

**Capital Improvements
Joint Bond Review Committee**

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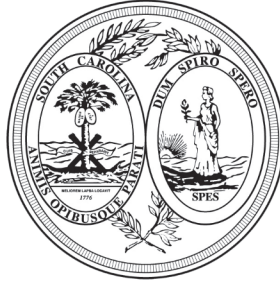
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JOINT BOND REVIEW COMMITTEE MEETING
Tuesday, August 22, 2023 – 1:00 p.m.
105 Gressette Building

AGENDA

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AGENCY: Department of Administration
Facilities Management and Real Property Services

SUBJECT: Proposed Lease
Medical University of South Carolina
Parking at Fishburne Street and Hagood Avenue, Charleston

The Medical University of South Carolina requests review of its proposal to extend its current lease of 1,143 parking spaces and a covered bus shelter at the southeast corner of Fishburne Street and Hagood Avenue, and known as the Fishburne Ballpark Parking Lot, from the City of Charleston. The current lease at this location will expire on May 31, 2024, and includes 2 optional 1-year extended terms not previously presented to or considered by the Committee.

The South Carolina Department of Administration conducted a solicitation for a 1-year term with a 1-year renewal option following a determination that other state space was not available, and received no responses to the solicitation.

The proposal is for the Committee to consider the two 1-year extended terms included under the current lease. The monthly rental rate for the first extended term is \$49.19 per parking space; thereafter, monthly rent per space will increase by the U.S. Consumer Price Index for all Urban Consumers, subject to a cap of 3%. Total rent over the extended terms will be a maximum of \$1,369,748. Rent does not include operating expenses. No option to purchase the property is included in the lease.

The Department of Administration reports that lease payments will be made from parking revenue; and the agency's submission represents that funding for payments will be sufficient throughout the lease term. The Department of Administration reports that comparable rates for similar space available in the area range from an average monthly rate of \$119.50 to \$150.00 per parking space.

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 August 1, 2023, of Ms. Rachel Jones, Director of Lease Management, Medical University of South Carolina.

**JOINT BOND REVIEW COMMITTEE
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: **August 22, 2023**

Regular Agenda

1. Submitted by:

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

Ashlie Lancaster
Ashlie Lancaster, Director

2. Subject: Medical University of South Carolina (MUSC), Lease at Fishburne Street and Hagood Avenue, Charleston, SC

3. Summary Background Information:

The Medical University of South Carolina (MUSC) requests approval to extend its current lease of 1,143 parking spaces and a covered bus shelter at the southeast corner of Fishburne Street and Hagood Avenue, also known as the Fishburne Ballpark Parking Lot, in Charleston, SC from the City of Charleston. MUSC has leased space at this location since August 1, 1997. The term of the current lease will expire on May 31, 2024, and currently costs \$655,099.72 annually or \$47.76 per space per month. The current lease includes two optional 1-year extended terms not previously approved by JBRC.

After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for commercial parking space for a 1-year term with a 1-year renewal option. No proposals were received. As such, MUSC has requested approval to exercise its extended terms at Fishburne Street and Hagood Avenue.

The requested approval is for the two 1-year extended terms commencing June 1, 2024. The amount for the first extended term will be \$49.19 per space per month or \$674,752.72. For the second extended term, the rental rate will escalate by the U.S. Consumer Price Index for all Urban Consumers (CPI-U) subject to a cap of 3%. The maximum total rent that could be paid over the two extended terms would be \$1,369,748.02. MUSC is also responsible for costs related to security, trash-pickup, parking lot cleaning and insurance which MUSC estimates to be approximately \$6,950 per year.

LEASE RENEWAL TERM	PERIOD: FROM – TO	MAXIMUM ANNUAL RENT	MAXIMUM MONTHLY RENT	MAX RENT PER SPACE PER MONTH
Year 1	6/1/2024 – 5/31/2025	\$674,752.72	\$56,229.39	\$49.19
Year 2	6/1/2025 – 5/31/2026	\$694,995.30	\$57,916.27	\$50.67

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

Tenant	Location	Monthly Rate /Space
MUSC	155 Spring Street, Charleston	\$119.50
Vacant	19 Hagood Avenue	\$125.00*
Vacant	248 Spring Street	\$125.00*
Vacant	96 President Street	\$150.00*

*Available rates through Palmetto Parking

MUSC has adequate funds for the lease according to a Budget Approval Form submitted June 26, 2023. Lease payments will be funded through Parking Revenue. No option to purchase the property is included in the lease. The lease was approved by the MUSC Board of Trustees on February 12, 2021, and the Commission on Higher Education on August 3, 2023.

- 4. What is the JBRC asked to do?** Approve the proposed two 1-year extensions for the Medical University of South Carolina for 1,143 parking spaces and a covered bus shelter at Fishburne Street and Hagood Avenue, Charleston SC from The City of Charleston.

- 5. What is recommendation of the submitting agency involved?** Approve the proposed two 1-year extensions for the Medical University of South Carolina for 1,143 parking spaces and a covered bus shelter at Fishburne Street and Hagood Avenue, Charleston SC from The City of Charleston.

6. List of Supporting Documents:

- (a) Letter from Agency



MUSC Real Estate Management Group
 22 WestEdge Stret, Suite 300
 Charleston, SC 29403
 843-792-5996

August 1, 2023

Ashley Lancaster
 SC Department of Administration
 1122 Lady Street
 Columbia, SC 20201

RE: Request Full JBRC/SFAA Approval - MUSC Lease Renewal /Fishburne St. Parking Lot (Hagood Lot)

Dear Ms. Lancaster,

The Medical University of South Carolina (MUSC) requests to renew the parking lot lease consisting of 1,143 parking spaces and a covered bus shelter located at the southeast corner of Fishburne Street and Hagood Avenue in Charleston, known as the Fishburne Ballpark Parking Lot. The purpose of this lease renewal is to continue to provide parking for MUSC employees and students. MUSC has leased this parking lot since 1997 from the City of Charleston at a cost per space per month well below the current market rate. The MUSC Board of Trustees approved this renewal February 12, 2021.

MUSC requests full approval from JBRC and SFAA at their August 2023 meeting.

Lease Renewal Term – Increase is based on the CPI-U with an annual 3% cap

Term	Period: From - To	Maximum Annual Rent	Maximum Monthly Rent	Max Rent per Space , Per Month
Year 1	6/1/2024 – 5/31/2025	\$674,752.72	\$56,229.39	\$49.19
Year 2	6/1/2025 – 5/31/2026	\$694,955.30	\$57,916.27	\$50.67

Sincerely,

Rachel Jones

Rachel Jones
 MUSC Real Estate Office
 Director of Lease Management

AGENCY: Department of Administration
Facilities Management and Real Property Services

SUBJECT: Proposed Lease
South Carolina Education Lottery
Office Space at 1333 Main Street, Columbia

The South Carolina Education Lottery requests review of its proposal to continue leasing 32,609 square feet of space located at 1333 Main Street, Columbia, from Galium 1333 Main, LLC.¹ The current lease at this location will expire on July 31, 2024.

The South Carolina Department of Administration conducted a solicitation for 3-, 5-, 7- and 10-year terms following a determination that other state space was not available, and received 3 responses to the solicitation. The proposal for the requested location represents the least expensive offer when factoring in moving costs.

The term of the proposed lease is 10 years. The rental rate is \$19.10 per square foot for the initial year of the term; thereafter, base rent will increase by 2.375% annually. The agency is responsible for its pro rata share of increases in operating expenses after the first year, not to exceed 3% over the immediately preceding rental year, and actual costs of janitorial services. The landlord has agreed to provide parking, subject to availability, for an additional annual cost of \$20,000. Total rent, operating expenses, and parking over the term will be a maximum of \$7,571,625, plus any increases in janitorial costs. No option to purchase the property is included in the lease.

The Department of Administration reports that lease payments will be made from the sale of lottery products; and the agency's submission represents that funding for payments will be sufficient throughout the lease term. The Department of Administration reports that comparable rates for similar commercial space available in the area range from an average rate of \$17.75 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 July 31, 2023, of Mr. Hogan Brown, Executive Director, South Carolina Education Lottery.

¹ A South Carolina corporation in good standing registered with the SC Secretary of State effective January 23, 2020. C T Corporation System of Columbia, SC is registered agent. Private Participant Disclosures were included with the submission.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 22, 2023

Regular Agenda

1. Submitted by:

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

Ashlie Lancaster

 Ashlie Lancaster, Director

2. Subject: South Carolina Education Lottery at 1333 Main Street in Columbia

3. Summary Background Information:

The South Carolina Education Lottery (SCEL) is requesting to lease ±32,609 square feet of space located at 1333 Main Street from Galium 1333 Main, LLC for their main offices and production studio. The current lease at 1333 Main Street expires on July 31, 2024.

After contacting state agencies to verify no adequate State space was available, the Department of Administration solicited for commercial space for 3, 5, 7 and 10-year terms. Three (3) offers were received in response to the solicitation. The requested location represents the least expensive offer when factoring in moving costs.

The lease term will be ten (10) years beginning August 1, 2024, at a rate of \$19.10 per square foot for the first year, which is the same as their current rate, with 2.375% annual escalations thereafter as shown in the table below. The SCEL will be responsible for its prorata share of increases in operating expenses after the first year, not to exceed 3% over the immediately preceding rental year. Additionally, SCEL pays pass through janitorial porter service at this location at a current cost of approximately \$35,200 per year.

Landlord has agreed to provide 87 unreserved parking spaces and 13 reserved parking spaces for an additional annual cost of \$20,000 per year throughout the lease term, subject to availability.

The maximum total rent, operating expense increases, estimated janitorial porter service and parking that could be paid over the 10-year term is \$7,571,624.88.

<u>TERM YR</u>	<u>PERIOD: FROM - TO</u>	<u>MAXIMUM ANNUAL RENT</u>	<u>MAX OP EX INCREASES</u>	<u>JANITORIAL</u>	<u>PARKING</u>	<u>TOTAL RENT</u>
1	8/1/2024 – 7/31/2025	\$622,831.90		\$35,200	\$20,000.00	\$19.10
2	8/1/2025 – 7/31/2026	\$645,665.54	\$8,041.38	\$35,200	\$20,000.00	\$19.55
3	8/1/2026 – 7/31/2027	\$661,050.35	\$8,282.62	\$35,200	\$20,000.00	\$20.02
4	8/1/2027 – 7/31/2028	\$676,802.06	\$8,531.10	\$35,200	\$20,000.00	\$20.49

5	8/1/2028 – 7/31/2029	\$692,929.43	\$8,787.03	\$35,200	\$20,000.00	\$20.98
6	8/1/2029 – 7/31/2030	\$709,441.43	\$9,050.64	\$35,200	\$20,000.00	\$21.48
7	8/1/2030 – 7/31/2031	\$726,347.23	\$9,322.16	\$35,200	\$20,000.00	\$21.99
8	8/1/2031 – 7/31/2032	\$743,656.24	\$9,601.83	\$35,200	\$20,000.00	\$22.51
9	8/1/2032 – 7/31/2033	\$761,378.08	\$9,889.88	\$35,200	\$20,000.00	\$23.05
10	8/1/2033 – 7/31/2034	\$779,522.62	\$10,186.58	\$35,200	\$20,000.00	\$23.59

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

Tenant	Location	Rate**
Worker's Compensation	1333 Main Street	\$18.71
Vacant	1600 Williams St	\$22.50*
Vacant	7909 Parklane Rd	\$17.75*

*Offer received in response to this solicitation.

** May be subject to base rent and/or operating expense escalations.

There are adequate funds for the lease according to the Budget Approval Form submitted by the SC Education Lottery on July 21, 2023. Lease payments will be funded through the sale of lottery products. SCEL does not receive any general fund appropriations. No option to purchase the property is included in the lease.

4. What is the JBRC asked to do? Approve the proposed lease for ten-years for the South Carolina Education Lottery for ±32,609 square feet of space at 1333 Main Street in Columbia from Galium 1333 Main, LLC.

5. What is recommendation of the division of Facilities Management and Property Services? Approve the proposed lease for ten-years for the South Carolina Education Lottery for ±32,609 square feet of space at 1333 Main Street in Columbia from Galium 1333 Main, LLC.

6. List of Supporting Documents:

- (a) Letter from Agency



July 31, 2023

Ms. Ashlie Lancaster
South Carolina Department of Administration
Real Property Services
1200 Senate Street, 6th floor
Columbia, SC 29201

RE: Lease for 1333 Main Street, Columbia

Dear Ms. Lancaster:

The South Carolina Education Lottery (SCEL) requests approval from the Joint Bond Review Committee and the State Fiscal Accountability Authority to enter into a ten-year lease with Galium 1333 Main LLC. The lease encompasses 32,609 total rentable square feet for general office space and a production studio at 1333 Main Street, Columbia. This request is not asking for an increase in office space, only the addition of one room adjacent to the studio. SCEL's current lease will expire on July 31, 2024.

After contacting state agencies to verify that there was no adequate state space available, the Department of Administration solicited for commercial space and three proposals were received. One proposal was eliminated because it did not offer adequate public access and did not have a rental area with high ceilings needed for the studio. The other rejected proposal did not offer a private twenty-four hour security officer which was included in the successful proposal. The added cost for these services (\$200,000 per year) coupled with the up fitting costs exceeded the successful proposal by more than three million dollars over the term of the lease. This figure is in addition to the moving costs, cameras, bio readers, and other special security needs. Other operational costs related to moving are also not included, as many critical SCEL activities cannot suffer any downtime during a transition from one location to another. The selection of 1333 Main Street presented the best value to SCEL and the state. The maximum cumulative cost of the lease during the term is \$7,571,624.88.

Thank you for your consideration of this request and please let me know if you need any additional information.

Sincerely,

A handwritten signature in blue ink that reads "Hogan Brown".

Hogan Brown
Executive Director
South Carolina Education Lottery

1333 Main Street · 4th Floor · Columbia, SC 29201
P.O. Box 11949, Columbia, SC 29211 - 1949
Ph. 803-737-2002 · FAX 803-737-2005 · sceducationlottery.com

AGENCY: Department of Administration
Facilities Management and Real Property Services

SUBJECT: Proposed Lease
University of South Carolina
Student Housing at 506 Huger Street, Columbia

The University of South Carolina requests review of its proposal to lease 656 beds for student housing located at 506 Huger Street, Columbia, from CD/Park 7 Columbia SC Owner LLC.¹ The current lease of 636 beds at this location will expire on July 31, 2024.

The South Carolina Department of Administration conducted a solicitation for 1-, 3-, 5-, and 7-year terms following a determination that other state space was not available, and received only 1 response to the solicitation.

The term of the proposed lease is 1 year, with two automatic renewals each for a one-year term unless terminated by either party. The rental rate for the initial year term is \$7,517,760, or an average of \$11,460 per bed; thereafter, base rent will increase by 5% annually. Total rent over the initial and renewal terms will be a maximum of \$23,699,738. Rent excludes operating expenses, which are estimated at \$1,051,640 per year. The lease includes the Landlord providing furniture, housewares, and appliances.

No option to purchase the property is included in the lease; however, the University is contemplating the purchase of this property through non-binding good faith discussions with the Landlord. The Landlord has agreed to a 2% credit on basic rent payments made under the new lease to be applied toward a final purchase price of the property.

The Department of Administration reports that lease payments will be made from student housing auxiliary funds; and the agency's submission represents that funding for payments will be sufficient throughout the lease term. The Department of Administration reports that comparable rates for similar commercial space available in the area range from an average rate of \$15,300 to \$22,320 per bed.

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 July 21, 2023, of Mr. Derek Gruner, University Architect and Assistant Vice President of Facilities Planning Design and Construction, University of South Carolina.

¹ A South Carolina corporation in good standing registered with the SC Secretary of State effective March 19, 2014. Corporation Service Company of West Columbia, SC is registered agent. Private Participant Disclosures were included with the submission.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 22, 2023

Regular Agenda

1. Submitted by:

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

Ashlie Lancaster
Ashlie Lancaster, Director

2. Subject: University of South Carolina Lease of 506 Huger St, Columbia, SC 29201

3. Summary Background Information:

The University of South Carolina (University) requests approval to continue leasing and to increase the number of beds from 636 to 656 beds for student housing at 506 Huger Street, Columbia, SC from CD/Park 7 Columbia SC Owner LLC. The University's current lease at this location expires on July 31, 2024, at a rate of \$6,896,797.47 annually. The University has been at this location since August 2017. The lease was originally intended to bridge the gap in ever increasing student housing demand first forecasted in the 2016 Student Housing Demand Assessment until the completion of the Campus Village project. However, the demand has continued to increase, and now demand is expected to exceed the housing capacity of Campus Village as well.

After contacting state agencies to verify no adequate State space was available, the Department of Administration solicited for commercial space for 1, 3, 5 and 7-year terms. The current location was the only offer received in response to the solicitation.

The requested lease term is one (1) year commencing August 1, 2024, with two automatic renewals each for a one-year term unless terminated by either party. The University is contemplating purchase of this location through non-binding good faith discussion with the Landlord. The Landlord has agreed to a 2% credit on basic rent payments made under this new Lease to go towards a final purchase price of the Demised Premises. If the University decides to pursue a purchase at this location or any other location, it will prepare a permanent improvement project for approval at that time.

The annual amount for the first year of the term will be \$7,517,760.00 with an annual average cost per bed of \$11,460.00 plus operating and maintenance expenses. The University anticipates charging students approximately \$13,640.00 on average per bed per academic year.

The rental rate shall escalate by 5% annually over the initial and extended terms. The maximum total rent to be paid will be \$23,699,738.40. As noted above, the University is also responsible for all operating expenses which the University estimates to cost \$1,051,640.00 per year. The Landlord is responsible for providing furniture, housewares, and appliances.

	<u>PERIOD: FROM - TO</u>	<u>ANNUAL RENT</u>	<u>BI-ANNUAL RENT</u>	<u>AVERAGE ANNUAL RENT PER BED</u>
YR 1	August 1, 2024 – July 31, 2025	\$7,517,760.00	\$3,758,880.00	\$11,460.00
YR 2	August 1, 2025 – July 31, 2026	\$7,893,648.00	\$3,946,824.00	\$12,033.00
YR 3	August 1, 2026 – July 31, 2027	\$8,288,330.40	\$4,144,165.20	\$12,634.65

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

Tenant	Location	Annual Rate per Bed
Independent Renters	The Babcock 2110 Pickens St, Columbia	\$15,300.00*
Independent Renters	The Palms 1101 1101 Lady St, Columbia	\$22,320.00*
Independent Renters	Vista Commons 1100 Pulaski St, Columbia	\$18,024.00*

*Available rates through Apartments.com as of April 5, 2023. Rates chosen were for 1 bed/1 bath units and may also be subject to utility costs. May be subject to base rent or operating expense increases.

The University has adequate funds for the lease according to a Budget Approval Form submitted May 25, 2023. Lease payments will be funded through student housing auxiliary funds. The lease was approved by the University of South Carolina Board of Trustees on June 23, 2023, and was approved by the Commission on Higher Education on August 3, 2023.

4. What is the JBRC asked to do? Approve the proposed one-year student housing lease with two automatic renewals of one year each for the University of South Carolina for 656 beds at 506 Huger Street, Columbia, SC from CD/Park 7 Columbia SC Owner LLC.

5. What is recommendation of the division of Facilities Management and Property Services? Approve the proposed one-year student housing lease with two automatic renewals of one year each for the University of South Carolina for 656 beds at 506 Huger Street, Columbia, SC from CD/Park 7 Columbia SC Owner LLC.

6. List of Supporting Documents:

- (a) Letter from Agency



July 21, 2023

Facilities Planning Design and Construction

Ms. Ashlie Lancaster, Director
Division of Facilities Management and Property Services
The South Carolina Department of Administration
1200 Senate Street, sixth floor
Columbia, SC 29201

Dear Ms. Lancaster:

Pursuant to the lease solicitation that has been issued by the Department of Administration, the University of South Carolina seeks approval to lease 656 student housing beds from CD/Park 7 Columbia SC Owner LLC. at their Park Place property at 506 Huger Street to meet current demand and future projected demand for university-provided student housing for the Columbia campus. The proposed lease term is August 1, 2024, through July 31, 2025, with two one-year automatic renewals that would extend until July 31, 2027. The agreed annual rent for the first year would be \$7,517,760. This equates to approximately \$11,460 per bed per year plus operating and maintenance expenses. The rental rate would escalate by 5% per year.

Since 2016, the University has experienced record enrollment with increased demand for on-campus housing. In 2023, a Student Housing Demand Assessment was conducted by Brailsford and Dunleavy to determine the unmet demand for on-campus student beds. The results of that study show that the continued demand for the next 5 – 7 years will remain high. As the University studies and develops a plan to address its aging housing infrastructure and maintain sufficient beds to accommodate all freshmen and key student programs, this lease will provide the essential beds to meet the University's interim needs.

As a part of that strategic review, the University seeks to explore a lease-to-purchase arrangement with CD/Park 7 Columbia SC Owner LLC to acquire this property. We have approached the lease with one-year renewable terms to provide the University with maximum flexibility in negotiating the purchase. We intend to begin that process with your office immediately so that it can be negotiated and presented to our Board of Trustees next year. In that case, it would be a one-year lease term, but should the negotiations take longer or prove unsuccessful, the lease allows additional terms to pursue another property.

We would appreciate your office advancing this request for lease approval to the Joint Bond Review Committee meeting on August 22, 2023, and the State Fiscal Accountability Authority for inclusion on their August 29, 2023, meeting agenda.

Please feel free to contact me if you have questions.

Sincerely,

Derek Gruner
University of South Carolina
University Architect and AVP of Facilities Planning Design and Construction

Cc: Parker Leake, Craig Parks, Cheryl Mitchell

AGENCY: Department of Administration
Capital Budget Office

SUBJECT: Permanent Improvement Project Proposals

The Department of Administration has submitted 30 proposals for Permanent Improvement Projects on behalf of agencies, summarized as follows:

	Existing Budget	Proposed Budget Change	Estimated Total Project Cost
Higher Education			
H09 - The Citadel	1	-	1,300,000
H12 - Clemson University	1	-	20,000
H15 - College of Charleston	2	32,900,000	43,100,000
H18 - Francis Marion University	1	5,000,000	865,000
H24 - South Carolina State University	1	-	360,000
H27 - University of South Carolina - Columbia	1	-	150,000
H51 - Medical University of South Carolina	1	1,200,000	300,000
H59 - Florence Darlington Technical College	1	450,000	484,702
H59 - Horry Georgetown Technical College	1	225,000	14,775,000
Higher Education Total	10	39,775,000	61,354,702
Agencies			
D50 - Department of Administration	4	1,605,125	319,130
E24 - Office of the Adjutant General	4	5,999,325	5,876,389
H71 - Wil Lou Gray Opportunity School	1	3,750	246,250
H73 - Vocational Rehabilitation Department	1	-	15,000
J12 - Department of Mental Health	3	725,000	224,500
K05 - Department of Public Safety	1	-	7,560
P28 - Department of Parks, Recreation & Tourism	5	17,607,500	948,862
U12 - Department of Transportation	1	4,350	307,564
Agencies Total	20	25,945,050	7,945,255
Grand Total	30	65,720,050	69,299,957

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, Permanent Improvements Proposed by Agencies - Summary 1-2024 covering the period April 22, 2023, through June 23, 2023.

1. Project: The Citadel
 H09.9625: Engineering Replacement Building
- Request: Establish Phase I Pre-Design Budget to construct a new engineering building.
- Included in CPIP: Yes – 2022 CPIP Priority 1 of 1 in FY25 (estimated at \$65,000,000)
- CHE Approval: 08/04/23
- Supporting Details: Pages 1-12

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY23 Appropriated State, Proviso 118.19 (B) (11)				1,300,000	1,300,000
All Sources				<u>1,300,000</u>	<u>1,300,000</u>

Summary of Work: The project will demolish the existing LeTellier Hall and construct a new engineering building on the site of the existing building. Additionally, the entire third floor or the adjacent Grimsley Hall will be renovated. All roofing material options will be evaluated during the Phase I process.

Rationale: Letellier Hall supports fewer than 60 students. Currently, there are approximately 700 enrolled in day and evening engineering classes. The department needs more lab and classroom space and need space that meets current engineering education standards, per the college.

Facility Characteristics: The existing Letellier Hall is 26,534 square feet and was constructed in 1937 (86 years old). The building was originally constructed to be two floors, and a third was added shortly after construction. A one-story addition was added at the north side of the building in 1959 (64 years old). Major mechanical system upgrades were made in 1984 (39 years old) and are beyond their useful life. The new building to be constructed will be approximately 99,800 square feet. The new building will be designed to meet either LEED Silver or Two Green Globes certification standards. Additionally, the third floor of the Grimsley Hall building, which is approximately 19,000 square feet will be renovated. The new building and renovated third floor of Grimsley Hall will be programmed for academic space. This new and renovated space will house the School of Engineering and its Departments of Civil, Environmental, and Construction Engineering; Electrical and Computer Engineering; Engineering Leadership and Program Management; and Mechanical Engineering. These facilities are projected to serve approximately 700 undergraduate and graduate students and approximately 70 faculty and staff.

Financial Impact: This phase of the project will be funded from FY23 Appropriated State (nonrecurring) Funds (uncommitted balance \$15.92 million at June 19, 2023). The project is expected to result in an increase of \$42,500 (year 1), and \$85,000 (years 2 thru 3), 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 \$1,000 (In-State) and \$1,755 (Out of State), per student per semester, and has not increased for the academic years 2018-2019 to 2022-2023.

Full Project Estimate: \$65,000,000 (internal). Phase II will be funded by \$38.5 million in Revenue Bonds, \$14.62 million in FY23 Appropriated State (nonrecurring), \$8.6 million in FY23 Capital Reserve,

and \$2 million in Gifts from The Citadel Foundation. The Phase I amount requested is 2.00% of the total estimated cost to complete the project and the additional funds will be used to hire a Construction Manager At Risk, as well as for performing site and geotechnical surveys, and for additional A&E needed to document existing conditions on the third floor of Grimsley Hall.

2. Project: Clemson University
 H12.9969: Charleston Property Acquisitions (16 Charlotte St., 515 E. Bay St., 102 Alexander St.)
- Request: Establish Preliminary Land Acquisition for the purpose of investigating the purchase of 1.12 acres and associated buildings in Charleston.
- Included in CPIP: No – The acquisition was not included in the 2022 CPIP submission because it was originally conceived as a new construction project and not a land acquisition. The construction project was included in 2022 CPIP Priority 3 of 6 in FY25 (estimated at \$34,000,000)
- CHE Approval: 08/04/23
 Supporting Details: Pages 13-26

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Maintenance & Stewardship				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

- Rationale: Acquisition of these properties will support the relocation of the Clemson Design Center which has been located in Charleston for 35 years. The Clemson Design Center is currently located in leased space at the Cigar Factory on East Bay Street. The current monthly lease payment is \$91,364.55, and the lease is set to end June 30, 2026. Ownership of these properties will allow the university to discontinue the lease of the space at the Cigar Factory as soon as possible.
- Characteristics: The 16 Charlotte Street Main House is approximately 9,500 square feet and was constructed between 1834-1835 (187-188 years old). The 16 Charlotte Street Accessory Structure (east) is approximately 2,015 square feet and was constructed between 1834-1840 (183-189 years old). The 16 Charlotte Street Accessory Structure (west) is approximately 3,425 square feet and was constructed between 1834-1840 (183-189 years old). The 515 East Bay Building is approximately 7,450 square feet and was constructed between 1957-1970 (53-66 years old).
- Financial Impact: The property is offered by NCGS-Charlotte Street, LLC and NCGS Investments, LLC to CUF East Bay Property, LLC for the proposed purchase price of \$12,500,000. The university will purchase the property from CUF East Bay Property, LLC for the proposed price of \$12,500,000. The due diligence activities will be funded from Maintenance & Stewardship Funds (uncommitted balance \$25.45 million at June 8, 2023). Revenue to this fund is derived from tuition, matriculation, and other debt retirement and plant transfer revenues that are not formally obligated to fund debt service in the current period and that are responsibly transferred to and managed by the State Treasurer until the time of their State Treasurer approved qualified use. The project is expected to result in an increase of \$277,412 (year 1), \$285,735 (year 2), and \$294,307 (year 3), 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 \$948 to \$1,005 for the academic years 2018-2019 to 2022-2023.

Full Project Estimate: \$12,520,000 (internal). Final Land Acquisition to be funded by sale of university property at Myrtle Beach.

Other: The structure for this acquisition is for the Clemson University Foundation (CUF) to acquire the property from the current owner, and then the university will acquire the property from CUF, allowing the properties to serve as the permanent home for the Clemson Design Center in Charleston.

3. Project: College of Charleston
 H15.9677: Stern Student Center Renovation
- Request: Establish Phase II Full Construction Budget, Revise Scope and Change Project Name to complete some interior and exterior repairs on the Stern Student Center.
- Included in CPIP: Yes – 2022 CPIP Priority 1 of 9 in FY23 (estimated at \$35,980,000)
 Phase I Approval: April 2022 (estimated at \$35,980,000) (SFAA)
 CHE Approval: 08/04/23
 Supporting Details: Pages 27-108

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY16 Capital Reserve (29)				1,750,000	1,750,000
FY19 Capital Reserve (12)				3,500,000	3,500,000
FY20 Capital Reserve (1)				7,000,000	7,000,000
FY22 Appropriated State, Proviso 118.18 (B) (12)				10,729,884	10,729,884
Other, Auxiliary Dining Revenues	72,000		72,000	1,449,609	1,521,609
Other, Capital Improvement Project	828,000		828,000	16,670,507	17,498,507
All Sources	<u>900,000</u>		<u>900,000</u>	<u>41,100,000</u>	<u>42,000,000</u>

Summary of Work: The original project scope included the following: exterior work to make envelope repairs to address water intrusion. The existing modified bitumen roof on areas A and B will be replaced with a two-ply modified bitumen roof system and will come with a minimum 20-year material and workmanship warranty. The existing modified bitumen roof system on area C will have an elastomeric coating applied and will come with a 10-year material warranty. Interior work will create an interactive lobby, connecting George Street with the Stern Center Courtyard and renovated 100-seat food court. The project will convert the three-level abandoned natatorium to a two-level, multipurpose event space, while gaining 7,500 gross square feet of usable space within the existing building. Other areas will be configured as needed to improve space efficiency and address programmatic needs. Space reconfigurations allow the college to bring the student fitness center back to the Stern Student Center. The previously approved Phase I anticipated the construction of a 5,800 gross square foot building addition, as well as, relocating the catering kitchen and dining services. However, due to cost escalations, and space demands, the scope has been revised to remove these items from the project.

Rationale: The decision to remove the addition to the building from the project was due to cost escalations. The integration of the catering operations were removed from the project because it could not be added without a building addition. Additionally, the decision was made to renovate the current location of the catering operations so that it will last another 10 years. The conversion of the natatorium will allow the college to repurpose approximately 19,000 gross square foot of vacant space in the heart of campus for a better and higher use. The college is currently leasing private space at \$500K per year for the

student fitness center. This move will not only save money, but also bring traffic and activity to the student union. The food court contains four retail food service components that must comply with national food service brand requirements.

Facility Characteristics: The Stern Student Center is 66,794 gross square feet mixed-use facility and was constructed in 1975 (48 years old). The last major renovation was in 2005, affecting all areas except the pool area. The entire building will be renovated in this project. The Stern Student Center has served as the central hub of campus life and features a food court, lockers, canteen area, game room, theatre, study lounges, recreational lounges, student organization offices, and meeting/programming space for the entire campus community. The building houses offices for the Division of Student Affairs and will repatriate the student fitness center currently in nearby leased space. The project will benefit the entire CofC community of 10,677 students, 847 faculty, 865 staff, clients, visitors, parents, and potential students.

Financial Impact: This phase of the project will be funded from FY16 Capital Reserve (uncommitted balance \$1.75 million at April 4, 2023), FY19 Capital Reserve (uncommitted \$3.5 million at April 4, 2023), FY20 Capital Reserve (uncommitted balance \$7 million at April 4, 2023), FY22 Appropriated State (nonrecurring) (uncommitted balance \$10.73 million at April 4, 2023), Auxiliary Dining Revenues (uncommitted balance \$13.10 million at April 4, 2023), and Capital Improvement Project Funds (uncommitted balance \$44.13 million at April 4, 2023). The Dining Revenue fund is a self-supporting auxiliary enterprise and dining revenue is generated through general food sales, card deposits, and sales of campus meal plans. Revenue to the Capital Improvement Project Fund is generated by the Capital Improvement Fee that are in excess of the current annual debt service related to bonds. This fee is that portion of the student bill earmarked for debt service and renewal of the physical infrastructure. The project is expected to result in a decrease of \$525,460 (year 1), \$541,224 (year 2), and \$568,285 (year 3), in annual operating expenditures. The building will be constructed to meet Two Green Globes certification standards with an anticipated energy savings of \$763,800 over 30 years. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$906 per student per semester, and has increased from \$878 to \$906 for the academic years 2018-2019 to 2022-2023. \$622 of the \$906 is currently pledged for debt service. The balance of the fee, \$284 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$42,000,000 funded by FY16, FY19 and FY20 Capital Reserve, FY23 Appropriated State (nonrecurring), and Auxiliary Dining Revenue and Capital Improvement Project Funds. Contract execution is expected in September 2024 and completion of construction in June 2026.

4. Project: College of Charleston
 H15.9668: McAlister Residence Hall 2021 Renovation
- Request: Increase Phase II Full Construction Budget to correct unforeseen conditions to repair significant moisture intrusion/damage and indoor air quality issues from failing roofing, window, exterior finishes, HVAC, and exhaust systems.
- Included in CPIP: No – The need for the budget increase was not known at the time of the 2022 CPIP submission.
- Phase I Approval: October 2019 (estimated at \$32,000,000) (SFAA)
- Phase II Approval: October 2021 (estimated at \$32,000,000) (SFAA)
- CHE Approval: 08/04/23
- Supporting Details: Pages 109-122

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Housing Revenue	480,000	15,760,000	16,240,000	2,000,000	18,240,000
Other, Capital Improvement Project		15,760,000	15,760,000		15,760,000
All Sources	<u>480,000</u>	<u>31,520,000</u>	<u>32,000,000</u>	<u>2,000,000</u>	<u>34,000,000</u>

Summary of Work: When selective demolition began the following additional deficiencies were found; fire caulking in original vertical chases was not installed during initial construction; original construction of flooring levels of structural hollow-core slab panels, metal framing of walls, and a poured topping slab of concrete to create level floors, but the slab pours were uneven causing moisture to travel and damaging drywall; shutoff valves were inaccessible due to mechanical closet layouts or inaccessible locations within walls; structural steel reinforcement bars were inserted into the structural block columns from above without the required overlap; blocking at windows was discovered to be insufficient. The project was established to replace the entire TPO membrane roof system, as well as all windows and 75% of exterior stucco. The existing roof will be demolished, including membranes, protection board, and insulation to the top of the existing concrete deck, and a new two-ply modified SBS roofing system with 180 mil fully adhered granular cap sheet, 180 mil fully adhered base sheet, protection board, and new sloped polyisocyanurate insulation with a minimum insulating value of R-25 will be installed, as proposed by CEMS Engineering, Inc. The engineering firm is also proposing to replace, within the new roof system, all parapet cap flashing and wall flashing. The new roof will come with a minimum 20-year material and workmanship warranty. Structural repairs will be made to areas damaged by moisture intrusion. General repairs will be applied to support angles, expansion joints, exposed rebar, concrete (block, pre-cast and poured) and secondary steel. The project will replace approximately 130 individual VTAC HVAC units with a centralized variable flow refrigerant delivery system to increase energy efficiency, reliability, maintenance access and to alleviate the “heat tunnel” effect created by the current air discharge design. The project will also repair/clean existing HVAC ductwork, replace moisture damaged interior sheetrock and supported metal framing studs, replace all exterior stair/breezeway railings (rusting and increasingly dangerous), replace damaged/obsolete elevator control systems and cab finishes, replace all lighting with LED fixtures, replace plumbing fixtures and select piping, repair/replace damaged doors, repair/replace damaged millwork, upgrade

telecommunications fiber/controls, replace/refresh all interior and exterior finishes and replace all furnishings. The entire building will be renovated.

Rationale: In 2018, a detailed building assessment was conducted by CEMS Engineering which included destructive testing for envelope/fenestration water intrusion, a roof assessment, and MEP system assessments. This assessment revealed moisture intrusion/damage that was far worse than originally anticipated.

Facility Characteristics: McAlister Hall is 152,142 gross square feet and was constructed in 2002 (21 years old). The facility will house 535 undergraduate students per academic year, plus one Residence Hall Director, 3-4 administrative staff, 3-4 facilities staff during regular business hours.

Financial Impact: This phase of the project will be funded from Campus Housing Revenue Funds (uncommitted balance \$29.52 million at June 10, 2023). Revenue for the Campus Housing Revenues is derived from student housing fees. The renovation is being designed to meet LEED Silver Certification Standards with anticipated energy savings of \$6,510,197.34 over a 30-year period. The project is expected to result in a decrease of \$97,110 (year 1), \$101,965 (year 2), and \$107,063 (year 3), 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 \$906 per student per semester, and has increased from \$878 to \$906 for the academic years 2018-2019 to 2022-2023. \$622 of the \$906 is currently pledged for debt service. The balance of the fee, \$284 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$34,000,000 funded by Campus Housing Revenue and Capital Improvement Project Funds. Construction completion is anticipated in July 2023.

Other: The college has and is, continuing to pursue litigation over the full building to include the entire envelope and mechanical systems. To date, most of the claims have been settled and the college has recovered \$3,363,583.40 (net of fees). Per the proviso, those funds were credited back to the E&G capital account to offset the E&G contribution on the project. The college is still in negotiations with the window subcontractor and the masonry subcontractor.

5. Project: Francis Marion University
 H18.9582: Smith University Center Renovations & Improvements
- Request: Increase Phase II Full Construction Budget and Revise Scope to complete renovations to the women’s and men’s locker rooms, showers, athletic training facilities and offices.
- Included in CPIP: No – The required increase was not known at the time of the 2022 CPIP submission.
 Phase I Approval: September 2021 (estimated at \$4,000,000) (SFAA)
 Change Source of Funds & Phase II Approval: Approval 2022 (estimated at \$4,000,000) (SFAA)
 Phase II Increase Approval: January 2023 (estimated at \$5,000,000) (SFAA)
 CHE Approval: 08/04/23
 Supporting Details: Pages 123-132

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Revenue Bonds		4,000,000	4,000,000		4,000,000
Other, FMU Maintenance Reserve	60,000	(60,000)	1,000,000	865,000	1,865,000
All Sources	<u>60,000</u>	<u>3,940,000</u>	<u>5,000,000</u>	<u>865,000</u>	<u>5,865,000</u>

Summary of Work: The renovations will double the square footage and will provide increased rehabilitation facilities. The main lobby of the building looks worn and dated and needs new finishes and lighting to continue to host functions and events in the space as well as provide wayfinding to all other spaces in the building. The main weight room is located on the second floor of the building and will be relocated to the main level and consolidated with the exercise area. The basketball gymnasium has fixed seating at one side that needs to be replaced and will provide the code required aisle width and rails for patrons. The entry into the building from the parking lot side requires wider stairs and an accessible ramp so that patrons for basketball games and other public events such as graduations do not have to traverse around the corner to enter the building. The revised scope will also include; redevelopment of the former exercise room into a multi-purpose activity space that can be used for student activities and events for the campus community, as well as for concessions and catering during athletic and other university events; refurbishment of additional bleacher seats in the gymnasium to comply with code, and provide consistency with the remaining bleachers (initially it was believed the remaining original seating could be salvaged, but further inspection indicated this to not be the case); and a more thorough refurbishment in the commons lobby area and the locker room area. Additionally in the Commons Lobby, the University has decided to install a new ceiling grid and acoustical ceiling tiles to replace the original ceiling, replace the original 50-year-old storefronts at all entrances, install durable tile flooring in lieu of carpet tile, and update existing light fixtures to new energy efficient LED fixtures.

Rationale: The University has refined the project budget and scope in order to fulfill the functions of the University Center. The University believes that these updates will help save on energy costs and maintenance needs. As the number of teams and student-athletes within the FMU program have increased, the functionality of the facility has become extremely deficient.

The current athletic training room does not meet minimum National Athletic Trainers' Association (NATA) requirements. Additionally, some staff are using closet space for offices, and this renovation will afford improved and increased office space.

Facility Characteristics: The Smith University Center is 115,366 square feet and was constructed in 1974 (49 years old). The renovated space in the Smith University Center will serve approximately 200 individuals on a daily basis, including student athletes, students, visiting team members, faculty/staff members, and alumni. Over the course of a year, the space will serve over 250 FMU student athletes, be available to 4,000 members of the FMU community (students, faculty, and staff), serve more than 1,500 visiting athletes, be available for more than 1,500 members of the FMU Alumni Association, and provide a greater experience for those attending athletic events.

Financial Impact: This increase will be funded from Maintenance Reserve Funds (uncommitted balance \$15.37 million at June 15, 2023). The project is expected to result in a decrease of \$25,000 (year 1), and \$50,000 (years 2 thru 3), in annual operating expenditures. A portion of tuition is designated for capital improvements, currently \$200 per student per semester, and not increased for academic years 2018-2019 to 2022-2023.

Full Project Estimate: \$5,865,000 funded by Athletic Revenue Bonds and Maintenance Reserve Funds. Construction completion is expected in December 2023.

6. Project: South Carolina State University
 H24.9662: Reserve Officers Training Corp. Center
- Request: Establish Phase I Pre-Design Budget to construct a multipurpose academic training complex.
- Included in CPIP: No – The federal funding for this project did not become available until after the 2022 CPIP submission.
- CHE Approval: 08/04/23
- Supporting Details: Pages 133-146

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Cash Reserves				360,000	360,000
All Sources				<u>360,000</u>	<u>360,000</u>

Summary of Work: The project will construct an approximately 47,000 square foot Reserve Officer Training Corp. (ROTC) Multipurpose Academic Training Complex (MPC) on the South Carolina State University Campus. An official location on campus has not yet been finalized, however, the favored site is located in the center of the lower section of campus, which is known as “Felton Field”. The field is currently used to augment the limited training space provided by the current ROTC facilities. The facility will provide training and academic space for ROTC Cadets, and include classrooms, training rooms, a pool, living quarters, multi-purpose spaces and administrative spaces. All roofing material options will be evaluated during the Phase I process.

Rationale: The current ROTC building is over 55 years old and “is not and has not been” adequate for the mission and goals of the institution for years, per the university. The current facilities are missing key training areas, such as a physical training course, an aquatic center and necessary classroom training and storage space.

Facility Characteristics: The existing ROTC building is 20,000 square feet and was constructed in 1968 (55 years old). The new ROTC Complex to be constructed will be approximately 47,000 square feet and will provide space for education, training and outreach, research and development, and innovative technology. The new building will be designed to meet Two Green Globes certification standards. The new complex will serve as a model/prototype for Historically Black Colleges and Universities, and ROTC infrastructures across the country. The new complex is projected to serve approximately 1,100 soldiers/students and 80 faculty/staff each year.

Financial Impact: This phase of the project will be funded from Other, Cash Reserve Funds (uncommitted balance \$17.23 million at June 30, 2023). Revenue to this fund is derived from tuition and fees, room and board rates, in-direct costs, fines, and donations. Student housing fees will primarily fund the project until notification is received for the federal award. The project is expected to result in an increase of \$42,346 (years 1 thru 3), in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. There is no portion of tuition designated for capital improvements at SC State University.

Full Project Estimate: \$24,000,000 (internal). Phase II will be funded by \$20,000,000 in Federal, Department of Defense (Local Defense Community Cooperation), and \$4,000,000 in Federal, Department

of Housing and Urban Development Funds. It is anticipated that the award of \$4,000,000 from the US Department of Housing and Urban Development will occur within the next two months. The awarding of the remaining \$20,000,000 from the Department of Defense is expected before the new calendar year (December 2023). The awarding of these funds is contingent upon the university having a “shovel ready” project. Completion of this project is contingent upon the award of the federal funds.

Other:

After construction of the new ROTC Complex, it is anticipated that the existing ROTC building will either be reconfigured to house the institution’s security division, realigned as a community-based extension of the 1890 Public Service Division, or, re-focused as a storage and supply area for the new ROTC Multipurpose Complex.

7. Project: University of South Carolina - Columbia
 H27.6152: Green and Garnet I - Energy Optimization
- Request: Establish Phase I Pre-Design Budget to implement energy conservation measures on five campus buildings.
- Included in CPIP: No – The university was unaware that this project qualified as a PIP during the 2022 CPIP submission process.
- CHE Approval: 08/04/23
- Supporting Details: Pages 147-156

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Maintenance Reserve				150,000	150,000
All Sources				<u>150,000</u>	<u>150,000</u>

Summary of Work: The project will make improvements that will enhance the insulation of building envelopes, integrate lighting controls, install new low-flow plumbing fixtures, and replace obsolete mechanical systems with new more efficient systems.

Rationale: These are large campus buildings with minimal insulation, aged plumbing fixtures, and obsolete HVAC systems. Rising utility costs of these resources compel the campus to seek improvements that will reduce consumption and provide a reasonable return on the investment of capital funds. It is anticipated that the project will reduce the consumption of energy, water, and wastewater.

Facility Characteristics: The Close-Hipp Building is 340,979 gross square feet and was constructed in 1973 (50 years old). The Thomas Cooper Library is 283,595 gross square feet and was constructed in 1959 (64 years old). The 1600 Hampton Street Building is 261,981 gross square feet and was constructed in 1968 (55 years old). The Swearingen Engineering Center is 217,466 gross square feet and was constructed in 1987 (36 years old). The Jones Physical Sciences Center is 192,503 gross square feet and was constructed in 1967 (56 years old). These buildings house instruction, academic support, student services, and institutional support and are utilized by 2,300 to 35,000 students, faculty and staff.

Financial Impact: This project will be funded from Other, Maintenance Reserve Fund (uncommitted balance \$12.58 million at June 20, 2023). Revenue to the fund is generated from the Facilities Management operating budget which is allocated annually from a portion of student tuition and fees. The project is expected to result in a decrease of \$245,000 (year 1), \$48,400 (year 2), and \$740,000 (year 3), in annual operating expenditures. No student fees or tuition will be increased because of the project. A portion of tuition is designated for capital improvements, currently \$320 per student per semester, and has not increased for the academic years 2018-2019 to 2022-2023.

Full Project Estimate: \$10,000,000 (internal) funded by Maintenance Reserve Funds.

8. Project: Medical University of South Carolina
 H51.9845: Basic Science Building Air Handler Unit #3 Replacement
- Request: Increase the Phase II Full Construction Budget to cover the cost of unforeseen conditions for the replacement of the Air Handler Unit #3.
- Included in CPIP: No – The need for the increase was unknown at the time of the 2022 CPIP submission.
 Phase I Approval: October 2018 (estimated at \$1,200,000) (JBRC /SFAA)
 Phase II Approval: May 2019 (estimated at \$1,200,000) (JBRC /SFAA)
 Revise Scope &
 Change Project Name: August 2022 (estimated at \$1,200,000) (Admin)
 CHE Approval: 06/26/23
 Supporting Details: Pages 157-174

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Deferred Maintenance	18,000	1,182,000	1,200,000	300,000	1,500,000
All Sources	<u>18,000</u>	<u>1,182,000</u>	<u>1,200,000</u>	<u>300,000</u>	<u>1,500,000</u>

- Summary of Work: The original scope of work for this project intended to replace air handler units # 3 and #5 with a single larger unit. This became impractical due to the installation of vibration sensitive equipment in the facility. Because of this, the project scope was previously revised to remove air handler unit #5 from the scope. This increase will cover the additional A&E services required and installation costs for the additional support steel that is needed to complete the project.
- Rationale: During construction, unforeseen conditions were uncovered that required significant additional structural support steel installation for new ductwork being installed as part of the replacement.
- Facility Characteristics: The Basic Science Building is 335,663 square feet and was constructed in 1972 (51 years old). The building houses research, the College of Dental Medicine and Education. Approximately five hundred (500) students and three hundred (300) faculty, and staff utilize the facility on a daily basis.
- Financial Impact: This project is funded from FY19 Deferred Maintenance Funds. 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. There is no portion of tuition designated for capital improvements at MUSC.
- Full Project Estimate: \$1,500,000 funded by Deferred Maintenance Funds. Construction completion is anticipated in December 2023.

9. Project: Florence Darlington Technical College
 H59.6156: 400 Building Demolition
- Request: Increase Phase II Full Construction Budget and Revise Scope to turn the land into green space after demolition of the building.
- Included in CPIP: No – The need for the increase was unknown at the time of the 2022 CPIP submission.
 Phase I Approval: October 2019 (estimated at \$450,000) (Admin)
 Revise Scope,
 Change Project Name
 & Phase II Approval: July 2021 (estimated at \$450,000) (Admin)
 CHE Approval: 06/26/23
 Supporting Details: Pages 175-190

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY17 Capital Reserve (24)				43,263	43,263
FY17 Appropriated State, Proviso 118.16 (B)(23)(j) (redirected in Proviso 25.8)	6,750	443,250	450,000		450,000
Other, Local				484,702	484,702
All Sources	<u>6,750</u>	<u>443,250</u>	<u>450,000</u>	<u>484,702</u>	<u>977,965</u>

Summary of Work: The original scope of work for this project was to renovate the building. Initially, this project was submitted as a renovation project. As a result of the Phase I due diligence activities, the building assessment firm recommended that 400 Building be demolished. This increase will cover the cost to make the area a green space by adding sidewalks, lighting and sod.

Rationale: Since there will be no immediate replacement of the building a green space is desired. TYLIN International's statement of opinion is as follows: the building has outlived its' service life and has received sufficient structural damage and life-safety /contamination concerns to make it unusable and a poor candidate for consideration of renovation or repair. It is extremely unlikely that this building could be renovated and repaired in any kind of cost-efficient manner and as it stands will continue to present life-safety concerns as well as ongoing and increasing health risks to the Florence Darlington Technical College campus until properly abated for hazardous materials, demolished, and removed.

Facility Characteristics: 400 Building is 20,233 square feet and was constructed in 1967 (56 years old).

Financial Impact: This phase of the project will be funded from FY17 Capital Reserve (uncommitted balance \$266K at June 8, 2023), and Other, Local Funds (uncommitted balance \$485K at June 8, 2023). The project 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 \$270 per student per semester, and has not increased from \$270 for the academic years 2018-2019 to 2022-2023 respectively.

Full Project Estimate: \$977,965 funded by FY17 Capital Reserve, FY17 Appropriated State (nonrecurring), and Local Funds. Contract execution is expected in August 2023 and completion of construction in December 2023.

Other: Florence Darlington Technical College's Area Commission approved demolition of this building which has been vacated since 2017. Also, in May 2017, the state engineer's office approved demolition of this building. The library downsized and temporarily relocated to the 200 Building. Classes were moved to different buildings throughout main campus. Functions/events in the auditorium are no longer scheduled. FDTC staff will begin discussions with the Area Commission for replacement of this building, along with buildings 100 and 300.

10. Project: Horry Georgetown Technical College
 H59.6221: Renovation/Expansion of Grand Strand Building 100
- Request: Establish Phase II Full Construction 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)
 Phase I Approval: November 2022 (estimated at \$15,000,000) (SFAA)
 CHE Approval: 08/04/23
 Supporting Details: Pages 191-202

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY23 Appropriated State, Proviso 118.19 (B)(27)(s)				10,000,000	10,000,000
Other, College	225,000		225,000	4,775,000	5,000,000
All Sources	<u>225,000</u>		<u>225,000</u>	<u>14,775,000</u>	<u>15,000,000</u>

Summary of Work: The project will renovate the existing 14,122 square foot 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 cardiovascular imaging equipment and related technologies will also be required.

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

Facility Characteristics: Building 100 is 14,122 square feet and was constructed in 1992 (31 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 FY23 Appropriated State (nonrecurring) (uncommitted balance \$10 million at June 14, 2023), and College Funds (uncommitted balance \$45 million at June 14, 2023). 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 expenditures. The renovations will be constructed to meet Two Green Globes

certification standards with anticipated energy savings of \$243,228.24 over a 30-year period. 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 funded by FY23 Appropriated State (nonrecurring) and College Funds. Contract execution is expected in October 2023 and completion of construction in January 2025.

11. Project: Department of Administration
 D50.6122: Columbia Mills - SCDHEC Flooding Remediation Repairs
- Request: Establish Phase I Pre-Design Budget to replace damaged floor and wall finishes in the SCDHEC offices.
- Included in CPIP: No – The damage to the floors and wall finishes occurred in January 2023, which was after the submission of the 2022 CPIP.
- CHE Approval: N/A
- Supporting Details: Pages 203-212

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Depreciation Reserve				10,678	10,678
All Sources				<u>10,678</u>	<u>10,678</u>

- Summary of Work: The project will replace flooring finishes and drywall on four floors of the building.
- Rationale: The floor and wall finishes suffered water damage as a result of the chilled water handler coil bursting.
- Facility Characteristics: The Columbia Mills Building is approximately 388,445 square feet and was constructed in 1893 (130 years old). Approximately 75,318 square feet of flooring will be replaced. Approximately 20,768 square feet of walls will be painted. The last renovation in this area of the building was in 1987 (35 years ago). The building is utilized by approximately 350 SCDHEC personnel and various visitors annually.
- Financial Impact: The project will be funded from Depreciation Reserve Fund (uncommitted balance \$2.70 million at June 8, 2023). Revenue to this fund is 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: \$664,155 (internal) funded by Depreciation Reserve Funds. The Department of Administration has filed a claim with the Insurance Reserve Fund and any funds received will be returned to the Depreciation Reserve account to offset these expenditures.

12. Project: Department of Administration
 D50.6078: Dennis Building – Canteen Renovation
- Request: Establish Phase II Full Construction Budget to renovate the SC Commission for the Blind canteen.
- Included in CPIP: No – This project was inadvertently left off of the 2022 CPIP submission.
 Phase I Approval: September 2021 (estimated at \$225,647) (JBRC Staff)
 CHE Approval: N/A
 Supporting Details: Pages 213-222

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, SCCB Federal Grant	3,581		3,581	287,627	291,208
All Sources	<u>3,581</u>		<u>3,581</u>	<u>287,627</u>	<u>291,208</u>

Summary of Work: The project will demolish and remove the existing floor finishes, ceiling, millwork, lighting fixtures, and plumbing fixtures. The interior space will be renovated, which includes patch and repair of existing walls, painting walls, install new ceilings and interior doors and frames, and new flooring. The area will be configured to be more open and efficient. The canteen areas affected by this project are the serving and prep area, storage space, and the seating area.

Rationale: The canteen needs renovation and asbestos abatement to be reopened to the public. This facility along with others will also be a training tool for SCCB for their clients and a source of income and employment for blind individuals.

Facility Characteristics: The Dennis Building is 247,543 square feet, of which the canteen is 1,425 square feet, and was constructed in 1950 (73 Years old). The canteen is utilized by the SC Commission for the Blind and tenants of the Dennis Building, which are approximately 100 persons/day, including employees, customers and visitors.

Financial Impact: The project will be funded from SCCB Federal Grant Funds (uncommitted balance \$9.22 million at May 23, 2023). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$291,268 funded by SCCB Federal Funds. Contract execution is expected in November 2023 and completion of construction in February 2024.

13. Project: Department of Administration
 D50.6049: SCCB Generator Replacement and Lighting Updates
- Request: Increase Phase II Full Construction Budget to cover additional costs associated with rewiring the lighting and to add a small contingency to address any additional unknown conditions.
- Included in CPIP: No – The need for the increase was unknown at the time of the 2022 CPIP submission.
 Phase I Approval: June 2020 (estimated at \$457,280) (JBRC)
 Phase II Approval: January 2021 (estimated at \$521,680) (JBRC)
 Phase II Increase Approval: August 2021 (estimated at \$604,681) (JBRC)
 CHE Approval: N/A
 Supporting Details: Pages 223-230

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, SCCB Operating	6,400	515,280	604,681	10,000	614,681
All Sources	<u>6,400</u>	<u>515,280</u>	<u>604,681</u>	<u>10,000</u>	<u>614,681</u>

Summary of Work: The project was established to purchase a new generator, code compliant exit lighting, and improved energy-saving pole mounted lighting. The project design will consolidate all three (3) generators into a single larger unit which will result in more efficient and reliable operation.

Rationale: The existing emergency standby generator serving building C (dormitory building), recently failed and is no longer repairable. There are two (2) other smaller generators located on site that are close to end-of-life. Exterior lighting at building exits does not provide sufficient emergency illumination. This is a building code change that was not an enforced requirement when the building was originally constructed. The building exterior lighting needs to be brought up to current codes. Existing pole-mounted lighting serving the parking areas is aged and in disrepair. The fixtures are metal halide and should be replaced with more energy-efficient LEDs. Per the agency, the LED fixtures will save approximately 40% on energy bills for parking area lighting and will reduce maintenance costs.

Facility Characteristics: The building is 68,675 gross square feet and was constructed in 1976 (44 years old). The facility is utilized by the SC Commission for the Blind and is occupied by 120 customers and staff each day.

Financial Impact: The project will be funded from SC Commission for the Blind Other Operating Funds (uncommitted balance \$473K at June 22, 2022). Revenue to the fund is generated from a combination from various sources including donations that have accumulated over time. The project is expected to result in a decrease of \$3,840 (years 1 thru 3), in annual operating expenditures.

Full Project Estimate: \$614,681 (internal) funded by SC Commission for the Blind Other Operating Funds. Construction completion is anticipated in October 2023.

14. Project: Department of Administration
 D50.6090: Columbia Mills - Educational Hallway Renovation for SCSM
- Request: Increase Phase II Full Construction Budget and Change Source of Funds to add additional contingency funds to address additional unknown conditions as the project is completed.
- Included in CPIP: No – The need for the increase was unknown at the time of the 2022 CPIP submission.
 Phase II Approval: January 2022 (estimated at \$452,060) (Admin.)
 Phase II Increase & Revise Scope
 Approval: October 2022 (estimated at \$786,863) (Admin.)
 CHE Approval: N/A
 Supporting Details: Pages 231-238

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, SCSM FY20 Appropriated State, Proviso 118.16 (B)(28)(a)	226,030	273,970	500,000	45,000	545,000
Other, SCSM FY22 Appropriated State, Proviso 118.18 (B)(7)(a)	226,030	270,833	393,431		496,863
Other, Depreciation Reserve				30,000	30,000
All Sources	<u>452,060</u>	<u>544,803</u>	<u>996,863</u>	<u>75,000</u>	<u>1,071,863</u>

Summary of Work: The project was established to renovate the first-floor education hallway, as well as the sixteen (16) bathrooms located throughout the facility. The work in the educational hallway includes the replacement of ceiling tile, lighting, and wall paint in the hallway and installation of an ADA ramp to the raised area. Bathroom renovations include finishes, partitions, lighting, touch-less fixtures, and counters to bring the bathrooms up to current ADA standards. The sheetrock ceilings will also be replaced with acoustical tile for easy maintenance access.

Rationale: The additional funding will be utilized to address unknown conditions in the plumbing behind the walls of the restrooms. Additionally, larger bathroom door openings are needed as part of ADA compliance. These renovations will enhance programming and bring the facility up to current ADA standards.

Facility Characteristics: The Columbia Mills Building /SC State Museum is 121,141 square feet and was constructed in 1893 (130 years old). The Education Hallway and associated bathrooms total 11,200 square feet. The last renovation in this area of the building occurred in 1987 (36 years ago). Approximately 60 staff occupy the building and there are 170,000 visitors per year.

Financial Impact: This increase will be funded by SC State Museum FY20 Appropriated State (nonrecurring) (uncommitted balance \$1.43 million at July 24, 2024), and Other, Depreciation Reserve Funds (uncommitted balance \$5.28 million at July 24, 2023). Revenue to the Depreciation Reserve fund is 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: \$1,071,863 funded by SC State Museum Appropriated State (nonrecurring), and Depreciation Reserve Funds. Construction completion is anticipated in October 2023.

15. Project: Office of the Adjutant General
 E24.9835: Aiken Readiness Center MILCON & Cyber Integration Center
- Request: Change Project Name Increase Phase I Pre-Design Budget to add additional funds to complete the final design for the Aiken Readiness Center.
- Included in CPIP: Yes – 2022 CPIP priority 2 of 24 FY23 (estimated at \$33,036,729)
 Phase I Approval: January 2022 (estimated at \$30,950,000) (SFAA)
 Phase I Increase Approval: May 2023 (estimated at \$38,650,948) (SFAA)
 CHE Approval: N/A
 Support Details: Pages 239-254

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) (a)	149,981		149,981	620,886	770,867
Federal, National Guard Bureau	453,944		453,944	1,862,627	2,316,571
Other, SRS		242,000	242,000		242,000
All Sources	<u>603,925</u>	<u>242,000</u>	<u>845,925</u>	<u>2,483,513</u>	<u>3,329,438</u>

Summary of Work: The project was established for the design and construction of both the Aiken Readiness Center and the Cyber Integration Center. Both buildings will be constructed on property owned by Aiken County Commission for Higher Education on the campus of the University of South Carolina Aiken. The Aiken Readiness Center will support the training, administrative and logistical requirements for two SCARNG Units. The Cyber Integration Center will consist of a collaborative innovation area, classrooms, testing and training rooms. It will also include a Secure Room for cyber protection activities. The construction of these facilities may be requested at separate times due to funding availability.

Rationale: Phase I design has been completed for the Aiken Readiness Center. Due to the potential for increased construction costs that are likely to occur during the design development phase, this request will only add funds to complete final design of the Aiken Readiness Center. Once a more completed design is available, the Aiken Readiness Center will be ready to submit for Phase II. Phase I design has not been completed for the Cyber Integration Center. The Aiken Readiness Center is required to provide a training facility that accommodates modernization and transformation of equipment and performance of their mission to support Strategic Depth of the Army and the unit training in the Army Modular Force configuration. The USC Aiken & Cyber Integration Center is a cyber security facility to allow for secure cyber protection activities to be conducted by the SC Army National Guard, USC Aiken, and other Cyber protection entities.

Facility Characteristics: The USC Aiken & Cyber Integration Center to be constructed will be 25,000 square feet and will house the Office of the Adjutant General, University of South Carolina Aiken and other Cyber Security Agencies. There will be approximately 50 transient users per day. The National Guard Readiness Center to be constructed will be 42,839 square feet and will house 2 units (1221 Engineer Company & 135th Cyber Protection Company), consisting of

7 authorized full-time employees and 183 M-Day Soldiers that currently do not have a facility. Both facilities will be designed to meet either LEED Silver, or Two Green Globes certification standards.

Financial Impact: This request will be funded from FY22 Appropriated State (nonrecurring) (uncommitted balance \$10.25 million at June 30, 2023), and National Guard Bureau Funds (uncommitted balance \$8 million at June 30, 2023) Revenue to the National Guard Bureau Fund is received from the Construction and Facilities Management Office's Master Cooperative Agreement funds. The Dreamport Center is expected to result in an increase of \$36,000 (year 1), \$38,000 (year 2), and \$40,000 (year 3) in annual operating expenses. The Aiken Readiness Center is expected to result in an increase of \$72,000 (year 1), \$76,000 (year 2), and \$80,000 (year 3), in annual operating expenditures. Both buildings will be designed to meet LEED Silver certification standards.

Full Project Estimate: \$38,650,948 (internal). Phase II of the Cyber Integration Center will be funded by \$9.758 million in Savannah River Site Litigation Settlement, and \$1.98 in Appropriated State (nonrecurring) Funds. Phase II of the Aiken Readiness Center will be funded by \$6.67 million in Appropriated State (nonrecurring) and \$20 million in National Guard Bureau Funds.

16. Project: Office of the Adjutant General
 E24.9811: Training Sites TT Enlisted Barracks Replacement
- Request: Increase the Phase II Full Construction Budget for this annualized project to cover the construction cost for one barrack (#4541) at the Clarks Hill Training Site and one barrack (#3501/3502) at the McCrady Training Site.
- Included in CPIP: Yes – 2022 CPIP Priority 7 of 24 in FY23 (estimated at \$6,843,732)
- Phase I Approval: May 2018 (estimated at \$1,404,000) (SFAA)
- Phase II Approval: March 2019 (estimated at \$1,414,416) (SFAA)
- Phase II Increase Approval: June 2020 (estimated at \$2,077,624) (SFAA)
- Phase II Increase Approval: January 2022 (estimated at \$2,500,732) (SFAA)
- Phase II Increase Approval: August 2022 (estimated at \$3,900,732) (SFAA)
- Phase II Increase Approval: December 2022 (estimated at \$4,170,732) (SFAA)
- CHE Approval: N/A
- Supporting Details: Pages 255-262

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, National Guard Bureau	88,000	4,082,732	4,170,732	2,808,000	6,978,732
All Sources	<u>88,000</u>	<u>4,082,732</u>	<u>4,170,732</u>	<u>2,808,000</u>	<u>6,978,732</u>

Summary of Work: This annualized project will demolish existing WWII Era barracks and construct replacement Transient Training Enlisted, (TT ENL) Barracks at two Army National Guard Training Sites; McCrady Training Center (MTC) and Clarks Hill Training Site (CHTS). The Clarks Hill Training Site will include five (5) new 16-man barracks, and the McCrady Training site will include five (5) new 32-man barracks. Each barracks building will be of permanent construction with a finished interior, including mechanical, electrical, and plumbing, (MEP) systems, a latrine with showers, urinals, toilets, sinks and washer/dryer connections. A slopped roof system is proposed for the barracks design, as the attic area will be utilized to house the air handler and duct work associated with HVAC system. A standing seam metal roof system will be installed as it follows the design standard of the SC Army National Guard utilized in the construction of new barracks. This project has been submitted to the Office of State Engineer for review, and they have approved the design selection of the standing seam metal roof. The roof will come with a minimum 20-year material and workmanship warranty. Installation of utilities and the extensions of utilities to the nearest service lines are also included. The McCrady Training Center barracks #3510 and #3511 are currently being constructed. The Clarks Hill barrack (#4422) is completed and barrack #4424 is currently being constructed.

Rationale: The barracks to be replaced are no longer sufficient for the housing of soldiers; the structures are not insulated properly; the roofs are cost prohibitive to repair; no latrine; single pane windows; and old/energy inefficient light fixtures. Due to their age and condition, the existing barracks no longer support the SCARNG’s mission and need to be replaced to current codes and standards.

Facility Characteristics: Each of the five (5) new 32-man barracks buildings at McCrady Training Center will be approximately 4,700 square feet. Each of the five (5) new 16-man barracks buildings at Clarks Hill Training Site will be approximately 2,100 square feet. Approximately 300 Army National Guard soldiers use these facilities.

Financial Impact: The project will be funded from National Guard Bureau Funds (uncommitted balance \$5 million at June 12, 2023). Revenue to this fund is identified as part of the Construction and Facilities Management Office's Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau. The project is expected to result in an increase of \$7,000 (years 1 thru 3) in annual operating expenditures.

Full Project Estimate: \$6,978,732 funded by National Guard Bureau Funds. Construction completion for McCrady Training Site (#3510) and (#3511) is anticipated in October 2023. Construction completion for Clarks Hill Training Site (#4424) is anticipated in October 2023. The total estimated cost to construct the five (5) 16-man barracks and the five (5) 32-man barracks is \$13,943,732.

Other: The current McCrady Training Center includes five (5) buildings that total 14,805 square feet and the current Clarks Hill Training Site includes five (5) buildings that total is 3,840 square feet.

17. Project: Office of the Adjutant General
 E24.9836: Army Combat Fitness Test Training Facility (McCrary Training Center)
- Request: Increase Phase II Full Budget to cover the cost to of widening 2-meter lanes with white lines to 3-meter lanes on both fields and the replacement of two storm drains (32 linear feet of pipe), associated with the construction of an artificial turf surface on a concrete sub-base for training of soldiers.
- Included in CPIP: No – The need for the increase was not known at the time of the 2022 CPIP submission.
 Phase I Approval: January 2022 (estimated at \$665,000) (JBRC)
 Phase II Approval: August 2022 (estimated at \$479,471) (JBRC)
 Phase II Increase Approval: December 2022 (estimated at \$581,007) (JBRC)
 CHE Approval: N/A
 Support Details: Pages 263-272

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, National Guard Bureau	12,500	568,507	581,007	48,810	629,817
All Sources	<u>12,500</u>	<u>568,507</u>	<u>581,007</u>	<u>48,810</u>	<u>629,817</u>

- Summary of Work: The new training facility (artificial turf athletic field), is to be located at McCrary Training Center in Eastover, as a majority of soldiers conduct their annual training at this location. This facility will provide a fixed location, accessible to all units for training purposes and to complete their annual testing.
- Rationale: The US Army is in the process of implementing new fitness requirements, as defined by the Army Combat Fitness Test. The extended lane widths are required to meet Army Training Guidelines.
- Facility Characteristics: The field will be 40 x 40 meters in size, which is approximately 18,000 square feet. National Guard Bureau soldiers going through classes at the 218th Regional Training Institute and soldiers completing yearly annual training at McCrary Training Center will utilize this facility. The SC Army National Guard maintains an annual strength of approximately 80,000 soldiers.
- Financial Impact: The project will be funded from National Guard Bureau Funds (uncommitted balance \$5 million at June 12, 2023). Revenue to the fund is identified as part of the Construction and Facilities Management Office’s Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau. The project is expected to result in an increase of \$1,000 (year 1), \$1,500 (year 2), and \$2,000 (year 3), in annual operating expenditures.
- Full Project Estimate: \$629,817 funded by National Guard Bureau Funds. Construction completion is anticipated in October 2023.

18. Project: Office of the Adjutant General
 E24.9837: AASF Donaldson Storefront Replacement
- Request: Increase Phase II Full Construction Budget to cover higher than anticipated bid costs to demolish the existing failed two-story storefront system around the Flight Operations Area and replace it with a properly reinforced and installed storefront system.
- Included in CPIP: Yes – 2022 CPIP Priority 11 of 24 in FY23 (estimated at \$334,186)
 Phase I Approval: March 2022 (estimated at \$339,286) (JBRC)
 Phase II Approval: December 2022 (estimated at \$401,661) (JBRC)
 CHE Approval: N/A
 Support Details: Pages 273-280

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, National Guard Bureau	5,100	396,561	401,661	536,066	937,727
All Sources	<u>5,100</u>	<u>396,561</u>	<u>401,661</u>	<u>536,066</u>	<u>937,727</u>

Summary of Work: The project will demolish the existing failed two-story storefront system around the Flight Operations Area and replace it with a properly reinforced and installed storefront system.

Rationale: Only one bid was received at the bid opening, with a cost considerably higher than the A&E’s estimate. After discussing with the A&E the determination was made that the only factor that could have affected the significant increase is the cost of the storefront (metal) and glazing materials (glass). Due to the damage being caused by continued water intrusion through the existing storefront system, the agency determined that the cost is within available funding, and that timely replacement of the storefront system is warranted. The OPS Area requires direct observation of the Apron area for controlling aviation movement, thus requiring the storefront system. Additionally, the numerous leaks are damaging internal portions of the building.

Facility Characteristics: The Army Aviation Support Facility, Donaldson is 110,262, square feet and was constructed in 2014 (9 years old). Approximately 2,000 square feet of the facility will be affected by this project. The area is utilized by the Flight Operations Center and the Canteen area of the Flight Facility. There are 73 personnel assigned to the facility.

Financial Impact: The project will be funded from National Guard Bureau Funds (uncommitted balance \$5 million at June 12, 2023). Revenue to the fund is identified as part of the Construction and Facilities Management Office’s Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau. The project is expected to result in an increase of \$500 (year 1), in annual operating expenditures.

Full Project Estimate: \$937,727 funded by National Guard Bureau Funds. Contract execution is expected in November 2023 and completion of construction in May 2024.

19. Project: Wil Lou Gray Opportunity School
 H71.9517: Shower Room Renovations (B-Dorm)
- Request: Establish Phase II Full Construction Budget to update the shower room and surrounding bathrooms in B-Dorm.
- Included in CPIP: Yes – 2022 CPIP Priority 1 of 1 in FY23 (estimated at \$200,000)
 Phase I Approval: December 2022 (estimated at \$250,000) (JBRC)
 CHE Approval: N/A
 Supporting Details: Pages 281-288

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Agency Special Deposits	3,750		3,750	246,250	250,000
All Sources	<u>3,750</u>		<u>3,750</u>	<u>246,250</u>	<u>250,000</u>

- Summary of Work: The project will update the shower room and surrounding bathrooms with new sinks, showers, toilets, partitions, and ceramic tile.
- Rationale: The upgrades will decrease maintenance levels while also installing more efficient plumbing options that will decrease water usage, per the agency.
- Facility Characteristics: Residential Student Dorm (B) is approximately 7,550 square feet and was constructed in 1970 (53 years old). Approximately 2,000 square feet will be renovated in this project. Approximately 108 students and staff members utilize this space.
- Financial Impact: This project will be funded from Agency Special Deposit Funds (uncommitted balance \$1.22 million at June 16, 2023). Revenue to this fund is authorized through Special Schools Flexibility (1.43). The project is expected to result in a decrease of \$100 (year 1), and \$200 (years thru 3), in annual operating expenses.
- Full Project Estimate: \$250,000 funded by Agency Special Deposit Funds. Contract execution is expected in November 2023 and completion of construction in June 2024.

20. Project: Vocational Rehabilitation Department
 H73.9624: Anderson VR Center Repaving
- Request: Establish Phase I Pre-Design Budget to repair and resurface the existing parking lot and loading area.
- Included in CPIP: Yes – 2022 CPIP Priority 2 of 6 in FY24 (estimated at \$671,829)
 CHE Approval: N/A
 Supporting Details: Pages 289-298

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, Vocational Rehabilitation Services Grant				15,000	15,000
All Sources				<u>15,000</u>	<u>15,000</u>

- Summary of Work: The project will repair and resurface the existing parking lot and loading area. Subsurface investigations will be required to determine the level of deterioration of the existing paved areas. Exterior lighting will also be added to the parking areas.
- Rationale: The existing paved areas have deteriorated and need repair and resurfacing. The addition of lighting will increase safety and security.
- Facility Characteristics: The Vocational Rehabilitation Center was constructed in 1987 (36 years old). The facility and parking lot are utilized by 30 staff and 45 to 60 consumers.
- Financial Impact: This phase of the project will be funded from Federal, Vocational Rehabilitation Services Grant Funds (uncommitted balance \$61.74 million at June 28, 2023). The project is expected to result in an increase of \$400 (year 1), and \$1,200 (years 2 thru 3), in annual operating expenditures.
- Full Project Estimate: \$671,829 (internal) funded by Vocational Rehabilitation Services Grant Funds. Phase II will be funded by FY17 Capital Reserve and Vocational Rehabilitation Services Grant Funds.

21. Project: Department of Mental Health
 J12.9850: Pee Dee MHC Interior Renovations

Request: Establish Phase I Pre-Design Budget to repair and/or replace interior finishes.

Included in CPIP: Yes – 2022 CPIP Priority 30 of 48 in FY23 (estimated at \$300,000)

CHE Approval: N/A

Supporting Details: Pages 299-306

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance				4,500	4,500
All Sources				<u>4,500</u>	<u>4,500</u>

Summary of Work: The project will repair and/or replace wall coverings, window treatments, safety windows, casework/counter tops, lay in acoustical ceiling, lighting, etc.

Rationale: The interior finishes are original to the building and in need of replacement, per the agency.

Facility Characteristics: The Pee Dee Mental Health Clinic is 36,572 square feet and was constructed in 2001 (22 years old). The mental health center provides emergency services, case management, outpatient counseling, and psychiatric treatment for children, adolescents, adults, and families in Florence County and surrounding areas. The facility has 100 staff and sees 3,920 patients a month.

Financial Impact: The project will be funded from Other, Capital Improvement & Maintenance Funds (uncommitted balance \$21.33 million at May 22, 2023). 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 \$500 (year 1), and \$1,000 (years 2 thru 3), in annual operating expenditures.

Full Project Estimate: \$300,000 (internal) funded by Capital Improvement & Maintenance Funds.

22. Project: Department of Mental Health
 J12.9822: Hall Lodge C & D Renovations
- Request: Increase Phase II Full Construction Budget to cover costs associated with moisture issues found after interior demolition in Lodge D.
- Included in CPIP: No – The need for the increase was unknown at the time of the 2022 CPIP submission.
 Phase I Approval: March 2022 (estimated at \$675,000) (JBRC)
 Phase II Approval: June 2022 (estimated at \$725,000) (JBRC)
 CHE Approval: N/A
 Supporting Details: Pages 307-316

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	10,125	714,875	725,000	200,000	925,000
All Sources	<u>10,125</u>	<u>714,875</u>	<u>725,000</u>	<u>200,000</u>	<u>925,000</u>

- Summary of Work: The project will reinforce the walls, replace existing bedroom doors in Lodge C & D with new behavioral health anti-barricade doors. In Lodge D, in one of the 3 Pods the patient storage and one bedroom will be converted into a second nurse station. The project will include finishes as well.
- Rationale: This project is a long-needed service that recently has become a larger more critical need.
- Facility Characteristics: Lodge C & D in the William S. Hall Psychiatric Institute are 12,994 square feet each and were constructed in 1977 (46 years old). The institute is for the diagnosis and treatment of psychiatric disorders in juveniles. The two lodges house up to 50 juveniles and approximately 72 staff.
- Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$21.33 million at May 22, 2023). 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 in any change in annual operating expenditures.
- Full Project Estimate: \$925,000 funded by Capital Improvement & Maintenance Funds. Construction completion is anticipated in November December 2023.

23. Project: Department of Mental Health
 J12.9852: Anderson MHC Building Purchase
- Request: Establish Preliminary Land Acquisition for the purpose of investigating the purchase of 3.04 acres and a building in Anderson.
- Included in CPIP: No – The building was not available for purchase during the 2022 CPIP submission process.
- CHE Approval: N/A
- Supporting Details: Pages 317-328

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

- Rationale: Acquisition of this property will allow the agency to discontinue leasing the current Anderson Mental Health Center (MHC) buildings from Anderson County. The existing MHC buildings require new HVAC, roof, foundation repairs, parking lot replacement/expansion, fire alarm replacement, and general updates. The estimated cost to make these improvements is \$3 million+.
- Characteristics: The building and property is located at 1 Linwa Boulevard and is a 28,000 square foot 2-story brick building located on 3.05 acres and was constructed in 2004 (19 years old). The building was renovated in 2012, has 136 paved parking spaces, and has easy access to North Highway 81.
- Financial Impact: The property is offered by NewSpring Church, Inc., for the proposed purchase price of \$4,500,000. The due diligence activities will be funded from Maintenance & Stewardship Funds (uncommitted balance \$21.33 million at May 22, 2023). Revenue to this fund is derived from tuition, matriculation, and other debt retirement and plant transfer revenues that are not formally obligated to fund debt service in the current period and that are responsibly transferred to and managed by the State Treasurer until the time of their State Treasurer approved qualified use. The project is expected to result in a decrease of \$5,000 (year 1), and \$10,000 (years 2 thru 3), in annual operating expenditures. If acquired, approximately \$500K in updates and repairs will be needed to correct any building system deficiencies, and to modify the building to suit the needs of the clinic.
- Full Project Estimate: \$4,520,000 (internal).

24. Project: Department of Public Safety
 K05.9619: SCDPS Headquarters "D" Building - Building Controls Upgrade
- Request: Establish Phase I Pre-Design Budget to install a new DDC control system for the existing HVAC system.
- Included in CPIP: No – The need for this project was unknown at the time of the 2022 CPIP submission.
 CHE Approval: N/A
 Supporting Details: Pages 329-338

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, DPS Building				7,560	7,560
All Sources				<u>7,560</u>	<u>7,560</u>

- Summary of Work: The project will update the existing logic converted web control legacy system to an automated logic naïve web control. The VAV controllers and network control modules for all 5 floors of the building will be upgraded. The project includes the replacement of room sensors, programming graphics, and installing the latest version of Webctrl software.
- Rationale: This upgrade is needed because the existing communications sub area networks do not have the capacity required for the high speed and large amounts of data required for the operation of the web modules.
- Facility Characteristics: The Headquarters Building D is 119,209 square feet was constructed in 1994 (29 years old). The building systems being replaced in this project are original to the building. The building is utilized by SCDMV staff and the general public, SCDPS staff, Highway Patrol staff, State Transport Police staff, and the Regional Telecommunications Call Center staff. Both DMV and DPS have 795 employees in the two buildings and about 1,150 visitors a month at the DMV branch in the DMV Headquarters building.
- Financial Impact: The project will be funded from Other, DPS Building Funds (uncommitted balance \$3.74 million at June 30, 2023). Revenue to this fund is derived by the late fee penalty on vehicle registrations. This money is collected by the Department of Motor Vehicles and transferred to SCDPS. The project is not expected to result in any change in annual operating expenditures.
- Full Project Estimate: \$597,240 (internal) funded by DPS Building Funds.

25. Project: Department of Parks, Recreation & Tourism
 P28.9824: Huntington Beach Boardwalk - Hurricane Ian Repairs
- Request: Establish Phase II Full Construction Budget remove and replace the boardwalk at Huntington Beach State Park.
- Included in CPIP: No – The need for the project is as of a result of hurricane damage in September 2022, which was after the 2022 CPIP submission.
- Phase I Approval: May 2023 (estimated at \$500,000) (JBRC)
- CHE Approval: N/A
- Supporting Details: Pages 339-354

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, FEMA				506,362	506,362
Other, Park Revenue	7,500		7,500		7,500
Other, Insurance Reserve				292,500	292,500
All Sources	<u>7,500</u>		<u>7,500</u>	<u>798,862</u>	<u>806,362</u>

- Summary of Work: The project will remove the damaged boardwalk and construct a new boardwalk in its place. The existing small damaged three-tab asphalt shingle roof covering the wildlife viewing area will be replaced with either three-tab asphalt shingles or a metal roof. The new roof will come with a minimum 20-year material and workmanship warranty.
- Rationale: The March boardwalk sustained damage during Hurricane Ian which include the loss of various sections of decking, hand-railing and support beams. It has been deemed unsafe and is closed to the public.
- Facility Characteristics: The existing boardwalk is 5,700 square feet and was constructed in 1991 (32 years old). The new boardwalk to be constructed will be the same footprint (5,700 square feet), of the existing boardwalk. The agency is currently in negotiations with FEMA on possibly raising the height of the boardwalk, however the length and width will be same as before. The boardwalk is used by approximately 1.1 million visitors annually.
- Financial Impact: This phase of the project will be funded from Federal, FEMA (uncommitted balance \$506,362 at June 22, 2023), and Other, Insurance Reserve Funds (uncommitted balance \$382,500 at June 22, 2023). The project is not expected to result in any change in annual operating expenditures.
- Full Project Estimate: \$806,362 funded by FEMA and Insurance Reserve Funds. Contract execution is expected in October 2023 and completion of construction in June 2024.

26. Project: Department of Parks, Recreation & Tourism
 P28.9754: Hunting Island State Park Beach Restoration
- Request: Increase Phase II Full Construction Budget to cover the cost of post-restoration monitoring required by Ocean & Coastal Resource management (OCRM).
- Included in CPIP: No – The need for post-restoration monitoring was overlooked at the time of the 2022 CPIP submission.
- Phase I Approval: April 2015 (estimated at \$7,000,000) (SFAA)
- Phase II Approval: June 2017 (estimated at \$12,055,904) (SFAA)
- Phase II Increase & Change Source of Funds Approval: October 2019 (estimated at \$14,000,000) (SFAA)
- Phase II Increase Approval: December 2019 (estimated at \$17,600,000) (Admin)
- CHE Approval: N/A
- Supporting Details: Pages 355-364

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY19 Capital Reserve (2)		6,896,514	6,896,514		6,896,514
FY17 Appropriated State, Proviso 118.16 (B) (39) (b)		10,703,486	10,703,486		10,703,486
Other, Park Revenue	105,000	(105,000)		100,000	100,000
All Sources	<u>105,000</u>	<u>17,495,000</u>	<u>17,600,000</u>	<u>100,000</u>	<u>17,700,000</u>

Summary of Work: The project was established for the nourishment of the beach and construction of two additional groins at Hunting Island State Park. Prior to this project, the beach was last nourished in 2007 and six groins were constructed in 2008. The project has performed as designed and slowed erosion significantly.

Rationale: Additional groins and nourishment are needed to maintain a safe high tide beach for park visitors.

Facility Characteristics: Hunting Island Beach is approximately 2 miles. The park receives over one million visitors a year and is used for recreational public beach access.

Financial Impact: This phase of the project will be funded from Other, Park Revenue Funds (uncommitted balance \$2.42 at June 22, 2023). Revenue to this fund is derived from operating revenue generated by the State Park System. The fund collects fees for admission, camping, lodging, and other fees charged for the use of recreational facilities and programs. The project is not expected to result in any change in annual operating expenditures. FEMA reimbursements are expected but not guaranteed. If received, FEMA reimbursements will cover the cost of the monitoring and Park Revenue will be returned.

Full Project Estimate: \$17,700,000 funded by FY19 Capital Reserve, FY17 Appropriated State (nonrecurring), and Other, Park Revenue Funds. Project construction has been completed.

27. Project: Department of Parks, Recreation & Tourism
 P28.9829: Property Acquisition – Black River Lieberman

Request: Establish Preliminary Land Acquisition for the purpose of investigating the purchase of 181 acres and a building in Georgetown County.

Included in CPIP: Yes – 2022 CPIP Priority 28 of 23 in FY23 (estimated at \$800,000)
 CHE Approval: N/A
 Supporting Details: Pages 365-376

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Park Revenue				15,000	15,000
All Sources				<u>15,000</u>	<u>15,000</u>

Rationale: Acquisition of the property will offer residents and visitors a wilderness-quality experience along a coastal-plain river. Additionally, SCPRT’s presence in the region will help spur visitation and tourism in an economically depressed part of the state, per the agency. The ox bow and location on the river make it ideal for paddle experience. This tract will connect the town of Andrews to the river.

Characteristics: The property provides natural habitat associated with the Black River, including bottomland hardwood forest, fringe mixed hardwood forest, and loblolly pine forest. This property includes a residence and existing shop.

Financial Impact: The property is offered by The Nature Conservancy for the proposed purchase price of \$380,000. The due diligence activities will be funded from Park Revenue Funds (uncommitted balance \$2.42 million at June 22, 2023). Revenue to this fund is derived from operating revenue generated by the State Park System. The fund collects fees for admission, camping, lodging, and other fees charged for the use of recreational facilities and programs. The project is expected to result in an increase of \$10,000 (year 1), \$15,000 (year 2), and \$20,000 (year 3), in annual operating expenditures.

Full Project Estimate: \$395,000 (internal). The Final Land Acquisition will be funded by FY24 Appropriated State (nonrecurring) Funds.

28. Project: Department of Parks, Recreation & Tourism
 P28.9830: Property Acquisition – Black River Weyerhaeuser
- Request: Establish Preliminary Land Acquisition for the purpose of investigating the purchase of approximately 1,800 acres in Georgetown County.
- Included in CPIP: No – The property was not available at the time of the 2022 CPIP submission.
 CHE Approval: N/A
 Supporting Details: Pages 377-388

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Park Revenue				15,000	15,000
All Sources				<u>15,000</u>	<u>15,000</u>

Rationale: Acquisition of the property will offer residents and visitors a wilderness-quality experience along a coastal-plain river. Additionally, SCPRT’s presence in the region will help spur visitation and tourism in an economically depressed part of the state, per the agency. This tract is located near the town of Andrews is an important tract to connect and provide access to residents.

Characteristics: The property provides natural habitat associated with the Black River, including bottomland hardwood forest, fringe mixed hardwood forest, and loblolly pine forest. The Black River provides significant habitat for waterfowl, resident and migratory songbirds and wading birds and currently does, or could one day support, federally threatened and endangered species, including Red-cockaded Woodpeckers, Wood Storks, and Shortnose and Atlantic Sturgeon, all of which would benefit from the riverine protection proposed.

Financial Impact: The property is offered by Weyerhaeuser Company to Open Space Institute for the proposed purchase price of \$5,760,000. The agency will purchase the property from Open Space Institute for the proposed price of \$5,760,000. The due diligence activities will be funded from Park Revenue Funds (uncommitted balance \$2.42 million at June 22, 2023). Revenue to this fund is derived from operating revenue generated by the State Park System. The fund collects fees for admission, camping, lodging, and other fees charged for the use of recreational facilities and programs. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$5,775,000 (internal). The Final Land Acquisition will be funded by \$4,400,000 in CELP Federal Grant, and \$1,360,000 in Park Revenue Funds.

29. Project: Department of Parks, Recreation & Tourism
 P28.9831: Property Acquisition – Paris Mountain Hughes Tract
- Request: Establish Preliminary Land Acquisition for the purpose of investigating the purchase of 150 acres in Greenville County.
- Included in CPIP: No – The property was not available at the time of the 2022 CPIP submission.
 CHE Approval: N/A
 Supporting Details: Pages 389-400

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Park Revenue				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

- Rationale: Acquisition of the property will provide protection, public education, and public access to a popular state park in SC. This property will provide more recreational opportunities for people as well as reduce the impact on the current property and allow more people to access the park, as the park is regularly filled to capacity.
- Characteristics: The Hughes tract is undeveloped property adjacent to Paris Mountain State Park. The tract has a flat portion for future parking and trail access.
- Financial Impact: The property is offered by Naturaland Trust for the proposed purchase price of \$1,000,000. The due diligence activities will be funded from Park Revenue Funds (uncommitted balance \$2.42 million at June 22, 2023). Revenue to this fund is derived from operating revenue generated by the State Park System. The fund collects fees for admission, camping, lodging, and other fees charged for the use of recreational facilities and programs. The project is not expected to result in any change in annual operating expenditures.
- Full Project Estimate: \$1,020,000 (internal). The Final Land Acquisition will be funded by \$500,000 in Land and Water Conservation Grant, and \$500,000 in FY24 Appropriated State (nonrecurring) Funds.

30. Project: Department of Transportation
 U12.9749: Abbeville County Salt Shed Construction
- Request: Establish Phase II Full Construction Budget to construct a steel and fabric storage building in Abbeville County.
- Included in CPIP: Yes – 2022 CPIP Priority 3 of 26 in FY23 (estimated at \$290,000)
 Phase I Approval: June 2022 (estimated at \$290,000) (JBRC)
 CHE Approval: N/A
 Supporting Details: Pages 401-409

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	307,564	311,914
All Sources	<u>4,350</u>		<u>4,350</u>	<u>307,564</u>	<u>311,914</u>

Summary of Work: The project will construct a steel and fabric storage building for storing salt to use for application on the bridges and roads both before and during ice/snow events. The structure will have a concrete slab with wood interior push walls. Since this salt shed is going to be fabric, it does not have a traditional roof.

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 1941 (82 years old). The new salt shed will be 2,400 square feet and store 500 tons of salt. SCDOT Abbeville 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 \$3.57 million at March 1, 2023). Revenue to this fund is generated from motor fuel user fee tax collections.

Full Project Estimate: \$311,914 funded by State Highway Funds. Contract execution is expected in September 2023 and completion of construction in July 2024.

AGENCY: South Carolina State Housing Finance and Development Authority

SUBJECT: Allocation Plan Pursuant to Act 88 of 2023

Act 88 of 2023 provides among other things for a one-time authorization of South Carolina Housing Tax Credits in an amount necessary but not exceeding \$29,806,029; non-recurring, one-time funding in an amount necessary but not exceeding \$25,000,000 from the undesignated balance held in the South Carolina Housing Trust Fund; and an authorization of federal low-income housing tax credits in an amount necessary but not exceeding 50 percent of the state's federal allocation for the tax year ending December 31, 2023.¹ This supplemental financial support is made available to certain multifamily housing projects with independently verified escalations in costs of construction and materials, increases in interest rates, and other factors asserted to have negatively impacted the financial feasibility of those projects to the extent that they face a threat of completion in the absence of supplemental financial support.

The Act requires among other things that the South Carolina State Housing Finance and Development Authority develop a plan to allocate the supplemental financial support to qualified projects, and subjects the plan and any project allocations thereunder to the Joint Bond Review Committee for review and comment prior to the award of this supplemental financial support.

Responsive to this requirement, the State Housing Authority has submitted to the Committee its plan for allocation of the supplemental financial support, including project-specific allocations, and the assumptions and methodology used in the development of recommendations for each qualified project.

The plan allocates a total of \$8.4 million in supplemental State Housing Tax Credits, \$4.9 million in supplemental federal tax credits, and \$23.1 million in supplemental non-recurring funding from the Housing Trust Fund.

COMMITTEE ACTION:

Review and comment on the plan in accordance with the Act.

ATTACHMENTS:

1. Letter dated August 1, 2023, of Mr. Richard A. Hutto, Executive Director, South Carolina State Housing Finance and Development Authority.
2. Plan of Allocation for Supplemental Financial Support Pursuant to Act 88 of 2023 as of June 30, 2023.
3. Act 88 of 2023.
4. Letter dated December 28, 2022, of Ms. Catherine Ortmann Hart, Analyst and Counsel, Senate Finance Committee Natural Resources and Economic Development Subcommittee.

¹ Calculated at \$7,263,622.



South Carolina State Housing Finance and Development Authority
300-C Outlet Pointe Blvd., Columbia, South Carolina 29210
Telephone: 803.896.9001 TTY: 803.896.8831
SCHousing.com

C. Todd Latiff
Chairman

Richard A. Hutto
Executive Director

August 1, 2023

The Honorable Harvey S. Peeler, Jr.
Chairman
Joint Bond Review Committee
312 Gressette Senate Office Building
Capitol Complex
Columbia, SC 29201

Re: Allocation Plan Pursuant to Act 88 of 2023

Dear Senator Peeler,

In accordance with the provisions of Act 88 of 2023, the South Carolina State Housing Finance and Development Authority has developed a plan for the distribution of certain remaining South Carolina Housing Tax Credits and one-time, non-recurring funding for the limited purpose of providing supplemental financial support to address escalations and other costs for certain multi-family housing developments.

Section 1 of the plan provides a summary of the assumptions and methodology used in the development of recommendations for each project, and Section 2 of the plan provides the determinations for each project, including a summary of the factors contributing to each project recommendation.

We welcome the comments of the Joint Bond Review Committee, and appreciate its forbearance as the Authority considered all of the complexities in the development of this plan.

Sincerely,

A handwritten signature in black ink, appearing to read "R. A. Hutto".

Richard A. Hutto, CPA
Executive Director



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C. Todd Latiff
Chairman

Richard A. Hutto
Interim Executive Director

Plan of Allocation for Supplemental Financial Support
Pursuant to Act 88 of 2023
As of June 30, 2023

Section 1 – Assumptions and Methodology

Supplemental Financial Support. Act 88 provides for a one-time authorization of South Carolina Housing Tax Credits in an amount necessary but not exceeding \$29,860,029, and an amount necessary but not exceeding \$25,000,000 as non-recurring, one-time funding to certain multifamily housing projects that had by March 31, 2023, received a tentative allocation of South Carolina Housing Tax Credits pursuant to Act 202 of 2022.

The Act required SC Housing to develop a plan to allocate the tax credits and nonrecurring funding made available pursuant to the Act as supplemental financial support to certain multifamily housing projects that had by March 31, 2023, received a tentative allocation of South Carolina Housing Tax Credits pursuant to Act 202 of 2022. The plan, and any project allocations thereunder, must be submitted to the Joint Bond Review Committee for review and comment prior to awarding the tax credits and nonrecurring funding made available pursuant to Act 88.

Qualifications for Funding. Any supplemental tax credits or nonrecurring funding made available pursuant to the Act must be limited to the amount necessary to provide supplemental financial support to projects that (1) are under construction; and (2) have demonstrated independently verified costs exceeding original estimates as a consequence of escalations in costs of construction and materials, increases in interest rates, and such other extenuating factors recommended by SC Housing, subject to the review and comment of the Committee.

No single project may receive an allocation of more than the lesser of (1) the actual amount of tax credits and nonrecurring funding necessary to achieve financial feasibility of the project based on the independently verified costs exceeding the original estimate for the project; or (2) twenty percent of the South Carolina Housing Tax Credit reflected on the eligibility statement previously furnished for the project by SC Housing. SC Housing may recommend, subject to the review of

the Committee, a de minimus adjustment not exceeding five percent beyond the limitations of this provision to promote financial feasibility of the project in marginal circumstances.

Project sponsors must have requested consideration of and provided justification for any costs in excess of original estimates to the State Housing Finance and Development Authority no later than March 31, 2023.

Allocation Methodology. All development costs subject to third party determination¹ were included in the consideration for additional State Tax Credits and South Carolina Housing Trust Fund (SCHTF) allocation. All projects meeting the criteria prescribed by Act 88 as of May 19, 2023, the date of enactment, were included in the plan.

The Authority performed both a full underwriting, as well as a direct method, for determining allocations of additional subsidy. The direct method was used as a floor for making final allocations. For full underwriting, all costs were considered as well as basis calculations and sources, including a minimum of 15% Deferred Developer Fee. For the direct method, the change in the total development costs from the original application to the lesser of the third party approved costs or the applicant's revised costs were considered in the calculation of additional State Tax Credits and SCHTF allocation.

Additional or supplemental Federal and State Low Income Housing Tax Credits (LIHTCs) were in all cases limited to 25% of original allocations.

Identical methodology was applied to the 9% projects in determining supplemental Federal Low Income Housing Tax Credits.

Definition. Act 88 conditions supplemental financial support to projects that are under construction. This plan utilizes the US Department of Housing and Urban Development's (HUD) definition of commencement of the project as having taken a choice-limiting action. A choice-limiting action is any activity that a developer undertakes, including committing or expending HUD or non-HUD funds, that reduces or eliminates a developer's opportunity to choose project alternatives. SC Housing believes that this definition applies to each of the projects as having commenced construction.

Syndication Rates. Syndication rates were analyzed to statistically eliminate outliers. Floors or minimums for syndication values were judgmentally determined based on a preponderance of syndication values allowing for nominal downward fluctuations. SC Housing determined that the

¹ As recommended pursuant to the Senate Finance Committee letter dated December 28, 2022. This evaluation and resulting determination were completed by Cumming Management Group, Inc.

use of a floor of .80 for federal tax credits and a floor of .45 for state tax credits provided a reasonable allowance for fluctuations in syndication rates.

Final Determinations. The final amount of Federal Tax Credits will be determined at the date the project is placed-in-service, in accordance with the applicable requirements of Internal Revenue Code Section 42. The final South Carolina Housing Tax Credit and South Carolina Housing Trust Fund allocation amounts will not exceed the amounts projected and included in this plan, and may be less than the projected amounts based on actual costs at placed-in-service.

Conformance with Qualified Allocation Plan. The underwriting requirements of the applicable Qualified Allocation Plan (QAP) will continue to apply at placed-in-service.

Supplemental State Ceiling. SC Housing expects that certain developments will require allocation of additional state ceiling allocation in order to meet the requirements of Internal Revenue Code Section 42(h)(4)(B). The plan reflects and provides for such additional allocations.

Allocations Deemed Final; Agreement by Project Sponsor. Act 88 permits as a condition of any supplemental South Carolina Housing Tax Credits, Federal 9% Low Income Housing Tax Credits, or non-recurring, one-time funding from the South Carolina Housing Trust Fund, an agreement from the project sponsor that any allocation to a development will be deemed final and without recourse. SC Housing will require execution of such an agreement as a condition of funding. The agreement will limit the use of reserves to those expressly required under the applicable QAP, unless they were included in closing documents executed prior to May 19, 2023.

Carryforward of Supplemental Financial Support. Any unallocated funds made pursuant to Act 88 will be carried forward for allocation beyond the current tax year ending December 31, 2023, and are subject to limitations and provisions of Act 88. Unless otherwise directed by the Committee, SC Housing expects that any unallocated South Carolina Housing Trust Fund amounts will be returned to the program for use in future projects.

Content of Report. Act 88 provides for certain information required for the content of this report, which must be provided in form and substance as may be prescribed by the Committee. At the direction of Committee staff, certain additional information has been separately provided to the Committee but omitted from the report for brevity.

Section 2 – Project Determinations

SC Housing has determined the amount of projected additional financial support for each qualifying project. The attached list contains the determined amount of projected supplemental

South Carolina State Housing Tax Credits, projected supplemental Federal Tax Credits and projected South Carolina Housing Trust Fund allocation for each development.

Appendices

Appendix 1 Act 88 of 2023.

Appendix 2 Letter dated December 28, 2022, of Ms. Catherine Ortman Hart, Analyst and Counsel, Senate Finance Committee

S.739 ALLOCATION LIST

Development Name	Development Company	Location	TEB/LIHTC	Units	Completion	Annual State Tax Credit Amount	Bond Ceiling Allocation/Ann Federal Tax Credit	Supplemental STC	Supplemental FTC	Supplemental Housing Trust Fund	Additional Bond Ceiling Allocation Request
4% TEB-CLOSED ON CONSTRUCTION LOAN OR G702 PAY APPLICATION PRIOR TO 5/19/2023											
Hickory Heights & Oakland Apts	DGA Capital	Abbeville	4%	112	PIS	\$ 600,592.00	\$ 11,000,000.00	\$ 113,366.80	\$ -	\$ -	\$ -
Hilton Head Gardens	Vitus Corporation	Hilton Head Island	4%	112	PIS	\$ 924,408.00	\$ 20,000,000.00	\$ 154,600.25	\$ -	\$ 238,843.09	\$ -
John G Felder	Mansermar Development & ReBuild America	St Matthews	4%	40	PIS	\$ 203,448.00	\$ 12,000,000.00	\$ 50,862.00	\$ -	\$ 282,302.60	\$ -
Spanish Trace	Vitus Corporation	Beaufort	4%	88	PIS	\$ 666,793.00	\$ 12,000,000.00	\$ 79,941.83	\$ -	\$ 1,062,385.00	\$ -
Arrington Place	Vitus Corporation	Columbia	4%	68	PIS	\$ 575,956.00	\$ 7,540,000.00	\$ 29,182.35	\$ -	\$ 81,554.70	\$ -
Connecticut Village Apts	Vitus Corporation	Gaffney	4%	105	PIS	\$ 746,179.08	\$ 10,000,000.00	\$ 94,929.72	\$ -	\$ 32,080.36	\$ -
Palmetto Towers	Mansermar Development & ReBuild America	Sumter	4%	95	PIS	\$ 598,252.00	\$ 12,000,000.00	\$ 149,563.00	\$ -	\$ 271,332.71	\$ -
Redemption Towers	Mansermar Development & ReBuild America	Summerville	4%	95	PIS	\$ 716,073.00	\$ 12,000,000.00	\$ 179,018.25	\$ -	\$ 115,425.16	\$ -
Colonel Creek	Fitch Irick SC, LLC	Columbia	4%	288	76-100%	\$ 1,745,049.00	\$ 26,100,000.00	\$ 436,262.25	\$ -	\$ 979,568.84	\$ -
Lawsons Ridge	Connelly Development, LLC	Spartanburg	4%	228	76-100%	\$ 1,940,935.00	\$ 27,500,000.00	\$ -	\$ -	\$ -	\$ -
Robert Smalls	Equity Plus	Spartanburg	4%	190	76-100%	\$ 1,493,584.00	\$ 28,000,000.00	\$ 373,396.00	\$ -	\$ 597,965.62	\$ -
The Sullivan	Schaumber Development & Douglas Development	Greenville	4%	180	76-100%	\$ 1,522,150.00	\$ 22,000,000.00	\$ 370,951.81	\$ -	\$ -	\$ -
Village at Congaree Pointe	Armada Development	Columbia	4%	240	76-100%	\$ 1,551,952.00	\$ 28,025,000.00	\$ 387,988.00	\$ -	\$ 637,061.63	\$ -
Garden Oaks	GDA Partners	Beaufort	4%	288	76-100%	\$ 1,947,973.00	\$ 33,000,000.00	\$ 466,759.28	\$ -	\$ -	\$ -
Eastside Apartments	Flatiron Partners	Charleston	4%	64	51-75%	\$ 716,178.00	\$ 14,000,000.00	\$ 59,958.33	\$ -	\$ -	\$ -
Garden Lakes	GDA Partners	Columbia	4%	288	51-75%	\$ 2,064,110.15	\$ 35,000,000.00	\$ 368,206.36	\$ -	\$ -	\$ -
Haven at Congaree Pointe	Dominium	Columbia	4%	198	51-75%	\$ 2,765,963.90	\$ 30,000,000.00	\$ 459,937.44	\$ -	\$ -	\$ -
The Park at Wilkerson Road	KCG Development	Rock Hill	4%	136	51-75%	\$ 1,381,263.68	\$ 25,000,000.00	\$ 117,993.40	\$ -	\$ -	\$ -
Archer Apartments	Humanities Foundation	Charleston	4%	89	51-75%	\$ 1,257,430.00	\$ 23,000,000.00	\$ 250,421.45	\$ -	\$ -	\$ -
Oak Park	UrbanMatters Development	Columbia	4%	190	26-50%	\$ 1,997,540.00	\$ 24,000,000.00	\$ 79,044.23	\$ -	\$ -	\$ -
Shockley Terrace	KCG Development	Anderson	4%	258	26-50%	\$ 2,276,296.00	\$ 30,000,000.00	\$ 569,074.00	\$ -	\$ 501,913.65	\$ -
Gateway at Cross Creek	Gateway Development	Central	4%	168	26-50%	\$ 1,665,594.00	\$ 20,000,000.00	\$ 292,932.80	\$ -	\$ -	\$ -
Oak Terrace	UrbanMatters Development	Columbia	4%	95	11-25%	\$ 1,004,876.00	\$ 12,000,000.00	\$ 106,109.66	\$ -	\$ 222,493.66	\$ -
Dillon Graded Schools	Tapestry Development	Dillon	4%	37	10% or less	\$ 670,419.72	\$ 12,000,000.00	\$ -	\$ -	\$ 2,184,572.44	\$ -
Dunbar Place	Charlotte-Mecklenburg Housing Partnership	Rock Hill	4%	100	10% or less	\$ 1,282,496.00	\$ 17,750,000.00	\$ 320,624.00	\$ -	\$ 45,196.90	\$ -
Section Total:								\$ 5,511,123.21	\$ -	\$ 7,252,696.36	\$ -

4% TEB-GRADING/LAND DISTURBANCE PERMIT OR GC CONTRACT											
573 Meeting Street	Michael Development	Charleston	4%	70	10% or less	\$ 1,072,662.00	\$ 14,000,000.00	\$ 228,612.05	\$ -	\$ 1,617,648.52	\$ 3,000,000.00
Brookfield Pointe	Bradley Housing Developers	Columbia	4%	90	10% or less	\$ 941,628.00	\$ 9,999,999.00	\$ 110,680.89	\$ -	\$ 1,079,969.87	\$ 2,500,001.00
Cherokee Landing	TWG Development	Greenville	4%	128	10% or less	\$ 1,126,703.04	\$ 17,800,000.00	\$ 270,369.25	\$ -	\$ 818,434.07	\$ -
Dunearn Mill	Lincoln Avenue Capital	Greenville	4%	60	10% or less	\$ 873,262.37	\$ 16,000,000.00	\$ 126,223.50	\$ -	\$ 1,146,562.54	\$ -
Esau Jenkins Village	UrbanMatters & Mungo Construction	Charleston	4%	72	10% or less	\$ 423,360.00	\$ 11,000,000.00	\$ 105,840.00	\$ -	\$ 905,764.05	\$ 3,000,000.00
Hope Road Apartments	Equity Plus	Spartanburg	4%	192	10% or less	\$ 2,017,034.83	\$ 27,000,000.00	\$ 12,687.89	\$ -	\$ 455,403.65	\$ -
Lowline Housing	SCG Development and Davis	Charleston	4%	55	10% or less	\$ 1,155,000.00	\$ 7,250,000.00	\$ 288,750.00	\$ -	\$ 1,312,068.77	\$ 8,250,000.00
Magnolia Branch	Fitch Irick	North Charleston	4%	162	10% or less	\$ 2,028,194.00	\$ 21,600,000.00	\$ 507,048.50	\$ -	\$ 1,272,680.08	\$ 7,400,000.00
Edgewood Place Apartments	Fitch Irick	Rock Hill	4%	216	10% or less	\$ 2,000,000.00	\$ 23,070,000.00	\$ 342,542.12	\$ -	\$ -	\$ 7,930,000.00
Seneca Mill Lofts	JP Stevens Mill	Seneca	4%	120	10% or less	\$ 1,167,276.00	\$ 30,000,000.00	\$ -	\$ -	\$ 3,164,253.04	\$ -
Settlement Manor Apartments	Hallmark	Greenville	4%	120	10% or less	\$ 1,231,305.00	\$ 20,000,000.00	\$ 152,604.94	\$ -	\$ 1,039,544.01	\$ -
Talford Greene	Parallel Housing	Chester	4%	70	10% or less	\$ 611,151.00	\$ 6,730,000.00	\$ 73,986.48	\$ -	\$ 1,463,768.26	\$ 1,090,418.00
The Lofts at Lorick Place	ADK Development	Columbia	4%	144	10% or less	\$ 1,344,163.00	\$ 30,000,000.00	\$ 97,118.45	\$ -	\$ 968,519.70	\$ 2,000,000.00
Section Total:								\$ 2,316,464.07	\$ -	\$ 15,244,616.56	\$ 35,170,419.00
4% TEB Total:								\$ 7,827,587.28	\$ -	\$ 22,497,312.92	\$ 35,170,419.00

Development Name	Development Company	Location	TEB/LIHTC	Units	Completion	Annual State Tax Credit Amount	Bond Ceiling Allocation/Ann Federal Tax Credit	Supplemental STC	Supplemental FTC	Supplemental Housing Trust Fund	Additional Bond Ceiling Allocation Request	
9% LIHTC- CLOSED ON CONSTRUCTION LOAN OR G702 PAY APPLICATION PRIOR TO 5/19/2023												
Bay Pointe III	Bradley Housing Developers	Myrtle Beach	9%	70	76-100%	\$ 798,841.79	\$ 798,841.79	-	\$ 199,710.45	\$ -	\$ -	
Brushy Creek Senior	Palmetto Housing Developers	Easley	9%	60	76-100%	\$ 751,318.29	\$ 751,318.29	-	\$ 187,829.57	\$ -	\$ -	
Westview Terrace	MPI GHD, LLC and South Creek Development	Spartanburg	9%	48	76-100%	\$ 588,305.00	\$ 588,305.00	-	\$ 147,076.26	\$ -	\$ -	
Gentry Place	Flatiron Partners	Pickens	9%	60	76-100%	\$ 641,266.00	\$ 641,266.00	-	\$ 160,316.50	\$ -	\$ -	
Glenwood Falls Apartments	Tri-State Development	Fort Mill	9%	48	76-100%	\$ 479,444.29	\$ 479,444.29	-	\$ 93,993.14	\$ -	\$ -	
Legacy Oaks II	Prestwick Companies	Greenville	9%	90	76-100%	\$ 957,322.34	\$ 957,322.34	-	\$ 239,330.59	\$ -	\$ -	
May River Village Phase 3	BBR Development	Bluffton	9%	24	51-75%	\$ 294,153.05	\$ 294,153.05	-	\$ 73,538.26	\$ -	\$ -	
The Park at Hanahan	Prestwick Companies	Hanahan	9%	72	51-75%	\$ 912,565.10	\$ 912,565.10	-	\$ 228,141.28	\$ -	\$ -	
Willow Creek Apartments	Hallmark Development Partners	McCormick	9%	24	26-50%	\$ 192,086.00	\$ 192,086.00	-	\$ 48,021.50	\$ -	\$ -	
Aston Pointe	Prestwick Companies	Anderson	9%	90	26-50%	\$ 1,424,722.83	\$ 1,424,722.83	-	\$ 100,606.40	\$ -	\$ -	
Bridge Crossing	Prestwick Companies	Spartanburg	9%	90	11-25%	\$ 1,382,235.76	\$ 1,382,235.76	-	\$ 318,015.81	\$ -	\$ -	
Benton Crossing	Parallel Housing, Inc & Woda Cooper Development	Columbia	9%	56	11-25%	\$ 916,317.49	\$ 916,317.49	-	\$ 220,175.89	\$ -	\$ -	
Indigo Townes	Connelly Development, LLC	Florence	9%	60	11-25%	\$ 972,169.77	\$ 972,169.77	-	\$ 139,946.08	\$ -	\$ -	
Midtown at Bull	Connelly Development, LLC	Columbia	9%	90	10% or less	\$ 1,581,792.90	\$ 1,581,792.90	-	\$ 194,402.87	\$ -	\$ -	
Section Total:								\$ -	\$ 2,351,104.60	\$ -	\$ -	

9% LIHTC -GRADING/LAND DISTURBANCE PERMIT OR GC CONTRACT												
Pintail Pointe	Connelly Development, LLC	Beaufort	9%	84	10% or less	\$ 956,358.70	\$ 956,358.70	\$ 225,786.36	\$ 239,089.68	\$ -	\$ -	
The Magnolia	Southern Community Builders	Aiken	9%	60	10% or less	\$ 856,579.46	\$ 856,579.46	-	\$ 166,019.68	\$ -	\$ -	
Havenwood Mathis	Lowcountry Housing Communities	Greenwood	9%	48	10% or less	\$ 752,228.74	\$ 752,228.74	-	\$ 128,451.52	\$ -	\$ -	
Southpointe Senior Residences	Lowcountry Housing Communities	Greenville	9%	90	10% or less	\$ 893,728.46	\$ 893,728.46	\$ 67,801.35	\$ 223,432.12	\$ -	\$ -	
Havenwood St. Ives	Lowcountry Housing Communities	North Charleston	9%	72	10% or less	\$ 774,890.31	\$ 774,890.31	\$ 47,807.89	\$ 193,722.58	\$ -	\$ -	
Stoneridge Senior Village	The Banyan Foundation	Columbia	9%	90	10% or less	\$ 1,194,851.54	\$ 1,194,851.54	-	\$ 234,187.29	\$ -	\$ -	
Dogwood Senior Village	Piedmont Housing Group	Greenwood	9%	48	10% or less	\$ 785,895.43	\$ 785,895.43	-	\$ 143,402.00	\$ -	\$ -	
Riley at Overbrook	Schaumber Development	Greenville	9%	88	10% or less	\$ 1,086,747.13	\$ 1,086,747.13	\$ 114,532.48	\$ 271,686.78	\$ -	\$ -	
Gateway at the Green	Gateway Development Corporation	Greenville	9%	72	10% or less	\$ 1,032,048.31	\$ 1,032,048.31	-	\$ 209,839.69	\$ -	\$ -	
Gateway at Charleston	Gateway Development Corporation	Charleston	9%	69	10% or less	\$ 1,072,100.27	\$ 1,072,100.27	-	\$ 189,305.08	\$ -	\$ -	
Carrington Manor	Commonwealth Development Corporation	Beaufort	9%	64	10% or less	\$ 805,223.73	\$ 805,223.73	\$ 201,305.93	\$ 201,305.93	\$ 651,477.62	\$ -	
The Peaks at Lexington	RHG Housing Development	Lexington	9%	78	10% or less	\$ 887,321.00	\$ 887,321.00	-	\$ 221,830.25	\$ -	\$ -	
Clemons Greene	Woda Cooper Development	Lexington	9%	90	10% or less	\$ 772,717.92	\$ 772,717.92	-	\$ 193,179.48	\$ -	\$ -	
Section Total:								\$ 657,234.01	\$ 2,615,452.08	\$ 651,477.62	\$ -	
9% Total:								\$ 657,234.01	\$ 4,966,556.68	\$ 651,477.62	\$ -	

4% TEB & 9% Total: \$ 8,484,821.29 \$ 4,966,556.68 \$ 23,148,790.54 \$ 35,170,419.00

South Carolina General Assembly
125th Session, 2023-2024

A88, R76, S739

STATUS INFORMATION

Joint Resolution

Sponsors: Senators Setzler, Alexander, Peeler, Williams, Davis, Talley and Malloy

Document Path: SF-0023CH23.docx

Introduced in the Senate on April 18, 2023

Introduced in the House on May 4, 2023

Last Amended on May 3, 2023

Currently residing in the Senate

Summary: SC Housing Tax Credit

HISTORY OF LEGISLATIVE ACTIONS

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
4/18/2023	Senate	Introduced and read first time (Senate Journal-page 4)
4/18/2023	Senate	Referred to Committee on Finance (Senate Journal-page 4)
4/26/2023	Senate	Committee report: Favorable with amendment Finance (Senate Journal-page 7)
4/27/2023		Scrivener's error corrected
5/2/2023	Senate	Read second time (Senate Journal-page 24)
5/3/2023	Senate	Committee Amendment Adopted (Senate Journal-page 21)
5/3/2023	Senate	Read third time and sent to House (Senate Journal-page 21)
5/4/2023	Senate	Roll call Ayes-43 Nays-0 (Senate Journal-page 21)
5/4/2023	House	Introduced and read first time (House Journal-page 17)
5/4/2023	House	Referred to Committee on Ways and Means (House Journal-page 17)
5/9/2023	House	Committee report: Favorable Ways and Means (House Journal-page 3)
5/10/2023	House	Read second time (House Journal-page 89)
5/10/2023	House	Roll call Yeas-82 Nays-25 (House Journal-page 91)
5/11/2023	House	Read third time and enrolled (House Journal-page 15)
5/17/2023		Ratified R 76 (Senate Journal-page 30)
5/19/2023		Signed By Governor
5/26/2023		Effective date 05/19/23
7/6/2023		Act No. 88

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VERSIONS OF THIS BILL

[04/18/2023](#)

[04/26/2023](#)

[04/27/2023](#)

[05/03/2023](#)

[05/09/2023](#)

NOTE: THIS IS A TEMPORARY VERSION. THIS DOCUMENT WILL REMAIN IN THIS VERSION UNTIL FINAL APPROVAL BY THE LEGISLATIVE COUNCIL.

(A88, R76, S739)

A JOINT RESOLUTION PROVIDING FOR A ONE-TIME AUTHORIZATION FOR USE OF CERTAIN REMAINING SOUTH CAROLINA HOUSING TAX CREDITS PROVIDED PURSUANT TO SECTION 1.B.1 OF ACT 202 OF 2022, CERTAIN REMAINING SOUTH CAROLINA HOUSING TAX CREDITS AUTHORIZED PURSUANT TO SECTION 12-6-3795 FOR THE TAX YEAR ENDING DECEMBER 31, 2023, CERTAIN FEDERAL LOW-INCOME HOUSING CREDITS, AND NOT EXCEEDING \$25 MILLION IN ONE-TIME, NONRECURRING FUNDING FROM THE SOUTH CAROLINA HOUSING TRUST FUND ESTABLISHED PURSUANT TO ARTICLE 4 OF CHAPTER 13, TITLE 31 OF THE SOUTH CAROLINA CODE, ALL FOR THE LIMITED PURPOSE OF PROVIDING SUPPLEMENTAL FINANCIAL SUPPORT TO ADDRESS ESCALATIONS AND OTHER COSTS FOR CERTAIN MULTIFAMILY HOUSING DEVELOPMENTS.

Whereas, Act 137 of 2020 amended the South Carolina Code to enact the “Workforce and Senior Affordable Housing Act” by adding Section 12-6-3795 so as to allow a taxpayer eligible for the Federal Housing Tax Credit to claim a South Carolina Housing Tax Credit; and

Whereas, following the enactment of Act 137 of 2020 and through December 31, 2021, preliminary determinations of eligibility for the South Carolina Housing Tax Credit totaled approximately \$100 million annually and approximately \$1 billion for the ten-year term of the South Carolina Housing Tax Credit, far exceeding the estimated fiscal impact on the general fund at the time of enactment of approximately \$2.1 million annually and \$20.6 million for the ten-year term of the South Carolina Housing Tax Credit; and

Whereas, following study and a determination that the actual fiscal impact of the South Carolina Housing Tax Credit on the general fund was not sustainable, Act 202 of 2022 amended Section 12-6-3795 to, among other things, limit the South Carolina Housing Tax Credit; and

Whereas, Section 1.B.1 of Act 202 of 2022 provided for a one-time authorization of South Carolina Housing Tax Credits in an amount necessary but not exceeding \$100 million dollars to ratify amounts reflected in preliminary determination statements for qualified projects approved before December 31, 2021, with any allocations of South Carolina Housing Tax Credits made pursuant to this provision subject to the review and comment of the Joint Bond Review Committee; and

Whereas, in accordance with Section 1.B.1 of Act 202, the South Carolina State Housing Finance and Development Authority provided a report to, among others, the Joint Bond Review Committee identifying all qualified projects to which the \$100 million one-time authorization provided in Section 1.B.1 of Act 202 of 2022 was proposed to apply; and

Whereas, on August 23, 2022, the Joint Bond Review Committee determined that the amount of South Carolina Housing Tax Credits applicable to projects qualified for the one-time authorization provided pursuant to Section 1.B.1 of Act 202 of 2022 was \$87,110,848; and

Whereas, it has been asserted that escalations in costs of construction and materials, increases in interest rates, and other factors have negatively impacted the financial feasibility of certain projects to the extent that such projects face a threat that they cannot be completed in the absence

of supplemental funding; and

Whereas, there remains available \$12,889,152 in South Carolina Housing Tax Credits pursuant to the one-time authorization provided in Section 1.B.1 of Act 202 of 2022; and

Whereas, there remains available for the tax year ending December 31, 2023, a total of \$16,916,877 in South Carolina Housing Tax Credits, comprised of the amounts of \$6,726,825 and \$10,190,052 for allocation pursuant to Section 12-6-3795 to qualified projects utilizing the federal four percent tax credit and the federal nine percent tax credit, respectively; and

Whereas, there is available no less than \$25 million in undesignated funding held in the South Carolina Housing Trust Fund established pursuant to Article 4, Chapter 13, Title 31 of the South Carolina Code. Now, therefore,

Be it enacted by the General Assembly of the State of South Carolina:

South Carolina Housing Tax Credits

SECTION 1. The General Assembly hereby provides a one-time authorization of South Carolina Housing Tax Credits pursuant to and for the purposes described in this joint resolution in an amount necessary but not exceeding \$29,806,029, comprised of \$12,889,152 remaining available from the one-time authorization of South Carolina Housing Tax Credits provided in Section 1.B.1 of Act 202 of 2022, and a total of \$16,916,877 remaining available for allocations for the tax year ending

December 31, 2023, pursuant to Section 12-6-3795. In addition to the foregoing, the General Assembly hereby authorizes pursuant to and for the purposes described in this joint resolution an amount necessary but not exceeding \$25,000,000 from the undesignated balance held in the South Carolina Housing Trust Fund established pursuant to Article 4, Chapter 13, Title 31 of the South Carolina Code, as nonrecurring, one-time funding, and not as South Carolina Housing Tax Credits. No later than June 30, 2023, the State Housing Finance and Development Authority must develop a plan to allocate the South Carolina Housing Tax Credits and nonrecurring, one-time funding made available pursuant to this joint resolution as supplemental financial support to certain multifamily housing projects that had by March 31, 2023, received a tentative allocation of South Carolina Housing Tax Credits pursuant to Act 202 of 2022. The plan, and any project allocations proposed thereunder, must be submitted to the Joint Bond Review Committee for review and comment prior to awarding any South Carolina Housing Tax Credits or nonrecurring, one-time funding made available pursuant to this joint resolution.

Allocation Plan

SECTION 2. The plan must be provided in such form and substance as the Joint Bond Review Committee may prescribe, and must include for each project, the project name and location; the amount of any South Carolina Housing Tax Credits, state ceiling, or both, previously allocated to the project; project ownership; the total number of units assisted; any supplemental South Carolina Housing Tax Credits or nonrecurring, one-time funding proposed to be made available to the project pursuant to this joint resolution; and any supplemental amount of state ceiling, if

any, proposed for allocation to the project. The plan must further include for each project a disclosure of every affiliate or other related legal entity having a direct or beneficial interest in the development of the project.

Supplemental Financial Support

SECTION 3. Any supplemental South Carolina Housing Tax Credits or nonrecurring, one-time funding made available pursuant to this joint resolution must be limited to the amount necessary to provide supplemental financial support to projects that (1) are under construction; and (2) have demonstrated independently verified costs exceeding original estimates as a consequence of escalations in costs of construction and materials, increases in interest rates, and such other extenuating factors as may be recommended by the State Housing Finance and Development Authority, subject to the review and comment of the Joint Bond Review Committee; provided, however, that no single project may receive an allocation of more than the lesser of (1) the actual amount of South Carolina Housing Tax Credits and nonrecurring, one-time funding made available pursuant to this joint resolution necessary to achieve financial feasibility of the project based on the independently verified costs exceeding the original estimate for the project; or (2) twenty percent of the South Carolina Housing Tax Credit reflected on the eligibility statement, as defined in Section 12-6-3795(A)(1), previously furnished for the project by the State Housing Finance and Development Authority; further provided, however, that the State Housing Finance and Development Authority may recommend, subject to the review of the Joint Bond Review Committee, a de minimus adjustment not exceeding five percent beyond the limitations of this SECTION to promote financial feasibility of the project in marginal

circumstances. Project sponsors must have requested consideration of and provided justification for any costs in excess of original estimates to the State Housing Finance and Development Authority no later than March 31, 2023.

Allocation Plan

SECTION 4. The plan must conform with such provisions of the Qualified Allocation Plan and the State Ceiling Allocation Plan as the State Housing Finance and Development Authority may recommend to be applicable to any supplemental South Carolina Housing Tax Credits or nonrecurring, one-time funding made available pursuant to this joint resolution; provided, however, that priority must be given to projects with highest rates of completion and earliest dates that the projects are expected to be placed in service.

South Carolina Housing Tax Credits

SECTION 5. Nothing in this joint resolution grants any rights to, or in the processes used in, the determination of any South Carolina Housing Tax Credits or nonrecurring, one-time funding made available pursuant to this joint resolution.

Agreement

SECTION 6. The State Housing Finance and Development Authority may require, as a condition of any supplemental South Carolina Housing Tax Credits or nonrecurring, one-time funding made available pursuant to the plan required by SECTION 1 and this joint resolution, an

agreement from the project sponsor that the South Carolina Housing Tax Credits and any nonrecurring, one-time funding allocated to the project are deemed final, without recourse.

Carry Forward

SECTION 7. Any unallocated South Carolina Housing Tax Credits and nonrecurring, one-time funding made available pursuant to this joint resolution may be carried forward for allocation beyond the current tax year ending December 31, 2023, provided the unallocated South Carolina Housing Tax Credits and nonrecurring, one-time funding are limited to the purposes and subject to the provisions of this joint resolution.

Suspension

SECTION 8. The allocation requirements of Section 12-6-3795(B)(5)(c) are suspended for the tax year ending December 31, 2023.

Suspension

SECTION 9. The provisions of Article 4, Chapter 13, Title 31 of the South Carolina Code are suspended in the amount of \$25 million for the tax year ending December 31, 2023, and beyond December 31, 2023, but only to the extent of any amounts carried forward pursuant to SECTION 7 of this joint resolution.

Supplemental Financial Support

SECTION 10. In addition to the other amounts made available by this joint resolution, the General Assembly hereby authorizes the State Housing Finance and Development Authority to allocate an amount necessary but not exceeding fifty percent of the federal low-income housing tax credit allocated to this State for the tax year ending December 31, 2023, as supplemental financial support to certain multifamily housing projects utilizing federal nine percent tax credits as defined in Section 12-6-3795(A)(7) that had by March 31, 2023, requested consideration of and provided justification for any costs in excess of original estimates to the State Housing Finance and Development Authority. Any allocations of federal tax credits made pursuant to this SECTION must be included and coordinated within the plan required pursuant to SECTION 1, and are subject to, without limitation, the same requirements, determinations, limitations, and other provisions as are applicable to the State Housing Tax Credits included in SECTIONS 1 through 7 of this joint resolution.

Time effective

SECTION 11. This joint resolution takes effect upon approval by the Governor.

Ratified the 17th day of May, 2023.

Approved the 19th day of May, 2023.

Senate Finance Committee
Natural Resources and Economic Development Subcommittee

NIKKI G. SETZLER
CHAIRMAN

MEMBERS

KENT M. WILLIAMS
THOMAS D. CORBIN
KATRINA FRYE SHEALY
MICHAEL W. GAMBRELL



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December 28, 2022

Mr. C. Todd Latiff
Chairman, Board of Commissioners
South Carolina State Housing Finance and Development Authority
300-C Outlet Pointe Boulevard
Columbia, South Carolina 29210

Mrs. Bonita Shropshire
Executive Director
South Carolina State Housing Finance and Development Authority
300-C Outlet Pointe Boulevard
Columbia, South Carolina 29210

Dear Mr. Latiff and Mrs. Shropshire:

Thank you for your recent presentation to the Senate Finance Natural Resources and Economic Development Subcommittee. We appreciate your giving the Subcommittee an update on the progress of implementation of Act 202 of 2022.

We understand from your presentation that the State Housing Authority generally has developed or participated in the development of policies and procedures to implement the limitations and competitive criteria prescribed by the Act, both with respect to the State Housing Tax Credit, and the allocation of State Ceiling to transactions proposing use of private activity bonds. In addition, the State Housing Authority made timely recommendations and received comments of the Joint Bond Review Committee in accordance with the provisions of Section 1.B.1 of the Act, and participated in the resolution of a number of certain transactions that were pending on December 31, 2021, but that had not received requisite approvals for inclusion under Section 1.B.1 of the Act.

We further understand that in October 2022, the State Housing Authority received applications and began evaluation of projects proposing use of calendar year 2022 Federal and State Tax Credits for the 9% program. Finally, we are aware that the State Housing Authority presented its proposed Qualified Allocation Plan for Calendar Year 2023 for review by the Joint Bond Review Committee, which at the time of the Subcommittee meeting had been provided to the Governor for his consideration.

We are also aware of further matters needing analysis and potential resolution, one or both of which may require supplementary consideration by the General Assembly for an orderly resolution.

Senate Finance Committee
Natural Resources and Economic Development Subcommittee

Mr. C. Todd Latiff
Mrs. Bonita Shropshire
South Carolina State Housing Finance and Development Authority
December 20, 2022
Page 2

The first matter concerns seven projects for which allocation of State Ceiling had been made prior to introduction and enactment of Act 202, but had not received State Tax Credit determinations, which have been tentatively estimated at approximately \$8.6 million. We suggest that the State Housing Authority propose a resolution for these projects to the Joint Bond Review Committee for its consideration.

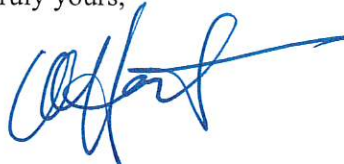
We are also aware that the State Housing Authority, and various members of the legislature and their staffs, have been informed without project-specificity that a number of transactions are experiencing higher than originally estimated expenses due to escalations in construction costs, materials, and interest rates. As a result, various project sponsors have requested consideration for increases in allocations of State Ceiling, additional State Tax Credits, or both. We further understand that staff of the State Housing Authority, the Joint Bond Review Committee, and the State Fiscal Accountability Authority have undertaken preliminary analysis and study of these increased costs and have concluded that the financial impact cannot be determined in the absence of project-specific information. Staff has further concluded that any potential resolution likely will necessitate considerations beyond the provisions of Act 202, which would require action by the General Assembly.

As a result, we recommend that the State Housing Authority carefully consider canvassing developers of the projects that have been qualified for allocations of State Ceiling and State Tax Credits to facilitate an informed analysis of the cost escalations underlying these requests for further consideration. At a minimum, the State Housing Authority should require quantification and substantial justification of the need, supported by detailed financial comparisons of original estimates to current projections, and any steps taken by the project sponsor to exhaust any available alternatives prior to requesting commitment by the State for additional financial resources. In addition to the foregoing, the analysis must include for each project the name of the project sponsor and developer, and the identity of every affiliate or other related legal entity having a direct or beneficial interest in development of the project. We encourage development of a concise but complete uniform reporting format that facilitates appropriate analysis and subsequent review. Moreover, we strongly encourage the State Housing Authority to carefully consider engagement of a qualified professional firm that can independently attest to the reasonableness of each response.

Finally, the State Housing Authority should emphasize that the canvassing effort is being undertaken solely for the development of an informed analysis and should not be construed as any indication that the General Assembly has or will make any accommodation or commitment beyond the provisions and limitations of Act 202.

Please coordinate this effort with staff of the Subcommittee and provide periodic reports of the progress of this undertaking. The Subcommittee would appreciate receiving the results of your findings no later than January 31, 2023.

Very truly yours,



AGENCY: South Carolina State Fiscal Accountability Authority

SUBJECT: Proposed Ceiling Allocation Plan for Calendar Year 2024

Article 3 of Chapter 11, Title 1 of the South Carolina Code of Laws provides for the Allocation of State Ceiling on Issuance of Private Activity Bonds, and further provides among other things that, no later than September 30 of the year preceding the calendar year to which the state ceiling applies, the State Fiscal Accountability Authority must publish a State Ceiling Allocation Plan that assigns percentages of the state ceiling to categories of any of the permitted purposes prescribed by the Internal Revenue Code. The Plan is subject to review and comment by the Committee.

In compliance with these statutory requirements, the State Authority has submitted its proposed State Ceiling Allocation Plan for Calendar Year 2024, which among other things:

- Assigns percentages to private activity bond purposes permitted by the Internal Revenue Code, subject to certain limitations;
- Provides for periodic allocations equally divided among the periods during the year in which allocations are to be made;
- Establishes competitive criteria, including a scoring and ranking process among requests, to achieve highest value and greatest public benefit;
- Provides for allocation of the private activity bond limit for all issuing authorities in response to authorized requests; and
- Provides for limitations on amounts assigned to authorized requests.

The State Authority seeks review of and comment by the Committee on the Plan for 2024, which will apply to allocations of state ceiling beginning January 1, 2024. The Plan has received comprehensive review and comment from Authority and Committee staff, the South Carolina State Housing Finance and Development Authority, and the South Carolina Department of Commerce; and has been distributed to members of the State Authority and their respective staffs. The State Authority is expected to consider adoption of the Plan for 2024 at its meeting scheduled on August 29, 2023.

COMMITTEE ACTION:

Review and comment on the proposed State Ceiling Allocation Plan for Calendar Year 2024.

ATTACHMENTS:

1. Letter dated August 7, 2023, of Mr. Grant Gillespie, Executive Director, South Carolina State Fiscal Accountability Authority.
2. 2024 South Carolina State Ceiling Allocation Plan.

HENRY MCMASTER, CHAIR
GOVERNOR
CURTIS M. LOFTIS, JR.
STATE TREASURER
BRIAN J. GAINES
COMPTROLLER GENERAL



HARVEY S. PEELER, JR.
CHAIRMAN, SENATE FINANCE COMMITTEE
BRUCE W. BANNISTER
CHAIRMAN, HOUSE WAYS AND MEANS COMMITTEE

OFFICE OF THE EXECUTIVE DIRECTOR
GRANT GILLESPIE
EXECUTIVE DIRECTOR
(803) 734-8018
GGILLESPIE@SFAA.SC.GOV

August 7, 2023

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

RE: South Carolina State Ceiling Allocation Plan – 2024

Dear Mr. Harmon:

Section 1-11-520(A) of the SC Code of Laws requires that the State Fiscal Accountability Authority publish a State Ceiling Allocation Plan, subject to review and comment by the Joint Bond Review Committee. In compliance with this statutory requirement, and after consultation with Authority members I have enclosed a proposed 2024 State Ceiling Allocation Plan for the Committee's review and comment. Please submit this to the Committee for its consideration at its meeting scheduled for August 22, 2023.

Should you have any questions or concerns do not hesitate to contact me.

Sincerely,

Grant Gillespie

Cc: State Fiscal Accountability Authority Members (via email only)
Delbert Singleton (via email only)
Keith McCook (via email only)

AGENCY: Executive Director

SUBJECT: South Carolina State Ceiling Allocation Plan - 2024

As a condition of allocating state ceiling, Act 202 of 2022 directs the Authority to adopt an annual State Ceiling Allocation Plan. Section 1-11-520(A) requires the Authority to publish its plan no later than September 30th of the year preceding the calendar year to which the plan applies.

In compliance with Act 202, a proposed 2024 State Ceiling Allocation Plan has been developed. As required by Act 202, the proposed Plan was submitted to the Joint Bond Review Committee for review at its meeting of August 22, 2022. The Committee recommended approval of the Plan.

AUTHORITY ACTION REQUESTED:

Approve the 2024 State Ceiling Allocation Plan.

ATTACHMENTS:

1. Proposed 2024 South Carolina State Ceiling Allocation Plan
2. 2022 Act 202 (H. 5075)
3. JBRC Letter dated August 22, 2023

2024 South Carolina State Ceiling Allocation Plan

SECTION A. CONVENTIONS, DEFINITIONS AND EXHIBITS

Authorized Request includes any request submitted pursuant to §1-11-530(A) or (B) and any request for Issuance Approval as defined below using prior year carryforward.

Issuance approval means approval by the State Authority for the issuance by State Housing of private activity bonds for a multi-family housing project, as required by Section 31-13-90.

Plan Year refers to the year to which this plan applies, which is noted in the header on each page.

Commerce means the South Carolina Department of Commerce.

Committee means the Joint Bond Review Committee.

JEDA means the Jobs-Economic Development Authority.

Secretary means the Secretary of the State Fiscal Accountability Authority.

State Authority means the State Fiscal Accountability Authority.

State Housing means the State Housing Finance Development Authority.

Exhibit	Subject
A	Competitive Criteria for Industrial and Economic Development Projects, and Projects Proposed for Other Qualified Purposes
B	Competitive Criteria for Multi-family Housing Projects
C	Evaluation and Ranking Report Format for Multi-family Housing Projects

SECTION B. AUTHORITY AND ADOPTION

The State Authority approved this plan at its meeting of August 29, 2023. Unless the State Authority provides otherwise herein, the Plan is effective upon adoption.

The Committee favorably reviewed this plan at its meeting of August 22, 2023.

Section 1-11-520(A) requires the annual publication of a State Ceiling Allocation Plan no later than September thirtieth of the year preceding the Plan Year. The State Authority intends to adopt each year's plan at its last regularly scheduled meeting prior to September thirtieth.

2024 South Carolina State Ceiling Allocation Plan

SECTION C. PLAN UPDATES AND AMENDMENTS; PLAN PUBLICATION

Administrative Updates

The Plan may be updated administratively as provided herein. An administrative update authorized by this plan is deemed not to constitute an amendment to the Plan.

By the second Monday in January, the Secretary shall publish an administrative update of the plan that (a) updates Section D to state the actual certified amount of state ceiling for the Plan Year, (b) updates Section D to recalculate the limits on authorized requests using the total state ceiling for the Plan Year, (c) updates Section E to state the then-current amounts identified in that Section (d) adds to Section E the amount of any carryforward designated in the prior calendar year pursuant to Section 1-11-520(G), and (e) using the Category Percentages previously approved, recalculates the dollar amounts in Section G based on the actual certified amount of state ceiling for the Plan year.

At the State Authority's first regularly scheduled meeting for the Plan Year, the Secretary will submit a summary of the updates to the State Authority as an informational agenda item.

Plan Amendments

The Plan may be amended as allowed by Title 1, Chapter 11. Section 1-11-520 expressly contemplates amendments to the annual allocation plan upon a finding of exceptional and compelling circumstances by the State Authority. Amendments are subject to review and comment by the Committee. See Section H.

Publication of the Plan

Section 1-11-520(A) requires the State Authority to publish the plan. Once approved, the Secretary is directed to publish the approved plan, as well as any amendment or update, by posting it to the State Authority's website. The initial plan and every update or amendment shall remain on the State Authority's website until the end of the Plan Year.

All updates or amendments shall be sequentially numbered. With each update or amendment, the header shall be revised to include the number and date of the update or amendment, as applicable.

SECTION D. DETERMINATION OF STATE CEILING AND LIMITS ON STATE CEILING FOR AUTHORIZED REQUESTS

The total state ceiling on the issuance of private activity bonds for the year preceding this Plan Year is \$633,916,080, as certified by the Secretary pursuant to Section 1-11-500.

2024 South Carolina State Ceiling Allocation Plan

Unless authorized pursuant to Section 1-11-520(D), the amount of state ceiling that may be allocated to an authorized request may not exceed 10% of the total state ceiling (\$63,391,608) in the case of an industrial or economic development project, or 5% (\$31,695,804) for any other authorized request.

The total state ceiling for the Plan Year will not be known until the January following the plan's adoption; accordingly, for purposes of the plan's publication, the State Authority will use the state ceiling for the year in which the plan is published. As reflected above, the limits on authorized requests are calculated against the total state ceiling for the year preceding this Plan Year. As reflected in Section E below, the plan will also use an estimate of the carryforward the Secretary anticipates will be unused and available for the Plan Year. These and other tentative amounts will be updated pursuant to Section C.

SECTION E. DETERMINATION OF AMOUNTS SUBJECT TO THIS ALLOCATION PLAN

In addition to the amount determined pursuant to Section 1-11-500, certain amounts available from carryforward from prior years and other adjustments are subject to the provisions of this Allocation Plan, as follows:

Amount determined pursuant to Section 1-11-500	\$633,916,080
Plus amounts expired, relinquished, revoked, or otherwise not utilized for issuance	\$0
Plus amounts carried forward from prior calendar years that remain unused:	
Allocated to Multi-Family Housing (2021; expires 2024)	\$2,839,401
Allocated to Multi-Family Housing (2022; expires 2025)	\$200,977,550
<hr/>	
Total	\$837,733,031

SECTION F. ALLOCATION PERIODS & DATES FOR ALLOCATIONS TO AUTHORIZED REQUESTS

Pursuant to Section 1-11-520(B), the State Authority hereby provides for two allocation periods and hereby designates February 1 and August 1 as the beginning of each period. On those dates, 50% of the state ceiling assigned to each category is made available for subsequent allocation to authorized requests.

Authorized requests for an allocation of state ceiling, as well as requests for issuance approval for projects using carryforward from prior years will be considered on one or more dates on or after the beginning of each allocation period, as established and announced by the Executive Director of the State Authority. Notwithstanding the foregoing, all authorized requests for the same permitted purpose during a single allocation period must be made at only one meeting during that period.

2024 South Carolina State Ceiling Allocation Plan

SECTION G. CATEGORIES OF PERMITTED PURPOSES; PERCENTAGE ASSIGNMENTS TO CATEGORIES

In accordance with Section 1-11-520(A), the State Authority adopts the following categories of permitted purposes and assigns percentages of the current-year state ceiling to those categories.

Categories of Permitted Purposes ¹	Category Percentage	Category Amount	Amount Available for Allocation on or after February 1 of the Plan Year	Amount Available for Allocation on or after August 1 of the Plan Year
Industrial and Economic Development ²	40%	\$253,566,432	\$126,783,216	\$126,783,216
Multi-Family Housing ³	0%	\$0.00	\$0.00	\$0.00
Single-Family Housing ⁴	20%	\$126,783,216	\$63,391,608	\$63,391,608
Other Qualified Purposes ⁵	40%	\$253,566,432	\$126,783,216	\$126,783,216
Totals	100%	\$633,916,080	\$ 316,958,040	\$ 316,958,040

The above amounts are subject to revisions pursuant to the update required by Section C.

As noted in Section E, there is carryforward available for Multi-Family Housing that will expire during the plan year unless otherwise utilized. Accordingly, no assignment of state ceiling is contemplated for Multi-Family Housing until the available carryforward is exhausted.

Any unused state ceiling from the first period shall automatically carry over to the same category for the second period unless reassigned by State Authority pursuant to 1-11-520(C).

If an authorized request submitted to the Secretary cannot be approved pursuant to the then-current plan even with a reassignment pursuant to Section 1-11-520(C), the Secretary is authorized not to place the request on the State Authority's agenda. In such an event, Secretary will notify the State Authority's members as soon as practicable prior to the scheduled meeting date.

¹ Generally, see IRS Publication 4078 (Rev. 9-2019) for a complete list of permitted purposes prescribed by the IRC.

² Facilities for the furnishing of water; sewage facilities; privately owned solid waste disposal facilities; facilities for the local furnishing of electric energy or gas; local district heating or cooling; qualified hazardous waste facilities; qualified enterprise zone facilities; qualified small issue bonds.

³ Qualified residential rental projects.

⁴ Qualified mortgage bonds.

⁵ Mass commuting facilities; privately owned high-speed intercity rail facilities; qualified redevelopment bond; and qualified student loan bonds.

2024 South Carolina State Ceiling Allocation Plan

SECTION H. PLAN AMENDMENTS

Any change to the amount of state ceiling allocated to a category that cannot be accomplished by a reassignment pursuant to Section 1-11-520(C) can only be effected by an amendment to the annual allocation plan in accordance with Section 1-11-520(B) following review and comment by the Joint Bond Review Committee.

SECTION I. EVALUATION AND RANKING BY STATE HOUSING AND COMMERCE

Pursuant to Section 1-11-520(E), the State Authority hereby directs that State Housing perform the periodic evaluation and ranking of all multi-family housing projects involving either an authorized request for state ceiling or a request for issuance approval of bonds using carryforward. In performing this evaluation and ranking, State Housing will use the competitive criteria adopted in this plan and provide a report as described in **Exhibit C**.

Pursuant to Section 1-11-520(E), the State Authority hereby directs that the South Carolina Department of Commerce perform the periodic evaluation and ranking of any non-housing project involving an authorized request for state ceiling. In performing this evaluation and ranking, Commerce will use the competitive criteria adopted in this plan and provide a report as described herein.

SECTION J. SUBMISSION FOR 2023 RANKING

No request for an allocation of state ceiling will be considered by the State Authority until the project associated with the request has been evaluated and ranked by either State Housing or Commerce, as applicable.

No request for issuance approval for a multi-family housing project using carryforward allocated to State Housing in prior years will be considered by the State Authority until the project has been evaluated and ranked by State Housing. Reference Section E.

Timely submissions are essential for applicants seeking an allocation of state ceiling or approval to issue multi-family housing bonds. Any delay can undermine the ability of the State Authority to timely adopt any plan amendment necessary to modify the category assignments. Reference Section H.

Industrial and Economic Development

Any Industrial or Economic Development project making an authorized request during an allocation period must submit all necessary information to Commerce by any due date established by Commerce for the applicable allocation period. Once the State Authority adopts a schedule for its regular meetings in the Plan Year, Commerce should announce all applicable due dates for each allocation period.

2024 South Carolina State Ceiling Allocation Plan

Not later than the published bond due date for the applicable State Authority meeting, Commerce must provide the State Authority with its allocation recommendations and its evaluation and ranking for any non-housing project seeking an allocation of state ceiling, provided the request was timely received by Commerce.

As noted in Item 6 of Section P below, Commerce must provide the State Authority with written confirmation of the Coordinating Council's allocation recommendations no later than the published bond due date for the applicable State Authority meeting.

Multi-Family Housing

All multi-family housing projects making an authorized request during an allocation period must submit all necessary information to State Housing by the due date established by State Housing for the applicable allocation period. Once the State Authority adopts a schedule for its regular meetings in the Plan Year, State Housing should announce all applicable due dates for each allocation period.

Not later than the published bond due date for the applicable State Authority meeting, State Housing must provide the State Authority with a report of its evaluation and ranking of all projects requesting an allocation of state ceiling and all projects requesting issuance approval for a multi-family housing project using carryforward allocated to State Housing in prior years. State Housing's report must also include its evaluation and ranking of all pending state tax credit applications. The report must include all the information identified in **Exhibit C**.

As noted in Item 7 of Section P below, State Housing must provide the State Authority with written confirmation of its Board's allocation recommendations for State Housing projects no later than the published bond due date for the applicable State Authority meeting.

SECTION K. REQUIRED REPORTS

No later than September 30th each year, the State Authority must adopt a plan for the next calendar year. In order to develop that plan, the State Authority needs reliable information before it begins drafting. To gather that information, the State Authority requests the following reports be submitted by August 1st of each year.

The State Authority acknowledges that specific project details may not be known in all cases for the coming plan year; accordingly, specificity is expected to the extent known, accompanied by reasonable estimates of anticipated requests.

These reports will also inform any decisions to reassign state ceiling pursuant to section 1-11-520(C), to reallocate by amending the plan pursuant to section 1-11-520(B), or to reserve current-year state ceiling for year-end designation as carryforward.

Industrial and Economic Development Bonds

2024 South Carolina State Ceiling Allocation Plan

Commerce and JEDA, in consultation with the South Carolina Coordinating Council for Economic Development (Coordinating Council), must provide a coordinated report for proposed industrial and economic development projects to the State Authority identifying all known requests for state ceiling for the year following the plan year. The response must include the project name,⁶ amount of the state ceiling request, year of allocation, and tentative recommendation of Commerce in accordance with the competitive criteria described below.

Separate from its report, Commerce must submit proposed deadlines for the year following the plan year by which those seeking state ceiling for Industrial and Economic Development projects or projects proposed for other qualified purposes must submit their proposals to Commerce in order for Commerce to provide the State Authority with its final ranking and recommendations no later than the bond submission deadline for the meetings at which state ceiling allocation requests will be considered for the applicable allocation period. Commerce must submit proposed deadlines on the 10th business day following the Authority's adoption of a meeting schedule for the Plan Year.

Commerce may also submit a request for the State Authority to assign up to 40 percent of state ceiling for Industrial and Economic Development, less any allocation requested for known projects, to accommodate future but presently unidentifiable requests; provided, however, that once known, each such request shall identify the project, amount of the allocation request, year of allocation, and include a recommendation of Commerce in accordance with the competitive criteria.

Multi-Family and Single-Family Housing Bonds

State Housing must provide a report for proposed single-family and multi-family housing projects to the State Authority identifying all pending and expected authorized requests for the year following the plan year. The response must include the project name, amount of the state ceiling request, amount of state tax credit (if any), and year of allocation.

The report must also include recommendations for the amount of carryforward from prior years needed for State Housing to continue each of its programs in the year following the plan year.

With its report, Housing must submit proposed deadlines for the year following the plan year by which those seeking state ceiling for multi-family housing projects must submit their proposals to Housing in order for Housing to provide the State Authority with its final ranking and recommendation no later than the bond submission deadline for the meetings at which state ceiling allocation requests will be considered for the applicable allocation period.

⁶ Or other identifying information in the event the name of the project is not yet public.

2024 South Carolina State Ceiling Allocation Plan

State Housing must provide the Secretary with a year-end account of any unused remaining carryforward from prior years no later than first business day of January each year.

SECTION L. COMPETITIVE CRITERIA - GENERALLY

Section 1-11-520(E) requires that the allocation plan establish competitive criteria for allocation of state ceiling to authorized requests, and further provides that competitive criteria may be unique to each category but must be uniform within each category and established to achieve highest value and greatest public benefit.

For purposes of this Allocation Plan, determinations of highest value and greatest public benefit will be made on the basis of the relationship of the state resources requested to the measurable benefit of the proposed project.

SECTION M. COMPETITIVE CRITERIA FOR INDUSTRIAL AND ECONOMIC DEVELOPMENT ALLOCATION AND ALLOCATION TO OTHER PERMITTED PURPOSES

Commerce must provide each year to the State Authority for inclusion in the annual State Ceiling Allocation Plan its recommendations for determining highest value and greatest public benefit for allocation of state ceiling to industrial and economic development projects, and projects proposed for other qualified purposes.

Determinations of highest value and greatest public benefit must include at a minimum and without limitation such measures as the number of new permanent jobs⁷ that will be created by the project; the capital investment of the project sponsor independent of state incentives and resources; and a cost benefit analysis generally reflecting a positive financial benefit to the state. The Coordinating Council must submit its proposed recommendations for the year following the plan year to the State Authority no later than August 1 of the plan year. Commerce will use these measures to evaluate any ceiling allocation requests for Industrial and Economic Development projects and projects proposed for other qualified purposes, and such evaluations shall be presented to the Coordinating Council for approval at a public meeting.

For projects seeking state discretionary incentives such as job development credits and/or state grant funding, a definitive agreement with the Coordinating Council must have been finalized prior to consideration by the State Authority. Such agreements with the Coordinating Council may include a preliminary revitalization, grant performance or other incentive agreement provided that it contains minimum new permanent job and investment commitments by the entity seeking an allocation.

For projects that are not seeking state discretionary incentives, such information as is requested and determined by Commerce to be sufficient for Commerce to evaluate the

⁷ Generally, maintenance of existing jobs will not meet this criterion.

2024 South Carolina State Ceiling Allocation Plan

feasibility and competitiveness of the proposal must be submitted to Commerce prior to consideration by the State Authority.

If multiple projects will be submitted for consideration by the State Authority within a single allocation period, Commerce must rank those projects from highest to lowest value and public benefit as determined by provisions of this section.

In addition to the foregoing, Commerce must, after the project has been fully vetted and all due diligence conducted, provide a definitive recommendation for the amount of state ceiling proposed to be allocated to the project, following an affirmative vote of the Coordinating Council in a public meeting.

For the current year, the competitive criteria for Industrial and Economic Development projects recommended by Commerce are adopted by the State Authority, attached as **Exhibit A**, and incorporated into this Plan by reference.

SECTION N. COMPETITIVE CRITERIA FOR MULTI-FAMILY HOUSING ALLOCATION

State Housing must provide each year to the State Authority for inclusion in the State Ceiling Allocation Plan its recommendations for determining highest value and greatest public benefit for allocation of state ceiling to multi-family housing projects.

Determinations of highest value and greatest public benefit must reflect the relationship of the state resources proposed for the project to the affordable housing benefits the project will achieve. Total state resources must include without limitation the amount of state ceiling, any applicable state tax credits, and any other state resources and incentives as are germane and applicable to the project. Affordable housing benefits must include without limitation such facility characteristics as the heated residential square footage, number of bedrooms, and number of tenants the project is designed to serve. A determination of highest value must include a comparison of the state resources to the project's total cost.

State Housing may coordinate these determinations with the applicable Qualified Allocation Plan and any other threshold requirements, policies, or procedures as are consistent with this section.

If multiple multi-family project submissions (for ceiling allocation and/or issuance approval for use of carryforward) will be considered by the State Authority within a single allocation period, State Housing must rank those projects from highest to lowest value and public benefit, as determined by the provisions of this section and Exhibit B.

These criteria will be applied uniformly to all multi-family housing projects whether seeking current year ceiling allocation or issuance approval using carryforward. State Housing must submit its proposed recommendations for the coming year to the State Authority no later than August 1 of the plan year.

2024 South Carolina State Ceiling Allocation Plan

In addition to the foregoing, State Housing must, after the projects are fully vetted and all due diligence conducted, provide a definitive recommendation for the amount of state ceiling proposed to be allocated to any State Housing project, following an affirmative vote of its governing board in a public meeting.

For the current year, the competitive criteria for Multi-family Housing projects recommended by State Housing are adopted by the State Authority, attached as **Exhibit B**, and incorporated into this Plan by reference.

SECTION O. COMPETITIVE CRITERIA FOR SINGLE-FAMILY HOUSING ALLOCATION

Multiple competing requests during a single allocation period are not expected for submissions in this category. Accordingly, the State Authority has determined that the highest value and greatest public benefit are most appropriately determined at the programmatic level, rather than by allocations to specific requests.

SECTION P. SUBMISSION REQUIREMENTS FOR AUTHORIZED REQUESTS

All submissions for allocation of state ceiling must be complete at the time of submission. The Secretary is authorized not to place any incomplete submission on the agenda. The request must be in accordance with the statutory provisions of Section 1-11-530. In addition to the foregoing, all requests for allocation of state ceiling must meet all of the following requirements, as applicable:

1. If the applicable private activity bonds require approval of the State Authority, the request for allocation of state ceiling must include a contemporaneous request for approval to issue the associated bonds. A request for an allocation of state ceiling associated with a contemporaneous request for issuance approval is not complete unless it includes all items required by the State Authority for the issuance approval request.
2. If the applicable private activity bonds require the approval of an entity other than the State Authority, the issuer, or a state constitutional officer, a certified statement from the other approving entity must be submitted with the allocation request. For example, an issuance of bonds by JEDA must be approved by the Coordinating Council (§ 41-43-110(A)).
3. If a request for allocation of state ceiling regards private activity bonds for a multi-family housing project, either (i) the petition making the request must be accompanied by both a preliminary determination of the project's eligibility for the South Carolina housing tax credit (§12-6-3795(B)(5)(d)) and all comments provided by a county and city pursuant to Section 12-6-3795(C)(3); or (ii) the petition making the request must include an irrevocable waiver of any claim for a state tax credit pursuant to Section 12-6-3795, accompanied by proof that the petition has been filed with State Housing.

2024 South Carolina State Ceiling Allocation Plan

4. If a request for issuance approval regards private activity bonds for a multi-family housing project, and is using carryforward allocated to State Housing in prior years, either the (i) the petition making the request must be accompanied by both a preliminary determination of the project's eligibility for the South Carolina housing tax credit (§12-6-3795(B)(5)(d)) and all comments provided by a county and city pursuant to Section 12-6-3795(C)(3)); or (ii) the petition making the request must include an irrevocable waiver of any claim for a state tax credit pursuant to Section 12-6-3795, accompanied by proof that the petition has been filed with State Housing.
5. If an authorized request regards a multi-family housing project, the request must undergo a feasibility and underwriting review by State Housing; accordingly, the request must be accompanied by a Certificate of Allocating Agency (42(m) Letter). This requirement applies even if the project includes an irrevocable waiver of any claim for state tax credits pursuant to Section 12-6-3795.
6. The petition submitted for each authorized request must include an acknowledgement that any amount of allocation subsequently requested will constitute a new authorized request and a representation that "the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project." Reference Section 1-11-530(C).
7. In the case of a proposed industrial or economic development project using state ceiling from either the Industrial and Economic Development or Other Qualified Purposes categories, the project must appear on the list of projects ranked by the Coordinating Council for Economic Development and must have received a definitive recommendation from the Coordinating Council for the amount of state ceiling proposed to be allocated to the project.
8. In the case of a proposed project using state ceiling from the Multi-family Housing category or prior year carryforward previously allocated to State Housing for multi-family housing projects, the project must appear on a single consolidated list of projects ranked by State Housing and must have received a definitive recommendation from State Housing for the amount of state ceiling proposed to be allocated to the project.
9. A request to take any of the following actions must be accompanied by a letter signed by an executive officer of the project sponsor providing a thorough explanation of the compelling circumstances leading to the request and a justification for why those circumstances were not successfully avoided: A request (a) to reinstate or extend the validity of previously allocated state ceiling, (b) to allocate state ceiling to a project if previously allocated state ceiling was allowed to expire, or (c) to allocate additional state ceiling to a project. In addition, a request to allocate additional state ceiling to a project must be accompanied by supporting financial analysis demonstrating the further amount necessary to accomplish financial feasibility of the project. A responsible officer of the project sponsor is expected to attend the applicable State Authority meeting.

2024 South Carolina State Ceiling Allocation Plan

10. A request (a) to approve single-project allocations for carry-forward election, or (b) to approve carryforward elections prior to the fourth quarter of the calendar year to which the state ceiling applies must be accompanied by a letter signed by an executive officer of the project sponsor that provides a compelling justification for such action and a thorough explanation of why it is in the best interest of the state to approve the request. As noted below, such requests are considered extraordinary and will receive a heightened level of review. A responsible officer of the project sponsor is expected to attend the applicable State Authority meeting.

11. In the case of an industrial or economic development project, an authorized request seeking more than ten percent of the total state ceiling for the Plan Year must be accompanied by a thorough and compelling statement of facts justifying such an extraordinary allocation of state ceiling to a single project and sufficient to support the finding required by Section 1-11-520(D). The petition must be accompanied by a statement of position by the Coordinating Council regarding the relative size of the request.

12. In the case of a project for any purpose other than for industrial or economic development, an authorized request seeking more than five percent of the total state ceiling for the Plan Year must be accompanied by a thorough and compelling statement of facts justifying such an extraordinary allocation of state ceiling to a single project and sufficient to support the finding required by Section 1-11-520(D).

13. If any part of the submission is subject to review, comment or other action of the Joint Bond Review Committee, the item must be submitted to the committee prior to consideration of the submission by the State Authority.

If a request does not meet each and every published requirement by the submission deadline for the applicable State Authority meeting, the State Authority's Secretary is authorized not to place the item on the State Authority's agenda.

The State Authority reserves its discretion to amend and supplement these procedures as circumstances dictate.

The State Authority and its members reserve the right to require additional information for any particular item.

SECTION Q. EXTENSIONS AND CARRYFORWARDS

Section 1-11-530(C) provides that each authorized request must demonstrate that the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project. In addition to the foregoing, the State Authority must be reasonably assured that any allocation of state resources will be utilized prior to expiration. Accordingly, the State Authority will undertake a heightened level of review and exercise conservative

2024 South Carolina State Ceiling Allocation Plan

discretion in addressing any request to (1) reinstate or extend the validity of previously allocated state ceiling, (2) allocate state ceiling to a project if previously allocated state ceiling was allowed to expire, (3) allocate additional state ceiling to a project, (4) approve single-project allocations for carry-forward election, (5) or approve carryforward elections prior to the fourth quarter of the calendar year to which the state ceiling applies.

SECTION R. BACKGROUND

On August 30, 2022, the State Fiscal Accountability Authority adopted the inaugural South Carolina State Ceiling Allocation Plan pursuant to Act 202 of 2022. Section A of the 2022 State Ceiling Allocation Plan provided the background and purpose of the plan. The background and purpose of the inaugural plan and Act 202 of 2022 has not changed and need not be repeated on an annual basis. However, the Background and Purpose as written in the 2022 State Ceiling Allocation Plan remains relevant and is incorporated by reference for the 2023 South Carolina State Ceiling Allocation Plan.

SUMMARY OF PROCEDURES FOR EVALUATING REQUESTS FOR STATE CEILING ALLOCATIONS

The following briefly summarizes the procedures applicable to the methodology employed by the South Carolina Department of Commerce (the “Department”) in evaluating industrial and economic development projects that are requesting an allocation of the state private activity bond limit by the State Fiscal Accountability Authority (SFAA).

Background

The Department was designated by the South Carolina General Assembly to assist SFAA in determining the allocation of the state private activity bond limit for industrial and economic development projects. As required by Act 202 of 2022 and the South Carolina State Ceiling Allocation Plan, Commerce has established competitive criteria to evaluate industrial and economic development project. These criteria are designed to achieve highest value and greatest public benefit.

Review Procedures and Scoring

During the review process, Department staff will evaluate the following factors for each industrial and economic development project requesting allocation of the state ceiling and will give scores weighted in the ranges set forth on the attached Scoring Criteria for Bond Applicants and as discussed below.

1. **Tier ranking of the county in which the project will be located as determined by the South Carolina Department of Revenue for the year in which allocation is sought.**
Projects in the most rural counties will be given the higher scores to encourage development in those counties. The rural counties are most in need of industrial development to sustain and improve those counties.
2. **Type of Project.**
Projects that improve public infrastructure will score higher than projects that only benefit the public through job creation and investment. Manufacturing projects will score higher than non-manufacturing projects because they attract suppliers that generate further new job creation and investment to South Carolina.
3. **Number of existing jobs to be maintained at the project.**
The larger the current employment, the higher the score because larger companies have the greatest impact on the economy of the local region and the state as a whole.
4. **Number of net new jobs to be created at the project.**
The more jobs being created, the greater the impact on the economy of the local region and the state as a whole by providing more employment for residents and resulting in increased income to the state.
5. **Average salary of the new jobs to be created at the project.**
Jobs with higher wages will increase income to the state, and jobs with wages above the per capita income of the county have a greater impact on the economic well-being of that county.
6. **Existing investment of the entity.**
The greater the existing investment the more property taxes that will be received to benefit the economy of the local region and the state as a whole.
7. **New investment to be made at the project.**
Similarly, the greater the new investment, the more property taxes that will be received and will benefit the county and local school districts.

8. **Financing available to support the project.**

This category is the most subjective, but a vital consideration. A project's ability to support the project financially is essential to the success.

9. **Cost Benefit**

The South Carolina Coordinating Council for Economic Development (the "Coordinating Council") will perform a cost benefit analysis on each project. Absent extenuating circumstances, a project that does not have a positive financial benefit to the state will not be recommended for state ceiling allocation; provided, however, projects locating in Tier 3 and 4 counties will not be excluded from consideration because of a negative return on investment resulting from the estimated value of job tax credits. While the cost benefit analysis assumes all job tax credits earned and accrued are used, as a practical matter, companies rarely have sufficient income tax liability to use the maximum value of the credits. This is particularly true in the most rural counties because of the extremely high value of the job tax credits under state law.

After consideration of each factor and allocation of appropriate scores, the Department will then calculate the final score using the following formula:

$((\text{County Designation} \times (\text{New Jobs} + \text{New Investment})) + \text{Type of Project} + \text{Existing jobs} + \text{Existing Investment} + \text{Average Salary} + \text{Financing} + \text{Cost Benefit})$

Scoring Criteria for Bond Applicants	
<u>County Designation</u>	
Tier 4	3
Tier 3	2
Tier 2	1
Tier 1	1
<u>Type of Project</u>	
Public Infrastructure	4
Manufacturing	2
Other Business	0
<u>Existing Jobs</u>	
> 500	2
100-500	1
0-100	0
<u>New Jobs</u>	
>300	5
150-300	4
50-149	3
25-49	2
<25	1
<u>Existing Investment</u>	
>\$300,000,000	3
\$100,000,000- \$300,000,000	2
\$70,000,000-\$100,000,000	1
<\$70,000,000	0
<u>New Investment</u>	
>\$20,000,000	4
\$10,000,000-\$20,000,000	3
\$5,000,000-\$10,000,000	2
<\$5,000,000	1
<u>Avg. Salary</u>	
>150% of per capita income	2
100% of per capita income	1
<100%	0
<u>Financing</u>	
Financing in place	5
Financing not sufficient to sustain project	0
<u>Cost Benefit</u>	
Positive State Benefit > \$10 million	4
Estimate positive state benefit < \$9.9 Million	2
Negative	-30



South Carolina State Housing Finance and Development Authority

300-C Outlet Pointe Blvd., Columbia, South Carolina 29210

Telephone: 803.896.9001 TTY: 803.896.8831

SCHousing.com

C. Todd Latiff
Chairman

Richard A. Hutto
Interim Executive Director

August 1, 2023

Delbert H. Singleton, Jr., Secretary
State Fiscal Accountability Authority
Wade Hampton Building
1200 Senate Street, Ste 600
Columbia, SC 29201

Re: 2024 Proposed State Ceiling Criteria

Dear Secretary Singleton:

Please be aware that the Proposed State Ceiling Criteria for 2024 will remain the same as the Proposed State Ceiling Criteria last year. Please see the information attached.

I would greatly appreciate if this matter could be placed before the State Fiscal Accountability Authority for consideration in conjunction with the State Ceiling Allocation Plan.

Very truly yours,

A handwritten signature in black ink, appearing to read "RHutto", is written over a horizontal line.

Richard Hutto, CPA
Interim Executive Director



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C. Todd Latiff
Chairman

Bonita H. Shropshire
Executive Director

This proposed criteria for State Ceiling allocations is presented solely for consideration by the Joint Bond Review Committee and State Fiscal Accountability Authority and is not intended to provide official or final guidance to participants in the program. Once approved by the JBRC and SFAA, final guidance will be published on the website of the South Carolina State Housing Finance and Development Authority (SC Housing).

Proposed State Ceiling Criteria

For those projects seeking an allocation of state ceiling or carryforward for a multifamily project intending to utilize 4% federal low-income housing tax credits, SC Housing will require certain threshold criteria as detailed in the applicable Qualified Allocation Plan (QAP) which is the controlling document related to the allocation of the credit. This threshold criteria includes items such as financial feasibility, minimum applicant experience, site control, financial capacity of the applicant, and readiness to proceed (i.e., without limitation, establishment of the bond working group, existence of letters of interest or letters of intent from lenders, syndicators, and other parties). Additionally, SC Housing will require projects to meet the requirements outlined in SC Housing's Multifamily Tax-Exempt Bond Finance Program manual.

Projects meeting the threshold criteria described above will be ranked for state ceiling utilizing the following criteria that evidence the highest value and greatest public benefit as required by Act 202 of 2022 and the State Ceiling Allocation Plan. Section O of the State Ceiling Allocation Plan requires, at a minimum, certain measures to be included. The following criteria meet the requirements of the State Ceiling Allocation Plan:

- 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.

Exhibit B - 2024 Competitive Criteria for Multi-family Housing Projects

Development Name (CONTIGUOUS PROJECTS)	Location	USDA Rural Eligibility	Historic Approved?	Annual PTC	10 Year ETC	State Historic Tax Credit	State Abandoned Building Credit	TEA Billing Allocation	Total Project Cost	New Units	As-built Sq. Ft.	Efficiency/Health	Project Unit Mix								Ranking Criteria					Development Ranking							
													0BR	1BR	2BR	3BR	4BR	Total Sqr	Total Units	Total Taxable	Total State Resources	Rural Bonus	New Construction Bonus	ADJUSTED Total State Resources	State Resources per sq ft	State Resources per Unit	Total Project Cost (Mill)	State Resources per Potential Tenant (Public Benefit)	State Resources per sq ft	State Resources per Unit	Total Project Cost (Mill)	State Resources per Potential Tenant (Public Benefit)	Overall Rank
Mable Avenue Apartments	Beaumont	Y	N	\$ 4,800,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 26,000,000	\$ 44,489,000	120	204,124	75	20	150	600	180	1,380	\$ 44,873,240	0.0	0.1	\$ 48,000,000	\$ 143.80	\$ 40,100.00	0.29%	\$ 29,765	1	1	3	1	4	1		
West Street Village	Greenville	Y	N	\$ 447,184.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 8,300,000	\$ 16,750,000	77	68,914	65	15	20	60	72	168	\$ 11,804,840	0.0	0.1	\$ 12,000,000	\$ 146.92	\$ 148,700.00	0.09%	\$ 70,129	2	4	2	4	10	2		
Pumpkin Vine	Greenville	Y	N	\$ 178,547.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 18,000,000	\$ 18,000,000	70	72,000	68	20	30	150	240	340	\$ 24,302,619	0.0	0.1	\$ 15,000,000	\$ 251.37	\$ 60,000.00	0.09%	\$ 44,360	4	2	1	3	13	3		
Charleston Apartments	Columbia	Y	N	\$ 6,000,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 22,000,000	\$ 28,000,000	200	174,000	50	100	50	400	200	800	\$ 44,000,000	0.0	0.1	\$ 47,000,000	\$ 178.15	\$ 60,000.00	0.03%	\$ 42,300	3	3	4	1	13	3		
Building Hills Farms	York	Y	N	\$ 675,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 14,500,000	\$ 15,175,000	70	84,511	50	15	4	50	20	188	\$ 22,700,000	0.1	0.1	\$ 14,600,000	\$ 253.55	\$ 64,714.29	0.02%	\$ 71,900	5	5	1	5	13	4		
TOTAL				\$ 4,400,000.00				\$ 63,000,000		700	346,549						\$ 126,330,000			\$ 126,330,000													

Column A: Development Name
 Column B: Development Location
 Column C: USDA Rural Designation of the development property. Properties located in rural areas receive a preference bonus reflected in a 30% adjustment to the total state resources figure.
 Columns F through H: Annual state tax credits (housing, historic, abandoned building) in the project
 Column I: Tax exempt bond ceiling allocation being requested by the developer/sponsor
 Column J: Total development project cost
 Column K: In mixed-use proposals, the amount of the overall development cost apportioned to multifamily residential. NB: Market rate units are not included in the total.
 Column L: The net newly produced units in the proposed project. Projects where a majority of the units are newly produced receive a preference bonus reflected in a 10% adjustment to the total state resources figure.
 Column M: Residential square footage is that portion of heated square footage comprising living units, and is of direct use and benefit to the tenants.
 Column N-H: The unit mix of the development project by bedroom size of units.
 Column U: The number of potential tenants served in the development; 2 persons per bedroom is the standard.
 Column V: Total tax exempt bond request plus all state tax credits
 Columns W & X: projects located in rural areas as designated by the USDA receive a 30% preference bonus; projects where the majority of units are new (rather than rehab of existing) receive a 10% preference bonus.
 Column Y: Adjusted total state resources (see Column T) after the rural and new unit preferences have been factored in.
 Column Z: State resources per residential square footage; this reflects the value of the building as an asset and is a component of determining "highest and best value" for the state's investment.
 Column AA: State resources per bedroom; this reflects the potential utility of the building to tenants and is a component of determining the "public benefit" of the state's investment.
 Column AB: Total project costs ratio; this reflects the value of the state's adjusted total investment relative to the total residential development cost and is a measure of the "highest and best value" for the state's investment.
 Column AC: State resources per potential tenant housed in the development; this is reflective of the potential number of citizens served and therefore of the "public benefit" for the state's investment.
 Columns AD through AI: Development projects are ranked by relative score in Columns X through AA; a development's rank is totaled across all four ranking categories to produce an Overall Rank within the competitive pool.

Exhibit C - Evaluation and Ranking Report Format for Multi-family Housing Projects

1	Project Name
2	Location (Municipality)
3	Issuer
4	Attorney
5	State Tax Credits (1 year)
6	State Tax Credits (10 years)
7	State Tax Credit Letter Date
8	Current Year-Ceiling Allocation Request Amount
9	Ceiling Allocation Date
10	Carryforward granted by SFAA or SC Housing
11	Amount of Carryforward requested from SHFDA
12	Balance of Carryforward held by SHFDA
13	Annual State Tax Credit needed
14	Balance of Annual State Tax Credits Allocated to 4% projects

AGENCY: South Carolina Office of Resilience

SUBJECT: Proposed Mitigation Improvements to USS Yorktown
at Patriots Point

Act 6 of 2023 provides for among other things that funding held in the ARPA Resilience Account may be used to mitigate the potential release of contamination associated with the USS Yorktown, an asset of the Patriots Point Development Authority. The Act further provides that the Office of Resilience must make an initial funding request for Phase I review and comment by the Joint Bond Review Committee that describes the project scope and provides an estimate of costs for the proposed improvements. Thereafter, the Office of Resilience must make a full funding request for Phase II review and comment by the Committee to establish final budget authorization and project scope. No funds may be expended toward the project in either phase until the Committee has provided review and comment.

By letter dated August 2, 2023, the Office of Resilience has provided a summary of actions to date, and the rationale underlying the continuing urgency of undertaking critical repairs immediately needed for environmental remediation against potential contamination of Charleston Harbor.

The Office requests consideration by the Committee of its proposal to establish Phase I of the project at \$10,710,016 for the purposes of moving forward with emergency repairs at an associated cost of not exceeding \$6,710,016; and effecting a reimbursement to the Resilience Fund in an amount not exceeding \$4,000,000 for costs of conducting a comprehensive assessment of contaminants and a plan to remediate them.

The Office expects to submit for consideration by the Committee a subsequent proposal to establish Phase II of the project in an amount up to \$16,000,000, following completion of assessments and studies, and a final determination of project scope and attendant costs.

COMMITTEE ACTION:

Review and comment on Phase I of the remediation plan and associated costs at an amount not to exceed \$10,710,016.

ATTACHMENTS:

1. Letter dated August 2, 2023, of Mr. Benjamin I. Duncan II, Chief Resilience Officer, South Carolina Office of Resilience.
2. USS Yorktown Study Update.



HENRY D. MCMASTER, *Governor*
BENJAMIN I. DUNCAN II, *Chief Resilience Officer*

2 August 2023

Mr. F. Richard Harmon
Director of Research
Joint Bond Review Committee
321 Gressette Building
Columbia, SC 20201

Re: South Carolina Office of Resilience – *USS Yorktown* Environmental Remediation Project

Dear Mr. Harmon:

The South Carolina Office of Resilience requests authority to expend funds on its *USS Yorktown* Environmental Remediation Project under S.604, Act 6 of 2023, effective April 20th, 2023, the Joint Resolution to Authorize the expenditure of certain funds allocated to South Carolina under the American Rescue Plan Act of 2021.

The *USS Yorktown*

The *USS Yorktown* is an Essex-class aircraft carrier first commissioned in 1943. The ship was converted under the SCB-27A program as an attack aircraft carrier, CVA-10, in the 1950s. This conversion included the addition of blister tanks, faired into the existing hull. An angled deck was added in 1955. The ship was decommissioned in 1970.

The *USS Yorktown* was donated to Patriots Point Development Authority in 1975, relocated to Charleston, and has remained the centerpiece of Patriots Point Naval & Maritime Museum since then. In the U.S. Navy donation contract, the State of South Carolina indicated its intention to preserve and exhibit the vessel and committed to making and keeping the *USS Yorktown* safe and presentable for public exhibition. It is a National Historic Landmark.

The *USS Yorktown* is currently moored in Charleston harbor with the keel buried to a depth of approximately 28 feet in soft bottom silt. Above the silt line, there is open water on the port side and tidal marsh on the starboard side, and the ship's hull is subjected to tidal ebb and flow. Localized areas of the ship's hull, particularly in the tidal splash zone, have experienced extensive corrosion with significant through-hull penetration. It is anticipated that the *USS Yorktown* will require significant repairs in the foreseeable future.

At the time of *USS Yorktown's* deactivation, the extensive procedures prescribed by the Navy today, S9086-BS-STM-010 [0910-LP-104-3949, rev 3], were not in place. The U.S. Navy made the *USS Yorktown*

available to South Carolina “as is” and “without warranty.” Consequently, the *USS Yorktown* still contains significant quantities of potentially hazardous materials. A release of those materials would be an environmental and economic catastrophe.

Governor McMaster’s Executive Order

On July 11th, 2022, Governor McMaster issued Executive Order No. 2022-20 directing the South Carolina Office of Resilience (SCOR), in coordination with the Patriots Point Development Authority (PPDA), to take immediate action to address the potential environmental hazards contained within the *USS Yorktown*. Governor McMaster directed that SCOR utilize existing funds or any authorized, appropriated, or available funds to procure and conduct a comprehensive assessment of any and all remaining legacy contaminants in the *USS Yorktown* and develop a comprehensive plan to remediate those contaminants. Governor McMaster further requested that the General Assembly authorize SCOR to use a portion funds allocated by the federal government to the State of South Carolina under the American Rescue Plan Act of 2021 (ARAP), Pub. L. 117-2, for removing or remediating the hazardous or potentially hazardous materials in the ship.

Following this directive, SCOR met with PPDA leadership and published a Request for Qualifications for undertaking a new study of the existing contamination in *USS Yorktown*. Two prior studies were out of date and were not as comprehensive as directed by Governor McMaster. SCOR issued the RFQ on July 22, 2022. SCOR determined it was feasible to utilize the Resilience Reserve Fund to start the study process, pending authorization to utilize appropriated ARPA funds.

ARPA Joint Resolutions

When the General Assembly issued its first ARPA joint Resolution, H.4408, Act 244 of 2022, effective May 13th, 2022, it allocated SCOR \$100 million to be used to complete stormwater infrastructure projects and acquisitions of property in the floodplain throughout the State to lessen the impacts of future flood events. Act 244 predated Governor McMaster’s Executive Order No. 2022-22. The scope of Act 244 did not provide authorization to use allocated ARPA funds for an environmental remediation and resilience project such as *USS Yorktown*.

As noted above, Governor McMaster issued Executive Order 2022-20 on July 11, 2022. Thereafter, once the General Assembly was back in session, on April 20th, 2023, it issued a second Joint Resolution regarding ARPA funds, Act 6 of 2023, effective April 20th, 2023. The authorization section specific to SCOR provided:

Notwithstanding SECTION 14 of Act 244 of 2022, the funds in the ARPA Resilience Account also may be used to mitigate the potential release of contamination associated with the *USS Yorktown*, an asset of the Patriots Point Development Authority. The Office of Resilience must make an initial funding request for Phase I review and comment by the Joint Bond Review Committee that describes the project scope and provides an estimate of costs for the proposed improvements. Thereafter, the Office of Resilience must make a full funding request for Phase II review and comment by the Joint Bond Review Committee to establish final budget authorization and project scope. No funds may be expended toward the project in either phase until the Joint Bond Review Committee has provided review and comment. The Office of Resilience is authorized to engage and reimburse the services of other state agencies in the development of both phases of the project.

At the time Act 6 of 2023 became effective, the study and assessment were well underway and nearly complete. The initial assessment was completed in mid-July, however, there is substantial additional work to perform since the study and assessment will now form the basis of designing and pricing the actual remediation.

Need for Immediate Repairs

The *USS Yorktown* has experienced hull deterioration over the years that it has remained affixed as a museum ship at Patriots Point. Some repairs are necessary prior to undertaking the environmental remediation. Some tanks are experiencing flooding. Fortunately, because we are ahead on the assessment, we know none of the flooding tanks are leaking contaminants into the harbor.

The flooding tanks of concern are concentrated in the front third of the hull. This is significant because not far from the flooded tanks is the ship's central power system. *USS Yorktown* is designed for wartime survivability therefore some critical systems are located on lower decks. Loss of the power system would be catastrophic.

The requested immediate repair process is only for those things that are critical to the environmental remediation. The immediately needed repairs will reduce the scope of the main remediation project. PPDA will ultimately be responsible for other structural repairs over time.

The Yorktown Project is an Eligible ARPA Activity

This project is eligible to utilize federal ARPA funds. Within the Final Rule, the U.S. Department of the Treasury at 87 FR 4413, states "For projects that are being pursued under the eligibility categories provided through the Drinking Water State Revolving Fund (DWSRF) or Clean Water State Revolving Fund (CWSRF) programs, project eligibilities are based on federal project categories and definitions for the programs and not on each state's eligibility or definitions." It encourages reference to EPA handbooks regarding types of eligible projects for the CWSRF and thus under the final rule. (Fed. Reg. Vol. 81, No. 18, pg. 4412).

This project is easily with federal CWSRF eligibilities. The remediation of hazardous material within *USS Yorktown* protects water quality, protects natural habitats, and mitigates non-point source pollution. It is eligible under ARPA *Clean Water Act* criteria. Guidehouse, the state's retained ARPA consultants, concur regarding federal ARPA eligibility.

SCOR's Request

- 1) SCOR requests authority to use federal ARPA funds and move forward with emergency repairs to *USS Yorktown* – not to exceed \$6,710,016.
- 2) Authority to utilize federal ARPA funds to Reimburse Resilience Fund for Study – up to \$4 million
- 3) Authority to utilize Federal ARPA funds for remaining project and environmental remediation costs – up to \$16 million

We thank our colleagues at PPDA for their cooperation and collaboration on this endeavor. PPDA has been an excellent partner in this effort.

Please contact me if you have any questions, and please advise if you need further information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ben Duncan", with a long horizontal flourish extending to the right.

Benjamin T. Duncan, II
Chief Resilience Officer

USS Yorktown Study Update

South Carolina Office of Resilience (SCOR)



Executive Order

EXECUTIVE ORDER NUMBER 2022-20 dated July 11, 2022

- ❖ **Governor McMaster authorized and directed the South Carolina Office of Resilience, in consultation with and with the assistance of the (Patriots Point Development) Authority and any other relevant state agencies and departments, to commission, perform, procure, conduct, or obtain an updated comprehensive review, evaluation, analysis, or assessment of any and all remaining legacy contaminants that are currently contained within the USS Yorktown and option or plans to remove or remediate any such hazardous or potentially hazardous materials, including an updated estimate of the corresponding costs.**
- ❖ **This study is initially funded by the South Carolina Resilience Reserve Fund.**

ARPA Funding Joint Resolution

S.604 (Rat#0010, Act# 6 of 2023), effective 20 April 2023

- ❖ **Notwithstanding SECTION 14 of Act 244 of 2022, the funds in the ARPA Resilience Account also may be used to mitigate the potential release of contamination associated with the USS Yorktown, an asset of the Patriots Point Development Authority. The Office of Resilience must make an initial funding request for Phase I review and comment by the Joint Bond Review Committee that describes the project scope and provides an estimate of costs for the proposed improvements. Thereafter, the Office of Resilience must make a full funding request for Phase II review and comment by the Joint Bond Review Committee to establish final budget authorization and project scope. No funds may be expended toward the project in either phase until the Joint Bond Review Committee has provided review and comment. The Office of Resilience is authorized to engage and reimburse the services of other state agencies in the development of both phases of the project.**

SCOR ARPA Funding Summary

- ❖ SCOR was allocated **\$100M** for flood reduction projects.
- ❖ SCOR has allocated **\$55M** for gray and green infrastructure projects. Applications have been taken and projects were awarded on March 7, 2023.
- ❖ SCOR reserved **\$5M** for program administration, although ARPA allows for higher administration rates.
- ❖ SCOR reserved **\$40M** as unallocated funds until final costs for the USS Yorktown project are determined. Any remainder would be allocated for infrastructure projects.

Timeline of Events

- ❖ 11 JULY 2022 Governor holds press conference
- ❖ 11 JULY Governor issues executive order (#2022-20) directing SCOR to update 2013 remediation study
- ❖ 22 JULY SCOR publishes Request For Qualifications (RFQ) for study update
- ❖ 18 OCT RFQ Interviews for Qualified Environmental Assessment Contractor
- ❖ 16 NOV Contract Signed with Research Planning Inc. (RPI)
- ❖ 28 FEB 2023 Completed on-site testing for contaminants (Oil, water, PCB's, Asbestos, and Lead-based paint)
- ❖ 19 JULY Initial Assessment report complete (includes testing results and preliminary remediation recommendations)
- ❖ 22 AUG Update for JBRC
- ❖ TBD OCT (T) Environmental Assessment and Agency Coordination complete (how it will be cleaned up)
- ❖ TBD DEC (T) Bid documents and final estimate complete

Current Status

- ❖ Research Planning, Inc. (RPI), a SC-based company, completed the draft Environmental Study and is working on the design and scope of the remediation plan.
- ❖ There are currently some breaches of the hull that are causing flooding in some compartments and there is an immediate need to remediate portions of the hull while continuing to work with local, state, and federal agencies to complete the Environmental Assessment pursuant to the National Environmental Policy Act (NEPA).
- ❖ These breaches are not in compartments that are releasing contaminants; however, they threaten the ship's power system and must be repaired so environmental remediation can go forward. Further deterioration could lead to an environmental release.
 - Repairs made as part of emergency work will reduce the overall scope of repairs needed to complete the full remediation efforts

Current Status

- ❖ A public meeting regarding the current study is anticipated to be held in September 2023.
- ❖ The complete remediation plan including the bid documents and the final estimate complete in December 2023.
- ❖ Bid the cleanup and additional/non-emergency remediation work in early 2024.

Emergency Repairs Justification

- ❖ **Based on the continued deterioration of the Yorktown's hull there is an immediate need for emergency repairs to prevent the threat of contaminant exposure to the public and Charleston Harbor marine life and protect the ship's power systems.**
- ❖ **The funds are necessary to hire the dive teams and related experts to prevent further deterioration of the hull. These repairs are necessary before starting the environmental remediation.**
- ❖ **The S.C. Office of State Engineer's advises we can amend the current study scope to make emergency repairs.**

Immediate Repairs

Description

- ❖ Divers and Dive Support boat(s) will be present in the water to patch holes in the hull.
- ❖ Tanker trucks will be present on the pier to the dock. They will store and then transport contaminated liquids for proper disposal.
- ❖ They will make emergency repairs on the hull below the waterline and above the seabed in areas of known or suspected damage.
- ❖ There may be a temporary boom or barrier like the picture shown here.



Phase 1: Environmental Study Goals

- ❖ **Perform an Environmental Study:**
 - *Catalogue all areas, tanks, and compartments within the USS Yorktown.*
 - *Identify all area, tanks, and compartments that may be contaminated and provide a plan detailing how to access all areas.*
 - *Identify all environmental contaminants presently found or likely to be found on the USS Yorktown.*
 - *Prioritize the hazards of each contaminant to the environment and people.*
 - *Provide a preliminary updated cost estimate to mitigate each type of contaminant*
 - *Submit the Study to SCOR.*
- ❖ **Prepare an Environmental Document pursuant to the NEPA**
- ❖ **Prepare bid documents pursuant to the South Carolina Office of State Engineer**
- ❖ **Prepare a detailed cost estimate for the mitigation**
- ❖ **Identify and obtain necessary permits for the mitigation**

Estimated Costs

Phase 1

Environmental Study and Bid Document Preparation:

\$ 4,000,000

**Immediate Hull Repair and tank cleanup:

\$ 4,210,016

**Immediate repair contingency

\$ 2,500,000

Total:

\$10,710,016

Phase 2

Cleanup Engineering Oversight:

\$ 2,500,000

Additional Hull Repair:

\$ 4,000,000

Hull Repair Contingency During Enviro Cleanup:

\$ 2,500,000

Cleanup of Petroleum, hydrocarbons, PCBs per Report Recommendations:

\$ 7,000,000

Total:

\$16,000,000

Request

- ❖ Pursuant to Act 6 of 2023 (S.604, Rat # 10, eff. 4/10/2023) SCOR requests authority to use federal ARPA funds and move forward with emergency repairs to USS Yorktown – not to exceed \$6,710,016.
- ❖ Utilize federal ARPA funds to Reimburse Resilience Fund for Study – up to \$4 million.
- ❖ Utilize federal ARPA funds for remaining project and environmental remediation costs – up to \$16 million.

AGENCY: South Carolina Department of Mental Health

PROJECT/SUBJECT: State Veterans Home Projects

At its meeting of June 20, 2023, the Joint Bond Review Committee made a tentative selection of Lexington County as the location for the next South Carolina veterans home, but requested a refined estimate for construction of a 129-bed facility to in part replace capacity now served by the Stone Pavilion facility at the C.M. Tucker Nursing Care Center in Columbia, and to exhaust all remaining capacity available under the maximum number of state veterans beds established by the United States Department of Veterans Affairs.¹

Responsive to this request, the Department of Mental Health has provided a refined base cost estimate for a 129-bed home constructed in approximately 10 years at \$111.7 million,² which would be funded at a VA amount of \$72.6 million (65%), with state match funding for the balance at \$39.1 million (35%).³

The Department seeks further direction from the Committee in addressing the following considerations:

1. Finalizing the selection for location of a 129-bed facility in Lexington County at an estimated cost of \$111.7 million, authorization for which will enable proceeding with a timely grant application;
2. Authorizing the submission of a permanent improvement project proposal by the Department of Mental Health or the South Carolina Department of Veterans Affairs, as appropriate;⁴
3. Authorizing any adjustments necessary to the capital budget of the Department of Mental Health or Department of Veterans Affairs, as appropriate, reflecting the budgetary implications of these actions;
4. Authorizing any actions and amendments necessary to maintain the status, priority, and funding of any South Carolina veterans home affected by the transfer of responsibility for construction, administration, management, and operation of the South Carolina veterans homes from the Department of Mental Health to the Department of Veterans Affairs; and
5. Continuing the authorization for Committee staff to review and make recommendations regarding any requests by the Department of Mental Health or the Department of Veterans Affairs, as appropriate, to advance South Carolina veterans home projects to become eligible for federal funding, and to facilitate the transfer of responsibility of South Carolina veterans homes from the Department of Mental Health to the Department of Veterans Affairs, with any staff recommendations reported to the Committee at its next meeting.

¹ Stone Pavilion is more than 50 years old and has an existing capacity of 90 beds. Following completion of State Veterans Homes presently approved for construction, there will remain available only 39 beds under the maximum number of State Veterans Home beds established by the US Department of Veterans Affairs.

² Based on cost estimates from the Orangeburg construction grant application of \$87.4 million, and taking into consideration inflation, cost increases in materials, and requirements of the federal Build America Buy America Act.

³ Construction cost estimates assume the donation of developable land by the local jurisdiction.

⁴ Act 60 of 2023 provides among other things that, effective July 1, 2024, the South Carolina Department of Veterans Affairs is designated as the agency of the State to apply for and to accept gifts, grants, and other contributions from the federal government or any other governmental unit for the operation and construction of South Carolina veterans homes. Enacted as Section 25-11-710 of the SC Code of Laws.

COMMITTEE ACTION:

Receive updated information provided by the Department of Mental Health and provide further direction as appropriate.

ATTACHMENT:

1. Addendum to Report dated June 7, 2023, provided by the South Carolina Department of Mental Health.
2. Map reflecting catchment areas of the State Veterans Homes in operation, under construction, and as herein proposed.

**South Carolina Department of Mental Health
Recommendation for the siting of an additional future
State Veterans Nursing Home**

Addendum to SCDMH Report dated June 7, 2023

August 1, 2023

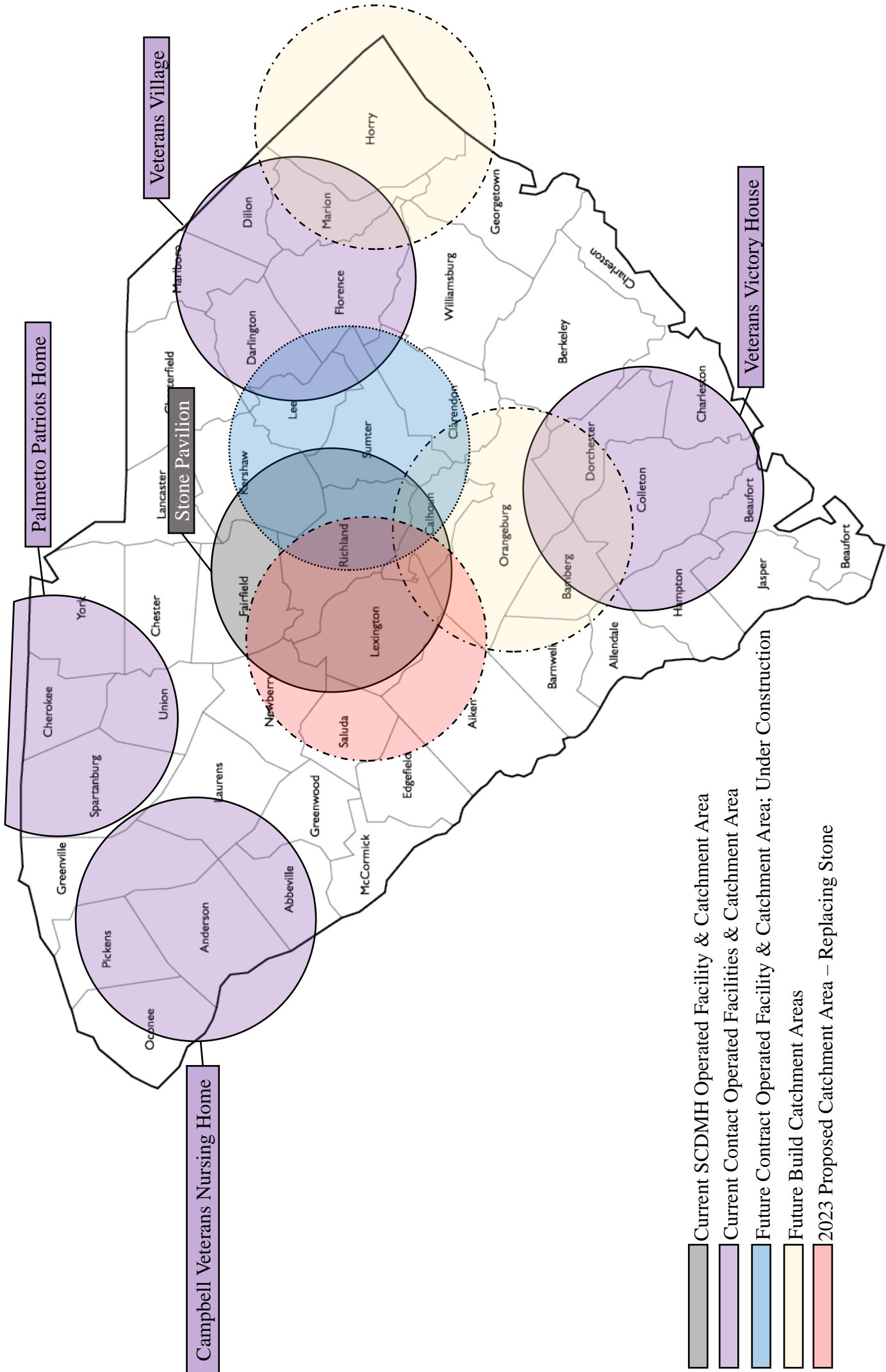
At the direction of the Joint Bond Review Committee at its June 20, 2023, meeting, SCDMH is submitting this addendum by way of providing further analysis for a future new State Veterans Nursing Home to be located in Lexington County.

Preliminary Cost Estimate:

The Department's earlier estimated for the future cost of construction of a 104 bed State veterans nursing home in Orangeburg was \$87,428,971. Based on the U.S. Veterans Administration Small House Guidelines, a 129 bed facility would be approximately 134,000 square feet. Factoring in the increased size and up to 10 year inflation escalation, as well as the anticipated impact of the Build America, Buy America (BABA) Act,* the Department calculated the total expected cost for the facility to be \$111,659,622.

This cost figure does not include the cost, if any of obtaining an appropriate buildable site meeting State and VA requirements.

**The Build America, Buy America (BABA) Act, among other things, requires the use of primarily American sourced materials in federally funded construction projects. Some commentators believe that the impact of BABA on a federally funded construction project will escalate the materials cost by as much as 20% – 25%.*



- Current SCDMH Operated Facility & Catchment Area
- Current Contact Operated Facilities & Catchment Area
- Future Contract Operated Facility & Catchment Area; Under Construction
- Future Build Catchment Areas
- 2023 Proposed Catchment Area – Replacing Stone

AGENCY: Joint Bond Review Committee

SUBJECT: Report of JBRC Fiscal Oversight Subcommittee

The JBRC Fiscal Oversight Subcommittee received a presentation from the Medical University of South Carolina, and a status update on the Intermodal Facility from the South Carolina State Ports Authority, on August 16, 2023.

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 Commerce

SUBJECT: Status Report Pursuant to Act 3 of 2023

Act 3 of 2023 provided for among other things appropriations to the Department of Commerce in the amounts of \$1,091,082,986 to defray the cost of certain infrastructure and other improvements, and \$200,000,000 as a loan to the project sponsor for additional soil stabilization, each in support of Project Connect, now publicly known as Scout Motors, Inc.

The Act further provides that the Department of Commerce must furnish a quarterly project status report to the Joint Bond Review Committee until all of the funds have been expended, and the Secretary of Commerce has certified that all project obligations have been met.

Responsive to these provisions, the South Carolina Department of Commerce has provided to the Committee its initial project status report for the period ending June 30, 2023, which reflects expenditures for the period and to date in an amount of \$65,125,384.

The report also provides a general status update for the project covering activities and developments during the reporting period.

COMMITTEE ACTION:

Review and comment on the report in accordance with the Act.

ATTACHMENTS:

1. Letter dated August 7, 2023, of Mr. Harry M. Lightsey, III, Secretary, South Carolina Department of Commerce.
2. Project Connect Quarterly Status Report for the period ended June 30, 2023.



Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Harry M. Lightsey III
Secretary

August 7, 2023

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

Dear Senator Peeler:

Act No. 3 of the 2023-2024 Appropriations Act (H3504) requires that the South Carolina Department of Commerce submit to the Joint Bond Review Committee (JBRC) a quarterly status report regarding the Scout Motors project "until all funds are expended and upon certification by the Secretary of Commerce that all project obligations have been met."

Attached is the first quarterly report to be submitted since the General Assembly appropriated funding for the project pursuant to Act No. 3. The report includes expenditures through the period ending June 30, 2023, but also provides a high-level status update through today's date.

Please let me know if you need further information. I have asked appropriate staff members to be present at the JBRC meeting on August 22 in case there are any questions from you or other members of the committee.

Sincerely,

A handwritten signature in black ink, appearing to read "HML III".

Harry M. Lightsey III

HMLIII/km
Attachment

Cc: Rick Harmon, Director of Research, Joint Bond Review Committee



Funds Expended through June 30, 2023:

Designated Recipient and Purpose	Amount Designated	Prior Periods	Current Period	Remaining Balance
Richland County				
Grant	831,082,986			766,457,602
Land Acquisition			27,922,946	
Site Improvements			30,627,438	
Mitigation			6,075,000	
Water; Wastewater				35,000,000
Loan	200,000,000		-	200,000,000
Soil Stabilization				
SC Technical College	25,000,000			24,500,000
Training Center			500,000	
SC Department of Transportation	200,000,000		-	200,000,000
Other Recipients				
City of Columbia	35,000,000			
Totals to Date	1,291,082,986		65,125,384	1,225,957,602

General Updates and Developments (as of August 7, 2023):

- Mass grading and site prep work are underway (excluding the wetlands areas).
- Collaborative meetings continue with SCDOT, Norfolk Southern and Palmetto Rail for completion of the new interchange, rail bridge and providing rail to the site.
- Comments have closed on the wetlands permit.
- Scout has hired a Community Liaison effective Augusts 1, 2023 to provide direct company engagement with the community.

AGENCY: Executive Director
State Fiscal Accountability Authority

SUBJECT: Revenue Bonding Authority for Quasi-State Agencies

Proviso 104.11 of the Fiscal Year 2022-23 Appropriations Act requires the Executive Director of the State Fiscal Accountability Authority to undertake a study of revenue bonding authority by quasi-state agencies, which must result in a report that (a) identifies every source of authority for such entities to undertake revenue bonds, and (b) summarizes all outstanding revenue bonds of those entities. The proviso further requires that the report must be submitted to the Joint Bond Review Committee, the State Fiscal Accountability Authority, and any relevant legislative committee.

The Executive Director of the State Fiscal Accountability Authority has provided his report in accordance with the proviso, which is attached for consideration by the Committee.

COMMITTEE ACTION:

Receive this report as information.

ATTACHMENTS:

1. Letter dated July 28, 2023, of Mr. Grant Gillespie, Executive Director, State Fiscal Accountability Authority.
2. Revenue Bonding Authority Study 2022 dated July 31, 2023.

HENRY MCMASTER, CHAIR
GOVERNOR

CURTIS M. LOFTIS, JR.
STATE TREASURER

BRIAN J. GAINES
COMPTROLLER GENERAL



HARVEY S. PEELER, JR.
CHAIRMAN, SENATE FINANCE COMMITTEE

BRUCE W. BANNISTER
CHAIRMAN, HOUSE WAYS AND MEANS COMMITTEE

OFFICE OF THE EXECUTIVE DIRECTOR

GRANT GILLESPIE
EXECUTIVE DIRECTOR
(803) 734-8018
GGILLESPIE@SFAA.SC.GOV

July 28, 2023

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

RE: Revenue Bonding Authority Study

Dear Mr. Harmon:

2022 Proviso 104.11 requires a one-time study of revenue bonding authority by quasi-state agencies and a report of the study's results. Specifically, the report must identify every source of authority for such entities to undertake revenue bonds and summarizes all outstanding revenue bonds. In accordance with Proviso 104.11, I am submitting this report to the Joint Bond Review Committee.

Should you have any questions or concerns do not hesitate to contact me.

Sincerely,

Grant Gillespie



REVENUE BONDING AUTHORITY STUDY

2022

July 31, 2023

**EXECUTIVE DIRECTOR
STATE FISCAL ACCOUNTABILITY AUTHORITY**

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OVERVIEW

A. Legislative Requirement

Proviso 104.11, Fiscal Year 2022, provides for the Executive Director of the State Fiscal Accountability Authority to identify the source of bonding authority of quasi-state agencies and to provide a summary of all outstanding revenue bonds.

104.11 (SFAA: Revenue Bonding Authority Study). The Executive Director of the State Fiscal Accountability Authority shall undertake a one-time study of revenue bonding authority by quasi-state agencies. The study must result in a report that (a) identifies every source of authority for such entities to undertake revenue bonds, and (b) summarizes all outstanding revenue bonds. The report shall be submitted to the Joint Bond Review Committee, the State Fiscal Accountability Authority, and any relevant legislative committee. Quasi-state agencies shall provide any assistance requested by the authority's executive director.

B. Quasi-State Agencies

The proviso applies to all “quasi-state agencies”; however, the Proviso does not include either a definition for this term or a list of such agencies. The South Carolina Code of Laws uses the term “quasi-state agency” only once, and in an unrelated context. While somewhat similar terms appear in the Code or elsewhere, no single definition or list appeared adequate. Accordingly, on determining which entities to address in this report, staff undertook to effectuate its understanding of the intent behind the Proviso.

The Revenue Bonding Authority Study of 2021 identified the following two entities that do not have statutory authority to issue revenue bonds: Children's Trust of South Carolina and the South Carolina Lottery Commission. Those entities have been excluded from the Revenue Bonding Authority Study of 2022.

C. Source of Data

The details of each entity's revenue bonding authority and outstanding revenue bonds have been assembled from information provided by the respective agencies using a template designed to solicit the information required by Proviso 104.11. The study reflects outstanding revenue bonds as of June 30, 2022.

EXECUTIVE SUMMARY

<u>Quasi-State Agency Name</u>	<u>Authority to Issue Revenue Bonds</u>	<u>Outstanding Revenue Bonds</u>
	(Yes/No)	(Yes/No)
Charleston Naval Complex Redevelopment Authority	Yes	No
Jobs-Economic Development Authority	Yes	Yes
Myrtle Beach Air Force Base Redevelopment Authority	Yes	No
Palmetto Railways	Yes	No
Patriots Point Development Authority	Yes	No
Ports Authority	Yes	Yes
Research Authority	Yes	No
Santee Cooper (Public Service Authority)	Yes	Yes
Savannah River Site Redevelopment Authority	Yes	No
State Housing Finance and Development Authority	Yes	Yes
Transportation Infrastructure Bank	Yes	Yes

1. THE CHARLESTON NAVAL COMPLEX REDEVELOPMENT AUTHORITY

Pursuant to Section 31-12-40, the Charleston Naval Complex Redevelopment Authority was created by Executive Order No. 94-22.

A. Source of Bonding Authority

The Redevelopment Authority reports that its authority to issue revenue bonds appears in the Agency's enabling legislation. *See* Section 31-12-70

B. Summary of Outstanding Revenue Bonds

The Redevelopment Authority reports that it has no outstanding revenue bonds.

The Redevelopment Authority also report that it has never issued bonds of any type.

2. SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY

The South Carolina Jobs-Economic Development Authority was created by 1983 Act 145.

A. Source of Bonding Authority

JEDA reports that its authority to issued revenue bonds appears in Sections 41-43-100 and 41-43-110.

B. Summary of Outstanding Bonds

JEDA reports that as of June 30, 2022, there were 248 individual series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$5.424 billion.

Due to the number of outstanding bonds, JEDA did not provide the level of detail requested for each bond. The Executive Director of the Jobs-Economic Development Authority provided a summary of outstanding bond issuances. Annual Report.

MICHAEL W. NIX, CFA
Chairman



HARRY A. HUNTLEY, CPA
Executive Director

July 7, 2023

Grant Gillespie
Executive Director
SC State Fiscal Accountability Authority
1201 Main Street, Suite 420
Columbia, SC 29201

**Re: 2021 Proviso 104.11 – Study of Revenue Bonding Authority
Response of the South Carolina Jobs- Economic Development Authority**

Please accept this letter as the official response requesting updated information pursuant to Proviso 104.11 of the South Carolina Jobs-Economic Development

The South Carolina Jobs-Economic Development Authority was created by 1983 Act 145.

A. Source of Bonding Authority

JEDA's enabling legislation Section 43-43-100 & 41-43-110 authorize the issuances of bonds by the Authority . <https://www.scstatehouse.gov/code/t41c043.php>

B. Summary of Outstanding Bonds

As of JEDA June 30, 2022, there were 248 individual series industrial revenue bonds outstanding, with an aggregate principal amount payable of \$5.424 billion. Attached is a summary of bond issuances included in JEDA's 2022 Annual Report. Below is a link to the Authority's Annual Reports.
<https://scjeda.com/about/jeda-annual-reports/>

Sincerely,

Harry A. Huntley
Harry A. Huntley, CPA
Executive Director

3. MYRTLE BEACH AIR FORCE BASE REDEVELOPMENT AUTHORITY

Pursuant to Section 31-12-40, the Myrtle Beach Air Force Base Redevelopment Authority was created by Executive Order No. 94-23.

A. Source of Bonding Authority

The Redevelopment Authority reports that its authority to issue revenue bonds appears in the Agency's enabling legislation. *See* Section 31-12-70

B. Summary of Outstanding Revenue Bonds

The Redevelopment Authority reports that it is has no outstanding revenue bonds.

The Redevelopment Authority also reports that it has never issued any bonds.

4. PALMETTO RAILWAYS

Palmetto Railways is the Division of Public Railways, a division of the South Carolina Department of Commerce.

A. Source of Bonding Authority

Palmetto Railways reports that its authority to issue revenue bonds appears in Sections 13-1-1330(7), 13-1-1360, and 13-1-1460.

B. Summary of Outstanding Bonds

Palmetto Railways reports that it has no outstanding revenue bonds.

5. PATRIOT'S POINT DEVELOPMENT AUTHORITY

Patriot's Point Development Authority's enabling legislation appears in Chapter 13 of Title 51.

A. Source of Bonding Authority

Patriot's Point Development Authority's statutory authority to issue revenue bonds is identified as Section 51-13-810.

B. Summary of Outstanding Revenue Bonds.

Patriot's Point Development Authority reports that it has no outstanding revenue bonds.

Patriot's Point Development Authority also reports that it has never issued any bonds.

6. PORTS AUTHORITY

The South Carolina Ports Authority's enabling legislation appears in Chapter 3 of Title 54.

A. Source of Bonding Authority

- a. The Ports Authority identified Section 54-3-1010 as its statutory authority to issue revenue bonds it identified as outstanding.

B. Summary of Outstanding Revenue Bonds

The Ports Authority reports six series of revenue bonds outstanding.

The attached form was completed by the Ports Authority and provided all the information requested.

Various maturity and debt service schedules for each bond issue currently outstanding are included within the report but have been omitted by Committee staff in the interest of brevity. A copy of the full report including these details is available on request.

7. SOUTH CAROLINA RESEARCH AUTHORITY

The South Carolina Research Authority was established by Chapter 17 of Title 13.

A. Source of Bonding Authority

- a. The Research Authority reports that its authority to issue revenue bonds appears in Section 13-17-70(8) and (12)

B. Summary of Outstanding Revenue Bonds

The Research Authority reports that it has no outstanding revenue bonds.

The Research Authority also reports that it has no plans to issue revenue bonds.

8. SANTEE COOPER (PUBLIC SERVICE AUTHORITY)

Santee Cooper's enabling legislation appears in Chapter 31 or Title 58.

A. Source of Bonding Authority

Santee Cooper reports that it is "authorized to issue revenue bonds by Act. No. 887 of the State of South Carolina for 1934 and acts supplemental thereto and amendatory thereof, and pursuant to the authority of and full compliance with Resolution adopted by the Board of April 26, 1999, as amended and supplemented from time to time." *See* Sections 58-31-10 through 58-31-40.

B. Summary of Outstanding Revenue Bonds

Santee Cooper reports that it has \$6,635,693,000 in outstanding revenue bond obligations as of June 30, 2022.

The attached form was completed by Santee Cooper and provides the information requested.

Various maturity and debt service schedules for each bond issue currently outstanding are included within the report but have been omitted by Committee staff in the interest of brevity. A copy of the full report including these details is available on request.

9. SAVANNAH RIVER SITE REDEVELOPMENT AUTHORITY

Pursuant to Section 31-12-10, the Savannah River Site Redevelopment Authority was created by Executive Order No. 98-32.

A. Source of Bonding Authority

The Lower Savannah Council of Governments (LSCOG) responded on behalf of the Redevelopment Authority and states that it acts as the Redevelopment Authority's administrative agency.

LSCOG confirmed its authority to issue revenue bonds appears in 31-12-70.

B. Summary of Outstanding Revenue Bonds

LSCOG reports that the Redevelopment Authority has no outstanding revenue bonds.

10. STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY

The State Housing Finance and Development Authority was created by 1971 Act 500.

A. Source of Bonding Authority

State Housing reports that its authority to issue revenue bonds appears in Section 31-13-190 and 31-13-200.

B. Summary of Outstanding Revenue Bonds

The attached form was completed by State Housing and provides all the information requested.

Various maturity and debt service schedules for each bond issue currently outstanding are included within the report but have been omitted by Committee staff in the interest of brevity. A copy of the full report including these details is available on request.

11. TRANSPORTATION INFRASTRUCTURE BANK

The South Carolina Transportation Infrastructure Bank was created by 1997 Act 148.

A. Source of Bonding Authority

The Bank cites Article 3 of Title 11, Chapter 43, as the statutory authority for issuance of the bonds the Bank reported.

B. Summary of Outstanding Revenue Bonds

The attached form was completed by the Bank and provides all the information requested.

C. Other

The Bank maintains its prior position that “it is a state agency as opposed to a quasi-state agency.”

The Bank requests its position on its status as a state agency be noted on all releases, distributions, or publications of the information provided in its completed Information Request Form (attached) and reports issued on Proviso 104.11.

Various maturity and debt service schedules for each bond issue currently outstanding are included within the report but have been omitted by Committee staff in the interest of brevity. A copy of the full report including these details is available on request.

AGENCY: South Carolina Jobs Economic Development Authority

SUBJECT: Annual Report

Section 41-43-110(A) of the South Carolina Code of Laws requires that the South Carolina Jobs Economic Development Authority provide a report of its activities to the Joint Bond Review Committee. The report is due annually on July 31. The Authority has provided two reports pursuant to this requirement.

- 1) Bond Closings for Fiscal Year 2022-23
- 2) Approvals of the Coordinating Council Enterprise Committee for Fiscal Year 2022-23

The reports are provided as information to the Committee.

COMMITTEE ACTION:

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

ATTACHMENTS:

1. Bond Closing Report – July 1, 2022 - June 30, 2023.
2. Coordinating Council Enterprise Committee Approvals - Fiscal Year 2023.

AVAILABLE:

1. SC Code Section 11-43-110(A).
2. Audited Financial Report for the Fiscal Year Ended June 30, 2022.



**South Carolina Jobs-Economic Development Authority
Bond Closing Report
July 1, 2022 - June 30, 2023**

<u>Company</u>	<u>County</u>	<u>Final Bond Amount</u>	<u>Date Closed</u>	<u>Jobs Created</u>	<u>Existing Jobs</u>	<u>Notes</u>
Greenwood Charter Academy 2022A	Greenwood	\$24,210,000	8/25/2022	0	62	New construction of charter school
Greenwood Charter Academy 2022B	Greenwood	\$710,000	8/25/2022	see above		New construction of charter school
Heathwood Hall Episcopal School 2022A	Richland	\$6,600,000	9/1/2022	215	6	New capital expenditures for educational facility
Heathwood Hall Episcopal School 2022B	Richland	\$14,693,115	9/1/2022	see above	0	New capital expenditures for educational facility
Bon Secours Mercy Health 2022A	Berkeley/Charleston/Greenville	\$94,420,000	9/29/2022	8644	0	New capital expenditures for health care system
Prisma Health 2022B	Greenville	\$57,090,000	9/30/2022	see above	0	New capital expenditures for health care system
Georgetown Tideland 2022A	Georgetown/Horry	\$15,000,000	10/3/2022	2112	40	New capital expenditures for educational facility
Gadsden & Greene 2022	Richland	\$172,000,000	11/28/2022	0	0	New construction of affordable housing
Opportunity SC- The Park at Sondrio	Greenville	\$39,200,000	12/13/2022	6	0	New construction of affordable housing
Opportunity SC- The Park at Vietti	Spartanburg	\$27,865,000	12/13/2022	3	3	New construction of affordable housing
Georgetown Tideland 2022B	Georgetown/Horry	\$25,000,000	12/15/2022	see above	3	New capital expenditures for health care system
Opportunity SC - Windsor Shores	Richland	\$22,350,000	1/10/2023	3	3	New construction of affordable housing
Greenville Housing Fund- The Ivy Aptms	Greenville	\$30,500,000	1/19/2023	4	4	New capital expenditures for affordable housing
Bishop Gadsden 2023A	Charleston	\$17,200,000	1/25/2023	520	50	New construction of senior living facilities
Bishop Gadsden 2023B	Charleston	\$12,000,000	1/25/2023	see above		New construction of senior living facilities
AHP Silver Station LLC 2023A	Richland	\$55,000,000	3/23/2023	0	5	New construction of affordable housing
AHP Silver Station LLC 2023B	Richland	\$10,000,000	3/23/2023	see above		New construction of affordable housing
AHP Silver Station LLC 2023C	Richland	\$3,000,000	3/23/2023	see above		New construction of affordable housing
AHP Silver Station LLC 2023C Bond 2	Richland	\$6,576,026	3/23/2023	see above		New construction of affordable housing
AHP Silver Station LLC 2023C Bond 3	Richland	\$1,735,167	3/23/2023	see above		New construction of affordable housing
AHP Silver Station LLC 2023C Bond 4	Richland	\$1,060,000	3/23/2023	see above		New construction of affordable housing
International Paper	Richland	\$71,705,000	3/30/2023	652	0	Refinancing of existing debt of manufacturing facility
FAH Portfolio - Sterling Pelham Apartments 2023A1	Greenville	\$49,730,000	3/30/2023	8	10	New construction of affordable housing
FAH Portfolio - Sterling Pelham Apartments 2023A2 [T]	Greenville	\$1,535,000	3/30/2023	see above		New construction of affordable housing
FAH Portfolio - Sterling Pelham Apartments 2023B	Greenville	\$19,125,000	3/30/2023	see above		New construction of affordable housing
Libertas Academies Boiling Springs 2023A	Spartanburg	\$28,520,000	4/18/2023	62	0	New capital expenditures for educational facility
Libertas Academies Boiling Springs 2023B(T)	Spartanburg	\$900,000	4/18/2023	see above		New capital expenditures for educational facility
Belton Prep Academy 2023A	Anderson	\$19,400,000	4/21/2023			New construction of charter school
Belton Prep Academy 2023B	Anderson	\$585,000	4/21/2023	3	21	New construction of charter school
Prisma Health	Greenville/Laurens/Lexington/O	\$100,000,000	6/8/2023	0	29,000	New capital expenditures for ambulatory surgery centers
AHP- Hawthorn Springs Apartment Homes 2023C	conee/Pickens/Sumter	\$11,751,236	6/30/2023	5	0	New construction - affordable housing
	Lexington					

Total JEDA Bonds Issued FY ending June 30, 2023 \$939,460,544

FY 2023 CCED APPROVALS
JEDA BOND PROJECTS

PROJECT NAME	COUNTY	ASSOCIATED JOB NUMBERS	INDUCEMENT AMOUNT	JEDA INDUCEMENT DATE	COORDINATING COUNCIL ENTERPRISE COMMITTEE APPROVAL DATE
Affordable Housing Partners- Silver Station, LLC	Richland	6	\$85M	6/22/2022	7/14/2022
Greenwood Charter Academy	Greenwood	62	\$26M	6/22/2022	7/14/2022
Heathwood Hall Episcopal School	Richland	215	\$28M	6/22/2022	7/14/2022
Kiawah Life Plan Village- Seafields at Kiawah Island	Charleston	80	\$220M	6/22/2022	7/14/2022
Affordable Housing Alliance II- Windsor Apartments	York	4	\$65M	7/20/2022	8/4/2022
Affordable Housing II- Providence Park Aptmts	Richland	4	\$65M	7/20/2022	8/4/2022
American Titanium Works, LLC- ATW South Carolina	Laurens	300	\$700M [Taxable]	7/20/2022	8/4/2022
Bon Secours Mercy Health, LLC	Berkeley, Charleston, Greenville	8,644	\$200M	7/20/2022	8/4/2022
Gadsden & Greene, LLC - USC Development Foundation	Richland	40	\$180M	8/17/2022	9/1/2022
Georgetown Hospital System- Tidelands Health	Georgetown, Horry	2,112	\$45M	8/17/2022	9/1/2022
Housing on Merit- Vue at St. Andrews Aptmts	Lexington	8	\$60M	8/23/2022	9/1/2022
Opportunity South Carolina- The Park at Vietti Aptmts	Spartanburg	6	\$45M	8/17/2022	9/1/2022
Opportunity South Carolina- The Park at Sondrio Aptmts	Greenville	6	\$55M	9/21/2022	10/6/2022
Affordable Housing Partners - Lake Station Aptmts	Richland	6	\$80M	10/19/2022	11/3/2022
Bishop Gadsden Episcopal Retirement Community	Charleston	570	\$35M	10/19/2022	11/3/2022
Greenville Housing Fund- The Ivy Apartments	Greenville	8	\$45M	10/19/2022	11/3/2022
Affordable Housing Partners- Silver Station Aptmts	Richland	6	\$100M	11/16/2022	12/1/2022
Libertas Academies- Libertas Boiling Springs	Spartanburg	62	\$35M	11/16/2022	12/1/2022
Opportunity South Carolina- Windsor Shores Aptmts	Richland	6	\$35M	11/16/2022	12/1/2022
East Link Academy	Greenville	34	\$15M	12/7/2022	2/2/2023
Foundation for Affordable Housing- Portfolio Project	Aiken, Greenville, Richland & York	67	\$450M	1/18/2023	2/2/2023
Affordable Housing Partners- Hawthorn Springs Aptmts	Lexington	6	\$85M	2/16/2023	3/2/2023

FY 2023 CCED APPROVALS
 JEDA BOND PROJECTS

International Parper	Richland	600	\$71.705M	2/16/2023	3/2/2023
Restoration Project Foundation-Belton Preparatory Academy	Anderson	28	\$28M	2/16/2023	3/2/2023
AAC East LLC	Marlboro	70	\$7.235M [Taxable]	3/15/2023	4/6/2023
Virtus Academy of South Carolina	Florence	85	\$15.5M	3/15/2023	4/6/2023
Prisma Health	Greenville, Laurens, Lexington, Oconee, Pickens, Sumter	29,000	\$100M	4/19/2023	5/11/2023
Atlantic Collegiate Academy	Horry	34	\$22.5M	5/17/2023	6/1/2023

AGENCY: South Carolina Department of Administration
Executive Budget Office

SUBJECT: Report of Disbursement Requests 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 requests for disbursement pursuant to the proviso:

Edgefield	Edgefield County School District – Workforce Development and Equipment	\$ 500,000
Allendale	Renovate C.V. Bing High School to Consolidate Law Enforcement and Other Town and County Facilities	4,500,000
Barnwell	Williston City Park	1,000,000

Reflected below is a summary of the appropriations and current status of funding by designated recipient.

Recipient	Appropriated		Prior Disbursements		Proposed Disbursements		Awaiting Disbursement	
	Projects	Amount	Projects	Amount	Projects	Amount	Projects	Amount
Aiken	15	\$ 145,850,000	15	\$ 145,850,000			-	\$ -
Allendale	4	27,000,000	2	20,000,000	1	4,500,000	1	2,500,000
Bamberg	2	9,000,000	1	4,000,000			1	5,000,000
Barnwell	4	110,000,000	2	4,000,000	1	1,000,000	1	105,000,000
Colleton	1	1,387,932					1	1,387,932
Edgefield	4	20,200,000	3	19,700,000	1	500,000	-	-
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	3	23,000,000			1	10,000,000
Total	44	\$ 367,631,035	36	\$ 237,743,103	3	\$ 6,000,000	5	\$ 123,887,932

COMMITTEE ACTION:

Receive the report as information in accordance with the proviso.

ATTACHMENTS:

1. Department of Administration, Executive Budget Office, Agenda Item Worksheets.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: **August 22, 2023**

Savannah River Site Litigation Settlement Fund

1. Submitted By:

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



Mike Shealy, Executive Budget Office

2. County:

Edgefield County

3. Submission Details

Project Title: Edgefield County School District – Workforce Development and Equipment

Request Amount: \$500,000

Project Description and Justification:

After an extensive process of exploring county-wide needs involving the Office of Economic Development, the State Department of Education, and local school district partners our focus of the SRS Settlement Funds will enhance the delivery of instruction in both industrial technology and cybersecurity fields of study. Enhancing our student's access to workforce development trainings, the use of mechatronics and industry technology tools will assist approximately 570 students who receive daily instruction related to college and career readiness to utilize updated technology to engage in hands on experiences. The use of the industry aligned, tested, and approved tools and three dimensional educational devices will assist in giving students a higher level of exposure to careers that are directly related to local demand as indicated by both industrial technology and cyber related career fields.

Projected Execution of the Construction Contract: TBD

Projected Completion of Construction: TBD

Estimated Total Project Costs: \$500,000

Additional Annual Operating Costs/Savings: \$0

Construction/Renovation/Acquisition/Maintenance Funded:

Using state and federal provided recurring funds, will ensure that the maintenance of both the physical equipment and training needs are addressed.

4. What is JBRC asked to do?

Consider approval of the Savannah River Site Litigation Settlement Fund Submission Item

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. Edgefield County School District – Workforce Development and Equipment - Request

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 22, 2023

Savannah River Site Litigation Settlement Fund

1. Submitted By:

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


Mike Shealy, Executive Budget Office

2. County:

Allendale County

3. Submission Details

Project Title: Renovate C.V. Bing High School to Consolidate Law Enforcement and Other Town and County Facilities

Request Amount: \$4,500,000

Project Description and Justification:

This is for the rehab of the former Allendale Primary School into the Allendale Community Center (ACC). The ACC will be a state-of-the-art complex spread across 75,000 square feet of multi-purpose facilities, providing Allendale County residents much needed access to services centered around healthcare, workforce housing (25-30 affordable units), job-training, recreation, and security. The ACC will stimulate economic, educational, and personal growth for the community. In addition, this catalytic development would preserve and re-occupy a significant community landmark, will provide employment opportunities within the community, and stimulate additional revitalization efforts in downtown Allendale. Planned community center programming includes: the Clemson University Emerging Scholars Program (active in Allendale since 2002), healthcare outreach through the Joseph F. Sullivan Center and Clemson University, a new Allendale County Sheriff's Department substation, childhood development/enrichment programming (afterschool academic services as well as extracurriculars such as ballet, dance, soccer, gymnastics, etc.), and a rentable community event space consisting of a 200-person banquet hall with adjacent kitchen. The ACC will address the barriers socioeconomic mobility of the surrounding community by creating a multi-purpose center, flexible in design, to increase individual and community health and well-being. This redevelopment will take place on the site of the former Allendale Primary School, an important landmark given its significance to the education of the African American population in the community.

Projected Execution of the Construction Contract: 2nd Quarter of 2024

Projected Completion of Construction: 4th Quarter of 2025

Estimated Total Project Costs: \$18,250,000

Additional Annual Operating Costs/Savings: \$950,000

Construction/Renovation/Acquisition/Maintenance Funded:

The development and construction of the Community Center will be overseen by a private partner that specializes in historic renovation. Once occupied by the County and Clemson, the County will maintain and oversee the property.

4. What is JBRC asked to do?

Consider approval of the Savannah River Site Litigation Settlement Fund Submission Item

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. Renovate C.V. Bing High School to Consolidate Law Enforcement and Other Town and County Facilities - Request

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: **August 22, 2023**

Savannah River Site Litigation Settlement Fund

1. Submitted By:

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



Mike Shealy, Executive Budget Office

2. County:

Barnwell County

3. Submission Details

Project Title: Williston City Park Multipurpose Building

Request Amount: \$1,000,000

Project Description and Justification:

The new building will offer space needed for our community as a community building /Town Hall. It will provide a place where our community and employees can work together to improve the services and opportunities for growth through improved technology that will provide our community with the resources that will maintain efficient services. The building will be a centerpiece for the Town of Williston. The Town has been able to secure additional funds to help with the cost. This building will have upgrades to provide easy access for community members doing business with the Town, and provide a safe place for our employees as they provide quality services for the community. This building will also host our monthly Town Council meetings and other opportunities for town events.

Projected Execution of the Construction Contract: March 2024

Projected Completion of Construction: June 2025

Estimated Total Project Costs: \$1,000,000

Additional Annual Operating Costs/Savings: \$0

Construction/Renovation/Acquisition/Maintenance Funded:

Maintenance will be funded through the city's general fund.

4. What is JBRC asked to do?

Consider approval of the Savannah River Site Litigation Settlement Fund Submission Item

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. Williston City Park Multipurpose Building - Request

Savannah River Site Litigation Settlement Fund Annual Expenditure Report

County / Project	Allocated Amount	Date Request Received	Meeting Approved	FY23 Annual Expenditures	Balance
Allen	\$ 146,350,000				
Aiken County Public School District - New Career and Technology Center and district-wide technology upgrades	\$ 30,000,000	12/15/22	4-2023	\$ 311,002	\$ 29,688,998
Aiken County United Way Building/Infrastructure	\$ 250,000	12/15/22	4-2023	\$ 250,000	\$ -
Aiken Generational Park	\$ 1,200,000	12/15/22	4-2023	\$ -	\$ 1,200,000
Aiken Railroad Facilities Renovation and Completion	\$ 900,000	12/15/22	4-2023	\$ -	\$ 900,000
Aiken Rural Health Services Building	\$ 6,000,000	12/15/22	4-2023	\$ 3,311,915	\$ 2,688,085
Children's Place Incorporated/Multi-County Therapeutic Child Care Infrastructure	\$ 500,000	12/15/22	4-2023	\$ 500,000	\$ -
Cyber Initiative Infrastructure investment to complement Fort Gordon Army Cyber Command and Georgia Cyber Command	\$ 15,000,000	12/15/22	4-2023	\$ -	\$ 15,000,000
Fox Creek Athletic Complex	\$ 500,000	01/18/22	5-2023	\$ 386,705	\$ 113,295
Highway 19 Corridor Business/Economic Development Improvements (New Ellenton) and Downtown Water/Sewer Infrastructure (Wagner, Jackson, Burnettsville, and Salley)	\$ 6,000,000	12/20/22	4-2023	\$ 255,524	\$ 5,744,476
Improvements to Sage Mill Industrial Park to include water and sewer upgrades	\$ 5,000,000	12/15/22	4-2023	\$ -	\$ 5,000,000
Industrial Park Project in eastern Aiken County (land and infrastructure)	\$ 10,000,000	12/20/22	4-2023	\$ -	\$ 10,000,000
North Augusta Regional Solid Waste Transfer Station	\$ 2,000,000	12/15/22	4-2023	\$ 199,650	\$ 1,800,350
North Augusta/Aiken County New Savannah Bluff Lock and Dam	\$ 20,000,000	12/15/22	4-2023	\$ -	\$ 20,000,000
Off-site Infrastructure Improvements for SRS National Lab, including the Aiken Technology Innovation Center	\$ 20,000,000	03/14/23	6-2023	\$ -	\$ 20,000,000
Redevelopment and Economic Development in Downtown and Aiken's Northside Toward I-20	\$ 25,000,000	12/15/22	4-2023	\$ 9,600,000	\$ 15,400,000
Water line along Highway 39 from Wagener to Monetta with two elevated storage tanks and three pump stations	\$ 4,000,000	12/15/22	4-2023	\$ -	\$ 4,000,000
Allendale	\$ 27,000,000				
Allendale County Law Enforcement Agency Consolidation and Upgrades	\$ 2,500,000				
Allendale County - Purchase, Permitting, and Development of Potential Industrial Property Site	\$ 5,000,000	01/05/23	4-2023	\$ -	\$ 5,000,000
Allendale County - Renovate C.V. Bing High School to Consolidate Law Enforcement and Other Town and County Facilities	\$ 4,500,000				
Allendale School District - Capital Improvements to Allendale High School and other district buildings	\$ 15,000,000	05/23/23	7-2023	\$ -	\$ 15,000,000
Bamberg	\$ 9,000,000				
Bamberg County - Cross Rhodes Industrial Park Speculative Building	\$ 4,000,000	12/02/22	4-2023	\$ -	\$ 4,000,000
Bamberg County Consolidated Schools - Schools Facilities Bond Reduction	\$ 5,000,000				
Barnwell	\$ 110,000,000				
Barnwell Multipurpose Building	\$ 2,000,000	04/14/23	7-2023	\$ -	\$ 2,000,000
Blackville Multipurpose Space	\$ 2,000,000	05/11/23	7-2023	\$ -	\$ 2,000,000
Construction of Consolidated High School and Career Center and K-8 School for Williston and Blackville	\$ 105,000,000				
Williston City Park Multipurpose Building	\$ 1,000,000				
Colleton	\$ 1,387,932				
Colleton County - New Speculative Industrial Shell Building and Engineering	\$ 1,387,932				
Edgefield	\$ 19,700,000				
Bettis Academy Preparatory School Renovation and Construction	\$ 1,200,000	01/18/23	5-2023	\$ 360,000	\$ 840,000
Edgefield County Law Enforcement Center	\$ 18,000,000	09/21/22	2-2023	\$ -	\$ 18,000,000
Edgefield County School District - Workforce Development Training and Equipment	\$ 500,000				
Hampton	\$ 3,137,931				
Hampton County - Purchase property adjacent to Southern Carolina Industrial Park	\$ 3,137,931	12/09/22	4-2023	\$ 609,543	\$ 2,528,388
Lexington	\$ 11,900,000				
Batesburg-Leesville Industrial Park - Construction of Speculative Building on Parcel #1	\$ 2,100,000	01/30/23	5-2023	\$ -	\$ 2,100,000
Batesburg-Leesville Industrial Park - Site Preparation for Parcel #1	\$ 1,250,000	01/30/23	5-2023	\$ -	\$ 1,250,000
Chapin Business and Technology Park at Brighton - Site Preparation for Parcel #10	\$ 1,250,000	01/30/23	5-2023	\$ -	\$ 1,250,000
Saxe Gotha Industrial Park - Phase III Roadway and Water Expansion	\$ 4,800,000	01/30/23	5-2023	\$ -	\$ 4,800,000
Saxe Gotha Industrial Park - Site Preparation for Parcel #9	\$ 2,500,000	01/30/23	5-2023	\$ 112,000	\$ 2,388,000
Orangeburg	\$ 6,155,172				
Orangeburg County - Hidden Valley Road/Essex Road Sewer	\$ 655,172	10/26/22	3-2023	\$ -	\$ 655,172
Orangeburg County - Holly Hill Services Center Renovation	\$ 1,000,000	10/31/22	4-2023	\$ -	\$ 1,000,000
Orangeburg County - Property Acquisition	\$ 500,000	05/04/23	7-2023	\$ -	\$ 500,000
Western End Industrial Speculative Building	\$ 4,000,000	10/31/22	4-2023	\$ -	\$ 4,000,000
Grand Total	\$ 334,631,035				

AGENCY: South Carolina Department of Administration
Facilities Management and Property Services

SUBJECT: Real Property Transfer – Savannah River Maritime Commission

By letter dated June 16, 2023, the South Carolina Department of Administration, Division of Facilities Management and Property Services, notified Committee staff of impending action by the Department to effectuate a transfer of approximately 2,000 acres of real property located in Jasper County from the Savannah River Maritime Commission to the State of South Carolina, following the fulfillment of certain terms of a settlement agreement executed in April and May of 2013 by and among the Commission, the South Carolina Department of Health and Environmental Control, the Savannah Riverkeeper, the South Carolina Coastal Conservation League, the South Carolina Wildlife Federation, the U.S. Army Corps of Engineers, and the Georgia Ports Authority; and in accordance with the terms of Proviso 118.2 (SR: Titling of Real Property) of the Fiscal Year 2023-24 Appropriations Act.

The transfer pursuant to the settlement agreement was subject to reversion of the property to the Georgia Department of Transportation under certain conditions. Because of this provision, the Commission suggested, and the State Fiscal Accountability Authority¹ agreed, that the interests of the state would be best served by the Commission retaining title until the reversion provision no longer retained any effect or validity. The property was subject to reversion only until commencement of dredging of the Inner Harbor. As the dredging not only has commenced, but is now complete, the Commission seeks to title the property in the name of the State, in accordance with the Titling Proviso.

Inasmuch as this transfer of previously acquired property is being effectuated purely as an administrative matter in accordance with the Titling Proviso, and not as a real property acquisition that otherwise would be subject to the provisions of Section 2-47-50 of the South Carolina Code of Laws, Committee staff advised its belief that the Department could proceed with the administrative transfer without prior review of the Joint Bond Review Committee; however, Committee staff further advised that notwithstanding this guidance, the transfer would be reported as information to the Committee at its next meeting tentatively scheduled for August 22, 2023.

COMMITTEE ACTION:

Receive as information.

ATTACHMENTS:

1. Letter dated June 16, 2023, of Ms. Ashlie Lancaster, Director, Division of Facilities Management and Property Services, South Carolina Department of Administration.
2. State Budget and Control Board Agenda Item 5 for the meeting of August 12, 2014.
3. Letter of July 21, 2014, of Mr. Randolph R. Lowell, Willoughby & Hoefler, P.A.
4. Letter dated July 12, 2023, of Committee Staff.

¹ Then the State Budget and Control Board.

June 16, 2023

Mr. F. Richard Harmon, Jr.
Director of Research
312 Gressette Senate Office Building
1101 Pendleton Street
Columbia, South Carolina 29201
Via Email to RickHarmon@scsenate.gov

Re: Savannah River Maritime Commission

Dear Mr. Harmon,

The Savannah River Maritime Commission entered into a settlement in federal district court with the Georgia Ports Authority over the Savannah Harbor Expansion Project in 2013. The settlement included, among other things, the transfer of 2,000 acres of real property in Jasper County to the State of South Carolina from the Georgia Department of Transportation.

The provision in the settlement providing for the transfer of the property also included a reverter clause. The Budget and Control Board approved acceptance of the property at its August 12, 2014, meeting, including titling the property in the name of the Commission until the reverter clause no longer retained any effect or validity.

The reverter clause was only valid until dredging of the Inner Harbor commenced. As the dredging is now complete, the Commission is seeking to have the property now titled in the name of the State instead of the Commission in accordance with the titling proviso (Proviso 118.2).

As approvals accepting the property were previously obtained, the Department of Administration will effectuate this transfer as an administrative matter in accordance with the original intent of the settlement.

Please accept this letter as notice to the Joint Bond Review Committee of this transfer and advise if you need any additional information.

Sincerely,

Ashlie Lancaster

Ashlie Lancaster



AGENCY: Division of General Services

SUBJECT: Savannah River Maritime Commission's Request to Accept and Take Title to Approximately 2,000 Acres of Real Property in Jasper County

In 2007, the General Assembly created the Savannah River Maritime Commission (Commission) to represent this State in all matters pertaining to the navigability, depth, dredging, wastewater and sludge disposal, and related collateral issues in regard to the use of the Savannah River as a waterway for ocean-going container or commerce vessels.

The Commission was a party to litigation in state and federal court regarding the Savannah Harbor Expansion Project. In April 2013, a settlement agreement was reached, which was approved by the federal district court on May 27, 2013. One of the terms and conditions included in the settlement agreement provides that the Georgia Ports Authority will cause to be transferred from the Georgia Department of Transportation approximately 2,000 acres of property in Jasper County to the Commission. This provision providing for the transfer of property includes a reverter clause which directs that such property shall revert back to the Georgia Department of Transportation under certain conditions set forth therein. The terms and conditions of the settlement agreement do not require any monetary payment for this property, and the Commission does not anticipate on-going costs associated with the acquisition of the property.

Pursuant to Proviso 118.2 of the 2014-2015 Appropriations Act, title to property acquired by most state entities should generally be titled in the name of the State, unless the Board determines title should not be in the name of the State because the property is subject to reverter clauses or other restraints on the property, or where the Board determines the State would be best served by not receiving title. In this instance, the terms and conditions of the settlement agreement include a reverter clause with regard to the described transfer of property to the Commission. Thus, the Commission requests approval to accept and take title to approximately 2,000 acres of real property in Jasper County pursuant to the settlement agreement. The Commission states that it does not intend to retain title to the property in perpetuity. The Commission believes because of the possibility of reverter and additional litigation that could involve the property, the best interests of South Carolina are served by the Commission retaining title until the reverter provision no longer retains any effect or validity. At that time, the Commission will consult with the Board regarding disposition of the property to ensure it best serves the interest of the State.

BOARD ACTION REQUESTED:

Consider approval of the acceptance of approximately 2,000 acres of real property in Jasper County pursuant to the settlement agreement, with such property titled in the name of the Commission.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Section 1-11-65; 2014-2015 Appropriations Bill H.4701, Part 1B, Proviso 118.2; Letter from Willoughby & Hoefler, P.A. dated July 21, 2014

WILLOUGHBY & HOEFER, P.A.

ATTORNEYS & COUNSELORS AT LAW

930 RICHLAND STREET

P O BOX 8416

COLUMBIA SOUTH CAROLINA 29202-8416

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ANDREW J D'ANTONI

AREA CODE 803
TELEPHONE 252 3300
TELECOPIER 256 8062

*ALSO ADMITTED IN TX

**ALSO ADMITTED IN THE DISTRICT OF COLUMBIA

July 21, 2014

VIA E-MAIL

Ms. Ashlie Lancaster
S.C. Budget & Control Board

Re: Request of the Savannah River Maritime Commission for approval to take title to approximately 2,000 acres of property in Jasper County

Dear Ms. Lancaster:

On behalf of the Savannah River Maritime Commission (Commission), please accept this letter as a request to the S.C. Budget & Control Board (Board) for approval for the Commission to accept and take title to approximately 2,000 acres of real property in Jasper County pursuant to a settlement agreement. S.C. Code Ann. § 1-11-65 (providing that all transactions involving real property made for or by governmental bodies must be approved by the Board).

The Commission was a party to litigation in state and federal court regarding the Savannah Harbor Expansion Project (SHEP). In April 2013, a settlement agreement was reached, which was approved by the federal district court on May 27, 2013. A copy of the settlement agreement and approval order is attached. One of the "terms and conditions" included in the settlement agreement provides that the Georgia Ports Authority (GPA) will cause to be transferred from the Georgia Department of Transportation (GDT) approximately two thousand (2,000) acres of property in Jasper County (identified on the map exhibit to the settlement agreement) to the Commission.¹ Settlement Agreement at 9, § II.B.6.

Importantly, this provision providing for the transfer of property includes a reverter clause which directs that such property shall automatically revert back to the GDT under certain conditions set forth therein. The terms and conditions of the settlement agreement do not require

¹ Per the settlement agreement, the transfer of property is conditioned upon receipt of approval by the Board.

Ms. Ashlie Lancaster
S.C. Budget & Control Board
July 21, 2014

any monetary payment for this property, and the Commission does not anticipate on-going costs associated with the acquisition of the property.

Although generally title to property acquired by a state agency is titled in the name of the State, an exception applies to property subject to a reverter clause or other restraint, such as the one provided for in the terms and conditions of the Settlement Agreement with regard to the described transfer of property to the Commission. S.C. Act No. 286, Part 1B, § 118.2. Accordingly, the Commission hereby requests the Board to approve the transfer of property to the Commission pursuant to the terms of the Settlement Agreement and to authorize said property to be titled in the name of the Commission. It is not the Commission's intent to retain title to the property in perpetuity. Rather, because of the possibility of reverter and additional litigation that could involve the property, the best interests of South Carolina are served² by the Commission retaining title until the reverter provision no longer retains any effect or validity.³ At that time, the Commission will consult with the Budget and Control Board regarding disposition of the property to ensure it best serves the interests of the State of South Carolina.

Thank you for your time and consideration. If you have any questions, please do not hesitate to contact me.

Very truly yours,

WILLOUGHBY & HOEFER, P.A.



Randolph R. Lowell

cc: **The Honorable William D. Moss, Jr.**
Robert Cook, Esquire
Parkin Hunter, Esquire
David Avant, Esquire

² By allowing the Commission to retain title until the threat of reverter passes, the potential for the State, the Budget and Control Board, and its members to be subject to litigation in state and federal court over this matter in the event the Settlement Agreement is terminated and litigation recommenced is removed.

³ The reverter clause loses effect and validity once the dredging of the Inner Harbor, as defined in the Settlement Agreement is commenced. That is expected to be less than three years from the execution of the project partnership agreement, which is expected to occur by the end of September 2014.

**Capital Improvements
Joint Bond Review Committee**

HARVEY S. PEELER, JR.
SENATE
CHAIRMAN

SENATE MEMBERS
HARVEY S. PEELER, JR.
THOMAS C. ALEXANDER
NIKKI G. SETZLER
RONNIE W. CROMER
KATRINA F. SHEALY

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GILDA COBB-HUNTER
LEONIDAS E. STAVRINAKIS
HEATHER AMMONS CRAWFORD
WILLIAM G. HERBKERSMAN



BRUCE W. BANNISTER
HOUSE OF REPRESENTATIVES
VICE CHAIRMAN

F. RICHARD HARMON, JR.
DIRECTOR OF RESEARCH
SFAA LIAISON
803-212-6682

MILLER A. SMOAK
ADMINISTRATIVE ASSISTANT
803-212-6677
FAX: 803-212-6690

July 12, 2023

Ms. Ashlie Lancaster
Director, Facilities Management and Property Services
South Carolina Department of Administration
1200 Senate Street, 6th Floor
Columbia, SC 29201

Re: Savannah River Maritime Commission

Dear Ms. Lancaster:

By letter dated June 16, 2023, you have advised of impending action by the South Carolina Department of Administration to effectuate a transfer of approximately 2,000 acres of real property from the Savannah River Maritime Commission to the State of South Carolina, following the fulfillment of certain terms of a settlement agreement executed in April and May 2013 by and among the Commission, the South Carolina Department of Health and Environmental Control, the Savannah Riverkeeper, the South Carolina Coastal Conservation League, the South Carolina Wildlife Federation, the U.S. Army Corps of Engineers, and the Georgia Ports Authority; and in accordance with the terms of Proviso 118.2 (SR: Titling of Real Property) of the Fiscal Year 2023-24 Appropriations Act.

Inasmuch as this transfer of previously acquired property from the Commission to the State is being effectuated purely as an administrative matter in accordance with the Titling Proviso, and not as a real property acquisition that otherwise would be subject to the provisions of Section 2-47-50 of the South Carolina Code of Laws, we believe that the Department of Administration may proceed with the administrative transfer pursuant to the Titling Proviso without prior review of the Joint Bond Review Committee.

Nevertheless, the transfer will be reported as information to the Committee at its next meeting tentatively scheduled on August 22, 2023.

Very truly yours,

F. Richard Harmon, Jr.
Director of Research

c: Mr. Mike Shealy
Interim Director, Executive Budget Office

AGENCY: Joint Bond Review Committee

SUBJECT: Future Meeting

The State Fiscal Accountability Authority is scheduled to meet on Tuesday, October 17, 2023.

2023

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
1	2	3	4	5	6	7						1							1	1	2	3	4	5	6	7	
8	9	10	11	12	13	14	2	3	4	5	6	7	8	2	3	4	5	6	7	8	8	9	10	11	12	13	14
15	16	17	18	19	20	21	9	10	11	12	13	14	15	9	10	11	12	13	14	15	15	16	17	18	19	20	21
22	23	24	25	26	27	28	16	17	18	19	20	21	22	16	17	18	19	20	21	22	22	23	24	25	26	27	28
29	30	31					23	24	25	26	27	28	29	23	24	25	26	27	28	29	29	30	31				
							30							30	31												

February							May							August							November						
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
			1	2	3	4		1	2	3	4	5	6			1	2	3	4	5				1	2	3	4
5	6	7	8	9	10	11	7	8	9	10	11	12	13	6	7	8	9	10	11	12	5	6	7	8	9	10	11
12	13	14	15	16	17	18	14	15	16	17	18	19	20	13	14	15	16	17	18	19	12	13	14	15	16	17	18
19	20	21	22	23	24	25	21	22	23	24	25	26	27	20	21	22	23	24	25	26	19	20	21	22	23	24	25
26	27	28					28	29	30	31				27	28	29	30	31			26	27	28	29	30		

March							June							September							December						
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
			1	2	3	4					1	2	3						1	2						1	2
5	6	7	8	9	10	11	4	5	6	7	8	9	10	3	4	5	6	7	8	9	3	4	5	6	7	8	9
12	13	14	15	16	17	18	11	12	13	14	15	16	17	10	11	12	13	14	15	16	10	11	12	13	14	15	16
19	20	21	22	23	24	25	18	19	20	21	22	23	24	17	18	19	20	21	22	23	17	18	19	20	21	22	23
26	27	28	29	30	31		25	26	27	28	29	30	24	25	26	27	28	29	30	24	25	26	27	28	29	30	
																				31							

COMMITTEE ACTION:

Schedule next meeting.

ATTACHMENTS:

None.