 million appropriation to the Closing Fund. Proviso 118.19(B)(46.1) provides that the Department of Commerce must identify and recommend potential projects for review and comment by the Joint Bond Review Committee before any funds may be awarded or expended from the Closing Fund.

By letter dated October 6, 2022, Secretary of Commerce Lightsey requests review and comment by the Committee of the Department's proposal to fund two (2) grants totaling \$200 million, one of which will fund a grant of up to \$65 million, and the other of which will fund a grant of \$135 million. Each of the projects include substantial commitments to new jobs and capital investments by the project sponsors.

If review of the Committee is favorable, substantially all funding appropriated to the Closing Fund pursuant to the Fiscal Year 2022-23 Appropriations Act will be exhausted.

Proposed Issuance of General Obligation Economic Development Bonds. Chapter 41 of Title 11 of the South Carolina Code of Laws, the State General Obligation Economic Development Bond Act, provides among other things for the issuance of General Obligation State Economic Development Bonds to finance infrastructure for economic development projects. By letter dated October 6, 2022, Secretary of Commerce Lightsey has requested Committee review of a proposed issuance of economic development bonds in an amount not exceeding \$70,300,000, to defray the costs of certain improvements and infrastructure in connection with a qualifying investment made by one of the grantees referenced above.

In accordance with Section 11-41-70 of the Code of Laws, Secretary Lightsey has certified among other things that the improvements to be financed with proceeds of the bonds constitute infrastructure as defined in the Act; that the project consists of an investment by the project sponsor of not less than \$400 million and the creation of no fewer than 400 new jobs; that the construction of the infrastructure will enhance the recruitment and facilitate the operation and growth of industry and business to the state; that benefits of the project outweigh costs of the infrastructure; and that the bonds will serve a public purpose by fostering economic development and increasing employment in the state.

Proceeds of the bonds will be used to defray the costs of roadway improvements, water and sewer infrastructure, and an employee training center.

The estimated term of the bonds is 20 years. A preliminary draw schedule is provided as Attachment A-2 to the Secretary's certification, and a schedule of debt service for all economic development bonds currently outstanding, including the proposed bonds on a pro forma basis, is provided as Attachment A-3(ii) to the Secretary's certification.

The Bonds will be general obligations of the state, and the full faith and credit of the state will be pledged to their repayment.

COMMITTEE ACTION:

1. Review and comment on the proposed awards and expenditures from the Closing Fund.
2. Review and make recommendation regarding the issuance of not exceeding \$70,300,000 General Obligation State Economic Development Bonds pursuant to the State General Obligation Economic Development Bond Act.

ATTACHMENTS:

1. Letter dated October 6, 2022, of Mr. Harry M. Lightsey, III, Secretary, South Carolina Department of Commerce, requesting Committee review and comment on two (2) Closing Fund grants.
2. Resolution of South Carolina Coordinating Council for Economic Development dated September 1, 2022.
3. Resolution of South Carolina Coordinating Council for Economic Development dated October 6, 2022.
4. Letter dated October 6, 2022, of Mr. Harry M. Lightsey, III, Secretary, South Carolina Department of Commerce, providing notice of a request by the Department of Commerce to authorize the issuance of not exceeding \$70,300,000 State General Obligation Economic Development Bonds.
5. Certificate of the Secretary, South Carolina Department of Commerce.
6. Letter dated October 3, 2022, of Theodore B. DuBose, Haynsworth Sinkler Boyd, Bond Counsel.

AVAILABLE:

1. Draft Resolution Providing for the Issuance and Sale of Not Exceeding \$70,300,000 General Obligation State Economic Development Bonds.



Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Harry M. Lightsey III
Secretary

October 6, 2022

The Honorable Harvey S. Peeler, Jr.
Chairman, Joint Bond Review Committee
105 Gressette Building
Columbia, SC 29201

Dear Chairman Peeler:

The purpose of this letter is to identify and recommend two Closing Fund grant requests for review and comment by the Joint Bond Review Committee (JBRC) at its October 18, 2022 meeting. Both grant requests concern significant confidential economic development projects that will create substantial benefits to the State of South Carolina.

The General Assembly has established the Closing Fund at the Department of Commerce to encourage and facilitate economic development and for the purpose of competitive recruitment, subject to approval by the South Carolina Coordinating Council for Economic Development (the "Coordinating Council"). For the current fiscal year, the General Assembly appropriated \$200 million to the Closing Fund, with the requirement that the Department identify and recommend potential projects for review and comment by the JBRC before any funds may be awarded by the Coordinating Council or expended.

On September 1, 2022, the Coordinating Council reviewed a Closing Fund grant application seeking an award of up to \$65,000,000 in support of a significant economic development project that includes substantial commitments to new jobs and capital investment. After making such findings as are appropriate, the Coordinating Council by resolution authorized the Executive Director of the Coordinating Council to execute a grant award agreement with the applicable local government and a performance agreement with the project after such agreements incorporate the review and comment by JBRC. See Resolution dated September 1, 2022, attached hereto.

Earlier today, the Coordinating Council reviewed another Closing Fund grant application seeking an award of up to \$135,000,000 in support of a second significant economic development project that includes substantial commitments to new jobs and capital investment. After making such findings as area appropriate, the Coordinating Council by resolution authorized the Executive Director of the Coordinating Council to execute a grant award agreement with the applicable local government and a performance agreement with the project after such agreements incorporate the review and comment by JBRC. See Resolution dated October 6, 2022, attached hereto.

Please note that by separate correspondence, I am requesting that the JBRC also review the proposed issuance of an amount not to exceed \$70,300,000 (including costs of issuance) to defray the costs of infrastructure, as defined in the State Economic Development Bond Act, in connection with this second project that consists of qualifying investment and job creation to which I have certified in accordance with the Act.

If you have any questions or require further information, please let me know.

Sincerely,



Harry M. Lightsey III
HML/III/km/vw

Attachment

cc: F. Richard Harmon, Jr., Director of Research, Joint Bond Review Committee

A RESOLUTION AUTHORIZING RECOMMENDATION OF A CLOSING FUND GRANT AWARD TO SUPPORT A SIGNIFICANT ECONOMIC DEVELOPMENT PROJECT WHEREBY, AFTER REVIEW AND COMMENT BY THE JOINT BOND REVIEW COMMITTEE AND INCORPORATION OF SUCH CONDITIONS AS MAY BE REQUIRED, THE SOUTH CAROLINA COORDINATING COUNCIL SHALL AWARD THE GRANT IN FURTHERANCE OF THE PROJECT

WHEREAS, the South Carolina General Assembly, pursuant to Proviso 118.19 (46) contained in Part IB of the 2022-2023 Appropriations Bill, H.5150, as ratified by the General Assembly on June 16, 2022, has made a one-time appropriation of Two Hundred Million Dollars (\$200,000,000) to the Closing Fund of the South Carolina Department of Commerce ("Commerce") for the purpose of supporting the recruitment of significant economic development projects; and

WHEREAS, Proviso 50.10 requires that funds appropriated to the Closing Fund for competitive recruitment purposes shall be used as approved by the South Carolina Coordinating Council for Economic Development (the "Coordinating Council"); and

WHEREAS, Proviso 118.19 (46.1) further requires that Commerce shall identify and recommend potential projects for review and comment by the Joint Bond Review Committee before any funds may be awarded or expended from the Closing Fund; and

WHEREAS, Commerce has presented the confidential details of a significant economic development opportunity (the "Project") to the Coordinating Council, and the Council has reviewed an application for a Closing Fund grant to support the Project at its quarterly meeting on September 1, 2022; and

WHEREAS, the Coordinating Council has determined and found, based on representations by Commerce on behalf of the Project, the grant application, and considering all relevant factors and criteria as prescribed by law that the Project is anticipated to provide substantial public benefits to the State of South Carolina through the creation of a significant number of new full-time jobs and substantial taxable investment; and, that the Project gives rise to no pecuniary liability of the State or a charge against its general credit or taxing power; that the purposes to be accomplished by the Project, i.e., economic development, keeping of jobs, and addition to the local tax base, are proper governmental and public purposes; that the inducement of the location or expansion of the Project within the State is of paramount importance; and that the benefits of the Project will be greater than the costs.

NOW, THEREFORE, BE IT RESOLVED, by the Coordinating Council as follows:

Section 1. Pursuant to the requirements in Part IB of the 2022-2023 Appropriations Bill, H.5150, that the Coordinating Council approve funding from Commerce's Closing Fund, and, with respect to the \$200 million one-time appropriation by the South Carolina General Assembly of Closing Funds, Commerce must identify and recommend potential projects to the Joint Bond Review Committee for review and comment, the Coordinating Council hereby authorizes

Commerce to make such definitive recommendation to the Joint Bond Review Committee regarding a Closing Fund Grant in the amount of Sixty-Five Million to support the Project.

Section 2. Any comments by the Joint Bond Review Committee shall be incorporated, as appropriate, into applicable agreements memorializing the terms of the proposed grant award, which shall include minimum job and investment commitments and performance provisions regarding same, after which the grant application shall be deemed approved by the Coordinating Council and duly awarded in support of the Project.

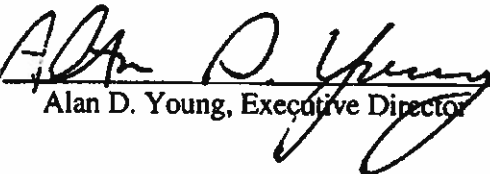
Section 3. The Executive Director of the Coordinating Council is hereby authorized to execute a grant award agreement with the applicable local government and a performance agreement with the Project after such agreements incorporate the review and comment by the Joint Bond Review Committee.

Section 4. After the grant has been awarded, a performance agreement has been finalized, and the Project has announced, the Secretary of Commerce, as Chairman of the Coordinating Council, shall confirm in writing to the Joint Bond Review Committee the identity and a summary of the Project as well as the minimum job and investment commitments by the Project that support the grant award, all for the purpose of inclusion of such details in the official record.

Section 5. This resolution shall take effect upon approval and execution.

Dated: September 1, 2022.

**SOUTH CAROLINA COORDINATING COUNCIL
FOR ECONOMIC DEVELOPMENT**

By: 
Alan D. Young, Executive Director

A RESOLUTION AUTHORIZING RECOMMENDATION OF A CLOSING FUND GRANT AWARD TO SUPPORT A SIGNIFICANT ECONOMIC DEVELOPMENT PROJECT WHEREBY, AFTER REVIEW AND COMMENT BY THE JOINT BOND REVIEW COMMITTEE AND INCORPORATION OF SUCH CONDITIONS AS MAY BE REQUIRED, THE SOUTH CAROLINA COORDINATING COUNCIL SHALL AWARD THE GRANT IN FURTHERANCE OF THE PROJECT

WHEREAS, the South Carolina General Assembly, pursuant to Proviso 118.19 (46) contained in Part IB of the 2022-2023 Appropriations Bill, H.5150, as ratified by the General Assembly on June 16, 2022, has made a one-time appropriation of Two Hundred Million Dollars (\$200,000,000) to the Closing Fund of the South Carolina Department of Commerce ("Commerce") for the purpose of supporting the recruitment of significant economic development projects; and

WHEREAS, Proviso 50.10 requires that funds appropriated to the Closing Fund for competitive recruitment purposes shall be used as approved by the South Carolina Coordinating Council for Economic Development (the "Coordinating Council"); and

WHEREAS, Proviso 118.19 (46.1) further requires that Commerce shall identify and recommend potential projects for review and comment by the Joint Bond Review Committee before any funds may be awarded or expended from the Closing Fund; and

WHEREAS, Commerce has presented the confidential details of a significant economic development opportunity (the "Project") to the Coordinating Council, and the Coordinating Council has reviewed an application for a Closing Fund grant to support the Project at its special meeting on October 6, 2022; and

WHEREAS, the Coordinating Council has determined and found, based on representations by Commerce on behalf of the Project, the grant application, and considering all relevant factors and criteria as prescribed by law that the Project is anticipated to provide substantial public benefits to the State of South Carolina through the creation of a significant number of new full-time jobs and substantial taxable investment; and, that the grant gives rise to no pecuniary liability of the State or a charge against its general credit or taxing power; that the purposes to be accomplished by the Project, i.e., economic development, keeping of jobs, and addition to the local tax base, are proper governmental and public purposes; that the inducement of the location or expansion of the Project within the State is of paramount importance; and that the benefits of the Project will be greater than the costs.

NOW, THEREFORE, BE IT RESOLVED, by the Coordinating Council as follows:

Section 1. Pursuant to the requirements in Part IB of the 2022-2023 Appropriations Bill, H.5150, that the Coordinating Council approve funding from Commerce's Closing Fund, and, with respect to the \$200 million one-time appropriation by the South Carolina General Assembly of Closing Funds, Commerce must identify and recommend potential projects to the Joint Bond Review Committee for review and comment, the Coordinating Council hereby authorizes Commerce to make such definitive recommendation to the Joint Bond Review Committee

regarding a Closing Fund Grant in the amount of One Hundred Thirty-Five Million to support the Project.

Section 2. Any comments by the Joint Bond Review Committee shall be incorporated, as appropriate, into applicable agreements memorializing the terms of the proposed grant award, which shall include minimum job and investment commitments and performance provisions regarding same, after which the grant application shall be deemed approved by the Coordinating Council and duly awarded in support of the Project.

Section 3. The Executive Director of the Coordinating Council is hereby authorized to execute a grant award agreement with the applicable local government and a performance agreement with the Project after such agreements incorporate the review and comment by the Joint Bond Review Committee.

Section 4. After the grant has been awarded, a performance agreement has been finalized, and the Project has announced, the Secretary of Commerce, as Chairman of the Coordinating Council, shall confirm in writing to the Joint Bond Review Committee the identity and a summary of the Project as well as the minimum job and investment commitments by the Project that support the grant award, all for the purpose of inclusion of such details in the official record.

Section 5. This resolution shall take effect upon approval and execution.

Dated: October 6, 2022.

**SOUTH CAROLINA COORDINATING COUNCIL
FOR ECONOMIC DEVELOPMENT**

By: _____

Alan D. Young, Executive Director



Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Harry M. Lightsey III
Secretary

October 6, 2022

The Honorable S. Harvey Peeler, Jr.
Chairman, Joint Bond Review Committee
105 Gressette Building
Columbia, SC 29201

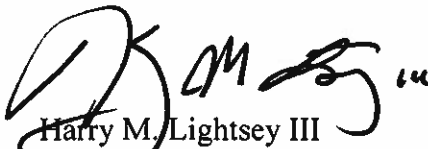
Dear Chairman Peeler:

The purpose of this letter is to notify the Joint Bond Review Committee (JBRC) of a request by the Department of Commerce to authorize the issuance of State General Obligation Economic Development Bonds in an amount not to exceed \$70,300,000 (including costs of issuance) in connection with an economic development project known as "Project Samurai" at its October 18, 2022 meeting. Attached is my certification on behalf of the Department that the project meets all statutory requirements of the General Obligation State Economic Development Bond Act and includes a description of the costs of infrastructure that the bond proceeds will be used to defray.

By separate correspondence, I have also identified and recommended this significant project for a Closing Fund grant award in the amount of up to \$135,000,000.

If you have any questions or require further information, please let me know.

Sincerely,



Harry M. Lightsey III
HMLIII/km/vw

Attachment

cc: F. Richard Harmon, Jr., Director of Research, Joint Bond Review Committee

CERTIFICATE OF THE SECRETARY
SOUTH CAROLINA DEPARTMENT OF COMMERCE

I, the undersigned, Harry M. Lightsey III, Do Hereby Certify as Follows:

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

2. Pursuant to Section 11-41-70 of the Code of Laws of South Carolina, 1976, as amended, the Department hereby notifies the Joint Bond Review Committee and the State Fiscal Accountability Authority of the State of South Carolina of its request to authorize the issuance of General Obligation State Economic Development Bonds (the "Economic Development Bonds") in connection with an economic development project known as "Project Samurai", which consists of an investment in the State of South Carolina (the "State") by a manufacturer (the "Sponsor") of certain products for use in the automotive industry (the "Project").

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

4. The amount hereby requested for allocation to the Department to defray the costs of the Infrastructure, including contingency funds against inflation and cost overruns, is Seventy Million Dollars (\$70,000,000), and, in addition thereto, not exceeding Three Hundred Thousand Dollars (\$300,000) to be allocated to the Office of the State Treasurer for payment of issuance costs.

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

6. Debt service tables showing (i) the aggregate annual principal and interest requirements for all General Obligation State Economic Development Bonds outstanding and (ii) the same, categorized by applicable provisions of Section 11-41-50, together with pro forma annual principal and interest requirements for the bonds proposed for issuance, as of the date hereof, are shown in Attachment A-3 hereto.

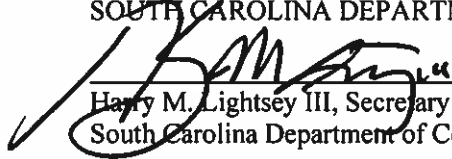
7. As of the date hereof, General Obligation State Economic Development Bonds have previously been authorized and issued under the General Obligation State Economic Development Bond Act in an aggregate principal amount of \$776,910,000.

8. Based on my independent inquiry and review, I hereby certify that I have determined that the construction of the Infrastructure for the benefit of the Project enhances the recruitment of industry and business to the State, facilitates the operation and growth of industry and businesses in the State, and thereby provides significant and substantial direct and indirect benefits to the State and its residents, including employment and other opportunities; that such benefits outweigh the costs of the Infrastructure; that for such reasons it is in the best interest of the State to authorize the issuance of the Economic Development

Bonds; and that the Economic Development Bonds, issued for such purpose, serve a public purpose in directly fostering economic development and increasing employment in the State. I further certify that the primary beneficiaries of the issuance of the Economic Development Bonds and the construction of Infrastructure for the Project are the State of South Carolina and its residents.

IN WITNESS WHEREOF, I have set my hand this 5 day of October, 2022.

SOUTH CAROLINA DEPARTMENT OF COMMERCE



Harry M. Lightsey III, Secretary
South Carolina Department of Commerce

DESCRIPTION OF INFRASTRUCTURE

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

<u>Description</u>	<u>Projected Amount (in Millions)</u>
Training Facilities	\$15.00
Road Improvements	21.00
Water Infrastructure	12.15
Sewer Infrastructure	20.25
Contingency	<u>1.60</u>
TOTAL.....	\$70.0

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

PRELIMINARY – SUBJECT TO CHANGE

Est. Expenditures – 1-6 Months	\$1,462,000
Est. Expenditures – 7-12 Months	4,383,000
Est. Expenditures – 13-18 Months	14,305,500
Est. Expenditures – 19-24 Months	16,192,000
Est. Expenditures – 25-30 Months	26,027,000
Est. Expenditures – 31-36 Months	7,630,500

**DEBT SERVICE SCHEDULE FOR THE GENERAL OBLIGATION STATE
ECONOMIC DEVELOPMENT BONDS CURRENTLY OUTSTANDING**

Fiscal Year Ending	Debt Service*		Total Debt Service
	Principal	Interest	
June 30, 2023	\$ 12,290,000	\$ 2,301,525	\$ 14,591,525
June 30, 2024	43,615,000	3,675,300	47,290,300
June 30, 2025	22,850,000	1,754,675	24,604,675
June 30, 2026	3,615,000	609,300	4,224,300
June 30, 2027	3,790,000	437,350	4,227,350
June 30, 2028	3,910,000	318,650	4,228,650
June 30, 2029	4,105,000	123,150	4,228,150
Total	\$ 94,175,000	\$ 9,219,950	\$ 103,394,950

* Preliminary, subject to change.

**DEBT SERVICE SCHEDULE FOR ALL GENERAL OBLIGATION STATE
ECONOMIC DEVELOPMENT BONDS CURRENTLY OUTSTANDING AND
THE PROPOSED NOT EXCEEDING \$70,300,000 PRINCIPAL AMOUNT
GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS
AT PREVAILING AND ANTICIPATED RATES OF INTEREST**

Fiscal Year	Existing Debt Service			Authorized but Unissued	Proposed Issue*		Composite Debt Service
	§11-41-50A	§11-41-50B	§11-41-50C		Principal	Interest	
6/30/2023	\$ 3,641,900	\$ 8,518,000	\$ 2,431,625	\$ -	\$ 1,255,000	\$ 1,031,789	\$ 16,878,314
6/30/2024	4,215,425	29,960,250	13,114,625	-	2,800,000	2,249,180	52,339,480
6/30/2025	4,224,175	18,049,500	2,331,000	-	2,865,000	2,182,260	29,651,935
6/30/2026	4,224,300	-	-	-	2,935,000	2,113,786	9,273,086
6/30/2027	4,227,350	-	-	-	3,005,000	2,041,879	9,274,229
6/30/2028	4,228,650	-	-	-	3,080,000	1,968,256	9,276,906
6/30/2029	4,228,150	-	-	-	3,160,000	1,890,640	9,278,790
6/30/2030	-	-	-	-	3,240,000	1,809,744	5,049,744
6/30/2031	-	-	-	-	3,325,000	1,724,532	5,049,532
6/30/2032	-	-	-	-	3,415,000	1,633,760	5,048,760
6/30/2033	-	-	-	-	3,510,000	1,538,140	5,048,140
6/30/2034	-	-	-	-	3,620,000	1,429,681	5,049,681
6/30/2035	-	-	-	-	3,740,000	1,309,497	5,049,497
6/30/2036	-	-	-	-	3,870,000	1,178,597	5,048,597
6/30/2037	-	-	-	-	4,010,000	1,038,890	5,048,890
6/30/2038	-	-	-	-	4,160,000	890,119	5,050,119
6/30/2039	-	-	-	-	4,315,000	731,623	5,046,623
6/30/2040	-	-	-	-	4,485,000	563,769	5,048,769
6/30/2041	-	-	-	-	4,660,000	386,163	5,046,163
6/30/2042	-	-	-	-	4,850,000	198,365	5,048,365
Totals	<u>\$ 28,989,950</u>	<u>\$ 56,527,750</u>	<u>\$ 17,877,250</u>	<u>\$ -</u>	<u>\$ 70,300,000</u>	<u>\$ 27,910,664</u>	<u>\$ 201,605,614</u>

* Preliminary, subject to change.

October 3, 2022

Via Email

Mr. F. Richard Harmon, Jr.
Joint Bond Review Committee
111 Gressette Building
Columbia, South Carolina 29201

Re: Application for Issuance of Not Exceeding \$70,300,000 State General Obligation Economic Development Bonds

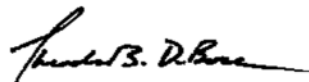
Dear Rick:

The Department of Commerce is requesting the issuance of \$70,300,000 State General Obligation Economic Development Bonds (the "Bonds"). Proceeds of the Bonds would be applied to (i) water and sewer improvements, (ii) roadway improvements, and (iii) an employee training facility, all in connection with a proposed project involving the manufacture of certain automobile components, as well as issuance costs. The Bonds would be issued within the 0.5% debt limit provisions of South Carolina Code Ann. Secs. 11-41-50(A) and 11-41-60.

A copy of the proposed resolution of the State Fiscal Accountability Authority by which the issuance of the Bonds would be authorized is enclosed. This resolution has been forwarded to the S.F.A.A. with a request that it be placed on the agenda for its October 16, 2022 special meeting. I respectfully request that this matter be placed before the Joint Bond Review Committee for its consideration in time that it may be taken up by the S.F.A.A. at the October 16 meeting.

Please let me know if you have any questions regarding the enclosed or require any additional documentation.

Very truly yours,



Theodore B. DuBose

Enclosure

cc: Mr. Robert E. MacDonald, Office of the State Treasurer

AGENCY: Department of Administration
Facilities Management and Property Services

SUBJECT: Proposed Lease
South Carolina Department of Commerce
1201 Main Street, Columbia

The South Carolina Department of Commerce requests review of its proposal to continue leasing 27,927 square feet of office space at 1201 Main Street, Columbia, from Hamilton Capitol Center LLC.¹ The Department has leased space at this location since 1986, and the current leases will expire on March 31, 2023.

The South Carolina Department of Administration conducted a solicitation for 3- and 5-year terms following a determination that other state space was not available. The Department of Administration received 3 responses to the solicitation, with the proposal for the selected location representing the second least expensive offer.

The term of the proposed lease is 5 years. Rent includes all operating expenses and will be \$17.75 per square foot for the first year of the term; thereafter, base rent will increase by 2.5% annually for the remainder of the term. Total rent over the term will be \$2,605,310. Parking is available in a parking garage adjacent to the building under a separate agreement with the City of Columbia. 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, federal funds, and other funds; and the Department'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 \$17.81 to \$22.50 per square foot.

COMMITTEE ACTION:

Review and make recommendation regarding the proposed lease.

ATTACHMENTS:

1. Department of Administration, Facilities Management and Property Services Agenda Item Worksheet.
2. Letter dated September 26, 2022, of Mr. Harry M. Lightsey, III, Secretary, South Carolina Department of Commerce.

¹ A Delaware limited liability company in good standing registered with the SC Secretary of State effective September 15, 2017. Hamilton Capitol Center LLC of Columbia is registered agent. Private Participant Disclosures were included with the submission.

**JOINT BOND REVIEW COMMITTEE
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: October 18, 2022

Regular Agenda

1. Submitted by:

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

Ashlie Lancaster
Ashlie Lancaster, Director

2. Subject: SC Department of Commerce Lease at 1201 Main Street, Suites 1600 and 1740, Columbia SC

3. Summary and Background Information:

The SC Department of Commerce requests approval to continue leasing 27,927 rentable square feet of office space located at 1201 Main Street in Columbia, SC from Hamilton Capitol Center LLC. The Agency has leased space at this location since April 1986. The current leases will expire on March 31, 2023.

A solicitation was conducted for three and five-year terms, and three (3) responsive proposals were received. The current location was the second least expensive offer.

The lease term will be five (5) years beginning April 1, 2023, at a rate of \$17.75 per rentable square foot for an annual aggregate amount of \$495,704.25 for the first year. Thereafter, basic rent increases 2.50% annually as shown in the table below. The total rent to be paid over the five-year term will be \$2,605,309.83. This is a full gross lease and includes all operating expenses.

<u>TERM</u>	<u>PERIOD: FROM - TO</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR 1	1 April 2023-31 March 2024	\$ 495,704.25	\$ 41,308.69	\$ 17.75
YEAR 2	1 April 2024-31 March 2025	\$ 507,992.13	\$ 42,332.68	\$ 18.19
YEAR 3	1 April 2025-31 March 2026	\$ 520,838.55	\$ 43,403.21	\$ 18.65
YEAR 4	1 April 2026-31 March 2027	\$ 533,684.97	\$ 44,473.75	\$ 19.11
YEAR 5	1 April 2027-31 March 2028	\$ 547,089.93	\$ 45,590.83	\$ 19.59

Adequate parking is available in the parking garage adjacent to the building via a separate agreement with the City of Columbia.

The following chart represents comparable lease rates of similar business space:

Tenant	Location	Rate /SF**
Vacant*	1501 Lady Street	\$18.50
Vacant	7909 Parklane Road	\$19.00

Vacant*	1441 Main Street	\$22.50
Insurance Department	1201 Main Street	\$17.81
Worker's Compensation Commission	1333 Main Street	\$18.25

* Received in response to this solicitation

** Above rates may be subject to base rent or operating expense escalations

Agency has adequate funds for the lease according to a Budget Approval Form submitted September 26, 2022, which also includes a multi-year plan. Lease payments will be funded through state appropriations, federal funding, and other funds. No option to purchase the property is included in the lease.

-
4. **What is the JBRC asked to do?** Approve the proposed five-year lease for the SC Department of Commerce at 1201 Main Street in Columbia, SC.

-
5. **What is recommendation of the submitting agency involved?** Approve the proposed five-year lease for the SC Department of Commerce at 1201 Main Street in Columbia, SC.

6. **List of Supporting Documents:**

- Letter from Agency



Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Harry M. Lightsey III
Secretary

September 26, 2022

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

Dear Ms. Lancaster:

The South Carolina Department of Commerce (Commerce) requests approval by the Joint Bond Review Committee (JBRC) and the State Fiscal Accountability Authority (SFAA) at its upcoming meetings, to consider a five (5) year lease with Hamilton Capitol Center LLC, for property located at 1201 Main Street, Columbia, South Carolina 29201.

As South Carolina's leading economic development agency, Commerce works to recruit new businesses and help existing business grow. The current lease expires March 31, 2023. Commerce has shared services agreements with both the Rural Infrastructure Authority and the Jobs and Economic Development Authority and will share office space with Commerce as part of this proposed lease.

Commerce in coordination with the South Carolina Department of Administration (DOA) initiated a competitive solicitation for available lease space on April 6, 2022, to determine whether other suitable commercial office space alternatives were available, and to obtain the best value for the State. After reviewing the proposals submitted, Commerce has determined that the property located at 1201 Main Street in Columbia meets our space requirements and needs. We considered location and cost of relocation in our decision-making.

The proposed lease is a five-year term, beginning April 1, 2023, and expiring March 31, 2028. The basic rental rate starts at \$17.75/SF, which is an annual rent of \$495,704 for the first year and increases 2.5% each year thereafter.

Thank you for your assistance in this process and for your consideration of our request. Please let me know if you need any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Harry M. Lightsey III".

Harry M Lightsey III
HML/ch/vw

AGENCY: Department of Administration
Facilities Management and Property Services

SUBJECT: Proposed Lease
College of Charleston
4750 Goer Drive, North Charleston

The College of Charleston requests review of its proposal to continue leasing 44,318 square feet of warehouse space at 4750 Goer Drive, North Charleston, from Citimark Charleston, LLC.¹ The College has leased space at this location since 2005, and the current lease will expire on December 14, 2022.

The South Carolina Department of Administration conducted a solicitation for 1-, 2-, 5- and 7-year terms following a determination that other state space was not available. The Department of Administration received 5 responses to the solicitation, 3 of which proposals were non-responsive. Of the remaining 2 proposals, the selected location is the lowest offer.

The term of the proposed lease is 5 years. Rent includes all operating expenses except utilities, which will be paid directly by the College. Rent will be \$10.85 per square foot for the first year of the term; thereafter, base rent will increase in accordance with a rental schedule reflected in the submission by the College. Total rent over the term will be \$2,563,796. No option to purchase the property is included in the lease.

The Department of Administration reports that lease payments will be made from College fees; and the College'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 \$10.81 (excluding operating expenses) to \$19.00 per square foot.

COMMITTEE ACTION:

Review and make recommendation regarding the proposed lease.

ATTACHMENTS:

1. Department of Administration, Facilities Management and Property Services Agenda Item Worksheet.
2. Letter dated September 23, 2022, of John F. Loonan, Executive Vice President for Business Affairs, College of Charleston.

¹ An Indiana limited liability company in good standing registered with the SC Secretary of State effective May 11, 2021. Cogency Global Inc. of Columbia is registered agent. Private Participant Disclosures were included with the submission.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: October 18, 2022

Regular Agenda

1. Submitted by:

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

Ashlie Lancaster
Ashlie Lancaster, Director

2. Subject: College of Charleston Lease of 44,318 square feet at 4750 Goer Drive, North Charleston

3. Summary and Background Information:

The College of Charleston ("College") requests approval to lease 44,318 rentable square feet of warehouse and office space at 4750 Goer Drive, North Charleston from Citimark Charleston, LLC ("Landlord"). The College's current lease at this location expires on December 14, 2022. The College has been leasing space at this location since 2005. The leased space is used to house the College's central warehouse and receiving department.

After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for warehouse space for one (1), two (2), five (5) and seven (7) year terms. Proposals for five locations were received, three of which were non-responsive. Of the remaining two, the current location is the lowest priced offer.

The requested lease term will be five (5) years commencing December 15, 2022. All operating costs are included in the rent with the exception of utilities which will be paid by the College directly. Base rent for the first year is \$10.85 per rentable square foot with annual escalations thereafter as set forth in the chart below. The total rent to be paid over the five-year term will be \$2,563,796.30.

LEASE TERM	PERIOD: FROM – TO	ANNUAL RENT	MONTHLY RENT	RENT PER SF
Year 1	December 15, 2022 – December 14, 2023	\$480,850.30	\$40,070.86	\$10.85
Year 2	December 15, 2023 – December 14, 2024	\$499,020.68	\$41,585.06	\$11.26
Year 3	December 15, 2024 – December 14, 2025	\$512,759.26	\$42,729.94	\$11.57
Year 4	December 15, 2025 – December 14, 2026	\$527,827.38	\$43,985.62	\$11.91
Year 5	December 15, 2026 – December 14, 2027	\$543,338.68	\$45,278.22	\$12.26

The following chart represents comparable lease rates of similar space:

Tenant	Location	Rate/SF/Year
Vacant*	5056 International Blvd, N. Charleston	\$10.81/SF with no operating expenses included
Vacant	2457 West Aviation Ave, N. Charleston	\$19.00/SF
Vacant	3564 Dorchester Rd, N. Charleston	\$17.88/SF

* offer received in response to solicitation

The College has adequate funds for the lease according to a Budget Approval Form submitted. Lease payments will be funded through College fees. No option to purchase the property is included in the lease.

4. What is JBRC asked to do? Approve the proposed 5-year lease for the College of Charleston for 44,318 square feet at 4750 Goer Drive, North Charleston.

5. What is recommendation of the division of Facilities Management and Property Services? Approve the proposed 5-year lease for the College of Charleston for 44,318 square feet at 4750 Goer Drive, North Charleston.

6. List of Supporting Documents:

- (a) Letter from the College



September 23, 2022

Ms. Ashlie Lancaster
Division Director, Facilities Management and Property Services
1200 Senate Street, 6th Flr
Columbia, SC 29201

RE: Warehouse Space

Dear Ms. Lancaster:

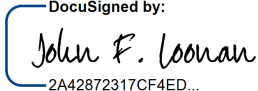
The College currently leases space at 4750 Goer Drive Suites D & E in North Charleston to house its central warehousing and receiving division. The current ten-year lease expires on December 14, 2022.

Through the lease solicitation process, the College received five proposals for these space needs. The most satisfactory response is a modified gross lease at 4750 Goer Drive as it allows for a five-year lease and individual receiving docks. The property will consist of approximately 44,318 SF which meets our current space needs and is the same amount of space we currently occupy. Specifically of note, the location is centrally located to campus and the interstate which allows for ease in freight delivery. The other locations were unsuitable as they were either triple net (which is expected to be more expensive), limited square footage (less than requested), and/or remote location.

The term of the lease is for five years. The cost per square foot in the first year is \$10.85. Rent shall be increased annually as of December 15 with the year 5 rent being \$12.26 per square foot. The total estimated lease cost is \$2,563,796.

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

Sincerely,

DocuSigned by:

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John F. Loonan
Executive Vice President for Business Affairs

AGENCY: Department of Administration
Facilities Management and Property Services

SUBJECT: Proposed Transfers of Real Property
Spartanburg Community College to
Spartanburg Community College Enterprise Campus Authority

Article 2 of Title 59, Chapter 53 of the SC Code of Laws provides for the creation of various Technical College Enterprise Authorities to provide for the management, development, and operation of an enterprise campus. Area commissions must designate with specificity the area or areas that comprise the enterprise campus and the purpose of the enterprise campus. The area commission is authorized among other things to sell, convey, lease, exchange, transfer, or give all or part of its real and personal property and other assets constituting the enterprise campus to the Enterprise Campus Authority upon such terms and conditions as the commission determines.¹

Spartanburg Community College proposes to transfer the property of its downtown Spartanburg Evans Campus and the property of its Cherokee County Campus to the Spartanburg Community College Enterprise Campus Authority to facilitate the development of advanced manufacturing and high technology business and industry in the region, to encourage businesses to locate and launch in downtown Spartanburg and Cherokee County, and to enhance economic development and job creation in high technology industries for the region.

The Spartanburg County Commission for Technical and Community Education designated and approved conveyances of seven (7) properties totaling 67.588 acres to comprise properties of the Enterprise Authority on May 21, 2021. The proposed conveyances were approved by the State Board for Technical and Comprehensive Education on May 25, 2022.

These real property transfers are being effected without consideration.

COMMITTEE ACTION:

Review and make recommendation regarding the transfer of the subject properties.

ATTACHMENTS:

1. Department of Administration, Facilities Management and Property Services Summary.
2. Letter dated August 30, 2022, of Dr. G. Michael Mikota, Ph.D., President, Spartanburg Community College.

¹ Section 59-53-2430(A) of the SC Code provides that an enterprise campus authority must comply with the provisions of Chapter 47, Title 2.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: October 18, 2022

Regular Agenda

1. Submitted by:

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


Ashlie Lancaster, Director

2. Subject: Asset transfers from Spartanburg Community College to the Spartanburg Community College Enterprise Campus Authority

3. Summary Background Information:

Spartanburg Community College (the "College") is requesting approval to transfer the property of its downtown Spartanburg Evans Campus and the property of its Cherokee County Campus to the Spartanburg Community College Enterprise Campus Authority (the "Authority") for purpose of facilitating the development of advanced manufacturing and high technology business and industry in the region. The properties were designated as properties comprising the Authority by the Spartanburg County Commission for Technical and Community Education on May 17, 2021, which also approved the conveyances. The Authority provides for the management, development and operation of the Enterprise Campus. The focus of the Enterprise Campuses will be to encourage businesses to locate and launch in Downtown Spartanburg and Cherokee County and to work with businesses coming into the region to increase the number of businesses, for the purpose of enhancing economic development and job creation in high technology industries, for the citizens of the region.

The proposed property conveyances were approved by the State Board for Technical and Comprehensive Education on May 25, 2022.

The parcels to be transferred are:

TMS#	County	Approximate Acreage
7-12-22-004-00	Spartanburg	4.56
062-00-00-009.001	Cherokee	1.22
079-00-00-038.000	Cherokee	3.71
080-00-00-063.000	Cherokee	40
080-00-00-063.001	Cherokee	7.054
080-00-00-063.004	Cherokee	2.5
080-00-00-064.001	Cherokee	8.544

-
4. **What is the Joint Bond Review Committee asked to do?** Approve the transfer of the seven identified parcels of real property totaling 67.588+/- acres in the counties of Spartanburg and Cherokee from Spartanburg Community College to the Spartanburg Community College Enterprise Campus Authority without consideration.
-

5. **What is recommendation of Department of Administration?** Approve the transfer of the seven identified parcels of real property totaling 67.588+/- acres in the counties of Spartanburg and Cherokee from Spartanburg Community College to the Spartanburg Community College Enterprise Campus Authority without consideration.
-

6. **List of Supporting Documents:**

- (a) Letter and A-1 from Spartanburg Community College
- (b) Resolutions designating the Enterprise Campus Authority
- (c) SC Code of Laws Sections 1-11-65 and 59-53-2430(A)

G. Michael Mikota, Ph.D.
President



August 30, 2022

Mr. Brian J. Gaines
Director, Executive Budget Office
The South Carolina Department of Administration
Edgar a. Brown Office Building
1205 Pendleton Street, Suite 529
Columbia, SC 29201

Dear Mr. Gains,

Spartanburg Community College proposes to transfer the property of the Downtown Spartanburg Evans Campus and the property of the Cherokee County Campus to the Spartanburg Community College Enterprise Campus Authority.

The property located in Block Map Parcel # 7-12-22-004.00. All that certain piece, parcel or tract of land consisting of 4.56 acres which is more specifically described upon a plat entitled "Spartanburg Community College Downtown Campus" prepared by Sinclair & Associated dated 12/1/2011, and recorded in Plat Book 166 Page 350, Office of Register of Deeds, Spartanburg County, SC. This being the same property deeded to the Spartanburg County Commission for Technical and Community Education, as recorded on 1/7/2011 in Deed Bk 97-R Page 168, in the Office of Register of Deeds, Spartanburg County, SC. for the purpose of facilitating the development of advanced manufacturing and high technology businesses and industries, in and around Downtown Spartanburg and the region.

The focus of the Enterprise Campus will be to encourage businesses to locate and launch in Downtown Spartanburg, and to work dynamically with businesses coming into Downtown Spartanburg to increase the numbers of businesses, for the purpose of enhancing economic development and job creation in high technology industries, for the citizens of Downtown Spartanburg and the region.

Transfer property in the following specific areas are designated as comprising the Spartanburg Community College Enterprise Campus Authority in Cherokee County:

Parcel ID 062-00-00-009.001. All that certain piece, parcel or tract of land owned by the Commission in the County of Cherokee, State of South Carolina, situate, lying and being on the western side of Welchel Road adjoining property presently owned by the Commission herein and

being shown and designated as 1.22 acres on a plat of the property of Spartanburg Commission for Technical Education, dated May 7, 2020, made by Lavender Smith & Associates, Inc. and recorded in Plat Book 129, Page 1224, Office of the Register of Deed for Cherokee County, South Carolina. This property was conveyed to the Commission by deed recorded in Deed Bk. 129 Pg. 1481 on December 21, 2020, Office of the Register of Deed for Cherokee County, South Carolina.

Parcel ID 079-00-00-038.000. All that certain piece, parcel or tract of land owned by the Commission, situate, lying and being in the County of Cherokee, State of South Carolina, and fronting on Chesnee Highway, SC Highway 11, and being shown and designated as containing 3.71 acres, on a Survey for Spartanburg Community College, prepared by Lavender, Smith & Associates, Inc., dated December 6, 2018, recorded December 14, 2018, in Plat Book 108 at Page 2328 in the Office of the Register of Deeds for Cherokee County, South Carolina. This property was conveyed to the Commission by deed recorded in Deed Bk. 108 Pg. 2814 on December 19, 2018, Office of the Register of Deed for Cherokee County, South Carolina.

Parcel ID 080-00-00-063.000. All that certain piece, parcel or tract of land owned by the Commission, with all improvements thereon, situate, lying and being in the State of South Carolina, County of Cherokee, containing 40.00 acres, more or less, and being shown and designated as Tract No. 1 upon plat of survey prepared for Spartanburg Technical College by Lavender, Smith Associates, Inc., dated December 1, 2003, revised January 29, 2004 and February 23, 2004, and recorded in Plat Book C107 at Pages 8-9 in the Office of the Clerk of Court for Cherokee County. This property was conveyed to the Commission by deed recorded in Deed Bk. 181 Pg. 11 on June 22, 2004, Office of the Register of Deed for Cherokee County, South Carolina.

Parcel ID 080-00-00-063.001. All that certain piece, parcel or tract of land owned by the Commission in the County of Cherokee, State of South Carolina, situate, lying and being on the Northwestern side of Peachoid Drive at its intersection with R. E. Crawford Drive and being shown and designated as 7.054 acres on a plat of the property of Spartanburg Community College, dated August 12, 2014, made by Lavender, Smith & Associates, Inc and recorded August 21, 2014 in Plat Book 70, Page 2645, Clerk of Court for Cherokee County, South Carolina. This property was conveyed to the Commission by deed recorded in Deed Bk. 70 Pg. 2864 on August 26, 2014, Office of the Register of Deed for Cherokee County, South Carolina.

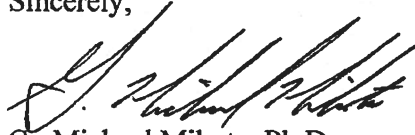
Parcel ID 080-00-00-063.004. All that certain piece, parcel or tract of land owned the Commission in the County of Cherokee lying, being and situated in the County of Cherokee, State of South Carolina, containing 2.50 acres, more or less, and being shown and designated as Tract No. 2 upon plat of survey prepared for Spartanburg Technical College by Lavender, Smith & Associates, Inc., dated December 1, 2003, revised January 29, 2004 and February 23, 2004, and recorded in Plat Book C107 at Pages 8-9 in the Office of the Clerk of Court for Cherokee County. This property was conveyed to the Commission by deed recorded in Deed Bk. 181 Pg. 15-17 on June 22, 2004, Office of the Register of Deed for Cherokee County, South Carolina.

Parcel ID 080-00-00-064.001. All that certain piece, parcel or tract of land owned by the Commission in the County of Cherokee lying, being and situated in the County of Cherokee, State of South Carolina, situate, lying and being on the Northwestern side of Peachoid Drive frontage road along interstate Highway 85 and being shown and designated as 8.544 acres on a plat of the

property of Spartanburg Community College, dated March 8, 2014, made by Lavender, Smith & Associated, Inc., recorded in Plat Bk. 67 Page 1776. Office for Cherokee County, South Carolina. This property was conveyed to the Commission by deed recorded in Deed Bk. 67 Pg. 1777 on March 28, 2004, Office of the Register of Deed for Cherokee County, South Carolina.

The focus of the Enterprise Campus will be to encourage businesses to locate and launch in Cherokee County, and to work dynamically with businesses coming into Cherokee County to increase the numbers of businesses, for the purpose of enhancing economic development and job creation in high technology industries, for the citizens of Cherokee County and the region.

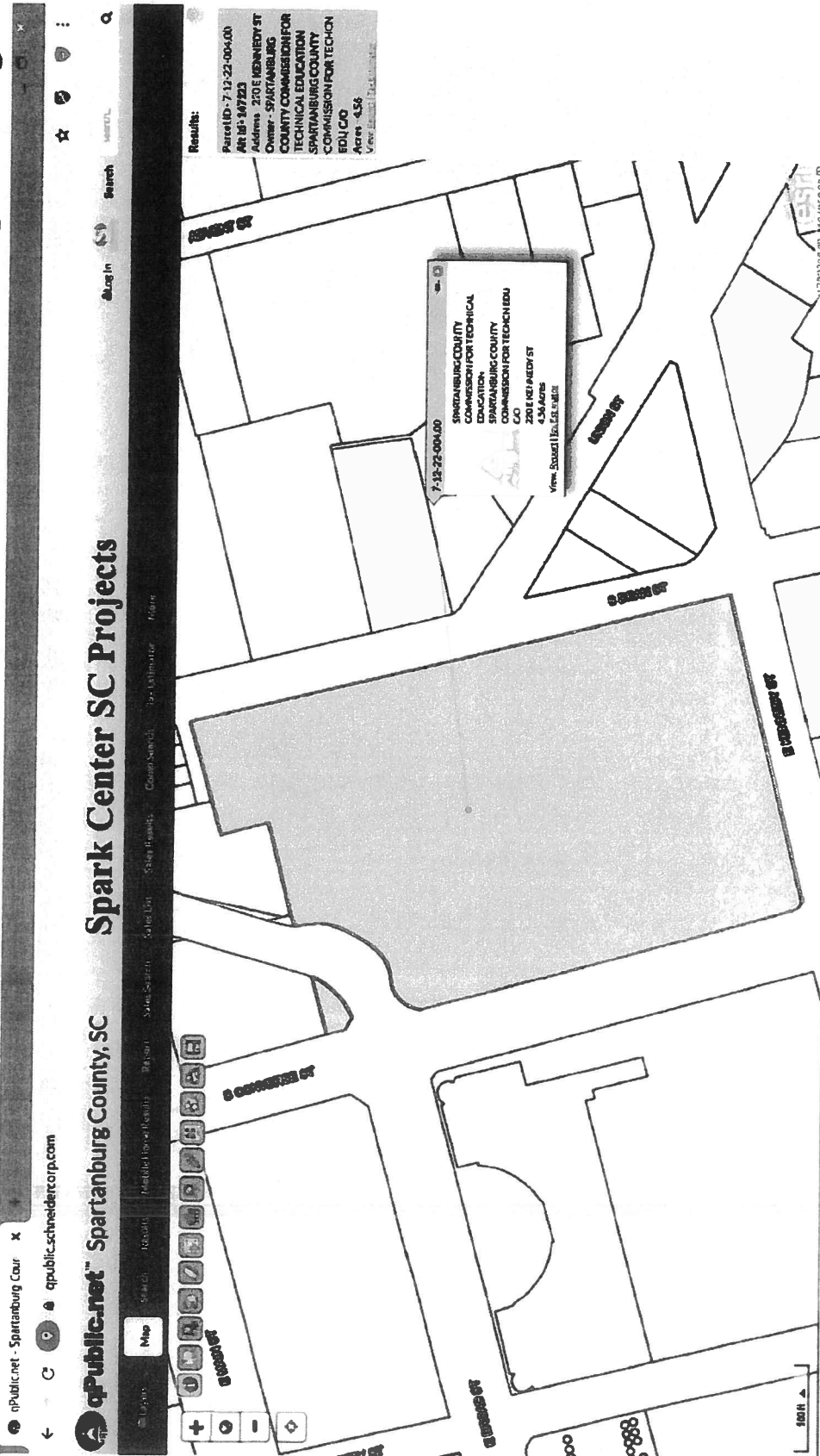
Sincerely,

A handwritten signature in black ink, appearing to read "G. Michael Mikota". The signature is stylized with a large initial "G" and a long horizontal stroke.

G. Michael Mikota, Ph.D.
President

Exhibit A

Spartanburg Community College Enterprise Campus Authority Downtown Spartanburg



Spartanburg Community College Enterprise Campus Authority Cherokee County



AGENCY: South Carolina Public Service Authority

SUBJECT: Proposed Disposition of Real Property
Camp Hall Commerce Park, Berkeley County

The South Carolina Public Service Authority requests approval to sell approximately 27 acres in Camp Hall Commerce Park located in Berkeley County to DC Blox, Inc.¹ at purchase price of \$4.275 million.² The purchaser intends to use the subject property for development and operation of data center facilities and other ancillary or related facilities similar to its other facilities located in Myrtle Beach, Greenville, Chattanooga, and Birmingham. The project could generate \$35 million in capital investment. The proposed purchase and sale agreement requires the Authority to construct a road, utility and stormwater infrastructure, which will also serve other parcels, at an estimated cost of \$6 million.³

The Authority's Board has declared the property to be surplus real property and has authorized its sale, lease, option, or transfer otherwise, in whole or in part, for development purposes.

COMMITTEE ACTION:

In accordance with Section 58-31-240(B)(2) of the South Carolina Code,⁴ review and approve, reject, or modify the Authority's request to sell approximately 27 acres in Camp Hall Commerce Park for a total of \$4.275 million in sale proceeds.

ATTACHMENTS:

1. Letter dated September 26, 2022, of Ms. Pamela J. Williams, Chief Public Affairs Officer and General Counsel, Santee Cooper.
2. Description of the property and terms of sale.
3. Map of the property location.

AVAILABLE:

1. Ownership interests of the purchaser.

¹ A Georgia corporation in good standing registered with the SC Secretary of State effective May 25, 2022. Corporation Service Company, West Columbia, SC, is registered agent. Ownership interests of the purchaser were included with the submission.

² Pricing was established by broker price recommendation based on market data.

³ Santee Cooper is constructing infrastructure in Camp Hall on an as-needed basis to support property sales. Sales proceeds and short-term debt are used to fund such infrastructure, with funds repaid as property is sold.

⁴ Section 58-31-240(B)(2) of the South Carolina Code provides that a transfer of any interest in real property by the South Carolina Public Service Authority, regardless of the value of the transaction, requires approval, rejection, or modification by the Joint Bond Review Committee.



Pamela J. Williams

Chief Public Affairs Officer and

General Counsel

(843) 761-7043

Cell: (843) 708-1760

pamela.williams@santeecooper.com

September 26, 2022

The Honorable Harvey S. Peeler, Jr.
Chairman, Joint Bond Review Committee
South Carolina Senate
111 Gressette Building
Columbia, SC 29201

Dear Chairman Peeler:

Re: Sale of +/- 27 acres in Campus 9 of the Camp Hall Commerce Park located in Berkeley County

The South Carolina Public Service Authority ("Santee Cooper") requests that the Joint Bond Review Committee approve the sale of approximately 27 acres of surplus property within the Camp Hall Commerce Park as described on Attachment A. Expected proceeds are \$4.725 million, and the sale is projected to generate \$35 million in capital investment. The purchaser intends to use the property to construct data center facilities and other ancillary or related facilities.

Santee Cooper's Board of Directors declared Camp Hall property to be surplus real property and authorized that it or portions of it may be sold, leased, optioned or otherwise transferred for development purposes.

The purchase price for the property was determined by broker price recommendation based on market data. Sales proceeds will be used to fund Camp Hall development costs.

Attachment A describes the substantive terms of the proposed sale and the location of the parcel for which approval is requested.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Pamela J. Williams', with a stylized, cursive script.

Pamela J. Williams

Enclosure: Ownership Interest

Attachment A

Sale of +/- 27 acres within the Camp Hall Commerce Park (the “Property”) to DC Blox, Inc.

The substantive terms of the proposed Purchase and Sale agreement (“PSA”) are as follows:

Purchaser	DC Blox, Inc., a Georgia corporation
Acreage	Approximately 27 acres located in western portion of Campus 9 of Camp Hall Commerce Park
Purchase Price	\$175,000 per acre for an estimated total price of +/- \$4,725,000 with the final purchase price and acreage determined by a boundary survey.
Earnest Money Deposit	\$100,000 upon PSA execution
Inspection Period	60 days from Effective Date of PSA with option to extend for an additional 30 days with payment of an Additional Earnest Money Deposit of \$32,500.00.
Approximate Closing Date	30 days following the expiration of Inspection Period.
Permitted Use	The Permitted Use shall mean the development and operation of data center facilities and other ancillary or related facilities similar to the Purchaser’s other facilities in Myrtle Beach and Greenville, SC, Chattanooga, TN and Birmingham, AL. Any other uses of the Property must be approved in writing by the Seller.
Special Provisions	a. Purchaser shall start building construction within 2 years of Closing. If the construction has not commenced within 2 years, Seller shall have the option to repurchase the Property at 90% of the lesser of the sales price or appraised value.
	b. Seller shall construct the road, utility, and stormwater infrastructure to the Property. The estimated cost for the infrastructure (which will also serve other parcels) is \$6 million.
Pricing Methodology	The methodology utilized for pricing was determined by the broker, CBRE, price recommendation based on market data.

The JBRC will note that for this sale, the required infrastructure investment exceeds the sale proceeds by \$1.25 million. Santee Cooper is constructing infrastructure in Camp Hall on an as-needed basis to support property sales. The sale of the Property will require Santee Cooper to construct road, utility, and stormwater infrastructure, which will also serve other parcels, at an estimated cost of \$6 million. The majority of the infrastructure cost is

attributable to construction of Phase II of Camp Hall Boulevard. Camp Hall Boulevard is part of the master plan for Camp Hall as shown below and will extend from Highway 27 to Volvo Car Drive, with an overall projected cost of \$30 million. Construction of Phase I was previously committed to in connection with the sale of Campus 6. Phase II will support the proposed sale of the Property as well as an additional 70+ acres in Campus 9. The remainder of Camp Hall Boulevard will be constructed when Campus 3 (600+ acres) is sold, and Santee Cooper anticipates sales proceeds from Campus 3 will be more than sufficient to cover road completion costs. The source of funds to build the infrastructure is sales proceeds and short-term debt which is repaid as property is sold.



AGENCY: South Carolina Public Service Authority

SUBJECT: Proposed Disposition of Real Property
Camp Hall Commerce Park, Berkeley County

The South Carolina Public Service Authority requests approval to dedicate approximately 0.171 acres in Camp Hall Commerce Park located in Berkeley County to Berkeley County Water and Sanitation, an agency of Berkeley County at purchase price of \$10 and other valuable consideration. The dedication of this property will support on-site infrastructure improvements pursuant to the master plan for the park, specifically for construction of 3 sewage pump stations. Once constructed, these stations will be connected to facilities of, and owned and operated by, Berkeley County Water and Sanitation. Berkeley County requires dedication of the property for these purposes.

The Authority's Board has declared the property to be surplus real property and has authorized its sale, lease, option, or transfer otherwise, in whole or in part, for development purposes.

COMMITTEE ACTION:

In accordance with Section 58-31-240(B)(2) of the South Carolina Code,¹ review and approve, reject, or modify the Authority's request to dedicate approximately 0.171 acres in Camp Hall Commerce Park to support on-site infrastructure.

ATTACHMENTS:

1. Letter dated September 26, 2022, of Ms. Pamela J. Williams, Chief Public Affairs Officer and General Counsel, Santee Cooper.
2. Description of the property and terms of dedication.
3. Map of the property and location of the facilities.

¹ Section 58-31-240(B)(2) of the South Carolina Code provides that a transfer of any interest in real property by the South Carolina Public Service Authority, regardless of the value of the transaction, requires approval, rejection, or modification by the Joint Bond Review Committee.

September 26, 2022

The Honorable Harvey S. Peeler, Jr.
Chairman, Joint Bond Review Committee
South Carolina Senate
111 Gressette Building
Columbia, SC 29201

Dear Chairman Peeler:

Re: Dedication of approximately 0.171 acres in total for three sewage pump station sites within Camp Hall Commerce Park located in Berkeley County

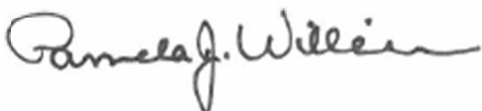
The South Carolina Public Service Authority (“Santee Cooper”) requests that the Joint Bond Review Committee approve the dedication of approximately 0.171 total acres of property for three sewage pump stations located within the Camp Hall Commerce Park to Berkeley County Water & Sanitation (“BCWS”) as described on Attachment A.

Santee Cooper’s Board of Directors declared Camp Hall property to be surplus real property and authorized that it or portions of it may be sold, leased, optioned or otherwise transferred for development purposes.

As the developer of Camp Hall Commerce Park, Santee Cooper constructs roads and utilities, including on-site sewer infrastructure, pursuant to the master plan for the park. Once constructed, these sewage pump stations will be connected to BCWS facilities and will be owned and operated by BCWS. Berkeley County requires Santee Cooper to dedicate the property and equipment to BCWS. Additional infrastructure to be dedicated in the future include gravity sewer lines and water lines.

Attachment A describes the substantive terms of the proposed dedication and the location of the parcels for which approval is requested.

Sincerely,



Pamela J. Williams

Attachment A

Dedication of 0.171 acres total for 3 Sewage Pump Stations, Camp Hall Commerce Park located in Berkeley County to BCWS.

The substantive terms of the proposed dedication are as follows:

Purchaser	Berkeley County Water and Sanitation, an agency of Berkeley County
Acreage	Campus 1 Pump Station – 0.057 acres (2,500 sq.ft.) Campus 3 Interim Pump Station – 0.057 acres (2,500 sq.ft.) Campus 8 Pump Station – 0.057 acres (2,500 sq.ft.) TOTAL ACREAGE – 0.171 acres (7,500 sq.ft.)
Purchase Price	\$10.00 and other valuable consideration
Special Provisions	Santee Cooper to provide BCWS form documents that are required for dedication, including a deed, certification of no liens, title opinion letter, engineer’s certificate. Campus 1 Pump Station – Estimated Construction Completion November 2022 Campus 3 Interim Pump Station – Estimated Construction Completion October 2022 Campus 8 Pump Station – In Permitting, Estimated Construction Completion February 2023

ESTIMATED FLOW SUMMARY*

PUMP STATION #1	76,000 gpd
PUMP STATION #2	254,000 gpd
PUMP STATION #3	155,000 gpd
PUMP STATION #4	262,000 gpd
PUMP STATION #5	1,140,000 gpd
PUMP STATION #6	175,000 gpd
BCWS REGIONAL PUMP STA. #100,000 gpd	
TOTAL	2,842,000 gpd

*UNLESS OTHERWISE INDICATED, ESTIMATED FLOWS ARE BASED ON DEVELOPMENT ACROSS A 1,100 GPM/CIP PROJECT HORIZON.
 **OF THIS ESTIMATE, 400,000 gpd IS THE ALLOCATED DEMAND FOR THE VOLVO PLANT ALREADY UNDER CONSTRUCTION. REMAINING 1,440,000 gpd INCLUDES ESTIMATE FOR VOLVO TOWNHOMES CENTER PLUS REGIONAL PROPERTY THAT MAY BE 175,000 GPD (SEE OTHERS).

APPROXIMATE ACREAGE TOTALS

Development Tracts	
CAMPUS 1	58
CAMPUS 2	114
CAMPUS 3	607 (FUTURE)
CAMPUS 4	175
CAMPUS 5	87
CAMPUS 6	83 (FUTURE)
CAMPUS 7	13 (FUTURE)
CAMPUS 8	147 (FUTURE)
CAMPUS 9	143
Volvo Cars USA	1,609
Volvo Expansion (North)	881 (FUTURE)
Volvo Expansion (South)	180
Development Tracts Total	2,222
Open Space	2,222
OVERALL TOTAL	4,444

Summary of Flow and Remaining Capacity for BCWS Pump Station #100 (Camp Hall)	Flow Estimate (gpd)
Allocated Flow to #100 (Camp Hall)	100,000
Volvo Plant Expansion	400,000
Training Center	4,000
Training Center (Camp Hall)	40,000
Future Volvo Office	10,000
Future Commercial Area	10,000
Future Industrial Area	10,000
Future Residential Area	10,000
Future Public Area	10,000
Future Other	10,000
Future Total	510,000
Future Capacity	175,000
Future Capacity with Transfer Upgrade	880,000
Future Capacity with Inlet Upgrade	100,000
Future Volvo Expansion (2,000 Employees)	88,000
Remaining Capacity after Volvo Expansion	34,000

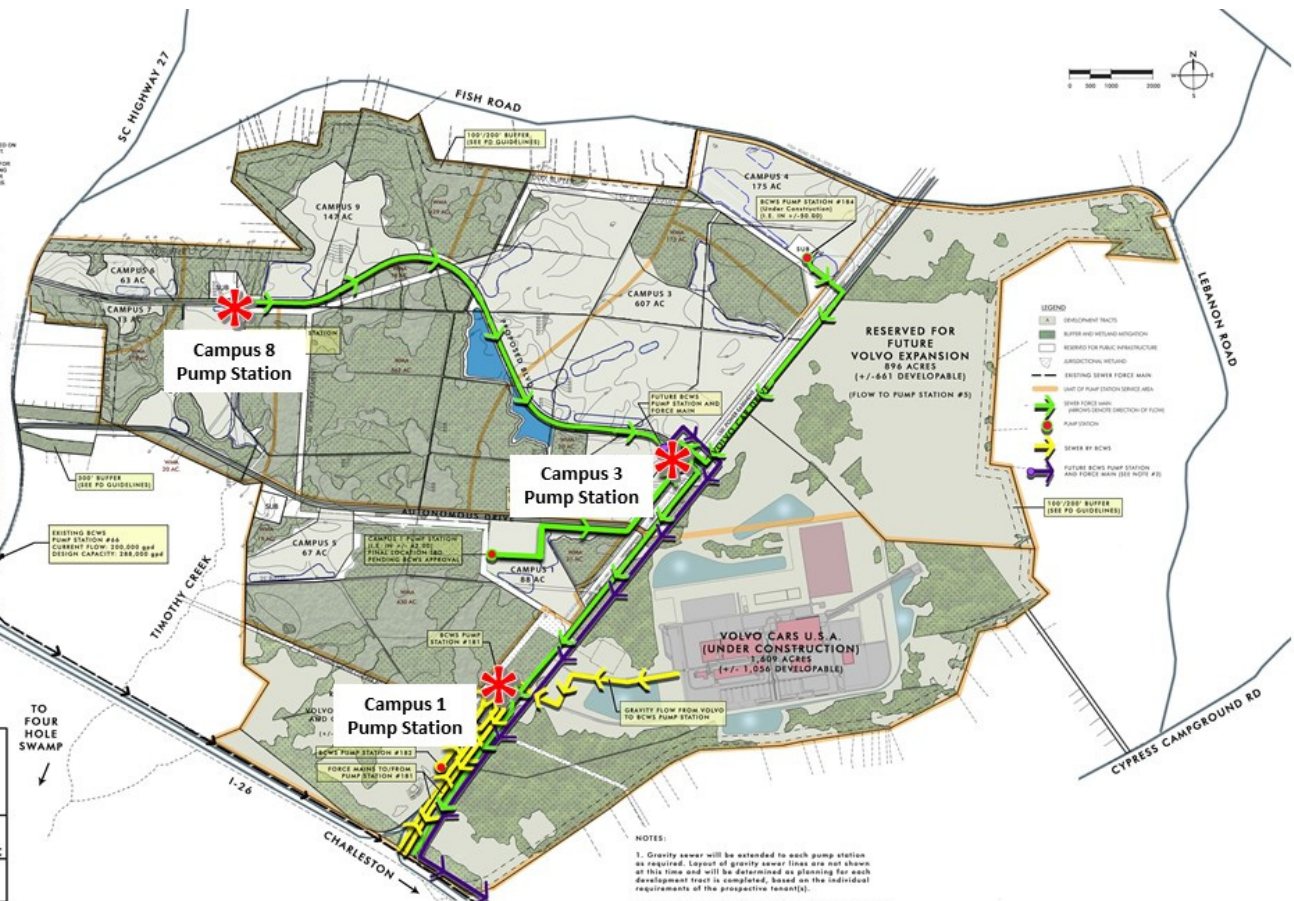
Summary of Flow and Remaining Capacity for BCWS Pump Station #183 (Camp Hall)	Flow Estimate (gpd)
Allocated Flow to #183 (Camp Hall)	100,000
Volvo Plant Expansion	400,000
Training Center	4,000
Training Center (Camp Hall)	40,000
Future Volvo Office	10,000
Future Commercial Area	10,000
Future Industrial Area	10,000
Future Residential Area	10,000
Future Public Area	10,000
Future Other	10,000
Future Total	510,000
Future Capacity	175,000
Future Capacity with Transfer Upgrade	880,000
Future Capacity with Inlet Upgrade	100,000
Future Volvo Expansion (2,000 Employees)	88,000
Remaining Capacity after Volvo Expansion	34,000

400 AC	
100 AC	
25 AC	

CAMP HALL COMMERCE PARK MASTER SEWER PLAN

BERKELEY COUNTY, SOUTH CAROLINA

NOTE: THIS PLAN IS CONCEPTUAL IN NATURE AND SUBJECT TO CHANGE.



- NOTES:
- Gravity sewer will be extended to each pump station as required. Layout of gravity sewer lines are not shown at this time and will be determined as planning for each development tract is completed, based on the individual requirements of the prospective tenant(s).
 - When necessitated by future demand, BCWS Pump Station #183 will be replaced by a regional pump station and dedicated force main that will convey Camp Hall effluent to an off-site Berkeley County Wastewater Treatment Plant.



AGENCY: Department of Administration
Executive Budget Office

SUBJECT: Financing Proposal for Permanent Improvements
Clemson University
Bryan Mall Residence Halls Renovations

Clemson University requests Phase II review to establish full design and construction to renovate the Bryan Mall Residence Halls, initially to renovate Byrnes Hall, and to begin preparations for a later project phase to renovate Lever and Manning Halls. The project will be funded with proceeds from the issuance of Higher Education Revenue Bonds.

Permanent Improvement Project. The project was established in December 2021 with a Phase I budget of \$1,500,000 funded by housing improvement funds. This request will increase the project budget to \$52,350,000, funded by proceeds from the issuance of not exceeding \$54,000,000 Higher Education Revenue Bonds.

The project will include repairing building envelopes, improving accessibility, installing new fire sprinkler systems, replacing plumbing, HVAC, electrical, and roofing systems, and abating hazardous materials. The buildings total 306,000 square feet and provide 1,450 beds, and were constructed between 1963 and 1972. The proposed renovations will bring the facilities up to current standards and extend their useful life.

Execution of the construction contract for this phase of the project is expected in March 2023, with construction completed in August 2024.

Higher Education Revenue Bonds. The University proposes funding the permanent improvements with proceeds from the issuance of not exceeding \$54,000,000 Higher Education Revenue Bonds. The University is authorized pursuant to Chapter 147 of Title 59 (Higher Education Revenue Bond Act) to issue bonds for the purpose of financing or refinancing in whole or in part the cost of acquisition, construction, reconstruction, renovation and improvement of land, buildings, and other improvements to real property and equipment for the purpose of providing facilities serving the needs of the University.

The Bonds will be payable from and secured solely by a pledge of Net Revenues and Additional Funds (as described in the Bond Resolutions). The University states that no increases in student fees or tuition are needed to support the project.

The term of the proposed bonds is anticipated to be 30 years. Exhibit B included in the supporting documentation reflects the debt service requirements for all of the University's existing and proposed Revenue Bonds, with maximum composite debt service projected at \$20,742,903. Based on current collections, revenue coverage of debt service following issuance of the bonds is projected to range from 1.90 to 11.79 times throughout the term of the University's existing and proposed debt.

Supporting documentation indicates that, while the University intends to pay debt service from Net Revenues, bonds are secured by both Net Revenues and Additional Funds, as those terms are

defined in the University's bond resolutions. Additional funds comprise receipts of the University Fee, which totaled \$462.3 million for the fiscal year ended June 30, 2022.

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

COMMITTEE ACTION:

1. Review and make recommendation regarding the University's request to establish Phase II full design and construction for the permanent improvement project, to be funded with proceeds from the issuance of not exceeding \$54,000,000 Higher Education Revenue Bonds.
2. Review and make recommendation regarding the University's request for issuance of not exceeding \$54,000,000 Higher Education Revenue Bonds.

ATTACHMENTS:

1. Department of Administration, Executive Budget Office Agenda Item Worksheet.
2. Letter dated September 15, 2022, of Gary T. Pope, Jr., Pope Flynn, LLC, Bond Counsel.
3. Bond Information Report and Exhibits.

AVAILABLE:

1. Statutory reference: Chapter 147 of Title 59 (Higher Education Revenue Bond Act).
2. Resolution of the University's Board of Trustees providing for the issuance and sale of the bonds.
3. Form of Resolution of the State Fiscal Accountability Authority approving the issuance and sale of the bonds.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: **October 18, 2022**

Regular Agenda

1. Submitted By:

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


Brian J. Gaines Director, Executive Budget Office

2. Subject:

Clemson University – Bryan Mall High Rise Renovations

3. Summary Background Information:

Project: Clemson University
H12.9953: Bryan Mall High Rise Renovations

Request: Revise Scope and Establish Phase II Full Construction Budget to renovate the approximately 306,000 square foot 1,450-bed Bryan Mall high-rise residence halls, and to begin the preparatory work on an additional phase that will be requested at a later time to complete renovations of Lever and Manning.

Included in CPIP: Yes – 2022 CPIP Priority 3 of 9 in FY23 (estimated at \$100,000,000)

Phase I Approval: December 2021 (estimated at \$100,000,000) (SFAA)

CHE Approval: 09/01/22

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Revenue Bonds				52,350,000	52,350,000
Other, Housing Improvement	1,500,000		1,500,000	(1,500,000)	
All Sources	<u>1,500,000</u>		<u>1,500,000</u>	<u>50,850,000</u>	<u>52,350,000</u>

Summary of Work: The focus of this stage of the project is Byrnes Hall. The renovations will include repairing the building envelopes, improving accessibility, installing new fire sprinkler systems, replacing plumbing, HVAC, electrical and roofing systems, and abating hazardous materials. Additionally, the project will include renovating interior spaces, bathrooms and common spaces to accommodate modern student preferences. Approximately 70 interior core bed spaces will be converted into student lounge and programmed space. A new corner and central stairwell will be constructed that will improve functionality and egress. New interior restroom suites will be added with ADA accommodation. The existing SBS-Modified Bitumen membrane roof with Granule-Surfaced Cap Sheet will be replaced with a white 60 mil TPO roofing with a minimum of 4-inch-thick R-20 Polyisocyanurate base insulation board at roof drains or another insulation with similar thickness and equivalent R-Value. The new roof will come with a minimum 20-year material and workmanship warranty.

Rationale: The buildings have had minimal renovations since construction. Many building systems are past their useful lives and the buildings no longer meet the preferences of students in key areas of bathroom privacy, common study, and social space. While maintenance is performed annually on the buildings, the

building systems are old, not energy efficient and are not compliant with current code requirements. The interior spaces are not conducive to modern student needs and require updating. The proposed renovations will bring the facilities up to current standards and extend their useful lives for another 40 years.

Facility Characteristics: The three Bryan Mall high rise facilities total 306,000 square feet and were constructed between 1963 (58 years old) and 1972 (49 years old). Byrnes Hall is 102,000 square feet and was constructed in 1970 (52 years old). The roof was installed in 2011 (11 years old) and is being replaced as a part of the proposed complete renovation of the existing building. The roof has not failed. As a result of the Phase I analysis, BOURDREAUX's recommendation that the demolition and new construction scope of work on this project, and the resulting construction traffic that will occur on the roof deck, justifies a complete replacement of this roof versus working to protect, salvage, patch and repair the existing roof. Such work would most likely nullify any remaining warranty period on the existing roof. The facilities have 1,450 bed spaces for freshman housing and a staff of 58, including 54 resident advisors, 2 graduate community directors, and 2 community directors.

Financial Impact: This phase of the project will be funded from Revenue Bonds. The building will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$1,187,275 over a 30-year period. The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$1,005 per student per semester, and has increased from \$924 in 2017-2018 to \$1,005 in 2021-2022.

Full Project Estimate: \$52,350,000 (internal) funded by Revenue Bonds. The total estimated cost to complete Bryan Mall, Lever and Manning is \$100,000,000. Contract execution for this phase of the project is expected in March 2023 with construction completion in August 2024.

4. What is JBRC asked to do?

Consider approval of the Permanent Improvement Project Phase II.

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

The item is complete and ready for JBRC review.

6. List of Supporting Documents:

1. Permanent Improvement Project Bryan Mall High Rise Renovations
2. Clemson University Bond Information Report



Pope Flynn, LLC
1411 Gervais Street, Suite 300
Post Office Box 11509 (29211)
Columbia, SC 29201
MAIN 803.354.4900
FAX 803.354.4899
www.popeflynn.com

September 15, 2022

Mr. F. Richard Harmon, Jr.
Director of Research
Joint Bond Review Committee
312 Gressette Building
Columbia, South Carolina 29201

Re: Not Exceeding \$54,000,000 Clemson University, South Carolina Higher Education
Revenue Bonds, Series 2022

Dear Rick:

Clemson University (the "University") plans to request project review and approval of proposed improvements related to its Bryan Mall project at the October 18, 2022 Joint Bond Review Committee and November 1, 2022 State Fiscal Accountability Authority meetings, and in connection with such request will propose that a portion of the budget for such project include proceeds of the above-referenced bonds (the "Bonds"). In accordance with the policy adopted by the Joint Bond Review Committee on October 7, 2014, as amended on September 13, 2016, regarding any agency or institution request for a project approval that results in the addition of bond funds to the project budget, please find enclosed the required documentation detailing the proposed financing of the proposed project. On behalf of the University, we respectfully request that the Joint Bond Review Committee consider the request for the use of proceeds from the proposed Bonds in connection with its consideration of the proposed project at its meeting currently scheduled for October 18, 2022.

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

Very truly yours,

A handwritten signature in blue ink, appearing to read 'G T Pope Jr', is written over the typed name.

Gary T. Pope, Jr.

c: Rick Petillo, Chief Financial Officer, Clemson University
Robert Macdonald, Director of Debt Management, Office of State Treasurer

Enclosures

Clemson University Bond Information Report

Prepared in Connection with the Proposed Authorization of

Not Exceeding \$54,000,000 of Clemson University, South Carolina
Higher Education Revenue Bonds, Series 2022

October 2022 Joint Bond Review Committee Meeting

Amount and Type of Bond. Clemson University (the “University” or “Clemson”) is seeking review by the Joint Bond Review Committee and approval by the South Carolina State Fiscal Accountability Authority for the issuance of not exceeding \$54,000,000 of Clemson University, South Carolina Higher Education Revenue Bonds, Series 2022 (the “Bonds”), the proceeds of which may be applied for the purposes of: (1) reimbursing the University for capital expenditures previously made in connection with, and paying the costs of, the Project (as defined below); (2) paying the principal of and interest on any Series 2022 Notes whether at maturity or early redemption; and (3) paying certain costs and expenses related to the issuance of the Series 2022 Bonds, including paying the costs of any credit enhancement thereof. The Project is defined to include the costs to construct, reconstruct, renovate, and equip certain student housing facilities on the campus of the University, including a portion of the Bryan Mall high-rise residence halls, and related infrastructure and improvements.

Revenues Pledged to Pay the Bonds. The University’s Higher Education Revenue Bonds are payable from, and are secured by a pledge of, the Net Revenues and Additional Funds (“Pledged Revenues”). Under the bond resolution governing the issuance of the University’s Higher Education Revenue Bonds the University must maintain Net Revenues at least equal to composite debt service on all outstanding Higher Education Revenue Bonds. The Net Revenues for the fiscal year ended June 30, 2022, totaled \$39,499,529 (unaudited). The estimated debt service requirements on all existing, authorized, and proposed Higher Education Revenue Bonds are attached as Exhibit A. Exhibit B reflects estimated maximum annual debt service of \$20,742,903 in the fiscal year ending June 30, 2027, and debt service coverage ranging from 1.98 to 11.79 times annual debt service.

New Revenue Generation. The primary purpose of the Project is to renovate, rather than expand, existing student housing facilities. The University therefore is not relying on any new revenues as a result of this Project.

Other Funds Available to Pay Bonds. While the University intends to pay debt service on the Bonds from the Net Revenues, both the Net Revenues and the Additional Funds comprise the Pledged Revenues that secure the Bonds. Additional Funds are defined in the Bond Resolution to include the gross receipts from the “University Fee,” which is defined as the total academic fee charged all persons in attendance at any regular or summer session and enrolled for credit, excluding special student fees, tuition imposed to pay State Institution Bonds, and matriculation fees. The Additional Funds totaled \$462,258,191 for the fiscal year ended June 30, 2022. Pursuant to Section 59-147-110 of the Code of Laws of South Carolina 1976, as amended, the Bonds are not payable from State appropriations or student tuition and fees pledged to the payment of State Institutions Bonds. Also, certain specific revenues pledged to the payment of specific obligations,

such as Athletic Facilities Revenue Bonds, are likewise unavailable for payment on the Bonds and are not a component of Pledged Revenues.

No Special Student Fees. No Credit of the State. No Mortgage. The University does not currently impose a Special Student Fee, and no such fee is currently contemplated, in connection with the payment of the Bonds. Neither the full faith and credit of Clemson University nor the State of South Carolina has been pledged to the payment of Higher Education Revenue Bonds. Further, no mortgage or lien has been or will be given on any real property of Clemson University.

Prepared September 15, 2022

Exhibit A

Clemson University, South Carolina
Higher Education Revenue Bonds - Debt Service

Fiscal Year	Debt Service					
	on Proposed Bond Issue					Total Composite
	Existing Debt	Debt Service On			Debt Service	
	Service	Authorized but	Unissued Bonds	Principal	Interest	
6/30/2023	\$ 17,395,951	\$ -	-	\$ -	\$ -	\$ 17,395,951
6/30/2024	17,397,451	-	-	-	2,514,387	19,911,838
6/30/2025	17,390,951	-	-	-	2,320,972	19,711,923
6/30/2026	17,390,951	-	-	1,030,000	2,320,972	20,741,923
6/30/2027	17,391,201	-	-	1,075,000	2,276,702	20,742,903
6/30/2028	16,390,701	-	-	1,125,000	2,230,497	19,746,198
6/30/2029	16,387,426	-	-	1,170,000	2,182,144	19,739,570
6/30/2030	16,391,176	-	-	1,220,000	2,131,856	19,743,032
6/30/2031	16,391,631	-	-	1,275,000	2,079,419	19,746,050
6/30/2032	16,390,231	-	-	1,330,000	2,024,619	19,744,850
6/30/2033	16,387,731	-	-	1,385,000	1,967,454	19,740,185
6/30/2034	16,389,531	-	-	1,445,000	1,907,925	19,742,456
6/30/2035	16,385,081	-	-	1,505,000	1,845,818	19,735,899
6/30/2036	16,389,231	-	-	1,570,000	1,781,131	19,740,362
6/30/2037	16,387,400	-	-	1,640,000	1,713,651	19,741,051
6/30/2038	16,388,600	-	-	1,710,000	1,643,162	19,741,762
6/30/2039	16,391,800	-	-	1,785,000	1,569,665	19,746,465
6/30/2040	16,391,200	-	-	1,860,000	1,492,944	19,744,144
6/30/2041	16,391,200	-	-	1,940,000	1,412,999	19,744,199
6/30/2042	16,391,000	-	-	2,025,000	1,329,616	19,745,616
6/30/2043	16,389,800	-	-	2,110,000	1,242,580	19,742,380
6/30/2044	16,386,800	-	-	2,200,000	1,151,890	19,738,690
6/30/2045	16,386,200	-	-	2,295,000	1,057,332	19,738,532
6/30/2046	10,842,000	-	-	2,395,000	958,691	14,195,691
6/30/2047	-	-	-	2,500,000	855,751	3,355,751
6/30/2048	-	-	-	2,605,000	748,299	3,353,299
6/30/2049	-	-	-	2,715,000	636,333	3,351,333
6/30/2050	-	-	-	2,835,000	519,640	3,354,640
6/30/2051	-	-	-	2,955,000	397,789	3,352,789
6/30/2052	-	-	-	3,085,000	270,780	3,355,780
6/30/2053	-	-	-	3,215,000	138,184	3,353,184
Totals	\$ 392,815,244	\$ -	-	\$ 54,000,000	\$ 44,723,202	\$ 491,538,446

Exhibit B

Clemson University, South Carolina Higher Education Revenue Bonds - Coverage

Fiscal Year	Ratio Based						Pro Forma Coverage Ratio
	Composite Debt Service	FY22 Net Revenues to Debt Service*	on FY22 Net Revenues	Pro Forma Net Revenues	Total Pro Forma Net Revenues		
6/30/2023	\$ 17,395,951	\$ 39,499,529	2.27	\$ -	\$ 39,499,529		2.27
6/30/2024	19,911,838	39,499,529	1.98	-	39,499,529		1.98
6/30/2025	19,711,923	39,499,529	2.00	-	39,499,529		2.00
6/30/2026	20,741,923	39,499,529	1.90	-	39,499,529		1.90
6/30/2027	20,742,903	39,499,529	1.90	-	39,499,529		1.90
6/30/2028	19,746,198	39,499,529	2.00	-	39,499,529		2.00
6/30/2029	19,739,570	39,499,529	2.00	-	39,499,529		2.00
6/30/2030	19,743,032	39,499,529	2.00	-	39,499,529		2.00
6/30/2031	19,746,050	39,499,529	2.00	-	39,499,529		2.00
6/30/2032	19,744,850	39,499,529	2.00	-	39,499,529		2.00
6/30/2033	19,740,185	39,499,529	2.00	-	39,499,529		2.00
6/30/2034	19,742,456	39,499,529	2.00	-	39,499,529		2.00
6/30/2035	19,735,899	39,499,529	2.00	-	39,499,529		2.00
6/30/2036	19,740,362	39,499,529	2.00	-	39,499,529		2.00
6/30/2037	19,741,051	39,499,529	2.00	-	39,499,529		2.00
6/30/2038	19,741,762	39,499,529	2.00	-	39,499,529		2.00
6/30/2039	19,746,465	39,499,529	2.00	-	39,499,529		2.00
6/30/2040	19,744,144	39,499,529	2.00	-	39,499,529		2.00
6/30/2041	19,744,199	39,499,529	2.00	-	39,499,529		2.00
6/30/2042	19,745,616	39,499,529	2.00	-	39,499,529		2.00
6/30/2043	19,742,380	39,499,529	2.00	-	39,499,529		2.00
6/30/2044	19,738,690	39,499,529	2.00	-	39,499,529		2.00
6/30/2045	19,738,532	39,499,529	2.00	-	39,499,529		2.00
6/30/2046	14,195,691	39,499,529	2.78	-	39,499,529		2.78
6/30/2047	3,355,751	39,499,529	11.77	-	39,499,529		11.77
6/30/2048	3,353,299	39,499,529	11.78	-	39,499,529		11.78
6/30/2049	3,351,333	39,499,529	11.79	-	39,499,529		11.79
6/30/2050	3,354,640	39,499,529	11.77	-	39,499,529		11.77
6/30/2051	3,352,789	39,499,529	11.78	-	39,499,529		11.78
6/30/2052	3,355,780	39,499,529	11.77	-	39,499,529		11.77
6/30/2053	3,353,184	39,499,529	11.78	-	39,499,529		11.78

* Unaudited

AGENCY: Department of Administration
Executive Budget Office

SUBJECT: Financing Proposal for Permanent Improvements
Clemson University
Lehotsky Hall Replacement

Clemson University requests Phase II review to establish full design and construction to replace Lehotsky Hall, funded with proceeds from the issuance of general obligation state institution bonds.

Permanent Improvement Project. The project was established in May 2019 with a Phase I budget of \$700,000, funded with maintenance and stewardship funds of the University. This request will increase the project budget to \$50,000,000, funded by proceeds from the issuance of general obligation state institution bonds.

The University proposes to replace Lehotsky Hall. The existing building totals 94,000 square feet and was constructed in 1978. The new building will total approximately 85,000 square feet and include classrooms, offices, laboratories, and support spaces for the Department of Forestry and Environmental Conservation; Clemson Experimental Forest offices; 4-H Extension offices; and governmental partner offices. The building will support more than 600 students, faculty, staff, and partners. The building will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$1.9 million over a 30-year period.

Execution of the construction contract is expected in April 2023, with completion of construction in December 2024.

General Obligation State Institution Bonds (Issued by the State on Behalf of Clemson University). The University proposes funding all or a portion of the permanent improvements with proceeds from the issuance of not exceeding \$51,000,000 General Obligation State Institution Bonds.

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

Tuition fees collected by the University for the fiscal year ended June 30, 2022, and made available to comply with the constitutional and statutory limit on debt service totaled \$54,118,535. Maximum annual debt service on existing and proposed bonds is not expected to exceed \$30,244,522, or 56% of tuition fees designated for compliance with the limit on annual debt service.

Documentation supporting the submission states that no student tuition or fee increase will be required as a direct consequence of the permanent improvement project. Clemson designates a portion of tuition for permanent improvements, and the amount so designated has increased from \$948 per student per semester in academic year 2018-19, to a level of \$1,005 per student per semester in academic year 2022-23. The amount has not increased over the last 4 academic years.

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

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

The University's submission indicates that an enrollment decline of more than 44% would be required for revenues from tuition fees to be insufficient to support debt service. Clemson's enrollment has increased every year since 2002 and has grown more than 25% over the past 10 years.

The term of the proposed bonds will be 20 years.

COMMITTEE ACTION:

1. Review and make recommendation regarding the University's request to establish Phase II full design and construction for the permanent improvement project, to be funded with proceeds from the issuance of not exceeding \$51,000,000 General Obligation State Institution Bonds.
2. Review and make recommendation regarding the University's request for issuance by the state on its behalf of not exceeding \$51,000,000 General Obligation State Institution Bonds.

ATTACHMENTS:

1. Department of Administration, Executive Budget Office Agenda Item Worksheet.
2. Letter dated September 15, 2022, of Gary T. Pope, Jr., Pope Flynn, LLC, Bond Counsel.
3. Bond Information Report and Exhibits.

AVAILABLE:

1. Constitutional and Statutory References: Article X, §13(6)(b) of the South Carolina Constitution; Chapter 107 of Title 59 of the South Carolina Code of Laws (State Institution Bonds).
2. Resolution of the University's Board of Trustees requesting issuance of the bonds.
3. Form of Resolution of the State Fiscal Accountability Authority authorizing issuance of the bonds.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: **October 18, 2022**

Regular Agenda

1. Submitted By:

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


Brian J. Gaines, Director, Executive Budget Office

2. Subject:

Clemson University – Lehotsky Hall Replacement

3. Summary Background Information:

Project: Clemson University
H12.9942: Lehotsky Hall Replacement

Request: Change Source of Funds and Establish Phase II Full Construction Budget to demolish and rebuild Lehotsky Hall.

Included in CPIP: Yes – 2022 CPIP Priority 5 of 9 in FY23 (estimated at \$50,000,000)

Phase I Approval: May 2019 (estimated at \$30,000,000) (SFAA)

Phase I Increase

Approval: Approval 2022 (estimated at \$50,000,000)

CHE Approval: 9/1/22

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
State Institution Bonds				50,000,000	50,000,000
Other, Maintenance & Stewardship	700,000	50,000	750,000	(750,000)	
All Sources	<u>700,000</u>	<u>50,000</u>	<u>700,000</u>	<u>49,250,000</u>	<u>50,000,000</u>

Summary of Work: The project will demolish and rebuild Lehotsky Hall. The new building will include classrooms, offices, laboratories and support spaces. There are two proposed roofing systems being planned for the new building as follows: 1) For non-occupied roof areas, the majority of the roof will be an elastomeric membrane roofing system. 2) For occupied roof areas, the roof system will be an elastomeric membrane roofing system under precast pavers. The facility will be sited adjacent to the Godley-Snell Research Center and across from the Life Sciences Building. Per the university, this location is ideal for the Department of Forestry and Environmental Conservation (FEC) as several FEC research faculty use the animal research facilities and equipment at Godley-Snell and the location provides FEC students with an “outdoor lab” for easy access to Hunnicutt Creek and numerous tree resources nearby. Further, the site allows for a spacious service yard to aid in the frequent movement of tree cuttings, soil samples and other large materials from the Experimental Forest without bringing these materials into the heart of campus.

Rationale: Lehotsky Hall is one of the most energy inefficient buildings on the Clemson campus, per the university. Its building systems are original to the facility, past their useful lives, and do not meet current building code requirements. The fire

sprinkler and plumbing systems serving the labs do not meet current codes to ensure occupant safety. Further, the existing building was found to have major environmental, structural and seismic issues.

Facility Characteristics: Lehotsky Hall is 94,000 square feet and was constructed in 1978 (44 years old). The new building to be constructed will be approximately 85,000 square feet. The facility will house the Department of Forestry and Environmental Conservation, Clemson Online, the Office of Teaching Effectiveness/Innovation, Clemson Experimental Forest offices, 4-H Extension offices and governmental partner offices. The replacement facility will be used by approximately 568 students, 38 faculty, 60 staff members and 12 government partners.

Financial Impact: This project will be funded from State Institution Bond Funds. The building will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$1,925,134 over a 30-year period. The project is expected to result in an increase of \$552,500 (year 1), \$569,075 (year 2), and \$586,147 (year 3), in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$1,005 per student per semester, and has increased from \$738 to \$1,005 for the academic years 2014-2015 to 2021-2022.

Full Project Estimate: \$50,000,000 (internal) funded by State Institution Bonds. Contract execution is expected in April 2023 with construction completion in December 2024.

4. What is JBRC asked to do?

Consider approval of the Permanent Improvement Project Phase II.

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

The item is complete and ready for JBRC review.

6. List of Supporting Documents:

1. Permanent Improvement Project Lehotsky Hall Replacement
2. Clemson University Bond Information Report



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1411 Gervais Street, Suite 300
Post Office Box 11509 (29211)
Columbia, SC 29201
MAIN 803.354.4900
FAX 803.354.4899
www.popeflynn.com

September 15, 2022

Mr. F. Richard Harmon, Jr.
Director of Research
Joint Bond Review Committee
312 Gressette Building
Columbia, South Carolina 29201

Re: Not Exceeding \$51,000,000 of General Obligation State Institution Bonds (Issued on Behalf of Clemson University) of the State of South Carolina

Dear Rick:

Clemson University (the "University") plans to request project review and approval of proposed improvements related to its Lehotsky Hall Replacement project at the October 18, 2022 Joint Bond Review Committee and November 1, 2022 State Fiscal Accountability Authority meetings, and in connection with such request will propose that a portion of the budget for such project include proceeds of the above-referenced bonds (the "Bonds"). In accordance with the policy adopted by the Joint Bond Review Committee on October 7, 2014, as amended on September 13, 2016, regarding any agency or institution request for a project approval that results in the addition of bond funds to the project budget, please find enclosed the required documentation detailing the proposed financing of the proposed project. On behalf of the University, we respectfully request that the Joint Bond Review Committee consider the request for the use of proceeds from the proposed Bonds in connection with its consideration of the proposed project at its meeting currently scheduled for October 18, 2022.

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

Very truly yours,

A handwritten signature in blue ink, appearing to read 'G. T. Pope, Jr.', with a stylized flourish at the end.

Gary T. Pope, Jr.

c: Rick Petillo, Chief Financial Officer, Clemson University
Robert Macdonald, Director, Debt Management Division, Office of State Treasurer
Enclosures

Clemson University Bond Information Report

Prepared in Connection with the Proposed Authorization of

Not Exceeding \$51,000,000 of State of South Carolina General Obligation
State Institution Bonds (Issued on Behalf of Clemson University),
Series 2022

October 2022 Joint Bond Review Committee Meeting

Amount and Type of Bond. Clemson University (the “University”) is making application to the South Carolina State Fiscal Accountability Authority for the issuance of not exceeding \$51,000,000 of State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2022 (the “Bonds”), in order to provide funds: (i) to demolish the existing Lehotsky Hall, and to construct, improve, and furnish a new academic facility and related improvements and infrastructure to house the Department of Forestry and Environmental Conservation and the Department of Parks, Recreation and Tourism Management on the campus of the University, (ii) to reimburse the University for expenses incurred in anticipation of the issuance of such State Institution Bonds ((i) and (ii), collectively, the “Project”); and (iii) to pay for expenses related to the issuance of the Bonds.

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

The sum of tuition fees, for the purposes of the Enabling Act, for the fiscal year ended June 30, 2022, totaled \$54,118,535.¹ The debt service requirements on all existing, authorized, and proposed State Institution Bonds (Issued on Behalf of the University) are attached as Exhibit A. Exhibit B reflects maximum annual debt service of \$30,244,522 in fiscal year 2027, and debt service utilization of fiscal year 2022 tuition fees ranging from 21% to 56%, compared to the 90% statutory limitation. The University will covenant that the schedule of tuition fees now in effect at the University will be revised from time to time and whenever necessary in order to provide the annual principal and interest requirements of all State Institution Bonds now or hereafter to be outstanding, which have been or will be issued on behalf of the University.

New Revenue Generation. Sustaining current operations and enrollment, rather than revenue generation, is the basis for this Project. To be conservative, no additional revenue has been assumed and the University is not relying on any increase in revenues to pay debt service on the Bonds.

Other Funds Available to Pay Bonds. Current tuition levels are more than sufficient to pay the debt service on the Bonds. In order for current tuition levels to be insufficient, enrollment would need to decrease by approximately 44%. Clemson's enrollment has increased every year since 2002 and has grown approximately 25% in the past 10 years.

Student Fees, Credit of the State, Mortgages. The full faith and credit of the State of South Carolina would be pledged to the payment of the Bonds. No Special Student Fee is authorized to be imposed in connection with the Bonds, and none is contemplated. No mortgage or lien has been or will be given in connection with the issuance of the Bonds.

Prepared September 15, 2022

¹ Unaudited.

Exhibit A

Clemson University - State Institution Bonds - Composite Debt Service

Fiscal Year	Debt Service on		Proposed Issue		Composite Debt Service
	Existing Debt Service	Authorized but Unissued	Principal	Interest	
6/30/2023	\$ 22,396,231	\$ -	\$ 840,000	\$ 689,090	\$ 23,925,322
6/30/2024	26,573,513	-	2,035,000	1,633,993	30,242,506
6/30/2025	26,570,513	-	2,080,000	1,585,357	30,235,869
6/30/2026	26,569,513	-	2,130,000	1,535,645	30,235,157
6/30/2027	26,576,063	-	2,185,000	1,483,460	30,244,522
6/30/2028	26,568,213	-	2,240,000	1,429,927	30,238,140
6/30/2029	26,568,413	-	2,295,000	1,373,479	30,236,892
6/30/2030	26,265,325	-	2,355,000	1,314,727	29,935,052
6/30/2031	25,760,625	-	2,415,000	1,252,791	29,428,416
6/30/2032	20,808,269	-	2,480,000	1,186,861	24,475,130
6/30/2033	20,660,794	-	2,550,000	1,117,421	24,328,215
6/30/2034	20,516,481	-	2,630,000	1,038,626	24,185,107
6/30/2035	17,979,069	-	2,715,000	951,310	21,645,379
6/30/2036	17,824,700	-	2,810,000	856,285	21,490,985
6/30/2037	14,008,450	-	2,915,000	754,844	17,678,294
6/30/2038	8,857,250	-	3,020,000	646,698	12,523,948
6/30/2039	8,855,450	-	3,135,000	531,636	12,522,086
6/30/2040	8,447,400	-	3,260,000	409,684	12,117,084
6/30/2041	7,954,500	-	3,385,000	280,588	11,620,088
6/30/2042	7,953,750	-	3,525,000	144,173	11,622,923
Totals	<u>\$ 387,714,519</u>	<u>\$ -</u>	<u>\$ 51,000,000</u>	<u>\$ 20,216,592</u>	<u>\$ 458,931,111</u>

Exhibit B

Clemson University - State Institution Bonds - Coverage

Fiscal Year	FY22 Tuition*		Pro Forma Pledged Tuition	Utilization of Pledged Revenues (90% is Debt Limit)
	Composite Debt Service	Pledged to Debt Service		
6/30/2023	\$ 23,925,322	\$ 54,118,535	-	44%
6/30/2024	30,242,506	54,118,535	-	56%
6/30/2025	30,235,869	54,118,535	-	56%
6/30/2026	30,235,157	54,118,535	-	56%
6/30/2027	30,244,522	54,118,535	-	56%
6/30/2028	30,238,140	54,118,535	-	56%
6/30/2029	30,236,892	54,118,535	-	56%
6/30/2030	29,935,052	54,118,535	-	55%
6/30/2031	29,428,416	54,118,535	-	54%
6/30/2032	24,475,130	54,118,535	-	45%
6/30/2033	24,328,215	54,118,535	-	45%
6/30/2034	24,185,107	54,118,535	-	45%
6/30/2035	21,645,379	54,118,535	-	40%
6/30/2036	21,490,985	54,118,535	-	40%
6/30/2037	17,678,294	54,118,535	-	33%
6/30/2038	12,523,948	54,118,535	-	23%
6/30/2039	12,522,086	54,118,535	-	23%
6/30/2040	12,117,084	54,118,535	-	22%
6/30/2041	11,620,088	54,118,535	-	21%
6/30/2042	11,622,923	54,118,535	-	21%

* Unaudited.

AGENCY: Department of Administration
Executive Budget Office

SUBJECT: Financing Proposal for Permanent Improvements
Clemson University
Women's Sports Program Expansion

Clemson University requests Phase II review to construct new facilities for women's athletic programs, including gymnastics and lacrosse. The project will be funded with athletic gifts and donations, and proceeds from the issuance of athletic facilities revenue bonds.

Permanent Improvement Project. The project was established in March 2022 with a Phase I budget of \$500,000, funded with athletic gifts and donations. This request will increase the project budget to \$37,000,000, funded by \$27,000,000 in athletic gifts and donations, and \$10,000,000 in proceeds from the issuance of athletic facilities revenue bonds.

The University proposes to construct a new 21,000 square foot women's gymnastics training facility, and a 9,000 square foot women's lacrosse operation facility, field, and stadium seating. Both facilities will include offices, locker rooms, student lounges, and sports medicine facilities. The project will further include a 10,000 square foot addition to the existing rowing center with amenities for women's gymnastics, lacrosse, and rowing. The facilities will support 135 student athletes.

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

Athletic Facilities Revenue Bonds. Clemson proposes funding all or a portion of the permanent improvements with not exceeding \$10,500,000 of Athletic Facilities Revenue Bonds, including expenses associated with issuance of the bonds.

Athletic Facilities Revenue Bonds are payable from and secured by a pledge of the Net Revenues of the Athletic Department and the gross receipts from the imposition of an Admissions Fee. Athletic Facilities Revenue Bonds are further secured by any Special Student Fee, but the University does not currently impose a Special Student Fee. The full faith and credit of the State will not be pledged to the payment of the proposed bonds; nor will any mortgage or lien be given on any real property of the institution or the state.

Pledged Revenues for the fiscal year ended June 30, 2022, totaled \$29,017,068. Maximum annual debt service on existing and proposed bonds is not expected to exceed \$13,684,645, with debt service coverage ranging from 2.12 to 45.58 times annual debt service throughout the term of the University's existing and proposed debt.

Section 59-119-940 of the Code of Laws limits the amount of the University's athletic revenue bonds that may be outstanding at any time to \$200,000,000. Athletic revenue bonds outstanding following issuance of previously authorized bonds and the proposed bonds will not exceed \$193,895,000.

Documentation supporting submission states that no student tuition or fee increase will be required as a direct consequence of the permanent improvement project. Moreover, Clemson does not impose a student fee to pay debt service on athletic facilities revenue bonds, but does collect an admissions fee on certain tickets to athletic events.

The University submission indicates that it prudently and rigorously manages its athletic operations and debt to ensure that revenues pledged to athletics remain well in excess of debt service obligations. In the event that revenues were insufficient to pay debt service, the University's Athletic Department could request additional support from IPTAY. In no event would student tuition or academic fees be used to pay debt service on the bonds.

The term of the proposed bonds will be 30 years.

COMMITTEE ACTION:

1. Review and make recommendation regarding the University's request to establish full design and construction for the permanent improvement project, to be funded with \$27,000,000 in athletic gifts and donations, and proceeds from the issuance of not exceeding \$10,500,000 Athletic Facilities Revenue Bonds.
2. Review and make recommendation regarding the University's request to issue not exceeding \$10,500,000 Athletic Facilities Revenue Bonds.

ATTACHMENTS:

1. Department of Administration, Executive Budget Office Agenda Item Worksheet.
2. Letter dated September 15, 2022, of Gary T. Pope, Jr., Pope Flynn, LLC, Bond Counsel.
3. Bond Information Report and Exhibits.

AVAILABLE:

1. Constitutional and Statutory References: Article X, §13(9) of the South Carolina Constitution; Article 9, Chapter 119 of Title 59 of the South Carolina Code of Laws (Athletic Facilities Revenue Bonds).
2. Board of Trustees resolution requesting issuance of the bonds pursuant to Article 9, Chapter 119 of Title 59 of the South Carolina Code of Laws.
3. Form of State Fiscal Accountability Authority resolution authorizing issuance of the bonds.

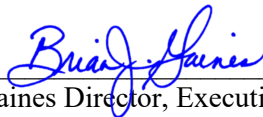
JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: **October 18, 2022**

Regular Agenda

1. Submitted By:

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


Brian J. Gaines Director, Executive Budget Office

2. Subject:

Clemson University – Women’s Sports Program Expansion (Gymnastics/Lacrosse)

3. Summary Background Information:

Project: Clemson University
H12.9957: Women’s Sports Program Expansion (Gymnastics/Lacrosse)

Request: Establish Phase II Full Construction Budget to construct new facilities for women’s athletics programs, including gymnastics and lacrosse, adjacent to the existing women’s rowing facility

Included in CPIP: Yes – 2022 CPIP Priority 8 of 9 in FY23 (estimated at \$37,000,000)
Phase I Approval: March 2022 (estimated at \$27,500,000) (SFAA)
CHE Approval: 09/01/22

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Revenue Bonds				10,000,000	10,000,000
Other, Athletic Gifts & Donations	500,000		500,000	26,500,000	27,000,000
All Sources	<u>500,000</u>		<u>500,000</u>	<u>36,500,000</u>	<u>37,000,000</u>

Summary of Work: The project will construct a new approximately 21,000 square foot women’s gymnastics training facility. The gym training facility will include coaches’ offices, a locker room, a student-athlete lounge, and a sports medicine room. The roof to be installed on this new facility is a Vertical-Rib, Sealed Joint, Standing-Seam Metal Roof Panel System that will come with a 2-year installer’s warranty and a 20-year warranty that includes repair or replacement of the metal roof panel system. A 20-year finish warranty is also included. The project will also construct an approximately 9,000 square foot women’s lacrosse operations facility and an artificial turf field with stadium seating. The lacrosse operations facility will include coaches’ offices, a locker room, a student-athlete lounge, a film room, and a sports medicine room. The roof to be installed on this new facility for the Press Box roof and exposed support area is a Vertical-Rib, Sealed Joint, Standing-Seam Metal Roof Panel System that will come with a 2-year installer’s warranty and a 20-year warranty that includes repair or replacement of the metal roof panel system. A 20-year finish warranty is also included. The roof to be installed on this new facility for the non-exposed roofing system over support space beneath bleacher seating, will be a thermoplastic polyolefin (TPO) membrane roofing system that will come with a 1-year installer’s warranty and a 20-year warranty that includes repair or replacement of the TPO roof system. An approximately 10,000 square foot addition to the existing rowing center facilities

will include amenities for women's gymnastics, lacrosse, and rowing, including strength and conditioning, nutrition, and athlete wellness and recovery areas. Renovation to the exterior and interior of the rowing boathouse is included and will ensure all facilities on site are adequate for use by student-athletes and removal of the existing rowing storage building was deemed necessary to fulfill the space requirements of the project, per the university. The roof to be installed on this new facility is a Vertical-Rib, Sealed Joint, Standing-Seam Metal Roof Panel System that will come with a 2-year installer's warranty and a 20-year warranty that includes repair or replacement of the metal roof panel system. A 20-year finish warranty is also included.

Rationale: Women's gymnastics and women's lacrosse were announced as new sport additions in June 2021.

Facility Characteristics: The new approximately 21,000 square foot women's gymnastics training facility, new approximately 9,000 square foot women's lacrosse operations facility, an approximately 10,000 square foot addition to the existing rowing center facilities, and renovation to the exterior and interior of the rowing boathouse, will be utilized by women's gymnastics, women's lacrosse, and as a women's athlete recovery training center. These facilities will support 135 female student-athletes and provide new competition and training facilities for use by the new additional teams.

Financial Impact: This request will be funded from Revenue Bonds and Athletic Gift & Donation Funds (uncommitted balance \$27 million for this project at 6/30/22) Revenue to the fund are received from individuals, corporations, and other entities that are to be expended for their restricted purposes. The project is expected to result in an increase of \$260,000 (year 1), \$267,800 (year 2), and \$275,834 (year 3), in annual operating expenses. The gymnastics building will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$275,906 over a 30-year period. The lacrosse building will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$63,533 over a 30-year period. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$1,005 per student per semester, and has increased from \$738 to \$1,005 for the academic years 2014-2015 to 2021-2022.

Full Project Estimate: \$37,000,000 (internal) funded by Revenue Bonds and Athletic Gifts & Donations. Contract execution is expected in January 2023 with construction completion in December 2023.

4. What is JBRC asked to do?

Consider approval of the Permanent Improvement Project Phase II.

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

The item is complete and ready for JBRC review.

6. List of Supporting Documents:

1. Permanent Improvement Project Women's Sports Program Expansion (Gymnastics/Lacrosse)
2. Clemson University Bond Information Report



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September 15, 2022

Mr. F. Richard Harmon, Jr.
Director of Research
Joint Bond Review Committee
312 Gressette Building
Columbia, South Carolina 29201

Re: Not Exceeding \$10,500,000 Clemson University, South Carolina Athletic Facilities
Revenue Bonds, Series 2022

Dear Rick:

Clemson University (the "University") respectfully requests review pursuant to Section 59-119-940 of the Code of Laws of South Carolina 1976, as amended for the above-referenced bonds (the "Bonds") at the October 18, 2022 meeting of the Joint Bond Review Committee. The University has proposed that a portion of the budget for its Women's Sports Program Expansion Project be funded from the proceeds of the Bonds. In accordance with the policy adopted by the Joint Bond Review Committee on October 7, 2014, as amended on September 13, 2016, regarding any agency or institution request for a project approval that results in the addition of bond funds to the project budget, please find enclosed the required documentation detailing the proposed financing of the proposed project. Please also find attached the bond resolution and series resolution adopted by the Board of Trustees authorizing the Bonds.

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

Very truly yours,

A handwritten signature in blue ink, appearing to read 'G. T. Pope, Jr.', with a stylized flourish at the end.

Gary T. Pope, Jr.

c: Rick Petillo, Chief Financial Officer, Clemson University
Robert Macdonald, Director, Debt Management Division, Office of State Treasurer

Enclosures

Clemson University Bond Information Report

Prepared in Connection with the Proposed Authorization of

Not Exceeding \$10,500,000 of Clemson University, South Carolina
Athletics Facilities Revenue Bonds, Series 2022

October 2022 Joint Bond Review Committee Meeting

Amount and Type of Bond. Clemson University (the “University” or “Clemson”) is seeking review by the Joint Bond Review Committee and approval by the South Carolina State Fiscal Accountability Authority for the issuance of not exceeding \$10,500,000 of Clemson University, South Carolina Athletic Facilities Revenue Bonds, Series 2022 (the “Bonds”), the proceeds of which may be applied for the purposes of: (1) reimbursing the University for capital expenditures previously made in connection with, and paying the costs of, the Project (as defined below); (2) paying the principal and interest on any Series 2022 Notes (as defined below) whether at maturity or early redemption; and (3) paying certain costs and expenses related to the issuance of the Bonds, including paying the costs of any credit enhancement thereof. The Project is defined to include the costs to acquire, construct, and equip athletic facilities on the campus of the University, including facilities for the women’s athletic programs of gymnastics, lacrosse, and rowing, and related infrastructure and improvements.

Revenues Pledged to Pay the Bonds. The University’s Athletic Facilities Revenue Bonds are payable from, and are secured by a pledge of, the Net Revenues of the Athletic Department and the gross receipts from the imposition of the Admissions Fee and any Special Student Fee (“Pledged Revenues”) as contemplated in the enabling act authorizing Clemson’s athletic facilities revenue bonds. The University does not impose any Special Student Fee. Such Pledged Revenues for the fiscal year ended June 30, 2022, totaled \$29,017,068 (unaudited). The estimated debt service requirements on all existing, authorized, and proposed Athletic Facilities Revenue Bonds are attached as Exhibit A. Exhibit B reflects estimated maximum annual debt service of \$13,684,645 in the fiscal year ending June 30, 2025, and debt service coverage ranging from 2.12 to 45.58 times annual debt service.

New Revenue Generation. The primary purposes of this project are to provide opportunities for female student-athletes to compete at Clemson and to ensure Title IX compliance, rather than revenue generation. The University therefore does not expect, nor it is relying on, any new revenues as a result of this project.

Other Funds Available to Pay Bonds. The University prudently and rigorously manages both its athletic debt portfolio and operations to ensure that athletic Pledged Revenues remain well in excess of debt service obligations. Over the past 5-years these Pledged Revenues have yielded debt service coverage of 1.62 to 2.78 times annual debt service. In the improbable event that athletic Pledged Revenues were insufficient to pay debt service, the University’s Athletic Department could request additional support from IPTAY. Student tuition and fees would not be used to pay debt service on the bonds.

No Special Student Fees. No Credit of the State. No Mortgage. Neither the full faith and credit of Clemson University nor the State of South Carolina has been pledged to the payment of

Athletic Facilities Revenue Bonds. Further, no mortgage or lien has been or will be given on any real property of Clemson University. Currently an Admissions Fee is charged on certain tickets to athletic events. The University does not currently impose a Special Student Fee, and no such fee is currently contemplated, in connection with the payment of the Bonds.

Prepared September 15, 2022

Exhibit A

Athletics Facilities Revenue Bonds - Debt Service

Fiscal Year	Existing Debt Service	Debt Service On Authorized but Unissued Bonds	Debt Service on Proposed Bond Issue		Total Composite Debt Service
			Principal	Interest	
6/30/2023	\$ 12,936,789	\$ -	\$ -	\$ -	\$ 12,936,789
6/30/2024	13,046,176	-	140,000	495,646	13,681,822
6/30/2025	13,048,226	-	185,000	451,419	13,684,645
6/30/2026	10,623,326	-	190,000	443,358	11,256,684
6/30/2027	10,619,411	-	200,000	435,079	11,254,490
6/30/2028	10,621,511	-	210,000	426,364	11,257,875
6/30/2029	10,619,599	-	220,000	417,214	11,256,813
6/30/2030	10,626,069	-	230,000	407,628	11,263,697
6/30/2031	10,615,919	-	240,000	397,606	11,253,525
6/30/2032	10,620,444	-	250,000	387,148	11,257,592
6/30/2033	10,620,694	-	260,000	376,255	11,256,949
6/30/2034	10,621,619	-	270,000	364,926	11,256,545
6/30/2035	10,626,669	-	285,000	353,161	11,264,830
6/30/2036	10,621,706	-	295,000	340,743	11,257,449
6/30/2037	10,617,681	-	310,000	327,889	11,255,570
6/30/2038	10,617,413	-	320,000	314,381	11,251,794
6/30/2039	10,622,325	-	335,000	300,438	11,257,763
6/30/2040	10,622,763	-	350,000	285,841	11,258,604
6/30/2041	10,625,000	-	365,000	270,590	11,260,590
6/30/2042	10,611,550	-	380,000	254,686	11,246,236
6/30/2043	10,616,375	-	400,000	238,128	11,254,503
6/30/2044	10,615,263	-	415,000	220,699	11,250,962
6/30/2045	10,623,013	-	435,000	202,616	11,260,629
6/30/2046	4,818,150	-	450,000	183,661	5,451,811
6/30/2047	3,848,163	-	470,000	164,053	4,482,216
6/30/2048	3,177,825	-	490,000	143,574	3,811,399
6/30/2049	3,176,875	-	515,000	122,223	3,814,098
6/30/2050	3,178,125	-	535,000	99,783	3,812,908
6/30/2051	3,177,500	-	560,000	76,471	3,813,971
6/30/2052	-	-	585,000	52,070	637,070
6/30/2053	-	-	610,000	26,580	636,580
Totals	<u>\$ 272,816,179</u>	<u>\$ -</u>	<u>\$10,500,000</u>	<u>\$ 8,580,230</u>	<u>\$ 291,896,409</u>

Exhibit B

Athletic Facilities Revenue Bonds - Coverage

Fiscal Year	FY22 Revenues		Ratio Based on FY22 Pledged	Pro Forma		Pro Forma Coverage Ratio
	Composite Debt Service	Pledged to Debt Service*		Pledged Revenues**	Total Pro Forma Pledged Revenues	
6/30/2023	\$ 12,936,789	\$ 29,017,068	2.24	\$ -	\$ 29,017,068	2.24
6/30/2024	13,681,822	29,017,068	2.12	-	29,017,068	2.12
6/30/2025	13,684,645	29,017,068	2.12	-	29,017,068	2.12
6/30/2026	11,256,684	29,017,068	2.58	-	29,017,068	2.58
6/30/2027	11,254,490	29,017,068	2.58	-	29,017,068	2.58
6/30/2028	11,257,875	29,017,068	2.58	-	29,017,068	2.58
6/30/2029	11,256,813	29,017,068	2.58	-	29,017,068	2.58
6/30/2030	11,263,697	29,017,068	2.58	-	29,017,068	2.58
6/30/2031	11,253,525	29,017,068	2.58	-	29,017,068	2.58
6/30/2032	11,257,592	29,017,068	2.58	-	29,017,068	2.58
6/30/2033	11,256,949	29,017,068	2.58	-	29,017,068	2.58
6/30/2034	11,256,545	29,017,068	2.58	-	29,017,068	2.58
6/30/2035	11,264,830	29,017,068	2.58	-	29,017,068	2.58
6/30/2036	11,257,449	29,017,068	2.58	-	29,017,068	2.58
6/30/2037	11,255,570	29,017,068	2.58	-	29,017,068	2.58
6/30/2038	11,251,794	29,017,068	2.58	-	29,017,068	2.58
6/30/2039	11,257,763	29,017,068	2.58	-	29,017,068	2.58
6/30/2040	11,258,604	29,017,068	2.58	-	29,017,068	2.58
6/30/2041	11,260,590	29,017,068	2.58	-	29,017,068	2.58
6/30/2042	11,246,236	29,017,068	2.58	-	29,017,068	2.58
6/30/2043	11,254,503	29,017,068	2.58	-	29,017,068	2.58
6/30/2044	11,250,962	29,017,068	2.58	-	29,017,068	2.58
6/30/2045	11,260,629	29,017,068	2.58	-	29,017,068	2.58
6/30/2046	5,451,811	29,017,068	5.32	-	29,017,068	5.32
6/30/2047	4,482,216	29,017,068	6.47	-	29,017,068	6.47
6/30/2048	3,811,399	29,017,068	7.61	-	29,017,068	7.61
6/30/2049	3,814,098	29,017,068	7.61	-	29,017,068	7.61
6/30/2050	3,812,908	29,017,068	7.61	-	29,017,068	7.61
6/30/2051	3,813,971	29,017,068	7.61	-	29,017,068	7.61
6/30/2052	637,070	29,017,068	45.55	-	29,017,068	45.55
6/30/2053	636,580	29,017,068	45.58	-	29,017,068	45.58

* Unaudited

** Forecast

AGENCY: Department of Administration
Executive Budget Office

SUBJECT: Financing Proposal for Permanent Improvements
Medical University of South Carolina
College of Health Professions Building

The Medical University of South Carolina requests Phase II review to establish full design and construction to construct an academic building for its College of Health Professions. The project will be funded with institutional capital reserves, clinical reserves, and proceeds from the issuance of general obligation state institution bonds.

Permanent Improvement Project. The project was established in December 2021 with a Phase I budget of \$600,000, funded with institutional capital reserves of the institution. This request will increase the project budget to \$50,000,000, funded by \$5,000,000 in institutional capital reserves, \$19,775,000 in clinical reserves, and \$25,225,000 in proceeds from the issuance of general obligation state institution bonds.

The University proposes to construct an 89,000 square foot building located on President Street in Charleston to support growth in the academic programs offered within the College of Health Professions, including Healthcare Studies, Health Administration, Health Informatics, Health and Rehabilitation Science, Cardiovascular Perfusion, Physician Assistant, Anesthesia for Nurses, Speech Pathology, Physical and Occupational Therapy, and Genetic Counseling programs. The University projects a 20% increase in enrollment in these programs over the next 4 years.

Execution of the construction contract is expected in June 2023, with completion of construction in December 2024.

General Obligation State Institution Bonds (Issued by the State on Behalf of the Medical University of South Carolina). The University proposes funding a portion of the permanent improvements with not exceeding \$25,225,000 General Obligation State Institution Bonds.

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

Tuition fees collected by the University for the fiscal year ended June 30, 2022, and made available to comply with the constitutional and statutory limit on debt service totaled \$15,185,306. Maximum annual debt service on existing and proposed bonds is not expected to exceed \$6,596,480, or 43% of tuition fees designated for compliance with the limit on annual debt service.

Documentation supporting submission states that no student tuition or fee increase will be required as a direct consequence of the permanent improvement project. The University does not designate any portion of tuition for permanent improvements. The University's documentation supporting the submission states that no increase in in-state undergraduate or graduate tuition was imposed for the academic years 2022 or 2023.

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

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

The University submission states that current tuition levels are more than sufficient to pay debt service on the bonds.

The term of the proposed bonds will be 20 years.

COMMITTEE ACTION:

1. Review and make recommendation regarding the University's request to establish full design and construction for the permanent improvement project, to be funded with \$5,000,000 in institutional capital reserves, \$19,775,000 in clinical reserves, and proceeds from the issuance of not exceeding \$25,225,000 General Obligation State Institution Bonds.
2. Review and make recommendation regarding the University's request for issuance by the state on its behalf of not exceeding \$25,225,000 General Obligation State Institution Bonds.

ATTACHMENTS:

1. Department of Administration, Executive Budget Office Agenda Item Worksheet.
2. Letter dated September 15, 2022, of William M. Musser, Pope Flynn, LLC, Bond Counsel.
3. Bond Information Report and Exhibits.

AVAILABLE:

1. Constitutional and Statutory References: Article X, §13(6)(b) of the South Carolina Constitution; Chapter 107 of Title 59 of the South Carolina Code of Laws (State Institution Bonds).
2. Board of Trustees resolution requesting issuance of the bonds pursuant to Chapter 107, Title 59, of the South Carolina Code of Laws.
3. Form of State Fiscal Accountability Authority resolution authorizing issuance of the bonds.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: **October 18, 2022**

Regular Agenda

1. Submitted By:

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


Brian J. Gaines Director, Executive Budget Office

2. Subject:

Medical University of South Carolina – College of Health Professions President Street Academic Building

3. Summary Background Information:

Project: Medical University of South Carolina
H51.9854: College of Health Professions President Street Academic Building

Request: Establish Phase II Full Construction Budget to construct a six story, approximately 89,000 gross square foot building on President Street.

Included in CPIP: Yes – 2022 CPIP Priority 1 of 11 in FY23 (estimated at \$50,000,000)

Phase I Approval: December 2021 (estimated at \$40,000,000) (SFAA)

CHE Approval: 09/01/22

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
State Institution Bonds				25,225,000	25,225,000
Other, Institutional Capital Reserves	600,000		600,000	4,400,000	5,000,000
Other, CHP Clinical Reserves				19,775,000	19,775,000
All Sources	<u>600,000</u>		<u>600,000</u>	<u>49,400,000</u>	<u>50,000,000</u>

Summary of Work: The building will be constructed north of the Bioengineering building. It will include 5,000 square feet of research space, a 6,000 square foot auditorium, and a minimum of an additional 30 faculty and staff office and support space. The bottom four floors will be finished for immediate occupancy, the top two floors will be shell space for future College of Health Professions expansion. The roof to be installed will be a two-ply modified bitumen roof membrane system with a cover board and polyisocyanurate insulation over metal roof deck. The roof will come with a minimum 20-year material and workmanship warranty. An elevated pedestrian bridge is included connecting to the 2nd floor of the existing Bioengineering building.

Rationale: The new facility is needed to support growth of the various academic programs within the College of Health Professions.

Facility Characteristics: The new facility will be 89,000 gross square feet and will support the Bachelor of Science in Healthcare Studies, Health Administration (Masters and Doctorate), Health Informatics, Doctor of Philosophy in Health and Rehabilitation Science, Cardiovascular Perfusion, Physician Assistant Studies, Anesthesia for Nurses,

Speech Language Pathology, Physical Therapy, Occupational Therapy, and Proposed Genetic Counseling Program (pending CHE approval with potential start date of Fall 2023). Per the university, the current College of Health Professionals student body of approximately 800 students is expected to increase 20% over the next four years and is projected as follows: Physician Assistant Studies program, from 60 to 97 students; New Speech Language Pathology Program (first cohort of 43 students matriculated in Fall 2021); Proposal and development of a Genetic Counseling program. The facility will be accessible by students, faculty, staff and MUSC constituents.

Financial Impact: This phase of the project will be funded from Institution Bonds, Institutional Capital Reserves (uncommitted balance \$7.26 million at July 19, 2022), and College of Health Professional Clinical (CHP) Revenues (uncommitted balance \$20 million at July 19, 2022). Revenue to the Institutional Capital Project Reserve Fund is excess debt service funds and remaining balances from closed projects. Revenue to the CHP Clinical Reserves Fund is derived from clinical revenue generated by patient services. The project will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$675,464 over a 30-year period. The project is expected to result in an increase of \$631,000 (years 1 thru 3), in annual operating expenses. MUSC does not charge a separate plant improvement fee to the students. No student fees or tuition will be increased as a consequence of the project.

Full Project Estimate: \$50,000,000 (internal) funded by State Institution Bonds, CHP Clinical Revenues, and Institutional Capital Reserve Funds. Contract execution is expected in June 2023 with construction completion in December 2024.

4. What is JBRC asked to do?

Consider approval of the Permanent Improvement Project Phase II.

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

The item is complete and ready for JBRC review.

6. List of Supporting Documents:

1. Permanent Improvement Project College of Health Professions President Street Academic Building
2. Medical University of South Carolina Bond Information Report



Pope Flynn, LLC
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Columbia, SC 29201
MAIN 803.354.4900
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www.popeflynn.com

September 15, 2022

Mr. F. Richard Harmon, Jr.
Director of Research
Joint Bond Review Committee
312 Gressette Building
Columbia, South Carolina 29201

Re: Not Exceeding \$25,225,000 State of South Carolina General Obligation State Institution Bonds
(Issued on Behalf of The Medical University of South Carolina), Series 2022 (the "Bonds")

Dear Rick:

The Medical University of South Carolina (the "University") plans to request project review and approval of the proposed financing related to its College of Health Professions project at the October 18 Joint Bond Review Committee and November 1 State Fiscal Accountability Authority meetings, and in connection with such request will propose that a portion of the budget for such project include proceeds of the above-referenced bonds (the "Bonds"). In accordance with the policy adopted by the Joint Bond Review Committee on October 7, 2014, as amended on September 13, 2016, regarding any agency or institution request for a project approval that results in the addition of bond funds to the project budget, please find enclosed the required documentation detailing the proposed financing of the proposed project. On behalf of the University, we respectfully request that the Joint Bond Review Committee consider the request for the use of proceeds from the proposed Bonds in connection with its consideration of the proposed project at its meeting currently scheduled for October 18, 2022.

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

Best regards,

Bill

William M. Musser

cc: Patrick Wamsley, Chief Financial Officer, The Medical University of South Carolina
Robert Macdonald, Director Debt Management Division, Office of State Treasurer
Jennifer LoPresti, Capital Budgeting Manager, SC Department of Administration

Enclosures

The Medical University of South Carolina Bond Information Report

Prepared in Connection with the Proposed Authorization of

Not Exceeding \$25,225,000 of State of South Carolina General Obligation
State Institution Bonds (Issued on Behalf of The Medical University of South Carolina),
Series 2022

October 18, 2022

Amount and Type of Bond. The Medical University of South Carolina (the “University”) is making application to the South Carolina State Fiscal Accountability Authority for the issuance of not exceeding \$25,225,000 of State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of The Medical University of South Carolina), Series 2022 (the “Bonds”), in order to provide funds to: (i) construct, equip and furnish a six-story, approximately 89,000 square foot building to be used for general University purposes and by the University’s College of Health Professions, and will include space for classrooms, office and support space for University faculty and staff, research space, as well as an elevated pedestrian bridge connecting the building to the existing Bioengineering building (the “Project”); and (ii) pay costs and expenses related to the issuance of such State Institution Bonds.

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

The sum of tuition fees, for the purposes of the Enabling Act, for the fiscal year ended June 30, 2022, totaled \$15,185,306. The debt service requirements on all existing, authorized, and

proposed State Institution Bonds (Issued on Behalf of The Medical University of South Carolina) are attached as Exhibit A. Exhibit B reflects maximum annual debt service of \$6,596,480 in fiscal year 2024, and debt service utilization of fiscal year 2022 tuition fees ranging from 12% to 43%, compared to the 90% statutory limitation. The University will covenant that the schedule of tuition fees now in effect at the University will be revised from time to time and whenever necessary in order to provide the annual principal and interest requirements of all State Institution Bonds now or hereafter to be outstanding, which have been or will be issued on behalf of the University.

New Revenue Generation. This project is a strategic priority for the University primarily because of its impact on student learning. In response to the directives for academic growth by the MUSC Board of Trustees, the current College of Health Professions student body of approximately 800 students is expected to increase 20% over the next four years as follows: (i) permanent increase in class size of Physician Assistant Studies program from 60 to 97 students; (ii) new Speech Language Pathology Program (first cohort of 43 Students matriculated in Fall 2021); and (iii) proposal and development of a Genetic Counseling program.

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

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

Exhibit A

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

Fiscal Year	Proposed Issue				
	Existing Debt	Debt Service on			Composite
		Authorized but			
	Service	Unissued	Principal	Interest	Debt Service
6/30/2023	\$ 3,914,538	\$ -	\$ 415,000	\$ 340,833	\$ 4,670,370
6/30/2024	4,783,275	-	1,005,000	808,205	6,596,480
6/30/2025	3,920,650	-	1,030,000	784,185	5,734,835
6/30/2026	3,918,400	-	1,055,000	759,568	5,732,968
6/30/2027	3,930,150	-	1,080,000	733,721	5,743,871
6/30/2028	3,924,900	-	1,105,000	707,261	5,737,161
6/30/2029	3,933,150	-	1,135,000	679,415	5,747,565
6/30/2030	3,929,900	-	1,165,000	650,359	5,745,259
6/30/2031	3,936,350	-	1,195,000	619,719	5,751,069
6/30/2032	2,751,950	-	1,230,000	587,096	4,569,046
6/30/2033	2,750,850	-	1,260,000	552,656	4,563,506
6/30/2034	2,751,550	-	1,300,000	513,722	4,565,272
6/30/2035	2,748,900	-	1,345,000	470,562	4,564,462
6/30/2036	2,747,900	-	1,390,000	423,487	4,561,387
6/30/2037	1,108,300	-	1,440,000	373,308	2,921,608
6/30/2038	1,103,750	-	1,495,000	319,884	2,918,634
6/30/2039	1,103,450	-	1,550,000	262,924	2,916,374
6/30/2040	1,107,250	-	1,610,000	202,629	2,919,879
6/30/2041	-	-	1,675,000	138,873	1,813,873
6/30/2042	-	-	1,745,000	71,371	1,816,371
Totals	\$ 54,365,213	\$ -	\$ 25,225,000	\$ 9,999,771	\$ 89,589,984

Calculated @ 11/01/2022

Exhibit B

Medical University of South Carolina - State Institution Bonds - Coverage

Fiscal Year	FY22 Tuition		Utilization of	
	Composite Debt	Pledged to Debt	Pro Forma	Pledged Revenues
	Service	Service	Pledged Tuition	(90% is Debt Limit)
6/30/2023	\$ 4,670,370	\$ 15,185,306	\$ -	31%
6/30/2024	6,596,480	15,185,306	-	43%
6/30/2025	5,734,835	15,185,306	-	38%
6/30/2026	5,732,968	15,185,306	-	38%
6/30/2027	5,743,871	15,185,306	-	38%
6/30/2028	5,737,161	15,185,306	-	38%
6/30/2029	5,747,565	15,185,306	-	38%
6/30/2030	5,745,259	15,185,306	-	38%
6/30/2031	5,751,069	15,185,306	-	38%
6/30/2032	4,569,046	15,185,306	-	30%
6/30/2033	4,563,506	15,185,306	-	30%
6/30/2034	4,565,272	15,185,306	-	30%
6/30/2035	4,564,462	15,185,306	-	30%
6/30/2036	4,561,387	15,185,306	-	30%
6/30/2037	2,921,608	15,185,306	-	19%
6/30/2038	2,918,634	15,185,306	-	19%
6/30/2039	2,916,374	15,185,306	-	19%
6/30/2040	2,919,879	15,185,306	-	19%
6/30/2041	1,813,873	15,185,306	-	12%
6/30/2042	1,816,371	15,185,306	-	12%
 Total	 \$ 89,589,984			

Calculated @ 11/01/2022

AGENCY: Department of Administration
Capital Budget Office

SUBJECT: Permanent Improvement Project Proposals

The Department of Administration has submitted 25 proposals for Permanent Improvement Projects on behalf of agencies, summarized as follows:

	Items	Existing Budget	Proposed Budget Change	Estimated Total Project Cost
Higher Education				
H51 - Medical University of South Carolina	1	-	950,000	34,399,710
H59 - Horry Georgetown Technical College	1	-	225,000	15,000,000
H59 - Northeastern Technical College	1	-	52,500	5,600,000
H59 - Spartanburg Community College	1	3,445,946	3,319,757	6,765,703
H59 - Trident Technical College	1	-	511,997	34,133,144
Higher Education Total	5	3,445,946	5,059,254	95,898,557
Agencies				
D50 - Department of Administration	5	335,181	740,523	4,722,295
E24 - Office of the Adjutant General	2	2,714,853	995,518	3,710,371
J12 - Department of Mental Health	6	84,030	6,842,220	6,924,000
L12 - Governor's School of Agriculture at John De La I	1	-	3,750	250,000
N04 - Department of Corrections	3	-	240,000	14,000,000
R60 - Department of Employment & Workforce	1	-	3,350	339,650
U12 - Department of Transportation	2	-	9,450	630,000
Agencies Total	20	3,134,064	8,834,811	30,576,316
Grand Total	25	6,580,010	13,894,065	126,474,873

COMMITTEE ACTION:

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

ATTACHMENTS:

1. Department of Administration, Capital Budget Office, Agenda Item Worksheet - Summary 2-2023 covering the period July 1, 2022, through August 10, 2022.

1. Project: Medical University of South Carolina
 H51.9872: MUSC Campus Connector Bridges
- Request: Establish Phase I Predesign Budget to construct an elevated connector bridge.
- Included in CPIP: Yes – 2022 CPIP Priority 8 of 11 in FY23 (estimated at \$34,400,000)
- CHE Approval: 09/01/22
- Supporting Details: Pages 57-74

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Institutional Capital Reserves				950,000	950,000
All Sources				<u>950,000</u>	<u>950,000</u>

Summary of Work: The project will construct an elevated connector bridge adjacent to Doughty Street from the 2nd floor of the Ashley River Tower to the 2nd floor of the Bioengineering Building. Connections from this Doughty Street bridge will also be made at the 2nd floors of the Thurmond Gazes Building and the Psychiatric Building. A separate connector bridge will be constructed from the 2nd floor of the College of Nursing Building to the 2nd floor of the Clinical Sciences Building. Once completed, all major campus buildings will be connected together at the 2nd floor level. This project will also relocate the existing underground swisslog tube system to the new connector bridge. This tube system is essential to hospital lab operations and is compromised by its underground location, per the university.

Rationale: The Charleston Medical District is spread out over 80+ acres and is located within the 100-year floodplain. The entire area is prone to flooding during storm events including hurricanes/tropical storms, heavy rain events, and sometimes even during normal high tide events. Once completed, the elevated walkway project will allow patients, care team members, and supplies to move freely from building to building during storm and flood events. This project will connect the entire MUSC Health campus network and provide safe passage to any emergency rooms or adult Level 1 Trauma centers via the helipad located on top of the Sean Jenkins Children's Hospital.

Facility Characteristics: The new connector bridges will total approximately 37,000 square feet and will be utilized by approximately 3,000 to 5,000 students, patients, faculty, and staff daily, with additional faculty and staff utilizing the bridge on a more ad hoc basis.

Financial Impact: This phase of the project will be funded from Institutional Capital Reserve Funds (uncommitted balance \$1.45 million at July 19, 2022) Revenue to this fund is excess debt service funds and remaining balances from closed projects. The project is expected to result in an increase of \$200,000 (years 1 thru 3), in annual operating expenses. MUSC does not charge a separate plant improvement fee to the students. No student fees or tuition will be increased as a consequence of the project.

Full Project Estimate: \$34,399,710 (internal) funded by Institutional Capital Project Reserve Funds. Phase II will be funded by \$24,079,797 in FEMA Grant (Building Resilient Infrastructure & Communities), and \$9,369,913 in Federal CARES Act Coronavirus Relief Funds received from the state as reimbursement for COVID-19 related expenses.

2. Project: Horry Georgetown Technical College
 H59.6221: Renovation/Expansion of Grand Strand Building 100
- Request: Establish Phase I Pre-Design Budget to renovate and expand Building 100 on its Grand Strand (former Air Force Base) Campus.
- Included in CPIP: Yes – 2022 CPIP Priority 1 of 3 in FY23 (estimated at \$15,000,000)
- CHE Approval: 08/05/22
- Supporting Details: Pages 75-86

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, College				225,000	225,000
All Sources				<u>225,000</u>	<u>225,000</u>

Summary of Work: The project will renovate the existing building and construct an additional 10,000 square feet of instructional and applied learning space by adding a second floor to the existing gymnasium by utilizing the high ceilings without impacting the existing exterior walls or roof systems. Various classroom and simulation/lab spaces, IT closets, study areas, stairwells, and restrooms will be added in the existing gym space (totaling 20,000 square feet). In the existing 4,400 square foot (one-floor) space, the College will renovate and upfit that space to include faculty/staff offices, meeting spaces with A/V technology, an IT closet, and larger restrooms. The project will require a comprehensive upgrade to the existing HVAC and air handling systems. Extensive mechanical/electrical/plumbing work to accommodate the health sciences programs in the building such as nursing, imaging sciences, multi-disciplinary simulation labs, and cardio-vascular imaging equipment and related technologies will also be required.

Rationale: The college seeks to increase enrollment in its nursing and health-sciences programs. Building 100

Facility Characteristics: Building 100 is 14,122 square feet and was constructed in 1992 (30 years old). The addition will add an additional 10,000 square feet, bringing the total square footage up to 24,122. The building was originally a gymnasium and youth center when the property was owned and operated by the Myrtle Beach Air Force Base but is currently not utilized. The proposed facility will be dedicated to expanding the college's nursing, imaging sciences, physical therapy, and EMT programs. The facility will be utilized by 525 students, faculty, staff, and clients annually.

Financial Impact: This phase of the project will be funded from College Funds (uncommitted balance \$44.8 million at July 31, 2022). Revenue to this fund is defined as the excess of revenues over expenses accumulated over time for the purpose of funding capital projects, major renovations, and for meeting local matching requirements. The project is expected to result in an increase of \$54,683 (year 1), and \$109,367 (years 2 and 3), in annual operating expenses. No student fees or tuition will be increased because of the project. Currently, no portion of tuition is designated for capital improvements.

Full Project Estimate: \$15,000,000 (internal) funded by College Funds. Phase II will be funded by \$10,000,000 in FY23 Appropriated State, Proviso 118.19 (nonrecurring), and \$5,000,000 in College Funds.

3. Project: Northeastern Technical College
 H59.6222: NETC Cheraw Campus Schaeffler Manufacturing Technology Academy
- Request: Establish Phase I Pre-Design Budget to construct an industrial building on the NETC Cheraw Campus.
- Included in CPIP: Yes – 2022 CPIP Priority 4 of 4 in FY24 (estimated at \$5,600,000)
- CHE Approval: 07/05/22
- Supporting Details: Pages 87-98

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY17 Proviso 118.16 (23)(n) (FY20 Proviso 25.12)				52,500	52,500
All Sources				<u>52,500</u>	<u>52,500</u>

Summary of Work: The project will construct a 27,520 square foot industrial building to be used by the Schaeffler Group, USA for the NETC Schaeffler Apprenticeship Program. The new building will be brick and mortar, with a metal roof. The building will be designed to meet Two Green Globe certification standards. The new building will replace buildings 600 and 700. Buildings 600 and 700 will be demolished in non-pip project (H59-N176-MJ), for an estimated cost of \$200K, that will be fully funded by Chesterfield County. As of August 18, 2022, Chesterfield County has transferred the funds to cover the demolition cost of the two buildings to the college. The college has worked with the state engineer's office to hire an architectural firm, engineering site surveyor, and asbestos surveyor to allow NETC to bid the removal and demolition of the two buildings. The demolition will be completed no later than March 2023.

Rationale: Renovation of buildings 600 and 700 would cost more than constructing a new building to bring them into compliance with current building codes, add additional bathrooms, and make major repairs, per the college. The configuration of the existing buildings to convert into a flexible space for training would have required the removal of walls and major reconstruction to get the same amount of space compared to the new building.

Facility Characteristics: Building 600 is 9,220 square feet, and Building 700 is 5,225 square feet, and both were constructed in the 1970's (52 years old). The new building to be constructed will be for the Schaeffler Manufacturing Technology Academy to provide a flexible space to teach multiple courses for the workforce. It is estimated that 100+ students, and 10+ staff will use the facility as the program increases.

Financial Impact: This phase of the project will be funded from FY17 Appropriated State Funds, Proviso 118.16 (nonrecurring) Funds (uncommitted balance \$3.5 million at June 7, 2022) and redirected in FY20 Proviso 25.12. The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased because of the project. Currently, no portion of tuition is designated for capital improvements.

Full Project Estimate: \$5,600,000 (internal) funded by Appropriated State, Proviso 118.16 (nonrecurring) Funds. The college is requesting \$2,100,000 in the FY23-24 Budget Request process to complete the funding needed to fully complete the construction of this project. If this funding is not received, the college will be unable to fund the entire project unless EDA grant funds could be secured.

4. Project: Spartanburg Community College
 H59.6148: Spartanburg-Powers Building Renovations
- Request: Increase Phase II Full Construction Budget to add funding to the project to complete final design, and to complete construction for the final renovations to the Central Campus Powers Building.
- Included in CPIP: Yes – 2022 CPIP Priority 1 of 2 in FY23 (estimated at \$6,765,703)
 Phase II Approval: February 2019
 (this phase estimated at \$448,000 – total estimated for all phases \$4,176,000) (JBRC)
- Phase II Decrease &
 Revise Scope Approval: November 2019
 (this phase estimated at \$421,446 – total estimated for all phases \$4,176,000) (Admin)
- Phase II Increase
 Approval: February 2020
 (this phase estimated at \$466,446 – total estimated for all phases \$4,176,000) (JBRC)
- Phase II Increase
 Approval: December 2020
 (this phase estimated at \$3,387,446 – total estimated for all phases \$5,968,446) (SFAA)
- Phase II Increase &
 Revise Scope Approval: April 2022
 (this phase estimated at \$3,445,946 – total estimated for all phases \$6,312,446) (SFAA)
- CHE Approval: 09/01/22
 Supporting Details: Pages 99-114

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY22 Appropriated State, Proviso, 118.18 (o)				1,449,367	1,449,367
Other – College	448,000	2,997,946	3,445,946	1,870,390	5,316,336
All Sources	<u>448,000</u>	<u>2,997,946</u>	<u>3,445,946</u>	<u>3,319,757</u>	<u>6,765,703</u>

Summary of Work: Due to funding availability the college is seeking approval of the work as a PIP in phases. This phase of the project will complete final design and construction of the following: 1) A-Wing HVAC system and finish upgrades from unit ventilator and fan coil systems to a variable air volume (VAV) system to include mechanical HVAC reconfiguration, lighting, and finish upgrades. 2) B-Wing Roof Replacement to include removing the existing Built-Up roof and reroofing with a .060 TPO membrane roof. 3) D-Wing Roof Replacement to include removing the existing Built-Up roof and reroofing with a .060 TPO membrane roof. The new roofs will come with a 20-year material and workmanship warranty. The B-Wing HVAC system and finish upgrades, B-Wing laboratory renovations and equipment/furnishings, and the C-Wing Roof Replacement have all been completed.

Rationale: This building is the dominant classroom building for the college and requires comprehensive sequential renovation of offices, classrooms, labs, and restrooms to meet acceptable workplace and educational instruction standards. It is not feasible to close this

building for extended periods of time nor does the college have undesignated funds that would be necessary for all the needed renovations and deferred maintenance at one time.

Facility Characteristics: The 74,185 square foot three (3) wing building was constructed in 1969 (53 years old), with an addition added in 1973 (49 years old). The C-Wing roof was installed in 1992 (30 years old). The campus is utilized by 41 faculty and staff, and 1600+ students.

Financial Impact: The project will be funded from FY20 Appropriated State (nonrecurring) (uncommitted balance \$1,605,842 at September 7, 2022), and College Funds (uncommitted balance \$5.83 million at August 23, 2022). Revenue to the fund is total revenue and fund balance less college capital expenses less college plant fund carryforward projects resulting in the remaining college revenue and fund balance. The project is expected to result in a decrease of \$18,560 (year 1), \$19,670 (year 2), and \$20,850 (year 3) in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$161 per student per semester, and has not increased from academic year 2017-2018.

Full Project Estimate: \$6,765,703 (internal) funded by Appropriated State and College Funds. Contract execution for this portion of the project is expected in March 2023 and completion of construction in July 2023. The estimated cost to complete this project has increased from the previous estimate because it is an evolving project that is being implemented over time. The engineering estimate for this proposed portion of the project is now \$3,378,257 with the OSE requirements.

5. Project: Trident Technical College
 H59.6224: Berkeley Campus Renovation - Transportation and Logistics Center
- Request: Establish Phase I Pre-Design Budget to re-purpose the main building on the Berkeley campus into a high-tech training facility.
- Included in CPIP: Yes – 2022 CPIP Priority 1 of 1 in FY24 (estimated at \$34,133,144)
- CHE Approval: 07/15/22
- Supporting Details: Pages 115-134

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY22 Proviso 118.18 (27)(v)				511,997	511,997
All Sources				<u>511,997</u>	<u>511,997</u>

Summary of Work: The project will renovate the entire building and add approximately 4,600 square foot of additional space. The interior renovations include renovating 5 training classrooms and 6 offices, creating a large flexible classroom space and creating a records storage room. For shop training, the high bay space will be renovated, as well as the shop space. Maintenance and repair work will include HVAC replacement, upgrading electrical distribution, removing a skylight, replacing exterior split brick, replacing flooring, doors, door locks and hardware, replacing ceiling tile and grid, upgrading sewer line, renovating bathrooms, upgrading the fire alarm system and expanding the existing kitchen. Exterior renovations include road training space by renovating the existing driving pad, constructing an additional driving pad, improving campus roads, construction of a loading dock simulation, adding security fencing, cameras, and alarms, upgrading existing streetlights, and adding additional streetlights. The front entrance will also be renovated.

Rationale: This economic development project addresses the challenge of providing transportation, distribution and logistics (supply chain) services to the region by accommodating the workforce needs of diverse employment sectors, per the college. This project will re-purpose the outdated 40-year-old main building to serve the transportation and supply chain needs of existing and new industries within the logistics sector including transportation and air freight providers as well as warehouse and distribution centers. Additional high-bay training spaces and labs are required to help meet new industry demands and the growing manufacturing plants located nearby.

Facility Characteristics: The 79,141 square foot building was constructed in 1982 (40 years old). The roof was replaced in 2008 (14 years old) and will be evaluated during the Phase I process. Some components of the HVAC equipment have been replaced over the years, but much of the current equipment is over 20 years old, beyond its useful life, and failing. Restrooms were renovated 8 years ago. The remaining components, including electrical and plumbing are as old as the building. The building is utilizing by 1,875 students, 25 faculty, and 8 staff.

Financial Impact: This phase of the project will be funded from FY22 Appropriated State (nonrecurring) (uncommitted balance \$5 million at July 11, 2022). The project is expected to result in an

increase of \$26,113 (year 1), \$26,897 (year 2), and \$27,704 (year 3) in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$196 per student per semester, and has increased from \$170 in academic year 2014-2015.

Full Project Estimate: \$34,133,144 (internal) funded by FY22 Appropriated State (nonrecurring) Funds. Phase II will be funded by \$21,306,515 in FY22 Appropriated State, \$6,000,000 in FY23 Appropriated State, and \$6,826,629 in College Funds.

6. Project: Department of Administration
 D50.6101: Blatt Replace VAV Terminal Hot Water Reheat - 4th Floor
- Request: Establish Phase I Pre-Design Budget to replace the VAV units on the 4th floor of the Soloman Blatt Building.
- Included in CPIP: Yes – 2022 CPIP Priority 5 of 24 in FY23 (estimated at \$1,100,000)
- CHE Approval: N/A
- Supporting Details: Pages 135-142

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve				18,968	18,968
All Sources				<u>18,968</u>	<u>18,968</u>

Summary of Work: The project will involve replacing 54 terminal hot water reheat VAV mechanical units to include associated duct work. The majority of this work will be performed above the ceiling on the 4th floor. All light fixtures will also be replaced with LED fixtures and a new acoustical ceiling system will be installed.

Rationale: The equipment and ductwork are original to the building and is past its useful life, leading to periodic failures and disruption of service.

Facility Characteristics: The Blatt Building is 155,162 gross square feet, with the 4th floor being approximately 27,795 gross square feet and was constructed in 1978 (44 years old). The building houses 80 to 100 year-round SC House of Representatives staff, and from January to July each year the number increases to approximately 330.

Financial Impact: The project will be funded from Depreciation Reserve Funds (uncommitted balance \$5.28 million at August 8, 2022). Revenues received are derived from the rent account, which receives rent charged to agencies. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,264,509 (internal) funded by Depreciation Reserve Funds.

7. Project: Department of Administration
 D50.6102: SC Data Center - Controls Upgrade
- Request: Establish Phase I Pre-Design Budget to upgrade/retrofit the existing building controls system at the SC Data Center.
- Included in CPIP: Yes – 2022 CPIP Priority 13 of 24 in FY23 (estimated at \$250,000)
- CHE Approval: N/A
- Supporting Details: Pages 143-150

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve				3,750	3,750
All Sources				<u>3,750</u>	<u>3,750</u>

Summary of Work: The project will include the replacement of the existing Network Automation Engines (NAE) with a new NAE with two trunks, DX controllers with BACnet controllers, and space temperature sensors along with system integration and training.

Rationale: The current controls system is original to the building, past its life expectancy, continues to have operations issues, and is difficult to source replacement parts. Per the agency, as the system continues to fail, it will be difficult to maintain the environment in the facility.

Facility Characteristics: The Data Center Building is approximately 76,021 square feet and was constructed in 1999 (23 years old). The building houses approximately 205 SC Division of Technology (DTO) staff plus varying numbers of customers and visitors.

Financial Impact: The project will be funded from Depreciation Reserve Funds (uncommitted balance \$5.28 million at August 8, 2022). Revenues received are derived from the rent account, which receives rent charged to agencies. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$250,000 (internal) funded by Depreciation Reserve Funds.

8. Project: Department of Administration
 D50.6103: SC State House AHU#1, Level 1 VAVs, Controls System
- Request: Establish Phase I Pre-Design Budget to replace all VAV's and to rebuild AHU#1 in the SC State House.
- Included in CPIP: Yes – 2022 CPIP Priority 15 of 24 in FY23 (estimated at \$1,690,671)
- CHE Approval: N/A
- Supporting Details: Pages 151-160

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State				336	336
Other, Depreciation Reserve				26,178	26,178
All Sources				<u>26,514</u>	<u>26,514</u>

Summary of Work: The project will replace all 34 VAV's in the crawlspace of the SC State House as well as rebuild Air Handler Unit #1 in the basement. This equipment supplies heating and air to the first floor of the State House. This project will also include replacing and upgrading the current Honeywell HVAC controls system for the entire building.

Rationale: This equipment was part of the 1997 renovation and has reached the end of its useful life. The controls software is obsolete and parts to repair this equipment are increasingly difficult to obtain, per the agency.

Facility Characteristics: The SC State House Building is approximately 164,880 gross square feet and was constructed in 1851 (171 years old), with the building being completely renovated in 1997 (25 years ago). The State House is utilized by the Senate, House of Representatives, Legislative Council, Legislative Services Agency, Governor's Office, Lieutenant Governor's Office, Department of Public Safety and Parks Recreation & Tourism. According to SC Parks, Recreation & Tourism the average number of visitors to the SC State House is 110,000 annually.

Financial Impact: This phase of the project will be funded from Appropriated State (uncommitted balance \$336 at August 10, 2022) and Depreciation Reserve Funds (uncommitted balance \$5.17 million at August 10, 2022). Revenues received to the Depreciation Reserve account are derived from the rent account, which receives rent charged to agencies. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,690,671 (internal) funded by Appropriated State and Depreciation Reserve Funds. Phase II will be funded by FY22 Appropriated State (nonrecurring), FY20 Capital Reserve, and Depreciation Reserve Funds.

9. Project: Department of Administration
 D50.6097: Brown Building - SCALC Suite 224 & 325 Interior Renovations
- Request: Revise Scope and Increase Phase I Pre-Design Budget to cover an increase in scope of work requested by the South Carolina Administrative Law Court to renovate office suites 224 and 325 of the Brown Building.
- Included in CPIP: Yes – 2022 CPIP Priority 19 of 24 in FY23 (estimated at \$412,081)
 Phase I Approval: June 2022 (estimated at \$412,081 (JBRC))
 CHE Approval: N/A
 Supporting Details: Pages 161-168

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, FY22 SCALC Appropriated State, Proviso 118.18 (62) (b)	6,181		6,181	1,291	7,472
All Sources	<u>6,181</u>		<u>6,181</u>	<u>1,291</u>	<u>7,472</u>

Summary of Work: The initial scope of work included demolishing existing flooring and abatement of hazardous materials, as required, replacing the flooring, installing new floor base, and painting all the walls and doors in Suite(s) 224 and 325. The SC Administrative Law Court has increased the scope of work to include the subdivision of open spaces to create new office spaces, which includes the construction of walls and installation of new doors. In addition, new kitchen fixtures will be installed in the staff break area.

Rationale: The flooring is worn out and stained. The wallpaper is stained and falling off the wall. The installation of new carpet and painting the walls will contribute to improved aesthetics for staff and the public that visit the agency.

Facility Characteristics: The Brown Building is approximately 156,182 square feet and was constructed in 1976 (46 years old). Suite 224 being renovated is approximately 8,083 square feet and Suite 325 being renovated is approximately 4,943 square feet. The renovated space will be utilized by approximately 76 SC Administrative Law Court staff members and various visitors each year.

Financial Impact: This phase of the project will be funded from FY22 SC Administrative Law Court Appropriated State, Proviso 118.18 (nonrecurring) Funds (uncommitted balance \$38,390 August 10, 2022). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$498,115 (internal) funded by FY22 SC Administrative Law Court Appropriated State (nonrecurring) Funds. Phase II will be funded by FY22 & FY23 SC Administrative Law Court Appropriated State (nonrecurring) and SC Administrative Law Court Appropriated Carryforward Funds.

10. Project: Department of Administration
 D50.6080: Sims/Aycock Building - Parking Lot Repair/Replacement (Annualized)
- Request: Change Project Name, Revise Scope, and Increase Phase II Full Construction Budget to add the second annualized phase of the Sims/Aycock Building parking lot improvements, located at 2600 Bull Street in Columbia.
- Included in CPIP: Yes – 2022 CPIP Priority 6 of 24 in FY23 (estimated at \$846,000)
 Phase I Approval: September 2021 (estimated at \$236,130) (JBRC Staff)
 Phase II Approval: June 2022 (estimated at \$329,000) (JBRC)
 CHE Approval: N/A
 Supporting Details: Pages 169-176

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve	28,000	301,000	329,000	690,000	1,019,000
All Sources	<u>28,000</u>	<u>301,000</u>	<u>329,000</u>	<u>690,000</u>	<u>1,019,000</u>

- Summary of Work: The project will be completed in three (3) annualized phases, and additional funding will be requested to be added to the project in the future for subsequent years. The first annualized phase has been approved for final design and construction and included completing all engineering and geo-technical work associated with all phases of the project. Actual construction in the first annualized phase will address the visitor parking area located on the west side of the building, along Bull Street, and the employee parking, located on the south side of the building in between the DSS North Tower and Sims/Aycock Building. The second annualized phase includes completion of the final design and construction of the staff parking area located on the north side of the Sims/Aycock Building, at the intersection of Bull Street and Harden Street Extension.
- Rationale: The asphalt is past its life expectancy, is in poor condition, and is a trip hazard to the customers and employees that utilize the building daily.
- Facility Characteristics: The Sims/Aycock Building has approximately 380,376 square feet of asphalt paved parking area and approximately 62,676 square feet of the asphalt paved parking area will be repaved. The building was constructed in 1965 (57 years old) and the asphalt appears to be original to the building. The building is utilized by approximately 500 SCDHEC personnel and various visitors annually.
- Financial Impact: The project will be funded from Depreciation Reserve Funds (uncommitted balance \$2.14 million at April 22, 2022). Revenues received are derived from the rent account, which receives rent charged to agencies. The project is not expected to result in any change in annual operating expenditures.
- Full Project Estimate: \$1,019,000 (internal) funded by Depreciation Reserve Funds. The total estimated cost of all three annualized phases is \$1,450,000. Contract execution for the first phase of the project is expected in November 2022 and completion of construction in April 2023. Contract execution for this phase of the project is expected in February 2023 and completion of construction in August 2023.

11. Project:	Office of the Adjutant General E24.9812: Statewide Readiness Center Female Latrines
Request:	Increase Phase II Construction Budget for the construction of Hartsville and Wellford, as well as for the design cost for Eastover.
Included in CIP:	Yes – 2022 CIP Priority 6 of 24 in FY23 (this portion estimated at \$882,000 & estimated at \$5,677,200 for all 12 facilities)
Phase I Approval:	August 2018 (estimated at \$2,233,435 for all 12 facilities) (SFAA)
Phase II Approval:	April 2019 (estimated at \$2,450,000 for all 12 facilities) (SFAA)
Phase II Increase Approval:	February 2020 (estimated at \$2,650,000 for all 12 facilities) (SFAA)
Phase II Increase Approval:	December 2020 (estimated at \$2,650,000 for all 12 facilities) (SFAA)
Phase II Increase Approval:	March 2021 (estimated at \$3,850,000 for all 12 facilities) (SFAA)
Phase II Increase Approval:	October 2021 (estimated at \$2,650,000 for all 12 facilities) (SFAA)
Phase II Increase Approval:	January 2022 (estimated at \$2,172,349 for all 12 facilities) (SFAA)
Phase II Increase Approval:	May 2022 (estimated at \$3,645,200 for all 12 facilities) (SFAA)
CHE Approval:	N/A
Supporting Details:	Pages 177-186

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State	12,500	695,952	708,452	200,308	908,760
Federal, National Guard Bureau	37,500	1,649,248	1,686,748	600,924	2,287,672
All Sources	<u>50,000</u>	<u>2,345,200</u>	<u>2,395,200</u>	<u>801,232</u>	<u>3,196,432</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, Wellford, Abbeville, Hartsville, Saluda, Newberry, Batesburg, Kingstree, Seneca, West Columbia, and Rock Hill. The North Charleston, Edgefield, Rock Hill, Saluda, Newberry, Saluda and Kingstree facilities have been completed. Designs are complete for Hartsville, Wellford and Abbeville. West Columbia and Walterboro are currently being renovated. The funds in this request will be used construction of Hartsville and Wellford, as well as for the design cost for Eastover. 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 soldier's 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 was constructed from 1958 to 1989 (33 years to 64 years old).

Financial Impact: The project will be funded with Appropriated State Funds (uncommitted balance \$2 million at August 10, 2022) and Federal, National Guard Bureau Funds (uncommitted balance \$2.1 million at August 10, 2022). 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 \$1,500 (year 1), \$1,500 (year 2), and \$3,000 (year 3) in annual operating expenses.

Full Project Estimate: \$3,196,432 (internal) for this phase of the project with an estimated cost of \$5,677,200 (internal) (for all 12 facilities), funded by Appropriated State and National Guard Bureau Funds. Contract execution for Hartsville and Wellford is expected in November 2022 and completion of construction in April 2023. Construction completion for West Columbia is expected in December 2022. Construction completion for Walterboro is expected in March 2023.

12. Project: Office of the Adjutant General
 E24.9829: Pine Ridge Armory (SCEMD) HVAC Replacement (Annualized)
- Request: Increase Phase II Full Construction Budget to replace 6 HVAC condensing units and 4 air handler units at the SC EMD, SEOC.
- Included in CPIP: Yes – 2022 CPIP priority 9 of 24 FY23 (this phase estimated at \$194,286)
- Phase I Approval: December 2020 (estimated at \$479,275) (JBRC Staff)
- Phase I Increase Approval: August 2021 (estimated at \$308,202) (JBRC)
- Phase II Approval: December 2021 (estimated at \$319,653) (JBRC)
- CHE Approval: N/A
- Support Details: Pages 187-198

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY22 Proviso 118.18 (69) (d)		162,950	162,950		162,950
Appropriated State, FY23 Proviso 118.19 (74) (e)				172,000	172,000
Appropriated State, FY22 Carryforward				22,286	22,286
Federal, Emergency Management Performance Grant	2,070	154,633	156,703		156,703
All Sources	<u>2,070</u>	<u>317,583</u>	<u>319,653</u>	<u>194,286</u>	<u>513,939</u>

Summary of Work: This will be an annualized project to replace a total of 19 HVAC units over a 3-year period. This phase of the project will replace 6 HVAC condensing units and 4 air handler units. The first phase of this annualized project completed 6 condensing units and 4 air handlers, the second phase of this annualized project completed 7 condensing units and 4 air handlers. The last phase of this annualized project will replace 6 HVAC condensing units and 4 air handler units.

Rationale: All HVAC units are obsolete and have far surpassed their expected life cycle. In addition, the current HVAC units utilize R-22 refrigerate which is being phased out. Modernization and refitting the systems to use F-410A, a safer and compliant refrigerant, is not feasible or cost efficient. The age of the equipment along with the difficulty and expanse of finding R-22 is resulting in significantly increasing maintenance costs.

Facility Characteristics: The Pine Ridge Armory is 37,145 square feet and was constructed in 1994 (28 years old). In 1999 a major renovation was completed, which included additional HVAC units because SCEDM moved its operations to the Pine Ridge Armory. The SC Emergency Management Division (Pine Ridge Armory) is currently occupied by approximately 100 personnel during normal day to day operations. During state activations SCEDM can have up to 500-600 people in the building coordinating state-level responses to emergencies and disasters.

Financial Impact: This phase of the project will be funded from FY23 Appropriated State, Proviso 118.19 (nonrecurring) (uncommitted balance \$172K at July 1, 2022) and Appropriated State, FY22 Carryforward Funds (uncommitted balance \$1.75 million at June 22, 2022). The project is expected to result in an increase of \$150 (year 1), \$200 (year 2), and \$250 (year 3) in annual operating expenses.

Full Project Estimate: \$513,939 (internal) funded by FY22 & FY23 Appropriated State, FY22 Carryforward, and Emergency Preparedness and EMPG Funds. Construction completion for the 13 condensers and 8 air handling units is estimated for spring of 2023. Contract execution is expected in February 2023 with construction completion in June 2023.

13. Project: Department of Mental Health
 J12.9807: Coastal Empire Community MHC HVAC, Sprinkler System, and Fire Alarm Replacement
- Request: Establish Phase II Full Construction Budget to replace HVAC, sprinkler system and fire alarm system at the Coastal Empire Mental Health Center in Beaufort.
- Included in CPIP: Yes – 2022 CPIP 2 of 48 in FY23 (estimated at \$1,600,000)
 Phase I Approval: December 2021 (estimated at \$1,600,000) (SFAA)
 CHE Approval: N/A
 Supporting Details: Pages 199-208

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	24,000		24,000	1,576,000	1,600,000
All Sources	<u>24,000</u>		<u>24,000</u>	<u>1,576,000</u>	<u>1,600,000</u>

- Summary of Work: The mental health center is conditioned by 15 split system heat pumps consisting of outdoor condensing units and indoor air handling units. The indoor units in the attic will also be replaced, and includes all ducting, dampers, refrigerant lines, and reconfiguring the mountings to allow proper maintenance access. The fire alarm system will be upgraded, and the fire sprinkler system will be replaced.
- Rationale: The HVAC system is well past its useful life. The existing fire sprinkler system has experienced multiple leaks over the last several years. The fire alarm system needs to be upgraded due to age and parts availability.
- Facility Characteristics: The Coastal Empire Mental Health Center is 16,766 square feet and was constructed in 1995 (27 years old). All the building components are original to the building. The facility has 45 staff and serves 26 patients per day and provides an average of 83 services per day during normal business hours.
- Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$14.1 million at July 18, 2022). 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 \$1,500 (year 1), and \$2,500 (years 2 and 3) in annual operating expenses.
- Full Project Estimate: \$1,600,000 (internal) funded by Capital Improvement & Maintenance Funds. Contract execution is expected in January 2023 and completion of construction in December 2023.

14. Project: Department of Mental Health
 J12.9810: Tucker Whole Building Generators for Stone, Roddey and Roddy Support Buildings
- Request: Establish Phase II Full Construction Budget to get the 3 operational buildings on the Tucker campus on a backup generator.
- Included in CPIP: Yes – 2022 CPIP 5 of 48 in FY23 (estimated at \$3,330,000)
 Phase I Approval: December 2021 (estimated at \$3,035,000) (SFAA)
 CHE Approval: N/A
 Supporting Details: Pages 209-218

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	45,525		45,525	3,254,475	3,300,000
All Sources	<u>45,525</u>		<u>45,525</u>	<u>3,254,475</u>	<u>3,300,000</u>

- Summary of Work: The project will get the 3 operational buildings (Stone, Roddey & Roddey Support), on the Tucker campus on a backup generator. A feasibility study was commissioned, and it was determined that it will cost around \$1 million for each building to have a generator large enough to power each building.
- Rationale: It has been an agency goal to get all nursing homes on 100% emergency backup power. Other options have been explored, such as having a docking port installed on each building, but the generators would have to be large, and the fuel consumption would be significant depending on the season. Rental solutions were determined to being equal to a prorated loan and the agency would not own the equipment when it was over.
- Facility Characteristics: The 3 buildings (Stone, Roddey and Roddey Support), are located on the C. M. Tucker Nursing Care Center Campus in Columbia. The Stone Pavilion is 45,684 square feet and was constructed in 1971 (51 years old). The facility currently houses 90 long-term nursing care military veterans along with 120 staff and support personnel. The Roddey Pavilion is 111,534 square feet and was constructed in 1983 (39 years old). The facility is home to 170+ inpatient nursing home clients and over 200 staff that occupy the building on a 24/7 basis. The Roddey Support Building is 11,305 square feet and was constructed in 1983 and 1996 (39 and 26 years old). The facility houses linens and supplies for the Stone and Roddey Nursing Homes. Roddey Support also has the campus Energy Center including chillers and boilers vital to the operation of Stone and Roddey Nursing Homes. This facility houses around 20 staff.
- Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$14.1 million at July 18, 2022). 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 an increase of \$1,000 (year 1), and \$1,500 (years 2 and 3) in annual operating expenses.
- Full Project Estimate: \$3,300,000 (internal) funded by Capital Improvement & Maintenance Funds. Contract execution is expected in January 2023 and completion of construction in December 2023.

15. Project: Department of Mental Health
 J12.9816: Gaffney MHC Interior Renovations
- Request: Revise Scope and Establish Phase II Full Construction Budget to repair and renovate the recently acquired building to become the new Cherokee Mental Health Center.
- Included in CPIP: Yes – 2022 CPIP Priority 9 of 48 in FY23 (estimated at \$1,107,515)
 Phase I Approval: December 2021 (estimated at \$239,000) (JBRC Staff)
 CHE Approval: N/A
 Supporting Details: Pages 219-228

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	3,585		3,585	1,103,930	1,107,515
All Sources	<u>3,585</u>		<u>3,585</u>	<u>1,103,930</u>	<u>1,107,515</u>

- Summary of Work: The original project scope of work included interior renovations and repair work to adapt the building to the needs of the new occupants. During the Phase I process it was determined that additional work is needed to update the building which will require fewer projects and maintenance over the next 20 years. The revised project scope will include lobby improvements for security, patient diagnosis/treatment rooms will receive sound attenuation and HVAC, lighting, electrical/communications will all be renovated to accommodate the addition of the private offices created from the large open space being divided up to comply with confidentiality and HIPPA rules. Ceiling insulation was not to code and will be replaced by a closed cell spray polyurethane on the underside of the roof deck. The fire alarm will be replaced, and a security system will be installed with access control.
- Rationale: The building currently has a very open concept and is not conducive to patient privacy or security. Completing this project will provide a facility that can serve the patients and clients of the Gaffney area.
- Facility Characteristics: The SCDMH purchased the 6,435 square building that was constructed in 1990 (32 years old) in 2020 for \$275,000 in project J12-9784. The Cherokee Mental Health Center provides programs for adult and child services, school based mental health services and telepsychiatry. The facility will have 2-3 doctors, 3 nurses, with 20 total staff and will see 800 patients a year.
- Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$14.1 million at July 18, 2022). 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 \$26,400 (year 1), and \$52,800 (years 2 thru 3), in annual operating expenses.
- Full Project Estimate: \$1,107,515 (internal) funded by Capital Improvement & Maintenance Funds. Contract execution is expected in January 2023 and completion of construction in December 2023.

16. Project: Department of Mental Health
 J12.9818: Aiken MHC Pole Building Construction
- Request: Establish Phase II Full Construction Budget to construct a pole building to house 1 Mobile Treatment RV, yard equipment and secure misc. items.
- Included in CPIP: Yes – 2022 CPIP Priority 10 of 48 in FY23 (estimated at \$270,735)
 Phase I Approval: February 2022 (estimated at \$193,800) (JBRC Staff)
 CHE Approval: N/A
 Supporting Details: Pages 229-238

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	2,910		2,910	267,825	270,735
All Sources	<u>2,910</u>		<u>2,910</u>	<u>267,825</u>	<u>270,735</u>

- Summary of Work: The project scope of work will construct an 800 square foot stand-alone pole building to house 1 Mobile Treatment RV, yard equipment and secure misc. items.
- Rationale: The agency recently purchased an RV that needs to be secured and protected.
- Facility Characteristics: The Aiken/Barnwell Mental Health Center is 27,804 square feet and was constructed in 1997 (25 years old). The building houses 50-60 Mental Health Administrative staff and serves the Mental Health treatment and therapy needs of over 4,000 in the area.
- Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$14.1 million at July 18, 2022). 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 not expected to result any change in annual operating expenses.
- Full Project Estimate: \$270,735 (internal) funded by Capital Improvement & Maintenance Funds. Contract execution is expected in January 2023 and completion of construction in July 2023.

17. Project: Department of Mental Health
 J12.9819: Aiken MHC Roof Repair
- Request: Revise Scope & Establish Phase II Full Construction Budget to repair/replace the front entrance metal roof.
- Included in CPIP: Yes – 2022 CPIP Priority 11 of 48 in FY23 (estimated at \$150,000)
 Phase I Approval: February 2022 (estimated at \$150,000) (JBRC Staff)
 CHE Approval: N/A
 Supporting Details: Pages 239-250

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	2,250		2,250	261,750	264,000
All Sources	<u>2,250</u>		<u>2,250</u>	<u>261,750</u>	<u>264,000</u>

- Summary of Work: The project includes a partial roof replacement of the front entrance roof designated as Area A. The existing metal roof panels will be removed, and damaged or deteriorated wood elements and cementitious ceiling/soffits along the front entrance radius roof section will be replaced. The new roof will come with a 20-year material and workmanship warranty.
- Rationale: The roof has suffered some water damage over time and needs to be addressed before it becomes a bigger problem. Some work addressing seams and attachment points where water has been able to get in is needed.
- Facility Characteristics: The Aiken/Barnwell Mental Health Center is 27,804 square feet and was constructed in 1997 (25 years old). The roof is original to the building. The building houses 50-60 Mental Health Administrative staff and serves the Mental Health treatment and therapy needs of over 4,000 in the area.
- Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$14.1 million at July 18, 2022). 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 not expected to result any change in annual operating expenses.
- Full Project Estimate: \$264,000 (internal) funded by Capital Improvement & Maintenance Funds. Contract execution is expected in January 2023 and completion of construction in July 2023.

18. Project: Department of Mental Health
 J12.9824: McLendon Elevator Renovation and Repair
- Request: Establish Phase II Full Construction Budget to modernize 2 elevators located in the McLendon Building located on Farrow Road in Columbia.
- Included in CPIP: Yes – 2022 CPIP Priority 44 of 48 in FY23 (estimated at \$384,000)
 Phase I Approval: May 2022 (estimated at \$384,000) (JBRC)
 CHE Approval: N/A
 Supporting Details: Pages 251-260

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Wellpath (Tenant) (construction related gift)	5,760		5,760	373,240	379,000
Other, Capital Improvement & Maintenance				5,000	5,000
All Sources	<u>5,760</u>		<u>5,760</u>	<u>378,240</u>	<u>384,000</u>

- Summary of Work: The project will replace key elevator components including motors, controls, etc.
- Rationale: The elevators have not been functioning properly and leveling incorrectly causing a safety hazard. Additionally, per the agency, it has been more difficult to source parts to repair the elevators. This project will bring the elevators up to date and compliant with the current code.
- Facility Characteristics: The McLendon Building is 131,094 square feet and was constructed in 1965 (57 years old). The facility houses 301 mental health patients and 400 staff.
- Financial Impact: This phase of the project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$14.1 million at July 18, 2022) and Tenant Funds, as a construction related gift (Wellpath) Funds (uncommitted balance \$373,240 at July 18, 2022). Revenue to the Capital Improvement & Maintenance 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 not expected to result any change in annual operating expenses.
- Full Project Estimate: \$384,000 (internal) funded by \$379,000 in Tenant Funds (Wellpath) and \$5,000 in Capital Improvement & Maintenance Funds for the 3rd party inspections. Contract execution is expected in November 2022 and completion of construction in March 2023.

19. Project: Governor's School of Agriculture at John De La Howe
 L12.9526: Greenhouse
- Request: Establish Phase I Pre-Design Budget to construct a greenhouse on the John De La Howe campus.
- Included in CPIP: Yes – 2022 CPIP Priority 4 of 4 in FY23 (estimated at \$250,000)
- CHE Approval: N/A
- Supporting Details: Pages 261-270

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY23 Proviso 118.19 (7) (d)				3,750	3,750
All Sources				<u>3,750</u>	<u>3,750</u>

Summary of Work: The project will construct a 40' x 72' building, that will be out of double wall polycarbonate panels. The greenhouse will be cooled by exhaust fans and heated by propane heaters. LED light fixtures will be used throughout the building.

Rationale: The new greenhouse will allow the students to work and learn with the latest technology in the horticulture field. Horticulture is a critical entity for agriculture business, per the agency. This greenhouse will allow plants and vegetables to be harvested year-round. John De La Howe strives on trying to be sixty percent self-sustainable, per the agency.

Facility Characteristics: The greenhouse to be constructed will be 3,000 square feet. There is currently not a greenhouse located on the John De La Howe campus. The greenhouse will be designed to be eco-friendly. It will include LED lighting and water saving systems. All stations will be on a 24-hour monitoring system. The greenhouse will be utilized by approximately 60 students and faculty during the school year.

Financial Impact: This phase of the project will be funded from FY23 Appropriated State (nonrecurring) Funds (uncommitted balance \$225K at August 22, 2022). The project is expected to result in an increase of \$5,000 (years 1 thru 3), in annual operating expenses.

Full Project Estimate: \$250,000 (internal) funded by Appropriated State and Gift Funds.

20. Project: Department of Corrections
 N04.9785: Livesay - B - Add AC to Dorms N-2, N-3 & N-4
- Request: Establish Phase I Pre-Design Budget to add air conditioning to dorms at Livesay Correctional Institution.
- Included in CPIP: No – This project was not included in the 2022 CPIP submission because the focus has been to concentrate on higher security institutions for the installation of AC before lower security institutions. Livesay is a work camp and minimum-security facility, so this institution did not originally fall within the 5-year plan of the CPIP. However, with the projected savings realized from the revised estimate for Wateree River CI - Add AC to Dorms 1, 2 & 4, the funds will be redirected to fund this project.
- CHE Approval: N/A
 Supporting Details: Pages 271-278

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY22 Carryforward				30,000	30,000
All Sources				<u>30,000</u>	<u>30,000</u>

- Summary of Work: The project scope will add air conditioning to Dorms N-2, N-3 & N-4 and will include the addition of new-air handlers, duct work and electrical upgrades to run the new equipment. The work will be accomplished by a general/mechanical contractor.
- Rationale: All three dorms were designed and constructed with heat and ventilation only. The addition of AC to the dorms will increase the habitability and comfort for the inmates which improves security and safety while also increasing the building systems life span by controlling the humidity inside, per the agency.
- Facility Characteristics: Dorms N-2, N-3 & N-4 are of the same design, total 18,252 square feet and were constructed in 1973 (49 years old). Each housing unit accommodates 144 inmates and 3 staff.
- Financial Impact: The project will be funded from Appropriated State, FY22 Carryforward Funds (uncommitted balance \$47.96 million on August 8, 2022). The project is expected to result in an additional annual operating costs, but those amounts have not been determined at this time.
- Full Project Estimate: \$2,000,000 (internal) funded by Appropriated State, FY22 Carryforward Funds.

21. Project: Department of Corrections
 N04.9786: Turbeville & Kershaw CI - Add Air-Conditioning to 256 Bed Housing Units
- Request: Establish Phase I Pre-Design Budget to add air conditioning to two housing units located at Turbeville Correctional Institution and Kershaw Correctional Institution.
- Included in CPIP: Yes – 2022 CPIP Priority 10 of 10 in FY23 (estimated at \$8,000,000)
- CHE Approval: N/A
- Supporting Details: Pages 279-286

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY22 Carryforward				120,000	120,000
All Sources				<u>120,000</u>	<u>120,000</u>

Summary of Work: The project scope will add air conditioning to both buildings and will include the addition of a chiller, new air-handlers, duct work and electrical upgrades to run the new equipment. The work will be accomplished by a general/mechanical contractor.

Rationale: The housing units were designed and constructed with heat and ventilation only.

Facility Characteristics: Each of the 256 bed housing units is 29,470 square feet and were constructed in 2003 (19 years old). Each housing unit accommodates 256 inmates and 3 staff.

Financial Impact: The project will be funded from Appropriated State, FY22 Carryforward Funds (uncommitted balance \$47.96 million on August 8, 2022). The project is expected to result in an additional annual operating costs, but those amounts have not been determined at this time.

Full Project Estimate: \$8,000,000 (internal) funded by Appropriated State, FY22 Carryforward Funds.

22. Project: Department of Corrections
 N04.9787: Wateree River CI - Add AC to Dorms 1, 2 & 4

Request: Establish Phase I Pre-Design Budget to add air conditioning to dorms at Wateree Correctional Institution.

Included in CPIP: Yes – 2022 CPIP Priority 9 of 10 in FY23 (estimated at \$6,000,000)

CHE Approval: N/A

Supporting Details: Pages 287-294

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY22 Carryforward				90,000	90,000
All Sources				<u>90,000</u>	<u>90,000</u>

Summary of Work: The project scope will add air conditioning to Dorms 1, 2, & 4 and will include the addition of new-air handlers, duct work and electrical upgrades to run the new equipment. The work will be accomplished by a general/mechanical contractor.

Rationale: All three dorms were designed and constructed with heat and ventilation only. The addition of AC to the dorms will increase the habitability and comfort for the inmates which improves security and safety while also increasing the building systems life span by controlling the humidity inside, per the agency.

Facility Characteristics: Dorms 1 & 2 are approximately 12,818 square feet each and were constructed in 1982 (40 years old). Dorm 4 is approximately 13,631 square feet and was constructed in 1991 (31 years old). Each housing unit accommodates 288 inmates and 9 staff.

Financial Impact: The project will be funded from Appropriated State, FY22 Carryforward Funds (uncommitted balance \$47.96 million on August 8, 2022). The project is expected to result in an additional annual operating costs, but those amounts have not been determined at this time.

Full Project Estimate: \$4,000,000 (internal) funded by Appropriated State, FY22 Carryforward Funds.

Other: The estimate cost to complete the project has decreased from the 2022 CPIP submission due to the determination that more existing duct work can be used than originally anticipated. In addition, two other upgrades at Wateree CI that are ongoing including a new campus wide fire alarm and electrical upgrades will keep from having to update those systems with this project to ensure code compliance. These factors helped to reduce the projected cost.

23. Project: Department of Employment & Workforce
 R60.9539: C. Lem Harper Building - Replace Generator
- Request: Establish Phase I Pre-Design Budget to replace the existing 30 KW generator at the C. Lem Harper Building.
- Included in CPIP: Yes – 2022 CPIP Priority 3 of 3 in FY23 (estimated at \$339,850)
- CHE Approval: N/A
- Supporting Details: Pages 295-300

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Contingency Assessment				3,350	3,350
All Sources				<u>3,350</u>	<u>3,350</u>

- Summary of Work: The project will replace the existing 30 KW generator with a 150 KW generator
- Rationale: The existing generator has exceeded its useful life, parts are not available, and are costly and difficult to get with long lead times.
- Facility Characteristics: The C. Lem Harper Building is 47,660 square feet and was constructed in 1992 (30 years old). The generator is approximately 32 years old. The building houses the SC Department of Employment and Workforce – Lower Authority Appeals, Higher Authority Appeals, Appellate Panel, Benefits Accuracy Measurement Group, and Migrant Seasonal Farm Workers Advocacy. Approximately 75 staff utilize the facility on a full-time basis and 2,500 staff use the auditorium on an annual basis for training, seminars, and other meetings.
- Financial Impact: The project will be funded from Contingency Assessment Funds (uncommitted balance is \$75.6 million at August 10, 2022). Revenue to the fund is generated from the contingency assessment portion of the tax and is accounted for in the special revenue fund which is primarily to fund the administrative costs & employment services. The project is not expected to result any change in annual operating expenses.
- Full Project Estimate: \$343,650 (internal) funded by Contingency Assessment Funds.

24. Project: Department of Transportation
 U12.9755: Campobello Section Shed Salt Shed Construction
- Request: Establish Phase I Pre-Design Budget to construct a heavy timber structure at the Campobello Section Shed facility in Spartanburg County.
- Included in CIP: Yes – 2022 CIP Priority 9 of 26 in FY23 (estimated at \$290,000)
- CHE Approval: N/A
- Supporting Details: Pages 301-310

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, State Highway				4,350	4,350
All Sources				<u>4,350</u>	<u>4,350</u>

Summary of Work: The project will construct a heavy timber structure to store salt. The new building will have a concrete slab floor, heavy timber support columns, and a wood framed roof with asphalt shingles.

Rationale: Salt is necessary to prevent ice/snow from freezing on the roadway during inclement weather. SCDOT stores approximately three days of salt in each county.

Facility Characteristics: The current salt shed was constructed in 1980 (42 years old). The new salt shed will be 3,100 square feet and store 1,100 tons of salt. SCDOT Campobello Section staff will utilize this salt shed for snow and ice operations.

Financial Impact: The project will be funded from Other, State Highway Funds (uncommitted balance \$459.67 million at June 30, 2022). Revenue to this fund is generated from motor fuel user fee tax collections. The project is not expected to result any change in annual operating expenses.

Full Project Estimate: \$290,000 (internal) funded by State Highway Funds.

25. Project: Department of Transportation
 U12.9756: Greenville County Maintenance Salt Spreader Shed Construction
- Request: Establish Phase I Pre-Design Budget to construct an open storage shed at the Greenville County Maintenance Complex
- Included in CIP: Yes – 2022 CIP Priority 10 of 26 in FY23 (estimated at \$340,000)
- CHE Approval: N/A
- Supporting Details: Pages 311-319

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, State Highway				5,100	5,100
All Sources				<u>5,100</u>	<u>5,100</u>

Summary of Work: The project will construct an open sided, steel framed structure with a concrete slab floor, metal roof and lighting for storing salt spreaders and other miscellaneous salt spreading equipment.

Rationale: Salt spreading equipment is presently stored on the ground and exposed to the elements. Covering the equipment will protect it and allow for easier loading onto vehicles.

Facility Characteristics: The storage shed to be constructed will be 5,000 square feet. SCDOT Greenville County Maintenance staff will utilize this salt shed for snow and ice operations.

Financial Impact: The project will be funded from Other, State Highway Funds (uncommitted balance \$459.67 million at June 30, 2022). Revenue to this fund is generated from motor fuel user fee tax collections. The project is not expected to result any change in annual operating expenses.

Full Project Estimate: \$340,000 (internal) funded by State Highway Funds.

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

Responsive to the provisions of Act 135 of 2020 and expressions of interest by the committee in prior meetings, the South Carolina Department of Health and Environmental Control has submitted updated reports incorporating the status of activities and expenditures made in connection with the COVID-19 pandemic response.

The Medical University of South Carolina has previously reported that all funds allocated to the University pursuant to the Act have been expended.

Representatives of the Department and the Medical University will be available to respond to member questions.

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 as of September 26, 2022.

September 26, 2022

Dear Chairman Peeler and Honorable Member of the Joint Bond Review Committee:

At the South Carolina Department of Health and Environmental Control (DHEC), **our number one priority for the COVID-19 pandemic has been and continues to be to save lives.** This includes working with our partners across all levels to mitigate and control COVID-19 by providing:

- readily available access to free testing
- widely available, equitable access to safe, effective, and free vaccines; and
- timely, accurate and evidence-based information about the disease and effective, evidence-based prevention and treatment measures.

Since our last update to the Joint Bond Review Committee on August 1, 2022, an additional **90,901 COVID-19 vaccine doses (17,273 initial, 14,391 completion, 19,862 first boosters, 39,375 second boosters) have been administered** to eligible South Carolina residents. Of eligible South Carolina residents **ages 5 and older, 64.5%** have received at least one dose of COVID-19 vaccine, **56.1% have completed the initial vaccination series**, and **25.7% of those who completed vaccination have also received at least one booster dose.** Since becoming available in July 2022, **9,616 South Carolinians ages six months to five years have received at least one dose** and **1,822 have completed their vaccination series.** While these milestones are encouraging, we remain vigilant to the possible emergence of new, impactful variants and changing trends.

DHEC continues pursuing multiple strategies to ensure that all South Carolinians who are eligible, regardless of income, geography, or mobility, have access to the COVID-19 vaccine. This includes offering COVID-19 vaccines at all full-service DHEC health departments across the state, as well as utilizing contracted vendors to vaccinate homebound individuals.

Bivalent Boosters

The U.S. Food and Drug Administration amended the emergency use authorizations (EUAs) of the Moderna COVID-19 Vaccine and the Pfizer-BioNTech COVID-19 Vaccine to authorize bivalent formulations of the vaccines for use as a single booster dose at least two months following a primary or booster vaccination. The bivalent vaccines, also referred to as “updated boosters,” contain two messenger RNA (mRNA) components of the SARS-CoV-2 virus; the original strain and one in common with the BA.4 and BA.5 subvariants of the Omicron variant.

The Moderna COVID-19 Vaccine, Bivalent booster is authorized for use in individuals 18 years of age and older and the Pfizer-BioNTech COVID-19 Vaccine, Bivalent booster is authorized for use in individuals 12 years of age and older.

At the time the EUAs for these updated boosters were issued, the prior EUAs for the monovalent boosters were rescinded and ceased being offered by providers. This action helped to ensure those individuals seeking booster doses would receive the strongest protection possible from COVID-19. The monovalent vaccines from both Pfizer-BioNTech and Moderna continue to be used as a primary vaccine series and that primary series, or a previous single dose of Janssen vaccine, is required before receipt of an updated booster.

Omicron Variant of SARS-CoV-2, the Virus That Causes COVID-19

Since our last update, for data available as of September 17, 2022, South Carolina shows a **7-day case rate of 121.6/100K**. For available data as of the week ending September 17, 2022, South Carolina shows **6,343 reported cases**, which is a **26.9% decrease** in reported cases from the week prior and a **61.6% decrease** compared to the week of the previous update.

With most testing now being performed at home, which is not reportable, we recognize the above is likely a significant underestimate of the actual number of cases in the state. As of June 1, 2022, DHEC assumed responsibility for wastewater testing in South Carolina which has been shown to give a good estimate of overall levels of virus in our communities. This testing is being performed by our Public Health and Environmental Laboratory. Currently, there are **13 sites** in South Carolina participating in wastewater testing activities. Of those sites, two are experiencing sample collection delays, while remaining sites are generally showing a trend of decreasing viral levels in analyzed samples. The latest wastewater surveillance data is available by filtering for South Carolina in the [CDC COVID Data Tracker](#).

Omicron continues to be the prevalent strain of COVID-19 circulating in the United States, representing **100% of all COVID-19 variants** reported at both the national and state levels. Overall, **US cases continue to slow** with a steady decrease since late July 2022. The American Academy of Pediatrics reported that **60,299 COVID-19 cases in children** were reported the week from September 9-15, 2022, and children represented **15.5%** (60,299/325,243) **of the weekly reported cases**. Over two weeks (September 2-15, 2022), there was a **1% increase** in the cumulated number of COVID-19 cases in children since the beginning of the pandemic.

Measures of disease severity (hospitalizations and deaths) and hospital burden continue to be key measures to focus on, as we continue to live with COVID-19. As of the week ending September 17, 2022, the daily average of COVID-19 positive **patients hospitalized in SC was 382**, which is an **18.1% decrease** compared to the previous week. Additionally, **52 COVID-19 positive patients are in the ICU** (18.1% increase) and **17 COVID-19 patients are on ventilators** across the state (35.6% increase) compared to one week prior. While certainly an increase over previous weeks, these figures remain very low compared to prior peaks, and DHEC will continue to monitor these data closely. Reported deaths have thankfully shown a recent decrease, with **4 deaths reported for the week ending September 17, 2022**, which is 63.6% lower than the previous week and a 73.3% decrease compared to the week of the previous update. Deaths tend to be a lagging indicator, however, but fortunately given the recent decreasing trend in deaths along with the decreasing trends in hospitalization we hope to see continual decreases in deaths over the next few weeks.

The COVID-19 Community Levels are determined by the higher of the new admissions and inpatient beds metrics, based on the current level of new cases per 100,000 population in the past seven days, and classified as either **“Low,” “Medium” or “High.”** This graphic is updated weekly in the late afternoon or evening on Thursdays, based upon information provided by state and federal data systems.

The most recent weekly report (released September 22, 2022) classifies South Carolina counties as follows:

Forty (40) counties are classified as “**Low**,”

Six (6) counties are classified as “**Medium**,” and

Zero (0) counties are classified as “**High**.”

Both individual and household prevention behaviors (i.e., mask use, testing when appropriate, staying home when sick) and community-level prevention strategies (health care surge support, enhanced prevention measures in high-risk congregate settings) are recommended based upon the county-level classification.

Testing

DHEC continues to prioritize distribution of COVID-19 at-home rapid antigen tests to individuals and organizations throughout South Carolina. Our testing and logistics teams are continuing to distribute these tests to DHEC health departments and a variety of other partners including long-term care facilities, detention facilities, first responder agencies, schools, rural health clinics, federally qualified health centers, and other state agencies. In total, **DHEC has distributed 2,915,383 rapid antigen tests** in South Carolina, and has another **2,720,995 available** to continue meeting South Carolina’s COVID-19 testing needs. In addition, DHEC has prepared for the potential of future COVID-19 variants and case surges by establishing emergency contracts with laboratories which can process large volumes of COVID-19 tests, should the need ever arise.

Schools and Childcare Centers

DHEC strongly recommends that schools and childcare centers utilize [CDC guidance on school safety related to COVID-19](#), and has provided [DHEC Outbreak Guidance](#) for use when an outbreak has been identified in a shared setting of more than five individuals (e.g., classroom, sports team, etc.). Since our last update, **67 COVID-19 outbreaks** have been reported from schools (58) and childcare centers (nine). Of these 67 reported outbreaks, 31 were reported from the Midlands, 12 from the Lowcountry, 8 from the Pee Dee and 16 from the Upstate.

DHEC is continuing to provide access to federally funded COVID-19 tests to all South Carolina schools and encourages schools to utilize the testing options available to them as a way to control disease spread and to prepare for potential outbreaks. Since our last update, DHEC has **processed 208 requests for rapid antigen tests** from schools and childcare centers, distributing **38,340 tests to schools and 18,622 tests to centers**.

COVID-19 Therapeutics

Currently, Bectelovimab and the EVUSHELD pre-exposure monoclonal antibody therapy for immunocompromised patients are the only monoclonal antibody products available for ordering in the United States. The previously available sotrovimab, REGEN-COV and bamlanivimab/etesevimab combination are not effective against the Omicron variant, and thus their authorizations for use were revoked.

On August 15th, **Bectelovimab transitioned to the commercial marketplace**. On September 6th, all remaining US government supply was allocated to the under- and uninsured population.

In the six months before this report, **more than 20,000** courses of Paxlovid have been prescribed to eligible South Carolinians, and prescription rates have increased in recent weeks to exceed **800 prescriptions per week**. There is currently ample availability of Evusheld and Paxlovid in the state and additional courses of treatment are available from the federal distribution system to meet demand, and all orders are being fulfilled. Provider usage, on hand inventory, and provider reporting quality are being factored into the allocation determinations.

In Conclusion

DHEC remains committed to working with members of our Legislature and our many other private and public partners to provide timely, accurate and evidence-based information and resources so that our state, community leaders, medical providers, and all South Carolinians can take the necessary actions aimed at ultimately saving lives.

Attached includes a summary of DHEC expenditures on COVID-19 as of September 23, 2022. We appreciate the ongoing support of the Committee for these efforts and look forward to answering any additional questions the Committee may have.

Sincerely,

A handwritten signature in black ink, appearing to read "E. D. Simmer". The signature is fluid and cursive, with the first name "Edward" and last name "Simmer" clearly distinguishable.

Edward D. Simmer, MD, MPH, DFAPA
Director, South Carolina Department of Health and Environmental Control

**Interim Report on Expenditures of COVID-19 Funds
as of 09/23/2022**



**Interim Report of Expenditures on COVID-19 Funds
Summary as of 09/23/2022**

Expenditure Category	Expended through 09/23/22*
Testing	\$ 410,053,866
Contact Tracing	\$ 39,197,563
Personal Protective Equipment (PPE) & Medical Supplies	\$ 13,556,088
Personnel	\$ 158,454,785
Education Campaign	\$ 18,555,322
Quarantine	\$ 929,343
Transport & Storage	\$ 3,136,099
Technology, Staff Support, Cleaning & Other; Grant-Specific	\$ 46,199,806
Vaccination Efforts	\$ 96,383,121
TOTAL	\$786,465,993

**Reflects actual expenditures on all designated COVID-19 funds through date listed. These are initial reporting numbers and are subject to change.*

Interim Report on Expenditures of COVID-19 Funds
as of 09/23/2022

COVID-19 General Funds

Fund Title	SCEIS Fund/Grant:	Date Expiring	Total Award	Spent To Date	Balance	Purpose
COVID Response Fund (Act 116)	31050000/Not Relevant	n/a	\$ 45,000,000	\$ 26,925,829	\$ 18,074,171	Funds provided by the General Assembly necessary for the health, safety and welfare of the public in response to the COVID-19 pandemic
COVID Contingency Fund (Act 2)	31060000/Not Relevant	n/a	\$ 63,000,000	\$ 40,769,392	\$ 22,230,608	Funds provided by the General Assembly necessary for the health, safety and welfare of the public in response to the COVID-19 pandemic
SCCARES Act Coronavirus Relief Funds	51C10000/J0401CARES20	12/30/2020	\$ 109,498,067	\$ 109,498,067	\$ 0	Supports ongoing testing in the state. Of the \$115M* awarded as part of the SCCARES program, \$15M was spent by other entities to enhance testing. DHEC has submitted invoices for the remaining CRF balance.
DHEC Internal Accounting Fund - S400	34720003/J0403S400000	n/a	\$ -	\$ 4,726,784	\$ (4,726,784)	Internal fund used to support response costs. These costs are awaiting reimbursement
SCDHEC's Public Health Crisis Response Grant	51C30000/J0401H120V19	3/15/2023	\$ 8,926,133	\$ 8,636,300	\$ 289,833	Funds to carry out surveillance, epidemiology, laboratory capacity, infection control, mitigation, communications, and other preparedness and response activities
CK19-1904 Epidemiology and Laboratory Capacity (ELC): CARES	51C10016/J0401U000V19	7/31/2024	\$ 9,917,925	\$ 4,652,036	\$ 5,265,889	Supports contact tracing, surveillance, testing, monitoring capacity, vulnerable populations
CK19-1904 Epidemiology and Laboratory Capacity (ELC): Enhancing Detection	51C40000/J0401U000X19	7/31/2024	\$ 118,690,218	\$ 105,549,731	\$ 13,140,487	Develop, purchase, administer, process, and analyze COVID-19 tests, conduct surveillance, trace contacts, and related activities. Recipients will establish a robust testing plan that ensures adequate testing is made available.
Enhancing Detection Expansion	51C60001/J0401U000W01	7/31/2024	\$ 296,351,652	\$ 193,445,265	\$ 102,906,387	To build upon existing ELC infrastructure that emphasizes the coordination and critical integration of laboratory with epidemiology and health information systems in order to maximize the public health impact of available resources.

Interim Report on Expenditures of COVID-19 Funds
as of 09/23/2022

COVID-19 General Funds

Fund Title	SCEIS Fund/Grant:	Date Expiring	Total Award	Spent To Date	Balance	Purpose
Standard FEMA Reimbursement	55110007/J0401D449222	n/a	TBD	\$ 99,461,540	TBD	Non-Expedited FEMA Reimbursement for Testing and other general COVID related charges, provisionally approved by SCEMID
Expedited FEMA Reimbursement	55110007/J0401D449221	n/a	TBD	\$ 72,252,207	TBD	**Includes \$16M from original FEMA Reimbursement Expedited FEMA Reimbursement for testing and vaccine related charges, provisionally approved by SCEMID
Total COVID-19 General Funds			\$ 651,383,995	\$ 665,917,152	\$ 157,180,590	

Interim Report on Expenditures of COVID-19 Funds
as of 09/23/2022

COVID-19 Immunizations Funds

Fund Title	SCEIS Fund/Grant:	Date Expiring	Total Award	Spent To Date	Balance	Purpose
Imm and Vaccines for Children (VFC)	51C10027/J0401F340V01	7/5/2021	\$ 2,366,553	\$ 2,366,553	\$	- To plan for and implement COVID-19 vaccination services and increase access to vaccination for VFC-eligible children throughout the jurisdiction.
Enhanced Influenza: Immunization & Vaccines	51C10027/J0401F340Z09	7/5/2021	\$ 1,656,384	\$ 1,656,594	\$	- Supports staffing, communication campaigns, pandemic preparedness and mass vaccinations; also focuses on enhancing influenza coverage and enrolling additional vaccinators
COVID Vaccine Supplemental	51C10027/J0401F340T01	6/30/2022	\$ 1,656,384	\$ 1,656,384	\$	- Supplemental funds to support staff and necessary supplies to cover needs to support mass vaccination efforts
Immunizations Supplemental	51C60001/J0401F340U01	6/30/2024	\$ 46,523,022	\$ 35,228,945	\$ 11,294,077	Support vaccine administration, supplies, monitor vaccination activities
Vaccine Confidence Strategy	51C70001/J0401F340V01	6/30/2024	\$ 3,779,996	\$ 3,779,996	\$	- Develop and implement a vaccine confidence strategy for COVID-19 and routine immunization
Vaccination Supplemental Rural Outreach	51C60001/J0401F340W01	6/30/2024	\$ 20,004,900	\$ 7,246,000	\$ 12,758,900	Funding equity and prioritizing populations disproportionately affected by COVID-19
COVID-19 Vaccine Supplemental: Impr oving Access Cycle 4	51C70001/J0401F340X01	6/30/2024	\$ 27,182,140	\$ 7,200,879	\$ 19,981,261	Funding equity and prioritizing populations disproportionately affected by COVID-19
Vaccine Reserve Account (VRA)	31070000/Not Relevant	n/a	\$ 100,000,000	\$ 22,437,068	\$ 77,562,932	Supports Vaccine Reimbursement program passed by the legislature allowing for reimbursement of Vaccine costs for Hospitals and Other Providers per Act 2 of 2021
FEMA Reimbursement to VRA	55110007/J0401D449221	n/a	TBD	\$ (19,315,279)	TBD	Expedited FEMA Reimbursement for testing and vaccine related charges. Included here to demonstrate actual spend on VRA.
Total COVID-19 Immunization Funds			\$ 203,169,379	\$ 62,257,140	\$ 121,597,170	

Interim Report on Expenditures of COVID-19 Funds
as of 09/23/2022

COVID-19 Task Specific Funds

Fund Title	SCEIS Fund/Grant:	Date Expiring	Total Award	Spent To Date	Balance	Purpose
ELC Reopening Schools	51C70002/J0401U000X01	7/31/2023	\$ 155,076,741	\$ 29,377,837	\$ 125,698,905	Funds support efforts to reopen schools safely. Used to support staffing, purchase of test kits, and contracting of turnkey testing to be performed in schools.
Crisis CoAg Public Health Workforce Development	51C70016/J0401F170Z00	6/30/2023	\$ 31,112,843	\$ 5,588,148	\$ 25,524,695	Funds training and hiring of staff/contractors needed to establish, expand and sustain a PH workforce. 25% of funds must go to schools for health staff.
SC Initiative to Address Health Disparities- Base	51C60001/J0401H840000	5/31/2023	\$ 27,236,763	\$ 5,103,758	\$ 22,133,005	Expand existing and/or develop new mitigation and prevention resources and services to reduce COVID-19 related disparities among populations at higher risk and that are underserved.
SC Initiative to Address Health Disparities- Rural Carveout	51C60001/J0401H850000	5/31/2023	\$ 6,843,827	\$ 766,611	\$ 6,077,216	Expand existing and/or develop new mitigation and prevention resources and services to reduce COVID-19 related disparities among populations at higher risk and that are underserved.
Disease Intervention Specialist	51C70017/J0401F490Z00	12/31/2023	\$ 2,779,711	\$ 37,729	\$ 2,741,982	Expand hiring of Disease Intervention Specialist to strengthen capacity to mitigate the spread of COVID-19 and other infections.
Yr 2 Disease Intervention Specialist Workforce	51C70017/J0401F490Z01	12/31/2022	\$ 2,779,711	\$ 413,395	\$ 2,366,316	Funds to hire, expand, train, sustain and support Disease Intervention Specialists to strengthen capacity to mitigate spread of COVID-19 and other infections.
FFCRA 2020 WIC Supplemental-Food	51C20004/J0401K200000	9/30/2021	\$ 4,737,161	\$ 4,737,161	\$ -	Funds to be used to support an increase in Women, Infants, and Children food supplement program services as a result of COVID-19.
WIC Admin Supplemental	51C20004/J0401K250000	9/30/2021	\$ 2,284,041	\$ 2,284,041	\$ -	Funds to be used to support an increase in services as a result of COVID-19 Funds must be used prior to initial non-COVID funding.
WIC Cash Value Vouchers	51C70005/J0401K400000	9/30/2021	\$ 3,089,409	\$ 3,089,409	\$ -	Temporarily increases allowable cash value voucher/benefits for fruit and vegetable purchases

Interim Report on Expenditures of COVID-19 Funds
as of 09/23/2022

COVID-19 Task Specific Funds (cont.)

Fund Title	SCEIS Fund/Grant:	Date Expiring	Total Award	Spent To Date	Balance	Purpose
CPRSA Hospital Preparedness Partners (HPP) COVID-19 Supplement	51C30000/J0401F170Y19	6/30/2024	\$ 628,506	\$ 494,686	\$ 133,820	Supports healthcare coalitions
CARES Hospital Preparedness Partners (HPP) COVID-19 Supplement	51C10014/J0401F170X19	6/30/2024	\$ 1,687,823	\$ 1,045,684	\$ 642,139	Funds used to support healthcare coalitions with COVID19 response activities. MUSC, the state's Special Pathogen Center, to receive \$175,455.
Epi & Lab Capacity (ELC): Infection Prevention & Control Training	51C30000/J0401U000Y19	7/31/2024	\$ 1,144,102	\$ 426,435	\$ 717,667	Supports Project Firstline, CDC's national training collaborative for healthcare infection prevention and control
ELC: HIS COVID	51C10016/J0401U100F00	7/31/2024	\$ 109,580	\$ 104,869	\$ 4,711	To build upon existing ELC infrastructure that emphasizes the coordination and critical integration of laboratory with epidemiology and health information systems in order to maximize the public health impact of available resources.
ELC: HIS COVID	51C10016/J0401U100F01	7/31/2023	\$ 109,580	\$ 4,349	\$ 105,231	To build upon existing ELC infrastructure that emphasizes the coordination and critical integration of laboratory with epidemiology and health information systems in order to maximize the public health impact of available resources.
ELC: Infants W/Congenital Exposure	51C10016/J0401U100I00	7/31/2024	\$ 184,586	\$ 93	\$ 184,493	To build upon existing ELC infrastructure that emphasizes the coordination and critical integration of laboratory with epidemiology and health information systems in order to maximize the public health impact of available resources.
ELC : NIOSH	51C10016/J0401U100H00	7/31/2023	\$ 46,490	\$ 37,750	\$ 8,740	To build upon existing ELC infrastructure that emphasizes the coordination and critical integration of laboratory with epidemiology and health information systems in order to maximize the public health impact of available resources.
ELC : NIOSH	51C10016/J0401U100H01	7/31/2023	\$ 46,490	\$ 2,806	\$ 43,684	To build upon existing ELC infrastructure that emphasizes the coordination and critical integration of laboratory with epidemiology and health information systems in order to maximize the public health impact of available resources.

Interim Report on Expenditures of COVID-19 Funds
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COVID-19 Task Specific Funds (cont.)

Fund Title	SCEIS Fund/Grant:	Date Expiring	Total Award	Spent To Date	Balance	Purpose
Wastewater Surveillance	51C10016/J0401U000V01	8/31/2022	\$ 300,000	\$ 38,123	\$ 261,877	Investigate the relationship between SARS-nCoV-2 detection in sewage systems and new clusters of human cases.
Travelers Health	51C40000/J0401U000V01	7/31/2024	\$ 200,000	\$ 116,375	\$ 83,625	Enhance practices related to the management of traveler-related data, ensure best practices around public health activities at travel hubs and among travel industry stakeholders, and improve communication with international travelers
ELC : Data Modernization	51C10016/J0401U100K00	7/31/2024	\$ 3,118,254	\$ 186,525	\$ 2,931,729	To build upon existing ELC infrastructure that emphasizes the coordination and critical integration of laboratory with epidemiology and health information systems in order to maximize the public health impact of available resources.
AMD Sequencing & Analytics	51C70002/J0401U100A00	7/31/2024	\$ 3,728,600	\$ 798,540	\$ 2,930,060	Support sequencing and analytic capacity building in microbial genomics and bioinformatics as well as to further the development of AMD capacity in health departments.
ELC Advanced Molecular Detection	51C40000/J0401U000T01	7/31/2024	\$ 235,000	\$ 228,299	\$ 6,701	To support COVID-19 Advanced Molecular Detection Technologies
PHL Preparedness	51C40000/J0401U000U01	7/31/2024	\$ 515,000	\$ 518,602	\$ (3,602)	Strengthen's state public health lab preparedness and response capabilities
Rape Prevention and Education	51C30000/J0401F720V19	1/31/2022	\$ 51,301	\$ 51,301	\$ -	Provide sexual violence prevention virtual resources to rape crisis centers, schools and agencies across the state. Extension requested
Ryan White HIV/AIDS Program Part B COVID-19 Response	51C10007/J0401F520V19	3/31/2022	\$ 1,001,503	\$ 1,001,503	\$ -	To prevent, prepare for, and respond to COVID-19, as needs evolve for clients of Ryan White HIV/AIDS program recipients.
Housing Opportunities for Persons with AIDS (HOPWA)	51C10008/J0401F020V19	6/7/2023	\$ 337,889	\$ 174,015	\$ 163,874	Supports housing opportunities for people diagnosed with AIDS
Building Resilient and Inclusive Communities	51C10029/J0401G690000	12/31/2022	\$ 546,472	\$ 301,400	\$ 245,072	Partnerships with organizations supporting the emotional and social needs of older adults particularly those living in long-term care facilities.

Interim Report on Expenditures of COVID-19 Funds
as of 09/23/2022

COVID-19 Task Specific Funds (cont.)

Fund Title	SCEIS Fund/Grant:	Date Expiring	Total Award	Spent To Date	Balance	Purpose
Building Resilient and Inclusive Communities	51C10029/J0401G690001	12/31/2022	\$ 322,000	\$ 998	\$ 321,002	Partnerships with organizations supporting the emotional and social needs of older adults particularly those living in long-term care facilities.
Medicare Survey & Certification	51C10022/J0401F260X19	9/30/2023	\$ 794,140	\$ 794,140	\$ -	- Backlog of recertifications, focused infection control surveys, complaints related to infection control violations, and revisit surveys to provide greater oversight of health care facilities
Medicare Survey & Certification	51C10022/J0401F260X20	9/30/2023	\$ 208,316	\$ 208,316	\$ -	- Backlog of recertifications, focused infection control surveys, complaints related to infection control violations, and revisit surveys to provide greater oversight of health care facilities
MIS-C ELC#4	51C10016/J0401U000Z01	7/31/2024	\$ 100,000	\$ 31,685	\$ 68,315	For communication of MIS-C surveillance requirements to healthcare providers, data collection on each potential case, analysis of this data and provision of findings to CDC
Strengthening HAI & AR (SHARP)	51C70002/J0401U100Q00	7/31/2024	\$ 5,914,501	\$ 307,085	\$ 5,607,416	Funds to provide support for healthcare infection prevention and control activities and epidemiologic surveillance related activities to detect, monitor, mitigate, and prevent the spread of SARS-CoV-
ELC-Detection & Mitigation #2	51C70002/J0401U100P00	7/31/2024	\$ 1,124,400	\$ 1,882	\$ 1,122,518	Funding to support COVID-19 testing and mitigation in homeless service sites, encampments, and other congregate settings.
ELC VPD	51C30000/J0401U000L04	7/31/2023	\$ 156,154	\$ 7,179	\$ 148,975	To strengthen and coordinate VPD case-based and outbreak surveillance, building upon established surveillance systems, to provide more complete and representative data.
ELC SET-NET	51C70002/J0401U100J01	7/31/2023	\$ 184,586	\$ 6,217	\$ 178,369	Support surveillance systems developed to address emerging, reemerging, or persistent infectious threats to mothers, infants, and young children resulting from prenatal exposures, including surveillance for COVID-19, hepatitis C, syphilis, and other infectious threats, to identify and monitor adverse outcomes of infections during pregnancy in mothers, infants, and children;
ELC Foodborne Lab	51C70002/J0401U100W00	7/31/2023	\$ 180,291	\$ 4,755	\$ 175,536	to protect public health through the prevention and control of disease, disability, and death caused by foodborne, enteric, waterborne, and environmentally transmitted infections.
Total COVID-19 Task Specific Funds			\$ 258,394,740	\$ 58,291,701	\$ 200,121,190	

AGENCY: South Carolina State Housing Finance and Development Authority

SUBJECT: Proposed 2023 Qualified Allocation Plan

As the state-designated allocating agency for the federal Low Income Housing Tax Credit, the South Carolina State Housing Finance and Development Authority is responsible for the adoption of an annual Qualified Allocation Plan in accordance with Section 42 of the Internal Revenue Code.

Among other things, Act 202 of 2022 amended the provisions of Section 12-6-3795 of the SC Code to require that any qualified allocation plan is subject to the prior review and comment of the Joint Bond Review Committee, and the State Housing Authority has submitted a draft of its proposed Qualified Allocation Plan for 2023 in accordance with that requirement.

The 2023 Plan establishes among other things required documentation for applications, site requirements, applicant qualifications, limits on awards, market studies, tenant considerations, design criteria, and financial underwriting standards; and establishes policies and procedures for administration of the federal Low Income Housing Tax Credit and the State Housing Tax Credit. Development of the plan includes a formal process of public input, which may shape the plan and its provisions.

The 2023 Plan integrates the requirements of Act 202 that among other things limit the State Housing Tax Credit, refine the allocation of State Ceiling to private activity bonds as related to multi-family housing developments, and provide requirements for establishment of uniform competitive criteria for awarding State Tax Credits and State Ceiling to promote highest value and greatest public benefit.

The State Housing Authority has provided a summary of substantive changes to the 2023 Plan as compared to the 2022 Plan, along with a copy of the Plan marked to reflect all amendments and changes. Once the 2023 Plan has received Committee review and comment, it will be finalized and provided to the Governor for his approval and signature.

COMMITTEE ACTION:

Review and provide comment on the proposed 2023 Qualified Allocation Plan in accordance with the provisions of Section 12-6-3795(C)(3) of the SC Code of Laws.

ATTACHMENTS:

1. Letter dated October 5, 2022, of Ms. Bonita Shropshire, Executive Director, South Carolina State Housing Finance and Development Authority.
2. Summary of Changes.
3. 2023 Qualified Allocation Plan.



South Carolina State Housing Finance and Development Authority

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SCHousing.com

C. Todd Latiff
Chairman

Bonita H. Shropshire
Executive Director

October 5, 2022

F. Richard Harmon, Jr.
Director of Research
Joint Bond Review Committee

Re: Act 202 of 2022 State Tax Credit Criteria

Dear Mr. Harmon:

Pursuant to Act 202 of 2022, please find enclosed the proposed 2023 Qualified Allocation Plan for review and comment of the Joint Bond Review Committee.

Please place this item on the agenda for consideration by the Joint Bond Review Committee at the first available meeting.

Sincerely,

A handwritten signature in blue ink that reads 'Bonita Shropshire'.

Bonita Shropshire
Executive Director

2023 Qualified Allocation Plan

Changes Summary

This document is intended to support the review of the draft of the 2023 QAP by describing proposed substantive changes.

Section	Proposed Changes
<i>Appendix C1, C2 & C3</i>	Created an appendix for 9% LIHTC, Tax-Exempt Bond and State Tax Credits
<i>Environmental & Soil Reports, pg. 6</i>	Require Phase 1 Environmental and Geotechnical reports at full application
<i>Mandatory Site Requirements, pg. 9</i>	New construction application must be at least one (1) mile from a 2021 and 2022 awarded application
<i>Developer Fee, pg. 12</i>	Increased developer fees
<i>Annual Operating Expenses, pg. 13</i>	Will allow Placed-in -Service applications to use the current years QAP annual operating expense limit
<i>Vacancy Rate, pg. 14</i>	Will allow a vacancy rate below 7% for rehab and project based rental assistance developments
Appendix C1 – 9% LIHTC	
<i>Award Limitations, pg. 17</i>	<ul style="list-style-type: none"> • Maximum LIHTCs per developer - \$3,000,000 • Maximum LIHTCs per development - \$2,000,000 • County award limit of 1 • Removed JR developer
<i>Groupings and Set-Asides, pg. 20</i>	Updated the award percentage for each set-aside
<i>Distance to Amenities, pg. 22</i>	Changed the scoring for the Palmetto Opportunity Index to Distance to Amenities
<i>Affordable Housing Shortage, pg. 26</i>	<ul style="list-style-type: none"> • Removed the points per county • Added 3 points for counties not receiving a new construction award in the last three years
<i>Other Types of Credits, pg. 26</i>	Added 5 points for a development receiving other types of tax credits
<i>Evaluation of Rehab Applications, pg. 29</i>	Added point scoring criteria for rehab application
Appendix C2- Tax-Exempt Bonds	
<i>Size Requirements, pg. 32</i>	Added the minimum number of units
<i>Maximum LIHTCs per Unit, pg. 32</i>	Added State Tax Credit Limit language
<i>Developer Fee, pg. 32</i>	Increased developer fees
<i>Ranking, pg. 33</i>	Added the ranking criteria to include tie breakers
Appendix C3 – State LIHTC	
<i>General Requirements, pg. 35</i>	Added the requirements listed in Act 202

<i>Requesting STC, pg. 35</i>	<ul style="list-style-type: none"> • Must have applicable fraction of 100% • Maximize federal LIHTCs • Minimum STC request is \$300,000
<i>STC Process, pg. 36</i>	<ul style="list-style-type: none"> • Applications will be scored according the tax credit request – 9% or TEB • 9% applications allocation will not exceed \$8 million and at least \$4 million for rural areas only • Tax-Exempt Bond allocation will not exceed \$12 million
<i>Ranking, pg. 36</i>	Added ranking criteria to include tie breakers
<i>Determination and Eligibility Statement, pg. 37</i>	An Eligibility Statement will be issued along with the Form 8609 after reviewing Placed-in-Service application
Fee Schedule	
<i>Fee Schedule, pg. 38</i>	Created a fee schedule to have all fees located in one document
Tax Credit Manual	
<i>Progress Inspections, pg. E-2</i>	Added all developments are required to complete progress inspections
<i>Progress Deadlines, pg. E-3</i>	Added deadlines for Tax-Exempt Bond developments
<i>Placed-in-Service, pg. E-3</i>	Changed the PIS application deadline to 9 months after the last building placing in service
<i>Recycling Credits, pg. E-5</i>	Developers can request to recycle credits received in 2021 for 2023 credits

2023 DRAFT QUALIFIED ALLOCATION PLAN



South Carolina State Housing Finance
and Development Authority

LOW-INCOME HOUSING TAX CREDIT PROGRAM

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I. INTRODUCTION

The federal Low-Income Housing Tax Credit (the “LIHTC”), including the 4% LIHTC associated with tax-exempt bond financing, is governed by Section 42 of the Internal Revenue Code (the “Code”) and regulations found in Title 26 of the Code of Federal Regulations. South Carolina Code of Laws Section 12-6-3795 governs the state housing tax credit (“STC”).

The Authority, as the designated LIHTC agency for the state, is responsible for the adoption of a Qualified Allocation Plan (“QAP”). The Authority may post bulletins or public notices on its web page; applicants are responsible to check for updates.

II. ADMINISTRATION OF THE QUALIFIED ALLOCATION PLAN

The Authority will make interpretations, apply criteria to facts and/or representations, and resolve all conflicts, inconsistencies, or ambiguities, if any, in the QAP or that arise in administering the LIHTC Program. Unless otherwise stated, the Authority is entitled to the full discretion allowed by law in making all such decisions. In the event of a natural disaster, disruption in the financial markets, or reduction in subsidy resources available, the Authority may disregard any section of the QAP, including point scoring and evaluation criteria, that interferes with an appropriate response. Applicants should seek guidance from the Authority regarding any situation not explicitly addressed in the QAP.

The Authority will honor Freedom of Information Act requests seeking any documents submitted with and/or related to LIHTC applications after reservation documents are executed and returned. The Authority will not notify the Applicant prior to complying with a request or prior to uploading the applications, or any portion thereof, to a web page.

A. Opinions, Certifications and Exhibits

All opinions, certifications and exhibits must be based on an independent investigation into the facts and circumstances surrounding the proposed development. All opinions, certifications, and exhibits must be in the form specified by the Authority. Applications will be disqualified if an opinion, certification, or exhibit has been materially altered, amended, or changed.

All opinions and certifications submitted by attorneys, architects and/or engineers, and CPAs must be on letterhead with original signatures (scanned copies are acceptable).

B. Third Party Professionals

Architects, engineers and CPAs must be independent third-party professionals and be licensed to practice their respective professions in South Carolina. Attorneys may be licensed to practice law in any state, but matters of South Carolina law may be opined upon only by South Carolina licensed attorneys.

III. THRESHOLD PARTICIPATION CRITERIA

A. Required Documentation:

Applications must include the following documentation.

1. MARKET STUDY

A third party independent market study, prepared by an Authority approved market analyst, adhering to the Authority's Market Study Guideline Procedures in Appendix A.

2. PERSONS WITH DISABILITIES

A statement agreeing to abide by the following requirements.

The owner will not give a preference based on disability type (actual or perceived) or being a client of a particular service provider (absent approval from the Authority).

Neither the owner's partners/members nor the property management company may engage in medical, therapeutic, or other activities regulated by the U.S. Centers for Medicare & Medicaid Services with respect to the residents. The owner will:

- expressly include reasonable accommodation in the application for tenancy;
- not ask applicants/residents for medical or other protected information unless and only to the extent legally necessary (e.g., processing reasonable accommodations requests);
- use standard leases with the same rights available to, and responsibilities expected of, all households, including duration of tenancy (i.e., cannot be transitional); and
- ensure participation in any supportive services is entirely voluntary (not a formal or implied condition of occupancy).

3. AFFIRMATIVE FAIR HOUSING

A statement agreeing to adopt and implement an Affirmative Fair Housing Marketing Plan, including outreach, marketing and advertising methods used to attract individuals on public housing waiting lists, prior to placing in service.

4. PHYSICAL NEEDS ASSESSMENT REPORT (PNA) FOR REHABILITATION

An "As Is," pre-rehabilitation PNA prepared and certified by a third-party independent licensed engineer or architect in compliance with Appendix B. "Post-Rehab" PNAs and Property Condition Reports/Assessments do not qualify. The PNA must be dated not prior to 12 months before the application submission date. RD projects may submit the USDA/RD rehabilitation assessment.

At preliminary application, the Authority will schedule an onsite inspection to discuss the proposed scope of work with the Applicant and third-party independent licensed engineer or architect. The PNA submitted at final application must have the items noted at the onsite inspection.

5. RENT ROLL FOR REHABILITATION

A current rent roll certified by the on-site property manager or a representative of the property management company for rehabilitation projects.

6. UTILITY ALLOWANCE SCHEDULE

One of the following:

- a. RD Schedule for those developments financed by and receiving rental assistance from RD;
- b. the current allowance approved by HUD for those developments with 100% project based rental subsidies;
- c. the S.C. State Housing Finance and Development Authority's statewide utility allowance calculation; or
- d. the Energy Star Statewide Utility Allowance for developments built to meet, at a minimum, the Version 3.0 Energy Star Certification (as per Exhibit G form), EarthCraft, LEED, or another Energy Star Certified Program
- e. HUD Utility Schedule Model.

See Exhibit U for an example of a completed utility allowance schedule.

7. RELOCATION CERTIFICATION AND TENANT PROFILE FORM

A detailed, step by step plan describing how any displaced persons will be relocated, including the costs. The Development Team is responsible for all relocation expenses. Rehabilitation projects must submit a FORM 3, Developer Relocation Certification and Tenant Profile Form.

B. Site Control, Ground Leases, and Scattered Sites

1. An application must include one of the following documents executed by a Principal:
 - a. a recorded deed;
 - b. a purchase option (not options on other options) with date certain performance;
 - c. a purchase contract with date certain performance;
 - d. a land lease or option on a land lease either of which must not be for a term of less than fifty (50) years in term; or
 - e. a legally valid assignment of one of the above.The Authority may require a quiet title action be completed prior to placing in service.
2. Projects intended to convert to homeownership after fifteen (15) years may not use land leases.
3. Related party land leases are not allowed without prior approval from the Authority with the exception of local government or public housing authority. The acquisition cost will not be included in the development and operations costs. In all cases the land lessor must execute the Agreement as to Restrictive Covenant.
4. The application must include a copy of the current ownership as indicated in the local tax records.
- 5.. Developments comprised of buildings located on noncontiguous parcels (scattered site) are ineligible for 9% LIHTCs.

C. Zoning

Applications must include proof of proper zoning being in place at the time of application submission, including approval of all necessary special/conditional uses. A letter provided from the City/County official should verify that the proposed development site currently meets the local zoning or land use restrictions.

D. Wetlands, Environmental and Soil Reports

The full application must include:

1. ~~A-~~ a determination regarding the presence or absence of wetlands, including non-jurisdictional wetlands, ~~in accordance with the 1989 Federal Manual for Identifying and Delineating Jurisdictional Wetlands.~~ The Applicant must retain a ~~wetland~~-qualified professional (i.e., biologist, soil scientist) to complete Exhibit W.
2. Phase I Environmental Site Assessment (ESA) report dated not more than six (6) months from the full application deadline.
 - a. The ESA will identify Historical, Controlled and Recognized Environmental Conditions (HRECS, CRECs, and RECs) that impact the suitability of the proposed site and must include the Environmental Professional's opinion on whether the proposed site requires further examination and the rationale used in making this determination. For proposals with existing buildings built before 1978, the report must also include the results from lead-based paint testing. For any HRECs identified, the ESA must demonstrate that previous efforts to mitigate the issue have been completed to the satisfaction of the applicable regulatory authority and/or that the site under consideration meets current criteria established by the regulatory authority and can be used without mandatory controls. For sites with identified CRECs, the ESA must indicate that the REC has been addressed to the standards and satisfaction of the overseeing regulatory authority and identify the remaining controls in place to mitigate the environmental condition(s).
 - b. If the Environmental Professional recommends further examination, the application must include a Phase II ESA. The Phase II ESA must provide a narrative of how the any REC(s) identified will be mitigated using methods recognized and supported by the applicable regulatory authority and the estimated costs of such mitigation.
 - c. The report(s) must be prepared by a third-party, independent, licensed environmental professional as defined in 40 CFR § 312.10(b) and addressed to the Authority. The Environmental Professional cannot be a member or affiliate of the Development Team. The report(s) must be prepared in accordance with the American Society for Testing and Materials Practice Standards E-1527-13, or as amended.
3. Geotechnical Soil Report(s)
 - a. All new construction developments and rehabilitation projects adding a new building must submit a complete site-specific Geotechnical soil report and boring site plan not more than **one (1) year** old at the time of full application.
 - b. The soil report and boring site plan must reflect the results of laboratory test conducted.
 - c. The report must be prepared by a registered professional or a certified testing agency with a current license to practice in the state of South Carolina.

E. Applicant Qualification:

1. Applications must identify all members of the Development Team, which shall consist of the following:
 - Proposed Owner and its Principals
 - Developer and its Principals ~~(and Junior Developer, if applicable)~~

For purposes of this section, Principals include any entity or individual that holds a majority ownership interest in the entity that has material control over the party identified. If the controlling entity includes a nonprofit entity, then Principals include all members making up such controlling entity.

All members of the Development Team must disclose all previous participation in the LIHTC program in any state.

2. No member of the Development Team may be suspended or debarred under Appendix E, Section VIII.
3. The Development Team has an obligation at application submission and an ongoing obligation (including after award) to disclose any and all identities of interest on Exhibit P. An identity of interest means any relationship between any member of the Development Team and
 - the seller of the development site/property;
 - the general contractor or its subcontractors;
 - the lender; or
 - the syndicator.

The Authority may restrict the use of the related party and/or audit all expenditures within the ownership's entity structure.

Developer Award Limit - deleted

F. Required Development Experience

In order to participate in the LIHTC program, the proposed owner's general partner(s) or managing member(s) must have experience within the last ten (10) years in

- two (2) LIHTC projects in South Carolina; or
- four (4) LIHTC projects in other states.

Each project must have received its 8609s, placed in service, and reached stabilized occupancy. The general partner or managing member must have held a controlling stake from initial application through certificate of occupancy ~~or a minority stake of at least 25% as a Junior Developer~~, as reflected on Exhibit K and related documentation.

The Authority may use other criteria as necessary to evaluate whether the Development Team has sufficient experience and capacity to successfully develop the project.

G. Required Management Experience

1. The Application must identify the proposed management entity for the development at the time of full application and the Owner will be required to submit management entity's plan at the time of the real estate closing, but no later than 12 months from the allocation date ~~and the application must include the entity's management plan~~. The proposed management entity must have at least three (3) LIHTC developments in their current portfolio that it has successfully and continuously managed for the past three (3) years as reflected on Exhibit Y and related documentation. Successfully managing means strict adherence to a detailed written management plan that addresses all of the following:
 - a. separation of duties and adequate supervision of employees;
 - b. senior management oversight and review through internal audits;
 - c. staffing dedicated to compliance reviews of tenant eligibility and programmatic documentation;
 - d. approval process for evictions by consensus of senior or regional managers;

- e. physical inspection policies (frequency, generation of work orders, lease violations for housekeeping or other noncompliant resident behaviors);
 - f. recordkeeping (including tenant certifications, annual owner certifications, HOME Rent Approvals, if applicable);
 - g. security of records containing personally identifiable and other protected information
 - h. marketing plan and marketing efforts;
 - i. reasonable accommodation plans and policies; and/or
 - j. procedures for addressing tenant complaints.
2. The Authority may notify a management company of being ineligible to be part of an awarded application. The reasons for ineligibility include low average occupancy rates, delays in returning vacant units to market ready condition, or other poor performance. If listed in a submitted or awarded application, the Applicant must find an eligible replacement.
 3. The lead contact person for the management entity must be certified as a LIHTC compliance specialist by an eligible organization, including: the National Association of Home Builders, Nan McKay, the National Affordable Housing Management Association, TheoPro Compliance & Consulting, Quadel Consulting, Spectrum Seminars, the National Center for Housing Management, Compliance Solutions (Zeffert & Co), Elizabeth Moreland Consulting, Novogradac & Company, Liz Bramlet Consulting, A.J. Johnson Consulting; and, Specialists in Housing Credit Management (SHCM), or any entity offering a functionally equivalent LIHTC certification.

H. Required Capacity

The Authority will assess the financial capacity of the individuals and/or entities proposed as managing members or general partners based on their financial statements. The Authority will accept only financial statements audited, reviewed, or compiled by an independent CPA on or after December 31, 2021¹⁰. Statements prepared on the income tax basis or cash basis must disclose that basis in the report. The Authority may request additional financial documentation as deemed appropriate by Authority Staff to determine financial capacity of the parties involved as part of the project review process.

The Authority may disqualify a Development Team due to insufficient overall capacity to undertake additional commitments including but not limited to commencing construction in a timely manner, meeting the 10% expenditure test without an extension, placing in service without an extension or exchange, having no projects with recaptured LIHTCs, and meeting other statutory completion deadlines.

I. Appraisals

1. Applications must include a commercial real estate appraisal identifying the Authority as an authorized user, noting the Authority may rely on its representations.
 - The appraiser must be licensed by the South Carolina Real Estate Appraisers Board as a State Certified General Real Estate Appraiser (a temporary practice permit does not qualify). An appraiser in good standing with an active license in another state must obtain a reciprocal license with the South Carolina Real Estate Appraisers Board.
 - [The appraisal must be completed by an appraiser listed on the SC Housing Approved Appraisers list.](#)
 - The appraisal must be prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP).
 - Comparable properties must be located in the proposal's sub-market. If none exist, comparable properties must be located in the proposal's county or an adjacent county.

- If a property's acquisition price exceeds the appraised value, the Authority will write down the purchase price to the appraised value.
 - The Authority may hire another appraiser at the applicant's expense.
2. For new construction developments, the appraiser must value land using acreage as a measurement without regard to any contemplated improvements/restrictions. The value must be based on comparable land sales in the sub-market or the value of the "land only" portion of improved sales in the sub-market with common zoning characteristics. Such sales may not be exclusive to previous LIHTC developments.
 3. For acquisition/rehabilitation developments, the appraisal must report land value and "as is" building(s) value separately, with the As-Is Building Value provided both
 - as if market rents are in place, not considering the unique aspects of below-market financing, federal subsidies and/or LIHTCs in this value estimate, and
 - based on current restricted rents (not post rehab) taking into consideration the unique aspects of below-market financing, federal subsidies and/or LIHTCs in this value estimate.
 4. For RD funded developments only, the appraisal must add together the values for "As-Is, Restricted Rents" and "Interest Credit Subsidy" to arrive at the appraised value. If the purchase price includes acquired reserves (cash), the reserves should be deducted from the purchase price before the comparison to appraised value.
 5. The appraisal must disclose and quantify the valuation loss attributable to detrimental characteristic(s) in close proximity to the development being appraised.

J. Mandatory Site Requirements

The Authority may reject a site based on information submitted in the application, site review findings, or other information.

1. At a minimum, the sites must comply with the following:
 - a. The surrounding area is residential or a mix of commercial uses appropriate to the targeted tenants; and
 - b. Water and Sewer utility tie-ins are accessible and within 500 feet of the parcel line as verified by a letter from the City/County official or utility provider.
2. The following detrimental characteristics will result in an application being disqualified:
 - a. Proposing to subdivide an existing development into two (2) or more developments.
 - b. Proposing more than one new construction phase of the same project in the same funding cycle regardless of the tenant targeting. This includes, but is not limited to, subdividing a single parcel in the same funding cycle or proposals from the same or related members of the Development Team located adjacent to, in proximity to, or directly across the street from another proposed site.
 - c. Sites where the Authority determines the slope/terrain is not acceptable for affordable housing development as indicated by combined site and site preparation costs that exceed the cost of comparable existing buildable land in the area.
 - d. Any site listed on the National Priority List under the Comprehensive Environmental Response, Compensation, and Liability Act or that requires the execution of voluntary or involuntary cleanup agreements with Department of Health and Environmental Control or other third-party organizations as noted in a Phase II environmental assessment report (unless fully completed).
 - ~~d.~~e. Applications for new construction developments located within one (1) mile of a 2021 or 2022 awarded new construction development posted on the Authority's Proposed & Existing LIHTC

and Tax-Exempt Bond Developments list located on the Authority's website. The distance will be measured using the shortest distance, in a straight line, from the closest site boundary line of the proposed site to the closest site boundary line of the previously awarded development.

3. The Authority may disqualify new construction applications based on the following. Distances indicated are the shortest straight line between the boundary or property lines.
 - a. Sites where a nearby active railroad causes excessive noise and vibration. The application should include a map showing the distance to any railroad tracks within 1,000 feet.
 - b. Sites within 2,500 feet of a civil airport or 15,000 feet of a military airfield if the site is located within the Runway Clearzone or Protection Zone (civilian and military airports) or Accident Potential Zone (military airports);
 - c. Sites within one-quarter (1/4) mile of the following:
 - an operating commercial beef/hog/chicken/turkey farm or processing plant;
 - a treatment, storage, or disposal facility for hazardous wastes, an active or inactive solid waste disposal facility and/or solid waste transfer facility; or
 - a sewage treatment plant;
 - d. Sites within 500 feet of the following:
 - commercial junkyard or salvage yard; trash heap, dump pile, or other eyesore;
 - above ground commercial bulk storage (any one tank over 1,500 gallons or multiple tanks exceeding 1,500 gallons total) or distribution facilities for propane/butane gas, hazardous chemical or petroleum/gasoline;
 - adult video/entertainment clubs and stores; or
 - operating industrial facility, including but not limited to steel manufacturers, oil refineries, ports, chemical plants, plastic manufacturers, automotive and engine parts manufacturers, food processing plants.

K. Market Requirements

Proposed developments must be economically viable as justified by the market study findings and meet the following requirements:

1. CAPTURE RATE

All developments must have a capture rate at or below 30%.

2. ABSORPTION/LEASE-UP PERIODS

Developments must have absorption/lease-up periods of 12 months or less.

3. SAME MARKET AREA

Applications may not be for the same tenant populations within the same defined market area of existing Authority funded developments (including but not limited to LIHTCs, tax exempt bonds, small rental development) that have vacancy rates greater than ten percent (10%) during the second and fourth quarter of the previous year's operations. The Authority may make exceptions if the reason is not a market issue.

The analyst must reach a specific conclusion regarding whether the proposal would cause a lease-up or occupancy problem for any existing or awarded (not yet built) LIHTC project in the primary market area.

L. Targeting, Public Housing Agency Waiting Lists, and Average Income

1. The Application must state whether the development will target families or older persons as described below.
 - a. **Family Development:** For new construction developments, at least
 - twenty-five percent (25%) of the low-income units must contain three (3) or more bedrooms and
 - ten percent (10%) must be one (1) bedroom, studio, or single room occupancy.
 - b. **Older Person Development:** All new construction developments are limited to studios, one (1) bedroom or two (2) bedroom units and must be accessible by elevator for all floors above ground level.
2. All developments must serve individuals on Public Housing agency waitlists. After award, the Owner must send a letter to the PHA confirming it intends to serve individuals on the PHA waiting lists.
3. Applications awarded in ~~2022-2023~~ may utilize the average income minimum set-aside. Projects utilizing the average income set-aside may not
 - contain market-rate units,
 - propose average designations exceeding 60% of area median income (AMI) for any bedroom type (pro-rata distribution), or
 - change a unit designation without Authority approval.The Authority may waive the foregoing, if necessary, for a rehabilitation application to better fit the household incomes of in-place tenants.

For projects with more than one building, owners must select that each building is part of a multiple building set-aside on the IRS Form(s) 8609.

M. Mandatory Design Criteria

Projects must comply with the applicable minimum design requirements, ~~including for application submission~~, in Appendix B. The applicant must request any waiver of the mandatory design criteria specified in the QAP and Appendix B no later than 30 days prior to the full application submission deadline.

N. ~~Rehabilitation~~ Minimum Rehabilitation Hard Costs and Permanent Displacement

1. The PNA for rehabilitation projects must show a minimum of \$40,000 per unit in hard construction costs, excluding major systems that have been replaced within the past seven (7) years. At least \$20,000 must be attributed to the interior of the units.
2. Buildings in senior projects with units entirely on floors above the ground level must install elevators. The application must support the costs reflected in the application.
3. No more than ten percent (10%) of the existing tenants may be permanently displaced and any such displacement must have advance approval from the Authority.
4. All buildings must be at least twenty-five (2015) years old and not be deteriorated to the point of requiring demolition.

O. Financial Underwriting

1. Development Costs

a. The Authority will

- determine which new construction projects show development budget amounts outside the standard deviation, and
- require all such applicants to provide explanations.

Inability to explain the costs may result in disqualification of the application.

b. The Authority will evaluate development costs and may adjust costs for reasonableness, necessity, and eligibility or disqualify applications not reflecting an efficient use of federal and/or state LIHTCs.

2. Reserve Requirements

a. Operating Reserves

Developments with loans from RD may satisfy the operating reserve requirement by establishing and maintaining the RD-required operating and maintenance capital reserve account.

Developments not subject to the RD reserve requirements must establish and maintain minimum operating reserves equal to six (6) months of:

- projected operating expenses; and
- must-pay debt service.

For any budgeted reserves in excess of the requirement above, justification and support must be provided for the excess amounts (required by syndicators or lenders). If the justification and support is not provided or is insufficient, these reserves may be written down to the Authority requested amounts.

The reserve must be funded prior to issuance of 8609s and must be maintained throughout the compliance period. Reserves must remain with the property at the time of the investor exit.

b. Replacement Reserves

Developments must establish and maintain minimum replacement reserves throughout the compliance period of \$300 per unit annually. Any additional reserves must be required by the syndicator and verified in writing and may not exceed \$450 per unit annually or the RD-required minimum. The reserves must be reflected in the development's annual audited financial statements.

Replacement reserves must be funded with annual deposits from operational cash flow (not pre-funded) during the initial twenty (20) years.

3. Maximum Developer Fees, Developer Overhead, and Consultant Fees (the "Fees")

The sum of Fees may not exceed the following:

a. New Construction and Rehabilitation — the lesser of fifteen percent (15%) of Total Development Costs less Land, Consulting Fees, Developer Fees, Developer Overhead, Other Developer Costs and Reserves, or:

A cumulative amount of:

a. —

- \$15,000\$25,000 per unit for the first 50 units up to 48 units
- \$14,000 per unit for units 49-60 \$20,000 per unit for units 51 - 100
- \$13,000 per unit for units 61-90 \$15,000 per unit for any units more than 100

~~b. **Rehabilitation** the lesser of twenty five percent (25%) of the line item for hard construction costs or \$800,000.~~

~~c. The maximum amount of Fees is capped at award and may not increase thereafter.~~

4. **Deferred Developer Fee**

- a. Developer fees can be deferred to cover a gap in funding sources when:
 - The entire amount will be paid pursuant to the standards required by the Code to stay in basis;
 - The deferred portion does not exceed fifty percent (50%) of the total at full application submission. This limitation will not apply when the Placed-in-Service application is submitted if a greater deferral of developer fee is necessary for project feasibility;
 - Payment projections do not jeopardize operations; and
 - The application includes a statement describing the terms of the deferred repayment obligation, any interest rate charged, and the source of repayment.
- b. Nonprofit organizations must include a resolution from their Board of Directors authorizing a deferred payment obligation from the development.
- c. The submitted cost certification must include a Note evidencing the principal amount and terms of repayment of any deferred repayment obligation.

5. **Contractor Cost Limits and Cost Certification**

The combined total of Contractor Profit, Overhead, and General Requirements (the “Contractor Fees”) shall be limited to fourteen percent (14%) of Hard Construction Costs, of which 6% is contractor profit, 2% is overhead and 6% is general requirements. For new construction developments, the contractor contingency may not exceed five percent (5%) of hard construction costs. For rehabilitation and adaptive reuse developments, the contractor contingency may not exceed ten percent (10%) of hard construction costs.

At placed in service, all awarded Development Teams must submit a Contractor Cost Certification as to the actual costs incurred in construction of the project. A CPA must perform an audit and issue an opinion letter in accordance with Generally Accepted Accounting Principles and Generally Accepted Auditing Standards and execute the CPA Certification Form. The Cost Certification will include an audit opinion letter from a CPA certifying the contractor’s actual costs. The Authority will use industry standards to determine the total actual allowable cost for construction and may reduce the LIHTC allocation.

6. **Annual Operating Expenses**

All applications must submit projected annual operating expenses between \$3,500 and \$5,000 per unit per year, excluding reserves, property taxes, and the annual compliance monitoring fees. The Authority may consider waivers on this operating expense range if special circumstances apply. Placed-in service applications may utilize the annual operating expense range represented in the QAP that is current at the time that the placed-in-service application is submitted to the Authority.

7. **Debt Coverage Ratio**

The development’s first year DCR must be within the range of 1.15 to 1.45. A proposed development may exceed the maximum for financial feasibility purposes, but the Authority will use the maximum when calculating the LIHTCs. The pro-forma must demonstrate maintaining not less than a 1.10 DCR throughout the first 20 years of operations.

The Authority will waive the 1.45 maximum if the initial projected annual Cash Flow/Unit does not exceed nine hundred dollars (\$900).

8. Expense Coverage Ratio

For developments without repayable debt, the initial Expense Coverage Ratio must be a minimum of 1.10 and the initial projected annual cash flow per unit may not exceed \$900.

9. Funding Sources

Applications with “soft loans” (e.g., Affordable Housing Program, Deferred Developer Fees) must adequately explain the repayment terms. Income generated by a property during the construction or rent up period may not be used as a funding source.

If the development is eligible for ~~historic tax~~ other types of tax credits, the application must include an Exhibit OC demonstrating the calculation of the equity generated by each of the other types of credits. This exhibit must include information on the basis, annual credit amount, the syndication factor, and any other variables that determine the equity to be generated by the other types of tax credits~~a detailed narrative description of the calculation of eligible basis for the historic credit.~~

10. Permanent Financing

- a. Applications must include a letter of intent for all permanent financing sources. The Authority will underwrite debt from a bank or other private sector lender at the amount-interest rate determined based on a survey of lenders. The letter must clearly state:
 - i. the term;
 - ii. the amortization period;
 - iii. how the interest rate will be indexed;
 - iv. the current rate at the time of the letter;
 - v. the anticipated principal amount of the loan; and
 - vi. the lien position.
- b. All permanent loans must have a term of at least fifteen (15) years. No balloon payment may be due prior to fifteen (15) years after conversion to permanent. All permanent loans must amortize so that debt service is paid in equal installments over a period between thirty (30) and forty (40) years (fifty (50) years for RD properties).
- c. ~~All cash flow loans and related party loans will be considered additional deferred developer fee and included for purposes of the 50% deferral limit.~~

11. Annual Rent, Expense Trends and Vacancy Rates

The Authority will increase rents two percent (2%) annually and operating expenses three percent (3%) annually. The vacancy rate will be the greater of seven percent (7%) or as represented in the market study.

For rehabilitation developments with project based rental assistance on at least fifty percent (50%) of the total units, the Authority will consider allowing a five percent (5%) vacancy rate if the development can demonstrate a history of lower vacancy rates for an extended period of time.

For new construction developments with project based rental assistance on at least seventy-five percent (75%) of the total units, the Authority will allow a five percent (5%) vacancy rate.

The applicant must request the five percent (5%) vacancy rate and provide justification. The Authority will make the final determination of whether to utilize a five percent (5%) vacancy rate for underwriting.

12. Other Income

Application must clearly specify any projected income from services or charges other than monthly rental of units. Other Income projections may not exceed three percent (3%) of the total potential annual rent.

13. **Brokering / Reselling of Services to Tenants**

Applications may not include revenue and expenses resulting from acting as a broker or reseller of services to tenants.

14. **Minimum Hard Cost Requirement**

Applications must reflect a minimum hard cost ratio of not less than sixty-five percent (65%) of total development costs.

Hard Costs are the following line items on the development cost budget in the Application:

- Land
- Existing Structure
- Demolition
- Other (Land & Buildings)
- On Site Improvement
- Off Site Improvement
- Other (Site Work)
- New Building
- Rehabilitation
- Accessory Building
- Contractor Contingency

15. **Rent Allowances for Project Based Rental Developments**

~~Developments with HUD approved Housing Assistance Payments contracts or RD approved rental assistance contracts may increase the contract rents.~~

~~Applications for projects with RD contracts must submit a letter from the Columbia RD Office approving and setting rents above the approved contract rents. At full application, acquisition/rehabilitation developments with existing HUD approved Housing Assistance Payments (HAP) contracts/NOF or RD approved rental assistance contracts may propose increase rents above higher than the current approved contract rents if:~~

- ~~a. the third party market study submitted in the application package supports the higher rents;~~
- ~~b. a copy of the approved rent schedule currently in effect is also submitted; and~~
- ~~c. a copy of the pre-development/rehabilitation Rent Comparability Study, if performed before the full application deadline, is submitted.~~

~~For new construction applications, evidence that an application for rental assistance has been submitted and received by the appropriate federal agency; or a copy of the approved contract/NOF if one exists.~~

~~At placed in service application submittal, the following must be submitted:~~

- ~~a. a copy of the current contract/NOF from the appropriate federal agency;~~
- ~~b. a copy of the post-development/rehabilitation Rent Comparability Study; and~~
- ~~c. a copy of the approved rent adjustment document in effect on the placed in service date.~~

16. **Syndication Information**

The Authority will underwrite federal and state LIHTC investment using syndication rates determined based on a survey of equity providers and will post the results no later than 60 days before the full application deadline.

17. **Ground Leases**

The Authority will underwrite debt related to the lease at the lesser of its actual terms or the annual debt service produced by amortizing the appraised value of the land at the same rate and terms as the permanent loan over a term of 50 years. The DCR rules in this QAP will apply.

IX. POST AWARD AND 4% LIHTC POLICIES AND PROCEDURES

The policies and procedures applicable to projects awarded in the competitive funding cycle and to 4% LIHTC applications and awards are set forth in the Appendix E, the LIHTC Manual.

X. AMENDMENTS TO THE QUALIFIED ALLOCATION PLAN

The Authority may amend this QAP as needed. All amendments shall be fully effective and incorporated herein immediately.

APPENDIX C1 - 9% LIHTC

I. APPLICATION AND AWARD LIMITATIONS

A. ~~9% LIHTC~~ Applications

Unless otherwise specified, all QAP and Appendix references to “application” refer to the full application. A member of a Development Team (as defined herein) may not be associated with or submit more than four (4) full applications; there are no limits on preliminary applications.

To be considered in the competitive round, all applications must be submitted by the required due dates as specified in the LIHTC Program Schedule.

B. ~~LIHTC~~ Award Limitations

1. The Authority will not award more than two (2) applications and no more than \$~~23~~²,000,000 in ~~in~~ federal LIHTCs to any member of a Development Team. Additionally, the Authority will not award more than \$2,000,000 in federal LIHTCs to any one (1) application.

~~A member of a Development Team may exceed the award and submission limits above for one (1) application meeting the following criteria for a Junior Developer or partnering with a nonprofit:~~

- ~~e. Involves both a “Senior Developer” who has successfully placed at least three (3) South Carolina LIHTC projects in service within the prior five (5) years and “Junior Developer” or nonprofit that does not meet capacity and experience requirements.~~
- ~~f. The Junior Developer or nonprofit has a stake of at least 25% but no more than 49.9% in the general partner or managing member of the Owner entity.~~
- ~~g. The Junior Developer or nonprofit was incorporated or otherwise established prior to January 1, 2021, with staff employed and other resources deployed for the development of affordable housing prior to July 1, 2021. If the Junior Developer is a tax-exempt entity, its bylaws must identify housing as a mission.~~
- ~~h. The Senior and Junior Developers or nonprofit do not have an identity of interest.~~
- ~~i. The application includes a material participation agreement identifying the project and how development responsibilities will be divided. Material participation means the regular, continuous and substantial involvement in the operation of the development throughout the compliance period, as defined by the Code.~~

For purposes of the maximums in this section, the Authority may determine that a person or entity not listed in an application is a member of the Development Team for the proposed project based on relationships between the parties in previously awarded projects and other common interests. Standard fee for service contract relationships (such as accountants or attorneys) will not be considered.

2. The Authority will not award more than ~~two one (1)~~ new construction applications per county that received an award of tax credits in the prior year and will not award more than two (2) new construction applications per county in all other counties. ~~. If the selection criteria would result in exceeding these amounts across set-asides, the Authority will make awards in the order listed in Section I(B).~~

3. Subject to the limitations in paragraph 2 above, the Authority will not award more than one (1) 9% LIHTC project targeting older persons per Group A county as defined in Section III Application Grouping and Set-Asides.

If the selection criteria would result in exceeding these amounts across set-asides, the Authority will make awards in the order listed in Section III(B).

II. APPLICATION REVIEW AND RECONSIDERATION PROCESS

In computing the periods of time in this Section III, the date of the notification is not included in the calculation of days. Any intervening Saturday, Sunday or a State holiday, likewise, is/are not included in the calculation of days.

A. Missing and/or Incomplete Documents

The Authority will notify Applicants in writing of any

- missing and/or incomplete documents, and/or
- submitted documents requiring clarification.

The applicant must respond by 5:00 p.m. (Eastern) on the ~~third~~ fifth business day.

Applicants may only provide documentation that existed at the time of the application deadline.

Documentation provided in response to Authority requests will not increase an application's point score.

B. Disqualification and Scoring Review

1. The Authority may provide Applicants with three (3) business days to respond to a request for clarification. The applicant must respond by 5:00 p.m. (EST) on the third business day.

Responses to clarifications cannot modify an application or provide documentation that was not submitted as part of the original application.

2. The Authority will notify Applicants in writing of proposed disqualifications and preliminary point scores. Applicants have three (3) days to respond to the potential disqualification and/or preliminary point score. The applicant must respond by 5:00 p.m. (EST) on the third business day.

The response must be limited to:

- the Applicants' opinions regarding the Authority's determinations;
- references to information submitted in the original application; and/or
- explanations of previously submitted documentation.

3. The Authority will post the disqualifications and point scores to its website.

C. Reconsideration Process

1. The process described in this section is the exclusive means by which an Applicant may request reconsideration of a disqualification and/or a point score. The Authority will not consider information

submitted outside of these processes, whether in writing or otherwise. Applicants may request reconsideration only for applications in which they qualify as a member of the Development Team.

2. Applicants may request a reconsideration of a disqualification and/or a point score in writing via:
 - hand delivery or overnight courier; and
 - email to reconsiderations@schousing.comby 5:00 p.m. (EST) within three (3) business days of the date of the disqualification and/or point score determination. The request will not be processed without receipt of the fee within the specified time frame.
3. The request must specifically identify the grounds for the reconsideration request using only the application, any materials provided under the process described in Section II ~~I~~(B), documents then existing in the Authority's file, and documentation explaining previous submissions. The burden of proof is on the Applicant to demonstrate any errors in the review and/or point scoring process.
4. The Authority's Legal Department will forward the reconsideration request, along with the Authority staff's response, to a Hearing/Review Officer to make a recommendation on the reconsideration request to the Review Committee. The Applicant and staff are copied on this correspondence. The Hearing/Review Officer may request additional information and/or conduct a meeting with the Applicant and Authority. Neither the Applicant nor Authority staff shall demand or request the Hearing/Review Officer to request additional information or conduct a meeting or conference regarding the reconsideration request. The Hearing/Review Officer does not represent any party.
5. In the event the Hearing/Review Officer recommends overturning the original decision, the Authority's Legal Department will provide the reconsideration request, staff's response, and the Hearing/Review Officer's recommendation to a Review Committee appointed by the Authority's Chairman of the Board of Commissioners. The Review Committee shall consist of at least three members, but may be more so long as the number of members of the Review Committee remains an odd number. The Review Committee shall not include any Development Division staff. The Review Committee may review any or all documents submitted to the Hearing/Review Officer, the Hearing/Review Officer's report and recommendation, documents from the application or the Authority's file, or may make independent inquiry into the matters concerning the reconsideration request. The Authority retains final decision-making authority on any reconsideration request, and the Review Committee's determination is the final decision of the Authority.
6. In the event the Hearing/Review Officer recommends upholding the original decision, the original decision is the final decision of the Authority. The Authority retains final decision-making authority on any reconsideration request.
7. No party may have ex parte communications with the Hearing/Review Officer regarding the reconsideration request or any related topic from the filing of the reconsideration request until the Authority renders its final determination. Ex parte communication includes, but is not limited to,
 - unsolicited communication with the Hearing/Review Officer, or
 - failing to copy the Authority in response to a request by the Hearing/Review Officer.Any violation may result in disqualification of the pending application and suspension from participation in future funding cycle(s) for all of the development team members, regardless of which team member initiated the prohibited contact.

D. Final Scoring Decision

Upon completion of the reconsideration process, the Authority will post final point scores to the Authority's website. If there is a tie between developments when final point scores are determined, the Authority will utilize the Tie Breaker Criteria outlined in this QAP to determine the development(s) to be awarded LIHTCs.

III. APPLICATION GROUPINGS, SET-ASIDES AND REQUIREMENTS

A. County Groups

For purposes of this QAP, counties fall into one of two groups:

1. **Group A:** Aiken, Anderson, Beaufort, Berkeley, Charleston, Dorchester, Georgetown, Greenville, Horry, Jasper, Lancaster, Lexington, Richland, Spartanburg, and York
2. **Group B:** Abbeville, Allendale, Bamberg, Barnwell, Calhoun, Cherokee, Chester, Chesterfield, Clarendon, Colleton, Darlington, Dillon, Edgefield, Fairfield, Florence, Greenwood, Hampton, Kershaw, Laurens, Lee, Marlboro, Marion, McCormick, Newberry, Oconee, Orangeburg, Pickens, Saluda, Sumter, Union, and Williamsburg

B. Set-Asides

The Authority will place Applications for 9% LIHTCs in one of the set-asides below. The percentages are of 9% LIHTCs available to the state in ~~2022~~2023. The Authority will award LIHTCs starting with eligible applications earning the selection criteria ranking within each of the set-asides and continuing in descending order through the last application that can be fully funded within the range of LIHTC available in each of the set-asides.

1. HIGH-DEMAND NEW CONSTRUCTION (~~50-60~~35 - 45%)

New construction projects located in a Group A county.

2. REHABILITATION (~~10-15~~15-20%)

Rehabilitation projects. The Authority will award \$600,000 of this set-aside to RD projects (or the total among eligible applications if less).

3. GENERAL NEW CONSTRUCTION (~~15-23~~25 -30%)

New construction projects located in a Group B county.

For purposes of this QAP, "Rehabilitation" shall mean a project where all of the units are in one or more currently existing residential building(s). Applications including any of the following will be considered "New Construction":

- adaptive re-use;
- redevelopment of entirely vacant residential buildings; and/or
- proposals to increase and/or substantially re-configure residential units.

4. INNOVATION (0-25%)

Applicants may request consideration under the Innovation set-aside by including a narrative describing how the proposed development would be new or unique to South Carolina because of:

- design elements,
- populations served,
- services provided, and/or
- other characteristics.

The Authority may award one (1) application without respect to scoring criteria. In its sole discretion, the Authority may also choose to not make an award.

C. Nonprofit Set-Aside

If necessary, the Authority may adjust the allocations of awards of the state's federal tax credit ceiling under the QAP to award projects involving tax-exempt organizations (nonprofits). The Authority may adjust such awards to allow up to approximately ten percent (10%) of the state's federal tax credit ceiling being awarded to such projects. In its sole discretion, the Authority may also choose to roll forward up to approximately ten percent (10%) of the state's federal tax credit ceiling.

1. Eligible nonprofit organizations must meet the following criteria:
 - is a tax-exempt organization under Section 501(c)(3) or 501(c)(4) of the Code;
 - has three (3) full-time staff whose responsibilities include the development of housing;
 - is qualified to do business in the State of South Carolina, as evidenced by having a status of "Good Standing" with the South Carolina Secretary of State's Office;
 - has among its exempt purposes the development of low- income housing; and
 - complies with the requirements for material participation contained in the Code, including but not limited to a narrative statement, certified by a resolution of the nonprofit's Board of Directors, describing the nonprofit's plan for material participation during the development and compliance period and participation must be continuous and ongoing throughout the compliance period.
2. The nonprofit organization or the wholly owned single-asset entity subsidiary must own (directly or through the partnership) at least 51% interest in the general partner (GP) or managing member (MM) of the Owner entity in accordance with current laws and IRS regulations throughout the development's compliance period.
3. The nonprofit GP or MM may be an association or alliance of eligible nonprofit organization(s) and a for profit organization(s).
4. Fees paid to third party development consultants, evidenced by the cost certification, must not exceed \$35,000. The consultant fee must be for legitimate and necessary consulting services.
5. Only the nonprofit GP or MM has the authority to exercise substantial and ongoing continuous control over the application submission process and over the subsequently produced development. All functions and responsibilities normally performed or undertaken by a GP or MM must be performed by the nonprofit.

D. Size Requirements

New construction developments in any county may not consist of fewer than 40 affordable units and new construction developments may not consist of more than the following affordable units based on its county grouping:

- Group A Counties: 90 units
- Group B Counties: 60-70 units

E. Maximum LIHTCs Per Unit

The Authority will post maximums for the 9% LIHTC along with the syndication survey results.

F. City/County/Legislative Notification:

The applicant must provide signed notification letter(s) addressed to the following:

- the highest official of the locality (i.e. Mayor or County Administrator),
- the State Representative and State Senator of the district in which the development is to be located, and
- each City/County Council member.

The Authority will deliver the letters.

A form notification letter will be available on the Authority's website and must include the following:

1. The proposed Owner's name, phone number, and mailing address.
2. Development information
 - project type (rehabilitation, new construction, or adaptive reuse);
 - number of units;
 - acreage of proposed site;
 - target population (family or elderly); and
 - address of proposed site.
3. The property is applying for LIHTCs and STCs.
4. A statement offering to meet and discuss the proposed development.

G. Basis Boost

The Authority has determined that all areas of the state are eligible for a boost in eligible basis of up to 130%.

IV. NEW CONSTRUCTION SCORING CRITERIA

A. ~~Positive Site Characteristics~~ Distance to Amenities

Driving Distance in Miles

<u>Max - 26 points</u>	<u>High Demand New Construction</u>			
<u>Primary Amenities</u>	<u><1</u>	<u><1.5</u>	<u><2</u>	<u><3</u>
<u>Grocery</u>	<u>12</u>	<u>10</u>	<u>8</u>	<u>6</u>
<u>Shopping</u>	<u>7</u>	<u>6</u>	<u>5</u>	<u>4</u>
<u>Pharmacy</u>	<u>7</u>	<u>6</u>	<u>5</u>	<u>4</u>

<u>Max – 15 points</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Secondary Amenities</u>	<u><1</u>	<u><1.5</u>	<u><2</u>
<u>Other Primary Amenity</u>	<u>5</u>	<u>4</u>	<u>3</u>
<u>Services</u>	<u>3</u>	<u>2</u>	<u>1</u>
<u>Healthcare</u>	<u>3</u>	<u>2</u>	<u>1</u>
<u>Public Facility</u>	<u>3</u>	<u>2</u>	<u>1</u>

<u>Public School</u>	<u>3</u>	<u>2</u>	<u>1</u>
<u>Senior Center</u>	<u>3</u>	<u>2</u>	<u>1</u>
<u>Retail</u>	<u>3</u>	<u>2</u>	<u>1</u>

Max - 26 points	General New Construction			
<u>Primary Amenities</u>	<u><2</u>	<u><2.5</u>	<u><3</u>	<u><4</u>
<u>Grocery</u>	<u>12</u>	<u>10</u>	<u>8</u>	<u>6</u>
<u>Shopping</u>	<u>7</u>	<u>6</u>	<u>5</u>	<u>4</u>
<u>Pharmacy</u>	<u>7</u>	<u>6</u>	<u>5</u>	<u>4</u>

Max – 15 points	-	-	-
<u>Secondary Amenities</u>	<u><2</u>	<u><2.5</u>	<u><3</u>
<u>Other Primary Amenity</u>	<u>5</u>	<u>4</u>	<u>3</u>
<u>Services</u>	<u>3</u>	<u>2</u>	<u>1</u>
<u>Healthcare</u>	<u>3</u>	<u>2</u>	<u>1</u>
<u>Public Facility</u>	<u>3</u>	<u>2</u>	<u>1</u>
<u>Public School</u>	<u>3</u>	<u>2</u>	<u>1</u>
<u>Senior Center</u>	<u>3</u>	<u>2</u>	<u>1</u>
<u>Retail</u>	<u>3</u>	<u>2</u>	<u>1</u>

Full Service Grocery – must be part of a chain, have a minimum size of 12,000 square feet and operate with regular business hours offering a full range and variety of foods, cleaning products and paper products. Variety of foods must include: 1.) meats, poultry and fish; 2.) breads and cereals; 3.) fresh vegetables and fruits; and 4.) dairy products.

Shopping – a big box store, shopping plaza or mall containing multiple stores stocked with many varieties of goods including all of the following: 1.) clothing; 2.) housewares; 3.) cleaning products; 4.) general over the counter medicine or first aid products; and 5.) personal hygiene.

Pharmacy – does not include specialty pharmacies or drug services; or pharmacies or drug stores only available for patients of a designated medical practice or facility.

Other Primary Amenity – second Grocery, Shopping or Pharmacy not used as a Primary Amenity

Services – restaurant, bank/credit union, or gas station with convenience store.

Healthcare – hospital, urgent care, general/family practice, or general dentist. Does not include medical specialists.

Public Facility –

- community center with scheduled activities operated by local government,
- public park owned and maintained by local government containing, at a minimum, playground equipment and/or walking/bike trails and listed on a map, website or other official means; greenway or trailhead does not qualify
- library operated by the local government and open a minimum of five days a week

Public School – only eligible for family properties

Senior Center – only eligible for senior properties

Retail – any grocery or shopping not listed as a primary or other primary amenity; any strip shopping center with a minimum of 4 operating establishments; or any general merchandise establishment. All establishments must be open to the general public and operating as of the preliminary application deadline with no announced closing prior to the notification of the final point scores.

The driving distance will be the mileage as calculated by Google Maps and must be a drivable route as of the preliminary application deadline. The drivable route must be shown in satellite view map format along with written directions. A photo of each amenity must also be provided. The measurement will be at any point of the site's road frontage to **or from** the amenity entrance and the same site entrance will be used for all measurements. Driveway, access easements, and other distances in excess of 500 feet between the nearest residential building of the proposed project and road shown on Google Maps will be included in the driving distance.

A single establishment may qualify for points under multiple categories.

~~Applications may be awarded up to 50 points for the following positive site characteristics:~~

- ~~1. Up to 30 points for the site's Census relative tract score on the Palmetto Opportunity Index (POI), as indicated in Appendix C. The Authority will:~~
 - ~~• separate High Demand from General;~~
 - ~~• sort the POI scores in descending order;~~
 - ~~• award 30 points to the application with the highest total, and~~
 - ~~• award points to the remaining applications based on their percentage of the highest.~~~~If the proposed development is located in more than one tract, the score will be that of the lowest tract.~~
2. Up to 10 points based on the number of jobs paying between \$1,251 and \$3,333 per month in a one-mile radius for Group A counties and a two-mile radius for Group B, as displayed on the U.S. Census Bureau's OnTheMap tool for the Longitudinal Employment Household Dynamics database. The Authority will use the most current year available as of the preliminary application deadline.

Applications will earn points as follows:

- 10 points for at least 5,000 jobs.
 - 8 points for 4,000 to 4,999 jobs.
 - 6 points for 3,000 to 3,999 jobs.
 - 4 points for 2,000 to 2,999 jobs.
 - 2 points for 1,000 to 1,999 jobs.
3. 5 points for being located entirely within a Qualified Opportunity Zone (QOZ).
 4. 5 points for not being located, in whole or in part, in a Racially or Ethnically Concentrated Area of Poverty (R/ECAP) as defined by the U.S. Department of Housing and Urban Development.

B. Land Donation

5 points if a local government owns the proposed project real estate as of the preliminary application deadline and the application shows no more than \$5,000 in the cost line-items for land and buildings. The local government must have owned the real estate since at least July 31, ~~2021~~ 2022 and not have purchased or received any portion from a Principal.

C. Affordability

1. Applications will earn 10 points based on an agreeing to comply with the applicable limits in the matrix below. In order to receive points, the application must reflect one set-aside election (average income or “original” minimum set-aside (i.e. 40% at 60% or 20% at 50%) and meet the criteria below for the selected set-aside.
 - For average income, the percent shown is the average AMI among the units’ designations.
 - For an original minimum set-aside (40% at 60% or 20% at 50%), at least 20% of the units must be affordable to and occupied by households at the AMI shown.

County Income Level	MINIMUM SET-ASIDE ELECTION	
	Average Income	Original
High	54%	30%
Moderate	56%	40%
Low	58%	50%

The county income levels are as follows:

- High- Beaufort; Berkeley; Charleston; Dorchester; Greenville; Lancaster; Lexington; Pickens; Richland; York
- Moderate- Aiken; Anderson; Calhoun; Chester; Darlington; Edgefield; Fairfield; Florence; Georgetown; Horry; Kershaw; Oconee; Spartanburg; Saluda; Sumter; Union
- Low- all others

Any units targeted to 20% AMI for purposes of the Supportive Housing criteria may also count towards the requirements of this section. If a reduction in rents or extension of affordability period results in the development becoming financially unfeasible, the Authority may modify elections during underwriting. The Application will not receive points as originally requested.

2. 5 points if the application includes a notarized letter signed by the proposed owner of the property affirming a knowing and voluntary waiver of the right to request a qualified contract from the Authority for the duration of the extended use period.
3. 5 points to any application where no member of the Development Team has had an ownership interest in any property that requested a qualified contract unless the owner can prove that — the property was sold or transferred by the member to the owner requesting the qualified contract before September 18, 2019; or the member was contractually obligated to request the qualified contract prior to September 18, 2019, as verified by an independent third party and the Authority’s review of the applicable documentation.

D. Affordable Housing Shortage

1. Up to ~~10~~ points based on the shortage of affordable housing in the county:
10 points — Beaufort, Georgetown, Greenville, Greenwood, Richland, York
9 points — Berkeley, Charleston, Chesterfield, Horry, Lexington, Oconee, Pickens
8 points — Aiken, Anderson, Calhoun, Colleton, Dorchester, Florence, Jasper, Laurens, Orangeburg, Spartanburg
7 points — Allendale, Cherokee, Clarendon, Darlington, Dillon, Fairfield, Hampton, Kershaw, Lancaster, Marlboro, Saluda, Sumter
6 points — Abbeville, Chester, Marion, Williamsburg
5 points — Bamberg, Barnwell, Edgefield, Lee, McCormick, Newberry, Union
2. ~~5~~ points to a project that is located in a county that did not receive a new construction 9% LIHTC award in the previous 5 years (~~2017~~, 2018, 2019, 2020, ~~or~~ 2021, 2022); or
- ~~2.~~ 3 points to a project that is located in a county that did not receive a new construction 9% LIHTC award in the previous 3 years (2020, 2021, 2022);

E. ~~Funding Sources~~Other Types of Tax Credits

~~5~~ points if Authority-awarded sources (including equity for the LIHTC and STC) are less than 70% of the total.

5 points for qualifying and utilizing another type of tax credit listed below:

Points will be awarded for utilizing any one of the following:

- Historic Tax Credit (Federal)
- Certified Historic Structure Credit (SC)
- Certified Historic Residential Structure Credit (SC)
- Textiles Rehabilitation Credit (SC)
- Abandoned Building Revitalization Credit (SC)
- Brownfields Cleanup Credit (SC)

F. Sustainable Building

Applications will earn 5 points for committing to meet green and energy efficiency sustainable building requirements for one of the following sustainable building certifications:

- Enterprise's Enterprise Green Communities certification program (following Enterprise Green Communities protocol under the guidance of an Enterprise Qualified TA provider);
- US Green Building Council's LEED for Homes certification program;
- Home Innovation Research Lab's National Green Building Standard, meeting Bronze level or higher; or
- Southface Energy Institute and Greater Atlanta Home Builders Association's EarthCraft certification programs, based on development type.
- High Performance Building Council of the BIA of Central SC, Certified High Performance (CHiP) HOME Program

The application must include a certification from a responsible green and/or energy professional affiliated with the certifying party selected that the project will meet such requirements.

G. Leveraging

1. Applications may earn up to 5 points for documented support from a source listed below.

2. Only the following sources of support qualify for the additional points:
 - a. HOME or Community Development Block Grant (CDBG) funds;
 - b. established local government housing development program
 - c. public foundation funds from an affiliate of a local government or health care institution;
 - d. a long-term ground lease from a government entity for nominal consideration as valued by the appraised value of the land less the consideration;
 - e. the documented cost of infrastructure improvements or amenities funded in full by a governmental entity that are located on or adjacent to the project site that will serve the tenants and which will be constructed after application submission and completed prior to the development placing in service; and/or
 - f. other support approved by the Authority in response to a request submitted at least 10 days in advance of the application deadline.

Funding may be appropriated directly by a public entity and/or awarded by a non-profit organization financially supported by a local government, such as a local housing trust fund.
3. The application must list the source(s) in subsections (2)(a), (b), and (c) as a loan(s) and include an executed commitment letter reflecting a term of at least twenty (20) years and an interest rate less than or equal to two percent (2%). For subsection (2)(e), the application must include a signed letter from the local government (or other public entity) itemizing the waived fees and an affirmation that these fees would have been charged in the absence of the arrangement.
4. Applications will earn points based on the total amount or value of support committed per low-income unit (excluding an employee/manager's unit):
 - 5 points for at least \$8,000
 - 4 points for between \$5,500 and \$7,999
 - 3 points for between \$3,500 and \$5,499
 - 2 points for between \$2,000 and \$3,499
 - 1 point for between \$1,000 and \$1,999

H. Revitalization or Local Policies

1. An application will receive up to 10 points for the following for the following concerted community revitalization plan (CCRP) components:
 - a. The application must include a narrative to identify the parts of the plan that fulfill the requirements and criteria listed below.
 - b. A CCRP must meet the following minimum requirements to receive at least 5 points:
 - The plan was published by a local planning department or community organization. Plans written by the applicant or an affiliate will not qualify.
 - The plan clearly delineates the community (in which the proposed development is located) for reinvestment. A plan for a large jurisdiction (such as a city or county) that does not designate particular areas of that jurisdiction for targeted investment will not qualify.
 - The plan details the sources and magnitude of committed resources.
 - At least some of the planned investment is ongoing or has the necessary official permission to proceed. If not addressed in the CCRP, the application must include supporting documents.
 - The plan clearly states the community's goals and how they will be achieved.

- c. A CCRP can receive up to 4 additional points depending on the extent to which it fulfills the following criteria.
 - Participation by the general public had a substantial impact during the entire planning process.
 - Federal, state, and local partners have been involved to leverage available funds and harmonize with other projects.
 - There was a detailed investigation into the community's history, economics, and demographics. The local built environment and public services were assessed and plans made to improve them where necessary.
 - The plan accounts for how to avoid displacement, equitably benefit residents, create mixed income neighborhoods, the barriers to success and how they will be overcome. Investment will be sustained over an extended period and fund housing and non-housing developments.
 - d. 1 additional point will be awarded if the proposed development is also located in a qualified census tract.
2. Alternatively, for 5 points, the application may include a letter detailing measures already implemented by the local government (city or town if within an incorporated area or the county if not) to increase the quantity of affordable housing and develop a resilient community. Policies include, but are not limited to,
 - accessory dwelling unit legalization,
 - community land trusts,
 - density bonuses,
 - eviction and homelessness diversion programs,
 - housing trust funds,
 - intergovernmental collaboration,
 - sale or lease of publicly owned land for affordable housing,
 - source of income laws,
 - zoning reforms that expand housing choice, and
 - any activities that affirmatively further fair housing.

The application must include documentation, in the form of a local government ordinance or other official publication, to verify all claims.

I. Supportive Housing

~~10~~ 5 points for agreeing to target ten percent (10%) of the total units to persons with disabilities and either

- designating such units as affordable to and occupied by 20% AMI, or
- securing a commitment of federal project-based rent assistance (converting vouchers).

Households with only a disability source of income (such as Supplemental Security Income) will be eligible for the 20% AMI units.

One or more service providers, as coordinated by state authorities, will refer households. For a period of ninety days after the initial rent-up period begins the owner will establish a preferential leasing opportunity for referrals and thereafter will maintain a separate waiting list.

V. TIE BREAKER CRITERIA

The following factors will be used in the order listed to break a tie.

- A. An application would be all of the Development Team's only award while the tying application(s) would be the all of the Development Team's second or third.
- B. A county not served in the current or previous funding cycle.
- C. Projects with the lowest ~~share of~~ total development cost ~~funded by the Authority~~ per heated square foot.
- D. Projects providing for tenant ownership at the end of the initial fifteen (15) year compliance period. The application must include a conversion plan including all homebuyer counseling programs to be provided along with the financial procedure that will be used to transfer the rental units into homeownership.
- E. If projects remain tied after all above tie breakers have been applied, the Authority will utilize a lottery.

VI. EVALUATION OF REHABILITATION APPLICATIONS

The Authority will evaluate rehabilitation applications comparatively based on the following criteria, listed in order of importance and will use the following criteria in order to score the rehabilitation applications. -

- A. Preventing of the conversion of units to market rate and/or the loss of government housing resources ~~(including federal project-based rent assistance);~~ specifically properties:
 - 10 points for developments which the owner is eligible to request a qualified contract currently
 - ~~or within the next two (2) years;~~
 - 10 points for developments with a federal project-based assistance contract on at least 90% of the units reflecting a remaining term of less than three (3) years.
 - 5 points for development which the owner is eligible to request a qualified contract within the next two (2) years
 - 5 points for development with a federal project-based assistance contract on less than 90% of the units reflecting a remaining term of less than three (3) years.
- B. The extent of physical distress, particularly with major systems, accessibility, and/or life, health and safety features, as informed by the Physical Needs Assessment and determined by the Authority. Failure to properly maintain the buildings will not enhance an application's likelihood of award if a member of the current owner's organizational structure or a related party will remain part of the new ownership.÷
1 point for each of the following systems being replaced (max. 9 points) – roof, HVAC, flooring, windows, hot water heaters, tubs/showers, kitchen cabinets and countertops, ranges and refrigerators.
- C. 1 point if the ~~The project development~~ is located within an area covered by a Concerted Community Revitalization Plan
; and

- D. If applications remain tied based on the above criteria, the Authority will utilize a lottery.
Unrestricted, market-rate properties~~The degree to which the project site and its surroundings support the economic empowerment of low-income households.~~

1

APPENDIX C2 – TAX-EXEMPT BONDS

I. OVERVIEW

Developments proposed for financing by private activity bonds may be eligible to receive 4% LIHTCs if eligible to receive a LIHTC allocation under the QAP for the year in which the application for bond financing is filed with the Authority. The Authority will issue a preliminary, non-binding response to an application for the 4% LIHTC stating whether the development is eligible. After the development places in service, the owner will submit a [Placed-in-Service \(PIS\)](#) application.

II. CRITERIA

A. Application Process

1. The Authority will accept ~~4% non-competitive~~ applications [for tax-exempt bonds/4% developments in accordance with the schedule published on the Authority's website.](#) ~~by issuers other than SC Housing a minimum of 120 days prior to the scheduled State Fiscal Accountability Authority meeting, and issue a preliminary, non-binding statement as to whether the development is eligible.~~

2. Missing and/or Incomplete Documents

The Authority will notify Applicants in writing of any

- missing and/or incomplete documents, and/or
- submitted documents requiring clarification.

The applicant must respond by 5:00 p.m. (Eastern) on the ~~third~~ [fifth](#) business day.

Applicants may only provide documentation that existed at the time of the application deadline.

Documentation provided in response to Authority requests will not increase an application's ranking.

B. Requirements

All developments ~~utilizing 4% non-competitive tax credits~~ must meet all threshold criteria in the QAP, except [as modified by](#) the following:

1. SCATTERED SITE:

Scattered site developments are eligible if the development meets all the following:

- All buildings must be under the ownership of one entity;
- All units must be managed by one management entity;
- All buildings must be developed under one plan of financing and considered a single development by all funding sources;
- The development must be appraised as a single proposed development;
- Each noncontiguous parcel must be located within the same county; and
- Each noncontiguous parcel must contain at least four (4) units per parcel.

2. PORTFOLIO TRANSACTIONS:

Applications pooling together multiple properties for acquisition/ rehabilitation under one bond issuance

must be:

- separate for each property, and include an appraisal for that single property;
- developed under one plan of financing and considered a single development by all funding sources; and
- entirely managed by one management entity.

3. REQUIRED DEVELOPMENT EXPERIENCE FOR RAD CONVERSIONS:

An application proposing to convert public housing developments through the Rental Assistance Demonstration (RAD) program, may request a waiver of the required development experience if the Development Team contracts for the services of an LIHTC consultant who has experience on previous RAD conversions.

4. TARGETING REQUIREMENTS

For New Construction family developments, the development must contain a minimum of the following three (3) or more bedroom units: the lesser of twenty-five percent (25%) of the total low-income units or 35 units.

5. SIZE REQUIREMENTS

There is no maximum number of units in any county. The minimum number of units per application is seventy (70), this number can be achieved by the development itself, scattered sites or portfolio transactions. Applicants may request a waiver for applications submitted in 2021 that did not receive an award.

6. MAXIMUM LIHTCS PER UNIT

There is no maximum amount of federal LIHTCs. Developments needing State Tax Credit will be limited to the amount needed to supplement, but not supplant the federal LIHTC and must be limited to an amount necessary only to achieve financial feasibility of the development. See Appendix C-3 for State Tax Credit requirements.

~~7. MANDATORY DESIGN CRITERIA~~

~~The applicant must request any waiver of the mandatory design criteria specified in the QAP and Appendix B prior to the application submission. Any waivers requested after the submission of the application must be due to changed circumstances and must include compelling evidence demonstrating the need for the waiver and why it could not be requested prior.~~

78. AUTHORITY-ADMINISTERED HOME FUNDING

Tax exempt bond developments are not eligible to apply for HOME funds.

89. DEVELOPER FEE

For both new construction and rehabilitation developments, developer fee is limited to the lesser of ~~(1)~~

- \$3-5 million or ~~(2)~~
- 15% of Total Development Costs less Land, Consulting Fees, Developer Fees, Developer Overhead, Other Developer Costs and Reserves or,
- \$25,000 per unit

~~Deferred Developer Fee:~~ The deferred portion of the developer fee may not exceed fifty percent (50%) of

the total at application submission. See Deferred Developer Fee section in the QAP for additional requirements regarding the Deferred Developer Fee.

All tax-exempt bond developments ~~utilizing 4% non-competitive tax credits by issuers other than SC Housing~~ must meet all criteria in the ~~2022-2023~~ Low-Income Housing Tax Credit Manual, except the following:

- Reservation Certificates
- Carryover Allocations
- Verification of 10% Expenditure

All tax-exempt bond developments requiring South Carolina State LIHTCs must meet all criteria in Appendix C3.

III. RANKING

State law requires the ranking determination to be based on highest value and greatest public benefit. The ranking criteria below has been adopted by the Authority and the Joint Bond Review Committee in accordance with Act 202.

SC Housing will maximize the federal LIHTC allocation, determine if STC is needed for financial feasibility, and will then rank the eligible projects based on:

- State resources per heated residential square foot
 - This criterion will rank projects from lowest to highest, based on a calculation of state resources (bond ceiling and state tax credit) per heated residential square foot (i.e., excluding common areas), to demonstrate the most efficient use of state resources for the portion of total project costs applicable to actual tenant housing.
- State resources per bedroom
 - This criterion will rank projects from lowest to highest, based on a calculation of state resources per bedroom, to demonstrate the most efficient use of state resources for the number of families the project will house.
- State resources per dollar of total project costs
 - This criterion will rank projects from lowest to highest, based on a calculation of state resources to total project costs to demonstrate the most efficient investment of state resources in the project overall.
- State resources per potential tenant
 - This criterion will rank projects from lowest to highest, based on a calculation of state resources per potential tenant to demonstrate the most efficient use of state resources for the number of potential residents the project will house.

A 30% adjustment to state resources will be made as a ranking consideration for projects located in USDA-designated rural areas. A 10% adjustment to state resources will be made for new construction units, as a ranking consideration for projects providing an overall increase in affordable housing. These adjustments apply for the sole purpose of establishing project rankings.

Total state resources will include any amount of state ceiling, any applicable state tax credits, and any other state resources and incentives as are germane and applicable to the project.

Tiebreakers:

1. Allocation of State Housing Tax Credit to the project that could be accommodated within the limitation in the event the other project could not
2. Allocation to a project located within a designated rural area if the other project is not
3. Allocation determined solely by the relationship of total state resources to the number of tenants the project is expected to serve, as a determinant of greatest public benefit

APPENDIX C3 – STATE LIHTC

I. GENERAL REQUIREMENTS

A. Projects must comply with all of the following for owners to initially claim the state tax credit (STC).

1. Consists of one or more building(s) qualified for federal LIHTC under Internal Revenue Code Section 42.
2. All buildings place in service after January 1, 2020 and before December 31, 2030.
3. Has restricted rents that do not exceed 30% of income for at least
 - 40% of units occupied by households with incomes of 60% or less of the median income, or
 - 20% of units occupied by households with incomes of 50% or less of the median income.
4. The owner provides a report (Report) to SC Housing detailing
 - how the STC will benefit the tenants (including, but not limited to, reduced rent),
 - why the STC is essential to the financial feasibility to the project, and
 - provide evidence of local support.In the interest of timely implementation, as of these policies being issued there is no prescribed Report format. Instead owners submit relevant documentation and staff may follow up.
5. Application must request the maximum amount of federal LIHTC before requesting STC. STCs are only meant to be the last resource in the application and only meant to cover any gap remaining after all other sources have been maximized.
6. Public Hearing was conducted no less than ten business days from public notice and community was given no less than ten days to provide comment to SC Housing.
7. Receives an Eligibility Statement from SC Housing.
8. Those awarded STCs also must comply with any applicable SC Housing Bulletin(s) and decisions made during application review.

B. Requesting the STC

1. The Authority will only award STCs to developments with an applicable fraction of 100%.
- ~~1.~~2. Application must request the maximum amount of federal LIHTC before requesting STC. STCs are only meant to be the last resource in the application and only meant to cover any gap remaining after all other sources have been maximized.
- ~~2.~~3. Developer may only submit one application per project.
- ~~3.~~4. Applications listing STC as a source will be ineligible if there is an insufficient amount of STC remaining.

5. Minimum STC request is \$300,000 unless the requested is supported by a syndicator or investor letter of interest noting their willingness to purchase at the specific lower amount.
- C. Claiming the STC each year during the credit period depends on the project remaining in compliance with Sections I(A)(1) and I(A)(3) above plus all other applicable LIHTC requirements.
- D. SC Housing will issue Eligibility Statements and monitor for noncompliance; it has no role in assessing specific taxpayers' ability to reduce tax liability in any calendar year. Owners will need to consult with their own tax professionals.

II. STC PROCESSES

- A. All applications will be reviewed and scored according to the current years Qualified Allocation Plan.
- B. For developments utilizing the federal 9% LIHTC, SC Housing will underwrite/review the top scoring applications that will exhaust the federal 9% LIHTC limit. Of the top scoring applications, SC Housing will determine if any of those applicants requested STCs. Of those applications, SC Housing will determine if:
- the application is made for a project to be located in a USDA-designated rural area;
 - STC is needed for financial feasibility;
 - the application has local support; and
 - the application is receiving the maximum federal LIHTC allocation.
- B. SC Housing will conduct a public hearing no less than ten business days from public notice and community will be given no less than ten days to provide comment to SC Housing.
- C. For 9% applications, allocations of STC will not exceed \$8 million, and at least \$4 million (50%) will be made available for allocation to projects located in rural areas only.
- D. For Tax-Exempt Bond applications, allocations of STC will not exceed \$12 million.
- E. Any unused portion of the allocation will be deemed to be unallocated and will be made available for allocation in the following year pursuant to the provisions of SC Code Section 12-6-3795(B)(5).

III. RANKING

State law requires the ranking determination to be based on highest value and greatest public benefit. The ranking criteria below has been adopted by the Authority and the Joint Bond Review Committee in accordance with Act 202.

SC Housing will maximize the federal LIHTC allocation, determine if STC is needed for financial feasibility, and will then rank the eligible projects based on:

- State resources per heated residential square foot
 - This criterion will rank projects from lowest to highest, based on a calculation of state resources (bond ceiling, if applicable and state tax credit) per heated residential square foot (i.e., excluding common areas), to demonstrate the most efficient use of state resources for the portion of total project costs applicable to actual tenant housing.

- State resources per bedroom
 - This criterion will rank projects from lowest to highest, based on a calculation of state resources per bedroom, to demonstrate the most efficient use of state resources for the number of families the project will house.
- State resources per dollar of total project costs
 - This criterion will rank projects from lowest to highest, based on a calculation of state resources to total project costs to demonstrate the most efficient investment of state resources in the project overall.
- State resources per potential tenant
 - This criterion will rank projects from lowest to highest, based on a calculation of state resources per potential tenant to demonstrate the most efficient use of state resources for the number of potential residents the project will house.

A 30% adjustment to state resources will be made as a ranking consideration for projects located in USDA-designated rural areas. A 10% adjustment to state resources will be made for new construction units, as a ranking consideration for projects providing an overall increase in affordable housing. These adjustments apply for the sole purpose of establishing project rankings.

Total state resources will include any amount of state ceiling, any applicable state tax credits, and any other state resources and incentives as are germane and applicable to the project.

Tiebreakers:

1. Allocation of State Housing Tax Credit to the project that could be accommodated within the limitation in the event the other project could not
2. Allocation to a project located within a designated rural area if the other project is not
3. Allocation determined solely by the relationship of total state resources to the number of tenants the project is expected to serve, as a determinant of greatest public benefit

IV. DETERMINATION AND ELIGIBILITY STATEMENT

- A. SC Housing will issue a STC Determination of Project Eligibility based on
 - the underwriting of the application,
 - the financial feasibility,
 - its consideration of local support,
- B. After being placed in service, if the project remains in compliance with all applicable conditions and requirements, SC Housing will issue an Eligibility Statement along with the Form(s) 8609.

Fee Schedule

Fee	9% LIHTC	TEB
Application Fee - due at the time of application	Prelim - \$1,500	n/a
	Full - \$4,500	\$6,000
Market Study Review Fee - due at the time of application	\$600	\$600
Missing Document Fee - assessed per missing document and will be assessed every 5 business days	\$1,000	\$1,000
Reconsideration Fee - due at the time a request for reconsideration	\$1,500	n/a
Reservation Fee - due 10 business days after notification of award	.88 % of total qualified basis	n/a
Bond Issuance Fee	n/a	New Issuances - .75% of total bond issuance amount
		Re-fundings - .50% of total bond issuance amount
State Tax Credit Fee- due 10 business days after notification of award	10% of STC award	10% of STC award
Plan Review/Construction Inspection Fee - due 10 business days after notification of award	\$5,850	\$5,850
Reprocessing of Form 8609 - per Form 8609, due at request	\$100	\$100
Re-underwriting Fee - due if the Authority has to re-underwrite a development due to a change at any time	\$2,000	\$2,000
Extension Fee - due at time of request	\$2,000	\$2,000
Late Delivery Fee - fee will be assessed every 5 business days	\$1,000	\$1,000
Waiver Fee - due at time of request	\$1,000 per item	\$1,000 per item
Recycle Fee - due at time of request	.44% of the total qualified basis & 5% of STC award \$10,000	n/a

Compliance Monitoring Fee - All compliance monitoring fees must be paid to the Authority at the time the PIS application is submitted and on or before the first day of February of each succeeding year throughout the extended use period. The Authority will assess a ten percent (10%) late fee of the total outstanding balance for payments received after thirty (30) days from the date due. The minimum late fee will be \$50. The Authority may adjust the amount of the fee at any time. Such an adjustment shall not be treated as a QAP amendment.

\$50 per LIHTC unit annually, plus an additional \$50 per LIHTC unit annually for projects using the average income minimum set-aside

\$50 per LIHTC unit annually, plus an additional \$50 per LIHTC unit annually for projects using the average income minimum set-aside. Note - may also be referred to as Bond Admin. Fee

APPENDIX E

2023 LOW-INCOME HOUSING TAX CREDIT MANUAL

All deadlines listed herein are for 5:00 PM Eastern Standard Time and fall to the next business day if it otherwise would occur on a holiday or weekend.

I. RESERVATION/CARRYOVER ALLOCATION PROCEDURES (9% ONLY)

Any reservation or carryover allocation obtained on the basis of false or misleading information shall be void.

A. Reservation Certificates

The Authority will mail Reservation Certificates to all funded developments upon completion of the competitive scoring process. To acknowledge acceptance of the reservation of LIHTCs, Owner must execute and return the Reservation Certificate and pay all fees then due within ten (10) business days of receipt. ~~Upon receipt of the Reservation Fee, Construction Inspection Fees, and the executed Reservation Certificate, the Authority will execute the Reservation Certificate and forward a copy to the Owner.~~ The date of the Reservation Certificate is the “Reservation Date.”

Once all Reservation Certificates have been executed and returned, the LIHTC Awards List will be released and posted on the Authority’s website: www.schousing.com.

Issuance of a Reservation Certificate does not guarantee that the development will receive an allocation of LIHTC in the amount stated, or at all.

Any violation of the terms and conditions of the Reservation Certification and/or an untimely submission of documentation referenced in the Reservation Certificate may result in its cancellation.

B. Carryover Allocations

Owners seeking a Placed-In-Service (PIS) allocation the year in which the reservation was made must submit a PIS application on or before the second Monday in December. Developments with a reservation of LIHTC that will PIS after December 31 of the reservation year must submit an Application for a Carryover Allocation to the Authority no later than the date specified in the Reservation Certificate.

The Authority will mail a Carryover Agreement together with a Binding Agreement for signature. The Owner must return the original documents by the due date indicated.

C. ~~Phase I Environmental Site Assessment~~

~~Completion of a Phase I Environmental Site Assessment (ESA) report will be a condition of the allocation or must be included in the application submission for 4% LIHTC applications. The ESA will identify Historical, Controlled and Recognized Environmental Conditions (HRECS, CRECs, and RECs) that impact the suitability of the proposed site and must include the Environmental Professional’s opinion~~

~~on whether the proposed site requires further examination and the rationale used in making this determination. For proposals with existing buildings built before 1978, the report must also include the results from lead-based paint testing. For any HRECs identified, the ESA must demonstrate that previous efforts to mitigate the issue have been completed to the satisfaction of the applicable regulatory authority and/or that the site under consideration meets current criteria established by the regulatory authority and can be used without mandatory controls. For sites with identified CRECs, the ESA must indicate that the REC has been addressed to the standards and satisfaction of the overseeing regulatory authority and identify the remaining controls in place to mitigate the environmental condition(s).~~

~~If the Environmental Professional recommends further examination, the application must include a Phase II ESA. The Phase II ESA must provide a narrative of how the any REC(s) identified will be mitigated using methods recognized and supported by the applicable regulatory authority and the estimated costs of such mitigation.~~

~~The report(s) must be prepared by a third party, independent, licensed environmental professional as defined in 40 CFR § 312.10(b) and addressed to the Authority. The Environmental Professional cannot be a member or affiliate of the Development Team. The report(s) must be prepared in accordance with the American Society for Testing and Materials Practice Standards E-1527-13, or as amended.~~

II. VERIFICATION OF 10% EXPENDITURE (9% ONLY)

The Authority requires owners meet the Verification of Ten Percent Expenditure (10% Test) no later than six (6) months after the Carryover Allocation date. The Authority may permit an extension of this date only under circumstances beyond the Owner's ability to control. In any event, the Authority ~~will~~ may not grant an extension longer than ten (10) months after the Carryover Allocation date.

The 10% Test application is due to the Authority within three (3) weeks after the 10% Test deadline. Failure to submit by the due date may result in the cancellation of the LIHTC award.

If any of the required documents are missing/incomplete, the following will apply:

- Prior to the Application deadline – the missing/incomplete document(s) may be submitted without penalty.
- After the Application deadline – the missing/incomplete document(s) may be submitted upon payment of ~~a \$1,000 administrative fee for each business day after the deadline~~ the missing document fee.
- If the missing/incomplete documents are not corrected and resubmitted to the Authority within seven (7) business days following the notification, the development may forfeit its allocation of LIHTCs.

III. PROGRESS MONITORING

~~Applicable to all projects awarded low income housing tax credits. in the competitive funding cycle and all 4% LIHTC applications receiving a Section 42(m) letter.~~

A. Progress Inspections

Developments will be subject to four (4) construction progress inspections during the construction phase (25%, 50%, 75%, and 100%).

B. Progress Deadlines

The Authority may grant an extension of the deadlines below for an [extension](#) -fee, ~~of \$1,000 for the first request. The fee for any additional request is \$2,000.~~ All extension requests must be in writing and submitted not less than one (1) week prior to the deadline along with the required fee. The Authority will only accept and grant extensions for individual categories, not an overall blanket extension for all categories.

Ten (10) Months after the Reservation Date or ~~receipt of the Section 42(m) letter~~ [bond closing](#):

Final architect certified development plans and specifications for LIHTC developments are due to the Authority not later than ten (10) months after the reservation date [or bond closing](#). Final plan and specification requirements are outlined in Appendix B Development Design Criteria.

The Owner entity must have title to the land as evidenced by a copy of the recorded deed and/or land lease.

Twelve (12) Months after the Reservation Date or ~~receipt of the Section 42(m) letter~~ [bond closing](#):

The following documents are due not later than twelve (12) months after the Reservation Date [or bond closing](#):

- a certified copy of the executed, recorded, FINAL construction mortgage document with the recorder's clock mark date stamp showing the date, book, and page number of recording;
- the original executed and recorded Restrictive Covenants(if applicable); ~~and~~
- [the executed binding commitment for syndication;](#)
- [the management entity's plan as referenced in the QAP; and](#)
- ~~–~~
 - ~~Owners must provide~~ evidence that their development is listed on the South Carolina Housing Search website, www.SCHousingSearch.com.

Fifteen (15) Months after the Reservation Date or ~~receipt of the Section 42(m) letter~~ [bond closing](#):

All developments must be under construction. New construction developments must have all footings or a monolithic slab in place as evidenced by photographs submitted with a Progress Report certified by the development architect or engineer. Rehabilitation developments must have begun actual rehabilitation of the units, as evidenced by photographs submitted with a Progress Report certified by the development architect. Rehabilitation and new construction must be continuous and progressive from this date to completion.

IV. PLACED IN SERVICE ALLOCATION PROCEDURES

The owner must submit a Placed-In-Service (PIS) application and all supporting documentation listed on Exhibit A – Placed in Service Checklist ~~on or before the second Monday in December~~ [within **nine \(9\)** months of the last building placing in service](#). Applications not received by this due date may be submitted until the last business day in December [of the tax year for which the development expects to claim credits](#), upon payment of [a late delivery fee](#). ~~an administrative fee equal to \$1,000 for each business day after the second Monday in December.~~

The Authority will review PIS applications in the order received. If the application is incomplete, the

following will apply:

- ~~Prior to the second Monday in December—the documents may be submitted without penalty.~~
- ~~After the second Monday in December—the documents may be submitted upon payment of a \$1,000 administrative fee for each business day after notification until the documents are submitted.~~
- A Missing Document Fee will be assessed per missing item
- If the Authority does not receive the corrected or missing documents and administrative fee within ten (10) business days following December 31, the development may lose its allocation of LIHTCs.

The PIS application must include a Contractor Cost Certification in the form outlined in Exhibit J-2 as to the actual costs incurred in construction of the project. A Certified Public Accountant must perform an audit and issue an opinion letter in accordance with Generally Accepted Accounting Principles and Generally Accepted Auditing Standards and execute the CPA Certification Form. The development team must certify that all costs have been reported for inclusion in the cost certification.

The certification must include a statement that a final copy of all costs incurred has been reviewed and is in accordance with the requirements of the LIHTC Program, and that after careful review and investigation into the eligible basis, the costs that are not includable have been excluded from the eligible basis. The Authority may require an attorney opinion for costs that are questionable as to their eligibility for LIHTC purposes.

The Authority will use industry standards to determine the total actual allowable cost for construction and may reduce the LIHTC allocation. If either the audit or Authority staff finds that the Contractor's actual allowable costs for construction are less than budgeted costs at application and as amended by any approved change order requests, then the Authority may reduce the eligible basis and decrease the amount of LIHTCs. The Authority assumes no responsibility for determining which costs are eligible.

Once submitted Owners may not modify or resubmit a certification. All underwriting decisions based on the submitted certification are final.

After receipt of a complete PIS application, ~~the Authority will inspect the development.~~ All all units are to be one hundred percent (100%) complete and available for immediate occupancy by the placed in service deadline, as documented by the Certificates of Occupancy or an equivalent provided by the local government entity. Failure to meet either criterion may result in cancellation of the LIHTC allocation.

If the PIS application is complete, the Authority will execute and mail Form 8609(s), but not until the last building in a multi-building development has been placed in service.

V. PROJECT CHANGES, TRANSFERS AND RETURN OF CREDITS

A. Material Changes Prohibited

If, upon the submission of the Carryover Allocation Documents, the 10% Test application or the PIS application, the Authority determines that the development is not substantially the same as described in the original Tax Credit Application, the development may not receive an allocation of LIHTCs.

At all times after award, the owner is responsible for promptly informing the Authority of any changes or alterations which deviate from the final plans and specifications approved at award.

B. Transfers

Neither reservations nor carryovers are transferable without the prior written consent of the Authority.

No change in the makeup or identity of a GP in a partnership or its equivalent in a limited liability company is permitted without the prior written consent of the Authority. Without limitation, this prohibition includes indirect transfers through the admission of any “special limited partner(s)” that leads to the eventual exit of a GP or its equivalent in a limited liability company. LIHTCs allocated to developments whose ownership is altered in violation of this provision shall be subject to revocation by the Authority.

C. Return of Credits and Returned Credit Allocation Procedures

LIHTC allocations may be returned only on a date agreed upon by the Authority and the Owner.

D. Recycling Credits

An owner who received an award of 9% tax credit in 2021 may request to return those credits and receive an allocation of the 2023 tax credits equal to or less than the amount of the original tax credits awarded. The request must be made in the calendar year of 2023 and include payment of the Recycling Credit Fee. An owner may only request to recycle credits one time per development.

Projects seeking additional credits will need to re-apply in the next application cycle.

VI. COMPLIANCE MONITORING PROCEDURES

The procedures the Authority will follow in monitoring are outlined in the LIHTC Compliance Monitoring Manual on the Authority’s website. The manual includes but is not limited to procedures that address the following areas: record keeping and record retention; certification and review; on-site inspection; and notification as to noncompliance.

Additionally, all LIHTC developments must comply with the following:

A. Mandatory Compliance Training Session for On-Site Management Staff

Once a development reaches 75% construction completion, the Owner must schedule required attendance at a compliance training session for on-site management staff charged with handling the daily tasks of property management and program eligibility determinations.

B. Rent Increases:

Developments cannot increase rent levels without approval from the Compliance Monitoring Department. Rent increases in excess of 5% annually may not be approved.

C. Annual Audited Financial Statements:

All developments, regardless of when funded, must submit audited financial statements and operating expense information not later than June 1st of each year through the appropriate Authority platform. A late

delivery fee of \$1,000 will be assessed if the audited financial statements and operating expense information is not received by June 1st of each year. ~~for each month the statements are not received.~~

VII. PROGRAM SUSPENSION AND DEBARMENT

- A. The following events may result in suspension from participating for funding from any of the Authority administered programs for a period of three (3) years:
1. Developments that fail to meet the 10% Test by the date specified in the carryover document or place-in-service by the Code deadline.
 2. Removal of the General Partner or its equivalent in a limited liability corporation. The Authority may make exceptions due to death, bankruptcy, or cessation of business operations.
 3. Providing a false or inaccurate certification.
 4. Failure of a development to remain in compliance with all rules and regulations imposed by the Tax Credit Assistance Program (TCAP) funds or Exchange Program.
 5. Interference with a LIHTC application for which an individual or an entity is not a part of the Development Team.
- B. Any of the following actions may result in the permanent debarment from participating for funding from any of the Authority administered programs:
1. Any Development Team member who provides false or misleading information to the Authority or the Hearing Officer with regard to a development seeking LIHTC, regardless of when such false or misleading information is discovered.
 2. Any partnership formation and/or developer agreement, whether written or otherwise, that attempts to circumvent Authority requirements, regardless of when the violation is discovered.
 3. For nonprofit sponsored developments, breach of the requirement for continuous and ongoing material participation. Debarment applies to the nonprofit and all of its officers and directors.
- C. The Authority may disqualify an application from the current or upcoming application cycle for any of the reasons below.
1. Member(s) of the Development Team or person(s) on behalf of a development team member(s) contacting Board members from the LIHTC preliminary application submission date through the date of award regarding
 - the scoring or evaluation of any applications,
 - interpretation or implementation of the QAP or Appendices, or
 - the award of LIHTCs.
 2. Any of the following applies to a member of the Development Team:
 - debarment from any federal or state program;
 - submission of fraudulent information to the IRS or any federal or state affordable housing program;
 - failure to meet a requirement resulting in full recapture of LIHTCs;
 - failure to comply with laws governing fair housing and accessibility for persons with disabilities resulting in a U.S. Department of Justice finding;
 - default on a loan resulting in foreclosure or deed in lieu of foreclosure that leads to premature termination of a mandatory affordability period*;
 - abandonment or forfeiture of an affordable housing property*;
 - failure to comply with restrictive covenants*;
 - removal or withdrawal as General Partner or Managing General Partner of a LIHTC property*;
 - and/or
 - return of LIHTCs to an allocating agency*.

*Items denoted with an asterisk are events for which the applicant may request a waiver no later than January 31, 202~~2~~³.

3. A member of the Development Team is responsible for prior instances of any of the following in the previous ten (10) years without a waiver from the Authority requested no later than January 31, 202~~2~~³:
 - Forms 8823s and/or health and safety issues not cured within the established period;
 - default or arrearage of at least three months in an affordable housing mortgage or loan;
 - outstanding flags in HUD's 2530 National Participation system;
 - deferred maintenance, mold, building code violations or other evidence of poor maintenance at properties monitored by the Authority;
 - failure to pay Compliance Monitoring Fees;
 - failure to submit rent rolls, annual owner certifications, or other required reporting;
 - failure to report to the Authority any common areas, buildings or dwelling units that has been out of service for a period exceeding 30 days due to damage or disrepair; and/or
 - failure to notify the Authority of a change in property ownership or management.
- D. The Authority may determine other acts that require suspension or debarment. Suspensions or debarments based on such acts not otherwise defined shall be conducted as outlined in the Authority's Debarment and Program Suspension Policy.

AGENCY: South Carolina Public Service Authority

SUBJECT: Acceptance of Real Property for
Third-Party Generating Facility Interconnection

By letter dated September 26, 2022, the South Carolina Public Service Authority has advised the Committee that the Authority periodically accepts real property as a part of a process of interconnection of third-party power generating facilities, particularly solar facilities, with the Santee Cooper transmission system.

These facilities often require construction of a switching station for Santee Cooper-owned interconnection facilities. As a part of the interconnection process, the third party is required to acquire and transfer at no cost to Santee Cooper sufficient property for the switching station, generally 5 acres or less, on which the switching station is constructed by Santee Cooper. Accordingly, these are not traditional property acquisitions, as they become a part of Santee Cooper's extended transmission system; however, Santee Cooper does undertake appropriate due diligence with respect to the property, including a determination of satisfactory title, and an assessment of potential environmental conditions.

Recognizing that Act 90 of 2021 provides that a transfer of any interest in real property by the Authority, regardless of the value of the transaction, requires approval, rejection, or modification by the Committee, the Authority seeks guidance from the Committee to ensure compliance with its expectations, whether such transactions may be undertaken pursuant to a programmatic approach permitting continuation of past practice, with acceptance of these properties as facilities are constructed and subject to annual reporting, or by a transactional approach subject to prior approval of the Committee for each property acceptance.

In the event that the Committee determines that such transfers require prior approval of each property acceptance, the Authority seeks approval for 2 pending transfers, as follows:

1. A parcel of 0.971 acres in Gilbert, South Carolina, known as the Allora Solar switching station, supporting connection of a 75-megawatt solar generating station; and
2. A parcel of 2.535 acres in Swansea, South Carolina, known as the Gunsight Solar switching station, supporting connection of a 74.97-megawatt solar generating station.

COMMITTEE ACTION:

1. Provide guidance for acceptance of real property by the Authority supporting interconnection of third-party power generating facilities.
2. In the event such transactions are subject to prior approval of the Committee, approve pending transfers as described herein.

ATTACHMENTS:

1. Letter dated September 26, 2022, of Ms. Pamela J. Williams, Chief Public Affairs Officer and General Counsel, Santee Cooper.

Pamela J. Williams

Chief Public Affairs Officer and

General Counsel

(843) 761-7043

Cell: (843) 708-1760

pamela.williams@santeecooper.com

September 26, 2022

The Honorable Harvey S. Peeler, Jr.
Chairman, Joint Bond Review Committee
South Carolina Senate
111 Gressette Building
Columbia, SC 29201

Re: Acquisition of Switching Station Parcels for Third-Party Solar Generating Facility
Interconnection

Dear Chairman Peeler:

As a part of its expansion into greater utilization of alternative power sources, and particularly power generation from solar facilities, the South Carolina Public Service Authority (“Santee Cooper”) periodically acquires real property as a part of a process of interconnection of the solar generating facilities with the Santee Cooper transmission system.

As background, these solar generating facilities are constructed by third parties with the intent to interconnect to the Santee Cooper transmission system, often requiring the construction of a switching station for Santee Cooper-owned interconnection facilities (see Attachment A containing photographic examples of a switching station). As a part of the interconnection process, the third-party developer is required to acquire sufficient property for their generation facilities and the switching station. Santee Cooper then requires the switching station parcel, which is generally 5 acres or less, to be transferred at no cost to Santee Cooper as part of the interconnection, and Santee Cooper constructs the switching station. As such, these are not traditional property acquisitions as they become a part of Santee Cooper’s extended transmission system; however, prior to transfer, Santee Cooper does undertake appropriate due diligence with respect to the property, including a determination of satisfactory title, and an assessment of potential environmental conditions.

We are mindful that Act 90 of 2021 provides that a transfer of any interest in real property by the Authority, regardless of the value of the transaction, requires approval, rejection, or modification by the Committee. In our discussions with Committee staff as to the appropriate consideration for these transactions by the Committee, staff has communicated an observation that the statute requires prior approval for transfers by the Authority, perhaps implicating only

real property dispositions, rather than these transfers to the Authority, which are real property acquisitions. Nevertheless, staff has suggested that Santee Cooper seek guidance from the Committee for clarification. In the event that the Committee is receptive to a programmatic approach for property acquisitions of this type, Santee Cooper suggests that the Committee may wish to consider permitting continuation of its past practice of acceptance of these properties as these solar generating facilities are constructed, subject to appropriate due diligence as described above, with a periodic reporting requirement of such acquisitions, which we would propose for inclusion in Santee Cooper's annual reporting requirements pursuant to Act 90.

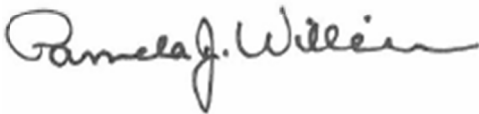
Alternatively, Santee Cooper certainly would defer to the Committee's directive in the event that the Committee determines that prior approval of such acquisitions is required by the statute. To that end, we would request consideration by the committee for two pending transfers, as follows:

1. A parcel of 0.971 acres in Gilbert, SC, known as the Allora Solar switching station, supporting connection of a 75-megawatt solar generating station; and
2. A parcel of 2.535 acres in Swansea, SC, known as the Gunsight Solar switching station, supporting connection of a 74.97-megawatt solar generating station.

Further details of these properties can be made available in the event that the Committee determines that transactional review is most appropriate for these types of property acquisitions.

Thank you for considering this request.

Sincerely,

A handwritten signature in dark ink, appearing to read "Pamela J. Williams". The signature is fluid and cursive, with the first name "Pamela" being more prominent.

Pamela J. Williams

ATTACHMENT A
Switching Station Photographs



AGENCY: Joint Bond Review Committee

SUBJECT: Report of JBRC Fiscal Oversight Subcommittee

The JBRC Fiscal Oversight Subcommittee received presentations and reports from the South Carolina Public Service Authority and the South Carolina Ports Authority on September 27, 2022.

The Public Service Authority presented a fuel and financial update, plans for issuance of long-term debt, and a decision to reactivate the presently idled Winyah Unit 4.

The State Ports Authority presented an update on the progress of implementation of the Intermodal Facility.

The Subcommittee will report its findings, along with its plans in response to information received.

COMMITTEE ACTION:

Receive information from the subcommittee for consideration, comment, and action, as appropriate.

ATTACHMENTS:

None.

AGENCY: South Carolina Department of Administration
Executive Budget Office

SUBJECT: Report of Disbursement Request for
Savannah River Site Litigation Settlement Funds

Proviso 118.19(72) of the Fiscal Year 2022-23 Appropriations Act provides for certain expenditures from proceeds of the Savannah River Site Litigation, and Proviso 118.19(72.1) requires written requests for funding that must be reported to the Committee and the legislative delegations prior to disbursement of the funds to recipients. The Executive Budget Office has reported the following request for disbursement pursuant to the proviso:

Edgefield County Law Enforcement Center \$18,000,000

Reflected below is a summary of the appropriations and current status of the funding by recipient.

Recipient	Appropriated		Prior Disbursements		Proposed Disbursements		Awaiting Disbursement	
	Projects	Amount	Projects	Amount	Projects	Amount	Projects	Amount
Aiken	16	\$ 146,350,000					16	\$ 146,350,000
Allendale	4	27,000,000					4	27,000,000
Bamberg	2	9,000,000					2	9,000,000
Barnwell	4	110,000,000					4	110,000,000
Colleton	1	1,387,932					1	1,387,932
Edgefield	3	19,700,000			1	18,000,000	2	1,700,000
Hampton	1	3,137,931					1	3,137,931
Lexington	5	11,900,000					5	11,900,000
Orangeburg	4	6,155,172					4	6,155,172
Institutions	4	33,000,000					4	33,000,000
Total	44	\$ 367,631,035			1	\$ 18,000,000	43	\$ 349,631,035

COMMITTEE ACTION:

Receive the report as information in accordance with the proviso.

ATTACHMENTS:

1. Department of Administration, Executive Budget Office Agenda Item Worksheet.
2. Letter dated September 19, 2022, of Mr. Roger LeDuc, Administrator, County of Edgefield.
3. Savannah River Site Litigation Settlement Fund Request Form.

COUNTY OF EDGEFIELD

Administration Office
Roger LeDuc County Administrator
124 Courthouse Square
Edgefield, South Carolina 29824
(803) 637-4000
Fax: (803) 637-4056
www.edgefieldcounty.sc.gov



County Council Members
Dean Campbell, Chair
Albert Talbert, Vice Chair
Tiffani Ireland
Scott Cooper
Dr. Jaqueline Kennion

September 19, 2022

Brian J. Gaines, Director
Executive Budget Office
SC Department of Administration
Edgar A. Brown Office Building
1205 Pendleton Street
Columbia, SC 29201

Dear Mr. Gaines,

On behalf of Edgefield County, we are requesting the \$18 million allocated to the County for the new Law Enforcement Center (LEC). Last week we opened the bids for the LEC and the County Council will be approving the low bid of \$38,318,200 at their October meeting. Construction on the 66,500 square foot LEC will commence soon thereafter. We expect the building to be completed in the second quarter of 2024.

We look forward to receiving this funding assistance and if you need any further information, please let us know.

Sincerely,

Roger LeDuc
County Administrator



Savannah River Site Litigation Settlement Fund Request Form

This form is designed to collect the information required by South Carolina to make allocations of funds authorized in the FY 2022-23 Appropriations Act from the Savannah River Site Litigation Settlement Fund. This form and supporting documentation should be submitted to the Executive Budget Office.

Contribution Information

Request Amount	County Where Project Located	Project Title
\$18,000,000.00	Edgefield	Law Enforcement Center

Organization Information

Entity Name	Edgefield County
Address	124 Courthouse Square
City/State/Zip	Edgefield, SC 29824
Website	edgefieldcounty.sc.gov
Tax ID#	57-0515034
Entity Type	County

Organization Contact Information

Contact Name	Roger LeDuc
Position/Title	Administrator
Telephone	803-637-4000
Email	rleduc@edgefieldcounty.sc.gov

PROJECT DESCRIPTION AND JUSTIFICATION

Explain and justify the project, include what it is, why it is needed, and any alternatives considered.

The current detention center and sheriff offices are over 40 years old and inadequate to serve the current needs of the county. Additionally the Law Enforcement Center (LEC) will include the magistrate offices and courtroom. All total the building will be over 66,000 square feet and a separate training center will be built behind the LEC. The county owns the land where the LEC will be built. Bids have been received and the contract will be award for \$38,318,200 with construction starting this fall and completion anticipated in the second quarter of 2024.

ESTIMATES OF TOTAL PROJECT COSTS

Expenditure Category	Budget	Explanation
New Construction	\$38,000,000.00	cost of new building for sheriff, magistrate, dtention
Land Purchase	\$350,000.00	land, site testing, appraisal
Professional Services Fees	\$2,500,000.00	architect and engineering fees
Bond Issuance Costs	\$150,000.00	bond and attorney cost
Grand Total	\$41,000,000.00	

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS RESULTING FROM THE PROJECT

Category	Amount	Rekurs	Explanation
			The new building will be replacing an existing building. All cost
Grand Total	\$0.00		

Discuss how maintenance of this facility construction/renovation/acquisition will be addressed and funded.

The County of Edgefield will be maintaining the new building and funded through the General Fund account for the sheriff, detention, dispatch, and magistrate budgets.

ADDITIONAL PROJECT INFORMATION

Provide the total square footage of the building to be renovated or constructed (if applicable).	66,000 S.F.
Provide the current age of the building(s) to be renovated or replaced.	over 40 years
Provide the total acreage and/or square footage of the land and/or building to be acquired (if applicable).	40 acres all ready acquired
Provide the projected date (month and year) for execution of the construction contract.	Oct-22
Provide the projected date (month and year) for completion of construction.	May-24
Provide an estimate of the numbers of students, faculty, staff, and clients that are expected to utilize the space.	85 staff with 124 inmate capacity

Organization Signature

Organization Signature Roger LeDuc

Administrator
Title

Roger LeDuc
Printed Name

~~21-Sep-22~~
Date

28-Sept.-22

FOR DEPARTMENT USE ONLY	
JBRC Meeting Date	JBRC Comment
Department Approval	Date

AGENCY: Department of Corrections

SUBJECT: Report of Expenditures
Comprehensive Security and Maintenance Plan

Proviso 65.30 of the Fiscal Year 2021-22 Appropriations Act, as reauthorized in the Fiscal Year 2022-23 Appropriations Act, permit the Department of Corrections to carry forward certain CARES Act reimbursement funds and directed their deposit into a separate and distinct fund known as the Department of Corrections Security and Maintenance Reserve Fund. The original amount of funding available pursuant to the provisos totaled \$93.026 million.

The provisos permit the Department to expend these funds to meet the maintenance and security needs of the agency for critical repairs, deferred maintenance, renovations, security upgrades, and equipment which are directly related to the safety and security of the public, officers, employees, and inmates. The Department was required to develop a comprehensive security and maintenance plan itemizing the permanent improvement projects and equipment purchases needed to maintain the safety and security of the state's prison system, which was presented to the Governor and the Committee for review and comment by September 30, 2021, in accordance with the original proviso. The Department made a timely submission to the Committee, which received review and comment at its meeting of October 5, 2021.

In addition to the foregoing, the provisos require the Department to report to the Governor and the Committee expenditures from the fund by September 30 of each fiscal year. In accordance with this requirement, the Department made a timely submission on September 26, 2022, and reported establishment of 39 projects totaling \$91.983 million and \$128,423 in expenditures, summarized as follows.

	<u>Projects</u>	<u>Budget</u>	<u>Expenditures</u>
Control Room Additions and Cell Lock Replacement	4	\$ 32,800,716	\$ 24,352
Fire Alarm Replacements	9	17,550,000	29,267
HVAC, Chiller Boiler Replacement	12	18,583,625	30,238
Institutional Roof Replacement	3	2,925,000	43,500
Relocation of Recreation Yards and Observation Towers	4	10,822,500	1,066
Security Electronic Replacement	7	9,301,500	-
Totals	39	\$ 91,983,341	\$ 128,423

COMMITTEE ACTION:

Receive the report required by the proviso as information.

ATTACHMENTS:

1. Letter dated September 26, 2022, of Mr. Brian P. Stirling, Director, South Carolina Department of Corrections.
2. Update on Comprehensive Security and Maintenance Plan, Fiscal Year 2021-2022.



HENRY McMASTER, Governor
BRYAN P. STIRLING, Director

September 26, 2022

The Honorable Henry McMaster, Governor
State of South Carolina
South Carolina State House
1100 Gervais Street
Columbia, South Carolina 29201

The Honorable Harvey S. Peeler, Jr.
Chairman, Capital Improvements Joint
Bond Review Committee
111 Gressette Building
Columbia, South Carolina 29201

The Honorable J. Gary Simrell
Vice Chairman, Capital Improvements
Joint Bond Review Committee
525 Blatt Building
Columbia, South Carolina 29201

F. Richard Harmon
Director of Research, Capital Improvements
Joint Bond Review Committee
105 Gressette Building
Columbia, South Carolina 29201

Dear Gentlemen:

In pursuant of the FY21-22 Appropriations Act Proviso 65.30, the Department must provide to the Governor and the Capital Improvements Joint Bond Review Committee a report on the implementation and accumulated expenditures of the Comprehensive Security and Maintenance Plan proposed during FY21-22 Fiscal Year by September 30 of each fiscal year.

Please accept the following attached as our reported plan and expenditure activity for FY21-22.

Should you have any questions please do not hesitate to contact Tom Osmer, Deputy Director of Administration at 803-896-1743.

Sincerely,

Bryan P. Stirling

c: Mr. Brian J. Gaines
Director, Executive Budget Office

N04-9776
Control Room Additions and Cell Lock Replacement

Update on FY21-22 Comprehensive Security and Maintenance Plan
(\$93 million)

Control Room Additions and Cell Lock Replacement N04-9776-JM

<u>Project Name</u>		<u>Projected Budget</u>	<u>Actual Cost</u>	<u>Expenditures</u>	<u>Status</u>
McCormick CI - Add Control Rooms and Replace Cell locks in Housing Units					Engineering firm interviews in process.
N04-9776-JM-A (Subproject letter not official assigned)	Professional Services	\$600,000.00		\$24,352.00	
Engineering In Progress	<i>Electrical Engineer</i>				
	<i>Mechanical Engineer</i>				
	<i>Structural Engineer</i>				
	<i>Architectural</i>				
	<i>Inspection Service</i>				
	Construction	\$6,527,315.00			
	Contingency	\$725,257.00			
	Total	\$7,852,572.00		\$24,352.00	

Broad River CI - Add Control Rooms and Replace Cell locks in Housing Units					Pending building availability/ vacancy
N04-9776-JM-B (Subproject letter not official assigned)	Professional Services	\$600,000.00			
Engineering In Progress	<i>Electrical Engineer</i>				
	<i>Mechanical Engineer</i>				
	<i>Structural Engineer</i>				
	<i>Architectural</i>				
	<i>Inspection Service</i>				
	Construction	\$7,778,700.00			
	Contingency	\$864,300.00			
	Total	\$9,243,000.00		\$0.00	

Liber CI - Add Control Rooms and Replace Cell locks in Housing Units					Engineering firm interviews in process.
N04-9776-JM-C (Subproject letter not official assigned)	Professional Services	\$600,000.00			
Engineering In Progress	<i>Electrical Engineer</i>				
	<i>Mechanical Engineer</i>				
	<i>Structural Engineer</i>				
	<i>Architectural</i>				
	<i>Inspection Service</i>				
	Construction	\$6,527,315.00			
	Contingency	\$725,257.00			
	Total	\$7,852,572.00		\$0.00	

Evans CI - Add Control Rooms and Replace Cell locks in Housing Units					Pending building availability/ vacancy
N04-9776-JM-D (Subproject letter not official assigned)	Professional Services	\$600,000.00			
Engineering In Progress	<i>Electrical Engineer</i>				
	<i>Mechanical Engineer</i>				
	<i>Structural Engineer</i>				
	<i>Architectural</i>				
	<i>Inspection Service</i>				
	Construction	\$6,527,315.00			
	Contingency	\$725,257.00			
	Total	\$7,852,572.00		\$0.00	

Project Total	\$32,800,716.00	FY22	<u>\$24,352.00</u>
Phase 1 Engineering Total	\$24,352.00		
Phase 2 Total (as of 9/7/22)	\$0.00		
Remaining (as of 9/7/22)	\$32,776,364.00		

N04- 9777
Fire Alarm Replacements

Update on FY21-22 Comprehensive Security and Maintenance Plan
(\$93 million)

Fire Alarm Replacement N04-9777-LC

<u>Project Name</u>		<u>Projected Budget</u>	<u>Actual Cost</u>	<u>Expenditures</u>	<u>Status</u>
Kershaw CI - Replace Fire Alarm					Engineering in progress
N04-9777-LC-A	Professional Services	\$160,000.00			
Engineering In Progress	<i>Electrical Engineer</i>	Sims	\$98,500.00	\$29,266.57	
	<i>Mechanical Engineer</i>		\$0.00		
	<i>Inspection Service</i>		\$0.00		
	Construction	\$2,267,370.00			
	Contingency	\$251,930.00			
	Total	\$2,679,300.00		\$29,266.57	

MacDougall CI - Replace Fire Alarm					Engineering in progress
N04-9777-LC-B	Professional Services	\$60,000.00			
Engineering In Progress	<i>Electrical Engineer</i>	RMF	\$51,420.00		
	<i>Mechanical Engineer</i>		\$0.00		
	<i>Inspection Service</i>		\$0.00		
	Construction	\$472,500.00			
	Contingency	\$52,500.00			
	Total	\$585,000.00		\$0.00	

Evans CI - Replace Fire Alarm					Engineering in progress
N04-9777-LC-C	Professional Services	\$130,000.00			
Engineering In Progress	<i>Electrical Engineer</i>	Coffman	\$291,500.00		
Design Firm Selected	<i>Mechanical Engineer</i>		\$0.00		
	<i>Inspection Service</i>		\$0.00		
	Construction	\$1,652,040.00			
	Contingency	\$183,560.00			
	Total	\$1,965,600.00		\$0.00	

McCormick CI - Replace Fire Alarm					Engineering in progress
N04-9777-LC-D	Professional Services	\$110,000.00			
Engineering In Progress	<i>Electrical Engineer</i>	Coffman	\$252,500.00		
Design Firm Selected	<i>Mechanical Engineer</i>		\$0.00		
	<i>Inspection Service</i>		\$0.00		
	Construction	\$1,385,730.00			
	Contingency	\$153,970.00			
	Total	\$1,649,700.00		\$0.00	

N04- 9777
Fire Alarm Replacements

Wateree CI - Replace Fire Alarm					Engineering in progress
N04-9777-LC-E	Professional Services	\$160,000.00			
Engineering In Progress	<i>Electrical Engineer</i>	CEMS	\$174,500.00		
Design Firm Selected	<i>Mechanical Engineer</i>		\$0.00		
	<i>Inspection Service</i>		\$0.00		
	Construction	\$2,267,370.00			
	Contingency	\$251,930.00			
	Total	\$2,679,300.00		\$0.00	

Manning CI - Replace Fire Alarm					Engineering in progress
N04-9777-LC-F	Professional Services	\$115,000.00			
Engineering In Progress	<i>Electrical Engineer</i>	CEMS	\$149,500.00		
Design Firm Selected	<i>Mechanical Engineer</i>		\$0.00		
	<i>Inspection Service</i>		\$0.00		
	Construction	\$1,497,060.00			
	Contingency	\$166,340.00			
	Total	\$1,778,400.00		\$0.00	

Leath CI - Replace Fire Alarm					Engineering in progress
N04-9777-LC-G	Professional Services	\$110,000.00			
Engineering In Progress	<i>Electrical Engineer</i>	Burdett	\$88,500.00		
Design Firm Selected	<i>Mechanical Engineer</i>		\$0.00		
	<i>Inspection Service</i>		\$0.00		
	Construction	\$1,406,790.00			
	Contingency	\$156,310.00			
	Total	\$1,673,100.00		\$0.00	

Livesay CI - Replace Fire Alarm					Engineering in progress
N04-9777-LC-H	Professional Services	\$110,000.00			
Engineering In Progress	<i>Electrical Engineer</i>	Burdett	\$60,000.00		
Design Firm Selected	<i>Mechanical Engineer</i>		\$0.00		
	<i>Inspection Service</i>		\$0.00		
	Construction	\$1,343,610.00			
	Contingency	\$149,290.00			
	Total	\$1,602,900.00		\$0.00	

Turbeville CI - Replace Fire Alarm					Engineering in progress
N04-9777-LC-I (Subproject letter not official assigned)	Professional Services	\$190,000.00			
Engineering In Progress	<i>Electrical Engineer</i>				
	<i>Mechanical Engineer</i>				
	<i>Inspection Service</i>				
	Construction	\$2,472,030.00			

N04- 9777
Fire Alarm Replacements

	Contingency	\$274,670.00			
	Total	\$2,936,700.00		\$0.00	

Project Total	\$17,550,000.00	FY22	<u>\$29,266.57</u>
Phase 1 Engineering Total	\$0.00		
Phase 2 Total (as of 9/7/22)	\$1,166,420.00		
Remaining (as of 9/7/22)	\$16,383,580.00		

N04-9778
HVAC, Chiller Boiler Replacement

Update on FY21-22 Comprehensive Security and Maintenance Plan
(\$93 million)

HVAC, Chiller & Kitchen Boiler Replacement N04-9778-FW

<u>Project Name</u>		<u>Projected Budget</u>	<u>Actual Cost</u>	<u>Expenditures</u>	
Lee CI - Replace HVAC for Administration					Engineering in progress
N04-9778-FW-A	Professional Services	\$115,000.00			
Engineering In Progress	<i>Mechanical Engineer</i>	RMF	\$52,760.00	\$30,238.00	
	<i>Electrical Engineer</i>	Sims	\$14,600.00		
	<i>Inspection Service</i>				
	Construction	\$1,581,300.00			
	Contingency	\$175,700.00			
	Total	\$1,872,000.00		\$30,238.00	

Kirkland CI - SSR HVAC Replacement					Engineering in progress
N04-9778-FW-B	Professional Services	\$210,000.00			
Engineering In Progress	<i>Mechanical Engineer</i>	RMF	\$77,265.00		
	<i>Electrical Engineer</i>	Sims	\$29,250.00		
	<i>Structural Engineer</i>	ADC	\$17,500.00		
	<i>Envelope</i>	BEE	\$4,450.00		
	<i>Inspection Service</i>				
	Construction	\$2,970,000.00			
	Contingency	\$330,000.00			
	Total	\$3,510,000.00		\$0.00	

Headquarters - Replace Air Handlers					Engineering in progress
N04-9778-FW-C	Professional Services	\$250,000.00			
Engineering In Progress	<i>Mechanical Engineer</i>	RMF	\$76,945.00		
	<i>Electrical Engineer</i>	Sims	\$21,150.00		
	<i>Structural Engineer</i>	ADC	\$14,000.00		
	<i>Inspection Service</i>				
	Construction	\$3,439,440.00			
	Contingency	\$382,160.00			
	Total	\$4,071,600.00			
				\$0.00	

Turbeville CI - Replace Chiller and Cooling Tower	877,500.00				Engineering in progress
N04-9778-FW-D	Professional Services	\$110,000.00			
Engineering In Progress	<i>Mechanical Engineer</i>	MDI	\$52,500.00		
	<i>Electrical Engineer</i>	Sims	\$24,500.00		
	<i>Structural Engineer</i>				
	<i>Inspection Service</i>				
	Construction	\$1,480,500.00			

N04-9778
HVAC, Chiller Boiler Replacement

	Contingency	\$164,500.00			
	Total	\$1,755,000.00		\$0.00	

Evans CI- Replace Rooftop Units on Housing Units					Engineering in progress
N04-9778-FW-E	Professional Services	\$80,000.00			
Engineering In Progress	<i>Mechanical Engineer</i>	MDI	\$44,590.00		
	<i>Electrical Engineer</i>	RMF	\$45,970.00		
	<i>Structural Engineer</i>	Weatherly	\$3,750.00		
	<i>Inspection Service</i>				
	Construction	\$1,121,049.00			
	Contingency	\$124,561.00			
	Total	\$1,325,610.00		\$0.00	

McCormick -Replace Rooftop Units on Housing Units					Engineering in progress
N04-9778-FW-F	Professional Services	\$80,000.00			
Engineering In Progress	<i>Mechanical Engineer</i>	MDI	\$44,590.00		
	<i>Electrical Engineer</i>	RMF	\$41,583.00		
	<i>Structural Engineer</i>	Weatherly	\$3,750.00		
	<i>Inspection Service</i>				
	Construction	\$1,121,049.00			
	Contingency	\$124,561.00			
	Total	\$1,325,610.00		\$0.00	

Broad River - Replace Rooftop Units on Housing Units					Engineering in progress
N04-9778-FW-G	Professional Services	\$80,000.00			
Engineering In Progress	<i>Mechanical Engineer</i>	MDI	\$44,590.00		
	<i>Electrical Engineer</i>	RMF	\$50,540.00		
	<i>Structural Engineer</i>	Weatherly	\$3,750.00		
	<i>Inspection Service</i>				
	Construction	\$1,122,102.00			
	Contingency	\$124,678.00			
	Total	\$1,326,780.00		\$0.00	

Tyger River CI - Replace Upper & Lower Yard Kitchen Boiler					Engineering Bid closed on 9/15/22
N04-9778-FW-H	Professional Services	\$60,000.00			
Engineering In Progress	<i>Mechanical Engineer</i>	MDI	\$8,000.00		
	<i>Electrical Engineer</i>	Merideth	\$14,025.00		
	<i>Inspection Service</i>	Dennis	\$2,865.00		
	Construction	\$388,260.00	\$93,548.88		
	Contingency	\$43,140.00			
	Total	\$491,400.00		\$0.00	

N04-9778
HVAC, Chiller Boiler Replacement

Manning CI - Replace Electrical Grid					Engineering in progress
N04-9778-FW-L (Subproject letter not official assigned)	Professional Services	\$94,000.00			
Engineering In Progress	<i>Electrical Engineer</i>				
	<i>Inspection Service</i>				
	Construction	\$1,324,146.00			
	Contingency	\$147,127.00			
	Total	\$1,565,273.00		\$0.00	

Turbeville CI - Replace Kitchen Boiler					A-1 Increase Submission in process
N04-9778-FW-I (Subproject letter not official assigned)	Professional Services	\$30,000.00			
Increasing Budget via A-1 submission	<i>Mechanical Engineer</i>				
Due to Construction Material inflation	<i>Electrical Engineer</i>				
	<i>Inspection Service</i>				
	Construction	\$355,029.00			
	Contingency	\$39,447.00			
	Total	\$424,476.00		\$0.00	

Perry CI - Replace Kitchen Boiler					A-1 Increase Submission in process
N04-9778-FW-J (Subproject letter not official assigned)	Professional Services	\$30,000.00			
Increasing Budget via A-1 submission	<i>Mechanical Engineer</i>				
Due to Construction Material inflation	<i>Electrical Engineer</i>				
	<i>Inspection Service</i>				
	Construction	\$194,130.00			
	Contingency	\$21,570.00			
	Total	\$245,700.00		\$0.00	

Camille Graham CI - Replace Kitchen Boiler & Broad River CI - Replace Kitchen Boiler					A-1 Increase Submission in process
N04-9778-FW-K (Subproject letter not official assigned)	Professional Services	\$60,000.00			
Increasing Budget via A-1 submission	<i>Mechanical Engineer</i>				
Due to Construction Material inflation	<i>Electrical Engineer</i>				
	<i>Inspection Service</i>				
	Construction	\$549,159.00			
	Contingency	\$61,017.00			
	Total	\$670,176.00		\$0.00	

Project Total	\$18,583,625.00	FY22	<u>\$30,238.00</u>
Phase 1 Engineering Total	\$0.00		
Phase 2 Total (as of 9/7/22)	\$786,471.88		
Remaining (as of 9/7/22)	\$17,797,153.12		

N04-9779
Institutional Roof Replacement

Update on FY21-22 Comprehensive Security and Maintenance Plan

(\$93 million)

Institutional Roof Replacement N04-9779-PD

<u>Project Name</u>		<u>Projected Budget</u>	<u>Actual Cost</u>	<u>Expenditures</u>	<u>Status</u>
Tyger River CI - Replace Lower Yard Roof Coverings					Acquiring resources for Initial Construction.
N04-9779-PD-A (Subproject letter not official assigned) Phase 2 Approved	Professional Services	\$120,000.00		\$43,500.00	
	<i>Architectural</i>				
	<i>Inspection Service</i>				
	Construction	\$630,000.00			
	Contingency	\$69,000.00			
	Total	\$819,000.00		\$43,500.00	

Allendale CI - Replace Roof Coverings					Acquiring resources for Initial Construction.
N04-9779-PD-B (Subproject letter not official assigned) Phase 2 Approved	Professional Services	\$125,000.00			
	<i>Architectural</i>				
	<i>Inspection Service</i>				
	Construction	\$836,000.00			
	Contingency	\$92,000.00			
	Total	\$1,053,000.00		\$0.00	

Broad River CI - - Replace Roof Coverings					Acquiring resources for Initial Construction.
N04-9779-PD-C (Subproject letter not official assigned) Phase 2 Approved	Professional Services	\$125,000.00			
	<i>Architectural</i>				
	<i>Inspection Service</i>				
	Construction	\$836,000.00			
	Contingency	\$92,000.00			
	Total	\$1,053,000.00		\$0.00	

Project Total	\$2,925,000.00	FY22	<u>\$43,500.00</u>
Phase 1 Engineering Total	\$43,500.00		
Phase 2 Total (as of 9/7/22)	\$0.00		
Remaining (as of 9/7/22)	\$2,881,500.00		

N04-9780

Relocation of Recreation Yards and Observation Tower Installation

Update on FY21-22 Comprehensive Security and Maintenance Plan

(\$93 million)

Relocation of Recreation Yards and Observation Tower Installation N04-9780-PD

<u>Project Name</u>		<u>Projected Budget</u>	<u>Actual Cost</u>	<u>Expenditures</u>	<u>Status</u>
Lee CI - Move Rec Yards and Install Observation Tower					Bid Closed on 9/20/2022.
N04-9780-PD-A	Professional Services	\$400,000.00			
	<i>Electrical Engineer</i>	Belka	\$13,000.00		
	<i>Mechanical Engineer</i>	MDI	\$3,800.00		
	<i>Civil Engineer</i>	American	\$10,700.00		
	<i>Structural Engineer</i>	Weatherly	\$8,800.00		
	<i>Architectural</i>	In-House	\$0.00		
	<i>Inspection Service</i>		\$36,300.00	\$1,066.00	
	Construction	\$4,905,000.00			
	Contingency	\$545,000.00			
	Total	\$5,850,000.00		\$1,066.00	

McCormick CI - Move Rec Yards and Install Observation Tower					Bid Closed on 9/20/2022.
N04-9780-PD-B	Professional Services	\$90,000.00			
Drawings in progress.	<i>Architectural</i>	In House	\$0.00		
	<i>Inspection Service</i>				
	Construction	\$1,498,500.00			
	Contingency	\$166,500.00			
	Total	\$1,755,000.00		\$0.00	

Lieber CI - Move Rec Yards and Install Observation Tower					Engineering in progress
N04-9780-PD-D (Subproject letter not official assigned)	Professional Services	\$85,000.00			
Drawings in progress.	<i>Architectural</i>	In House	\$0.00		
	<i>Inspection Service</i>				
	Construction	\$1,239,750.00			
	Contingency	\$137,750.00			
	Total	\$1,462,500.00		\$0.00	

Evans CI - Move Rec Yards and Install Observation Tower					Bid Closed on 9/20/2022.
N04-9780-PD-C	Professional Services	\$90,000.00			
Drawings in progress.	<i>Architectural</i>	In House	\$0.00		
	<i>Inspection Service</i>				
	Construction	\$1,498,500.00			
	Contingency	\$166,500.00			
	Total	\$1,755,000.00		\$0.00	

Project Total	\$10,822,500.00	FY22	<u>\$1,066.00</u>
Phase 1 Engineering Total	\$0.00		
Phase 2 Total (as of 9/7/22)	\$36,300.00		
Remaining (as of 9/7/22)	\$10,786,200.00		

N04-9781-JM
Security Electronic Replacement

Update on FY21-22 Comprehensive Security and Maintenance Plan
(\$93 million)

Security Electronic Replacement N04-9781-JM

<u>Project Name</u>		<u>Projected Budget</u>	<u>Actual Cost</u>	<u>Expenditures</u>	<u>Status</u>
Kirkland CI - Replace Security Electronics					Engineering in progress
N04-9781-JM -A	Professional Services	\$30,000.00			
Processing Contract	Architectural	In House	\$0.00		
	Inspection Service				
	Construction	\$236,250.00	\$431,508.00		R&S
	Contingency	\$26,250.00			
	Total	\$292,500.00			

Lee CI - Replace Security Electronics					Scheduling work to begin
N04-9781-JM -B	Professional Services	\$50,000.00			
Processing Contract	Architectural	In House	\$0.00		
	Inspection Service	Dennis	\$1,540.00		
	Construction	\$1,008,000.00	\$592,260.00		R&S
	Contingency	\$112,000.00			
	Total	\$1,170,000.00			

Perry CI - Replace Security Electronics					Scheduling work to begin
N04-9781-JM -C	Professional Services	\$35,000.00			
Processing Contract	Architectural	In House	\$0.00		
	Inspection Service	Dennis	\$1,540.00		
	Construction	\$758,250.00	\$546,976.00		R&S
	Contingency	\$84,250.00			
	Total	\$877,500.00			

Turbeville CI - Replace Security Electronics					Scheduling work to begin
N04-9781-JM -D	Professional Services	\$30,000.00			
	Architectural	In House	\$0.00		
	Inspection Service	Dennis	\$1,540.00		
	Construction	\$499,500.00	\$463,066.00		R&S
	Contingency	\$55,500.00			
	Total	\$585,000.00			

Tyger River CI - Replace Security Electronics					Engineering in progress
N04-9781-JM -E (Subproject letter not official assigned)	Professional Services	\$30,000.00			
	Architectural				
	Inspection Service				
	Construction	\$499,500.00			

N04-9781-JM
Security Electronic Replacement

	Contingency	\$55,500.00			
	Total	\$585,000.00			

Allendale CI - Replace Security Electronics					Engineering in progress
N04-9781-JM -F (Subproject letter not official assigned)	Professional Services	\$30,000.00			
	<i>Architectural</i>				
	<i>Inspection Service</i>				
	Construction	\$341,550.00			
	Contingency	\$37,950.00			
	Total	\$409,500.00			

Statewide - Replace Security Electronics					Identifying additional projects
N04-9781-JM (multiple subprojects)	Professional Services	\$250,000.00			
	<i>Architectural</i>				
	<i>Inspection Service</i>				
	Construction	\$4,618,800.00			
	Contingency	\$513,200.00			
	Total	\$5,382,000.00			

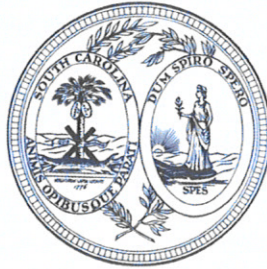
Project Total	\$9,301,500.00	FY22	<u><u>0</u></u>
Phase 1 Engineering Total	0		
Phase 2 Total (as of 9/7/22)	2,038,430		
Remaining (as of 9/7/22)	\$7,263,070.00		

**Capital Improvements
Joint Bond Review Committee**

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SFAA LIAISON
803-212-6682

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

October 5, 2021

Mr. Bryan P. Stirling
Director
South Carolina Department of Corrections
Post Office Box 21787
Columbia, SC 29221-1787

Dear Mr. Stirling:

At its meeting today, the Joint Bond Review Committee reviewed and made comment on the Fiscal Year 2021-22 Comprehensive Security and Maintenance Plan proposed by the South Carolina Department of Corrections. The submission was made pursuant to Proviso 65.30 of the Fiscal Year 2021-22 Appropriations Act, which requires among other things development of a comprehensive plan that itemizes the permanent improvement projects and equipment purchases needed to maintain the safety and security of the state's prison system.

The Proviso further requires the Department to submit to the Executive Budget Office the necessary documentation to initiate the permanent improvement projects and equipment purchases included within the comprehensive plan. Moreover, the Department must provide to the Governor and the committee a report on the implementation of the comprehensive plan and related expenditures by September 30 of each fiscal year; accordingly, a report on the implementation and related expenditures under the Fiscal Year 2021-22 comprehensive plan must be made not later than September 30, 2022.

Any deviations to the plan are subject to further review and comment by the committee.

Please advise committee staff if you have any questions or need any further information.

Very truly yours,

Hugh K. Leatherman, Sr.
Chairman

c: Mr. Brian J. Gaines
Director, Executive Budget Office

AGENCY: South Carolina Public Service Authority

SUBJECT: Annual Report of Real Property Interests

Section 58-31-240(B) of the South Carolina Code of Laws provides that the South Carolina Public Service Authority must provide an annual report regarding every transaction involving an interest in real property and executed during the preceding twelve months, including a summary of the key terms of all contracts effectuating or related to such transactions; and parties involved in the transaction, including all entities or persons with any type of ownership interest or authority to control. The report is due by September 1 of each year.

These reporting requirements do not apply to encroachment agreements, rights of way, or lease agreements made by the Authority for property within the Federal Energy Regulatory Project boundary.

The Public Service Authority made a timely submission on September 1, 2022, responsive to this statutory requirement.

COMMITTEE ACTION:

Receive this report as information.

ATTACHMENTS:

1. Letter dated September 1, 2022, of Ms. Pamela J. Williams, Chief Public Affairs Officer and General Counsel, Santee Cooper.
2. Lot Sales and Surplus Sales between September 1, 2021, and August 31, 2022.
3. Purchases between September 1, 2021, and August 31, 2022.
4. Leases between September 1, 2021, and August 31, 2022.

Pamela J. Williams

Chief Public Affairs Officer and

General Counsel

(843) 761-7043

Cell: (843) 708-1760

pamela.williams@santeecooper.com

September 1, 2022

The Honorable Harvey S. Peeler, Jr.
Chairman, Joint Bond Review Committee
South Carolina State Senate
111 Gressette Building
Columbia, SC 29201

Re: South Carolina Public Service Authority's Annual Report on Real Property Transactions and Economic Development Loans between September 1, 2021 and August 31, 2022

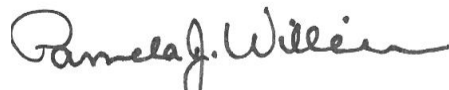
Dear Chairman Peeler:

Pursuant to Section 58-31-240(B)(1) of the SC Code of Laws, the South Carolina Public Service Authority (Santee Cooper) submits its annual report regarding every transaction involving an interest in real property and executed between September 1, 2021 and August 31, 2022.

On January 19, 2022, the Committee directed Santee Cooper to report all economic development loans made by Santee Cooper during the same time period, and that information is included in this report as well.

Please let me know if you have any questions or require any additional information regarding this report.

Sincerely,



Pamela J. Williams

Santee Cooper Lot Sales and Surplus Sales Between September 1, 2021 and August 31, 2022

Conveyance Type	Grantor	Grantee	Ownership Interest for Entity Parties	Use	Description	Acreage	County	Closing Date	Value Determination	Purchase Price
Lot Sales Program	Santee Cooper	Eadie, Keith E. & Dawn C.	N/A	Residential	Lot 12, St. Julien Extension Subdivision	0.726	Orangeburg	9/1/2021	Appraisal	\$ 152,500
Lot Sales Program	Santee Cooper	Eadie, Keith E. & Dawn C.	N/A	Residential	Lot 13, St. Julien Extension Subdivision	0.683	Orangeburg	9/1/2021	Appraisal	157,500
Lot Sales Program	Santee Cooper	Feiman, Joseph O. and Donna E.	N/A	Residential	Lot 78, Prince Subdivision	0.467	Clarendon	9/8/2021	Appraisal	157,200
Lot Sales Program	Santee Cooper	Dennis, Wayne & Gail	N/A	Residential	Lot 80, White Oak II Subdivision	0.418	Clarendon	9/8/2021	Appraisal	135,000
Lot Sales Program	Santee Cooper	Anaker, Fred E.	N/A	Residential	Lot 22, Eutaw Springs Subdivision	0.294	Orangeburg	9/15/2021	Appraisal	14,500
Lot Sales Program	Santee Cooper	Segars, Michael & Joyce	N/A	Residential	Lot 66, Fountain Lake Subdivision	0.423	Orangeburg	9/16/2021	Appraisal	47,500
Lot Sales Program	Santee Cooper	Chaplin, Robert P., III	N/A	Residential	Lot 56, Francis Marion Subdivision	0.921	Clarendon	10/4/2021	Appraisal	150,000
Lot Sales Program	Santee Cooper	Chaplin, Robert P., III	N/A	Residential	Lot 57, Francis Marion Subdivision	0.678	Clarendon	10/4/2021	Appraisal	90,000
Lot Sales Program	Santee Cooper	Stoudennire, Carl D.	N/A	Residential	Lot 133, Eutaw Springs Subdivision	0.313	Orangeburg	10/19/2021	Appraisal	14,500
Lot Sales Program	Santee Cooper	Pearson, Brian T.	N/A	Residential	Lot 54, Eutaw Springs Subdivision	0.333	Orangeburg	10/25/2021	Appraisal	90,000
Lot Sales Program	Santee Cooper	Powlesland, Ernest Lewis & Euzelia H.	N/A	Residential	Lot 24, Rowland Subdivision	0.389	Clarendon	10/25/2021	Appraisal	112,500
Lot Sales Program	Santee Cooper	Starnes, Carol G.	N/A	Residential	Lot 87, Prince I Subdivision	0.539	Clarendon	10/28/2021	Appraisal	142,500
Lot Sales Program	Santee Cooper	Woodward, Larry	N/A	Residential	Lot 50, Taw Caw II Subdivision	0.514	Clarendon	11/8/2021	Appraisal	85,512
Lot Sales Program	Santee Cooper	Everhart, William Thomas & Jennifer	N/A	Residential	Lot 101, Francis Marion Subdivision	0.603	Clarendon	12/14/2021	Appraisal	24,500
Lot Sales Program	Santee Cooper	Marie Everhart	N/A	Residential	Lot 37, Low Falls	0.746	Calhoun	12/15/2021	Appraisal	52,500
Lot Sales Program	Santee Cooper	Hanna, Jearold W. & Hilda L.	N/A	Residential	Lot 5, Francis Marion Subdivision	0.914	Clarendon	12/21/2021	Appraisal	57,500
Lot Sales Program	Santee Cooper	Coward, Teresa B.	N/A	Residential	Lot 10 & 17, Bonneau Park Subdivision	0.678	Berkeley	1/31/2022	Appraisal	37,500
Lot Sales Program	Santee Cooper	Burbage, R. Alvin and Myrtis L.	N/A	Residential	Lot 555, Church Branch Subdivision	0.296	Clarendon	2/18/2022	Appraisal	42,000
Lot Sales Program	Santee Cooper	Maker, John	N/A	Residential	Lot 107, Francis Marion Subdivision	0.566	Clarendon	3/21/2022	Appraisal	24,000
Lot Sales Program	Santee Cooper	Southern Style Ventures, LLC	Carl A. Rawleigh and Carla B. Rawleigh, sole member & sole managing members	Residential						
Lot Sales Program	Santee Cooper	Drastura, Robert & Christina	N/A	Residential	Lot 45, Rowland	0.328	Clarendon	3/24/2022	Appraisal	122,500
Lot Sales Program	Santee Cooper	Miller, Charles and Martha	N/A	Residential	Lot 136, Fountain Lake Subdivision	0.289	Orangeburg	4/4/2022	Appraisal	20,000
Lot Sales Program	Santee Cooper	Mazo, Andrew	N/A	Residential	Lot 138, Dubois Subdivision	0.514	Clarendon	4/12/2022	Appraisal	29,000
Lot Sales Program	Santee Cooper	Brown, Anthony L. & Natalie A.	N/A	Residential	Lot 32, Gin Pond Subdivision	0.344	Clarendon	6/2/2022	Appraisal	22,500
Lot Sales Program	Santee Cooper	Cardenas, Rocio and Patricia Harlow	N/A	Residential	Lot 124, Eutaw Springs Subdivision	0.313	Orangeburg	7/5/2022	Appraisal	20,000
Lot Sales Program	Santee Cooper	Broadway, Johnny & June	N/A	Residential	Lot 109, White Oak II Subdivision	0.288	Clarendon	8/5/2022	Appraisal	24,000
Lot Sales Program	Santee Cooper	Hall, Diane Heinen	N/A	Residential	Lot 21, Low Falls Subdivision	0.758	Calhoun	8/10/2022	Appraisal	102,500
Surplus Sale	Santee Cooper	S&H Investments, LLC	Submitted	Economic Development, Light Industrial	Lots 4-7&10, Ascott Valley	15.22	Horry	12/21/2021	Appraisal	160,539
Surplus Sale	Santee Cooper	CFS of Loris, LLC	Submitted	Economic Development, Light Industrial	Loris Commerce Park	9.84	Horry	5/13/2022	Appraisal	65,000
Camp Hall Commerce Park	Santee Cooper	Camp Hall 4B Owner, LLC	Submitted	Industrial	Campus 4	110.600	Berkeley	10/21/2021	Comparable Sales	9,401,000
Camp Hall Commerce Park	Santee Cooper	Magnus CHI, LLC	Submitted	Industrial	Campus 1, Parcel 5	10.180	Berkeley	10/29/2021	Request for Proposal	814,400
Camp Hall Commerce Park	Santee Cooper	SC Ridgeville Autonomous, LLC	Submitted	Industrial	Campus 5	70.000	Berkeley	12/22/2021	Comparable Sales	6,431,720
Camp Hall Commerce Park	Santee Cooper	Altus Equity Group, Inc.	Submitted	Industrial	Campus 8	107.000	Berkeley	5/31/2022	Comparable Sales	9,565,240

Santee Cooper Leases Between September 1, 2021 and August 31, 2022

Lease Type	Lessor	Lessee	Ownership Interest for Entity Parties	Use	Description	Acreage	County	Rental Determination	Price/Rental	Execution Date	Termination Date	Extension Exercised	Term
Gratis Lease	Santee Cooper	Moncks Corner Rural Fire Department	N/A	Fire Station	Fire Station on Sugar Hill Road, Pinopolis	0.988	Berkeley	N/A	Gratis	1/24/2022	1/23/2023		Self Renewing Lease, May be cancelled by Santee Cooper with 60 days notice

No Santee Cooper Purchases to Report Between September 1, 2021 and August 31, 2022

Purchase Type	Grantor	Grantee	Ownership Interest for Entity Parties	Use	Description	Acreage	County	Closing Date	Value Determination	Purchase Price	Notes

Santee Cooper Loans Between September 1, 2021 and August 31, 2022

Loan Type	Grantor	Grantee	Purpose	County	Amount	Closing Date	Notes
Economic Development Revolving Loan	Santee Cooper	Pee Dee Electricom, Inc., a wholly owned subsidiary of Pee Dee Electric Cooperative	Loan for the construction of a Class A 100,000 square foot speculative building in the Belk Industrial Park	Chesterfield	\$4,000,000.00 (60% of Projected Costs)	3/23/2022	The loan is secured with a 1 st mortgage on the 19.27-acre parcel. Pee Dee Electric Cooperative will also deposit \$155,000 annually for the 10-year loan term (\$1.55 million total) into a restricted fund account at the beginning of each year as additional security. Santee Cooper will have access to the restricted fund account in the event of default on the scheduled loan payment.

AGENCY: South Carolina Rural Infrastructure Authority

SUBJECT: Annual Report

Section 11-50-160 of the SC Code of Laws provides among other things that, following the close of each state fiscal year, the South Carolina Rural Infrastructure Authority must submit an annual report of its activities for the preceding year to the Governor and to the General Assembly, and an annual report of any loans or other financial assistance, excluding grants, to the Joint Bond Review Committee.

The report is provided as information to the Committee.

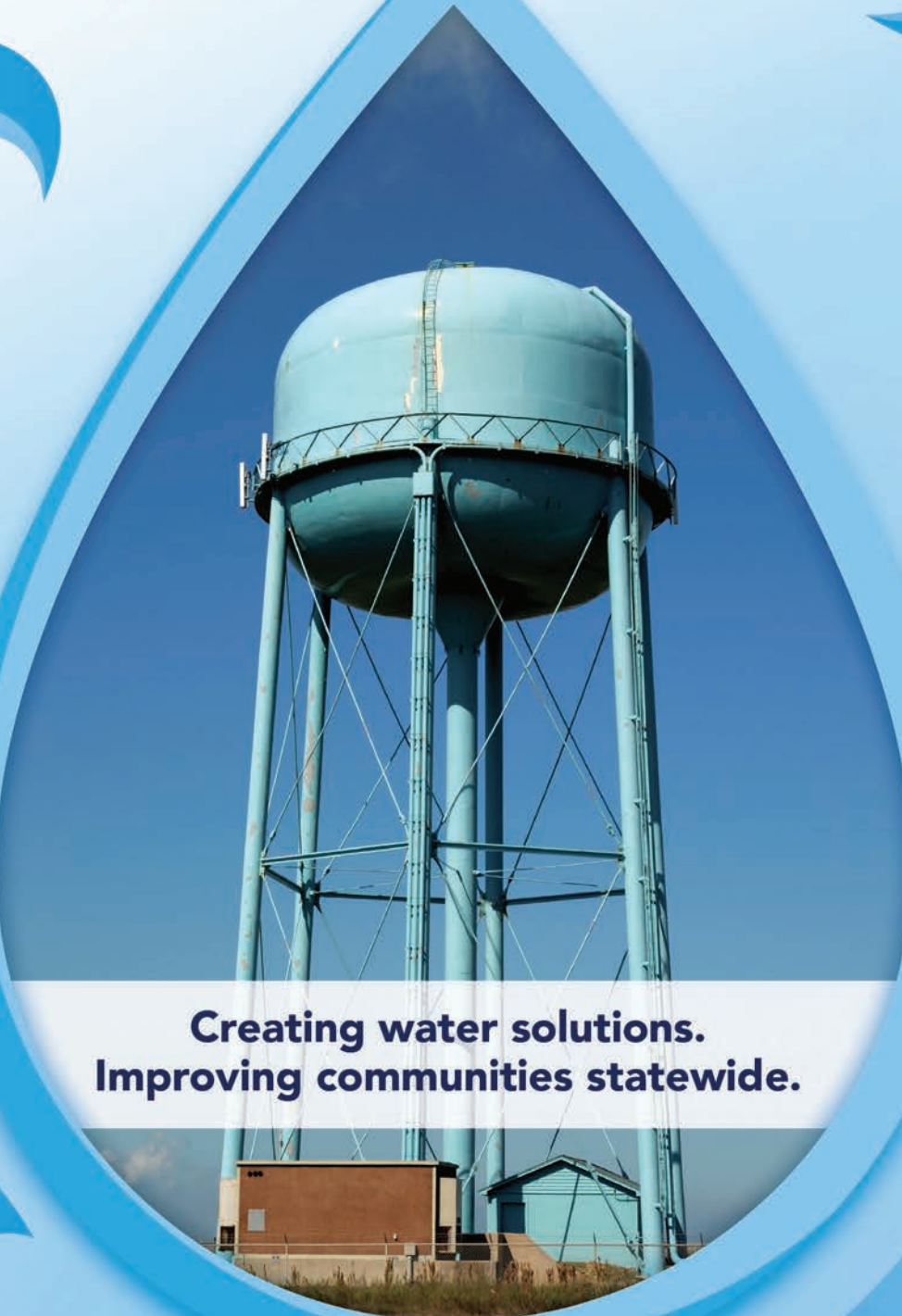
COMMITTEE ACTION:

Receive as information.

ATTACHMENTS:

1. South Carolina Rural Infrastructure Authority Annual Report Fiscal Year 2021-22.

RIA 2021-2022 Annual Report



**Creating water solutions.
Improving communities statewide.**

OUR BOARD



HARRY M. LIGHTSEY III

S.C. Secretary of Commerce - Board Chairman

Strong partnerships are key to strengthening the state's critical water and sewer infrastructure, and the S.C. Rural Infrastructure Authority (RIA) strategically maximizes the collaboration those partnerships bring. Improving the lives of South Carolinians who live in the state's rural areas is something the RIA continues to do through making critical investments that ensure the water and sewer infrastructure in those areas can sustain and enhance growth for generations to come. The RIA's work will no doubt have a lasting impact on our state.

THE HONORABLE MICHAEL GAMBRELL

Vice-Chairman, S.C. Senate

MR. DAVID E. ANDERSON

Anderson Brothers Bank

THE HONORABLE WILLIAM CLYBURN

S.C. House of Representatives

MR. WILLIAM KELLAHAN

Kellahan & Associates

MR. JASPER SHULER

S.C. Department of Agriculture

THE HONORABLE RICHARD YOW

S.C. House of Representatives

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INCREASE

community sustainability by helping to maintain reliable and affordable infrastructure.

IMPROVE

the quality of life by addressing public health, environmental and regulatory concerns.

CREATE

opportunities for economic impact by building the infrastructure capacity to support economic growth.

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THE YEAR AT-A-GLANCE

FISCAL YEAR 2021-2022

81
PROJECTS
Water, Sewer
and Storm
Drainage
Upgrades

\$
111
MILLION
GRANTS
AND
LOANS

31
COUNTIES
Benefited from
Grants and
Loans

131K
CUSTOMERS
TO BENEFIT
A Record High
for Grants

596
JOBS*

0
LOAN
DEFAULTS
In Our 35
Year Lending
History

113
GRANT
APPLICATIONS
RECEIVED
Most in a
Single Year

\$
519
MILLION
CAPITAL
INVESTMENTS*

*RIA's economic infrastructure grants create opportunities for companies to commit to new job creation and capital investment.

EXECUTIVE DIRECTOR'S MESSAGE

For nearly a decade, the S.C. Rural Infrastructure Authority (RIA) has dedicated itself to working with various stakeholders to make targeted investments in the state's water, sewer and stormwater infrastructure. RIA has directed more than \$953 million in grants (since 2013) and loans (since 2016) to improve the facilities and services we depend on for safe drinking water, sanitary sewer and storm resilience projects.



This year, RIA has undertaken several new initiatives designed to promote collaboration and capitalize on infrastructure investments that will have impact for years to come. These initiatives include:

- Completed a **Utility Viability Study**, with input from stakeholders, which identified challenges as well as strategies for regional solutions to help struggling water and sewer utilities around the state.
- Developed a **new, coordinated grant application** for RIA and the S.C. Department of Health and Environmental Control (DHEC) funding programs which streamlined the process and resulted in a record number of applications.
- Implemented a \$3.5 million **pilot program** to encourage **regional solutions**, through planning and capital improvement projects.
- Partnered with the S.C. Department of Commerce to make infrastructure investments that create **economic impact**. RIA-funded projects contributed to 30% of the state's top job announcements and 58% of the largest capital investments in 2021.
- Worked with key stakeholders to provide information to Governor McMaster's **accelerateSC** task force and the General Assembly about infrastructure needs statewide. In May 2022, \$900 million in **American Rescue Plan Act (ARPA)** resources were approved for RIA to offer competitive grants that will have a transformational impact.

Infrastructure touches every aspect of people's lives and serves as a basic building block for economic investment. South Carolinians have always believed that we can succeed when neighbors help neighbors. When we pool resources and ideas, there is no end to what we can accomplish in the future.

Best Regards,

A handwritten signature in black ink that reads "Bonnie Ammons". The signature is fluid and cursive, with a long, sweeping underline.

ASSISTANCE PROGRAMS GRANTS

With a record number of applications submitted (24% increase over last year) and awarded (17% increase), the RIA state grant program is recognized as a reliable source of funding for water, sewer and storm drainage improvement projects in South Carolina.

Financial assistance was made available through three competitive grant programs: Basic Infrastructure, Economic Infrastructure and the new Regional Feasibility Planning.

BASIC INFRASTRUCTURE

More than \$24 million was awarded to 51 different projects that address Basic Infrastructure priorities such as correcting issues with sewer overflows, improving drinking water quality and replacing aging infrastructure that is not meeting current standards. This program prioritizes projects that will: support regionalization efforts; help to resolve consent orders and regulatory violations impacting water and sewer systems; assist with emergencies or other health and environmental issues; or update aging infrastructure that has reached the end of its useful life and no longer provides quality service.



70%

OF AWARDED
PROJECTS
WERE LOCATED
IN RURAL AREAS



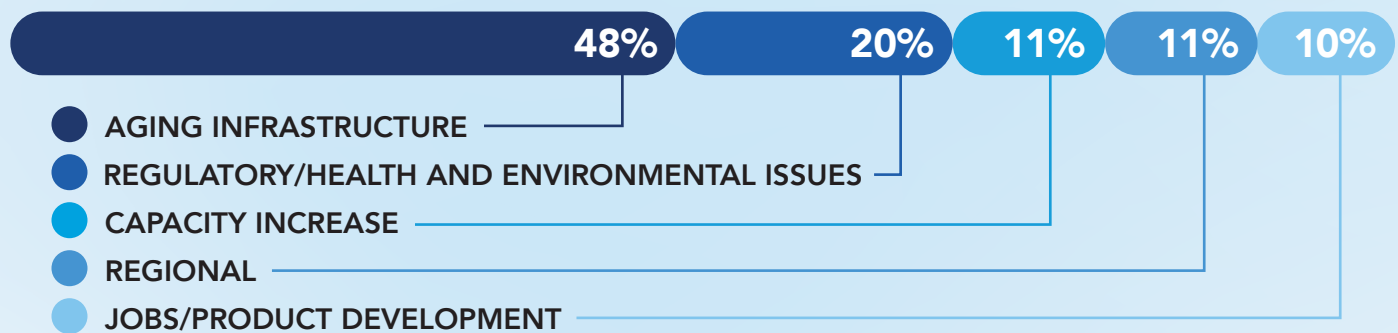


67M IN OTHER FUNDS LEVERAGED

ECONOMIC INFRASTRUCTURE

RIA plays an important and supportive role in economic development. This year, eight Economic Infrastructure projects were funded and approximately \$5.6 million went toward upgrading or extending infrastructure to serve companies that have made commitments to bring jobs to South Carolina, a top priority for these grants. Additional project priorities include expanding system capacity to help existing companies create or retain jobs, and assisting with infrastructure to serve publicly-owned industrial parks or sites to prepare them for development opportunities.

GRANT PRIORITIES BY DOLLARS AWARDED (FY22)



REGIONAL FEASIBILITY PLANNING

This year, RIA piloted a program to support water and sewer systems in planning for long-term viability through regional solutions. Planning grants were awarded to assess the feasibility and resource requirements of various alternatives to make informed decisions. Five projects, totaling \$352,360, were approved.

Applicants are responsible for all non-construction costs. There is also a 25% construction match for projects located in Tier I and II counties, as designated by the S.C. Department of Revenue. Applications are reviewed on a comparative basis of the relative need, feasibility and impact of each project. Funding decisions are made by RIA's Board of Directors.



ASSISTANCE PROGRAMS

LOANS

Low-interest loan financing, through the State Revolving Fund (SRF) loan program, is a cost-effective way for utilities to finance capital improvements for infrastructure. Borrowers are able to finance capital improvement projects with below-market interest rates and low closing costs. Accessing the SRF program also means a substantial reduction in annual debt service costs; such savings directly benefit rate-paying customers, and ultimately, the utility system itself. Also, SRF funding can be combined with other local, state and federal funding sources, providing an optimal funding solution for eligible utilities.

The SRF is a federally capitalized loan program which is jointly administered by the RIA and DHEC. SRF is a well-proven partnership between federal and state governments, effectively and efficiently funding water, sewer and storm drainage projects in two SRF loan programs: Clean Water and Drinking Water. These programs are often used to finance large and complex infrastructure improvement projects.

RIA manages the financial responsibilities of the loan programs including loan policies, loan applications, credit reviews, loan agreements, disbursements and loan



80.5M LOANS
CLOSED





35% FOR SMALL
AND MEDIUM
UTILITIES

administration activities, as well as repayments. RIA also provides the state match (20%) for the federal funds. DHEC serves as the federal grant recipient and handles the technical aspects of the program including selection of projects that meet water quality priorities and compliance with federal requirements.

Due to the slow climb of market interest rates, demand for the low-interest loans increased 59% over last year. Demand still remains below pre-pandemic levels but is expected to rise in FY23 due to continued increases in market interest rates.

Of the loans closed this year, \$17 million were funded by additional monies provided under the Additional Supplemental Appropriations for Disaster Relief Act (P.L. 116-20). These additional funds were limited to counties that had a disaster declaration in September 2018 from Hurricane Florence, and funded projects that reduce flood damage/vulnerability or that enhance resiliency to rapid hydrologic changes or natural disasters at a treatment facility. Finally, 13 principal forgiveness loans were closed, totaling \$4.9 million.



The SRF program is a valuable conduit for the use of federal funds to foster resiliency projects that reduce the impact of climate events on South Carolina communities. The low-interest SRF loans are made available to municipalities, counties and special purpose districts statewide. To be eligible, the borrower must have a sufficient revenue stream to repay the loan and show system viability.

\$59M IN LOAN
REPAYMENTS

ASSISTANCE PROGRAMS CUSTOMER RESOURCES

RIA places a special emphasis on working collectively with its partners and customers to ensure the success of those entities that operate water, wastewater and stormwater infrastructure in the state.

One of the agency's goals is to assist as many communities as possible in providing access to critical infrastructure necessary for basic quality of life. RIA accomplishes this by reaching out to local governments and utilities and discussing potential projects as well as helping locate and access other funding resources for infrastructure improvements. Where it cannot directly assist a potential customer, RIA will identify and refer them to other resources that may offer a reasonable solution for the identified need.

RIA's outreach efforts in FY22 were expanded as the agency took on several new initiatives that had strong interest and worked diligently to share the information with potential applicants. RIA reached a record 1,246 people through five webinars and one in-person workshop. In addition, RIA staff conducted 314 technical assistance calls and/or meetings.



148%

INCREASE
IN TECHNICAL
ASSISTANCE
EFFORTS



This year, RIA placed a greater focus on collaborating with other utility and local government associations to improve communications about the available resources and provide greater access to the training and project technical assistance offered by RIA. These partnerships are critical to enhance outreach efforts to large and small utilities in rural and urban areas statewide.



**Working Together:
A Path to Water Viability**
South Carolina Water Utility Forum

SUSTAINABILITY FORUM

235
PARTICIPANTS



SCIIP
South Carolina
Infrastructure
Investment Program

GRANT WEBINAR

522
PARTICIPANTS



SPECIAL INITIATIVES

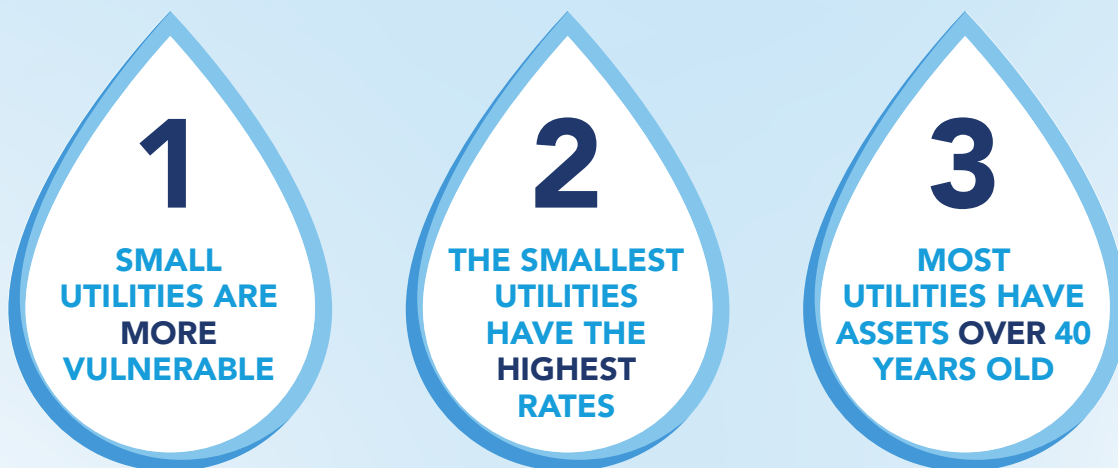
UTILITY VIABILITY STRATEGIES

RIA undertook a statewide study of the challenges facing water and sewer utilities. Made possible by a grant from the U.S. Department of Commerce - Economic Development Administration, this was a collaborative effort from start to finish.

An advisory committee was convened to provide guidance and expertise throughout this project. The committee's 15 members represent all the state's major regions; small, medium and large water systems; municipal and county governments; special purpose districts; rural water districts; a Council of Governments (COG); various professional associations; and several infrastructure funding agencies.

Advisory committee meetings were held at key points during the project and the feedback received from discussions in those meetings was central to the identification of key issues and strategies for addressing long-term viability needs for South Carolina's most vulnerable utilities.

THE UTILITY ASSESSMENT YIELDED THREE KEY TAKEAWAYS:



On September 30, 2021, RIA held the South Carolina Water Utility Forum, inviting public utilities and stakeholders from across the state to provide input on viability issues and proposed strategies to address them. During this collaborative forum, the results of the assessment were provided, the major elements of the proposed viability strategy were discussed, and feedback was received from over 235 participants. This feedback was critical to the development of the final viability strategy.

The final report was published on the RIA website in February 2022.

THE FOLLOWING STRATEGY COMPONENTS WERE PROPOSED:

- 1 UTILITY VIABILITY IDENTIFICATION**
- 2 COORDINATION OF ASSISTANCE**
- 3 LEVERAGING PARTNERSHIPS**
- 4 TARGETED FINANCIAL ASSISTANCE**

PUTTING THE PLAN INTO ACTION

RIA has worked to share the proposed strategies and key assessment findings with stakeholders across the state, presenting at industry conferences and emphasizing the need for collaboration. RIA also published a new web page dedicated to utility viability, which includes the strategies, viability resources and case studies. These resources include an Excel-based interactive tool that utilities and other stakeholders can use to assess technical, financial, and managerial characteristics and identify areas where improvement may be needed.

Even before the completion of the study, RIA took steps to target financial assistance to those utilities with viability concerns by creating the Regional Feasibility Planning grant program. This competitive grant program funded studies to assess the feasibility of multiple systems working together to create long term viability options. In addition, five capital improvement projects, totaling \$3,147,640, were awarded to help implement new regional partnerships.

LEARN MORE: ria.sc.gov/utility-viability



SPECIAL INITIATIVES

SC INFRASTRUCTURE INVESTMENT PROGRAM

A TRANSFORMATIONAL NEW GRANT PROGRAM

The federal American Rescue Plan Act of 2021 (ARPA) directed \$2.5 billion to the state of South Carolina, to be used for activities designed to address recovery from COVID, including improvements to water, wastewater and stormwater infrastructure. Throughout FY22, RIA coordinated with other infrastructure groups to provide relevant information to Governor McMaster's **accelerateSC** task force as well as to the ARPA subcommittees of the General Assembly that held numerous public hearings to gather information about the extensive need to invest in infrastructure facilities. In May 2022, \$900 million was allocated to RIA to fund competitive grants and other activities designed to make impact statewide.



RIA used its expertise in grants management to develop the South Carolina Infrastructure Investment Program (SCIIP) based on the state legislation and federal requirements. The program was introduced to utilities and other stakeholders across the state during a webinar in June 2022.

The priorities for assistance include:

Community Impact – Funding for capital improvement projects for large and small to medium-sized systems to address priority water, wastewater and stormwater needs.

Regional Solutions - Funding for projects that result in regional consolidation, new or expanded operating agreements or other partnerships, particularly with smaller systems that have viability concerns.

Viability Planning - Grants for very small systems serving 3,300 or fewer people to address viability concerns or evaluate regional options as well as identify capital improvement needs.

Applications will be accepted in September 2022, with awards expected in early 2023. This is an unprecedented opportunity to make a lasting impact on critical infrastructure through large-scale, targeted investments.

SPECIAL INITIATIVES OUR PARTNERS

RIA meets bimonthly with other funding partners as part of a collaborative effort to address the state's infrastructure needs.

The group, known as the Infrastructure Funders Coordinating Committee (IFCC), frequently assists projects that are multi-funded by one or more of the IFCC agencies.

Working strategically with all of its partners allows RIA to better serve the state of South Carolina and ensure that scarce financial resources are put to their most efficient and cost effective use. This year, the group focused on ways to address greater viability for the most vulnerable systems, coordination of new federal funding sources made available as a result of COVID recovery efforts and the rising costs of construction.



Committed to the future of rural communities.



Community
Development
Block Grant





ABOUT RIA IN OUR COMMUNITY

RIA works in partnership with local governments, special purpose districts and public works commissions to carry out water, sewer and stormwater projects that will not only improve the utility's infrastructure but have a positive impact on the community that they serve.

Whether it is in town, on the outskirts or a rural part of the county, RIA projects help modernize aging infrastructure; address new demands associated with population growth and development; provide greater stormwater protection and resiliency; extend or improve infrastructure to serve businesses; and provide economic opportunities to the local communities.

COMMUNITY IMPACT



The City of Beaufort was awarded a \$500,000 grant for storm drainage improvements to address reoccurring flooding in the Mossy Oaks area, home to more than 1,500 homes and a school. The city issued bonds for most of the project costs and was able to obtain grants from both Community Development Block Grants (CDBG) and RIA to help close the financial gap. Though separate projects, both will assist with the improvements in the overall basin. It appears from recent rain events that the new drainage project is operating as designed.



For the Town of Cheraw, its project - funded through a \$500,000 RIA grant and a \$5.8 million SRF loan - installed gravity sewer at an industrial park, upgraded two pump stations, and replaced old, outdated gravity sewer line, which was a major source of inflow and infiltration to the system. The upgraded gravity sewer also increased the flow capacity to better convey wastewater from a neighboring town and the industrial park to Cheraw's wastewater treatment plant.

These projects are just two examples of how impactful water and sewer infrastructure improvements are for communities. RIA serves as a funding partner to create meaningful impact across the state.



ABOUT RIA PROGRAM MANAGEMENT

Each year, RIA staff meets with grantees to provide guidance on grant start-up activities and implementation. Grantees provide quarterly reports on progress being made toward project completion.

In addition, there are guidelines to ensure compliance and accountability for public funds, including but not limited to financial management, audits, procurement, contracts, reports, record-keeping and monitoring.

RIA staff are assigned projects (typically by geographic region) to provide technical assistance throughout the grant period.

GRANT MANAGERS

Abby Linden - Program Manager

Counties Served: Chesterfield, Darlington, Dillon, Florence, Georgetown, Horry, Marion, Marlboro, Williamsburg

Jackie Mack - Special Projects Director

Counties Served: Allendale, Aiken, Bamberg, Barnwell, Beaufort, Berkeley, Calhoun, Charleston, Colleton, Dorchester, Hampton, Jasper, Orangeburg

Mikita Patel - Program Manager

Counties Served: Chester, Clarendon, Kershaw, Lancaster, Lee, Sumter, Union, York

Amanda Pech - Program Manager

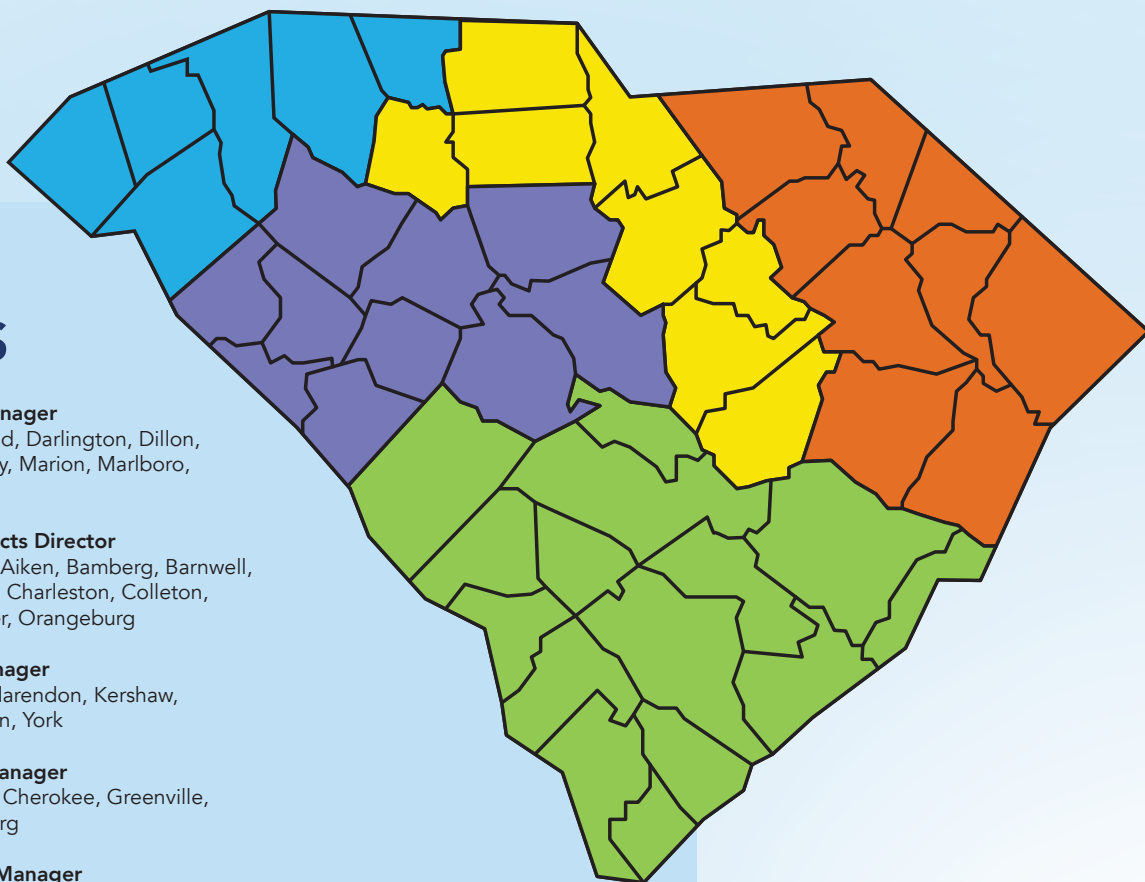
Counties Served: Anderson, Cherokee, Greenville, Oconee, Pickens, Spartanburg

Virginia Wetzel - Program Manager

Counties Served: Abbeville, Edgefield, Fairfield, Greenwood, Laurens, Lexington, McCormick, Newberry, Richland, Saluda

Kendra Wilkerson - Sustainability Program Manager

Planning and Regional Grants throughout the State



GRANT RECIPIENTS |

GRANTEE	COUNTY	PROJECT	AWARD
Abbeville County	Abbeville	Regional Feasibility Planning	\$100,000
Abbeville, City of	Abbeville	Water Line Improvements	\$500,000
Aiken, City of	Aiken	Drainage System Upgrades	\$500,000
Anderson County	Anderson	Sewer System Improvements	\$500,000
Anderson Regional	Anderson	Water System Improvements	\$500,000
Joint Water System Anderson, City of	Anderson	Sewer System Improvements	\$500,000
Awendaw, Town of	Charleston	Water System Improvements	\$157,500
Bowman, Town of	Orangeburg	Sewer System Improvements	\$1,000,000
Charleston Water System	Charleston	Sewer System Improvements	\$500,000
Chester County	Chester	Economic Water and Sewer Infrastructure	\$241,500
Chester County Wastewater Recovery	Chester	Sewer System Improvements	\$330,000
Conway, City of	Horry	Sewer System Improvements	\$1,094,183
Darlington County Water and Sewer Authority (WSA)	Darlington	Water System Improvements	\$500,000
Darlington, City of	Darlington	Sewer System Improvements	\$500,000
Dillon, City of	Dillon	Sewer System Improvements	\$500,000
Due West, Town of	Abbeville	Sewer System Improvements	\$500,000
East Richland County Public Service District	Richland	Economic Sewer Infrastructure	\$427,500
Edisto Beach, Town of	Colleton	Sewer System Improvements	\$500,000
Fairfax, Town of	Allendale	Sewer System Improvements	\$48,200
Florence, City of	Florence	Water Line Improvements	\$487,982
Fort Mill, Town of	York	Sewer System Improvements	\$500,000
Goose Creek, City of	Berkeley	Water Line Improvements	\$500,000
Great Falls, Town of	Chester	Sewer System Improvements	\$500,000
Greenville County	Greenville	Drainage System Upgrades	\$173,304
Greenville Water	Greenville	Water Line Improvements	\$147,640
Greenwood Commissioners of Public Works (CPW)	Greenwood	Water Line Improvements	\$500,000
Hollywood, Town of	Charleston	Sewer System Improvements	\$500,000
Horry County/Bucksport Water System	Horry	Water Line Improvements	\$484,440
Jefferson, Town of	Chesterfield	Water Line Improvements	\$500,000
Jefferson, Town of	Chesterfield	Regional Feasibility Planning	\$75,780
Johnsonville, City of	Florence	Water System Improvements	\$379,875
Kershaw County & Lee County Regional Water Authority	Kershaw	Water System Improvements	\$430,500
Kingstree, Town of	Williamsburg	Economic Sewer Infrastructure	\$1,000,000
Lake City, City of	Florence	Water System Improvements	\$489,000
Lancaster County Water and Sewer District (WSD)	Lancaster	Economic Sewer Infrastructure	\$2,000,000
Laurens CPW	Laurens	Sewer System Improvements	\$50,000
Laurens County Water & Sewer Commission	Laurens	Economic Sewer Infrastructure	\$500,000

FISCAL YEAR 2022

GRANTEE	COUNTY	PROJECT	AWARD
Lexington County	Lexington	Economic Sewer Infrastructure	\$436,875
Liberty, City of	Pickens	Sewer System Improvements	\$410,000
Manning, City of	Clarendon	Water System Improvements	\$500,000
McBee, Town of	Chesterfield	Water System Improvements	\$500,000
Metropolitan Sewer Subdistrict	Greenville	Sewer System Improvements	\$500,000
Metropolitan Sewer Subdistrict	Greenville	Sewer System Improvements	\$500,000
Moncks Corner, Town of	Berkeley	Drainage System Upgrades	\$319,503
Ninety Six CPW	Greenwood	Sewer System Improvements	\$500,000
North Augusta, City of	Aiken	Water System Improvements	\$500,000
Orangeburg, City of	Orangeburg	Sewer System Improvements	\$500,000
Pageland, Town of	Chesterfield	Water System Improvements	\$1,000,000
Pickens, City of	Pickens	Water Line Improvements	\$500,000
Pinewood, Town of	Sumter	Sewer System Improvements	\$491,700
Powdersville Water District (WD)	Anderson	Economic Water Infrastructure	\$500,000
Richland County	Richland	Sewer System Improvements	\$500,000
Ridgeland, Town of	Jasper	Regional Feasibility Planning	\$30,000
Saluda County WSA	Saluda	Economic Water Infrastructure	\$500,000
Saluda County WSA	Saluda	Regional Feasibility Planning	\$46,580
Simpsonville, City of	Greenville	Sewer System Improvements	\$500,000
Spartanburg Water System	Spartanburg	Water Line Improvements	\$500,000
Starr-Iva WSD	Abbeville	Water Line Improvements	\$300,000
Startex-Jackson-Wellford -Duncan WD	Spartanburg	Water Line Improvements	\$500,000
Summerton, Town of	Clarendon	Water System Improvements	\$1,000,000
Summerville CPW	Dorchester	Sewer System Improvements	\$500,000
Sumter, City of	Sumter	Water Line Improvements	\$500,000
Union, City of	Union	Regional Feasibility Planning	\$100,000
Williamston, Town of	Anderson	Water Line Improvements	\$444,500

64 PROJECTS – \$30,696,562

GRANT ADJUSTMENTS	COUNTY	PROJECT	AWARD
Jackson, Town of	Aiken	Water Line Improvements	\$31,649
Lowcountry Regional Water System	Hampton	Sewer System Improvements	\$40,000
Marlboro County	Marlboro	Water System Improvements	\$30,701
Pageland, Town of	Chesterfield	Economic Water and Sewer Infrastructure	\$20,000

TOTAL FUNDS AWARDED – \$30,818,912



LOAN RECIPIENTS

FISCAL YEAR 2022

SPONSOR	COUNTY	PROJECT	AWARD
CLEAN WATER			
Aiken, City of	Aiken	Storm Water Improvements	\$5,777,082
Berkeley County	Berkeley	Sewer System Improvements	\$9,902,486
Berkeley County	Berkeley	Sewer Line Improvements	\$3,866,577
Cayce, City of	Lexington	Septage Receiving Station Improvements	\$4,086,660
Cheraw, Town of	Chesterfield	Sewer System Improvements	\$5,883,681
Darlington County Water and Sewer Authority (WSA)	Darlington	Sewer System Improvements	\$666,169
Dillon, City of	Dillon	Sewer System Improvements	\$1,662,397
East Richland Public Service District	Richland	Sewer Line Improvements	\$4,553,373
James Island, Town of	Charleston	Sewer System Improvements	\$1,081,235
Lyman, Town of	Spartanburg	Sewer System Improvements	\$3,500,000
Rock Hill, City of	York	Sewer Line Improvements	\$12,787,411
DRINKING WATER			
Berkeley County	Berkeley	Water Line Improvements	\$6,395,320
Darlington County WSA	Darlington	Water Tank Improvements	\$1,962,840
Grand Strand WSA	Horry	Water System Improvements	\$6,390,258
Grand Strand WSA	Horry	Water Tank Improvements	\$3,011,960
Greenville Water	Greenville	Water System Improvements	\$7,567,617
Hartsville, City of	Darlington	Water System Improvements	\$1,477,300

17 SRF LOANS CLOSED – \$80,572,366

104 LOANS
STATEWIDE
FY16 – FY22

\$748M LOANS
CLOSED
FY16 – FY22



ABOUT RIA FUNDING IMPACTS

GRANTS (FY13 – FY22)

483

Projects Statewide

\$205M

Awarded

11,617

Proposed Jobs*

\$4.3B

Capital Investment

*Most RIA economic infrastructure projects expand capacity and prepare communities for opportunities that result in new jobs and investment. About nine percent of projects are directly tied to job creation and a performance agreement is required with the company. Companies must submit annual reports of progress.

	<u>Closed</u>	<u>In Process</u>
Performance Agreements	8	24†
Jobs: Proposed	1171	3870
Jobs: Actual to Date	1524	2610
Other Public Benefit	2	n/a

†One agreement is not in compliance, and RIA has required repayment of the grant funds disbursed. Once repayment is received, the grant will be closed.

ECONOMIC IMPACT IN FORT LAWN



E & J Gallo Winery announced it would build a new production facility and distribution center in Fort Lawn at a 650-acre former mill site near Interstate 77. Gallo's initial \$423 million investment is expected to create 496 new jobs. RIA's support of the project through a \$2 million grant will allow the new facility to connect to a nearby wastewater treatment plant after construction of new sewer lines.



ABOUT RIA

OUR TEAM - AGENCY STAFF

Bonnie Ammons, Executive Director

Pamela Gantt, Administrative Assistant

Liz Rosinski, Grants Program Director

Jackie Calvi Mack, Special Projects Director

Abby Linden, Grant Manager

Mikita Patel, Grant Manager

Amanda Pech, Grant Manager

Virginia Wetzel, Grant Manager

Kendra Wilkerson, Sustainability Program Manager

Trish Comp, Loan Program Director

Noel Hebert, Assistant Loan Program Director

James Absher, Senior Financial Analyst

Chris Rabon, Senior Accountant

Holley Sparkman, Loan Administration





**South Carolina
Rural Infrastructure Authority**

Creating water solutions. Improving communities statewide.

ria.sc.gov

AGENCY: South Carolina Public Service Authority

SUBJECT: Financing Proposal

Section 58-31-240(A)(1) of the SC Code of Laws provides that, prior to issuing any (1) bonds, (2) notes, or (3) other indebtedness, including any refinancing that does not achieve a savings in total debt service, the Joint Bond Review Committee must approve, reject, or modify the issuance by the South Carolina Public Service Authority. Debt may be issued in multiple series and over a three-year term. These requirements do not apply to the issuance of short-term or revolving-credit debt for the management of day-to-day operations and financing needs.

By letter dated September 30, 2022, the Authority requests approval of the Committee for the issuance of not exceeding \$175,000,000 South Carolina Public Service Authority Revenue Obligation Bonds to refund and restructure its existing Series 2016D bonds to promote level debt service and facilitate management of the Authority's cash position. This refunding is consistent with the strategy reflected in the Authority's Reform Plan used to determine rates applicable during the Cook Settlement rate freeze period, and requires Committee approval because it is not being effected solely as a strategy to achieve savings.

The Authority further requests approval of the Committee to issue not exceeding \$450,000,000 South Carolina Public Service Authority Revenue Obligation Bonds to fund capital project expenditures. The bonds may be issued in one or more taxable or tax-exempt series, with final determinations made for these considerations following development of projected cash flows and tax counsel review. The Authority is also evaluating the potential benefit of utilizing bond insurance as a credit enhancement to promote savings in interest cost.

Proceeds from the issuance of these bonds will be used to support capital expenditures for the following general purposes:

Transmission	\$ 150,000,000
Ash Ponds	120,000,000
Solid Waste Landfill	100,000,000
System Capital Improvements	73,000,000
FERC Relicensing	<u>7,000,000</u>
Total Bond Proceeds	\$ 450,000,000

Transmission. The Authority operates an interconnect bulk transmission system with ties to Southern Company, Dominion Energy South Carolina, Duke Energy Progress, and Southeastern Power Administration and plans this system in accordance with North American Electric Reliability Corporation (NERC) reliability standards. The transmission expenditures being funded are for normal system improvements associated with providing reliable service to existing and new customers.

Ash Ponds. Ash Pond expenditures will be used to excavate and dry the existing ash and deposit it in the Solid Waste Landfill for all ash pond closures. Also, any Ash Pond Beneficial Use market expenses are included. The federal Coal Combustion Residual (CCR) Rule (2015) established compliance standards, such as specific location standards, which may trigger closure

of landfills and ash ponds. While not all of Santee Cooper's ash ponds are subject to the CCR Rule, some of those located at the Cross and Winyah Generating stations are. The CCR Rule provides for five years to complete closure after ceasing to place waste in the ash pond. Based on the last deposit of ash into these ponds, Santee Cooper needs to complete closure of Cross by 2025, and Winyah by 2026. Santee Cooper ash ponds that are not subject to the CCR rule have closure plans that have been approved by DHEC and closure is in progress, with regulatory deadlines of 2030. Ash ponds will be closed through excavation and beneficial use of materials or through disposal in solid waste landfills.

Solid Waste Landfill. Project expenditures will be used to construct the new Solid Waste Landfill cell at Cross (approximately \$20 million) with the remaining expenditures related to Effluent Limitations Guidelines (ELG), which requires installation of new wastewater treatment technologies. While the effective ELG regulation (2020) established several possible compliance pathways for flue-gas desulfurization wastewater, Cross is currently pursuing the standard best available technology approach, involving installation of physical-chemical and biological treatment operations. The new treatment equipment for this pathway must be operational by the end of 2025.

System Capital Improvements. These expenditures relate to ongoing improvements to the Authority's existing generating resources as well as to its distribution system. These expenditures include items such as turbine upgrades, boiler replacement, operation control upgrades, new distribution line construction, and hardware upgrades to distribution systems.

FERC Relicensing. These expenditures are related to the anticipated New Federal Energy Regulatory Commission license requirements as required by the Final Environmental Impact Statement, Final Settlement Agreement, and National Marine Fisheries Service Biological Opinion and Prescription, including several fisheries management improvements, dam safety improvements, lake access/boat ramp improvements, and Santee National Wildlife Refuge enhancements for waterfowl management, as well as various other obligations as required by FERC.

Pledge of Revenues to Pay Bonds and Impacts on Total Debt Service. The proposed bonds are being issued pursuant to the authority of and in full compliance with the Authority's Master Resolution adopted by its Board on April 26, 1999, as amended and supplemented from time to time.¹ The Master Resolution will be supplemented by one or more Series and Supplemental Resolutions authorizing these bonds.

The bonds will be payable solely from, and secured by a lien upon and pledge of the Revenues, as that term is defined in the Master Resolution, on a parity basis with the lien and pledge securing Revenue Obligations issued pursuant to the Revenue Obligation Resolution, senior to (a) payments required to be made from or retained in the Revenue Fund to pay Operation and Maintenance Expenses, and (b) payments into the Capital Improvement Fund.

¹ The Master Resolution, as so amended and supplemented, is referred to as the "Revenue Obligation Resolution."

The Revenue Obligations are not indebtedness of the State, nor of any political subdivision thereof, and neither the State nor any of its political subdivisions are liable thereon, nor are they payable from any funds other than the Revenues of the Authority pledged to their payment.

The Refunding bonds are expected to mature over a 20-year period from December 1, 2023, through December 1, 2042, and the Revenue bonds to fund capital expenditures are expected to mature over a 30-year period from December 1, 2023, through December 1, 2052. As presented, issuance of the Refunding bonds will increase the Authority's existing annual debt service by \$15 million in each of the fiscal years 2024 through 2042, and issuance of the Revenue Obligation bonds supporting capital expenditures will increase existing annual debt service requirements by \$30.4 million in each of the fiscal years 2024 through 2052. Under present assumptions, the Authority's maximum annual debt service will occur in fiscal year 2031 at \$465.9 million.

Impact on Key Financial Metrics and Customer Rates. Issuance of the bonds will not result in any immediate or direct impact on the rate payer. The Authority periodically produces financial projections of the operations of the electric and water systems that include, without limitation, projected sales and revenues, expenses, capital expenditures and financing needs expected to occur over that period. The projections also include certain financial metrics, some of which are used by the credit rating services to aid in the evaluation and rating of the Authority's Bonds.

The Authority's recent financial projections reflect issuance of the proposed Refunding and Revenue Obligation bonds; freezing rates in accordance with the Cook litigation settlement; utilizing regulatory accounting treatment to record the Cook Exceptions identified in the Authority's April 2020 and 2021 reports; and projected future adjustments for certain of those identified exceptions through 2023. The projections further reflect the financial impact of revenues associated with those exceptions through rate adjustments following the rate freeze, and a moderate, less than inflationary, retail base rate increase beginning in 2025.

These assumptions are for the purposes of developing financial projections only. The Authority has not conducted a rate study, and any future rate adjustments would be subject to Board approval and the regulatory provisions of Act 90 of 2021.

COMMITTEE ACTION:

1. Review and approve, reject, or modify the South Carolina Public Service Authority's request to issue not exceeding \$175,000,000 South Carolina Public Service Authority Revenue Obligation Bonds to refund and restructure its existing Series 2016D bonds; and
2. Review and approve, reject, or modify the South Carolina Public Service Authority's request to issue not exceeding \$450,000,000 South Carolina Public Service Authority Revenue Obligation Bonds to fund capital project expenditures as described herein.

ATTACHMENTS:

1. Letter dated September 30, 2022, of Mr. Kenneth W. Lott III, Chief Financial and Administration Officer, Santee Cooper.
2. Supporting Exhibits.

Kenneth W. Lott III
Chief Financial &
Administration Officer
(843) 761-7040
fax: (843) 761-7037
kwlott@santeecooper.com

September 30, 2022

The Honorable Harvey S. Peeler, Jr. Chairman
Joint Bond Review Committee
South Carolina Senate
111 Gressette Building
Columbia, SC 29201

Dear Chairman Peeler,

Re: Request for approval of South Carolina Public Service Authority to issue Revenue Obligation Bonds to refund and restructure the \$175 million 2016D Series Revenue Obligation Bonds ("2022/2023 Refunding Bonds"); and the issuance of Revenue Obligation Bonds not exceeding \$450,000,000 par ("2022/2023 Improvement Bonds").

The South Carolina Public Service Authority ("the Authority") requests that the Joint Bond Review Committee approve the above-referenced bonds (the "2022/2023 Bonds") at its meeting on October 18, 2022.

The 2022/2023 Refunding Bonds are being issued to refund and restructure all Series 2016D Obligations currently outstanding in the principal amount of \$174,980,000. The Authority plans to execute this transaction prior to December 31, 2022. These bonds are being issued to levelize the Authority's overall debt service profile and manage our cash position. This is not a refunding for savings and will increase gross debt service.

The 2022/2023 Improvement Bonds will be used to fund planned capital expenditures projected to occur from February 2023 through mid to late 2024. These Revenue Obligation Bonds will be tax-exempt and taxable, as applicable, and will be issued in one or more transactions. The Authority will issue these bonds in one or more transactions through December 2023, depending on market conditions and final budgeted cash flows.

Enclosed is the required documentation detailing the proposed financing and use of the funds. On behalf of the Authority, I respectfully request that the Joint Bond Review Committee consider the request for the 2022/2023 Bonds to be used in the manners described herein.

Please let me know if you have any questions or require any additional information regarding this request.

Sincerely,



Ken Lott

cc: Suzanne Ritter, Treasurer, The South Carolina Public Service Authority

Enclosures

South Carolina Public Service Authority

Bond Information Report

September 29, 2022

Requests

1. Approval to issue not exceeding \$175 million Revenue Obligation Bonds to refund and restructure the Authority's existing 2016D Series Revenue Obligation Bonds scheduled to mature in 2023.
2. Approval for the issuance of Revenue Obligation Bonds of not exceeding \$450 million par to fund capital expenditures projected to occur from February 2023 through mid to late 2024.

Amount and Type of Bonds Proposed

The South Carolina Public Service Authority (the "Authority") is making a request to the Joint Bond Review Committee (the "JBRC") for approval to issue South Carolina Public Service Authority Revenue Obligation Bonds, in one or more transactions and in a combination of tax-exempt and taxable bonds, to refund and restructure all of the Authority's Series 2016D Obligations currently outstanding in the principal amount of \$174,980,000, and to pay costs of issuance of the bonds (the "2022/2023 Refunding Bonds"). This refunding is consistent with the strategy that was reflected in the Authority's 2019 Act 95 Reform Plan that was used to determine the rates applicable to the rate freeze period established in the Cook Settlement Agreement. Restructuring the bonds will promote level debt service and will facilitate management of the Authority's cash position. Because this transaction is not a refunding that will achieve savings, the bonds are subject to the approval of the JBRC.

The Authority further requests JBRC approval to issue not exceeding \$450,000,000 South Carolina Public Service Authority Revenue Obligation Bonds, in one or more transactions and in a combination of tax-exempt and taxable bonds, to fund capital project expenditures totaling approximately \$450,000,000, and to pay costs of issuance of the bonds (the "2022/2023 Improvement Bonds").

On August 22, 2022, the Authority's Board of Directors authorized the Authority's management to move forward with the issuance of the 2022/2023 Refunding Bonds and the 2022/2023 Improvement Bonds, subject to approval by the JBRC and final approval by the Board. The final portions of the bonds to be issued as tax-exempt or taxable debt will be made following development of projected cash flows and tax counsel review.

The Authority's financial advisor and underwriters have advised that the Authority may achieve benefit from credit enhancement of the 2022/2023 Refunding Bonds and the 2022/2023 Improvement Bonds by utilizing bond insurance. If market conditions are favorable for an insured transaction, the purposes of the 2022/2023 Refunding Bonds

and the 2022/2023 Improvement Bonds will include in the costs of issuance of the bonds the payment of an insurance premium for any applicable municipal bond insurance policy.

Purpose of the Bonds and Use of Proceeds

The 2022/2023 Refunding Bonds

Proceeds of the 2022/2023 Refunding Bonds will be used to refund and restructure all of the Authority's \$174,980,000 Series 2016D maturity due in 2023, as described above.

The 2022/2023 Improvement Bonds

Proceeds of the 2022/2023 Improvement Bonds will be used to fund capital expenditures projected to occur from February 2023 through mid- to late-2024, in accordance with the annual financial budget adopted by the Authority's Board of Directors. The Authority expects to issue the bonds in one or more transactions through December 2023, depending on market conditions and final budgeted cash flows.

In previous years the Authority has utilized its Bank Credit Facilities to temporarily fund a portion of its Board-approved capital improvement program prior to issuing long-term bonds; however, during the rate freeze period, the Authority is taking steps to promote flexibility, liquidity, cash flow, and adequate debt service coverage through judicious use and preservation of the Authority's Bank Facility capacity.

Capital Projects to be funded with 2022/2023 Improvement Bonds

Proceeds of the 2022/2023 Improvement Bond are expected to support expenditures toward the following capital projects:

Transmission	\$ 150,000,000
Ash Ponds	120,000,000
Solid Waste Landfill	100,000,000
System Capital Improvements	73,000,000
FERC Relicensing	<u>7,000,000</u>
Total Bond Proceeds	\$ 450,000,000

Following is a description of each of the capital projects to be funded by the 2022/2023 Improvement Bonds

Transmission – The Authority operates an interconnect bulk transmission system with ties to Southern Company, Dominion Energy South Carolina, Duke Energy Progress, and Southeastern Power Administration and plans this system in accordance with North American Electric Reliability Corporation (NERC) reliability standards. The transmission

expenditures being funded are for normal system improvements associated with providing reliable service to existing and new customers.

Ash Ponds - Ash Pond expenditures will be used to excavate and dry the existing ash and deposit it in the Solid Waste Landfill for all ash pond closures. Also, any Ash Pond Beneficial Use market expenses are included. The federal Coal Combustion Residual (CCR) Rule (2015) established compliance standards, such as specific location standards, which may trigger closure of landfills and ash ponds. While not all of Santee Cooper's ash ponds are subject to the CCR Rule, some of those located at the Cross and Winyah Generating stations are. The CCR Rule provides for five years to complete closure after ceasing to place waste in the ash pond. Based on the last deposit of ash into these ponds, Santee Cooper needs to complete closure of Cross by 2025, and Winyah by 2026. Santee Cooper ash ponds that are not subject to the CCR rule have closure plans that have been approved by DHEC and closure is in progress, with regulatory deadlines of 2030. Ash ponds will be closed through excavation and beneficial use of materials or through disposal in solid waste landfills.

Solid Waste Landfill – Project expenditures will be used to construct the new Solid Waste Landfill cell at Cross (approximately \$20 million) with the remaining expenditures related to Effluent Limitations Guidelines (ELG), which requires installation of new wastewater treatment technologies. While the effective ELG regulation (2020) established several possible compliance pathways for flue-gas desulfurization wastewater, Cross is currently pursuing the standard best available technology approach, involving installation of physical-chemical and biological treatment operations. The new treatment equipment for this pathway must be operational by the end of 2025.

System Capital Improvements - These expenditures relate to ongoing improvements to the Authority's existing generating resources as well as to its distribution system. These expenditures include items such as turbine upgrades, boiler replacement, operation control upgrades, new distribution line construction, and hardware upgrades to distribution systems.

FERC Relicensing - These expenditures are related to the anticipated New Federal Energy Regulatory Commission license requirements as required by the Final Environmental Impact Statement, Final Settlement Agreement, and National Marine Fisheries Service Biological Opinion and Prescription, including several fisheries-management improvements, dam safety improvements, lake access/boat ramp improvements, and Santee National Wildlife Refuge enhancements for waterfowl management, as well as various other obligations as required by FERC.

Pledge of Revenues to Pay Bonds and Impacts on Total Debt Service

The proposed 2022/2023 Refunding and Improvement Bonds are being issued pursuant to the authority of and in full compliance with the resolution adopted by the Board on April 26, 1999 (the “Master Resolution”), as amended and supplemented from time to time. The Master Resolution, as so amended and supplemented, is hereinafter referred to as the “Revenue Obligation Resolution.” The Master Resolution will be supplemented by the 54th, 55th, 56th and 57th Series and Supplemental Resolutions authorizing the 2022/2023 Refunding Bonds and the 2022/2023 Improvement Bonds. The 2022/2023 Refunding Bonds and the 2022/2023 Improvement Bonds will constitute “Obligations” issued under the Revenue Obligation Resolution.

The 2022/2023 Refunding Bonds and the 2022/2023 Improvement Bonds will be payable solely from, and secured by a lien upon and pledge of, the Revenues on a parity basis with the lien and pledge securing Revenue Obligations issued pursuant to the Revenue Obligation Resolution, senior to (a) payments required to be made from or retained in the Revenue Fund to pay Operation and Maintenance Expenses, and (b) the payments into the Capital Improvement Fund heretofore established under the Revenue Obligation Resolution.

The Revenue Obligations, including the 2022/2023 Refunding Bonds and the 2022/2023 Improvement Bonds, are not indebtedness of the State, nor of any political subdivision thereof, and neither the State nor any of its political subdivisions are liable thereon, nor are they payable from any funds other than the Revenues of the Authority pledged to the payment thereof.

The proposed 2022/2023 Refunding Bonds are expected to be issued by December 31, 2022, and mature over the 20-year period from December 1, 2023, through December 1, 2042. Issuance of the 2022/2023 Refunding Bonds is expected to result in a gross increase in debt service of approximately \$120 million.

All or a portion of the proposed 2022/2023 Improvement Bonds are expected to be issued concurrent with the 2022 Refunding Bonds and will mature over the 30-year period from December 1, 2023, through December 1, 2052. The remaining 2022/2023 Improvement Bonds, if any, are expected to mature from December 1, 2024, through December 1, 2053. Issuance of the 2022/2023 Improvement Bonds is expected to result in an increase in annual debt service of approximately \$30.5 million through 2052.

Attached as Exhibit A is a schedule reflecting the estimated debt service requirements and debt balances on all existing Revenue Obligations of the Authority, including the projected impact of the 2022/2023 Refunding Bonds and the 2022/2023 Improvement Bonds, both prior to and after the issuance of the proposed bonds. This exhibit reflects issuing the full \$450,000,000 par of 2022/2023 Improvement Bonds in 2022, interest rates as of September 22, 2022, and current assumptions for portions of the bonds to be issued as tax-exempt or taxable debt. Exhibit A also reflects the total debt outstanding under the Authority’s subordinate bank facility program as of September 26,

2022 and includes the Authority's subordinate Short-Term Debt prior to and after the issuance of the proposed bonds. Exhibit A reflects estimates under prevailing market conditions and certain additional assumptions that are subject to change; accordingly, while this exhibit is indicative of the impact of the proposed transactions on the debt profile of the Authority, actual results will differ.

Impact on Key Financial Metrics and Customer Rates

The Authority periodically produces financial projections of the operations of the electric and water systems that include, but are not limited to, projected sales and revenues, expenses, capital expenditures and financing needs expected to occur over the forecast period. The projections also include select financial metrics. The Authority provides its projections to the credit rating agencies that rate its bonds (S&P, Moody's, and Fitch) to aid in their evaluation and rating of the Authority's Revenue Obligations. The Authority's recent financial projections reflect issuance of the proposed 2022/2023 Refunding and Improvement Bonds and freezing rates in accordance with the Cook litigation settlement (the "Cook Settlement"). The projections also reflect utilizing the Board approved regulatory accounting treatment to record the Cook Exceptions identified in the Authority's April 2020 and 2021 reports filed with the court, and projected future adjustments for certain of those identified exceptions through 2023. The projections reflect the financial impact of revenues associated with those exceptions through rate adjustments following the rate freeze, as well as a moderate (less than inflation) retail base rate increase beginning in 2025.

These assumptions are for the purposes of developing financial projections only. The Authority has not conducted a rate study, and any future rate adjustments would be subject to Board approval, and the regulatory provisions of Act 90 of 2020.

While the Authority is projecting fuel costs in 2023 and beyond to be higher than originally budgeted, fuel prices are expected to be lower than those experienced by the Authority in 2022, with a further expectation that prices will gradually decline in 2023 and beyond. This expectation, combined with planned cash defeasances of \$85 million and \$50 million in 2023 and 2024, together with the refunding and restructuring of the \$175 million 2016D Bonds described herein, is expected to result in improved metrics in 2023 and 2024 as compared to 2022.

Based on these assumptions and projections, the Authority anticipates revenues sufficient to produce debt service coverage in the range of 1.36x to 1.63x from 2023-2028. Outstanding debt of \$6.9 billion as of September 26, 2022, is expected to increase by approximately \$450 million as a result of the 2022/2023 Refunding and the 2022/2023 Improvement Bond issuances, and then is expected to decline to approximately \$6.3 Billion by 2028. The Debt to capitalization ratio is expected to decline from its current 76% to 72% in 2028. While cash-on-hand levels decline during the rate freeze period, the Authority presently and foreseeably has sufficient bank credit facility capacity to provide sufficient liquidity. Days Cash on Hand is expected to range

from 91 to 129 days during the 2023-2028 period, while Days Liquidity is expected to be in the range of 195 to 253 days during the same period.

ATTACHMENT:

Exhibit A – Debt Service Schedule

AVAILABLE:

South Carolina Public Service Authority Enabling Act
Master Revenue Obligation Resolution
Board Resolution Approving Revenue Obligation Bonds 2022/2023
Board Resolution for 2022 Budget

Contacts

Suzanne Ritter, Treasurer
Suzanne.ritter@santeecooper.com
(843) 729-6099

Financial Advisor

PFM Financial Advisors LLC
Charlotte, NC

Bond Counsel

Burr Forman McNair
Charleston, SC

Disclosure Counsel

Nixon Peabody, LLP
New York, NY

Exhibit A

South Carolina Public Service Authority

Estimated Impacts of the Proposed 2022/2023 Improvement & Refunding Bonds

Year	Existing Debt (1) (2)			Proposed Refunded			Proposed Refunding (3)			Proposed New Money (3)			Total Existing and Proposed		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
Commercial Paper & Revolving Credit Agreement Loans (Principal Only)															
26-Sep-22	248,717		248,717	-	-	-	-	-	-	-	-	-	248,717	Varies	248,717
Revenue Obligation Bonds															
26-Sep-22															
2022	125,326	148,717	274,043	-	-	-	-	-	-	-	-	-	125,326	148,717	274,043
2023	279,541	293,212	572,753	(174,980)	(4,179)	(179,159)	4,940	10,044	14,984	3,265	23,919	27,184	112,766	322,996	435,762
2024	116,591	284,702	401,293	-	-	-	5,210	9,776	14,986	6,675	23,754	30,429	128,476	318,233	446,709
2025	138,076	279,364	417,440	-	-	-	5,495	9,489	14,984	7,025	23,415	30,440	150,596	312,267	462,863
2026	145,319	273,200	418,519	-	-	-	5,810	9,180	14,990	7,375	23,057	30,432	158,504	305,438	463,942
2027	150,041	266,777	416,818	-	-	-	6,135	8,854	14,989	7,750	22,681	30,431	163,926	298,312	462,238
2028	159,542	260,887	420,429	-	-	-	6,475	8,510	14,985	8,145	22,286	30,431	174,162	291,683	465,845
2029	161,334	253,710	415,044	-	-	-	6,840	8,146	14,986	8,560	21,871	30,431	176,734	283,727	460,461
2030	172,234	246,563	418,797	-	-	-	7,225	7,761	14,986	8,995	21,435	30,430	188,454	275,758	464,212
2031	180,753	239,681	420,434	-	-	-	7,635	7,354	14,989	9,455	20,976	30,431	197,843	268,010	465,853
2032	188,305	231,699	420,004	-	-	-	8,065	6,922	14,987	9,935	20,493	30,428	206,305	259,114	465,419
2033	192,146	224,449	416,595	-	-	-	8,520	6,464	14,984	10,450	19,986	30,436	211,116	250,898	462,014
2034	202,549	215,263	417,812	-	-	-	9,015	5,975	14,990	11,005	19,429	30,434	222,569	240,667	463,236
2035	198,068	205,550	403,618	-	-	-	9,530	5,407	14,986	11,590	18,842	30,432	219,188	229,849	449,037
2036	223,327	195,954	419,281	-	-	-	10,080	4,906	14,987	12,205	18,224	30,429	245,612	219,085	464,697
2037	204,025	185,235	389,260	-	-	-	10,665	4,324	14,989	12,860	17,572	30,432	227,550	207,132	434,682
2038	170,216	175,501	345,717	-	-	-	11,280	3,707	14,987	13,550	16,886	30,436	195,046	196,094	391,140
2039	178,253	167,454	345,707	-	-	-	11,930	3,053	14,983	14,270	16,162	30,432	204,453	186,669	391,122
2040	186,608	159,087	345,695	-	-	-	12,630	2,357	14,987	15,035	15,399	30,434	214,273	176,844	391,117
2041	195,195	150,519	345,714	-	-	-	13,365	1,618	14,983	15,830	14,595	30,425	224,390	166,733	391,123
2042	203,625	141,806	345,431	-	-	-	14,155	834	14,989	16,680	13,748	30,428	234,460	156,388	390,848
2043	215,710	132,736	348,446	-	-	-	-	-	-	17,580	12,854	30,434	233,290	145,590	378,880
2044	252,845	122,314	375,159	-	-	-	-	-	-	18,520	11,912	30,432	271,365	134,226	405,591
2045	273,654	109,864	383,518	-	-	-	-	-	-	19,515	10,919	30,434	293,169	120,783	413,952
2046	263,935	97,731	361,666	-	-	-	-	-	-	20,560	9,872	30,432	284,495	107,603	392,098
2047	211,614	85,874	297,488	-	-	-	-	-	-	21,665	8,769	30,434	233,279	94,643	327,922
2048	218,171	76,377	294,548	-	-	-	-	-	-	22,825	7,606	30,431	240,996	83,983	324,979
2049	216,042	66,573	282,615	-	-	-	-	-	-	24,050	6,381	30,431	240,092	72,954	313,046
2050	204,932	57,582	262,514	-	-	-	-	-	-	25,340	5,089	30,429	230,272	62,671	292,943
2051	217,431	47,827	265,258	-	-	-	-	-	-	26,705	3,727	30,432	244,136	51,555	295,691
2052	224,380	37,642	262,022	-	-	-	-	-	-	28,145	2,291	30,436	252,525	39,934	292,459
2053	231,136	27,013	258,149	-	-	-	-	-	-	14,440	777	15,217	245,576	27,790	273,366
2054	187,518	15,919	203,437	-	-	-	-	-	-	-	-	-	187,518	15,919	203,437
2055	105,856	6,895	112,751	-	-	-	-	-	-	-	-	-	105,856	6,895	112,751
2056	41,395	1,987	43,382	-	-	-	-	-	-	-	-	-	41,395	1,987	43,382
Total Revenue Obligations	6,635,693	5,485,664	12,121,357	(174,980)	(4,179)	(179,159)	175,000	124,732	299,732	450,000	474,927	924,927	7,085,713	6,081,144	13,415,574
Total Debt Outstanding	6,884,410												7,334,430		

(1) Debt outstanding as of September 26, 2022 is reflected on a cash basis and net of Babs Subsidy

(2) The 2019A variable interest rate was updated using new projected rates received on September 22, 2022

(3) Preliminary estimates and subject to change

AGENCY: South Carolina Transportation Infrastructure Bank

SUBJECT: Proposed Transportation Infrastructure 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 September 23, 2022, the Infrastructure Bank Board requested approval of the Joint Bond Review Committee for financial assistance approved by the bank on September 8, 2022, for 4 projects, and for the potential issuance by the bank of up to \$186 million in revenue bonds as needed to provide financial assistance to these projects. The projects approved total \$185,389,867 in financial assistance and are summarized as follows.

Charleston County – SC 41 - Up to \$62,193,500 (grant)
Grade separated interchange at the intersection of U.S. 17 and S.C. 41, widen S.C. 41 from U.S. 17 to Clements Ferry Road (S-30), and complete the Gregory Ferry Connector roadway between S.C. 41 and U.S. 17. Total cost of \$187,250,000, with local match of \$122,656,500 (66%) and other funds of \$2,400,000. Bank-assigned project score: 91.15.

City of Aiken – Whiskey Road Connector. Up to \$20,841,867 (grant)
Also described as Powderhouse Road Component of the Whiskey Road Corridor Project. Most of project consists of building a new connector road (1.8 miles) from East Pine Log Road to Whiskey Road. Total cost of \$37,617,867, with local match of \$8,746,000 (23%) and other (federal) funds of \$8,000,000. Bank-assigned total project score 80.25.

Greenwood County – SC Highway 246 - Up to \$38,000,000 (grant)
Widening of S.C. Highway 246 South over a 4-mile stretch in the Lakelands Region of Greenwood from 2 lanes to 5 lanes, with 2 lanes of traffic in each direction and 1 central, shared median. Total cost of \$50,000,000 with local match of \$12,000,000 (24%). Bank-assigned project score: 65.

York County – I-77 (Exit 90 – Carowinds Boulevard) - Up to \$64,354,500 (grant)
Upgrade of 3 interchanges, 2 of which have been previously approved, on I-77 between Rock Hill and the North Carolina state line. Total cost of \$85,806,000, with local match of \$21,451,500 (25%). 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.¹

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.²

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.³ 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.⁴

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

By resolution adopted on September 15, 2022, the South Carolina Department of Transportation Commission approved the September 8, 2022, decision by the bank board to provide loans and financial assistance to the 4 projects, following the commission's findings among others that the projects are included in the appropriate Council of Government's or Metropolitan Planning Organization's currently approved regional transportation plans, as reflected in lists included as an attachment to the commission's resolution.

¹ SC Code Section 11-43-180.

² SC Code Sections 11-43-265, requiring compliance with prioritization criteria prescribed in SC Code Section 57-1-370(B)(8).

³ SC Code Section 11-43-315.

⁴ SC Code Section 11-43-340.

The bank has provided a certificate of its financial advisor reflecting sufficiency of revenues to support the bank's existing indebtedness. In addition, the bank has provided internal documentation concluding that its revenues have recovered to pre-pandemic levels; fund balances totaled \$677.8 million on June 30, 2022, including reserves and other funds subject to restriction; and the bank has an estimated \$498 million in uncommitted capacity for additional projects prior to funding the projects that are the subject of this request.

Accordingly, the bank has demonstrated compliance with the legal provisions and met the conditions of the South Carolina Transportation Infrastructure Bank Act for financial assistance approved by the bank on September 8, 2022, for 4 projects, and 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 September 8, 2022, for the 4 projects described herein.
2. Review and approve the potential issuance of up to \$186 million in revenue bonds as needed by the bank to provide financial assistance to these projects.

ATTACHMENTS:

1. Letter dated September 23, 2022, of John B. White, Jr., Esquire, Chairman, South Carolina Transportation Infrastructure Bank.
2. Selected supporting materials accompanying the bank's request.
3. Letter dated September 20, 2022, of Christy A. Hall, P.E., Secretary of Transportation.
4. Resolution dated September 15, 2022, of the South Carolina Department of Transportation Commission.

AVAILABLE:

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

BOARD OF DIRECTORS

John B. White, Jr., *Chairman*

Ernest Duncan, *Vice Chairman*

David E. "Gene" Branham, Sr.

H.B. "Chip" Limehouse, III

David B. Shehan

Representative J. Gary Simrill

Senator C. Ross Turner, III

**South Carolina
Transportation Infrastructure Bank**



955 Park Street
Room 120 B
Columbia, SC 29201
P: (803) 737-2825
Fax: (803) 737-2014

September 23, 2022

The Honorable Harvey S. Peeler, Jr., Chairman
Joint Bond Review Committee
109 Gressette Building
Columbia, South Carolina 29201

RE: SC Transportation Infrastructure Bank Requests

Dear Chairman Peeler:

On September 8, 2022, the South Carolina Transportation Infrastructure Bank (SCTIB or Bank) approved financial assistance for four 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 four 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 four projects (Attachment B). Prior to that action, the Bank Evaluation Committee reviewed, scored, and recommended the four 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 attached to resolutions in Attachment B.

In 2020, the JBRC recommended the Bank Board review its policies and application process to ensure rural applicants would have opportunities to be awarded financial assistance. Subsequently, the Bank Board approved a separate rural application process and appeared before the JBRC Subcommittee to discuss its terms. At the Bank Board's meeting on September 8, 2022, the Board approved the implementation of the rural application process and directed staff to work with the SCDOT on a timeline and other details to move forward with a process to benefit the rural areas of the State. Of the current projects submitted for approval, Greenwood County's Highway 246 project would meet the definition of "a rural project" if it were being considered under the Bank's new rural projects program.

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

- City of Aiken – Whiskey Road Connector - Up to \$20,841,867 (grant)
- Charleston County – SC 41 - Up to \$62,193,500 (grant)
- Greenwood County – SC Hwy 246 – Up to \$38,000,000 (grant)
- York County – I-77, Exit 90 - Up to \$64,354,500 (grant)

The SCDOT Commission approved the projects at its meeting on September 15, 2022 (Attachment C)

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 \$20,841,867 for the City of Aiken Powderhouse Road Component of the Whiskey Road Connector Project;
2. A grant up to the amount of \$62,193,500 for the Charleston County SC 41 Project;
3. A grant in the amount of up to an \$38,000,000 for the Greenwood County SC Hwy 246 Project
4. A grant up to the amount of \$64,354,500 for the York County I-77, Exit 90 Project.

Further, the Bank requests JBRC approval for the issuance by the Bank of up to \$186 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

ATTACHMENT A

SC 41 Widening & Interchange Project:

Charleston County

Charleston County proposes to construct a grade separated interchange at the intersection of US 17 and SC 41, widen SC 41 from US 17 to Clements Ferry Road (S-30), and complete the Gregory Ferry Connector roadway between SC 41 and US 17. The precise scope of improvements shall be determined through alternative analysis performed in accordance with the National Environmental Policy Act (NEPA).

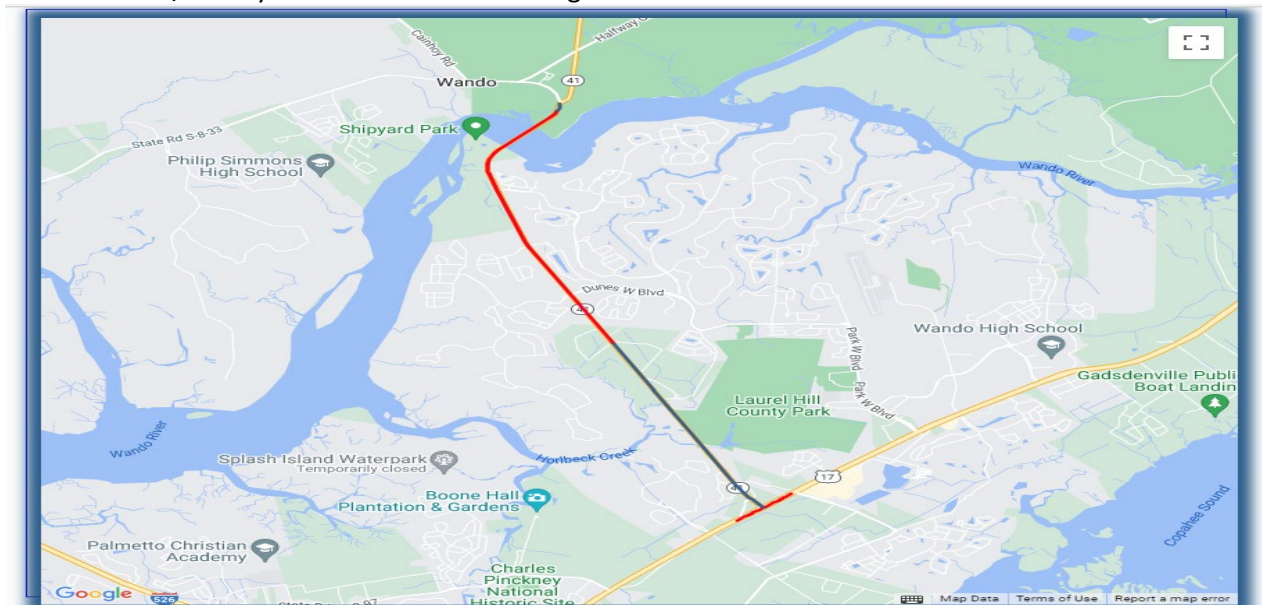
Project Type	Widening
Total Cost	\$187,250,000
SCTIB Request	\$62,193,500
Local Match	\$122,656,500
Local Match as % of Total Cost	66%
Other Funds	\$2,400,000
MPO/COG Score	56.62 in CHATS*
Public Benefit Preliminary Score	41.15 (56.62/2 = 28.31 * 1.0 = 31.15 + 10 pts) NHS Route
Financial Plan Score	50 (excess match 10 pts for each 5% above 5 *10)
TOTAL SCORE	91.15

Construction cost updated 4/2022 and escalated 7% inflation to 2028. See funding sources in the Revised Funding Distribution table below.

Funding Distribution

Funding Source	% Project Cost	Amount
Charleston County	66.5%	\$122,656,500
Berkeley County	1.1%	\$2,000,000
Town of Mount Pleasant	0.2%	\$400,000
SCTIB	33.2%	\$62,193,500
Total Cost	100%	\$187,250,000

* SC 41 Ranked in segments US 17 to Joe Rouse scored 64.26. Dunes West Parkway to Wando River/County Line scored 48.97. Average 56.62.



Powderhouse Road Component of the Whiskey Road Corridor Project

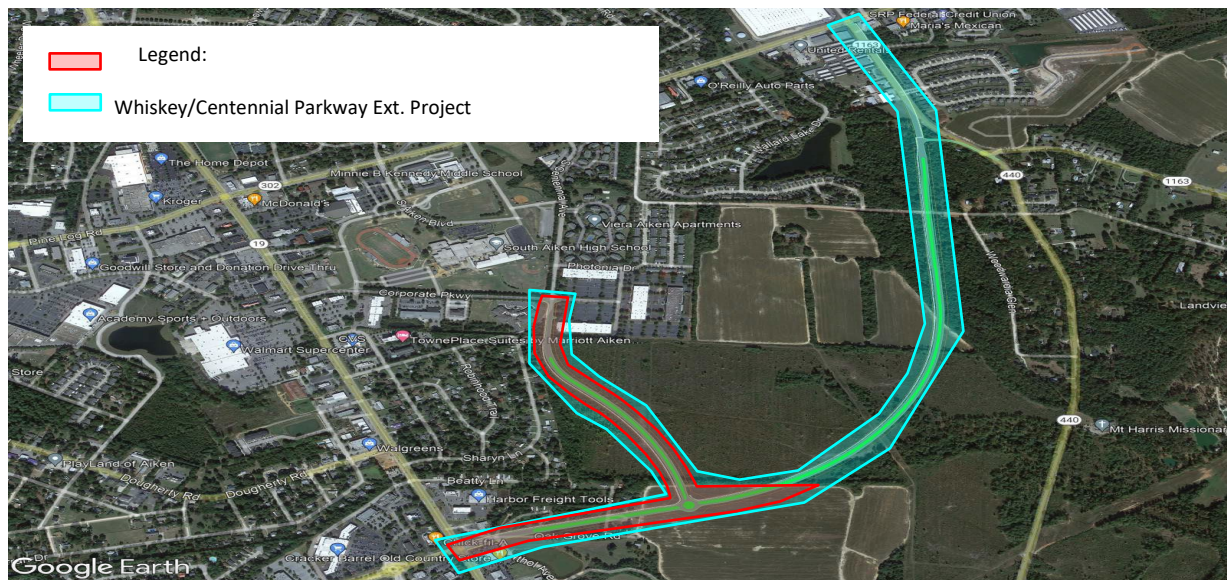
City of Aiken

The Whiskey Road Corridor is Aiken’s major arterial roadway providing access to commercial, residential, and industrial areas as well as the area’s largest employer the Savannah River Site. Despite a reduced regional growth rate, the traffic throughout the corridor has continued to increase substantially. According to SCDOT’s 2018 traffic data, an average of 37,000 vehicles utilize Whiskey Road daily. Without improvements, a recent study has indicated that number could rise to 46,950 (a 27.9% increase) by the year 2030. While the regional growth has benefitted the area’s economy, the traffic congestion it has caused creates a significant negative effect to the traveler’s quality of life.

Project Type	Widening***
Total Cost	\$37,617,867*
SCTIB Request	\$20,841,867
Local Match	\$8,746,000**
Local Match as % of Total Cost	23%
Other Funds	\$8,000,000 (Federal Funds)
MPO/COG Score	70.5 (ARTS.SC#) Average of 2 projects $((71 + 70)/2=70.5)$
Public Benefit Preliminary Score	35.25 $(70.5/2 = 35.25)$
Financial Plan Score	45 (15 for Min. local; 10 for extra local; 20 for fed)
TOTAL SCORE	80.25

The project has been estimated to cost a total of \$37,617,867 including design, right-of-way acquisition, right-of-way, utility relocation, construction, CEI, contingency, and escalation. The City is prepared to dedicate \$8,746,000 (23%) as the local contribution for the project and \$8,000,000 in federal funds dedicated to the project. There is also \$30,000 donated ROW. The City is asking for \$20,841,867 in the form of a grant to complete the project
#Scores from ARTS-SC – approval needed.

- * Includes \$942,000 for Multi-use path; \$766,575 for bike lanes. (\$1,708,575 total) Whiskey Road improvements \$400,000 (1% total project costs)
- ** Revised \$7,600,000 (Capital Projects Sales Tax); \$525,000 Road Maintenance Fee and Hospitality Fee; \$621,000 Aiken CTC
- *** Most of project consists of building a new connector road (1.8 miles) from East Pine Log Road to Whiskey Road.



S.C. Highway 246 South Widening Project:

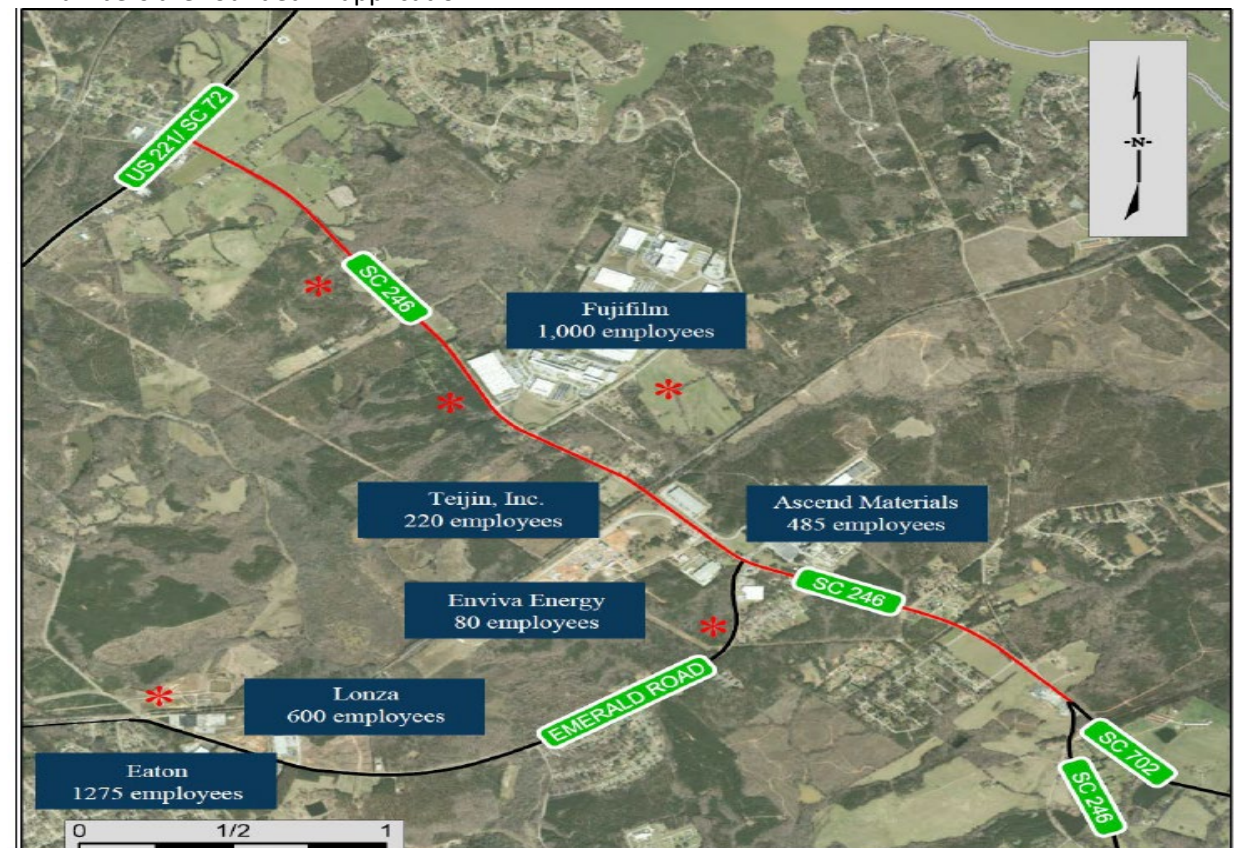
Greenwood County

Greenwood County is proud to submit this application to the South Carolina Transportation Infrastructure Bank Board for funding assistance in completing the widening of S.C. Highway 246 South. This project would change a vital four mile stretch of highway in the Lakelands Region of Greenwood County from a two-lane road to a five-lane road, with two lanes of traffic in each direction and one central, shared median. The Hwy 246 S widening project will benefit Greenwood County by improving traffic flow in its fastest growing region and by increasing economic output on a corridor that has seen substantial industrial development in recent years.

Project Type	Widening
Total Cost	\$50,000,000
SCTIB Request	\$38,000,000
Local Match	\$12,000,000*
Local Match as % of Total Cost	24%
Other Funds	\$0
MPO/COG Score	97
Public Benefit Preliminary Score	50 (49 * 1.05 regional benefit)
Financial Plan Score	15
TOTAL SCORE	65

*From Capital Project Sales Tax, and administered by SCDOT.

All numbers are rounded in application



I-77 Corridor Project (Exit 90)

York County

York County is requesting assistance from the SCTIB in the amount of \$128.3 million to upgrade three interchanges of which two have been approved by the Board, in the fast-growing corridor on I-77 between Rock Hill and the North Carolina state line. These interchanges listed in priority order and with associated funding requests are as follows:

- Exit 85 - SC 160 (\$42.2 million) - **Approved**
- Exit 90 - Carowinds Boulevard (\$64.4 million)
- Exit 82A-C – Celanese Road and Cherry Road (\$32.5 million) - **Approved**

Exit 90 – Carowinds Blvd

Project Type	Widening
Total Cost	\$85,806,000
SCTIB Request	\$64,354,500
Local Match	\$21,451,500
Local Match as % of Total Cost	25%
Other Funds	\$0
MPO/COG Score	93.68
Public Benefit Preliminary Score	50 (93.68/2 = 46.84 * 1.1 = 51.53) + 10 pts Economic Develop
Financial Plan Score	15*
TOTAL SCORE	65

Local funding source C-Funds

*Minimum Match of 25%. Project deemed eligible and qualified per Operating Guidelines. Project had Public Benefit Score.



ATTACHMENT B

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, and voted to adopt certain modifications to the Bank's Operating Guidelines recommended by the Evaluation Committee.

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 ("the 2019 Round").

WHEREAS, at its meeting on July 6, 2020, the Evaluation Committee reviewed the applications from the 2019 Round for funding and made recommendations concerning those applications.

WHEREAS, at a meeting on July 7, 2020, the Bank Board reviewed and considered its available funding capacity, the project applications for funding, and the Evaluation Committee's recommendations, including the recommendation on certain projects, for the 2019 Round.

WHEREAS, at the meeting on July 7, 2020, the Bank Board in a first phase of the consideration of the 2019 Round of applications determined that certain projects were eligible and qualified for funding and resolved to provide funding to those projects subject to certain conditions specified in the Resolution approved by the Board or contained within the Bank's Overall Operating Guidelines, Procedures and Standard Conditions for Financial Assistance.

WHEREAS, the SCDOT Commission reviewed and approved the Financial Assistance to be provided to those projects by the Bank at its meeting on July 16, 2020.

WHEREAS, the Joint Bond Review Committee of the General Assembly ("JBRC") reviewed and approved the Financial Assistance to be provided to those projects by the Bank at its meeting on August 11, 2020; and

WHEREAS, the Bank Board in a second phase of the consideration of the remaining pending applications from the 2019 Round, has reviewed and considered its available funding capacity, the project applications for funding, and the Evaluation Committee's recommendations at its meeting on September 8, 2022.

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

Section 1. The Bank will provide financial assistance for the following projects in the following amounts, subject to the conditions and terms and the conditions specified below:

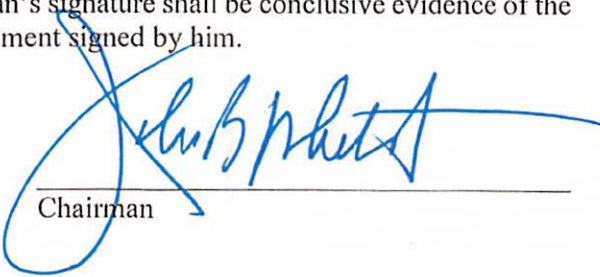
<u>Applicant</u>	<u>Project</u>	<u>Grant</u>	<u>Score</u>
Charleston County	SC 41	\$62,193,500	91.15

Section 2. The approval of the foregoing financial assistance is subject to the following conditions:

- a. the Bank, the project sponsor(s), and any other appropriate parties entering into an Intergovernmental Agreement, and any other instruments required by the Bank, in a form and with contents acceptable to the Bank, which (i) must include and be consistent with the Bank's Standard Conditions for Financial Assistance and any special conditions placed on the approval in any motion on the project adopted by the Board at its meeting of September 8, 2022, which motions are incorporated herein, and (ii) be consistent with the Bank's Overall Operating Guidelines;
- 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 financial assistance for the project or for the project to be fully funded from all funding sources listed in the Intergovernmental Agreement 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 3. The Chairman is 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 signature shall be conclusive evidence of the form and content of each such agreement or document signed by him.

Adopted September 8, 2022.


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.

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, and voted to adopt certain modifications to the Bank's Operating Guidelines recommended by the Evaluation Committee.

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 ("the 2019 Round").

WHEREAS, at its meeting on July 6, 2020, the Evaluation Committee reviewed the applications from the 2019 Round for funding and made recommendations concerning those applications.

WHEREAS, at a meeting on July 7, 2020, the Bank Board reviewed and considered its available funding capacity, the project applications for funding, and the Evaluation Committee's recommendations, including the recommendation on certain projects, for the 2019 Round.

WHEREAS, at the meeting on July 7, 2020, the Bank Board in a first phase of the consideration of the 2019 Round of applications determined that certain projects were eligible and qualified for funding and resolved to provide funding to those projects subject to certain conditions specified in the Resolution approved by the Board or contained within the Bank's Overall Operating Guidelines, Procedures and Standard Conditions for Financial Assistance.

WHEREAS, the SCDOT Commission reviewed and approved the Financial Assistance to be provided to those projects by the Bank at its meeting on July 16, 2020.

WHEREAS, the Joint Bond Review Committee of the General Assembly ("JBRC") reviewed and approved the Financial Assistance to be provided to those projects by the Bank at its meeting on August 11, 2020; and

WHEREAS, the Bank Board in a second phase of the consideration of the remaining pending applications from the 2019 Round, has reviewed and considered its available funding capacity, the project applications for funding, and the Evaluation Committee's recommendations at its meeting on September 8, 2022.

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

Section 1. The Bank will provide financial assistance for the following projects in the following amounts, subject to the conditions and terms and the conditions specified below:

<u>Applicant</u>	<u>Project</u>	<u>Grant</u>	<u>Score</u>
City of Aiken	Whiskey Rd Connector	\$20,841,867	80.25
Greenwood	SC Hwy 246	\$38,000,000	65.00
York	I-77, Exit 90	\$64,354,500	65.00

Section 2. The approval of the foregoing financial assistance is subject to the following conditions:

- a. the Bank, the project sponsor(s), and any other appropriate parties entering into an Intergovernmental Agreement, and any other instruments required by the Bank, in a form and with contents acceptable to the Bank, which (i) must include and be consistent with the Bank's Standard Conditions for Financial Assistance and any special conditions placed on the approval in any motion on the project adopted by the Board at its meeting of September 8, 2022, which motions are incorporated herein, and (ii) be consistent with the Bank's Overall Operating Guidelines;
- 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 financial assistance for the project or for the project to be fully funded from all funding sources listed in the Intergovernmental Agreement 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 3. The Vice Chairman is 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 Vice Chairman's signature shall be conclusive evidence of the form and content of each such agreement or document signed by him.

Adopted September 8, 2022.

Ernest Duncan

Vice Chairman

ATTEST:

Ruth E. Zygler

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.

ATTACHMENT C

September 20, 2022

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

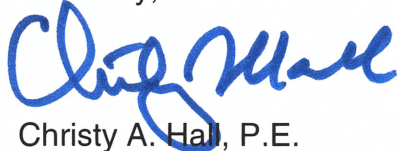
Dear Chairman White:

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

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



A RESOLUTION

OF THE SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION COMMISSION APPROVING THE SEPTEMBER 8, 2022 DECISION BY THE SOUTH CAROLINA STATE TRANSPORTATION INFRASTRUCTURE BANK BOARD OF DIRECTORS TO PROVIDE OTHER 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 September 8, 2022 approving other financial assistance in the amount of \$185,389,867 for the following projects and as noted in Attachment A; and

Project	Applicant	Financial Assistance
SC-41	Charleston County	\$62,193,500 (Grant)
Whiskey Road Connector	Aiken County	\$20,841,867 (Grant)
SC-246	Greenwood County	\$38,000,000 (Grant)
I-77, Exit 90	York County	\$64,354,500 (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, rank 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

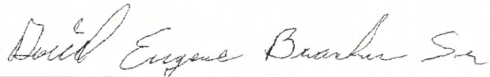
WHEREAS, in accordance with SC Code of State Regulations 63-10(C)(2), the SCDOT Commission may deviate from the order in the ranked lists based on significant financial or engineering considerations, delayed permitting, *force majeure*, pending legal actions, federal law or regulation, or economic growth;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

WHEREAS, the SCDOT Commission finds that the SC-41, Whiskey Road Connector, SC-246, and I-77 Exit 90 projects are all included in the appropriate Council of Government's or Metropolitan Planning Organization's currently approved regional transportation plans as shown in Attachment B; and

WHEREAS, the SCDOT Commission strongly encourages the STIB Board of Directors to properly consider the needs of rural South Carolina in soliciting and selecting projects in future funding allocations;

THEREFORE, BE IT RESOLVED that in meeting assembled this 15th day of September, 2022 the SCDOT Commission approves the September 8, 2022 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.



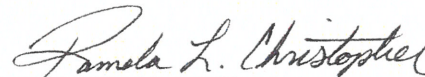
David E. Branham, Sr., SCDOT Commission Chairman
Fifth Congressional District



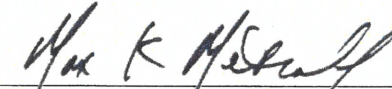
Tony K. Cox, SCDOT Commission Vice Chairman
Seventh Congressional District




William B. Dukes, SCDOT Commissioner
Second Congressional District



Pamela L. Christopher, SCDOT Commissioner
Third Congressional District



Max K. Metcalf, SCDOT Commissioner
Fourth Congressional District



John B. Fishburne, SCDOT Commissioner
Sixth Congressional District

ATTACHMENT A

BOARD OF DIRECTORS

John B. White, Jr., *Chairman*

Ernest Duncan, *Vice Chairman*

David E. "Gene" Branham, Sr.

H.B. "Chip" Limehouse, III

David B. Shehan

Representative J. Gary Simrill

Senator C. Ross Turner, III

**South Carolina
Transportation Infrastructure Bank**



955 Park Street
Room 120 B
Columbia, SC 29201
P: (803) 737-2825
Fax: (803) 737-2014

September 9, 2022

The Honorable David E. "Gene" Branham, Sr., Chairman
South Carolina Department of Transportation
955 Park Street
Columbia, South Carolina 29201

RE: SCTIB Project Approval Requests

Dear Chairman Branham:

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 four 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 September 8, 2022, the Bank Board approved financial assistance in the form of grants to four projects, subject to certain conditions. The approved projects are listed below. The Bank approved these projects in four separate motions and two separate Resolutions. See enclosed Resolutions with Appendix. The Bank's Evaluation Committee scored the projects based on the Bank's established evaluation criteria and Operating Guidelines and recommended financial assistance in the form of grants on the four projects. The Bank Board accepted the Board's recommendations.

Applicant	Project	Financial Assistance
Charleston County	SC 41	\$ 62,193,500 (Grant)
City of Aiken	Whiskey Road Connector	\$ 20,841,867 (Grant)
Greenwood County	SC Hwy 246	\$ 38,000,000 (Grant)
York County	I-77, Exit 90	\$ 64,354,500 (Grant)

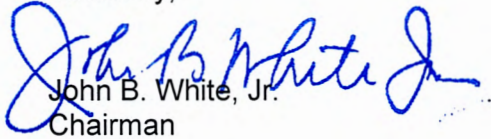
The projects approved were not all of the applications considered by the Committee and Board. The SCTIB Board voted to carry over three of the applicants for possible further review and consideration.

Therefore, the Bank requests that the SCDOT Commission consider the following action:

Approve the Bank Board of Directors' decisions to provide grants 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

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, and voted to adopt certain modifications to the Bank's Operating Guidelines recommended by the Evaluation Committee.

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 ("the 2019 Round").

WHEREAS, at its meeting on July 6, 2020, the Evaluation Committee reviewed the applications from the 2019 Round for funding and made recommendations concerning those applications.

WHEREAS, at a meeting on July 7, 2020, the Bank Board reviewed and considered its available funding capacity, the project applications for funding, and the Evaluation Committee's recommendations, including the recommendation on certain projects, for the 2019 Round.

WHEREAS, at the meeting on July 7, 2020, the Bank Board in a first phase of the consideration of the 2019 Round of applications determined that certain projects were eligible and qualified for funding and resolved to provide funding to those projects subject to certain conditions specified in the Resolution approved by the Board or contained within the Bank's Overall Operating Guidelines, Procedures and Standard Conditions for Financial Assistance.

WHEREAS, the SCDOT Commission reviewed and approved the Financial Assistance to be provided to those projects by the Bank at its meeting on July 16, 2020.

WHEREAS, the Joint Bond Review Committee of the General Assembly ("JBRC") reviewed and approved the Financial Assistance to be provided to those projects by the Bank at its meeting on August 11, 2020; and

WHEREAS, the Bank Board in a second phase of the consideration of the remaining pending applications from the 2019 Round, has reviewed and considered its available funding capacity, the project applications for funding, and the Evaluation Committee's recommendations at its meeting on September 8, 2022.

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

Section 1. The Bank will provide financial assistance for the following projects in the following amounts, subject to the conditions and terms and the conditions specified below:

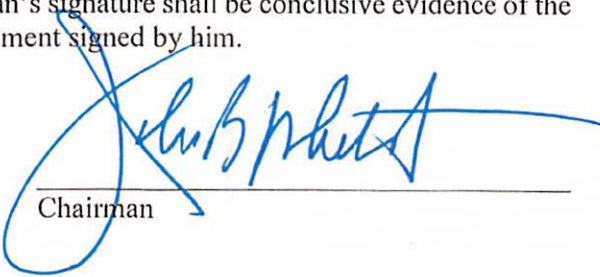
<u>Applicant</u>	<u>Project</u>	<u>Grant</u>	<u>Score</u>
Charleston County	SC 41	\$62,193,500	91.15

Section 2. The approval of the foregoing financial assistance is subject to the following conditions:

- a. the Bank, the project sponsor(s), and any other appropriate parties entering into an Intergovernmental Agreement, and any other instruments required by the Bank, in a form and with contents acceptable to the Bank, which (i) must include and be consistent with the Bank's Standard Conditions for Financial Assistance and any special conditions placed on the approval in any motion on the project adopted by the Board at its meeting of September 8, 2022, which motions are incorporated herein, and (ii) be consistent with the Bank's Overall Operating Guidelines;
- 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 financial assistance for the project or for the project to be fully funded from all funding sources listed in the Intergovernmental Agreement 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 3. The Chairman is 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 signature shall be conclusive evidence of the form and content of each such agreement or document signed by him.

Adopted September 8, 2022.


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, and voted to adopt certain modifications to the Bank's Operating Guidelines recommended by the Evaluation Committee.

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 ("the 2019 Round").

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WHEREAS, at a meeting on July 7, 2020, the Bank Board reviewed and considered its available funding capacity, the project applications for funding, and the Evaluation Committee's recommendations, including the recommendation on certain projects, for the 2019 Round.

WHEREAS, at the meeting on July 7, 2020, the Bank Board in a first phase of the consideration of the 2019 Round of applications determined that certain projects were eligible and qualified for funding and resolved to provide funding to those projects subject to certain conditions specified in the Resolution approved by the Board or contained within the Bank's Overall Operating Guidelines, Procedures and Standard Conditions for Financial Assistance.

WHEREAS, the SCDOT Commission reviewed and approved the Financial Assistance to be provided to those projects by the Bank at its meeting on July 16, 2020.

WHEREAS, the Joint Bond Review Committee of the General Assembly ("JBRC") reviewed and approved the Financial Assistance to be provided to those projects by the Bank at its meeting on August 11, 2020; and

WHEREAS, the Bank Board in a second phase of the consideration of the remaining pending applications from the 2019 Round, has reviewed and considered its available funding capacity, the project applications for funding, and the Evaluation Committee's recommendations at its meeting on September 8, 2022.

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

Section 1. The Bank will provide financial assistance for the following projects in the following amounts, subject to the conditions and terms and the conditions specified below:

<u>Applicant</u>	<u>Project</u>	<u>Grant</u>	<u>Score</u>
City of Aiken	Whiskey Rd Connector	\$20,841,867	80.25
Greenwood	SC Hwy 246	\$38,000,000	65.00
York	I-77, Exit 90	\$64,354,500	65.00

Section 2. The approval of the foregoing financial assistance is subject to the following conditions:

- a. the Bank, the project sponsor(s), and any other appropriate parties entering into an Intergovernmental Agreement, and any other instruments required by the Bank, in a form and with contents acceptable to the Bank, which (i) must include and be consistent with the Bank's Standard Conditions for Financial Assistance and any special conditions placed on the approval in any motion on the project adopted by the Board at its meeting of September 8, 2022, which motions are incorporated herein, and (ii) be consistent with the Bank's Overall Operating Guidelines;
- 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 financial assistance for the project or for the project to be fully funded from all funding sources listed in the Intergovernmental Agreement 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 3. The Vice Chairman is 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 Vice Chairman's signature shall be conclusive evidence of the form and content of each such agreement or document signed by him.

Adopted September 8, 2022.

Ernest Duncan

Vice Chairman

ATTEST:

Ruth E. Zygler

Secretary

ATTACHMENT B

SC-41

Charleston County

CHATS FY 2021-2027 Transportation Improvement Program (TIP)

PIN #	LOCALLY FUNDED PROJECTS	Previous Year	FFY 2021	FFY 2022	FFY 2023	FFY 2024	FFY 2025	FFY 2026	FFY 2027	TIP COST (2021-2027)	REMAINING COST (2028+)	TOTAL PROJECT COST	FUNDING SOURCE
	Nexton Pkwy, Sheep Island Interchange (I-26), I-26 Widening (Inclusive of Nexton Pkwy from N. Maple to Nexton Elementary)	21,500 6,320 54,000 5,700										89,520	SC Transportation Infrastructure Bank SC Ports Authority SC TST Local Funding
	US 17 Septima Clark Pkwy (End of I-26 to Ashley River Bridges)	10,000 12,500 115,800										\$156,300	SCDOT TIGER PROGRAM - LOCAL MATCH CITY OF CHARLESTON SCDOT FEDERAL MATCH PROGRAM INNOVATIVE FUNDING
0030389P201	Henry Brown Blvd Extension - Phase I Liberty Hall Rd to Red Bank Rd System Capacity Improvement	5,974 300 15,500 21,195										\$42,974	FEDERAL EARMARK BERKELEY COUNTY LOCALLY FUNDED TRANSPO. SALES TAX
	Henry Brown Blvd Extension - Phase II Liberty Hall Rd to US 52 Controlled Sensative Capacity Improvement	2,000 -										\$83,320	BERKELEY COUNTY LOCALLY FUNDED TRANSPORTATION SALES TAX PROJECT
	Mark Clark Expressway Completion US 17 to James Island Connector Controlled Sensative New Alignment Facility Airport Connector Road	12,000 37,671 3,617 7,600 1,200 20,000			49,320 C					\$49,320		\$99,900	SC Transportation Infrastructure Bank
	Palmetto Commerce Interchange	4,508 12,000 14,720		10,773 C						\$10,773		\$43,100	SC Department of Commerce SC Department of Commerce Charleston County Transpo Sales Tax SC Department of Commerce
	Palmetto Commerce Phase III	7,280 33,791 -	14,720 C 789 P 30,637 R 10,100 C	7,360 C 12,255 R 36,360 C						\$22,080		\$53,368	Charleston County Revenue Bonds Charleston County Revenue Bonds Charleston County Revenue Bonds Charleston County Transpo Sales Tax Charleston County Revenue Bonds
	Maybank Hwy Improvement Phase I, II & III	16,000			\$54,540 C					\$144,675		\$185,480	Charleston County Transpo Sales Tax Charleston County Revenue Bonds SC Department of Commerce
P028111	SC 41 (US17 to Wando River Bridge)	2,000										\$15,000	Charleston Co. Sales Tax
	LCRT (Lowcountry Rapid Transit)*	21,883		23,735 PE 3,215 R		\$131,197 C						\$2,000	Berkeley County Transportation Sales Tax
	LOCALLY FUNDED PROGRAM TOTAL	563,144	67,817	82,935	103,869	131,197				\$154,932	\$3,215	\$180,000	Charleston Co. Sales Tax Charleston Co. Sales Tax

*Local funds programmed reflect maximum Charleston County TST contribution of \$180 million. Project cost estimate of \$360 million developed in I-26/ALY AA Study, will be refined and updated as the project advances through NEPA and Design process. Project intends to apply to the FTA's Capital Grant Program (CGP) to secure additional federal funds to construct.

Whiskey Road Connector City of Aiken

ARTS MPO 2050 Long Range Transportation Plan

Table 6-28. Tier 3 Projects in South Carolina (2035-2050), Continued

SC Project Ranking	MTP Project ID	PI	Project Description	County	Funding category	Project Type	Elements in Tier 3	Project Costs in Tier 3 (2019\$)	Project Costs in Tier 3 (VOES)
54	317		US 25 Bus (Georgia Ave) at SC 125 (Buena Vista)	Aiken	Safety	Safety	PE	\$50,000	\$72,424
55	117		Huntsman Dr between Pine Log Rd & Hitchcock Pkwy	Aiken	Operational	Operational	All	\$1,471,600	\$2,131,577
56	75		Edgefield Rd at Belvedere Clearwater Rd	Aiken	Safety	Safety	PE	\$50,000	\$72,424
57	259		SC 302 (Silver Bluff Rd) at Gray Mare Hollow Rd (S-146)	Aiken	Safety	Safety	PE	\$50,000	\$72,424
58	247		SC 118 Bell Pkwy at Trolley Line safety improvements	Aiken	Safety	Safety	PE	\$50,000	\$72,424
59	206		Pine Log Rd (S-65) from SC 125 (Atomic Rd) to S-87 (Piney Heights Rd)	Aiken	Safety	Safety	PE	\$429,100	\$621,541
60	118		I-20 from Exit 1 to US 25 (Edgefield Road), widen to 6 lanes	Aiken	Capacity	Widening	ROW, Construction	\$14,929,896	\$21,625,589
61	45		Cherokee Dr (S-386) from US 1/78 (Davis Hwy) to SC 126 (Belvedere Clearwater)	Aiken	Safety	Safety	PE	\$105,700	\$153,104
62	271		Silver Bluff Road Widening from Richardson Lake Road to Anderson Pond Road	Aiken	Capacity	Widening	All	\$12,554,333	\$18,184,645
63	77		Edgefield Rd from Ridge Rd to Stephens Rd	Edgefield	Safety	Safety	PE	\$67,400	\$97,627
64	170		Edgefield Highway near I-20	Aiken	Safety	Safety	PE	\$21,600	\$31,287
65	72		East Gate Connector from Dougherty Road to East Gate Drive	Aiken	Capacity	New Road / Interchange	All	\$7,794,700	\$11,290,432
66	351		Whiskey/Centennial Parkway Extension from Centennial Parkway to East Gate Drive	Aiken	Capacity	New Road / Interchange	All	\$7,554,100	\$10,941,929
67	256		SC 191 (Main) at SC 421 (Augusta)	Aiken, Edgefield	Safety	Safety	PE	\$50,000	\$72,424

Table 6-31. Unfunded Priority Projects in South Carolina, Continued

MTP Project ID	PI	Project Description	County	Funding category	Project Type	Unfunded Elements	Unfunded Project Costs (2019\$)
146		Johnson Highway realignment with SC 19 from the Aiken/Edgefield County line to south of Shiloh Heights Rd on SC 19	Aiken	Operational	Intersection	All	\$182,800
196		Old Sudlow Lake Rd (S-1760) from SC 126 (Belvedere Clearwater) to Blanchard Rd (S-1761)	Aiken	Operational	Operational	All	\$2,188,100
268		Signal at ramp entrance/exits from south of Shiloh Heights Rd to South of I-20 on SC 19	Aiken	Operational	ATMS/ITS	All	\$365,600
249		SC 19 10 foot shoulder (6 foot paved, 4 foot grass) from the Aiken/Edgefield County line to south of Shiloh Heights Rd	Aiken	Operational	Operational	All	\$6,702,900
150		Lake Shore northbound turn lane on SC 19 from the Aiken/Edgefield County line to south of Shiloh Heights Rd on SC 19	Aiken	Operational	Intersection	All	\$182,800
263		SC-19 Edgefield Hwy Intersection	Aiken	Operational	Intersection	All	\$13,200,700
266		Shiloh Church / SC 19 intersection improvement with traffic signal/turn lane and roundabout	Aiken	Operational	Intersection	All	\$304,700
83		Five Notch Road from US 25 Business Road (Georgia Avenue) to Walnut Lane, widen from 2 to 4 lanes	Aiken	Capacity	Widening	All	\$28,377,100
17		Ascauga Lake Road from Blanchard Road to S 80 (Canal Street)	Aiken	Capacity	Widening	All	\$62,758,115
163		Martintown Road from I-20 to Murrah Road, widen from 2 to 4 lanes	Aiken	Capacity	Widening	All	\$6,864,000
31		Bergen-Five Notch Collector from Bergen Road to Gregory Lake Road	Aiken	Capacity	New Road / Interchange	All	\$8,157,600
201		Pawnee-Neilson Connector from Tyler Street to Pawnee Street	Aiken	Capacity	New Road / Interchange	All	\$8,157,200

6-50

215		Powderhouse- South Centennial Ave Connector from Whiskey Road to Powderhouse Road	Aiken	Capacity	New Road / Interchange	All	\$29,607,700
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SC-246

Greenwood County

Upper Savannah COG 2040 Long Range Transportation Plan



Rank	County	Road	From	To	Improvement	2020 Cost Estimate
1	Greenwood	SC 246	SC 72/US 221	S-100 Emerald Rd	2-lane to 5-lane	\$ 58,191,617.00
2	Greenwood	US 25 Bypass	US 178 BUS	S-29 E Cambridge Ave	2-lane to 5-lane	\$ 72,836,000.00
3	Edgefield	SC 121	S-104 McQueen St	SC 191 (turn lanes)	2-lane to 3-lane	\$ 16,485,031.00
4	Laurens	SC 14	S-183 Spring St	S-24 Lynn Ave	2-lane to 5-lane	\$ 31,762,501.00
5	Laurens	SC 56	Springdale Dr	S-98 Barrel Stave Rd	2-lane to 3-lane	\$ 37,715,786.00
6	Greenwood	Emerald Road Phase II	S-100 Evans Pond Rd	SC 246	2-lane to 5-lane	\$ 79,506,040.00
7	Saluda	US 178	SC 121	SC 39 Ridge Spring Rd (turn lane)	2-lane to 3-lane	\$ 38,386,812.00
8	Saluda	SC 121	S-140 Wheeler Cir	S-51 Butler Rd (turn lane at med facility)	2-lane to 3-lane	\$ 30,515,087.00
9	Abbeville	SC 28 Bypass	SC 72	S-32 Old Calhoun Falls Rd	2-lane to 3-lane	\$ 24,268,448.00
10	Laurens	SC 101	I-385	SC 14	2-lane to 3-lane	\$ 37,694,931.00
11	McCormick	SC 28	S-401 Cedar Rd	State Park Rd (Hamilton Branch St Park)	2-lane to 3-lane	\$ 18,636,444.00
12	Edgefield	S-37 Bettis Academy Rd	US 25	Aiken County line	2-lane to 5-lane	\$ 31,951,975.00

These widening projects are ranked, but unfunded and not included in the TIP.

I-77 Interchange @ Exit 90 York County

RFATS MPO 2045 Long Range Transportation Plan

	UNFUNDED TRANSPORTATION NEEDS: INTERSECTION IMPROVEMENTS			
1	Neely & Rawlsville Road (Realignment & Improvement)			
2	Neely Road & Crawford Road (Realignment & Improvement -- Adjustment for Railroad)			
3	Oakdale Road / SC 72 / Dunlap Roddey Road -- Realignment & Improvement			
4	Dave Lyle Boulevard / Tinsley Way -- Create Dual Left Turn Lanes on westbound Dave Lyle and northbound Tinsley			
5	SC 160 (Steele / Bank Streets & Doby's Bridge Road)			
6	Eden Terrace / Mt. Gallant Road -- Additional Left Turn Storage Capacity Needed			
7	Rambo Road / SC 72 -- Realignment & Improvement			
8	Robertson / Rambo Road Intersection Realignment			
9	Cherry Road (Congestion In & Around West Main Street)			
10	Saluda Road (Oakdale and Saluda Trail Middle School)			
11	SC 160 / Springfield Parkway (Congestion; Safety Concerns)			
12	Fairway Dr (Banks Street & Dobys Bridge Road) -- Turns Lanes to Accommodate Conflicting Turning Movements and Reduce Backups			
13	Dobys Bridge Road / Nims Lakes Road / Williams Road -- Consider Realignment of Nims Lakes Road (Safety / Visibility)			
14	Dobys Bridge Road / Dobys Bridge Park (Potential Congestion; Safety Issues)			
15	US 21 / Anderson Road and East Main Street			
16	SC 160 / Market Street (Exiting I-77) -- Consider Realignment			
17	India Hook / Celanese Road -- Additional Storage Capacity; Turn Lanes			
18	Cherry Road / Dorchester Road -- Construct southbound Left Turn Lane onto Dorchester Road			
19	N. Oakland / India Hook / Alexander -- Signal / Pavement Marking Improvements			
20	Tom Hall Street / Dobys Bridge Road -- Congested Intersection; Consider Realignment of Joe Louis Street			
21	Old Nation Road / North White Street -- Visibility Concerns with Left Turn Movement from Old Nation Road onto N. White St)			
22	Airport Road / Museum Road Intersection (Reroute 200 ft of road to make right angle approach)			
23	Carowinds Blvd (I-77 Interchange from SC 51 to Lakemont Business Park) -- Consider Reconfiguration			
24	Carowinds Blvd / Pleasant Road - Consider Lengthening Left Turn Lane While Retaining Median for Access Management Purposes			
25	Cavlin Hall / Harrisburg Road (Traffic Impact of Elementary School) -- Realignment; Signalization; Traffic Circle; B / P Improvements			
26	Sandra Lane / US 521 Intersection (Gateway Entry Point; Changing Development Pattern)			
27	US 521 / Marvin Road / Blackhorse Run Road -- Consider Realignment; Additional Approach Turn Lanes			
28	US 521 / River Road -- Consider Incorporation of Right Turn Lane onto to US 521			
29	US 521 / Jim Wilson Road -- Consider Addition of Turn Lanes and / or Widening of JWR; Consider Addition of Median between SC & JWR			
30	Harris Street / Munn Road -- Consider Dedicated Left from EB Harris onto Munn Road			

September 20, 2022

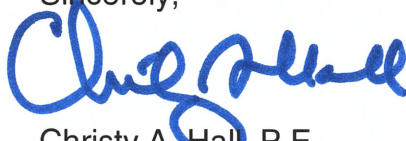
The Honorable Harvey S. Peeler, Jr.
Chairman, Joint Bond Review Committee
111 Gressette Building
Columbia, SC 29201

Dear Chairman Peeler:

Please find enclosed a Resolution of the South Carolina Department of Transportation (SCDOT) Commission approving the recent decision by the South Carolina Transportation Infrastructure Bank Board of Directors to provide financial assistance for four projects. This action by the SCDOT Commission was taken in accordance with South Carolina Code Section 11-43-150(D) and in conformity with SCDOT's existing processes for project selection.

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



A RESOLUTION

OF THE SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION COMMISSION APPROVING THE SEPTEMBER 8, 2022 DECISION BY THE SOUTH CAROLINA STATE TRANSPORTATION INFRASTRUCTURE BANK BOARD OF DIRECTORS TO PROVIDE OTHER 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 September 8, 2022 approving other financial assistance in the amount of \$185,389,867 for the following projects and as noted in Attachment A; and

Project	Applicant	Financial Assistance
SC-41	Charleston County	\$62,193,500 (Grant)
Whiskey Road Connector	Aiken County	\$20,841,867 (Grant)
SC-246	Greenwood County	\$38,000,000 (Grant)
I-77, Exit 90	York County	\$64,354,500 (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, rank 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 Widenings, Bridge Replacements and Safety Projects; and

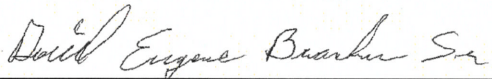
WHEREAS, in accordance with SC Code of State Regulations 63-10(C)(2), the SCDOT Commission may deviate from the order in the ranked lists based on significant financial or engineering considerations, delayed permitting, *force majeure*, pending legal actions, federal law or regulation, or economic growth;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

WHEREAS, the SCDOT Commission finds that the SC-41, Whiskey Road Connector, SC-246, and I-77 Exit 90 projects are all included in the appropriate Council of Government's or Metropolitan Planning Organization's currently approved regional transportation plans as shown in Attachment B; and

WHEREAS, the SCDOT Commission strongly encourages the STIB Board of Directors to properly consider the needs of rural South Carolina in soliciting and selecting projects in future funding allocations;

THEREFORE, BE IT RESOLVED that in meeting assembled this 15th day of September, 2022 the SCDOT Commission approves the September 8, 2022 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.



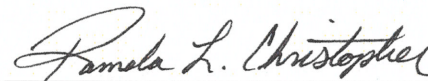
David E. Branham, Sr., SCDOT Commission Chairman
Fifth Congressional District



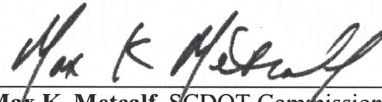
Tony K. Cox., SCDOT Commission Vice Chairman
Seventh Congressional District



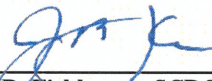
William B. Dukes, SCDOT Commissioner
Second Congressional District



Pamela L. Christopher, SCDOT Commissioner
Third Congressional District



Max K. Metcalf, SCDOT Commissioner
Fourth Congressional District



John B. Fishburne, SCDOT Commissioner
Sixth Congressional District

AGENCY: Joint Bond Review Committee

SUBJECT: Future Meeting

The next meeting of the State Fiscal Accountability Authority is tentatively scheduled for Tuesday, December 13, 2022.

2022

January							April							July							October							
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	
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16	17	18	19	20	21	22	17	18	19	20	21	22	23	17	18	19	20	21	22	23	16	17	18	19	20	21	22	
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February							May							August							November							
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27	28						29	30	31					28	29	30	31				27	28	29	30				
March							June							September							December							
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COMMITTEE ACTION:

Schedule next meeting.

ATTACHMENTS:

None.