## Capital Improvements Foint 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

#### **HOUSE MEMBERS**

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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

#### JOINT BOND REVIEW COMMITTEE MEETING Tuesday, December 5, 2023 – 1:00 p.m. 105 Gressette Building

#### **AGENDA**

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#### AGENDA (continued)

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AGENCY: South Carolina Department of Commerce

SUBJECT: Proposed Funding to Support Economic Development Project

Chapter 41 of Title 11 of the South Carolina Code of Laws, the State General Obligation Economic Development Bond Act, provides among other things for the issuance of General Obligation State Economic Development Bonds to finance infrastructure for economic development projects.

At its meeting on October 18, 2022, the Joint Bond Review Committee recommended approval of a proposed issuance of not exceeding \$70,300,000 General Obligation Economic Development Bonds to defray the costs of certain improvements and infrastructure in connection with a qualifying investment by a project sponsor of not less than \$400 million and creation of no fewer than 400 new jobs.

By letter dated November 3, 2023, the South Carolina Department of Commerce has notified the Committee of an additional qualifying investment by the project sponsor of not less than \$400 million and creation of no fewer than an additional 400 new jobs, for a combined investment of not less than \$800 million and combined new job creation of no fewer than 800 new jobs.

The Department now proposes issuance of an additional \$50,000,000 General Obligation State Economic Development Bonds in connection with the additional qualifying investment and commitment to new jobs by the project sponsor. The original and additional bonds will be issued pursuant to an amended and restated authorization of not exceeding \$121,000,000 General Obligation State Economic Development Bonds, the proceeds of which will be used to defray costs of eligible items of infrastructure, reimburse the Department for any agency funds made available preceding the issuance of the bonds, and to pay costs of issuance.

In accordance with Section 11-41-70 of the Code of Laws, Secretary of Commerce Lightsey has certified among other things that the improvements to be financed with proceeds of the bonds constitute infrastructure as defined in the Act; that the project consists of an investment by the project sponsor of not less than \$800 million and the creation of no fewer than 800 new jobs; that the construction of the infrastructure will enhance the recruitment and facilitate the operation and growth of industry and business to the state; that benefits of the project outweigh costs of the infrastructure; and that the bonds will serve a public purpose by fostering economic development and increasing employment in the state.

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

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

#### **COMMITTEE ACTION:**

Review and make recommendation regarding the issuance, as amended and restated, of not exceeding \$121,000,000 General Obligation State Economic Development Bonds pursuant to the State General Obligation Economic Development Bond Act.

#### **ATTACHMENTS:**

- 1. Letter dated November 3, 2023, of Ms. Karen Blair Manning, Chief Legal Counsel, South Carolina Department of Commerce.
- 2. Certificate of the Secretary, South Carolina Department of Commerce.
- 3. Bond Information Report.

#### AVAILABLE:

1. Draft Resolution, as amended and restated, providing for the issuance and sale of not exceeding \$121,000,000 General Obligation State Economic Development Bonds.



Henry McMaster Governor

#### SOUTH CAROLINA DEPARTMENT OF COMMERCE

Harry M. Lightsey III Secretary

November 3, 2023

Mr. F. Richard Harmon, Jr. Joint Bond Review Committee 105 Gressette Building Columbia, SC 29201

Mr. Delbert Singleton State Fiscal Accountability Authority 1200 Senate Street Columbia, SC 29201

Dear Rick and Delbert:

The purpose of this letter is to notify the Joint Bond Review Committee (JBRC) and the State Fiscal Accountability Authority (SFAA) of the request by the Department of Commerce ("Commerce") to authorize and approve the proposed issuance of an additional \$50 million in state general obligation economic development bonds ("Economic Development Bonds") in connection with a significant confidential economic development project that consists of an investment in the State of South Carolina by manufacturers of electric vehicle batteries (the "Project").

By Certificate dated October 4, 2022, Secretary Harry Lightsey previously certified that that the Project involved the investment by the Project Sponsor of not less than \$400 million and the creation of no fewer than 400 new jobs. After further negotiations, the Project's Sponsor has committed to an additional investment of not less than \$400 million and the creation of no fewer than 400 new jobs for a combined investment of not less than \$800 million and combined new job creation of no fewer than 800 new jobs (the "Amended Project").

Accordingly, Secretary Lightsey has certified in the attached certificate that the Amended Project meets all statutory requirements under the State General Obligation Economic Development Bond Act, and Commerce respectfully requests that JBRC and SFAA authorize (1) the issuance of Economic Development Bonds, and notes in anticipation thereof, in an amount not to exceed \$121 million (including up to \$1 million for costs of issuance) to defray the costs of eligible items of infrastructure, as defined in Section 11-41-30(3) of the Code of Laws of South Carolina, 1976, as amended, and (2) include provision for reimbursement from proceeds of the Economic Development Bonds or notes, as the case may be, should Commerce use other agency funds available on a short-term basis to fund eligible items of infrastructure prior to issuance of the bonds.

Sincerely

Karen Blair Manning

Chief Legal Counsel

Attachment

### AMENDED CERTIFICATE OF THE SECRETARY SOUTH CAROLINA DEPARTMENT OF COMMERCE

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

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

Pursuant to Section 11-41-70 of the Code of Laws of South Carolina, 1976, as amended, the Department hereby notifies the Joint Bond Review Committee and the State Fiscal Accountability Authority of the State of South Carolina of its request to authorize the issuance of General Obligation State Economic Development Bonds (the "Economic Development Bonds") in connection with an economic development project which consists of an investment in the State of South Carolina (the "State") by manufacturers of certain products, specifically, electric vehicle batteries (the "Project").

By my Certificate dated October 5, 2022, I certified to the State Fiscal Accountability Authority of the investment by a manufacturing concern, identified therein as the "Sponsor", of not less than Four Hundred Million Dollars (\$400,000,000), and the creation at the Project by the Sponsor of no fewer than four hundred (400) "new jobs" (as defined in Section 11-41-30(7) of the Code of Laws of South Carolina, 1976, as amended). Further negotiations between the Department and the Sponsor and its affiliates have resulted in a commitment by the Sponsor and affiliates (collectively, the "Amended Sponsor") for an additional investment of not less than Four Hundred Million Dollars (\$400,000,000) and the creation at the Project by the Amended Sponsor of no fewer than an additional four hundred (400) "new jobs." The Project, including the new commitments by the Amended Sponsor described in the preceding sentence, is referred to herein as the "Amended Project."

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

The amount hereby requested for allocation to the Department to defray the costs of the Infrastructure, including contingency funds against inflation and cost overruns, and costs of issuance is One Hundred Twenty-One Million Dollars (\$121,000,000).

Based upon my independent inquiry and review, I hereby certify that the Amended Project consists of an "investment" (as defined in Section 11-41-30(4) of the Code of Laws of South Carolina, 1976, as amended) by the Sponsor in the Amended Project of a total of not less than Eight Hundred Million Dollars (\$800,000,000), and the creation at the Amended Project by the Sponsor of a total of no fewer than eight hundred (800) "new jobs" (as defined in Section 11-41-30(7) of the Code of Laws of South Carolina, 1976, as amended). A tentative time schedule setting forth the period of time during which the sum requested hereby is to be expended is shown in Attachment A-2 hereto.

A table showing the aggregate annual principal and interest requirements for all General Obligation State Economic Development Bonds outstanding is shown at Attachment A-3(i). Attachment A-3(ii) shows the same, categorized by applicable provisions of Section 11-41-50, together with pro forma annual principal and interest requirements, as of the date hereof, for the bonds hereby requested for issuance. Shown in Attachment A-3(iii) for purposes of information are the aggregate annual principal and interest requirements for all General Obligation State Economic Development Bonds outstanding, pro forma annual

principal and interest requirements, as of the date hereof, for the bonds hereby proposed for issuance, and pro forma annual principal and interest requirements, as of the date hereof, for General Obligation State Economic Development Bonds approved by the State Fiscal Accountability Authority but not yet issued, excluding General Obligation State Economic Development Bonds approved by the State Fiscal Accountability Authority on October 18, 2022, in connection with the Project.

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

Based on my independent inquiry and review, I hereby certify that I have determined that the construction of the Infrastructure for the benefit of the Amended Project enhances the recruitment of industry and business to the State, facilitates the operation and growth of industry and businesses in the State, and thereby provides significant and substantial direct and indirect benefits to the State and its residents, including employment and other opportunities; that such benefits outweigh the costs of the Infrastructure; that for such reasons it is in the best interest of the State to authorize the issuance of the Economic Development Bonds; and that the Economic Development Bonds, issued for such purpose, serve a public purpose in directly fostering economic development and increasing employment in the State. I further certify that the primary beneficiaries of the issuance of the Economic Development Bonds and the construction of Infrastructure for the Amended Project are the State of South Carolina and its residents.

IN WITNESS WHEREOF, I have set my hand this 25th day of October, 2023.

800TH CAROLINA DEPARTMENT OF COMMERCE

Harry M. Lightsey III, Secretary

South Carolina Department of Commerce

#### Attachment A-1

#### DESCRIPTION OF INFRASTRUCTURE

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

Description	Projected Costs (in Thousands)
Training Facilities	\$22,500
Road Improvements	31,000
Water Infrastructure	12,150
Sewer Infrastructure	20,250
Site Preparation	30,000
Subterranean Building Support Structures on Land Owned by a Political Subdivision	n5,000
TOTAL	\$120

#### Attachment A-2

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

#### PRELIMINARY – SUBJECT TO CHANGE

Months 1-6	\$51,382,000
Months 7-12	27,297,000
Months 13-18	31,875,500
Months 19-24	9,445,500
Total	\$120,000,000

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

Debt Service\*

Fis cal Year Ending	Principal	Interest	Tota	l Debt Service
June 30, 2024	\$ 31,085,000	\$ 1,681,025	\$	32,766,025
June 30, 2025	22,850,000	1,754,675		24,604,675
June 30, 2026	3,615,000	609,300		4,224,300
June 30, 2027	3,790,000	437,350		4,227,350
June 30, 2028	3,910,000	318,650		4,228,650
June 30, 2029	4,105,000	123,150		4,228,150
Total	\$ 69,355,000	\$ 4,924,150	\$	74,279,150

<sup>\*</sup> Subject to adjustment through optional redemption hereafter.

# DEBT SERVICE SCHEDULE FOR ALL GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS CURRENTLY OUTSTANDING AND THE PROPOSED NOT EXCEEDING \$121,000,000 PRINCIPAL AMOUNT GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS AT PREVAILING AND ANTICIPATED RATES OF INTEREST

General Obligation Economic Development Bonds - Composite Debt Service\*

		Exis	ting Debt Service		Propose	ed Is	sue		
Fiscal Year	11-41-50A		11-41-50B	11-41-50C	Principal		Interest	Co	mposite Debt Service
June 30, 2025	\$ 1,710,150	\$	28,837,625	\$ 2,218,250	\$ 3,860,000	\$	4,452,279	\$	41,078,304
June 30, 2026	4,224,175		18,049,500	2,331,000	4,355,000		4,712,668		33,672,343
June 30, 2027	4,224,300		-	-	4,515,000		4,553,275		13,292,575
June 30, 2028	4,227,350		-	-	4,675,000		4,394,347		13,296,697
June 30, 2029	4,228,650		-	-	4,835,000		4,232,592		13,296,242
June 30, 2030	4,228,150		-	-	5,000,000		4,065,301		13,293,451
June 30, 2031	-		-	-	5,175,000		3,890,801		9,065,801
June 30, 2032	-		-	-	5,355,000		3,709,676		9,064,676
June 30, 2033	-		-	-	5,545,000		3,520,645		9,065,645
June 30, 2034	-		-	-	5,745,000		3,323,243		9,068,243
June 30, 2035	-		-	-	5,950,000		3,116,997		9,066,997
June 30, 2036	-		-	-	6,175,000		2,892,682		9,067,682
June 30, 2037	-		-	-	6,420,000		2,648,152		9,068,152
June 30, 2038	-		-	-	6,680,000		2,384,290		9,064,290
June 30, 2039	-		-	-	6,965,000		2,100,390		9,065,390
June 30, 2040	-		-	-	7,270,000		1,796,716		9,066,716
June 30, 2041	-		-	-	7,590,000		1,475,382		9,065,382
June 30, 2042	-		-	-	7,930,000		1,136,109		9,066,109
June 30, 2043	-		-	-	8,290,000		777,673		9,067,673
June 30, 2044	-		-	-	8,670,000		398,820		9,068,820
Totals	\$ 22,842,775	\$	46,887,125	\$ 4,549,250	\$ 121,000,000	\$	59,582,037	\$	254,861,187

<sup>\*</sup> Preliminary, subject to change.

DEBT SERVICE SCHEDULE FOR ALL GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS CURRENTLY OUTSTANDING, THE PROPOSED NOT EXCEEDING \$121,000,000 PRINCIPAL AMOUNT GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS, AND \$226,000,000 PRINCIPAL AMOUNT GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS PREVIOUSLY AUTHORIZED BUT NOT YET ISSUED AT PREVAILING AND ANTICIPATED RATES OF INTEREST

General Obligation Economic Development Bonds - Composite Debt Service\*

		Exis	ting Debt Service			Propos	ed I	ssue		
Fiscal Year	11-41-50A		11-41-50B	11-41-50C	Authorized but Unissued **	Principal		Interest	Co	mposite Debt Service
June 30, 2025	\$ 1,710,150	\$	28,837,625	\$ 2,218,250	\$ 11,813,916	\$ 3,860,000	\$	4,452,279	\$	52,892,220
June 30, 2026	4,224,175		18,049,500	2,331,000	12,889,133	4,355,000		4,712,668		46,561,476
June 30, 2027	4,224,300		-	-	12,887,579	4,515,000		4,553,275		26,180,154
June 30, 2028	4,227,350		-	-	12,886,771	4,675,000		4,394,347		26,183,468
June 30, 2029	4,228,650		-	-	12,887,027	4,835,000		4,232,592		26,183,269
June 30, 2030	4,228,150		-	-	12,889,325	5,000,000		4,065,301		26,182,776
June 30, 2031	-		-	-	12,886,186	5,175,000		3,890,801		21,951,987
June 30, 2032	-		-	-	12,888,761	5,355,000		3,709,676		21,953,437
June 30, 2033	-		-	-	12,889,952	5,545,000		3,520,645		21,955,596
June 30, 2034	-		-	-	12,889,246	5,745,000		3,323,243		21,957,488
June 30, 2035	-		-	-	12,891,122	5,950,000		3,116,997		21,958,119
June 30, 2036	-		-	-	12,887,180	6,175,000		2,892,682		21,954,862
June 30, 2037	-		-	-	12,889,690	6,420,000		2,648,152		21,957,842
June 30, 2038	-		-	-	12,889,653	6,680,000		2,384,290		21,953,943
June 30, 2039	-		-	-	12,890,903	6,965,000		2,100,390		21,956,293
June 30, 2040	-		-	-	12,889,045	7,270,000		1,796,716		21,955,761
June 30, 2041	-		-	-	12,887,238	7,590,000		1,475,382		21,952,620
June 30, 2042	-		-	-	12,889,925	7,930,000		1,136,109		21,956,034
June 30, 2043					12,890,295	8,290,000		777,673		21,957,968
June 30, 2044	-		-	-	12,886,720	8,670,000		398,820		21,955,540
Totals	\$ 22,842,775	\$	46,887,125	\$ 4,549,250	\$ 256,699,663	\$ 121,000,000	\$	59,582,037	\$	511,560,850

<sup>\*</sup> Preliminary, subject to change.

<sup>\*\*</sup> Reflects issuance of \$172,000,000 of authorized but unissued bonds, other required amounts having been made available from other sources.

#### **Department of Commerce Bond Information Report**

Prepared in Connection with the Proposed Authorization of

Not Exceeding \$121,000,000 of State of South Carolina General Obligation Economic Development Bonds, Series 2024

December 5, 2023 Joint Bond Review Committee Meeting

Amount and Type of Bonds. The South Carolina Department of Commerce (the "Department") has requested the South Carolina State Fiscal Accountability Authority ("SFAA") to approve the issuance of not exceeding \$121,000,000 of State of South Carolina General Obligation Economic Development Bonds, Series 2024 (the "2024 Bonds"), in order to defray the cost of certain items of infrastructure to support an economic development project in Florence County being undertaken by AESC Japan Ltd and affiliates (collectively, the "Project Sponsor") for the manufacture of batteries for electric vehicles (such undertaking, the "Project"). The proposed infrastructure includes: (i) site preparation, (ii) water and sewer improvements, (iii) road improvements, (iv) training facilities, and (v) underground building support structures (collectively, the "Infrastructure"). A portion of the proceeds of the Series 2024 will be applied to issuance costs.

SFAA approved by resolution adopted October 18, 2022, the issuance of \$70,300,000 State of South Carolina General Obligation Economic Development Bonds (the "2022 Resolution") to (i) defray the cost of infrastructure related to the Project, based on the Project Sponsor's then commitment to create at least 400 new jobs and invest at least \$400 million at the Project and (ii) pay issuance costs. No bonds authorized by the 2022 Resolution have been issued.

In recent months, the Project Sponsor and the Department have negotiated for commitments by the Project Sponsor to create a total of at least 800 new jobs and to invest a total of at least \$800 million at the Project, subject to an increase in funding for infrastructure through State of South Carolina General Obligation Economic Development Bonds. The Department has submitted a request for the issuance of the Series 2024 Bonds, including an amendment and restatement of the 2022 Resolution, which (i) incorporates the authorization of the 2022 Resolution, (ii) adds an additional \$50 million in funding beyond that in the 2022 Resolution, and (iii) broadens the use of the funding to include all items defined as Infrastructure above.

Revenues Pledged to Pay the Series 2024 Bonds. The Series 2024 Bonds will be general obligations of the State, secured by its full faith, credit and taxing power. No revenues derived from the Project are pledged to secure the Series 2024 Bonds.

Debt Limit. The Series 2024 Bonds will be issued pursuant to Article X, Section 13(6)(c) of the South Carolina Constitution and Chapter 41, Title 11 of the Code of Laws of South Carolina, 1976, as amended (the "Enabling Act"). The General Assembly in 2002 and pursuant to Section 11-41-20(3) of the Enabling Act increased the debt limitation imposed by Article X, Section 13(6)(c) on general obligation debt from five percent (5.0%) of the general revenues of the State (excluding revenues which are authorized to be pledged for state highway bonds and state

institution bonds) to five and one-half percent (5.5%) of such revenues, with the additional 0.5% debt service capacity available at any time as a consequence of such increase available only for the repayment of Economic Development Bonds. The Series 2024 Bonds will be issued pursuant to Section 11-41-50(A) of the Enabling Act and thus subject both to the additional 0.5% limitation enacted in 2002 and the aggregate 5.5% limitation. The attached Exhibits have been provided by the Office of the State Treasurer.

*Exhibit A* hereto shows debt service on all Economic Development Bonds issued pursuant to the Enabling Act presently outstanding.

**Exhibit B** hereto shows debt service on all outstanding Economic Development Bonds issued pursuant to the Enabling Act and projected debt service on the Series 2024 Bonds. As shown in **Exhibit B**, in addition to Economic Development Bonds issued pursuant to Section 11-41-50(A) of the Enabling Act, which are subject to the 5.5% and 0.5% limitations, there are also outstanding (i) Economic Development Bonds issued pursuant to Section 11-41-50(B) of the Enabling Act, and (ii) Economic Development Bonds issued pursuant to Section 11-41-50(C) of the Enabling Act. Economic Development Bonds issued pursuant to Section 11-41-50(B) of the Enabling Act are not subject to any percentage debt limitation. Economic Development Bonds issued pursuant to Section 11-41-50(C) of the Enabling Act are subject to the original 5.0% debt limitation, but not to the 0.5% limitation.

**Exhibit** C hereto shows debt service on all outstanding Economic Development Bonds subject to the constitutional and statutory one-half percent (0.5%) debt limitation and projected debt service on the Series 2024 Bonds. The maximum annual debt service as projected on **Exhibit** C is \$13,297,997. The general revenues of the State for fiscal year ended June 30, 2023 (excluding revenues authorized to be pledged for state highway bonds and state institution bonds and subject to audit) amounted to not less than \$12,993,213,484. 0.5% of such amount is \$64,966,067. Assuming that the Series 2024 Bonds bear interest at average rates not significantly in excess of prevailing and anticipated rates as reflected in **Exhibit** C, the Series 2024 Bonds may be issued within the constitutional and statutory 0.5% limitations.

**Exhibit D** hereto shows debt service on all outstanding Economic Development Bonds subject to the constitutional and statutory Five and one-half percent (5.5%) debt limitation and projected debt service on the Series 2024 Bonds. The maximum annual debt service as projected on **Exhibit D** is \$22,688,179. The general revenues of the State for fiscal year ended June 30, 2023 (excluding revenues authorized to be pledged for state highway bonds and state institution bonds and subject to audit) amounted to not less than \$12,993,213,484. 5.5% of such amount is \$714,626,741. Assuming that the Series 2024 Bonds bear interest at average rates not significantly in excess of prevailing and anticipated rates as reflected in **Exhibit D**, the Series 2024 Bonds may be issued within the constitutional and statutory 5.5% limitations.

**Exhibit** E, supplied for informational purposes, shows debt service on outstanding Economic Development Bonds issued pursuant to the Enabling Act, projected debt service on the Series 2024 Bonds, and, in addition, projected debt service on additional Economic Development Bonds authorized in 2022 by SFAA, but not yet issued (the "Approved Bonds"). It is anticipated the Approved Bonds, as well as the Series 2024 Bonds, will be issued in the second quarter of 2024.

Assuming that the Series 2024 Bonds and Approved Bonds are issued as expected, bear interest at average rates not significantly in excess of prevailing and anticipated rates as reflected in *Exhibit E*, the maximum annual debt service on all Economic Development Bonds subject to the 0.5% limitation will be \$28,183,468, as against maximum permitted annual debt service under the 0.5% limit of \$64,966,067.

Assuming that the Series 2024 Bonds and Approved Bonds are issued as expected, bear interest at average rates not significantly in excess of prevailing and anticipated rates as reflected in *Exhibit E*, the maximum annual debt service on all Economic Development Bonds subject to the 5.5% limitation will be \$28,511,976, as against maximum permitted annual debt service under the 5.5% limit of \$714,626,741.

November 13, 2023

#### **EXHIBIT A**

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

Debt Service\*

Fis cal Year Ending	Principal	Interest	Tota	l Debt Service
June 30, 2024	\$ 31,085,000	\$ 1,681,025	\$	32,766,025
June 30, 2025	22,850,000	1,754,675		24,604,675
June 30, 2026	3,615,000	609,300		4,224,300
June 30, 2027	3,790,000	437,350		4,227,350
June 30, 2028	3,910,000	318,650		4,228,650
June 30, 2029	4,105,000	123,150		4,228,150
Total	\$ 69,355,000	\$ 4,924,150	\$	74,279,150

<sup>\*</sup> Subject to adjustment through optional redemption hereafter.

#### **EXHIBIT B**

DEBT SERVICE SCHEDULE FOR ALL GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS CURRENTLY OUTSTANDING AND THE PROPOSED NOT EXCEEDING \$121,000,000 PRINCIPAL AMOUNT GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS AT PREVAILING AND ANTICIPATED RATES OF INTEREST

General Obligation Economic Development Bonds - Composite Debt Service\*

		Exis	ting Debt Service		Propose	ed Is	ssue		
Fiscal Year	11-41-50A		11-41-50B	11-41-50C	Principa1		Interest	Co	mposite Debt Service
June 30, 2025	\$ 1,710,150	\$	28,837,625	\$ 2,218,250	\$ 3,860,000	\$	4,452,279	\$	41,078,304
June 30, 2026	4,224,175		18,049,500	2,331,000	4,355,000		4,712,668		33,672,343
June 30, 2027	4,224,300		-	-	4,515,000		4,553,275		13,292,575
June 30, 2028	4,227,350		-	-	4,675,000		4,394,347		13,296,697
June 30, 2029	4,228,650		-	-	4,835,000		4,232,592		13,296,242
June 30, 2030	4,228,150		-	-	5,000,000		4,065,301		13,293,451
June 30, 2031	-		-	-	5,175,000		3,890,801		9,065,801
June 30, 2032	-		-	-	5,355,000		3,709,676		9,064,676
June 30, 2033	-		-	-	5,545,000		3,520,645		9,065,645
June 30, 2034	-		-	-	5,745,000		3,323,243		9,068,243
June 30, 2035	-		-	-	5,950,000		3,116,997		9,066,997
June 30, 2036	-		-	-	6,175,000		2,892,682		9,067,682
June 30, 2037	-		-	-	6,420,000		2,648,152		9,068,152
June 30, 2038	-		-	-	6,680,000		2,384,290		9,064,290
June 30, 2039	-		-	-	6,965,000		2,100,390		9,065,390
June 30, 2040	-		-	-	7,270,000		1,796,716		9,066,716
June 30, 2041	-		-	-	7,590,000		1,475,382		9,065,382
June 30, 2042	-		-	-	7,930,000		1,136,109		9,066,109
June 30, 2043	-		-	-	8,290,000		777,673		9,067,673
June 30, 2044	-		-	-	8,670,000		398,820		9,068,820
Totals	\$ 22,842,775	\$	46,887,125	\$ 4,549,250	\$ 121,000,000	\$	59,582,037	\$	254,861,187

<sup>\*</sup> Preliminary, subject to change.

#### **EXHIBIT C**

PRO FORMA PRINCIPAL AND INTEREST REQUIREMENTS FOR ALL CURRENTLY OUTSTANDING GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS ISSUED PURSUANT TO SECTION 11-41-50(A) OF THE ENABLING ACT AND THE NOT EXCEEDING \$121,000,000 PRINCIPAL AMOUNT GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS TO BE ISSUED PURSUANT TO SECTION 11-41-50(A) OF THE ENABLING ACT AT PREVAILING AND ANTICIPATED RATES OF INTEREST, ALL SUCH DEBT SUBJECT TO THE ONE-HALF PERCENT (0.5%) LIMITATION

	Debt S	ervic	e*		
Fis cal Year Ending	Principal		Interest	Tota	al Debt Service
June 30, 2024	\$ 1,260,000	\$	450,150	\$	1,710,150
June 30, 2025	7,300,000		5,236,454		12,536,454
June 30, 2026	7,970,000		5,321,968		13,291,968
June 30, 2027	8,305,000		4,990,625		13,295,625
June 30, 2028	8,585,000		4,712,997		13,297,997
June 30, 2029	8,940,000		4,355,742		13,295,742
June 30, 2030	5,000,000		4,065,301		9,065,301
June 30, 2031	5,175,000		3,890,801		9,065,801
June 30, 2032	5,355,000		3,709,676		9,064,676
June 30, 2033	5,545,000		3,520,645		9,065,645
June 30, 2034	5,745,000		3,323,243		9,068,243
June 30, 2035	5,950,000		3,116,997		9,066,997
June 30, 2036	6,175,000		2,892,682		9,067,682
June 30, 2037	6,420,000		2,648,152		9,068,152
June 30, 2038	6,680,000		2,384,290		9,064,290
June 30, 2039	6,965,000		2,100,390		9,065,390
June 30, 2040	7,270,000		1,796,716		9,066,716
June 30, 2041	7,590,000		1,475,382		9,065,382
June 30, 2042	7,930,000		1,136,109		9,066,109
June 30, 2043	8,290,000		777,673		9,067,673
June 30, 2044	8,670,000		398,820		9,068,820
Total	\$ 141,120,000	\$	62,304,812	\$	203,424,812

<sup>\*</sup> Preliminary, subject to change.

#### **EXHIBIT D**

PRO FORMA PRINCIPAL AND INTEREST REQUIREMENTS
FOR ALL CURRENTLY OUTSTANDING STATE GENERAL OBLIGATION DEBT
SUBJECT TO THE CONSTITUTIONAL AND STATUTORY FIVE AND ONE-HALF PERCENT
(5.5%) LIMITATION, INCLUDING ALL GENERAL OBLIGATION STATE ECONOMIC
DEVELOPMENT BONDS ISSUED PURSUANT TO SECTIONS 11-41-50(A) AND 11-41-50(C) OF
THE ENABLING ACTAND THE NOT EXCEEDING \$121,000,000 PRINCIPAL AMOUNT
GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS TO BE
ISSUED PURSUANT TO SECTION 11-41-50(A) OF THE ENABLING ACT
AT PREVAILING AND ANTICIPATED RATES OF INTEREST,
ALL SUCH DEBT SUBJECT TO THE FIVE AND ONE-HALF PERCENT (5.5%) LIMITATION

	Debt S	ervic	e*		
Fiscal Year Ending	Principal		Interest	Tot	tal Debt Service
June 30, 2024	\$ 10,490,000	\$	850,063	\$	11,340,063
June 30, 2025	16,950,000		5,738,179		22,688,179
June 30, 2026	11,155,000		5,591,068		16,746,068
June 30, 2027	11,630,000		5,164,175		16,794,175
June 30, 2028	11,045,000		4,786,797		15,831,797
June 30, 2029	8,940,000		4,355,742		13,295,742
June 30, 2030	5,000,000		4,065,301		9,065,301
June 30, 2031	5,175,000		3,890,801		9,065,801
June 30, 2032	5,355,000		3,709,676		9,064,676
June 30, 2033	5,545,000		3,520,645		9,065,645
June 30, 2034	5,745,000		3,323,243		9,068,243
June 30, 2035	5,950,000		3,116,997		9,066,997
June 30, 2036	6,175,000		2,892,682		9,067,682
June 30, 2037	6,420,000		2,648,152		9,068,152
June 30, 2038	6,680,000		2,384,290		9,064,290
June 30, 2039	6,965,000		2,100,390		9,065,390
June 30, 2040	7,270,000		1,796,716		9,066,716
June 30, 2041	7,590,000		1,475,382		9,065,382
June 30, 2042	7,930,000		1,136,109		9,066,109
June 30, 2043	8,290,000		777,673		9,067,673
June 30, 2044	8,670,000		398,820		9,068,820
Total	\$ 168,970,000	\$	63,722,900	\$	232,692,900

<sup>\*</sup> Preliminary, subject to change.

#### **EXHIBIT E**

DEBT SERVICE SCHEDULE FOR ALL GENERAL OBLIGATION STATE
ECONOMIC DEVELOPMENT BONDS CURRENTLY OUTSTANDING,
THE PROPOSED NOT EXCEEDING \$121,000,000 PRINCIPAL AMOUNT
GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS, AND \$226,000,000
PRINCIPAL AMOUNT GENERAL OBLIGATION STATE ECONOMIC DEVELOPMENT BONDS
PREVIOUSLY AUTHORIZED BUT NOT YET ISSUED AT PREVAILING AND ANTICIPATED
RATES OF INTEREST

General Obligation Economic Development Bonds - Composite Debt Service\*

		Exis	ting Debt Service			Propos	ed I	ssue		
Fiscal Year	11-41-50A		11-41-50B	11-41-50C	Authorized but Unissued **	Principal		Interest	Co	mposite Debi Service
June 30, 2025	\$ 1,710,150	\$	28,837,625	\$ 2,218,250	\$ 11,813,916	\$ 3,860,000	\$	4,452,279	\$	52,892,220
June 30, 2026	4,224,175		18,049,500	2,331,000	12,889,133	4,355,000		4,712,668		46,561,476
June 30, 2027	4,224,300		-	-	12,887,579	4,515,000		4,553,275		26,180,154
June 30, 2028	4,227,350		-	-	12,886,771	4,675,000		4,394,347		26, 183, 468
June 30, 2029	4,228,650		-	-	12,887,027	4,835,000		4,232,592		26,183,269
June 30, 2030	4,228,150		-	-	12,889,325	5,000,000		4,065,301		26,182,776
June 30, 2031	-		-	-	12,886,186	5,175,000		3,890,801		21,951,987
June 30, 2032	-		-	-	12,888,761	5,355,000		3,709,676		21,953,437
June 30, 2033	-		-	-	12,889,952	5,545,000		3,520,645		21,955,596
June 30, 2034	-		-	-	12,889,246	5,745,000		3,323,243		21,957,488
June 30, 2035	-		-	-	12,891,122	5,950,000		3,116,997		21,958,119
June 30, 2036	-		-	-	12,887,180	6,175,000		2,892,682		21,954,862
June 30, 2037	-		-	-	12,889,690	6,420,000		2,648,152		21,957,842
June 30, 2038	-		-	-	12,889,653	6,680,000		2,384,290		21,953,943
June 30, 2039	-		-	-	12,890,903	6,965,000		2,100,390		21,956,293
June 30, 2040	-		-	-	12,889,045	7,270,000		1,796,716		21,955,761
June 30, 2041	-		-	-	12,887,238	7,590,000		1,475,382		21,952,620
June 30, 2042	-		-	-	12,889,925	7,930,000		1,136,109		21,956,034
June 30, 2043					12,890,295	8,290,000		777,673		21,957,968
June 30, 2044	-		-	-	12,886,720	8,670,000		398,820		21,955,540
Totals	\$ 22,842,775	\$	46,887,125	\$ 4,549,250	\$ 256,699,663	\$ 121,000,000	\$	59,582,037	\$	511,560,850

<sup>\*</sup> Preliminary, subject to change.

<sup>\*\*</sup> Reflects issuance of \$172,000,000 of authorized but unissued bonds, other required amounts having been made available from other sources.

AGENCY: South Carolina Transportation Infrastructure Bank

SUBJECT: Proposed Transportation Infrastructure Bank Projects

Mark Clark Extension Project, Charleston

Section 11-43-180 of the SC Code of Laws provides among other things that, prior to providing a loan or other financial assistance to a qualified borrower, the board of the South Carolina Transportation Infrastructure Bank must obtain the review and approval of the Joint Bond Review Committee. Additionally, Section 11-43-315 of the Code provides that review and approval of the Joint Bond Review Committee is required prior to issuance of any bonds issued to fund qualified projects.

By letter dated November 7, 2023, Mr. John B. White, Jr., Chairman of the Bank, requests review by the Committee, following action taken by the Bank at its meeting on October 17, 2023, concerning the Mark Clark Extension Project, as follows.

Consistent with the JBRC action of June 4, 2019, I move that the Bank abide by the January 10, 2019, Intergovernmental Agreement ("IGA") with Charleston County and the South Carolina Department of Transportation ("SCDOT") and provide the \$75 million for the preliminary costs as requested by Secretary Hall and forward this action by the Bank to the Joint Bond Review Committee for their review.

<u>Background</u>. On August 1, 2006, and March 5, 2008, the Joint Bond Review Committee approved a total of \$420 million in financial assistance requested by the Bank to fully fund the original I-526 Mark Clark Project, and approved authorizations for issuance of revenue bonds that included among others up to \$420 million to support the financial assistance to the project.

Subsequent to these approvals, the South Carolina Department of Transportation recommended changing the scope of the project from an interstate to a parkway, based on public comments received as required by the federal environmental review process. Further, in 2015, the South Carolina Department of Transportation advised the Bank and the County that the estimated cost of the revised project had increased from \$420 million to approximately \$725 million.

On February 20, 2019, the Committee was advised that the Bank, Charleston County, and the Department of Transportation had executed an amended Intergovernmental Agreement addressing among other things the change in project scope and the increase in estimated cost of the project, and clarifying the commitment of the Bank's financial assistance. Under the terms of the amended Intergovernmental Agreement, the Bank's financial assistance was limited to its original commitment of \$420 million, with Charleston County responsible for all amounts in excess of the Bank's commitment. Charleston County expected at that time to finance its contributions principally through revenues of its Transportation Sales Tax, but could utilize funds from other sources as they became available.

At that time, the Bank had expended approximately \$40 million on the project, leaving approximately \$380 million to be funded under its commitment for financial assistance. The Committee was asked to approve the Bank's commitment of \$420 million in financial assistance

to the project pursuant to the terms of the amended Intergovernmental Agreement; and approve the issuance of revenue bonds for the project in an amount not exceeding \$380 million, to be effected as a revision to its prior authorization for issuance of up to \$420 million in revenue bonds for the project. The Committee deferred action on these requests, and a special subcommittee was appointed to among other things study these developments and make recommendations.

On June 4, 2019, the Committee received and approved a recommendation of the special subcommittee to authorize up to the full \$12 million Bank commitment and the County's matching \$12 million commitment to fund the remaining preliminary work contemplated by the Intergovernmental Agreement, with a further recommendation that the Committee would receive and review an updated estimate of the costs of the project preceding the Secretary of Transportation's certification required for submission of the project for federal approval.

Following that authorization, the South Carolina Department of Transportation worked diligently on revisiting traffic and environmental studies, refining the design and footprint of the project, and re-engaging the public for input.

On April 25, 2022, Secretary Hall provided for distribution to the Committee a copy of her letter of the same date to Mr. Bill Tuten, Charleston County Administrator, and Mr. John B. White, Jr., Chairman of the Bank, stating among other things that the South Carolina Department of Transportation had updated the estimated cost of the project to \$2.352 billion, in recognition of current real estate and construction market conditions, and expected inflation over the next several years. Secretary Hall's letter requested from the County and the Bank authorization for expenditure of approximately \$150 million for the remaining preparatory work necessary to ready the project for bid; and stated that within the next 6 months, the project sponsors would be required to demonstrate a reasonable financial approach to the entire project.

In addition to the foregoing, Secretary Hall's letter included recommended phasing and projected cash flows for the entire corridor; with Phase 1 estimated costs of \$1.35 billion, Phase 2 estimated costs of \$702 million, and cash flows summarized as follows:

	Contribution			Cumulative Contribution		
Year	County	Bank	Total	County	Bank	Total
2008-21	4,900,000	44,900,000	49,800,000	4,900,000	44,900,000	49,800,000
2022	5,500,000	5,500,000	11,000,000	10,400,000	50,400,000	60,800,000
2023	13,600,000	13,600,000	27,200,000	24,000,000	64,000,000	88,000,000
2024	10,250,000	10,250,000	20,500,000	34,250,000	74,250,000	108,500,000
2025	25,750,000	25,750,000	51,500,000	60,000,000	100,000,000	160,000,000
2026	20,000,000	20,000,000	40,000,000	80,000,000	120,000,000	200,000,000
2028	75,000,000	175,000,000	250,000,000	155,000,000	295,000,000	450,000,000
2029	235,000,000	125,000,000	360,000,000	390,000,000	420,000,000	810,000,000
2030	500,000,000	-	500,000,000	890,000,000	-	1,310,000,000
2031-35	1,042,000,000	-	1,042,000,000	1,932,000,000	-	2,352,000,000

By letter dated December 2, 2022, Secretary Hall advised Mr. Tuten and Mr. White that an independent consultant engaged at the request of Charleston County Council had completed a review and estimated the total cost of the project at \$2.2 billion; and renewed her request for authorization by the County and the Bank to proceed with spending approximately \$150 million for the remaining preparatory work necessary to advance the project, and development of a reasonable financial approach to the entire project by the project sponsors. Secretary Hall noted two important considerations in determining whether an assumption is reasonable: "(a) evidence of review and support of the new revenue assumption to fund the project and (b) documentation of the rationale and procedural steps to be taken with milestone dates for securing the funds."

On January 31, 2023, Charleston County Council, on a vote of 5 ayes, 3 nays, and 1 absent, adopted a recommendation of its Finance Committee to authorize an expenditure of \$75 million and appropriate up to \$20 million from the roads portion of the County's 1st Transportation Sales Tax for further preparatory activities necessary to secure the permit for the project and obtain right of way necessary for Phase 1 of the project; and to commit Charleston County's support and intention of completing the entire project, both Phase 1 and Phase 2, and direct the Administrator and his staff to work with the SCDOT to research and outline a reasonable future financial approach for the entire project for the County and any other funding partners.

By letter dated February 6, 2023, Charleston County Administrator William Tuten advised Secretary Hall and Bank Chairman White that County Council had passed "two council directives" regarding the project, and further advised that County staff stood ready to assist with development of the reasonable financial approach.

By letter dated February 16, 2023, Chairman White requested additional information about the directives passed by County Council, and sought further explanation by the County describing its plan to provide a funding commitment in accordance with Secretary Hall's request for development of a reasonable financial approach to the entire project by the project sponsors.

In his letter of November 7, 2023, Chairman White advises of a meeting of Bank representatives with the County to discuss the County's plan to fund its obligations under the amended Intergovernmental Agreement, and states the County's intent to fund its obligation to complete the project through revenues raised from imposition of a new ½-cent Transportation Sales Tax, the referendum of which will be considered by the County electorate in November 2024.

Chairman White's letter advises that the Bank has expended to date approximately \$52 million for rights-of-way and prior costs. Following funding of the South Carolina Department of Transportation's request for an additional \$75 million, the Bank will have provided funding totaling approximately \$127 million or 30% of its total commitment of \$420 million.

The Bank requests review of the Bank's action to provide \$75 million for preliminary costs as requested by Secretary Hall.

Considerations. Documentation supporting the Bank's request for review indicates that the County's authorization to proceed is expressed as a directive, and distinguishes its action authorizing an expenditure of \$75 million, and an appropriation of up to \$20 million. By letters dated November 27, 2023, officials of the County have confirmed that (1) authorization for the project was a final action and will not require further votes of the council until funding requests exceed \$75 million; (2) an opinion of the Charleston County Attorney's Office that council will not need to revisit or vote on this item for any further appropriations until the amount of the request exceeds \$75 million; and (3) that the \$20 million appropriation request originated from the County's finance department inasmuch as the expenditure had not been provided for in the County's fiscal year 2022 and 2023 budgets.

The County's approach for total project funding appears to be dependent on approval of a ½-cent Transportation Sales Tax by the County's constituency to be considered by referendum in November 2024, and public support for the referendum is not clear. Comments received during the 2021 Supplemental Environmental Impact Statement Public Hearing comment period conducted between August 18 and October 15, 2021, reflected public sentiment at 43% in support for, 51% in opposition to, and 5% neutral on the project.

#### **COMMITTEE ACTION:**

In accordance with the submission, review the Bank's action of October 17, 2023, to provide \$75 million for preliminary costs related to the Mark Clark Extension Project.

#### ATTACHMENTS:

- 1. Letter dated November 7, 2023, of Mr. John B. White, Jr., Chairman, South Carolina Transportation Infrastructure Bank.
- 2. First Amended Intergovernmental Agreement for Charleston County Mark Clark Expressway Extension Project in Charleston County, South Carolina, and accompanying Schedule A.
- 3. Letter dated February 20, 2019, of the Honorable Hugh K. Leatherman, Sr., Chairman, Joint Bond Review Committee.
- 4. Letter dated June 4, 2019, of the Honorable Hugh K. Leatherman, Sr., Chairman, Joint Bond Review Committee.
- 5. Letter dated April 25, 2022, of Ms. Christy A. Hall, P.E., Secretary of Transportation.
- 6. Letter dated December 2, 2022, of Ms. Christy A. Hall, P.E., Secretary of Transportation.
- 7. Letter dated February 6, 2023, of Mr. William Tuten, Charleston County Administrator.
- 8. Letter dated February 16, 2023, of Mr. John B. White, Jr., Chairman, South Carolina Transportation Infrastructure Bank.
- 9. 2021 Supplemental Environmental Impact Statement Public Hearing Comments.
- 10. Letter dated November 27, 2023, of the Honorable Herbert R. Sass, III, Chairman, Charleston County Council.
- 11. Letter dated November 27, 2023, of Ms. Natalie A. Ham, County Attorney, Charleston County, South Carolina.
- 12. Letter dated November 27, 2023, of Ms. Corine Altenhein, Deputy Administrator for Finance, Charleston County, South Carolina.

#### **BOARD OF DIRECTORS**

John B. White, Jr., Chairman

Ernest Duncan, Vice Chairman

Tony K. Cox

J. Gary Simrill

David B. Shehan

Representative Chris Murphy

Senator C. Ross Turner, III

November 7, 2023

#### South Carolina Transportation Infrastructure Bank



955 Park Street Room 120 B Columbia, SC 29201 P: (803) 737-2825 Fax: (803) 737-2014

The Honorable Harvey S. Peeler, Jr., Chairman Joint Bond Review Committee 109 Gressette Building Columbia, South Carolina 29201

RE: Review of Mark Clark Extension Project

Dear Chairman Peeler,

I am writing to request the Joint Bond Review Committee ("JBRC" or "Committee") place on its December 5, 2023, agenda review of the South Carolina Transportation Infrastructure Bank ("SCTIB" or the "Bank") Board's recent action concerning the Mark Clark Extension Project ("Mark Clark" or "the Project"). At the Bank Board meeting on October 17, 2023, the Bank Board unanimously approved the following motion relating to the Mark Clark:

Consistent with the JBRC action of June 4, 2019, I move that the Bank abide by the January 10, 2019 Intergovernmental Agreement ("IGA") with Charleston County and the South Carolina Department of Transportation ("SCDOT") and provide the \$75 million for the preliminary costs as requested by Secretary Hall and forward this action by the Bank to the Joint Bond Review Committee for their review.

Per this motion, I am requesting the JBRC's review.

The Bank's approval of this Motion was taken pursuant to a December 2, 2022, request from Secretary Hall of the SCDOT requesting Charleston County and the Bank provide funds of \$150 million (\$75 million each) to proceed with the remaining preliminary work for the Mark Clark. See attached, pages 27 – 29.

#### **Background**

On June 8, 2007, Charleston County, the SCDOT, and the Bank entered into an IGA to complete the Mark Clark. The initial Mark Clark was a proposed interstate. The Bank would provide financial assistance up to \$420 million, the total project cost at the time. JBRC approved the Bank's

financial assistance and request for authorization for the issuance of revenue bonds to fund the Bank's commitment. The approved project was an interstate. The parties entered into an IGA which subsequently was replaced by the 2019 IGA discussed below.

In 2015, the SCDOT produced a new cost estimate of \$750 million for Mark Clark. Mark Clark changed to a parkway with intersections and lower speed limits at a higher cost. The Bank then approved a resolution confirming its \$420 million commitment, subject to Charleston County certifying a plan to secure the additional funding. Charleston County objected and did not meet the conditions of the Board's resolution.

In May 2016, after determining Charleston County had missed several deadlines detailed in the 2015 resolution, the Bank adopted a resolution directing among other things the implementation of a plan to end the Mark Clark. After extending the implementation deadline several times and since Charleston County had not presented a viable plan for funding the full project, on June 26, 2018, the Bank voted to terminate its participation in the Mark Clark.

After the Bank voted to terminate its participation in the Mark Clark, Governor McMaster assisted in negotiating new terms to move forward. Specifically, the County agreed to pay the entire cost of the Mark Clark over the Bank's \$420 million, along with certain other costs. Consistent with these negotiations, the Bank, SCDOT, and the County developed a term sheet to describe potential terms of a new IGA. On October 2, 2018, the Bank Board voted to rescind the prior action taken to terminate the Bank's participation in the project and to direct negotiations of a new IGA with the Bank's cost set at no more than \$420 million, with the County paying all costs over \$420 million to complete the full scope of the Mark Clark.

Following identification of the County funding source and negotiation of terms, the Bank, the SCDOT and the County executed the First Amended Intergovernmental Agreement ("First Amended IGA") on January 10, 2019. See attached, pages 1 – 25. The First Amended IGA had one exhibit, the projected cash flow scenarios for Mark Clark using certain specified percentages for funding between Charleston County and the Bank.

After the execution of the First Amended IGA, the Bank presented the terms of the First Amended IGA to the JBRC for its review. Section 11-43-180(A) of the Bank Act provides that the JBRC must review and approve all financial assistance awarded by the Bank.

Upon receipt of the First Amended IGA, the JBRC appointed a subcommittee to study the project's funding requirements and Charleston County's sources of funding. After the subcommittee's review, the full JBRC met on June 4, 2019, and authorized up to \$24 million in expenditures (\$12 million each by Charleston County and Bank) to fund the preliminary work for the next three years based on the Mark Clark's scheduled timeline. The JBRC also stated it expected to receive and review the SCDOT's updated project estimate prior to its submission for federal approval. The JBRC did not authorize any expenditures by the Bank in excess of the \$12 million. **See attached**, **page 26.** 

After the JBRC letter in June 2019, the SCDOT submitted a draw request to the Bank and Charleston County for the first year of the three-year preliminary work and the subsequent two years. The Bank and the County have disbursed funds for the preliminary work totaling \$24 million.

After the First Amended IGA was executed, the SC Coastal Conservation League, the South Carolina Public Interest Foundation, and several individual Plaintiffs (collectively "Plaintiffs") sued Charleston County, the SCDOT, and the Bank challenging Charleston County's authority to commit proceeds from the 2004 and 2016 Transportation Sales Tax referenda to fund Mark Clark. Plaintiffs also alleged certain FOIA violations by Charleston County and challenged other actions taken by Charleston County. Charleston County filed a Motion to Dismiss the Complaint on the grounds the Plaintiffs did not have standing. The Motion to Dismiss was granted, and the Plaintiffs appealed to the South Carolina Court of Appeals. The Court of Appeals has scheduled oral arguments on November 14, 2023. Because the dismissal was based on Plaintiffs' lack of standing, if the Court of Appeals reverses the Circuit Court's order, the reversal would not be a conclusion that Charleston County acted improperly or properly. Rather, the Court of Appeals simply would send the action back to the trial court to proceed on the merits.

In 2022, the SCDOT substantially revised the project costs to approximately \$2.35 billion. As a measure to confirm its Mark Clark cost estimate, the SCDOT hired a consultant to develop an independent cost estimate. The consultant's estimate totaled \$2.2 billion, including over \$600 million in costs for potential risks and inflation.

On December 2, 2022, Secretary Hall wrote the Bank and Charleston County requesting the \$150 million to proceed with the remaining preliminary work for Mark Clark. Her letter sought authorization for the expenditure of \$75 million each and also for the "development of a reasonable financial approach to the entire project by the project sponsors." She defined "reasonable" as "a financial plan that is rational and realistic." For "reasonable", she sought evidence to support the new revenue source and the documentation and procedural steps for securing those funds. Her letter also indicated the SCDOT intended to break the Mark Clark into two phases.

Since Charleston County has assumed financial responsibility for all costs over the Bank's commitment of \$420 million, it responded to Secretary Hall's letter first. **See attached, page 29.** Charleston County wrote Secretary Hall and me on February 6, 2023, informing us that Charleston County Council had passed two directives: 1) Authorize an expenditure of \$75 million, and 2) Direct the Administrator and staff to work with SCDOT to research and outline a reasonable future financial approach.

Chairman White wrote Charleston County on February 16, 2023, seeking "additional information on how the County intends to fund the amount exceeding the Bank's commitment." **See attached, pages 30 – 31.** He also stated he was receptive to meeting with Charleston County. Subsequently, there was a meeting between Bank staff, Board member David Shehan, Charleston County Council

members, staff, and me to discuss the County's plan on how it intends to fund its obligations under the First Amended IGA. After that meeting, County representatives provided Bank staff with additional information.

Charleston County intends to fund its obligation to complete the Mark Clark through revenues from a new ½ penny Transportation Sales Tax. The required referendum for the Sales tax is slated to be voted on in November 2024. Charleston County provided the Bank draft assumptions of estimated revenues that a transportation sales tax would generate and information detailing the history of revenues collected by transportation sales tax since 2004. The Bank's financial adviser, PFM, concluded Charleston County's growth rate has averaged 5.03% from 2006-2022 and that Charleston County's growth assumptions are reasonable given Charleston County's history.

To date, the Bank has expended approximately \$52 million for rights-of-way and prior engineering and preliminary costs. After the SCDOT's request for an additional \$75 million, the Bank will have provided funding totaling approximately \$127 million of its total commitment of \$420 million.

If additional information is needed, please contact Jerri Butler at <u>butlerjl@scdot.org</u> or Rob Tyson at <u>rtyson@robinsongray.com</u> They can help you in any way needed to assist in the JBRC's review of the Bank's action.

Sincerely,

John B. White, Jr.

Chairman, SC Transportation Infrastructure Bank

the B White In

ecc: Board Members cc: Mr. Rick Harmon

## FIRST AMENDED INTERGOVERNMENTAL AGREEMENT FOR CHARLESTON COUNTY MARK CLARK EXPRESSWAY EXTENSION PROJECT IN CHARLESTON COUNTY, SOUTH CAROLINA

This Intergovernmental Agreement, as hereby amended, is made and entered into as of 2019 (this "Agreement") by and among CHARLESTON COUNTY, SOUTH CAROLINA (the "County"), the SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION ("SCDOT"), and the SOUTH CAROLINA TRANSPORTATION INFRASTRUCTURE BANK, a body corporate and politic and an instrumentality of the State of South Carolina (the "Bank"), concerning the funding and construction of the Charleston County Mark Clark Expressway Extension Project (the "Extension Project") in Charleston County, South Carolina, which is described in more detail herein below and in the Charleston County Application, as supplemented, submitted to the Bank (the "Application"). The County, SCDOT and Bank are also referred to individually hereinafter as "Party" or collectively, as all or some of the parties to this Agreement as the context establishes as the "Parties."

#### **WITNESSETH**

WHEREAS, the Bank was created for the purpose, among others, of selecting and assisting in financing major transportation projects by providing financial assistance to government units for constructing and improving highway facilities necessary for public purposes, including economic development, as is more fully set forth in the South Carolina Transportation Infrastructure Bank Act (South Carolina Code Ann. Sections 11-43-110, et seq., as amended); and

WHEREAS, by an application submitted to the Bank on or about December 15, 2005, as supplemented by other submissions, the County requested financial assistance for three highway projects in Charleston County: the Extension Project; the Port Access Road; and the US17/Mark Clark Expressway Interchange; and

WHEREAS, as part of the Application, the County identified a contribution in the amount of \$354 million to be spent on County road projects from the County's Sales Tax (as hereinafter defined) as its proposed local match contribution for all projects in the Application on which financial assistance was requested, and of that total proposed local match contribution, \$117

million is in the form expenditures by the County on roads to be constructed or improved, which directly relate to the Extension Project and as such constitutes the local match contribution for the Extension Project; and

WHEREAS, at a meeting on December 15, 2005, the Board of Directors of the Bank (the "Board") found the Application met the criteria in Section 11-43-180(B) and that the Extension Project, as defined in the Application, was an eligible and qualified Extension Project under the South Carolina Transportation Infrastructure Bank Act and referred the Application to the Bank's Evaluation Committee (the "Committee") for review and a recommendation; and

WHEREAS, at its meeting of June 30, 2006, the Committee recommended and the Board approved financial assistance for the Extension Project, which had a total estimated cost of \$420 million, in the form of an initial grant of \$99 million for engineering and environmental work and acquisition of rights of way and a subsequent grant, or grants, not to exceed \$321 million for completion of the Extension Project from the next new funds available to the Bank after fully funding financial assistance for all existing obligations on all previously approved projects with all financial assistance from the Bank conditioned on the aforementioned local match contribution of \$117 million identified by County in the Application being made by the County and the execution of an intergovernmental agreement between the parties in a form acceptable to the Board; and

WHEREAS, on August 1, 2006, the Capital Improvements Joint Bond Review Committee ("JBRC") of the South Carolina General Assembly approved the Extension Project, as defined in the Application, and financial assistance from the Bank for the Extension Project in the form of a grant in the initial amount of \$99 million, and subsequently approved a grant by the Bank for the Extension Project, as defined in the Application, not to exceed \$321 million, and the issuance of revenue bonds by the Bank to provide that financial assistance to the Extension Project; and

WHEREAS, after conducting public meetings as required by the federal environmental processes based on public input, SCDOT recommended that the Extension Project be changed from an interstate project to a four-lane parkway with a speed limit of 35 miles per hour to 45 miles per hour with two connector roads and other revisions known as "Alternative G," which removed the Extension Project's interstate designation, and which the Parties agree to implement, and which is the subject of this Agreement; and

WHEREAS, after receiving public input, SCDOT recommended the change in the Extension Project to "Alternative G," which neither the County nor the Bank requested, and Alternative G is the current scope of the Extension Project; and

WHEREAS, in 2015, SCDOT has advised the Bank and County that the estimated cost of the Extension Project as set forth in Alternative G had increased to \$725 million; and

WHEREAS, on October 2, 2018, the Board and Charleston County Council adopted separate motions authorizing representatives of the Bank and the County to negotiate an amended intergovernmental agreement, which is subject to the final approval of the Parties, taking into account the changes to the Extension Project and cost of the Extension Project and related matters based on a Material Term Sheet that the County, SCDOT and Bank have agreed to use as the basis of those negotiations; and

WHEREAS, the Bank already has expended approximately \$40 million of its total contribution and the Bank has determined that the County has already expended and fulfilled its \$117 million local match contribution; and

WHEREAS, the Parties agree that the execution of this Agreement and the undertaking of the obligations and financial terms and requirements set forth below are valid exercises of the Parties' respective business and proprietary powers; and

WHEREAS, Parties agree that all applicable and relevant laws must be followed and complied with pursuant to State law; and

WHEREAS, the County, SCDOT, and the Bank now desire to set forth the respective responsibilities of the parties for the Extension Project, including the funding and construction of the Extension Project, as amended to take into account the changes in the Extension Project and cost of the Extension Project and related matters;

NOW, THEREFORE, in consideration of the mutual benefits, promises and obligations set forth herein, the sufficiency of which are hereby acknowledged and accepted by each party hereto, the County, SCDOT, and the Bank hereby agree as follows:

#### ARTICLE I

#### 1. <u>Definitions</u>

For purpose of this Agreement, unless the context otherwise requires, the following terms shall have the following meanings:

"Account" means the account of the Bank maintained by the South Carolina State Treasurer into which is deposited monies to fund Disbursements for Eligible Costs of the Extension Project.

"Act" means the South Carolina Transportation Infrastructure Bank Act, which is codified as South Carolina Code Ann. Sections 11-43-110, et seq., as amended.

"Application" means the Application for Financial Assistance submitted by the County to the Bank on or about December 15, 2005, as supplemented by other materials submitted by the County up to the date of this Agreement.

"Budget" means the budget established by the Bank for the Extension Project;

"Contract" means any contracts entered into by the County or SCDOT with any other person or firm for engineering, design, construction, materials or similar purposes for the Extension Project.

"Disbursements" means the transfer or payment of monies to SCDOT for Eligible Costs of the Extension Project or the payment of invoices or draw requests approved by Bank and/or its designee for Eligible Costs of the Extension Project incurred or to be incurred pursuant to a Contract.

"Eligible Costs" has the same meaning as set forth in Section 11-43-130 (5) of the Act as applied to qualified projects to be funded from the state highway account of the Bank.

"Event of Default" means the uncured breach by the County, Bank or SCDOT of a provision or obligation in this Agreement.

"Extension Project" means the highway construction and improvement project in Charleston County consisting of extending the Mark Clark Expressway from the current terminus of I-526 at U.S. Highway 17 to Folly Road on James Island.

"Sales Tax" means the roads portion of the one-half percent sales and use tax established in Charleston County by approval of a referendum following the adoption of Charleston County Council Ordinance Number 1324 pursuant to South Carolina Code Ann. Sections 4-37-10, et seq., as amended, entitled "Optional Methods for Financing Transportation Facilities" and the subsequent 2016 sales and use tax established in Charleston County by approval of a referendum following the adoption of Charleston County Ordinance Number 1907 pursuant to South Carolina Code Ann. Sections 4-37-10, et seq., as amended.

"Transportation Sales Tax Bonds" means County's general obligation bonds additionally secured by the Sales Tax or revenue bonds whether now outstanding or hereinafter issued by the County.

#### **ARTICLE II**

#### 2. Term of Agreement

- 2.1 This Agreement shall be effective as of June 8, 2007, and shall terminate, except for specific provisions which are expressly stated to survive the termination of this Agreement, on the date when the last of the following events occurs: (i) the Bank makes its final Disbursement and the County makes its final payment on the Extension Project; or (ii) the Extension Project, in its full scope as defined in Article I of this Agreement, is declared completed by the SCDOT and accepted by the SCDOT.
- 2.2 Notwithstanding the foregoing provision, the County through a resolution adopted by its Council may petition the Bank Board to terminate this Agreement if the SCDOT cannot obtain any of the necessary approvals, authorizations, or permits from a Federal or State regulatory agency that is required to commence or complete construction of the Extension Project. The County's resolution must be supported by documentation from the Federal or State of South Carolina regulatory agency that has not granted such approval, authorization, or permit that establishes it is not feasible to proceed with the Extension Project. Should such documentation not be provided, the Bank shall be authorized to recover from the County a percentage to be determined by the Board, not to exceed fifty percent (50%), of what the Bank has spent at the time of the termination; however, the termination shall not be subject to any further financial penalty or other remedies identified in this Agreement.
- 2.3 The Bank, through a resolution adopted by its Board, may terminate this Agreement if it cannot obtain any of the necessary approvals, authorizations, or permits from a Federal or State public body that is required for it to provide financial assistance to the Extension Project. The Bank's resolution must be supported by documentation from the Federal or State public body that has not granted such approval, authorization, or permit that establishes that the Bank is unable to provide financial assistance to the Extension Project. Prior to the Bank taking up such a resolution, it agrees to work cooperatively and in good faith to consider alternatives. Such termination shall not be subject to any financial penalty or other remedies identified in this Agreement.

#### **ARTICLE III**

#### 3. Funding Commitments of Parties

#### 3.1 Bank

- A. The Bank shall establish a Budget for the Extension Project within the Account of the Bank and will, from time to time, deposit into the Account, or credit the Budget for, monies from one or more sources to fund Disbursements. The Bank will make Disbursements from the Account, pursuant to Article VI of this Agreement, to pay for Eligible Costs of the Extension Project incurred, or to be incurred, directly by the SCDOT, or the County or incurred, or to be incurred, for the Extension Project.
- B. In no event at any time shall the Bank be required to increase its financial assistance, payments, credits, disbursements, or contributions to the Extension Project beyond \$420 million or to disburse, advance, transfer or pay from its own monies in excess of \$420 million for the Extension Project. The aforesaid amount of \$420 million includes all past Disbursements or payments by the Bank under the original Intergovernmental Agreement made and entered into among the Parties. After the Disbursement or payment of the aforesaid \$420 million, the Bank shall have no financial liability for the Extension Project.

#### 3.2 County

- A. The County has spent \$117 million from the proceeds of the Sales Tax for highway and road construction and improvements as the local match contribution to the Extension Project. That local match contribution also has been deemed by the Bank as the local match contribution for the U.S. 17/Mark Clark Expressway Interchange Project.
- B. The County agrees to pay and shall pay from proceeds of the Sales Tax, or any lawful source, all of the costs incurred or to be incurred to complete the entire scope of the Extension Project in excess of the \$420 million in grants from the Bank (including past and future).
- C. The County Council shall adopt a budget for each Fiscal Year appropriating revenues of the Sales Tax, or any federal or state grant proceeds, or any lawful source to fund the payment obligations of the County under this Agreement.
- D. The payments by the County under Section 3.2.B shall be made pursuant to the provisions of Article VI of this Agreement.

#### 3.3 Respective Allocations and Order of Payments

- A. Except as provided in Section 3.3.B and 3.3.C of this Agreement, the County shall pay fifty percent (50%) of the remaining costs as of the date of this Agreement for preliminary engineering, right of way acquisitions (including right of way attorneys' fees), environmental mitigation, and related costs, and the Bank shall pay fifty percent (50%) remainder of all such costs. Each of the Bank's payments under this provision shall be due fifteen (15) business days after the County has completed its corresponding payment.
- B. Except as provided in Sections 3.3.A, 3.3.C and 3.3.D of this Agreement, the County shall pay forty-five percent (45%) of the remaining costs of the Extension Project, and the Bank shall pay fifty-five percent (55%) of all the remaining Eligible Costs of the Extension Project until the Bank reaches its cap of \$420 million, after which the County shall pay all remaining costs to complete the full scope of the Extension Project. The SCDOT estimated cash flow projections of the Extension Project, including estimates of the Parties' respective annual contributions, as of the time of the execution of this Agreement, are reflected in Schedule A to this Agreement. Each of the Bank's payments under this provision shall be due fifteen (15) business days after the County has completed its corresponding payment. Provided however, at no time will the Bank's funding commitment for the Extension Project be less than \$420 million (i.e. if the 55-45 split cost share reduces the Bank's overall funding commitment for the Extension Project below \$420 million, the County's cost share shall be reduced to exhaust the Bank's funding commitment).
- C. The County shall pay one hundred percent (100%) of the attorneys' fees, including those awarded to other parties, expenses and costs incurred for or associated with lawsuits, legal proceedings, inverse condemnation actions, and administrative proceedings relating to the Extension Project, or concerning permitting and approvals for the Extension Project by Federal and state agencies, including, , the Federal Highway Administration, U.S. Army Corps of Engineers, South Carolina Department of Health and Environmental Control, and South Carolina Department of Natural Resources. The County shall provide reports on such matters to the Bank and SCDOT upon the request of either of them.

The County may, in its sole discretion, choose to settle or resolve any dispute related to the above-described issues. However, any settlement or resolution that materially reduces the scope of the Extension Project will be subject to the approval of the Bank and SCDOT.

The Parties agree that if the County chooses to settle or resolve a dispute with any party (other than the Bank or SCDOT) as identified herein, said settlement or resolution shall not be a default under this Agreement unless it materially reduces the scope of Alternative G.

D. In no event shall the Bank's total grants, Disbursements, liabilities or payments under this Agreement at any time for any purpose exceed \$420 million, including all past and future grants, Disbursements and payments made by the Bank.

#### ARTICLE IV

#### 4. Additional Obligations of the County and SCDOT

#### 4.1 Additional Documents and Actions

- A. At the request of the Bank, the County and SCDOT shall execute any other documents that the Bank determines are reasonably necessary to evidence or establish the County's or SCDOT obligations to the Bank set forth in this Agreement.
- B. The County and SCDOT acknowledge that the Bank intends to raise funds for some portion or all of its commitment to the Extension Project and other qualified projects through the issuance of revenue bonds or other indebtedness as permitted under the Act. Accordingly, the County and SCDOT shall take such actions and enter into such other documents, including amendments to this Agreement or other agreements that are consistent with the substance hereof, as may be reasonably necessary to comply with South Carolina laws and regulations associated with such bonds or indebtedness and to satisfy requirements for documentation and information reasonably imposed by the Bank, prospective purchasers of such bonds, holders of such bonds, bond insurers, rating agencies, lenders or regulatory agencies and their attorneys, advisors, and representatives; provided, however, that such actions under this Section 4.1.B are legally permissible and that no such action or document shall create any additional material obligation or increase any material obligation of the County or SCDOT.

### 4.2 Additional Warranties, and Covenants

The County and Bank warrant and covenant that:

- A. <u>Subject to section 4.2.C below</u>, the Bank and County have full power and authority to execute, deliver and perform and to enter into and carry out the transactions contemplated by the provisions in this Agreement, and the execution and performance of these provisions and transactions by the Bank or the County does not and will not violate any applicable law or constitutional provision and does not, and will not, conflict with or result in a default under any agreement or instrument to which the Bank or County is a party or by which it is bound or a violation of which would cause a material adverse effect to the Bank or the County's obligations under this Agreement. This Agreement has, by proper action, been duly authorized, executed and delivered by the Bank and County. Notwithstanding the foregoing, the Parties acknowledge they will comply with all applicable laws.
  - B. This Agreement is fully valid, binding and enforceable as to the Bank and County, including the current and future County Councils, in accordance with its terms and involves the exercise of the Bank and County's business and proprietary powers. Notwithstanding the foregoing, the Parties acknowledge they will comply with all applicable laws.
  - C. No further authorizations, consents or approvals of governmental bodies or agencies are required in connection with the execution and delivery by the Bank and County of this Agreement and the performance of its obligations thereunder; however, the Parties acknowledge that the Extension Project may require permits and other approvals by governmental agencies other than the County and Bank, and the Parties acknowledge they will comply with all applicable laws.
  - D. No litigation at law or in equity, nor any proceeding before any governmental agency or other tribunal involving the Bank or County is pending or, to the knowledge of the Bank and County threatened, in which any judgment or order may be or has been rendered, or is sought, that may have a material and adverse effect upon the operations or assets of the Bank and County or would materially or adversely affect the validity of this Agreement, or the performance by the Bank and County of its respective obligations thereunder or the transactions contemplated thereby, including the payments pursuant to Article III of this Agreement. The Bank and County will immediately notify

each other in writing if any such litigation or proceeding is commenced or, to its knowledge, may be commenced at any time during the term of this Agreement.

E. The County will provide to the Bank an opinion of legal counsel that concludes the County has the authority to comply with and enforce this Agreement and its financial terms. Such opinion will be consistent with other opinions provided to the Bank by recipients of similar financial assistance from the Bank examples of which have been provided and reviewed by the County. Upon request, the Bank will provide the County a similar opinion of counsel for the Bank.

### 4.3 Reimbursement of Bank

If the Bank or SCDOT determines at any time that any Disbursements or payments made by the Bank on the Extension Project were for costs or expenses that were not Eligible Costs, were based on misstatements of fact by the County, SCDOT or the agents of either of them, or were for work, services, or materials which do not meet the design and construction specifications and standards of SCDOT and which have not been corrected to meet those specifications and standards, the Bank, may disallow said Disbursements or payments, which shall not abrogate the Bank's funding commitment up to the cap. Any amounts paid that were not Eligible Costs shall be paid by the County's portion of the costs in excess of the Bank's funding commitment. To the extent payments were made by the SCDOT based on misstatements of fact by the SCDOT or its agent for work, services, or materials, which do not meet the design and construction specifications and standards, the County and the SCDOT will develop a process by separate MOU to resolve payment reimbursement.

### 4.4 Extension Project Reporting

The County and SCDOT shall report to the Bank in writing at least quarterly on the status of the Extension Project, including, but not limited to, the status of design, right-of-way acquisition, environmental and related approvals, litigation, construction schedules and projected draw requests, project changes, project scope changes, and any other matters identified by the Bank.

### 4.5 Assistance with Municipal Cooperation and Agreements

The County shall be responsible, with the assistance of the SCDOT, for obtaining from each municipality in which any portion of the Extension Project is to be constructed

a properly and duly executed Municipal State Highway Extension Project Agreement, as required by South Carolina Code Ann. Section 57-5-820, and delivering the original, executed Municipal State Highway Project Agreement to SCDOT. The Parties to this Agreement acknowledge that the failure of a municipality to cooperate in executing such an agreement may delay the Extension Project, increase the costs of the Extension Project, result in a modification of or reduction in the scope of the Extension Project, or otherwise impact the Extension Project.

### **ARTICLE V**

### 5. Extension Project Administration

### 5.1 Extension Project Administration

The SCDOT will administer the Extension Project for the County. The County Administrator shall appoint a designee to serve as the day-to-day contact for the County for the Extension Project. The SCDOT shall oversee all planning, design, engineering, right-of-way acquisition, contract administration, inspection, awarding of contracts, the review and approval of payment of contracts, construction for the Extension Project, and any related or necessary activities or functions of the Extension Project. Preconstruction and construction services shall be obtained from third-party consultants or contractors by or on behalf of SCDOT or the County through the procurement process authorized by law applicable to that contract. All Contracts with third-parties shall be entered into in the name of the County. However, should the SCDOT determine that it would be more efficient or cost effective or would result in more expeditious completion of the Extension Project, the SCDOT may perform any service to the Extension Project with its own forces.

The SCDOT shall be entitled to draw, and be paid hereunder, its normal and customary rates for its services that are Eligible Costs of the Extension Project subject to review and approval by the Bank or its designee as to the reasonableness of such rates and costs and the qualification of such costs as Eligible Costs. All work, services, construction and materials used on the Extension Project shall conform to the standards and specifications applied by SCDOT. The Extension Project shall be opened for public use upon completion subject to the terms of acceptance therefor set forth in Section 5.6 of this Agreement.

### 5.2 <u>Contracting Methods</u>

The SCDOT or the County may solicit the contractor or consultant services needed to complete the Extension Project by the procurement method it deems will result in the selection of the best qualified firm, lowest contract price, or the best value for the Extension Project, so long as SCDOT or County is authorized by law to employ such method. Contract forms shall be design-bid-build, design-build, or any other form or combination of forms or project phases which are permissible by law that SCDOT or County determines will result in the most cost-effective, efficient and expeditious delivery of the Extension Project. SCDOT shall require that any such contracts, including a design-build contract, be in the name of the County as the contracting party.

### 5.3 Scope of Extension Project

The scope of the Extension Project shall be as set forth in the definition of the Extension Project in Section 1 of this Agreement. Any material reduction in that scope of the Extension Project shall require the approval of SCDOT, the County, and the Bank and an amendment to this Agreement.

### 5.4 Extension Project Delivery.

The SCDOT does not guarantee completion of the Extension Project within the scope of the Extension Project and within the current estimated costs of the Extension Project. The County shall be solely responsible for obtaining or providing additional funding for the Extension Project if the available funds are not sufficient to complete the entire scope of the Extension Project.

### 5.5 <u>Utility Relocations</u>

- 5.5.1 Utility relocations will be paid based on prior rights. Where a utility establishes a prior right of occupancy in its existing location, the County will be responsible for the cost of that relocation, including all real and actual costs associated (engineering, easements, construction, inspections, and similar costs), and those costs will be considered project costs under this Agreement. Prior rights may be established by the following means:
- 5.5.2 The utility holds a fee, and easement, or other real property interest, the taking of which is compensable in eminent domain.

- 5.5.3 The utility occupies a SCDOT right-of-way and under an existing agreement with SCDOT is not required to relocate at its own expense.
- 5.5.4 Where the utility cannot establish a prior right of occupancy, the utility will be required to relocate at its own expense.
- 5.5.5 If Federal funds are used for utility relocations, the SCDOT shall comply with applicable Federal regulations (23 C.F.R. 645 A and B).

### 5.6 Acceptance

Upon the completion of the Extension Project, the State Highway Engineer will recommend to the SCDOT Commission, subject to the normal mileage caps, the acceptance of the Extension Project into the State Highway System, as defined by South Carolina Code Ann. Section 57-5-10, as amended, for all purposes, including maintenance. Work performed by the SCDOT on roads owned by the County or any municipality incidental to work on the Extension Project shall not be construed as requiring SCDOT to accept such roads into the State Highway System.

### 5.7 Right-of-Way Acquisition

All rights-of-way for the Extension Project shall be acquired in the name of the SCDOT, and the laws and procedures of the State of South Carolina for acquiring rights-of-way shall apply and be followed. Upon completion and acceptance into the State Highway System of the Extension Project, the County will convey all its interests, if any, in the rights-of-way for the Extension Project to the SCDOT free of all encumbrances.

### 5.8 Public Information

The County will work cooperatively with the SCDOT and the Bank to respond to all communications or requests for information from the public or the media concerning the Extension Project.

### **ARTICLE VI**

### 6. SCDOT Draw Requests

SCDOT may submit draw requests to the Bank and County in advance of incurring expenditures for the Extension Project based upon the most recent project cash flow projections for the Extension Project certified by SCDOT. Such advance draw requests shall not exceed a period of twelve (12) calendar months. The County and Bank must fund Disbursements and

payments on each draw request from SCDOT, subject first to the requirements and provisions of Article VI of this Agreement and the order of payments provisions in § 3.3.

### 6.1 Conditions Precedent to Bank's Disbursements

The Bank's obligation to make Disbursements on the Extension Project arises only upon receipt of a draw request from SCDOT, which draw request shall be in a form approved by the Bank, and is further conditioned upon all of the following being verified by the SCDOT or the County:

- 6.1.1 Preconstruction or construction activities of the Extension Project described in the relevant Contract and draw request shall have been or will be carried out substantially in accordance with the applicable plans, standards and specifications.
- 6.1.2 SCDOT approves the draw request and certifies that the entire payment applied for in the draw request is or will be for Eligible Costs of the Extension Project.
- 6.1.3 To the best of SCDOT's knowledge, no event of default or breach of the County or SCDOT exists under this Agreement, and no event of default or breach by the County, SCDOT or any third party of any Contract related to the Extension Project exists.
- 6.1.4 The County shall not be in breach of any representations, warranties, guarantees, covenants, payments or obligations set forth in this Agreement up to the date of the draw request.
- 6.1.5 Each of the Bank's payments shall be due fifteen (15) business days after it receives confirmation that the County has made its corresponding payment under Section 6.2 below.

### 6.2 Conditions Precedent to County's Payments

The County's obligation to make payments on the Extension Project arises only upon receipt of a draw request from SCDOT, which draw request shall be in a form approved by the County, and is further conditioned upon all of the following being verified by the SCDOT, where applicable:

6.2.1 Preconstruction or <u>Geonstruction</u> activities of the Extension Project described in the relevant Contract and draw request have been or will be carried

out substantially in accordance with the applicable plans, standards and specifications.

- 6.2.2 SCDOT approves the draw request and certifieds that the entire payment applied for in the draw request is or will be for Eligible Costs of the Extension Project.
- 6.2.3 To the best of SCDOT's knowledge, no event of default or breach of the Bank or SCDOT exists under this Agreement, and no event of default or breach by the Bank, SCDOT, or any third party of any Contract related to the Extension Project exists.
- 6.2.4 The Bank shall not be in breach of any representations, warranties, guarantees, covenants, payments or obligations set forth in this Agreement up to the date of the draw request.
- 6.2.5 Each of the County's payments shall be due thirty (30) business days after receipt of a draw request from SCDOT.

### **ARTICLE VII**

### 7. <u>Indemnification of Bank.</u>

To the maximum extent permitted by law, the County and SCDOT shall defend, indemnify and hold the Bank harmless from and against any and all liabilities, claims, actions, damages, judgments and attorneys' fees and related expenses and costs in any way arising out of or relating to the permitting, approvals, design, location, construction, modification, or operation of the Extension Project, or any portion or component thereof; or the selection, use or payment of persons or firms for permitting, approvals, design, construction, modification, or operation of the Extension Project, or any portion or component thereof. In the event the County or the SCDOT does not pay the full amount of any such indemnification owed by it to the Bank within ninety (90) days of the date of the notification to the County or the SCDOT that such indemnification is due the Bank, or such other time period established by the Bank, the County's or the SCDOT's obligation to pay the Bank for such indemnification shall be subject to the provisions of Section 11-43-210 of the Act. The SCDOT and the County shall be responsible for all claims arising from its own wrongful acts arising from any services they perform on or on behalf of the Extension Project, and in the event of such a claim or claims, the SCDOT and the County shall be subject to the provisions of this

Section 7 thereby requiring it to indemnify and hold harmless the Bank to the maximum extent permitted by law. This Section 7 shall survive the termination of this Agreement.

### ARTICLE VIII

### 8. Rights and Remedies

### 8.1 Events of Default

In the event the County, SCDOT or Bank (the "Defaulting Party") shall violate or fail to comply with any provision or obligation under this Agreement (including other agreements and obligations incorporated herein), and if such failure continues for a period of thirty (30) days after receipt of a written notice by the Defaulting Party of such default from the Party not in default (the "Non-Defaulting Party"), such failure shall constitute an Event of Default hereunder. Among other rights and remedies available to the Non-Defaulting Party under this Agreement following an uncured Event of Default, the Non-Defaulting Party shall have the right to cease making any further Disbursements or payments under this Agreement with respect to the Extension Project until such Event of Default has been cured to the satisfaction of the Non-Defaulting Party.

Further, if the County or Bank fails to fulfill its funding and payment commitments under this Agreement and fails to cure this default within thirty (30) days of written demand, the non-defaulting Party may adopt a resolution to terminate this Agreement due to the failure of the defaulting Party to meet its respective financial commitment and may proceed with other remedies allowed by law or equity or authorized by this Agreement.

### 8.2 Remedies for Bank and County

Whenever any Event of Default by the County or Bank relating to any payment obligation under this Agreement occurs, any one or more of the following remedies may be pursued by and shall be available to the Non-defaulting Party in addition to those provided in other sections of this Agreement:

A. In the event of an Event of Default of a payment obligation under this Agreement, the Non-defaulting Party shall have access to inspect, examine, copy and audit the books, records, accounts, and financial data of the Defaulting Party, or any records of the Charleston County Treasurer, the State Treasurer or South Carolina Department of Revenue pertaining to the Defaulting Party, at a time and place agreed to among the Parties and any other state agency involved.

- В. In the event the County or SCDOT fails to make any payment or reimbursement in full as required by any provision of this Agreement—whether due to breach of this Agreement or due to any other reason—each acknowledges and agrees to the authority of the State Treasurer under Section 11-43-210 of the Act to withhold funds allotted or appropriated by the State to the County or SCDOT and to apply those funds to make or complete any such payment on the Extension Project or payment or reimbursement to the Bank. The County and SCDOT agree that the current provisions of South Carolina Code Ann. Section 11-43-210 are hereby incorporated into this Agreement verbatim as an independent and separate contractual obligation of the County and the SCDOT and shall be enforceable against the County and SCDOT. If the County fails to make a timely payment due on the Extension Project under Sections 3.2, 3.3 (A) and (B), or 6.2 of this Agreement, that failure shall be deemed and constitute a failure to pay an amount due the Bank subject to the provisions of Section 11-43-210. The Bank will notify the County or SCDOT prior to requesting that the State Treasurer withhold such funds. Alternatively, upon the County's or SCDOT's failure to make a payment or reimbursement in full, the Bank may reduce its financial assistance to the Extension Project by the amount of such payment or reimbursement.
- C. The Parties must apply any payments recovered or received pursuant to the rights and remedies provisions of this Agreement to complete the entire scope of the Extension Project.

### 8.3 Remedies Cumulative; Nonwaiver; Attorney's Fees

All rights and remedies of the Parties provided for in this Agreement or in any other related document as to any Party are cumulative, shall survive the termination of this Agreement, and shall be in addition to any and all other related remedies provided for or available to the Parties at law, including those contained in the Act, or in equity. The exercise of any right or remedy by a Party shall not in any way constitute a cure or waiver of an Event of Default, nor invalidate any act done pursuant to any notice of the occurrence of an Event of Default. The Party that prevails in any litigation arising under this Article VIII shall be entitled to the payment of its reasonable attorneys' fees and litigation costs by the Party found by the court to have caused the Event of Default.

### ARTICLE IX

### 9. General Conditions

### 9.1 Waivers

No waiver of any Event of Default by a Party shall be implied from any delay or omission by the Party to take action on account of such Event of Default, and no express waiver shall affect any event of default other than the Event of Default specified in the waiver and it shall be operative only for the time and to the extent therein stated. Waivers of any covenants, terms or conditions contained herein must be in writing and shall not be construed as a waiver of any subsequent or other breach of the same covenant, term or condition. The consent or approval by the Party to or of any act by another Party requiring further consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent or similar act. No single or partial exercise of any right or remedy of the Party hereunder shall preclude any further exercise thereof or the exercise of any other or different right or remedy by the Party.

### 9.2 Benefit and Rights of Third Parties

This Agreement is made and entered into for the sole protection and benefit of the Bank, the SCDOT and the County, and their successors and assigns. No other persons, firms, entities, or parties shall have any rights, or standing to assert any rights, under this Agreement in any manner, including, but not limited to, any right to any Disbursements or payments at any time, any right to require the Bank to apply any portion of the amounts committed herein that have not been disbursed by the Bank to the payment of any such claim, or any right to require the Bank to exercise any right or power under this Agreement or arising from any Event of Default of any kind by the County or SCDOT. Nor shall the Bank owe any duty or have any obligation whatsoever to any claimant for labor or services performed or materials or supplies furnished in connection with the Extension Project. No other persons, firms, entities, or agencies shall, under any circumstances, be deemed to be a beneficiary of any conditions or obligations set forth in this Agreement, any or all of which may be freely waived in whole or in part by the Bank at any time, if in its sole discretion, it deems it desirable to do so.

### 9.3 No Liability of Bank

The Bank makes no representations and assumes no obligations or duties as to any person, firm, entity, or party, including the parties to this Agreement, concerning the quality of the design, construction, modification, or operation of the Extension Project, or any portion or component thereof, or the absence therefrom of defects of any kind, The Bank shall not be liable in any manner to any person, firm, entity, or party, including the Parties to this Agreement, for the design, location, construction, modification, or operation of the Extension Project, or the failure to design, locate, modify, operate, or construct the Extension Project or any portion or component thereof, generally or in any particular manner. The Bank shall not be liable in any manner on any Contract to which it is not a named party, the execution of which has not been properly and duly authorized by the Board, or which has not been so executed by the Bank.

### 9.4 Assignment

The terms hereof shall be binding upon and inure to the benefit of the successors and assigns of the Parties hereto; provided, however, neither the County nor SCDOT shall assign or delegate this Agreement, any of its respective rights, interest, duties or obligations under this Agreement, or any Disbursements or payments without the prior written consent of the Bank; and any such attempted assignment or delegation (whether voluntary or by operation by law) without said consent shall be void. In the event that an Event of Default by the County occurs which is not cured by the County to the satisfaction of the Bank and SCDOT, the Bank and SCDOT may require the County to assign all Contracts, licenses, permits, approvals and authorizations for the Extension Project, together with all plans, drawings, and specifications, to SCDOT which has the option of accepting or not accepting the assignment

### 9.5 Captions

The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement nor the intent or meaning of any provision hereof.

### 9.6 Notices

All notices required to be given hereunder, except as otherwise provided in this Agreement, shall be deemed effective when received by the other Parties, through certified

mail, registered mail, or by delivery by a nationally recognized service. All such notices shall be addressed to the parties as follows:

**Charleston County** 

Attn: County Administrator 4045 Bridge View Drive North Charleston, SC 29405

South Carolina Transportation Infrastructure Bank

Chairman

South Carolina Transportation Infrastructure Bank 955 Park Street, Room 120 B Columbia, SC 29201

South Carolina Department of Transportation:

Secretary P.O. Box 191 Columbia, SC 29202-0191 or 955 Park Street, Room 314 Columbia, SC 29201

### 9.7 Amendments

Any amendment to this Agreement shall only be made through a written instrument duly authorized and signed by each Party hereto.

### 9.8 Savings Clause

Invalidation of any one or more of the provisions of this Agreement by any court of competent jurisdiction shall in no way affect any of the other provisions hereof, all of which shall remain, and is intended by the Parties to remain, in full force and effect.

### 9.9 Execution in Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument, and in making proof of this Agreement it shall not be necessary to produce or account for more than one such fully executed counterpart.

### 9.10 Authority to Execute

By executing this Agreement, the undersigned each affirms and certifies that he or she has authority to bind hereto the Party he or she represents and that all necessary acts have been taken to duly authorize this Agreement under applicable law.

### 9.11 Releases

Upon final approval of this Agreement by each of the Parties and the execution of this Agreement each of the Parties, each Party releases the other Parties from all prior acts and omissions concerning the Extension Project, including all alleged defaults or breaches of the terms and provisions of the Intergovernmental Agreement dated June 8, 2007 ("Original IGA"). Further, upon the execution of this Agreement by the Parties, the terms of the Original IGA remain in place, with the exception of the payment and financial provisions of the Amended IGA.

(SEPARATE SIGNATURE PAGES FOR EACH PARTY TO BE ADDED)

### SIGNATURE PAGE FOR BANK

IN WITNESS WHEREOF, the South Carolina Transportation Infrastructure Bank has caused this Agreement to be executed on its behalf and its seal to be affixed hereto.

South Carolina Transportation Infrastructure Bank:

: / Kunstrum

3. White, My Chairman / / 0 / 19

Attest:

Robert E. Tyson, Jr. General Counsel

(SEAL)

### SIGNATURE PAGE FOR SCDOT

IN WITNESS WHEREOF, the South Carolina Department of Transportation has caused this Agreement to be executed on its behalf and its seal to be affixed hereto.

South Carolina Department of Transportation:

By: Jan Holland

Christy A. Hall Secretary of Transportation

Recommended by:

Linda C. McDonald

Chief Counsel

(SEAL)

### SIGNATURE PAGE FOR CHARLESTON COUNTY

IN WITNESS WHEREOF, Charleston County has caused this Agreement to be executed on its behalf and its seal to be affixed hereto.

Charleston County, South Carplina

1/2

Printed Name: J. Elist

Title: Chai'MAN

Attest:

By:

Printed Name:

Title: Cherk of Counci

(SEAL)

[Approved by action of Charleston County Council at its meeting held on <u>January 10, 2019</u>]

### Schedule A



### **Potential Cash Flow Scenario**

### PRELIMINARY - Jan 2019

	PENERAL PROPERTY.	<b>高層電子</b> 提	THE BELLEY											
Estimate	2008-2016	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year S	Year 9	Year 10	Year 11	Year 12	Year 13
\$42,000,000	\$40,000,000	\$500,000	\$850,000	\$250,000	\$250,000	\$150,000								
\$4,000,000		\$4,000,000												
\$18,132,600		51,813,280	\$16,185,720						la produce a service de		1 17			
\$660,867,200	8			A			\$66,000,000	5117,000,000	\$101,000,000	534,000,000	\$83,000,000	\$121,000,000	\$104,000,000	\$35,000,000
725,000,000	\$40,000,000	\$6,313,280	\$17,036,720	\$250,000	\$250,000	\$150,000	\$66,000,000	\$117,000,000	\$101,000,000	\$34,000,000	\$83,000,000	\$121,000,000	\$104,000,000	\$35,000,000
	\$42,000,000 \$4,000,000 \$18,132,800 \$660,867,200	\$42,000,000 \$40,000,000 \$4,000,000 \$18,132,600 \$660,867,200	\$42,000,000 \$40,000,000 \$500,000 \$4,000,000 \$4,000,000 \$18,132,800 \$1,813,280 \$40,000,000 \$1,813,280	\$42,000,000 \$40,000,000 \$500,000 \$850,000 \$4,000,000 \$4,000,000 \$4,000,000 \$18,132,800 \$1,813,280 \$16,186,720 \$460,467,700	\$42,000,000 \$40,000,000 \$500,000 \$850,000 \$250,000 \$4,000,000 \$4,000,000 \$18,112,600 \$18,112,600 \$18,112,600 \$18,112,600 \$16,185,720	\$42,000,000 \$40,000,000 \$500,000 \$850,000 \$250,000 \$210,000 \$4,000,000 \$4,000,000 \$518,132,000 \$518,132,000 \$518,132,000 \$518,132,000 \$1,813,200 \$16,186,720	\$42,000,000 \$40,000,000 \$500,000 \$550,000 \$250,000 \$250,000 \$150,000 \$4,000,000 \$54,000,00	\$42,000,000 \$40,000,000 \$500,000 \$550,000 \$250,000 \$250,000 \$150,000 \$4,000,000 \$510,000 \$110	\$42,000,000 \$40,000,000 \$500,000 \$850,000 \$250,000 \$250,000 \$150,0	\$42,000,000 \$40,000,000 \$500,000 \$550,000 \$250,000 \$100,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000,000 \$150,000,000 \$150,000,000 \$150,000,000 \$150,000,000 \$150,000,000 \$150,000,000 \$150,000,000 \$150,000,000 \$150,000,000 \$150,000,000 \$150,000,000 \$15	\$42,000,000 \$40,000,000 \$500,000 \$850,000 \$250,000 \$250,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$16,000,000 \$54,000,000 \$54,000,000 \$54,000,000 \$54,000,000 \$54,000,000 \$54,000,000 \$540,000 \$540,000 \$540,000 \$540,000 \$540,000 \$540,000 \$540,000 \$540,000 \$540,000 \$540,000	\$42,000,000 \$40,000,000 \$500,000 \$850,000 \$210,000 \$210,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000 \$150,000,000 \$150	\$40,000,000 \$40,000,000 \$500,000 \$850,000 \$250,000 \$250,000 \$510,000 \$150,000 \$510,000 \$510,000 \$510,000 \$510,000 \$510,000 \$510,000 \$510,000,000 \$51	\$40,000,000 \$40,000,000 \$500,000 \$550,000 \$250,000 \$250,000 \$150,0

			-50 Split Share oproximately \$	<b>经需要的</b>	Tryster (1)	2000年度超過20		<u>5</u>	5% SIB (up to \$4	20M Max) - 459	6 County Split o	n Remaining Co	<u>sts</u>	
STATE OF THE PERSON NAMED IN COLUMN	2008-2017	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year &	Year 9	Year 10	Year 11	Year 12	Year 13
SIB Share	\$40,000,000	53,156,540	\$8,518,160	\$125,000	\$125,000	\$75,000	\$37,000,000	\$65,000,000	\$55,000,000	\$19,000,000	\$46,000,000	\$67,000,000	\$58,000,000	\$20,000,000
County Share		\$3,156,540	\$8,518,360	\$125,000	\$125,000	\$75,000	\$29,000,000	\$52,000,000	\$45,000,000	\$15,000,000	537,000,000	\$54,000,000	\$46,000,000	\$15,000,000
	\$40,000,000	\$6,313,280	\$17,036,720	\$250,000	\$250,000	\$150,000	\$66,000,000	\$117,000,000	\$101,000,000	\$34,000,000	\$83,000,000	\$121,000,000	\$104,000,000	\$35,000,000
						Cumi	ulative Totals b	y Entity				AND NEED		W
SIB	\$40,000,000	\$43,156,640	\$51,675,000	\$51,800,000	\$51,925,000	\$57,000,000	\$89,000,000	\$154,000,000	\$210,000,000	\$229,000,000	\$275,000,000	\$342,000,000	\$400,000,000	\$420,000,000
County		53,156,640	\$11,675,000	511,800,000	\$11,925,000	\$12,000,000	\$41,000,000	\$93,000,000	5138,000,000	\$153,000,000	\$190,000,000	5244,000,000	\$290,000,000	\$305,000,000
														£775 000 000

<sup>\*</sup> NOTE: All values rounded and based on preliminary estimates. Actual schedule of values to be determined upon award of contracts(s).

# Capital Improvements Joint Band Review Committee

HUGH K. LEATHERMAN, SR.
SENATE
CHAIRMAN

### SENATE MEMBERS

HUGH K. LEATHERMAN, SR. HARVEY S. PEELER, JR. THOMAS C. ALEXANDER PAUL G. CAMPBELL, JR. GLENN G. REESE

### **HOUSE MEMBERS**

G. MURRELL SMITH, JR.
GILDA COBB-HUNTER
ALAN D. CLEMMONS
LEONIDAS E. STAVRINAKIS
J. GARY SIMRILL



G. MURRELL SMITH, JR.
HOUSE OF REPRESENTATIVES
VICE CHAIRMAN

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

JESSA WIGINGTON

ADMINISTRATIVE ASSISTANT 803-212-6677 FAX: 803-212-6690

February 20, 2019

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

Dear Mr. White:

At its meeting today, the Joint Bond Review Committee deferred action requested in your letter of February 8, 2019, concerning the Mark Clark Extension Project, and referred this matter to a special subcommittee. Members appointed to the subcommittee are Senators Thomas C. Alexander and Paul G. Campbell, Jr., and Representatives Leonidas E. Stavrinakis and J. Gary Simrill. Senator Alexander will serve as the special subcommittee chair.

We greatly appreciate the responsiveness to requests for information and other courtesies you, your staff and counsel have provided to the Joint Bond Review Committee in preparation for today's meeting.

Committee staff will keep you apprised of developments and advise as additional information is needed.

Very truly yours,

Hugh K. Leatherman, Sr.

Chairman

### Capital Improvements Ivint Bond Review Committee

HUGH K. LEATHERMAN, SR.
SENATE
CHAIRMAN

SENATE MEMBERS HUGH K. LEATHERMAN, SR. HARVEY S. PEELER, JR. THOMAS C. ALEXANDER PAUL G. CAMPBELL, JR. GLENN G. REESE

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J. GARY SIMRILL



G. MURRELL SMITH, JR. HOUSE OF REPRESENTATIVES VICE CHAIRMAN

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

JESSA WIGINGTON
ADMINISTRATIVE ASSISTANT
803-212-6677
FAX: 803-212-6690

June 4, 2019

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

Dear Mr. White:

At its meeting today, the Joint Bond Review Committee took action to authorize up to the full \$12 million commitment of the South Carolina Transportation Infrastructure Bank and the matching \$12 million commitment of Charleston County to fund the remaining preliminary work as reflected on Schedule A of the First Amended Intergovernmental Agreement for Charleston County Mark Clark Expressway Extension Project dated as of January 10, 2019. The Joint Bond Review Committee will receive and review the updated estimate preceding the Secretary of Transportation's certification required for submission of the project for federal approval.

We greatly appreciate the responsiveness to requests for information and other courtesies you, your staff and counsel have provided to the Joint Bond Review Committee throughout its review process.

Please advise if any further information is needed.

Very truly yours,

Hugh K. Leatherman, Sr.

Chairman

c: Ms. Christy A. Hall Secretary of Transportation

South Carolina Department of Transportation

955 Park Street

Columbia, South Carolina 29201



April 25, 2022

Mr. Bill Tuten Administrator, Charleston County 4045 Bridge View Drive North Charleston, SC 29405

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

Dear Administrator Tuten and Chairman White:

I am writing to provide you updated information on the proposed Mark Clark Extension project. As you may recall, we received authorization from the County, SC Transportation Infrastructure Bank Board and the SC Joint Bond Review Committee of the SC Legislature to proceed with preliminary planning activities for the project up to a ceiling of approximately \$24 Million in additional expenditures. Following that authorization, SCDOT's project team has been working steadily on revisiting the traffic and environmental studies, design and footprint of the project as well as re-engaging the public regarding this regionally significant project. We have also updated the estimated cost of the project, including factoring-in current real estate and construction market conditions as well as expected inflation over the next several years.

Activity	Cost Forecast
Preliminary Engineering	\$23,000,000
Right of Way Acquisition	\$261,000,000
Construction Phase 1	\$1,350,000,000
Construction Phase 2	\$702,000,000
Mitigation	\$16,000,000
TOTAL	\$2,352,000,000

Attached please find some detailed information regarding our recommended phasing and projected cash flows for the entire corridor. The estimated cost for the project has increased significantly, however, it still remains just an estimate or a forecast. Until the preliminary work is completed and the project goes to bid, it will remain a highly speculative figure. It is also our experience that a project this large must be phased in order to ensure competitive bids and to enable in-state companies the opportunity to engage in the construction work.

Based on this information, we are requesting the following from the County of Charleston and the SC Transportation Infrastructure Bank Board:

- Authorization to proceed with expending approximately \$150 Million for the remaining preparatory work necessary to ready the project for bid. Based on previous agreements, these costs would be split 50-50 between the SC Transportation Infrastructure Bank and the County.
- 2. Within the next six months, we must be able to demonstrate a reasonable financial approach to the entire project by the project sponsors. This is required as part of the documentation needed for the Final Environmental Impact Statement and other Federal approvals. Based on previous discussions, the SC Transportation Infrastructure Bank is capped at no more than \$420 Million for the project, with the County of Charleston committing to funding the balance of the entire project. For our purposes, "reasonable" means a financial plan that is rational and realistic. Two important considerations in determining whether an assumption is "reasonable" are (a) evidence of review and support of the new revenue assumption to fund the project and (b) documentation of the rationale and procedural steps to be taken with milestone dates for securing the funds.

I expect that you will have questions regarding this updated information. Please do not hesitate to reach out to us. We stand ready to provide you additional information or clarification on any item you require related to the complex project.

Sincerely,

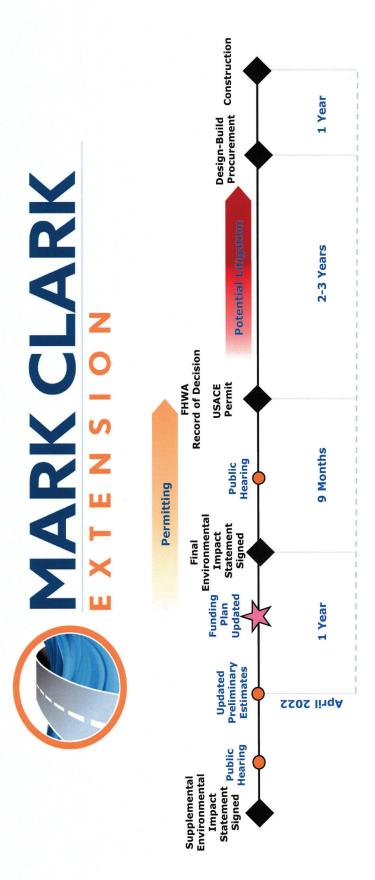
Christy A Hall, P.E. Secretary of Transportation

cc: Joint Bond Review Committee

Attachment

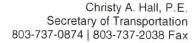
Prepared April 2022

# Prepared April 2022



						April 2022 L	<b>Ipdated Proje</b>	Project Estimate and Cash Flow Forecast	sh Flow Forecast							
Schedule Milestones	Cost	2008-2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Preliminary Engineering	\$23,000,000	\$14,800,000	\$1,000,000	\$1,200,000	\$500,000	\$500,000	\$5,000,000	D/B Procurement				D/B Procurement				
Right of Way Acquisition	\$261,000,000	\$35,000,000	\$10,000,000	\$10,000,000	\$20,000,000	\$51,000,000	\$35,000,000			\$60,000,000				\$40,000,000		
Construction Phase 1	\$1,350,000,000			î					\$250,000,000	\$300,000,000	\$500,000,000	\$300,000,000				2
Construction Phase 2	\$702,000,000			×	P. P.	POTENTIAL LITIGATIO	NO.				100	6	\$150,000,000	\$200,000,000	\$250,000,000	\$102,000,000
Tidal Mitigation	\$16,000,000	,	,	\$16,000,000												
TOTAL	\$2,352,000,000	\$49,800,000	49,800,000 \$11,000,000	\$27,200,000	\$20,500,000	\$51,500,000	\$40,000,000		\$250,000,000	\$360,000,000	\$500,000,000	\$300,000,000	\$150,000,000	\$240,000,000	\$250,000,000	\$102,000,000

							Cash Flo	Cash Flow Forecast by Entity	ity						
	2008-2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	Initial Funds			50-50 split						70% SIB - 30	70% SIB - 30% County up to \$420M SIB Max (Then County 100%)	OM SIB Max (Then 0	County 100%)		
SIB Share	\$44,900,000	\$5,500,000	\$13,600,000	\$10,250,000	\$13,600,000 \$10,250,000 \$25,750,000 \$20,000,000	\$20,000,000		\$175,000,000 \$125,000,000	\$125,000,000						
County Share	\$4,900,000	\$5,500,000	\$13,600,000	\$10,250,000	\$13,600,000 \$10,250,000 \$25,750,000 \$20,000,000	\$20,000,000	8/6	\$75,000,000	\$235,000,000	\$500,000,000	\$300,000,000	\$150,000,000	75,000,000 \$235,000,000 \$500,000,000 \$300,000,000 \$150,000,000 \$240,000,000 \$250,000,000 \$102,000,0	\$250,000,000	\$102,000,
Cumulative Total							Procurement	as par							
SIB	\$44,900,000	\$50,400,000	\$ 000,000,564,000	\$74,250,000 \$	\$100,000,000	\$120,000,000		\$295,000,000	295,000,000 \$420,000,000						
County	\$4,900,000	\$10,400,000	\$24,000,000	\$34,250,000	000 \$24,000,000 \$34,250,000 \$60,000,000 \$80,000,000	\$80,000,000		\$155,000,000	\$390,000,000	\$890,000,000	\$1,190,000,000	\$1,340,000,000	155,000,000 \$390,000,000 \$890,000,000 \$1,190,000,000 \$1,340,000,000 \$1,580,000,000 \$1,830,000,000 \$1,932,000,	\$1,830,000,000	\$1,932,00





December 2, 2022

Mr. Bill Tuten Administrator, Charleston County 4045 Bridge View Drive North Charleston, SC 29405

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

Dear Administrator Tuten and Chairman White:

Several months ago I provided you an updated estimate of \$2.352 Billion for the proposed Mark Clark Extension project. SCDOT's \$2.352 Billion estimate for the project included nearly \$800 Million in potential risks and inflation, which may or may not materialize at the end of the day. Following the release of that estimate, Charleston County Council requested that we seek an independent review of the estimate.

The independent consultant has completed its review and they estimate a potential total cost of approximately \$2.2 Billion for the project, including just over \$600 Million in potential risks and inflation. While the consultant's independent estimate closely aligns to SCDOT's estimate, it still remains just that...an estimate. As I have stated previously, until the preliminary work is completed and the project goes to bid, the estimate will remain a highly speculative figure. We also strongly recommend that the project be phased during construction and that priority be placed on implementing Phase 1 at an estimated cost range of \$1 Billion (baseline cost) - \$1.5 Billion (factoring in potential risks and inflation).

Therefore, I am renewing my request for the following from Charleston County and the SC Transportation Infrastructure Bank:

 Authorization to proceed with expending approximately \$150 Million for the remaining preparatory work necessary to continue to advance the project. Based on previous agreements, these costs would be split 50-50 between the SC Transportation Infrastructure Bank and the County.

Post Office Box 191 955 Park Street, Room 309 Columbia, SC 29202-0191 2. Development of a reasonable financial approach to the entire project by the project sponsors. This is required as part of the documentation needed for the Final Environmental Impact Statement and other Federal approvals. Based on previous discussions, the SC Transportation Infrastructure Bank is capped at no more than \$420 Million for the project, with the County of Charleston committing to funding the balance of the entire project. For our purposes, "reasonable" means a financial plan that is rational and realistic. Two important considerations in determining whether an assumption is "reasonable" are (a) evidence of review and support of the new revenue assumption to fund the project and (b) documentation of the rationale and procedural steps to be taken with milestone dates for securing the funds.

We look forward to hearing back from you and we stand ready to appear before your respective council/board members at your convenience in order to answer any remaining questions that you may have.

Christy Hall, P.E. Secretary of Transportation

cc: Joint Bond Review Committee



WILLIAM L. TUTEN
County Administrator

843.958-4000 Fax: 843.958.4004 Lonnie Hamilton, III Public Services Building 4045 Bridge View Drive, Suite B238 North Charleston, SC 29405-7464

February 6, 2023

Secretary Christy Hall South Carolina Department of Transportation 955 Park Street Columbia, SC 29201-3959

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

Dear Secretary Hall and Chairman White,

I would like to express Charleston County's appreciation for Secretary Hall's presentation at the Charleston County Finance Committee on January 26, 2023. I am pleased to report that County Council met on January 31, 2023, and passed two council directives regarding the Mark Clark Extension. These directives are as follows:

- 1. Authorize an expenditure of \$75 million and appropriate up to \$20 million from the roads portion of the 1<sup>st</sup> Transportation Sales Tax for further preparatory activities necessary to secure the permit for the MCE project and obtain ROW necessary for Phase 1 of the project.
- 2. Commit Charleston County's support and intention of completing the entire MCE project (both Phase 1 and Phase 2) and direct the Administrator and his staff to work with the SCDOT to research and outline a reasonable future financial approach for the entire project for the County and any other funding partners.

Charleston County staff stand ready to assist with the development of the reasonable financial approach. If you should have additional questions or need additional information, please let me know.

Sincerely,

William Tuten

William A. Tate

Charleston County Administrator

### **BOARD OF DIRECTORS**

John B. White, Jr., Chairman

Ernest Duncan, Vice Chairman

### Tony K. Cox

H.B. "Chip" Limehouse, III

David B. Shehan

Representative Chris Murphy

Senator C. Ross Turner, III

February 16, 2023

# South Carolina Transportation Infrastructure Bank



955 Park Street Room 120 B Columbia, SC 29201 P: (803) 737-2825 Fax: (803) 737-2014

William L. Tuten Charleston County Administrator 4045 Bridge View Dr. North Charleston, SC 29405

Re:

Mark Clark Expressway Project

Dear Mr. Tuten:

As Chairman of the South Carolina Transportation Infrastructure Bank (the Bank), I am writing in response to your letter to Secretary Hall and me dated February 6. I am seeking additional information about how and when Charleston County Council intends to fund its financial obligation to complete the construction of the full Mark Clark Expressway Extension Project. The Bank has been holding its funding for the original interstate project since 2007 with the possible completion of the revised project still years in the future.

On December 2, 2022, Department of Transportation Secretary Christy Hall wrote you and me about the SCDOT's revised \$2.3252 billion estimate for the Project. She specifically requested \$150 million (\$75 million each) to complete the remaining preliminary work. She further requested the "development of a reasonable financial approach to the entire project by the project sponsors."

In your letter, you stated the Charleston County Council passed two "directives" responding to her requests. In the first directive, Charleston County agreed to make the \$75 million expenditure per Secretary Hall's request. As to the second directive, Council authorized staff "to work with the SCDOT to research and outline a reasonable future financial approach for the entire project…" This second directive prompted my letter to you. Please explain what form these "directives" are and provide copies of them.

Before the Bank considers providing \$75 million for the completion of the preliminary work, the Bank needs additional information on how the County intends to fund the amount exceeding the Bank's commitment of \$420 million, now approximately \$1.9 billion. Once the Bank receives this information from the County, it can better assess how to respond to Secretary Hall's request and how the 2019 action by the Joint Bond Review Committee on the project relates to that request. Secretary Hall specifically requested "a reasonable financial approach that is rational and realistic" and the Bank seeks further explanation by the County to describe its plan to provide a "rational and realistic" funding commitment.

I am available to meet with you, or other County representatives, to discuss how the County specifically intends to meet its funding obligation under the Intergovernmental Agreement. Please

### Page 2 of 2

let me know if you would like such a meeting. You can contact Jerri Butler at the Bank's office to schedule a meeting.

I look forward to receiving this information from the County. In the meantime, if I can be of assistance, please do not hesitate to contact me.

Sincerely,
The B White In

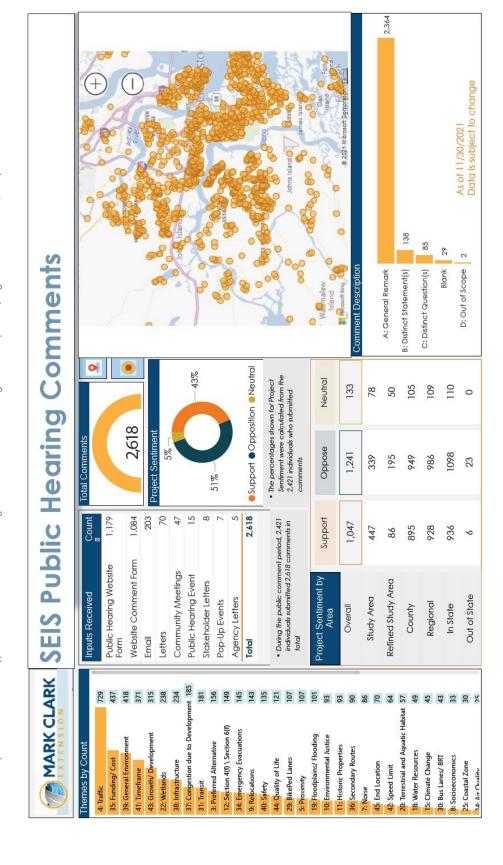
John B. White

cc: Bank Board (via email)

Secretary Christy Hall (via email)

# What did we hear during the 2021 Public Hearing comment period?

Below is a summary of the number and type of comments received during the 2021 SEIS Public Hearing comment period (August 18 to October 15, 2021).



Herbert R. Sass, III - Chair Jenny Costa Honeycutt - Vice Chair Joe Boykin Henry E. Darby Larry Kobrovsky Kylon Jerome Middleton C. Brantley Moody Teddie E. Pryor, Sr. Robert L. Wehrman



Kristen L. Salisbury, Clerk (843) 958-4030 1-800-524-7832 FAX (843) 958-4035 E-mail: ksalisbury@charlestoncounty.org

### CHARLESTON COUNTY COUNCIL

Lonnie Hamilton, III Public Services Building 4045 Bridge View Drive Charleston, South Carolina 29405-7464

November 27, 2023

Joint Bond Review Committee

Attention: Rick Harmon

Via Email: RickHarmon@SCSenate.gov

RE: Charleston County Motion re MCE

Dear Mr. Harmon:

As Chairman of Charleston County Council, I wanted to take the opportunity to address the motion that this Council passed back in January of 2023. It was made clear to the Council that the authorization of the \$75M expenditure for the MCE project was a final action. There would not be a need for additional agenda items and/or votes of the council until the funding requests exceed the \$75M. The additional language regarding the appropriation was specific to the budgeting process.

I have asked the Administrator to have his finance department provide a written explanation regarding that budgetary process. Additionally, I have asked our County Attorney to provide a legal opinion letter. Both letters have been written and executed and are attached to this correspondence.

If there are any questions or concerns, please feel free to contact me directly.

Sincerely,

Herbert R. Sass, III

Chairman

**Charleston County Council** 



NATALIE A. HAM COUNTY ATTORNEY CHARLESTON COUNTY ATTORNEY'S OFFICE Lonnie Hamilton, III Public Services Building 4045 Bridge View Drive, Suite B314 North Charleston, South Carolina 29405 843.958.4010

Fax: 843.958.4017

November 27, 2023

Joint Bond Review Committee

Attention: Rick Harmon

Via Email: <u>RickHarmon@SCSenate.gov</u>

Re: Attorney Opinion re: Charleston County Motion

Dear Mr. Harmon:

The Chairman of the Charleston County Council has asked that I provide a legal opinion as to a motion made and passed by Charleston County Council on January 31, 2023. The motion made in it's entirety was as follows:

"Authorize an expenditure of \$75 million and appropriate up to \$20 million from the roads portion of the 1st Transportation Sales Tax for further preparatory activities necessary to secure the permit for the MCE project and to obtain ROW necessary for Phase 1 of the project.

Commit Charleston County's support and intention of completing the entire MCE project, both Phase 1 and Phase 2, and direct the Administrator and his staff to work with the SCDOT to research and outline a reasonable future funding approach for the entire project for the County and another other funding partners."

I have highlighted the language from the motion that I understand to be in question. The above language was requested by the County's finance department and inserted into the motion because we were outside the typical budgetary process. It was anticipated at that time that the current requested amount (\$19.1M) would need to be provided immediately or within the upcoming 30-45 days.

Due to the unexpected delay in the timeframe of actually providing the funding pursuant to the Department of Transportation's request, it is the opinion of this office that the highlighted language has become moot. The full \$75M has been authorized as an expenditure and is now outlined in the County's budgetary items based on the Department's cash flow projections for each fiscal year. It is also the opinion of this office that Charleston County Council will not have

to revisit or vote on this item for any further appropriations until the amount requested by the Department exceeds the authorized \$75M expenditure.

If there are any questions or concerns, please contact me. Otherwise, I plan to be present at the meeting on December 5<sup>th</sup> and will be happy to answer any further questions.

Best Regards,

CHARLESTON COUNTY ATTORNEY'S OFFICE

Natalie Ham



843.958.4064 Fax: 843.958.4075 caltenhein@charlestoncounty.org Lonnie Hamilton III Public Services Building 4045 Bridge View Drive, Suite B352 North Charleston, SC 29405

### Corine Altenhein

Deputy Administrator for Finance

November 27, 2023

Joint Bond Review Committee

Attention: Rick Harmon

Via Email: RickHarmon@SCSenate.gov

RE: Charleston County Commitment to Mark Clark

Dear Mr. Harmon:

It is my understanding that there is a request to better understand the action taken by the Council on January 31, 2023. The motion made was as follows:

"Authorize an expenditure of \$75 million and appropriate up to \$20 million from the roads portion of the 1st Transportation Sales Tax for further preparatory activities necessary to secure the permit for the MCE project and to obtain ROW necessary for Phase 1 of the project."

Since the County typically operates on a budget cycle and the request came outside of that cycle, the finance department asked for the specific authorization to be able to immediately act upon the Department of Transportation's request. The Department's cash flow showed a need for \$5.5M for FY22 and \$13.6M for FY23, so out of an abundance of caution, County staff recommended an appropriation of up to \$20M to cover the \$19.1M that the cash flow showed as being needed by the end of FY23. Because Council authorized the full expenditure of the \$75M, based on the Department's cash flow and/or future requests from the Department, the amount would be allocated in the county's typical budget process without specific council action until the request for funding exceeds the allocated \$75M.

For instance, the County has already included \$10.25M in its FY24 annual budget based on the same May 2022 cash flow. The County plans to set aside the remainder of the funds as part of its annual budget in future years and will not bring a specific action back to Council unless there is a projection to exceed the approved \$75M.

Please let me know if you need any additional information.

Sincerely,

Corine Altenhein

Deputy Administrator for Finance

AGENCY: South Carolina Transportation Infrastructure Bank

SUBJECT: Rural Project Program

On October 17, 2023, the Board of the South Carolina Transportation Infrastructure Bank, following recommendations of the Bank's Evaluation Committee, adopted amendments to the Rural Project Program. This action follows comments received by the Bank from its board members, legislators, and the South Carolina Department of Transportation.

The recommendations also incorporate certain comments and findings of the State Transportation Infrastructure Bank Funding Policy Subcommittee of the Joint Bond Review Committee, which was established on August 11, 2020, to ensure equitable consideration and awards for project proposals made by rural versus metropolitan counties; to evaluate the Bank's expectations for financial capacity to support future projects; to propose legislation as appropriate and necessary to support any Subcommittee recommendations; and to provide periodic updates and a final report to the full Committee as soon as reasonably practicable.

The Subcommittee convened to receive interested party comments and recommendations on October 14, 2020, and October 28, 2020, and made a preliminary report of findings to the Committee on December 10, 2020. Thereafter, the Bank forwarded its proposed Rural Project Program in April 2021, on which no formal action was taken by the Committee. Notwithstanding, the Bank continued development of and has finalized the Program, for which it now seeks review of the Committee.

Principal elements of the Program include a funding goal totaling \$250 million in commitments to projects over 10 years, contingent on financial capacity. A rural project includes the potential combination of projects if the public benefit is similar in need and purpose, and gives the Bank Board the discretion to increase scoring points for projects for economic impact, and for projects located in Tier III or IV counties. The rural project definition has been refined for considerations of population, and also includes eligible and qualified projects outside of a Metropolitan Planning Organization study area.

Pursuant to statutory mandate, the Bank may fund only a project with total costs of at least \$25 million; however, for the Rural Project Program only, up to 3 related projects in close proximity may be combined and considered as one project if the public benefit is similar in need and purpose for each project. The combining of related projects is subject to review and approval of the Bank Board.

All projects granted financial assistance by the Bank are subject to review and approval by the South Carolina Department of Transportation Commission and the Committee.

The Bank Board has scheduled March 2024 to begin accepting its first Rural Project applications, and expects to offer a workshop for potential applicants that will explain the Program and answer questions.

### **COMMITTEE ACTION:**

Receive as information and provide comment as appropriate.

### ATTACHMENTS:

- 1. Resolution of the South Carolina Transportation Infrastructure Bank adopted on October 17, 2023.
- 2. Rural Project Program Application.
- 3. Overall Operating Guidelines, Procedures and Standard Conditions for Financial Assistance of South Carolina Transportation Infrastructure Bank (Including Strategic Initiative Additions)
- 4. Populations and Tier Designations of South Carolina counties.

### **BOARD OF DIRECTORS**

John B. White, Jr., Chairman

Ernest Duncan, Vice Chairman

## South Carolina Transportation Infrastructure Bank

Tony K. Cox

J. Gary Simrill

David B. Shehan

Representative Chris Murphy

Senator C. Ross Turner, III



955 Park Street Room 120 B Columbia, SC 29201 P: (803) 737-2825 Fax: (803) 737-2014

November 7, 2023

The Honorable Harvey S. Peeler, Jr., Chairman Joint Bond Review Committee 109 Gressette Building Columbia, South Carolina 29201

RE: Review of Rural Project Program

Dear Chairman Peeler,

As Chairman of the South Carolina Transportation Infrastructure Bank ("the Bank"), I am pleased to provide to the Joint Bond Review Committee ("JBRC") the Bank's amended "Rural Project Program". The Rural Project Program consists of the following attached documents:

- A. Board Resolution; and
- B. Rural Project Program Application as amended; and
- C. The Bank's "Operating Guidelines, Procedures, and Standard Conditions for Financial Assistance ("Operating Guidelines"), as amended; and
- D. South Carolina population by county.

Amendments to the Application and to the Operating Guidelines were recommended by the Bank's Evaluation Committee on October 17, 2023, and later that day, approved by the Bank Board. Also, the Bank approved a Resolution setting a goal of \$250 million for Rural Projects over a 10-year period. Each document and relevant materials are enclosed with this letter. The most important elements of the Bank's Rural Project Program are described more fully below.

The Bank created a Rural Project Program after its last round of applications in 2020. After going through this process, the Bank heard from it Board members, legislators, and the South Carolina Department of Transportation (SCDOT) about taking additional steps to ensure rural South Carolina could receive financial assistance from the Bank. The Bank forwarded its Program to the JBRC in April 2021. The JBRC forwarded the Rural Project Program to the newly appointed JBRC State Transportation Infrastructure Bank Funding Policy Subcommittee. This subcommittee held several hearings on the matter, but never took any formal action of which we are aware.

Since that time, the Bank has received comments from members of the General Assembly and the SCDOT. The Bank has continued studying revisions it could implement to increase the opportunities for rural counties to receive financial assistance from the Bank. The Bank staff took

these comments and worked closely with the SCDOT staff to develop a revised Rural Project Program. These discussions culminated in the amended Rural Project Program that was approved by the Bank Board.

The Bank Board has scheduled March 2024 as the time to begin the first round of taking Rural Project applications. This timeline allows ample notice to be given and for a workshop for potential applicants to explain the Rural Program and answer questions. The Bank has found these workshops to be very effective in assisting the applicants complete their applications.

The most important elements of the Rural Project Program are the following:

#### Bank Board Resolution (Attachment A)

The Bank Board passed a Resolution establishing a Rural Projects Program goal totaling \$250 million over 10 years. The Bank Board reserved the right to ensure there is sufficient financial capacity before moving forward with each round of applications over the 10-year period. The objective of the program is to have a separate funding round for rural projects and attempt to provide substantial financial assistance, as funding is available.

#### Revisions to Financial Assistance Application for a Rural Project (Attachment B)

The Application has been revised for convenience of applicants.

The Application incorporates the changes to the definition of a "Rural Project" including the potential combination of projects if the public benefit is similar in need and purpose.

The application revises language for economic development projects giving the Board the discretion to increase points for projects that have either minor, moderate, or major economic impact. Further, the revisions allow the Bank to assign additional points if the project is located in either Tier III or IV of the most recent Information Letter issued by the South Carolina Department of Revenue for various economic development categories. (See SC Information Letter #20-33).

#### Revisions to Operating Guidelines (Attachment C)

The "Rural Project" definition was amended to the following. Any project in a county with a population of 115,000 or less based on the most recent population data available from the U.S. Census Department on the date of the application. Additionally, in counties with populations of more than 115,000 but less than 200,000 based on the most recent population data available from the U.S. Census Department on the date of the application. a "Rural Project" also includes an eligible and qualified project outside a Metropolitan Planning Organization (MPO) Study Area.

A list of counties, their population, and their coverages by MPO's is attached. (Attachment D)

Prior to commencing a round of applications for Rural Projects, the Bank Board may identify an amount of Bank financial capacity that is available for eligible qualified projects. During a round for which project applications are invited, Rural Projects will be reviewed and ranked against other

#### Page 3 of 3

Rural Projects by the Bank's Evaluation Committee and Board. As with all projects, the project and financial assistance also will have to be reviewed and approved by the SCDOT Commission and JBRC.

Per its statutory mandate, the Bank may fund only a project with total project costs of at least \$25 million. However, for the Rural Project Program only, up to three (3) related projects in close proximity, can be combined and considered one project if the public benefit is similar in need and purpose for each project. The combining of such related projects to meet the minimum total project costs mandate is subject to the review and approval of the Board.

Please refer to the attached documents for a complete statement of the components of the Rural Project Program.

We stand ready to address any questions or comments the JBRC or Subcommittee may have. If you have questions, please feel to contact Jerri Butler at <a href="mailto:butlerjl@scdot.org">butlerjl@scdot.org</a>

Sincerely,

John B. White, Jr.

Chairman, SC Transportation Infrastructure Bank

The B White In

Attachments

ecc: Board Members cc: Mr. Rick Harmon

#### SOUTH CAROLINA TRANSPORTATION INFRASTRUCTURE BANK

#### RESOLUTION

#### ON RURAL PROJECT PROGRAM

*WHEREAS*, the South Carolina Transportation Infrastructure Bank ("Bank") resolves to establish a Rural Project Program totaling \$250 million over 10 years.

WHEREAS, the Bank reserves the right to ensure there is sufficient financial capacity as it moves toward meeting the objectives of this program.

WHEREAS, if there is not sufficient funding capacity at that time, the Bank Board is not required to fund a round at that time.

*WHEREAS*, on October 17, 2023, the Bank Board voted unanimously by a vote of 7 - 0 in support of this Resolution.

John B. White, Sr., SCTIB Chairman

ATTEST:

Robert E. Tyson, Jr., SCTIB Secretary

# Rural Project Program Application South Carolina Transportation Infrastructure Bank (the Bank) Financial Assistance Application for Rural Project Eligibility, Public Benefit, and First Steps for a Rural Project

An eligible project is one which provides a public benefit required by the South Carolina Transportation Infrastructure Bank Act, S.C. Code Sections 11-43-110, *et seq.*, (the Act) and has eligible project costs of at least \$25 million. An eligible project may be considered for financial assistance from the Bank.

The proposed project must provide a public benefit in one or more of the following areas: enhancement of mobility and safety; promotion of economic development; or increase in the quality of life and general welfare of the public. The Bank determines if a project is eligible. Eligibility is only the first step in consideration of a project. The Bank's Rural Project Program and the requirements for eligibility under the Act and Bank Board's policies are discussed in general below. Please refer to Sections 11-43-130(6) and 11-43-180(B) of the Act.

The Bank Board has established a Rural Project Program. The Rural Project Program and the definition of a "Rural Project" are found in XIV of the <u>Overall Operating Guidelines</u>, <u>Procedures</u>, and <u>Standard Conditions for Financial Assistance</u> ("Operating Guidelines"). The available capacity established for a round of applications for rural projects will be determined and announced by the Bank Board in advance of the round of applications commencing. Prior to commencement of a round of applications for rural projects, the Bank Board after consultation with SCDOT, may announce types of rural projects that may be given additional consideration due to statewide or regional transportation needs during that round. The applications on rural projects will be reviewed and evaluated separately from other types of projects but will be evaluated and rated against each other to determine which rural projects, if any, will receive financial assistance at the conclusion of the round.

A rural project's eligible cost must be at least \$25 million to be considered for financial assistance from the Bank. A maximum of 3 related projects, may be combined and considered as one program/project if the public benefit is similar in purpose and need and falls within the three (3) public benefit areas listed above. Consideration for eligibility of combined projects will be done by the Bank in its discretion on a case-by-case basis. Prior to application submittal, it is highly recommended that applicants contact the SCTIB for guidance and carefully review XIV of the Operating Guidelines.

The request for financial assistance from the Bank is initiated by an applicant applying by the deadline set by the Bank Board for a round of applications. Once the Bank determines that a project is eligible under the Act and Bank Board's policies, the Bank next must conduct an in depth and detailed review and evaluation of the project to determine if the project qualifies and may be approved for financial assistance and if so, in what form, amount and under what conditions. The initial information for the review and evaluation must be contained in the application. The Bank Board will refer the application to its Evaluation Committee (the Committee) which will review and evaluate the application and issue a report to the Bank Board on these issues. The Committee and the Bank Board may request additional information at any time during the process. The applicant must be a qualified borrower as defined in Section 11-43-

130(15) and related sections of the Act. The Act requires the Bank to prioritize all eligible projects. The project in each application, if eligible, is scored and ranked. A minimum score to be considered for an award of financial assistance will be set by the Bank prior to the commencement of a round of applications. See Sections II, Project Sponsor or Owner, and XIII. A and B, Application Procedures, of the Bank's Operating Guidelines.

#### APPLICATION FORMAT

The application must be submitted to the Bank using the following format, containing the following contents, and presented in the following order using the numerical section and subsection designations listed below. A Table of Contents with page numbers and the numerical section and subsection designations listed below are required. Please provide special attention to the items below that allow for the assignment of scoring points by the Bank.

Applications should include an executive summary and list a contact person for the applicant including that person's full name, mailing and street address, telephone and facsimile numbers, e-mail address, and relationship to applicant. Applications will be no longer than 25 pages, excluding appendices. Evidence of local support, studies, and other reports may be attached as appendices.

Applications should include cross-referencing rather than using repetition in explaining the project and assistance requested. The applicant must include the name(s) of those preparing the application and the costs associated with application preparation.

Applications shall be submitted as follows:

- a. Fifteen complete copies on 15 thumb drives in Word software, (or if thumb drives are not possible, 15 bound copies) mailed to the address below, and
- b. One complete un-bound printed copy mailed to:

South Carolina State Transportation Infrastructure Bank 955 Park Street, Room 120B Columbia, South Carolina 29201

Each application submitted to the Bank Board will be reviewed to determine if a project is eligible for financial assistance. Projects that are not eligible for financial assistance will be returned to the applicant with proper notification.

In cases where information or a response is required from SCDOT or a Council of Governments, the applicant shall include a copy of the request to SCDOT or Council of Governments for the information or a copy of the response from SCDOT or Council of Governments, if received prior to the application being submitted. If the SCDOT or Council of Governments information or response is not included, the applicant must provide it immediately upon receipt.

The Bank reserves the right to request or obtain additional information about any and all applicants and applications and to return applications that do not comply with the format set forth herein, are not found to

2

be eligible by the Bank, or are filed after any deadlines established by the Bank Board.

All requests for information shall be submitted to the South Carolina State Transportation Infrastructure Bank.

#### I. DESCRIPTION OF PROJECT

Describe the rural project in sufficient detail through a narrative presentation to include the name of the project, project location and project termini.

#### II. PUBLIC BENEFIT – 50 POINTS (Maximum Score)

The proposed rural project must provide a public benefit in one or more of the following areas: enhancement of mobility and safety; promotion of economic development; or increase in the quality of life and general welfare of the public. The application must identify each public benefit, explain how each is substantiated by the information in the application, and rank the public benefits in the order of importance from the perspective of the applicant. The determination of which scoring criteria apply and which points may be assigned under any item in part II will be made by the Bank based on the primary purpose and need of the project presented in the application.

Evidence to substantiate the public benefit(s) shall include but not be limited to:

- II.1 Traffic studies including the current and projected traffic volume, truck volume and accident data and the pavement quality index of existing road or highway to be improved (cite source and date of information and if not SCDOT, state why another source was used). Required information. The information must be the most current available data, and source data dated by year.
- II.2 Urgency of project (is accelerating the project critical). If yes, the reason for urgency.
- II.3 If applicable, a resolution from the local governing body or bodies which make a finding, with supporting information, that the project is essential to the economic development in the political subdivision or political subdivisions.
- II.4 Current and five-year history of unemployment data for the counties served by the project. See II.13 and II.14 below.
- II.5 Local support of the project from residents through items such as petitions or comments at public hearings. Must provide comments/petition if available.
- II.6 Resolutions, with substantive comments from municipalities, county councils, County Transportation Committees (CTC's), advisory groups, Metropolitan Planning Organizations (MPO) or Council of Governments (COG) and planning documents indicating where project is on all priority lists maintained by or in possession of those entities, SCDOT and the applicant. Must provide resolutions if available.

- II.7 If applicable, explain and substantiate why the project is of regional or statewide significance.
- II.8 Review and evaluate the pros and cons of all alternative transportation plans to the project. Are there other reasonable alternatives for the application project? If so, why was the application project pursued?
- II.9 Provide an analysis of the environmental impact of the project. Expected level of necessary environmental document review, and if a U.S. Army Corps permit is likely to be required.
- II.10 Provide a timetable bar chart of events/milestones to implement phases of project (including when the facility will be open for use). Include each critical factor necessary for the project success (i.e. environmental approvals, etc.) and the status of each. Must provide timetable and critical factors.
  - A. **Project Schedule** What is the current phase of the project:
    - 1. No Preliminary Engineering plans -0 points assigned.
    - 2. Preliminary Engineering has been initiated Up to 10 points may be assigned.
    - 3. Environmental NEPA Document and ROW plans are completed Up to 20 points may be assigned.
    - 4. Construction Plans are completed and permits are obtained –up to 25 points may be assigned.

Note: The foregoing assignment of points is not cumulative. Documentation must be provided by the County, Municipality, or SCDOT confirming the project's current phase, including any planning documents.

- A. Identify where the project is currently listed within the regional COG's Long Range Transportation Plan (LRTP) or Transportation Improvement Plan (TIP). Include document title and page number. A copy of the page of the document should be included in the appendices, section (c).
- B. Identify whether the project is currently listed within SCDOT's priority list, Statewide Transportation Improvement Plan (STIP), or Multimodal Transportation Plan (MTP). Include document title and page number. A copy of the page of the document should be included in the appendices, section (d).
- C. Provide a list of any planning documents that support the project. The planning documents should be included within the appendices, section (f).
- II.11 Include a complete description of the status of the project, and its purpose and need.
- II.12 Include a clear statement of the entity (including contact name, address, and telephone number) responsible for each of the following activities: Must provide entity contact person for the listed activities.
  - environmental studies
  - design of project
  - rights of way acquisition

- construction
- construction management
- operation
- maintenance
- II.13 Include a brief, accurate description of how the rural project will promote economic development and provide the following information and data, and cite the full source and date for all information and data provided:
  - a. Current and five-year history of unemployment data for the counties served by the project; and
  - b. Include any resolutions from county or municipal governing bodies explaining how the transportation project is essential to economic development in those jurisdictions, or, if available, a resolution or certificate from the Department of Commerce's Advisory Coordinating Council Economic Development that the project is essential to economic development in the state.
- II.14 If the applicant asserts that the project in this application is essential to a specific existing economic development project(s), provide the following information and data and cite the full source and date for all information and data provided:
  - a. Describe the specific existing economic development project(s) to which the project in the application is related and provide a strong, clear, and detailed explanation and justification of why the project in the application is essential to the existing economic development project.
  - b. A map showing the existing specific economic development project site(s) in relation to the project in the application, and a map showing representations of the economic development project(s) and the completed project in the application.
  - c. Amount and type of state and local government incentives legally obligated for the existing economic development project(s) and explain how the incentives are legally obligated.
  - d. Private investment obligated for the existing economic development project(s).

For items II.13 and 14 above, the Board may assign up to the following respective scoring points based on its determination of the economic impact on the county and area served by the project:

<sup>&</sup>lt;sup>1</sup> "Economic development project" is defined as a specific plant or facility primarily engaged in manufacturing, processing, or other qualifying industry that is receiving state and local government incentives authorized by Title 4, Chapter 29; S.C. Code Ann. § 4-12-30(D)(4)(a)(i), (ii); S.C. Code Ann. § 12-6-3360; Title 12, Chapter 44; and related sections of the S.C. Code, and is creating a significant number of full time jobs. This determination will be made at the discretion of the Board.

Minor economic impact- up to 5 points. Moderate economic impact-up to 10 points. Major economic impact- up to 15 points

The forgoing assignment of points is not cumulative.

The Board may assign up to 10 additional points if the county in which the project will be located is listed in Tiers III or IV of the most recent Information Letter issued by the SCDOR for various economic development categories (e.g., SC Information Letter #20-33).

The Bank may assign scoring points for the specific criteria listed in this Part II on the Public Benefit that it determines are justified based on its review and evaluation of the project, except where the points that may be assigned are expressly limited for specific criteria listed above in part II. In no event may the points assigned for all criteria for the Public Benefit exceed 50 points.

#### III. FINANCIAL PLAN - 50 POINTS (Maximum Score)

Provide a financial plan that clearly describes the funding for development, implementation, operation, and maintenance of the project, including, but not limited to:

- III.1 The total cost of the project, including source(s) used to determine cost. If required information is not provided, the application will be returned as incomplete.
- III.2 Project with the total eligible costs from \$25 million to \$30 million. The local contribution, also known as a local match, must be at least 10% of the total eligible project costs. Meeting the minimum local contribution provides 15 points toward the Financial Plan. The applicant may be assigned 10 points for each increase in the local contribution of 5% of the total eligible project costs up to a maximum of 50 points. (See III.18 below on what costs local contribution and non-Bank financial assistance must cover).

For projects with total eligible project costs in excess of \$30 million, the Board may set the amount of the required minimum local contribution that it determines is justified. Meeting the minimum local contribution provides 15 points toward the Financial Plan. The applicant may be assigned 10 points for each increase in the local contribution of 5% of the total eligible project costs up to a maximum of 50 points.

- III.3 Source of local contribution may be in several forms. Refer to Section XIII.C of the Operating Guidelines. The type of local match may receive the following scoring:
  - a. Payments on project cost <u>0 points</u>
  - b. Payments from Non-State Tax Revenues to the Bank that qualify to be pledged to Bank Bonds up to <u>25 points</u>
- III.4 Amount of financial assistance requested from the Bank. Must provide total request, or the

application will be rejected.

- III.5 Form of financial assistance requested (e.g. loan, grant, other). Financial assistance in the form of loan rather than a grant may receive up to <u>25 points</u> if it covers the Bank's financing costs to provide the financial assistance and is secured by a credit worthy payment source in an amount, in a form, and with terms acceptable to the Bank in its discretion. The Bank may develop separate loan terms and conditions for rural projects. Must identify form of financial assistance or application will be returned as incomplete; preference will be given to projects requesting loans.
- III.6 Other proposed funding sources, with commitment of all parties. If yes, the applicant must provide details regarding the source type, commitment, and timing of funding availability. Did the County(ies) or other political subdivisions benefitted by the project:
  - adopt impact fees to assist in financing the project any user fee dedicated to the project (see S.C. Code Ann. 6-1-930)?
  - adopt any local hospitality tax or fee dedicated to the project to assist in its financing (see e.g. SC Code Ann 6-1-700 et seq., Local Hospitality Tax Act)?
  - adopt any local sales tax dedicated to the project to assist in its financing (see e.g. SC Code Ann. 4-10-300 et seq., Capital Project Sales Tax Act)?
  - adopt any user fee dedicated to the project to assist in its financing or future maintenance (See S.C. Code Ann 4-35-10 et. seq.)?
  - implement any Tax Increment Financing Districts to assist in financing the proposed project (see, SC Code Ann. 31-7-10 et seq. Tax Increment Financing)?
  - implement any assessment program (see, SC Code Ann. 4-35-10 et seq.) to assist in financing the project?
  - apply for funds from rural County Transportation Committees?

If this information is not provided as part of the application, the application will be returned to the applicant as incomplete. The Bank may assign up to 10 points to projects substantially supported by funds from rural County Transportation Committees.

- III.7 The anticipated schedule of when disbursement of funds will be required (cash flow diagram). If not provided, the application will be considered incomplete and returned to the applicant.
- III.8 If applicable, a schedule of project receipt for local contributions on the amount listed, local match, or loan payments and description of risks of such payments such as taxes, user fees, toll rates, etc. (cite source or method used to determine projected revenues). If yes, and not provided the application will be considered incomplete and returned to the applicant.
- III.9 Commitment to be responsible for future maintenance requirements. The applications will be

- considered incomplete if not addressed.
- III.10 Explain contingency plans should the Board approve less than the requested financial assistance or actual project costs exceed estimated project costs and explain scope of the project reduction and how the costs can be reduced by the applicant. If the contingency plan is not provided, the application will be considered incomplete, and returned to the applicant.
- III.11 Did the County(ies) or other political subdivisions benefited by the project establish any development agreement programs with developers or property owners or entered into any development or other agreements to assist in financing the project? If the response is negative, please explain why no development agreement programs have been established or such agreements entered.
- III.12 What, if any, zoning and/or other land use controls has the applicant (and/or other political subdivisions benefited by the project) established to foster the use of existing roads to connect developments? If the response is negative, please explain why no such zoning or other land use controls have been established.
- III.13 Discount, to present value, any and all cash flows provided in the application using a 5% discount rate to include, without limit: The value of the applicant's future payments or contributions to the proposed project; and the value of any non-Bank third-party future payments or contributions to the proposed project; and the value of future expenditures associated with the proposed project. If not provided, the application will be considered incomplete, and returned to the applicant.
- III.14 For purposes of cost estimates associated with the proposed project, please set forth the inflation rate assumed. If not provided, the application will be considered incomplete, and returned to the applicant.
- III.15 Should condemnation be needed to complete the proposed project, is the applicant and/or other political subdivisions benefited by the project willing to serve as the named party in such condemnation proceedings? If the response is negative, please explain why the applicant and/or other political subdivisions benefited by the project are unwilling to serve in such a role.
- III.16 Whether the applicant and/or other political subdivisions benefited by the proposed project have sought sources of funding other than those listed hereinabove? If the answer is affirmative, please explain the status and amount of each other source of funding. If the answer is negative, please explain why such other sources of funding have not been sought or obtained.
- III.17 A description and explanation of potential obstacles (legal issues, lack of local support, public opposition, right of way costs, environmental impact, and concerns, etc.) and methods the applicant proposes be used to manage or avoid those obstacles. If not provided, the application will be considered incomplete, and returned to the applicant.
- III.18 Local contribution, and all other non-Bank sources for the project must cover, at a minimum, all costs associated with the design of the project, including; traffic analysis,

necessary federal/state approved environmental documentation, permitting approvals, any mitigation costs, right of way fees and acquisition, as well as any legal costs associated with these activities. Any federal funds to the project would not be considered a local contribution but would be a preferred funding source along with the local contribution for all costs associated with design, environmental documentation and permitting approvals, and if needed any right of way acquisition. Any remaining local/federal funds would be used toward the project construction costs. See Operating Guidelines, Sections IV and XIII.C for more information. For each 5% of the total project cost brought to the project through a combination of federal grants and/or MPO/COG/SCDOT federal/state program funds will add 5 points to the project Financial Plan up to a maximum of 25 points.

The Act requires the Bank Board to give preference to eligible projects which have local financial support. Local financial support may include local fees, grants, local taxes, or similar payments to pay project costs. The Bank Board reserves the right to determine the suitability and acceptability of the form and amount of each local financial contribution.

The Bank may assign points for the specific criteria listed in this part III on the Financial Plan that it determines are justified based on its review and evaluation of the project, except where the points that may be assigned are expressly limited for specific criteria listed above in part III. In no event may the points assigned for all criteria for the Financial Plan exceed 50 points.

#### IV. OTHER

The Bank Board may consider other significant factors not included in the above in determining award of financial assistance to a project.

#### **EVALUATIONS OF ELIGIBLE APPLICATIONS**

The Evaluation Committee of the Bank Board will review applications determined to be eligible by the Bank Board. The Committee will review each application and rate its strengths and weaknesses based on prescribed evaluation criteria. The Committee will issue a report to the Bank Board on each application. The final decision on financial assistance on each application will be determined by the Bank Board and the Bank Board may place conditions on financial assistance it provides.

#### **PRESENTATIONS**

By invitation from the Bank Board, an applicant may be given the opportunity to make a presentation to the Board. Presentations usually will occur before the Committee reviews the applications. Further presentations may be requested to answer any questions from the Board or the Committee.

### ADDITIONAL PROVISIONS APPLICABLE TO ALL APPLICATIONS AND APPLICANTS

Projects and financial assistance approved by the Board must also be submitted for review and consideration to the SCDOT Commission and the Joint Bond Review Committee (JBRC) of the General Assembly prior to implementation. Please note that this application and consideration of it by the Committee and Board is

subject to the SCTIB Act, Act 275 of 2016, and the Bank's Operating Guidelines, most recently revised 4/24/2021. Any award of financial assistance is subject to the availability of funds.

The General Assembly may enact a joint resolution allowing the Bank to fund a project without using the prioritization criteria provided in S.C. Code of Laws § 57-1-370(B)(8). The joint resolution must be specific as to the project and the amount authorized to be funded.

The Bank is not responsible for providing any additional financial assistance of any kind to a project beyond what it and the JBRC initially approve under any circumstances regardless of the actual cost of the project.

The Board assumes no liability for and will not reimburse any costs or liabilities incurred by applicants or others, whether provided financial assistance by the Bank for the project or not, in developing, submitting, or presenting applications.

Revised 10/19/2005 Revised 5/12/2008 Revised 10/08/2013 Revised 12/15/2016 Revised 3/25/2019 Revised 8/7/2019 Revised 1/5/2020 Revised 2/14/2023 Revised 10/17/2023

## Overall Operating Guidelines, Procedures and Standard Conditions for Financial Assistance of South Carolina Transportation Infrastructure Bank (Including Strategic Initiative Additions)

#### I. Purpose

The purpose of these Operating Guidelines, Procedures and Standard Conditions for financial assistance is to compile, summarize, formalize and expand upon the procedures and practices that have been used by the South Carolina Transportation Infrastructure Bank to ensure the proper and effective use of its resources.

#### II. Terms

- "Bank" means the South Carolina Transportation Infrastructure Bank.
- "Board" means the Board of Directors of the Bank.
- "IGA" means the intergovernmental agreement required by the Bank as a condition of the Bank providing financial assistance to a project or the parties involved with the project.
- "Operating Guidelines" means these Operating Guidelines, Procedures and Standard Conditions for Financial Assistance.
- "Project sponsor or owner" means the project applicant or other entity that is primarily responsible for the project as determined by the Bank, including local governments. The terms "project sponsor or owner" and "local government" are used hereinafter are interchangeable.
- "SCDOT" means the South Carolina Department of Transportation.

#### III. Project Budget

The application for a project shall include an estimated budget for the project that includes all sources of funds. An updated budget shall be prepared by the applicant and shall be attached to the IGA for the project if it is approved for financial assistance. The budget and expenditures shall be updated by the project sponsor or owner at least each quarter during the life of the project, or on such other schedule as the Bank shall direct. The budget shall include at a minimum the following itemized expense categories and shall be in a form and with contents acceptable to the Bank:

- Preliminary Engineering and Design,
- Environmental Permitting.
- Other Permitting,

- Environmental Mitigation,
- Environmental or Permit Litigation or Proceedings (with attorneys' fees stated separately),
- Final Engineering and Design,
- Rights of Way Acquisition (with attorneys' fees stated separately),
- Construction (with utility relocation and storm water costs stated separately), and
- Contingency (including all factors used and explanation of how calculated).

#### IV. Cost Sharing and Pre-Construction Costs

- A. The project sponsor or owner must share in the funding of project costs and expenses. At a minimum, a portion of planning; engineering; permitting; rights of way acquisition; legal; litigation and other non-construction related costs; and expenses as determined by the Bank will be the responsibility of the project sponsor or owner.
- B. All or a significant portion of the pre-construction costs of the project, such as those for planning, design, engineering, rights of way acquisition, environmental review, permitting, legal, and litigation activities, will be funded by the project sponsor or owner until all necessary permits for construction are obtained and a contract for construction is awarded. At that time, the Bank may reimburse the project sponsor or owner for the percentage or amount of financial assistance for eligible pre-construction costs to be provided by the Bank as stated in the IGA for the project that have not been previously reimbursed by the Bank.
- C. The foregoing paragraphs A and B of this policy do not apply to projects owned by SCDOT (a) for improvements to or on mainline interstates or the interchanges for such interstates; (b) for rehabilitation or replacement of bridges; or (c) so designated as exempted by the Bank.
- D. The Bank may require that the other sources of funds for the project be spent before any financial assistance from the Bank is expended or that all such sources of funds be applied to project expenditures on the proportional or other basis established in the IGA.

#### V. Certain Project Costs

- A. The Bank will not pay for or reimburse the following costs, expenses and disbursements on a project:
  - Legal or litigation costs or expenses, settlements, awards or judgments for inverse condemnations or regulatory takings or any other similar claims, proceedings or lawsuits of any kind that are not direct condemnations commenced by a condemnor under S.C Code Sections 28-2-10 to 28-2-510;

- Legal or litigation costs or expenses, settlements, awards or judgments for claims, lawsuits or administrative proceedings concerning a permit required for a project, except to the extent, if any, allowed in the IGA on the project (see paragraph B below);
- Legal or litigation costs or expenses, settlements, awards or judgments for claims, lawsuits, or proceedings on contract disputes concerning construction, design, services, materials or supplies for the project, except to the extent, if any, allowed in the IGA on the project (see paragraph B below);
- Excessive or unreasonable condemnation or rights of way acquisition costs, expenses, awards, judgments or settlements, including attorneys' fees, as determined by the Bank;
- Costs, expenses, awards, judgments, or settlements for acquisition of rights
  of way or real property not needed for or not used in the construction of the
  project as determined by the Bank;
- Excessive or unreasonable attorneys', engineering or other professional fees, charges or expenses as determined by the Bank;
- Expenses or costs for public relations or similar activities to increase public support for a project other than the costs of giving the required notices of mandatory public meetings concerning a project; and
- Landscaping and beautification on a project other than for required grassing
  or other erosion control measures or to replace landscaping removed for
  construction of the project with like materials.

If the Bank determines it has paid or reimbursed any of the foregoing costs or expenses, it may require the project sponsor or owner to reimburse it for such costs.

B. In the IGA on the project, the Bank may in its discretion exclude or set ceilings, or require specific prior approvals from the Bank, for any type or kind of eligible costs, expenses, disbursements or financials assistance it will provide, pay or reimburse, including, but not limited to, those for lawsuits, litigation, rights of way acquisitions, attorneys' fees, administrative proceedings, arbitration and mediation proceedings, permits required for the project, environmental mitigation, environmental proceedings and litigation, and contract or other disputes concerning the project.

#### VI. Surplus Property

The Bank shall have the right to direct the sale or disposition of any real property interests or rights of way acquired by any entity for a project that are paid for, in whole or in part, with financial assistance provided by the Bank that are not needed for or used in constructing the project

or that are declared surplus. The Bank shall be entitled to receive the proceeds from the sale or disposition of those real property interests or rights of way regardless in which entity's name they are held. In lieu of the foregoing, the Bank may require the project sponsor or owner to reimburse it for the amount of financial assistance paid or reimbursed by the Bank for acquiring such real property interests or rights of way.

#### VII. Financial Assistance Approval Conditions

All motions and approvals by the Bank Board for financial assistance or additional financial assistance for a project shall include, without the necessity of any reference thereto being made, the Bank's established standard conditions for the receipt of financial assistance from the Bank and a copy of those conditions shall be attached to the minutes of the meeting at which such financial assistance was approved. The Board may add additional conditions on such approvals as it deems appropriate. These conditions shall be incorporated into the IGA for the project.

#### VIII. Intergovernmental Agreement- Execution

The project sponsor or owner and other necessary parties as determined by the Bank must sign and enter into an IGA with the Bank to receive financial assistance for a project from the Bank within forty-five (45) days of being presented the final version of the IGA by counsel for the Bank. Upon request by the project sponsor or owner or other proposed party to the IGA, the Bank Chairman, in his or her discretion, may grant an extension of time in which the project sponsor or owner or other party may sign and enter into the IGA, but the extension may not exceed thirty (30) days. In the event, the IGA is not signed and entered into by the project sponsor or owner or other party within the aforesaid period of time, the application for the project will be deemed withdrawn by the applicant and the project will not be eligible for any financial assistance unless the applicant files a new application with the Bank for consideration. Each IGA and amended IGA must be in a form and with contents and provisions acceptable to the Bank upon the advice of the Bank's counsel. An amended or new IGA is required for any additional financial assistance approved by the Bank for an existing project and is subject to the provisions of this paragraph. Financial assistance or additional financial assistance for a project shall not be available until the IGA or amended or new IGA is signed by all parties.

#### IX. Intergovernmental Agreement-Bank Protections

The Bank is a financing entity. It is not a project sponsor or owner. Accordingly, the IGA shall contain, to the maximum extent possible, contractual provisions that will protect the Bank and its Board members, officers, employees, funds and assets from any and all claims, actions, lawsuits, proceedings, awards, or judgments that may arise in any way from a project for which it has approved financial assistance of any kind and that will place the responsibility for those matters with the project sponsor or owner. The Bank's counsel is directed to address these requirements in preparing each IGA and shall consult with the Bank Chairman and Board as needed regarding them. These contractual provisions shall be uniform to the extent feasible.

#### X. Commencement of Work and Progress on Project

- A. If the project sponsor or owner fails to commence work as specified in the IGA on the project by the date stated in the IGA or abandons the project or ceases work on the project for any reason at any stage, the project sponsor or owner shall reimburse the Bank for all financial assistance provided for the project and fully protect the Bank from liabilities arising from such abandonment or cessation. The project sponsor or owner may submit a new application to the Bank for consideration if it wishes to continue the project.
- B. If the project sponsor or owner fails to pursue the project with due diligence as specified in the IGA or complete the project as specified in the IGA, the Bank may cease providing financial assistance for the project and/or direct the project sponsor or owner to reimburse the financial assistance provided by the Bank for the project. In making its decision on whether to cease financial assistance, the Bank will take into consideration whether any delays are caused by matters beyond the control of project owner or sponsor or its contractors. The project sponsor or owner shall fully protect the Bank from liabilities arising from such lack of due diligence or failure to complete the project. In lieu of requiring such reimbursement, the Bank in its discretion may resume providing financial assistance for the project if the project sponsor or owner satisfies all conditions established by the Bank.
- C. If a Federal or South Carolina court, regulatory authority or other governmental entity with appropriate jurisdiction and authority as determined by the Bank directs that work on the project be suspended or stopped, all financial assistance being provided by the Bank shall be suspended and the project sponsor or owner shall assume responsibility for paying all projects expenses and costs until work on the project resumes. If such work resumes, the Bank may in its discretion resume providing financial assistance for the project subject to such conditions as it shall require. If work is not allowed to resume, the project sponsor or owner shall reimburse the Bank for all financial assistance provided for the project by the Bank.

#### XI. Project Maintenance

The application must contain a plan for maintenance of the completed project for the project's useful life, including an explanation of whether the project upon completion will become part of the State Highway System. If the completed project does not become part of the State Highway System, the applicant must have a viable and binding plan for such maintenance that is satisfactory to the Bank. If the project is approved for financial assistance, the IGA for the project must contain provisions that obligate the responsible party to perform such maintenance if the project will not, or may not be, accepted into the State Highway System.

#### XII. <u>Interpretation and Application</u>

The Bank will have the sole and exclusive authority to determine the interpretation and application of the provisions in these Operating Guidelines. The Bank will consult with the project sponsor or owner and SCDOT as appropriate prior to making a determination on such an interpretation or application. The Bank may determine that certain projects owned by SCDOT are not subject to certain provisions of these Operating Guidelines based on applicable laws of the United States of America or the State of South Carolina or the needs of SCDOT or the State of South Carolina. These Operating Guidelines are not applicable to projects subject to SC Code Sections 11-43-165, and 11-43-167.

In addition to the existing IGA's that already contain some or many of the foregoing provisions, these Operating Guidelines are applicable to all new applications and pending applications awaiting approval by the Bank. Further, all or some of these provisions may be applied to additional financial assistance for a project approved by the Bank on which the new or amended IGA has not been accepted or executed by the parties, if the Bank determines such action is in the best interest of the use of the resources made available by the State.

#### XIII. Application Procedures and Evaluation

- A. The Board may invite the submission of applications from local governments for financial assistance when it determines in its discretion that sufficient financial assistance capacity is available for such applications to be considered. The due date for applications will be set by the Board. The Bank will evaluate the applications and projects, which are determined to be eligible and qualified, based on the SCTIB Act and the Bank's application criteria and render decisions on those applications by a date set by the Board. At the same time the Bank issues its invitation for the submission of applications, it may determine the minimum score that an application must receive from the Board to be considered for an award of financial assistance, include that information in the invitation, and post that information on its website. The Board in its discretion may accept applications from SCDOT at any time.
- B. Upon receipt of an application, the Chairman will submit the application to the Evaluation Committee (the Committee) to determine if the application is complete and to request that the applicant provide any omitted or needed information or documents by a set date.

The Committee first will make an initial decision on each project's eligibility under the SCTIB Act as soon as feasible.

The Board will make a final determination on the project's eligibility if an applicant submits a request to the Board within a time period set by the Board stating the reasons why the initial decision by the Committee on eligibility was incorrect. The Board reserves the right to make a final decision on a project's eligibility on its own initiative.

The Committee will evaluate each eligible project based on the criteria in the SCTIB Act and the Bank's application criteria and recommend a score or ranking on each project to the Board and the type and form of financial assistance for the project, if any, determined to be qualified for financial assistance. As part of its evaluation, the Committee will request and consider the recommendations or comments of SCDOT on the project, including the prioritization of each project on any lists maintained pursuant to SC Code Section 57-1-370.

The Board will review the recommendations of the Committee and render its decisions on whether the project is qualified, the scoring or ranking and prioritization of the project, and the type and amount of financial assistance to be provided by the Bank, if any.

The Board may decline to provide financial assistance on all projects or any project.

- C. Local matches must consist of the payment of monies by the project sponsor or owner to support the project. Local matches or loan payments on a project consisting of payments to the Bank that may be pledged to revenue bonds will be scored higher than other forms of payments. Next in order of scoring will be local matches that consist of payments of project costs or loan payments that may not be pledged to revenue bonds. Local matches that are in kind or consist of the project sponsor or owner improving roads that are collateral to or not part of the project will not be considered.
- D. The focus of the Bank will be to provide one-time financial assistance on individual projects it determines are eligible and qualified. If a project sponsor or owner requests the Bank increase its financial assistance to the project in an amount that does not exceed 10% of the original amount of financial assistance provided by the Bank or \$ 2.5 million, the Bank may consider the request after receipt of all information requested relating to the request and the review by the Committee. If the project sponsor or owner requests an increase in financial assistance to the project that exceeds 10% of the original amount of financial assistance provided by the Bank or \$ 2.5 million, the project sponsor or owner must submit a new application to the Bank to be considered as set forth in these Operating Guidelines.
- E. As provided by SC Code Section 11-43-180(C), the Bank may not provide any loans or other financial assistance, including bond proceeds, to any project unless the eligible costs of the project are at least \$25 million. Applicants may not combine improvements

- to more than one project for the purpose of meeting the minimum amount of eligible project costs of \$25 million, except as provided in XIV. C below.
- F. Financial assistance approved by the Bank for a project subject to these Operating Guidelines must be submitted to the SCDOT Commission for consideration and to the Joint Bond Review Committee of the SC General Assembly for approval as required by SC Code Sections 11-43-150(D) and 11-43-180(A).
- G. The current form of the application for financial assistance, including the maximum amount of point allotted to each section of the application, shall be maintained on the Bank's website.
- H. Pursuant to SC Code Section 11-43-265, the Bank must prioritize all projects contained in applications for financial assistance in accordance with the prioritization criteria provided in SC Code Section 57-1-370(B)(8). This prioritization will be done annually during the review and evaluation of applications for financial assistance. The prioritization of projects must be considered by the Evaluation Committee in making recommendations and by the Board in making decisions on providing financial assistance to projects.

#### XIV. Rural Project Program

- A. A "Rural Project" is defined as a project that is eligible and qualified under the SCTIB Act that is located in a county with a population of 115,000 or less based on the most recent population data available from the U.S. Census Bureau on the date of the application. In counties with a population greater than 115,000 but less than 200,000 based on the most recent population data available from the U.S. Census Bureau on the date of the application, a "Rural Project" also includes an eligible and qualified project located outside a Metropolitan Planning Organization (MPO) Study Area. In the latter category, if a portion of the overall project crosses over into the MPO Study area in that county, the portion of the project located outside the MPO Study Area must constitute seventy-five percent of the project and have a logical termini, and the Bank's financial assistance may not be used for the portion of the project located within the MPO Study Area. The county in which the project is located must not have an active project with the Bank at the time of the submission or pendency of the application. All counties with populations equal or greater than 200,000 are not eligible for the Rural Program. The Bank Board shall have the exclusive authority and discretion to interpret and apply the foregoing provisions.
- B. During any calendar or fiscal year in which the Board conducts a round of applications for financial assistance based on its determination that the Bank has sufficient available financial capacity to invite project applications, the Board in its discretion may authorize that a specific amount of financial capacity be made available for eligible and qualified Rural Projects that are approved by the Board during that upcoming round by using one of two methods. The first method shall consist of the Board in its discretion setting a specific dollar amount of such financial capacity after considering the total amount of capacity available for all applications, the transportation needs of the rural counties specified in XIV.A., above, the

transportation needs of the non-rural counties, and the transportation needs of the state. The Board shall seek guidance from SCDOT on the listed transportation needs. The second method the Board may use is based on dividing the total population of the rural counties specified in XIV. A., above, by the total population of the state to determine the percentage and multiplying that percentage times the total amount of such financial capacity available for all applications as determined by the Board. The Board in its discretion may make that dollar amount of such capacity available for that round or increase or decrease that dollar amount by up to 10%. In no event shall the percentage of such financial capacity so determined as available for Rural Projects by the second method exceed 25%. The most recent population information available from the South Carolina Revenue and Fiscal Affairs Office at the time of the calculation shall be used in making the calculation. The Board in its discretion may carry forward a portion of the amount of capacity for Rural Projects for a round of applications that was not approved for projects to the next round of applications. The calculations by the Board of the amount of such financial capacity available for Rural Projects are final and not subject to challenge.

- C. A maximum of three (3) related projects meeting the definition of a Rural Project within reasonable proximity of each other may be combined and considered as one program or Rural Project for financial assistance from the Bank if each component of the project's public benefit is similar in purpose and need. The determination of whether the projects may be combined is within the exclusive authority and discretion of the Bank Board on a case-by-case basis.
- D. The provisions of this Section XIV apply exclusively to Rural Projects. A Rural Project must have eligible project costs of at least \$25 million.

Adopted May 26, 2016 Revised December 14, 2016 Revised May 3, 2019 Revised March 24, 2021 Revised October 17, 2023

TIER IV	POPULATION	TIER III	POPULATION	TIER II	POPULATION	TIER 1	POPULATION
Allendale	8,039	Abbeville	24,295	Anderson	203,718	Aiken	168,808
Bamberg	13,311	Chesterfield	43,273	Calhoun	14,119	Beaufort	187,117
Barnwell	20,589	Clarendon	31,144	Dorchester	161,540	Berkeley	229,861
Cherokee	56,216	Colleton	38,604	Edgefield	25,657	Charleston	408,235
Chester	32,294	Darlington	62,905	Florence	137,059	Greenville	525,534
Dillon	28,292	Fairfield	20,948	Georgetown	63,404	Kershaw	65,403
Lee	16,531	Greenwood	69,351	Hampton	18,561	Lexington	293,991
Marion	29,183	Horry	351,029	Lancaster	96,016	Newberry	37,719
Mariboro	26,667	Jasper	28,791	Pickens	131,404	Oconee	78,607
Orangeburg	84,223	Laurens	67,539	Saluda	18,862	Richland	416,147
Union	27,244	McCormick	9,526	Spartanburg	327,997	York	282,090
Williamsburg	31,026	Sumter	105,556		TOTAL POPULAT	TION	5,118,425

Williamsburg	31,026	Sumter
	•	
COUNTY	POPULATION	COG or MPO
Allendale	8,039	COG
McCormick	9,526	
Bamberg	13,311	
Calhoun	14,119	
Lee	16,531	
Hampton	18,561	
Saluda	18,862	
Barnwell	20,589	COG
Fairfield	20,948	
Abbeville	24,295	
Edgefield	25,657	BOTH
Marlboro	26,667	COG
Union	27,244	
Dillon	28,292	COG
Jasper	28,791	BOTH
Marion	29,183	COG
Williamsburg	31,026	
Clarendon	31,144	
Chester	32,294	COG
Newberry	37,719	ВОТН
Colleton	38,604	COG
Chesterfield	43,273	COG
Cherokee	56,216	COG
Darlington	62,905	COG
Georgetown	63,404	вотн
Kershaw	65,403	COG
Laurens	67,539	COG
Greenwood	69,351	COG
Oconee	78,607	COG
Orangeburg	84,223	COG
Lancaster	96,016	ВОТН
Sumter	105,556	BOTH
Pickens	131,404	
Florence	137,059	
Dorchester	161,540	BOTH
Aiken	168,808	BOTH
Beaufort	187,117	вотн
Anderson	203,718	BOTH
Berkeley	229,861	вотн
York	282,090	ВОТН
Lexington	293,991	вотн
Spartanburg	327,997	вотн
Horry	351,029	вотн
Charleston	408,235	вотн
Richland	416,147	BOTH
Greenville	525,534	вотн
South Carolina	5,118,425	

RURAL SMALL URBAN URBAN AGENCY: Medical University of South Carolina

SUBJECT: Proposed Real Property Acquisitions and Conveyances

The Medical University of South Carolina requests review and comment by the Committee of its proposal to effect a Phase II plan of acquisition and conveyance of certain properties among the University and its affiliates.

The University proposes to acquire from the Medical University of South Carolina Foundation the following properties for continued use as academic, administrative, and faculty office space, and for university parking.

<u>Property</u>	Square Feet
College of Health Professions (Buildings A and B)	81,304
Ashley Rutledge Garage (636 parking spaces)	239,025

These properties total 1.947 acres and have an appraised value of \$31.5 million, acquisition of which was financed in 2003 by an affiliated entity for \$32.985 million. Of the amount so financed, \$2.8 million remains outstanding. The University pays to the affiliated entity rent on these properties in the amount of \$1.9 million annually.

In addition, the University proposes to acquire the following properties from the Foundation, certain of which will be subsequently conveyed to the Medical University Hospital Authority for construction by the Hospital Authority of a Medical Office Building that will be located at the corner of Bee Street and Courtenay Drive.

<u>Property</u>	<u>Acres</u>	Square Feet
30 Bee Street	1.238	16,373
45 Bee Street	0.170	3,779
51 Bee Street	0.150	1,313
55 Bee Street	0.300	
57 Bee Street	0.166	2,614
59 Bee Street	0.301	2,391
52 Courtenay Drive	0.200	2,316
56 Courtenay Drive	0.325	4,574
17 Ehrhardt Street	0.250	13,847
18 and 20 Ehrhardt Street	0.339	7,680
28 Ehrhardt Street	0.143	2,375
4295 Arco Lane	3.720	75,620

These properties total 7.302 acres and will be purchased by the University from the Foundation for \$14,810,216, which is the amount of the Foundation's related debt outstanding with respect to these properties. The University pays to the Foundation rent on these properties in the amount of \$804,000 annually.

The University has met for each of the properties all policy requirements applicable to acquisitions of real property, including appraisals, environmental, and building condition assessments.

The University proposes to convey the following properties to the Hospital Authority for construction of the Medical Office Building. As consideration for the conveyance, the University and the Hospital Authority have mutually agreed on a payment to the University by the Hospital Authority of \$10,470,000, which is the total appraised value of these properties.

<u>Property</u>	<u>Acres</u>	Square Feet
51 Bee Street	0.150	1,313
55 Bee Street	0.300	
57 Bee Street	0.166	2,614
59 Bee Street	0.301	2,391
52 Courtenay Drive	0.200	2,316
56 Courtenay Drive	0.325	4,574
21 Ehrhardt Street	0.140	3,222
23 Ehrhardt Street	0.190	3,219
25 and 25½ Ehrhardt Street	0.160	3,511

In addition to the financial consideration paid for the conveyance, the University expects to achieve financial and other benefits of the plan by eliminating the encumbrance of the indebtedness and the associated annual rental payments on the acquired properties.

#### **COMMITTEE ACTION:**

Review and comment on the University's proposal to effect a Phase II plan of acquisition and conveyance of certain properties among the University and its affiliates.

#### **ATTACHMENTS:**

- 1. Department of Administration, Executive Budget Office Agenda Item Worksheet.
- 2. Maps of the property locations.

#### JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: December 5, 2023 Regular Agenda

1. Submitted By:

(a) Agency: Department of Administration

(b) Authorized Official Signature:

M ke Shealy, Executive Budget Office

#### 2. Subject:

Medical University of South Carolina - Acquisition of College of Health Professions A, B, Ashley Rutledge Garage and 12 additional properties from the MUSC Foundation; subsequent conveyance of 9 properties to Medical University Hospital Authority

#### 3. Summary Background Information:

1. Project: Medical University of South Carolina

H51.9875: Acquisition of College of Health Professions A, B, Ashley Rutledge

Garage and 12 Additional Properties; Conveyance to Hospital Authority

Request: Establish Final Acquisition to acquire 9.249 acres and the College of Health

Professions Buildings in Charleston County.

Included in CPIP: Yes – 2023 CPIP Priority 5 of 9 in FY24 (estimated at \$15,070,216)

Phase I Approval: June 2023 (estimated at \$15,070,216) (SFAA)

CHE Approval: 11/02/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Project Reserves	260,000		260,000	4,340,216	4,600,216
Other, Hospital Clinical Revenue				10,470,000	10,470,000
All Sources	<u>260,000</u>		<u>260,000</u>	<u>14,810,216</u>	<u>15,070,216</u>

Rationale:

The Charleston High School Development Company (a MUSC related entity) has and continues to ground lease CHP Buildings A, B, and the Ashley Rutledge Garage from the Foundation since November 2003. The lease between CHS Development Company and the Foundation does not contain reversion language. The university desires to acquire the CHP Buildings and 12 other properties from the Foundation for \$14,810,216 to continue its use as academic, administrative and faculty office space and parking. This acquisition will relieve the encumbering debt on these properties and will allow the university to maintain control of critical pieces of its campus in perpetuity. MUSC will retain 7 of the properties, and convey 6 to MUHA, along with another 3 properties that MUSC currently owns (21 Erhardt Drive, 23 Ehrhardt Drive, and 25 Erhardt Drive. The conveyance of these properties from MUSC to MUHA is for the construction site of a Medical Office Building. The university and the Hospital Authority have mutually agreed on a payment by the Hospital Authority to the university at the appraised value of \$10,470,000 as consideration for the conveyance.

Characteristics:

Rutledge 159-A (3 stories), is 38,474 gross square feet and was constructed in 2005 (18 years old). Rutledge 159-B (4 stories) is 42,830 gross square feet and was constructed in 2005 (18 years old). Ashley Rutledge Garage (9 stories/636 parking spaces) is 239,025 gross square feet and was constructed in 2005 (18 years old). The remaining 12 properties total 7.302 acres. These buildings total 132,882 square feet combined, and their age is unknown.

Financial Impact:

12 properties are offered by the Medical University of South Carolina Foundation as a donation. The College of Health Professions Buildings are offered by the Medical University of South Carolina Foundation for \$14,810,216. The acquisition will be funded from Capital Project Reserves (uncommitted balance \$5 million at November 8, 2023) and Hospital Clinical Revenue Funds (uncommitted balance \$11 million at November 8, 2023). Revenue to the Capital Project Reserves Fund is derived from prior capital investments set aside for major long-term investment projects or other anticipated capital expenses. Revenue to the Hospital Clinical Revenue Fund is derived from revenue generated by patient services. 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. MUSC does not charge a separate plant improvement fee to the students.

For the property to be purchased, an appraisal was completed for a 1.947-acre parcel with two office buildings and a parking garage, located at 151 Rutledge Avenue in August 2023 and valued the property at \$31,500,000. A Phase I Environmental Site Assessment was completed in September 2023 and revealed no evidence of recognized environmental conditions in connection with the property, and therefore a Phase II assessment is not recommended at this time. A Building Condition Assessment was completed in September 2023 and did identify immediate and reserve items to be repaired or addressed. The university does not plan to make any changes or updates to the building.

For the property to be donated, an appraisal was completed for a 3.72-acre parcel with an office/warehouse building, located at 4295 Arco Lane in July 2023 and valued the property at \$7,125,000. A Phase I Environmental Site Assessment was completed in September 2023 and revealed an REC based on the past storage and use of petroleum products on the site, as well as northwest adjacent from the site, and it was recommended that additional investigations be completed to evaluate subsurface conditions associated with the identified RECs. In October 2023 a subslab vapor sampling was completed and determined that based on the concentrations detected, there does not appear to be a significant vapor intrusion risk and therefore additional assessment does not appear to be warranted or is the installation of a vapor mitigation system needed. A Building Condition Assessment was completed in September 2023 and did identify immediate and reserve items to be repaired or addressed. The university does not plan to make any changes or updates to the building.

For the property to be donated, an appraisal was completed for a 0.24793-acre parcel with an office building, located at 17 Ehrhardt Drive in July 2023 and valued the property at \$3,550,000. A Phase I Environmental Site Assessment was completed in September 2023 and revealed no evidence of recognized environmental conditions in connection with the property, and therefore a Phase II assessment is not recommended at this time. A Building Condition Assessment was completed in September 2023 and did identify immediate and reserve items to be repaired or addressed. The university does not plan to make any changes or updates to the building.

For the property to be donated, an appraisal was completed for a 0.339-acre parcel with an office building, located at 20 Ehrhardt Drive in July 2023 and valued the property at \$2,100,000. A Phase I Environmental Site Assessment was completed in September 2023 and revealed no evidence of recognized environmental conditions in connection with the property, and therefore a Phase II assessment is

not recommended at this time. A Building Condition Assessment was completed in September 2023 and did identify immediate and reserve items to be repaired or addressed. The university does not plan to make any changes or updates to the building.

For the property to be donated, an appraisal was completed for a 0.143-acre parcel with an office building, located at 28 Ehrhardt Drive in July 2023 and valued the property at \$825,000. A Phase I Environmental Site Assessment was completed in September 2023 and revealed no evidence of recognized environmental conditions in connection with the property, and therefore a Phase II assessment is not recommended at this time. A Building Condition Assessment was completed in September 2023 and did identify immediate and reserve items to be repaired or addressed. The university does not plan to make any changes or updates to the building.

For the property to be donated, an appraisal was completed for a 1.238-acre parcel with an office building, located at 30 Bee Street in July 2023 and valued the property at \$5,735,000. A Phase I Environmental Site Assessment was completed in September 2023 and revealed no evidence of recognized environmental conditions in connection with the property, and therefore a Phase II assessment is not recommended at this time. A Building Condition Assessment was completed in September 2023 and did identify immediate and reserve items to be repaired or addressed. The university does not plan to make any changes or updates to the building.

For the property to be donated, an appraisal was completed for a 0.17-acre parcel with an office building, located at 45 Bee Street in July 2023 and valued the property at \$1,570,000. A Phase I Environmental Site Assessment was completed in September 2023 and revealed an REC based on the past storage and use of petroleum products on the site, and it was recommended that additional investigations be completed to evaluate subsurface conditions associated with the identified RECs. In October 2023 a sub-slab vapor sampling was completed and determined that no contaminants were detected above the target residential or commercial sub-slab soil gas concentration, and therefore additional assessment does not appear to be warranted or is the installation of a vapor mitigation system needed. A Building Condition Assessment was completed in September 2023 and did identify immediate and reserve items to be repaired or addressed. The university does not plan to make any changes or updates to the building.

For the property to be donated, an appraisal was completed for a 0.150-acre parcel with an office building, located at 51 Bee Street in July 2023 and valued the property at \$500,000. A Phase I Environmental Site Assessment was completed in September 2023 and revealed no evidence of recognized environmental conditions in connection with the property, and therefore a Phase II assessment is not recommended at this time. A Building Condition Assessment was completed in September 2023 and did identify immediate and reserve items to be repaired or addressed. The university does not plan to make any changes or updates to the building.

For the property to be donated, an appraisal was completed for a 0.302-acre parcel with an office building, located at 55 Bee Street in July 2023 and valued the property at \$3,020,000. A Phase I Environmental Site Assessment was completed in September 2023 and revealed no evidence of recognized environmental conditions in connection with the property, and therefore a Phase II assessment is not recommended at this time. A Building Condition Assessment was completed in September 2023 and did identify immediate and reserve items to be repaired or addressed. The university does not plan to make any changes or updates to the building.

For the property to be donated, an appraisal was completed for a 0.166-acre parcel with an office building, located at 57 Bee Street in July 2023 and valued the property at \$950,000. A Phase I Environmental Site Assessment was completed in September 2023 and revealed no evidence of recognized environmental conditions in connection with the property, and therefore a Phase II assessment is not recommended at this time. A Building Condition Assessment was completed in September 2023 and did identify immediate and reserve items to be repaired or addressed. The university does not plan to make any changes or updates to the building.

For the property to be donated, an appraisal was completed for a 0.301-acre parcel with an office building, located at 59 Bee Street in July 2023 and valued the property at \$850,000. A Phase I Environmental Site Assessment was completed in September 2023 and revealed no evidence of recognized environmental conditions in connection with the property, and therefore a Phase II assessment is not recommended at this time. A Building Condition Assessment was completed in September 2023 and did identify immediate and reserve items to be repaired or addressed. The university does not plan to make any changes or updates to the building.

For the property to be donated, an appraisal was completed for a 0.20-acre parcel with an office building, located at 52 Courtenay Drive in July 2023 and valued the property at \$790,000. A Phase I Environmental Site Assessment was completed in September 2023 and revealed no evidence of recognized environmental conditions in connection with the property, and therefore a Phase II assessment is not recommended at this time. A Building Condition Assessment was completed in September 2023 and did identify immediate and reserve items to be repaired or addressed. The university does not plan to make any changes or updates to the building.

For the property to be donated, an appraisal was completed for a 0.325-acre parcel with an office building, located at 56 Courtenay Drive in July 2023 and valued the property at \$1,330,000. A Phase I Environmental Site Assessment was completed in September 2023 and revealed no evidence of recognized environmental conditions in connection with the property, and therefore a Phase II assessment is not recommended at this time. A Building Condition Assessment was completed in September 2023 and did identify immediate and reserve items to be repaired or addressed. The university does not plan to make any changes or updates to the building.

Letters of support are not required because the property is owned by a nonprofit organization.

Full Project Estimate: \$15,070,216 funded by Capital Project Reserves and Patient Fees.

#### 4. What is JBRC asked to do?

Consider approval of the Permanent Improvement Project Phase II.

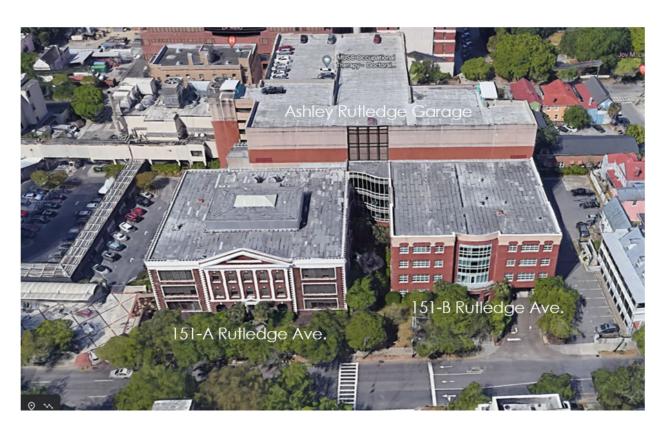
#### 5. What is the recommendation of the Department of Administration?

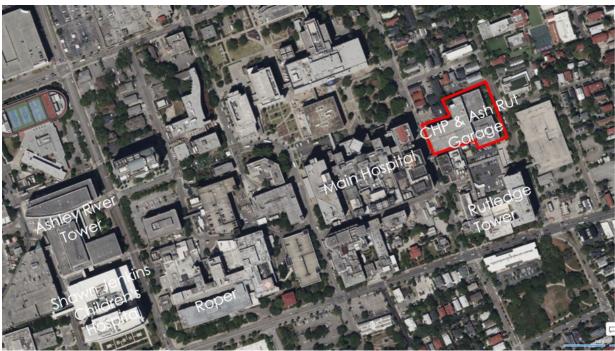
The item is complete and ready for JBRC review.

#### 6. List of Supporting Documents:

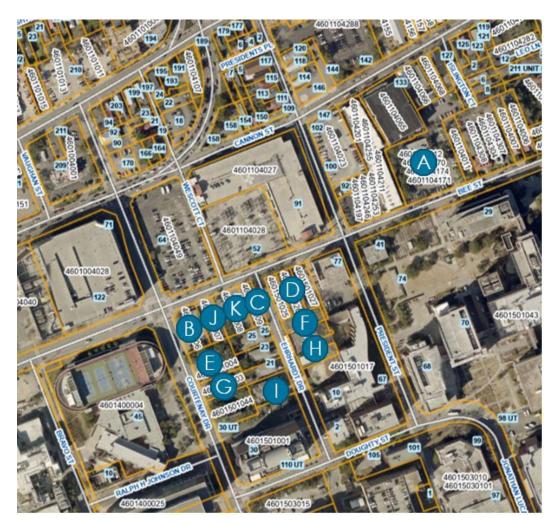
1. Permanent Improvement Project Acquisition of College of Health Professions A, B, Ashley Rutledge Garage and 12 additional properties.

#### Properties Proposed for Acquisition College of Health Professions, Buildings A and B Ashley Rutledge Garage



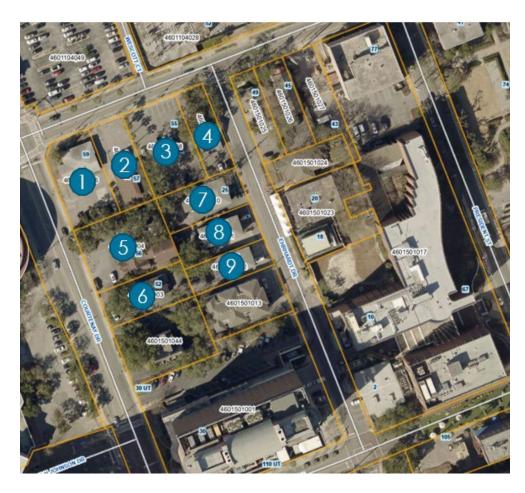


#### Properties Proposed for Acquisition Medical University of South Carolina Foundation Properties



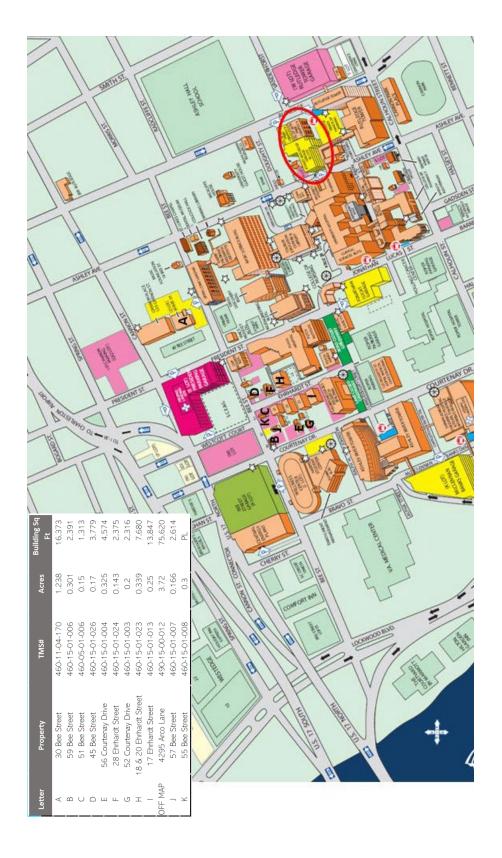
Letter	Property	TMS#	Acres	Building Sq Ft
Α	30 Bee Street	460-11-04-170	1.238	16,373
В	59 Bee Street	460-15-01-006	0.301	2,391
C	51 Bee Street	460-05-01-006	0.15	1,313
D	45 Bee Street	460-15-01-026	0.17	3,779
E	56 Courtenay Drive	460-15-01-004	0.325	4,574
F	28 Ehrhardt Street	460-15-01-024	0.143	2,375
G	52 Courtenay Drive	460-15-01-003	0.2	2,316
Н	18 & 20 Ehrhardt Street	460-15-01-023	0.339	7,680
1	17 Ehrhardt Street	460-15-01-013	0.25	13,847
OFF MAP	4295 Arco Lane	490-15-00-012	3.72	75,620
J	57 Bee Street	460-15-01-007	0.166	2,614
K	55 Bee Street	460-15-01-008	0.3	PL
		Total	7.302	132,882

Properties Proposed for Conveyance to Medical University Hospital Authority



#	Address	TMS#	Acreage	Building Sq Ft
1	59 Bee Street	460-15-01-006	0.301	2,391
2	57 Bee Street	460-15-01-007	0.166	2,614
3	55 Bee Street	460-15-01-008	0.3	PL
4	51 Bee Street	460-15-01-009	0.15	1,313
5	56 Courtenay	460-15-01-004	0.325	4,574
6	52 Courtenay	460-15-01-003	0.2	2,316
7	25 & 25 1/2 Ehrhardt Dr.	460-15-01-010	0.16	3,511
8	23 Ehrhardt Dr.	460-15-01-011	0.19	3,219
9	21 Ehrhardt Dr.	460-15-01-012	0.14	3,222
		Total	1.932	23,160

#### Medical University of South Carolina Campus Map



AGENCY: South Carolina Office of Resilience

SUBJECT: Waites Island Land Acquisitions

Proviso 118.19(B)(61) of the Fiscal Year 2023-24 Appropriations Act made provision for an appropriation of \$200,000,000 to the Disaster Relief and Resilience Reserve Fund established within the South Carolina Office of Resilience.

By letters dated October 23, 2023, and November 3, 2023, the South Carolina Office of Resilience requests expedited review of its proposal to transfer a total of \$14,950,000 from the Reserve Fund to the South Carolina Conservation Bank to reimburse and facilitate the acquisitions of three parcels of real property located on Waites Island in Horry County, South Carolina.

			Resilience	Potential
		Purchase	Funding	Other
Property	Acres	Price	Request	Funding
OSI Tract	259	\$ 4,300,0001	\$ 2,950,000	$1,000,000^2$
Merrill Boyce Tract	107.02	8,000,000	8,000,000	Up to 6,000,000
Olivia Boyce Tract	114.24	4,000,000	4,000,000	Up to 1,000,000
Total			\$ 14,950,000	Up to $8,000,000^3$

OSI Tract (Reimbursement to Conservation Bank). The Office of Resilience proposes a transfer of \$2,950,000 to the Conservation Bank as reimbursement for a \$4,000,000 grant made by the Bank in November 2022 to the Open Space Institute for acquisition of 259 acres located at 6000 Little River Neck Road, Little River, South Carolina, from Olivia Boyce. The appraised value of the property was \$7,070,000, and the purchase price paid by the Open Space Institute was \$4,300,000. The purchase price was funded by a \$500,000 grant and a \$3,500,000 reimbursable grant by the Conservation Bank; and a \$300,000 advance from the Open Space Institute utilizing a line of credit.

The resilience funding request will used to reimburse the Open Space Institute a total of \$450,000, comprised of \$300,000 advanced under its line of credit, and \$150,000 in transaction costs; and to reimburse the Conservation Bank a total of \$2,500,000, net of a \$1,000,000 grant received from SustainSC's Land and Water Action Fund.<sup>4</sup> All reasonable efforts have been exhausted to secure other non-state funding for this acquisition.

The proposal is accompanied by an appraisal dated October 11, 2022, confirming the value of the property at \$7,700,000; and a Phase I environmental site assessment dated December 15, 2020, revealing no evidence of existing or historical recognized environmental conditions. No building condition assessment is required as there are no structures constructed on the property.

<sup>&</sup>lt;sup>1</sup> Includes \$150,000 in transaction costs.

<sup>&</sup>lt;sup>2</sup> Actual.

<sup>&</sup>lt;sup>3</sup> Including actual funding secured in connection with acquisition of the OSI Tract.

<sup>&</sup>lt;sup>4</sup> Origin of the funding was by donations of Google and the Waccamaw Community Foundation.

The acquisition of this property has closed, and the Open Space Institute will convey the property to the state at a price equal to its basis of \$2,950,000.

Merrill Boyce Tract. The Office of Resilience proposes a transfer of \$8,000,000 to the Conservation Bank to provide funding as a reimbursable grant to the Open Space Institute to acquire 107.02 acres located at 6000 Little River Neck Road, Little River, South Carolina, from Merrill Boyce. The appraised value of the property is \$13,100,000, and the property is offered at \$8,000,000. The Office has identified up to \$6,000,000 in potential non-state funding for the acquisition, comprised of \$4,000,000 from the NOAA Coastal and Estuarine Land Program; \$1,000,000 from the US Fish and Wildlife Service North American Wetlands Conservation Program; and \$1,000,000 from the US Fish and Wildlife Service Coastal Wetlands Program.

The proposal is accompanied by an appraisal dated November 1, 2023, confirming the value of the property at \$13,100,000; a Phase I environmental site assessment dated October 17, 2023, revealing no evidence of existing or historical recognized environmental conditions; and a building condition assessment dated November 2, 2023, providing an opinion of \$17,500 in immediate and \$288,850 in short-term costs to correct deficiencies identified in building conditions of the residence and office located on the property.

The contract executed between the Open Space Institute and the seller requires exercise of the purchase option by December 15, 2023, and closing by December 31, 2023.

Olivia Boyce Tract. The Office of Resilience proposes a transfer of \$4,000,000 to the Conservation Bank to provide funding as a reimbursable grant to the Open Space Institute to acquire 114.24 acres located at 6000 Little River Neck Road, Little River, South Carolina, from Olivia Boyce. The appraised value of the property is \$5,180,000, and the property is offered at \$4,000,000. The Office has identified up to \$1,000,000 in potential non-state funding for the acquisition, comprised of \$1,000,000 from the US Fish and Wildlife Service North American Wetlands Conservation Program.

The proposal is accompanied by an appraisal dated November 1, 2023, confirming the value of the property at \$5,180,000; and a Phase I environmental site assessment dated October 17, 2023, revealing no evidence of existing or historical recognized environmental conditions. No building condition assessment is required as there are no structures constructed on the property.

The contract executed between the Open Space Institute and the seller requires firm closing of the sale by November 15, 2023, coincident with a prospective IRS Code Section 1031 Like-Kind Exchange transaction contemplated by the seller. The Open Space Institute has borrowing capacity to bridge the sale, contingent on the state's indication of its intent to acquire the property.

<u>Local Support</u>. Horry County has provided a letter of local support for these acquisitions. Horry County School District has advised that the position of the School District on these acquisitions requires consideration by its full board, which will be presented for such consideration at its next meeting on December 11, 2023.

<u>Collaboration and Coordination with South Carolina Conservation Bank</u>. Proviso 117.182 of the Fiscal Year 2023-24 Appropriations Act directs Resource Agencies,<sup>5</sup> including the Office of Resilience, to coordinate and collaborate with the Conservation Bank to maximize the most cost-effective options with greatest public benefit in the acquisition of interests in land for natural resource protection and rural land preservation.

The Office of Resilience has represented, and by letter dated October 24, 2023, the Conservation Bank has confirmed, coordination and collaboration on the proposed acquisition of these properties in accordance with the directives of the Proviso. The Conservation Bank has further confirmed that the subject properties have been identified as high priority acquisitions for the state's conservation efforts.

Following these proposed transfers, there would remain a balance of \$185,050,000 held in the Disaster Relief and Resilience Reserve Fund; and \$14,950,000 in funds transferred by the Office of Resilience to the Conservation Bank to fund grants subject to potential reimbursement, in whole or in part. Of the funds proposed for transfer, \$7,000,000 is potentially available from non-state sources. Actual amounts secured from non-state sources total \$1,000,000 to date.

#### **COMMITTEE ACTION:**

Review and provide comment on the proposed transfer of \$14,950,000 from the Disaster Relief and Resilience Reserve Fund to the South Carolina Conservation Bank to reimburse and facilitate the acquisitions of three parcels of real property located on Waites Island in Horry County, South Carolina.

#### ATTACHMENTS:

- 1. Letters dated October 23, 2023, and November 3, 2023, of Mr. Benjamin I. Duncan, II, Chief Resilience Officer.
- 2. Letter dated October 24, 2023, of Messrs. Michael G. McShane, Chairman, and J. Raleigh West, III, Executive Director, South Carolina Conservation Bank.
- 3. Evidence of Collaboration and Compliance with Proviso 117.182 of the Fiscal Year 2023-24 Appropriations Act dated November 21, 2023.

#### **AVAILABLE:**

- 1. Appraisals of the subject properties.
- 2. Environmental Site Assessments.
- 3. Building Condition Assessment.
- 4. Letters of Local Support.

<sup>&</sup>lt;sup>5</sup> Department of Natural Resources; Department of Parks, Recreation, and Tourism; Office of Resilience; and Forestry Commission.



23 October 2023

Rick Harmon Director of Research Joint Bond Review Committee 312 Gressette Senate Office Building Columbia, SC 29201

Sent via email to: rickharmon@scsenate.gov

### Dear Mr. Harmon:

We write to request JBRC authorization for SCOR to transfer funds to The SC Conservation Bank to acquire certain Waites Island tracts set forth below. Please find enclosed maps and descriptions for three properties associated with the broader Waites Island project in Horry County. Each of these follow independent timelines and funding strategies, but they all accrue to the goal of securing the natural and historic integrity of the largest unprotected barrier island along our coast. The Conservation Bank, the SC Office of Resilience (SCOR), the Department of Natural Resources (DNR), the Department of Parks, Recreation, and Tourism (PRT), and the Forestry Commission, have been collaborating on this current submittal as well as a range of potential acquisition projects for JBRC's future consideration in the best interests of the state's citizens.

We respectfully request that JBRC authorize SCOR to provide \$14,950,000 in funding to the Conservation Bank, to acquire the Waites Island tracts set forth below. These acquisitions are below appraisal value. By submitting these documents, we hope to shed light on the justifications and mechanics of the underlying real estate transactions. Nevertheless, we remain available to gather more information in the event you have any further questions or need further clarification on any related matter.

Sincerely,

Benjamin I. Duncan II

### **Project Narrative**

Waites Island is the largest undeveloped, yet still largely unprotected, barrier island along the coast of South Carolina. More particularly, it is situated between North Myrtle Beach and the North Carolina border; just north of Cherry Grove (See Exhibit A). It offers critical habitat for numerous coastal flora and fauna species, most notably shorebirds, and compliments existing nearby protected lands. Somewhat like Botany Bay WMA, the property contains a barrier island directly on the ocean (the "island"), but the bulk of the acreage (~2/3) is located on the interior natural pine uplands (the "mainland") and adjoining marsh islands ("marsh islands").

The Waites Island complex consists of roughly 3,000 acres broadly owned by three different entities: the heirs of the Boyce family, Riverstone Properties (an investment firm from Virginia), and Coastal Educational Foundation (See Exhibit B), each of which generally owns about 1/3 of the collective property. The Coastal Educational Foundation owns about 1,100 acres on the western side of the property, which is encumbered by a conservation easement held by The Nature Conservancy. Riverstone owns about 250 acres of the barrier island and 800 acres on the mainland, which contains no conservation restrictions. The balance of the property, generally located to the east of the island, is fragmented into 17 parcels among the heirs of the Boyce family. The overarching objective of this project is for the State to acquire these various properties for use as a future DNR Heritage Preserve and State Park. It is our understanding that both the sellers, State Parks and DNR generally agree that the barrier island should be managed by DNR as a Heritage Preserve, with SCPRT managing the mainland portion and the marsh island as a State Park.

To that aim, this proposal contemplates the State of South Carolina acquiring the three initial parcels associated with the Boyce family ownership, further described below:

### 1) OSI Tract (259 acres)

### **Project Description:**

The OSI Tract is situated at the confluence of Little River and the Atlantic Ocean. On the oceanfront, the Property spans over 1 mile of pristine Atlantic beach. Along the inlet, the Property extends downstream 1.58 miles to meet the Atlantic and forms the northern point of the Island. It consists of the dunes, maritime, shrub, and salt marsh habitats that make up the coastal barrier ecosystem. The parcel surrounds 50 acres owned by the Coastal Educational Foundation, the philanthropic arm of Coastal Carolina University. (See Exhibit C)

The Island benefits numerous species, including nesting sea turtles, shore and marsh birds, and mammals of the maritime community. The property also supports globally rare maritime forest, expansive salt marsh, and river frontage. Furthermore, its protection would satisfy resilience goals for the State of South Carolina and remains a top priority for SC's Office of Resilience.

### Financials:

In 2022, the Open Space Institute (OSI) negotiated the purchase of the above-described 259 acres from Oliva Boyce for \$4.3M, well below the \$7.07M appraised market value (appraisals available if needed). The transaction closed in November of last year, with the SC Conservation Bank (SCCB) providing a \$4M grant (\$3.5M of which was to be reimbursed) and OSI drawing \$300k from its line of credit to cover the balance. Since that time, OSI secured a \$1M grant in partnership with SustainSC's Land and Water Action Fund which originated with a donation from Google and the Waccamaw Community Foundation, thereby reducing the balance owed to the SCCB to \$2.5M. That coupled with their outstanding line of credit and transaction costs brings OSI's remaining basis in the property to \$2.95M. OSI intends to convey the property to the State at a price equal to its basis (again, \$2.95M).

Seller: Olivia Boyce

Buyer / NGO: Open Space Institute

Date: November 2022

Appraised FMV: \$7,070,000
Discount on Sale: \$2,770,000
Net Purchase Price: \$4,300,000

Cash for Initial Closing:

SC Conservation Bank: \$ 500,000 grant

SC Conservation Bank: \$3,500,000 (reimbursable grant)

OSI Line of Credit: \$300,000

Reimbursed to Date:

SustainSC grant to OSI: \$1,000,000 (already repaid to SCCB)

**OSI Remaining Basis:** 

OSI Line of Credit \$300,000
OSI Transaction Costs \$150,000
Outstanding due SCCB \$2,500,000
\$2,950,000

### 2) Merrill Boyce Tract (107.02 acres)

### **Project Description:**

The Merrill Boyce Tract generally contains the same habitat features as previously described and, therefore, ranks as a high priority for conservation and resilience. Specifically, it contains acreage on the mainland along the Little River Neck, on the barrier island, and in the marshland near the Little River and Atlantic Ocean. (See Exhibit D) The scarcity of undeveloped property on the ocean would allow this property to serve as an extremely unique public asset for the State. The undeveloped areas of Little River Neck and Waites Island have long been a conservation priority due to the increasing pressure for conversion for residential and commercial development. Apart from the unique landscape, the property contains a residence. Frequently, state parks uses such high-end residences as rentals to create revenue for the operation and maintenance of state park properties. In the interim, during park development, the residence could also serve as housing for a park ranger.

### Financials:

OSI has an executed contract with Merrill Boyce to sell his holdings for \$8M, which appraised at \$13.1M. As currently negotiated, the contract requires OSI to exercise by December 15 and close by the end of the calendar year 2023. It is our understanding that OSI does NOT have sufficient capital or borrowing capacity to close on the sale without State support.

Upon authorization by Joint Bond Review Committee, the SCOR would fund the project via a grant made by the SC Office of Resilience (SCOR) to the SCCB, which in turn could award the money to OSI to close on the initial sale. At that point in time, the State could take title to the property. Alternatively, we could structure the grant award as a reimbursable grant. In this case, the State would work with OSI to secure additional federal and philanthropic funds to offset the State's investment. Currently, OSI does not have any committed matching funds. During Summer of 2023, OSI wrote a \$4M grant proposal to the Coastal Estuarine Land Conservation Program on behalf of State Parks be applied to the Merrill Boyce Property. Even if ultimately not successful, over the course of 12-24 months, OSI will coordinate with SCCB and SCOR in applying for roughly \$2 - \$4M from other federal and private sources that will come back to the State. Importantly, once the title to the property vests with the State, many of the federal grants deem it protected and ineligible for their program – hence the need to allow OSI to retain title during the subsequent fundraising period. OSI could extend management rights back to the State during any interim holding period.

Seller: Merrill Boyce

Buyer / NGO: Open Space Institute Closing Date: December 29, 2023

Appraised FMV: \$13,100,000
Discount on Sale: \$5,100,000
Net Purchase Price: \$8,000,000

### Cash for Initial Closing:

SCOR to SCCB: \$8,000,000 (reimbursable grant – amount t/b/d/ per potential funding offsets below)

Potential Federal Funding Partners	Amount	Date
NOAA Coastal and Estuarine Land Program (CELCP):	\$4M	2024 Q3
USFWS North American Wetlands Conservation (NAWCA):	\$1M	2024 Q4
USFWS Coastal Wetlands Program:	\$1M	2024 Q4

### 3) Olivia Boyce Tract (114.24 acres)

### **Project Description:**

Like the other properties described herein, the Olivia Boyce Tract generally contains priority habitat features and ranks highly for conservation and resilience. It consists of acreage on the on the mainland island that fronts on the Little River Neck and a separate parcel on the Little River. (See Exhibit E)

### Financials:

OSI has an executed contract with Olivia Boyce to sell her holdings for \$4M, which appraised for \$5.18M. The contract requires OSI to close on the sale by November 15, 2023. The seller has resisted extending the contract because of timing concerns associated with a prospective 1031 exchange. It is my understanding that OSI has the borrowing capacity to bridge this sale, provided the State indicates its intent to acquire the property shortly thereafter.

Similar to the Merrill Boyce transaction described above, upon authorization by Joint Bond Review Committee, SCOR will issue the funds to the SCCB, who could then provide OSI with a reimbursable grant of \$4M along with the task of securing federal or philanthropic match funds within a set period of time. It would be eligible for the same programs previously listed, provided title remains with OSI during the interim hold. OSI submitted a\$1 million grant to North American Wetland Conservation Act Program in June 2023 for \$1 million. We anticipate that this project will require \$3 million from the state and \$1 million in federal reimbursement. If so desired, the State could enter into a management agreement with OSI during the interim hold without jeopardizing eligibility with federal grants.

Seller: Olivia Boyce

Buyer / NGO: Open Space Institute
Date: November 15, 2023

Appraised FMV: \$5,180,000 Discount on Sale: \$1,180,000 Net Purchase Price: \$4,000,000

Cash for Initial Closing:

OSI Line of Credit: \$4,000,000

### **Cash for Subsequent Closing**

SCOR to SCCB: \$4,000,000 (reimbursable grant – amount TBD)

Potential Federal Funding Partners	Amount	Date
USFWS North American Wetlands Conservation (NAWCA):	\$1M	2024 Q3

Total Requested:	Amount	Appraised FMV
OSI Tract Merrill Boyce Tract Olivia Boyce Tract	\$2,950,000 \$8,000,000 \$4,000,000 \$14,950,000	\$7,070,000 \$13,100,000 \$5,180,000 \$25,350,000

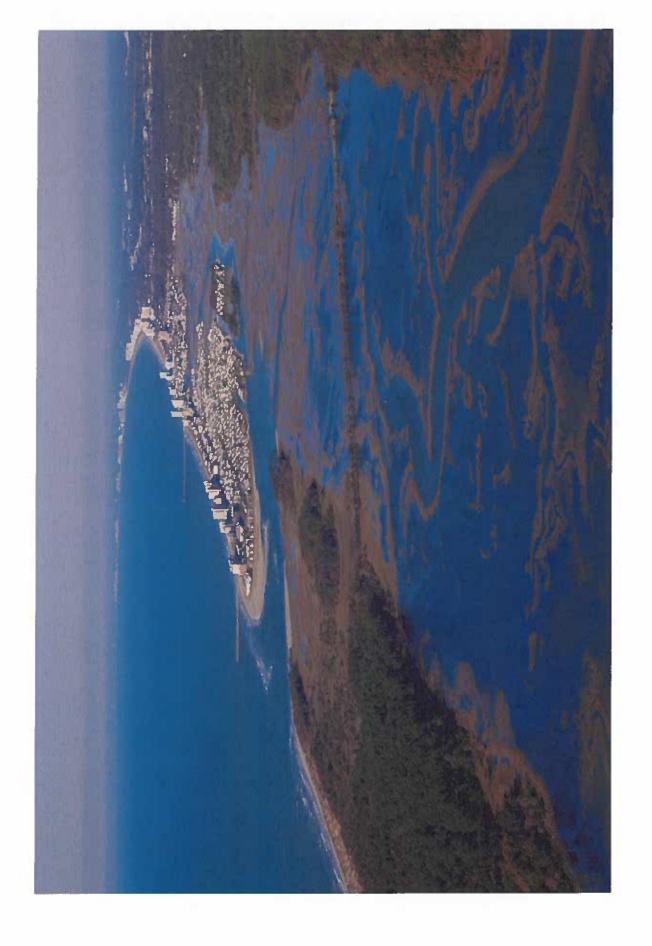
### Exhibit A

### **Cherry Grove and Waties Island**



### **Cherry Grove and Waties Island**

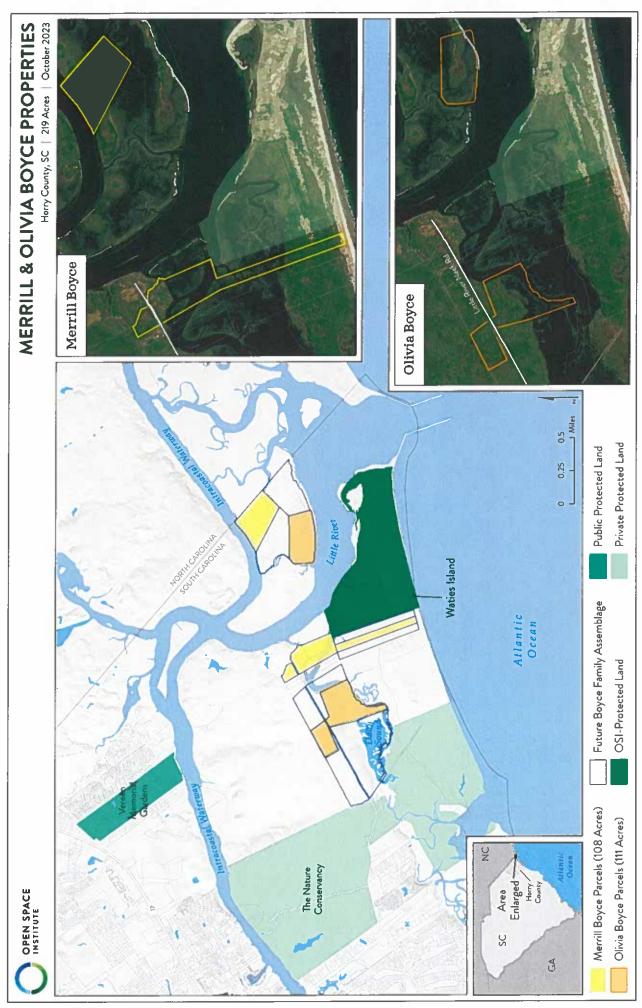




### Exhibit B

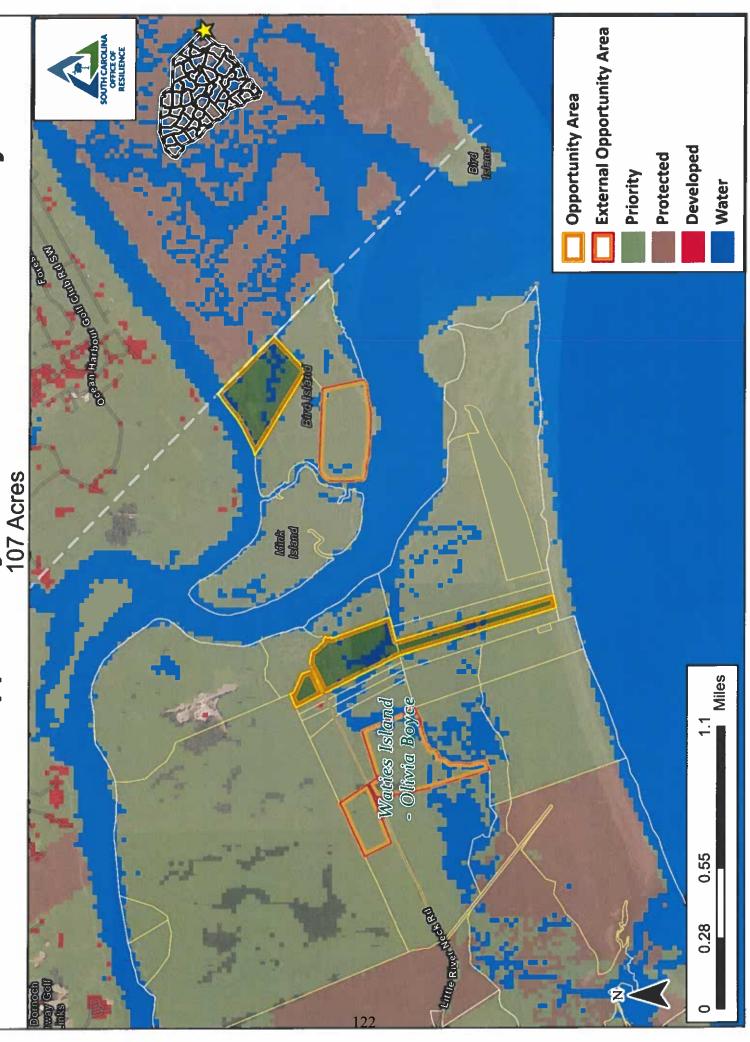


### Exhibit C



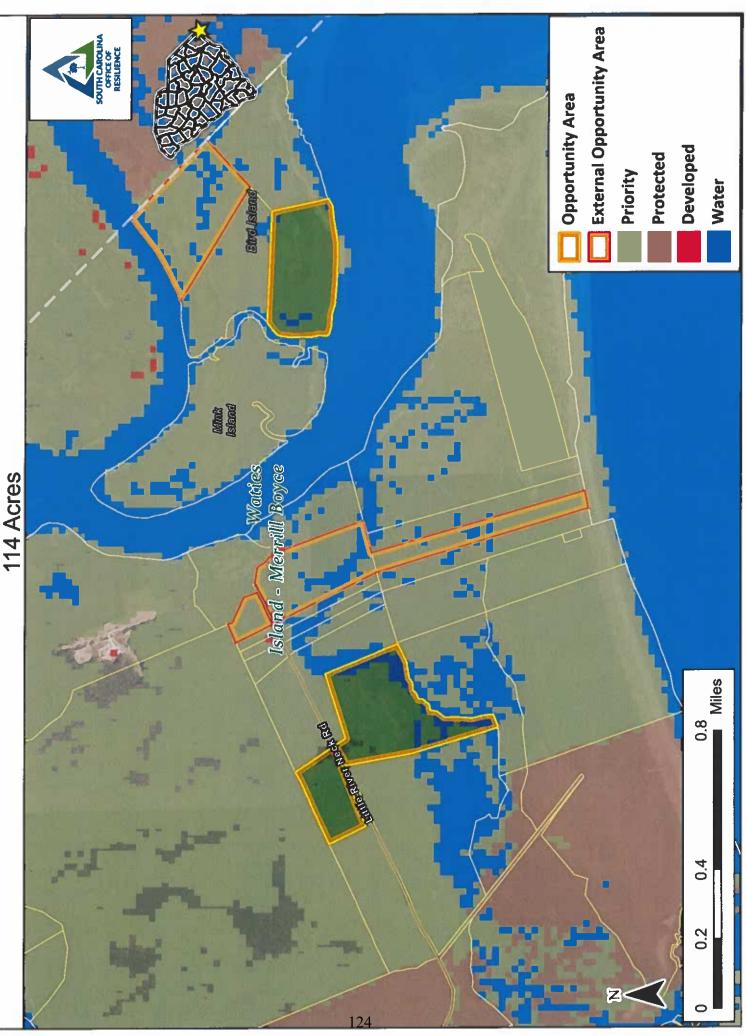
### Exhibit D

## Conservation Opportunity: Waties Island - Merrill Boyce



### Exhibit E

# Conservation Opportunity: Waties Island - Olivia Boyce





3 November 2023

Rick Harmon Director of Research Joint Bond Review Committee 312 Gressette Senate Office Building Columbia, SC 29201

Sent via email to: rickharmon@scsenate.gov

Dear Mr. Harmon:

Please allow this letter to supplement our 23 October submission regarding our proposed Waites Island project. We have attached the following:

Olivia Boyce Tracts:

- 1) Appraisal
- 2) Phase 1 Environmental Assessment

Merrill Boyce Tracts:

- 1) Appraisal
- 2) Phase 1 Environmental Assessment
- 3) Building Condition Report

We respectfully request expedited consideration for JBRC to authorize SCOR to provide \$14,950,000 in funding to the Conservation Bank for these acquisitions. While I assure you that SCOR and the Conservation bank, along with other resource agencies have been closely coordinating on this project, Conservation Bank Director Raleigh West will shortly submit a concurrence document affirming the resource agencies collaboration in accordance with FY23-24 Proviso 117.182.

Sincerely

Benjamin I. Duncan I



October 24, 2023

Rick Harmon
Director of Research
Joint Bond Review Committee
312 Gressette Senate Office Building
Columbia, South Carolina 29201

Sent via email to: RickHarmon@SCSenate.gov

Re: Administration of SC Office of Resilience Grant Funds – Waites Island

Dear Mr. Harmon:

It has come to our attention that the Open Space Institute has secured options to purchase two parcels on Waites Island in Horry County. As the largest undeveloped, yet still largely unprotected, barrier island along the South Carolina coast, these projects have long been identified as high priority conservation targets. We further understand that the SC Office of Resilience may be in a position to fund these acquisitions, subject to all necessary reviews and approval by the Joint Bond Review Committee (JBRC). To the extent that it would serve the interest of all parties, the SC Conservation Bank (Bank) stands ready to assist in administering any grant funds, due diligence reviews, or other matters related to these projects. Lastly, the Bank will, at minimum, review these projects for quality assurance pursuant to Part IB Proviso 117.182 of the 2023-2024 Appropriations Act. We intend to finalize the process for evidencing compliance with the Proviso with JBRC staff in the coming days and will expedite our review of these two projects consistent therewith.

Please don't hesitate to contact us if you have any questions or need additional information.

Sincerely,

Michael G. McShane

11,264,56

Board Chairman

J. Raleigh West, III

**Executive Director** 

### **SCCB Conservation Land Acquisition Coordination**

The intent of this document is to satisfy Proviso 117.182 of the FY 2023-24 Appropriations Act by all Conservation Agencies for all conservation land acquisition projects that are in some interim status of approval with the Department of Administration, Joint Bond Review Committee and/or the State Fiscal Accountability Authority from July 1, 2023 to October 27, 2023.

PROVISO 117.182 OF THE FY2023-24 APPROPRIATIONS ACT provides: "Prior to entering into contracts to utilize funds appropriated or authorized by the General Assembly to acquire interests in land for natural resource protection and rural land preservation, including conservation easements, the Department of Natural Resources, Department of Parks, Recreation, and Tourism, Office of Resilience, and Forestry Commission (Resource Agencies) shall coordinate and collaborate with the SC Conservation Bank to maximize the most cost effective options available for the acquisition with the greatest public benefit. The Conservation Bank shall coordinate with the Resource Agency to ensure that the funds are used for projects that support the (1) agency's objectives, (2) the State's broader conservation objectives, and that (3) demonstrate a satisfactory degree of financial leverage, (4) partnerships, and (5) other indicators of quality as determined by the Bank and Resource Agency (numerals added for clarity)." This proposal complies with the Proviso as follows:

### Project Name: Waites Island

### 1) Brief Description of the Project:

Waites Island is the largest undeveloped, yet still largely unprotected, barrier island along the coast of South Carolina. More particularly, it is situated between North Myrtle Beach and the North Carolina border, just north of Cherry Grove, with an address near 6000 Little River Neck Road, Little River, SC. It offers critical habitat for numerous coastal flora and fauna species, most notably shorebirds, and compliments existing nearby protected lands, namely Coastal Educational Foundation's holdings. Somewhat like Botany Bay WMA on Edisto Island, the broader property consists of a barrier island directly on the Atlantic Ocean, mixed pine / hardwood uplands on the larger interior sea island, and marshlands.

This proposal contemplates the State of South Carolina acquiring three initial parcels associated with the Boyce family ownership, further described below. Collectively, these parcels would conserve pristine beachfront directly on the Atlantic Ocean, interior riverfront marshland, and uplands on both the barrier and sea islands.

### **Estimated Acquisition Costs:**

### a. OSI Tract (259 acres)

Open Space Institute (OSI) purchased this 259-acre tract of land in November 2022 from Olivia Boyce for \$4,300,000. Closing funds included a \$4,000,000 grant from the SCCB (\$3,500,000 to be reimbursed) and \$300,000 from OSI's independent line of credit. The property appraised for \$7,070,000. Since that time, OSI has returned \$1,000,000 to the SCCB from SustainSC's Land and Water Action Fund, leaving a balance on the SCCB reimbursable grant of \$2,500,000. The grant from SCOR would satisfy this liability, cover OSI's \$300,000 outstanding line of credit, and repay OSI for \$150,000 in incurred transaction costs (accounting of OSI transaction costs available upon request).

### b. Merrill Boyce Tract (107.02 acres)

OSI has executed a contract to purchase this 107-acre tract of land from Merrill Boyce for \$8,000,000. The property appraised for \$13,100,000. The contract requires OSI to exercise the purchase option by 12/15/23 and close by 12/31/23. If approved by all pertinent oversight committees and boards, SCOR would transfer \$8,000,000 to SCCB, who would issue the same amount to OSI as a reimbursable grant in order to allow it to move forward with closing. OSI would execute the sale with the current landowner and temporarily hold title to the property for an interim period of 12-24 months while it submitted applications to various federal conservation programs for funding to reduce SC's overall investment in the project. Once OSI exhausts those fundraising activities, it will transfer title to the State for DNR or PRT to manage as a Heritage Preserve or State Park, respectively. Hopefully, partners will recoup up to \$6,000,000 from these efforts and return those funds to the State.

### c. Olivia Boyce Tract (114.24 acres)

OSI purchased this 114-acre tract of land from Olivia Boyce for \$4,000,000 using its own line of credit in early November 2023. The property appraised for \$5,180,000. OSI will sell it to the State for the same price it paid. As described above, if approved, SCOR would transfer \$4,000,000 to the SCCB, who would issue the same amount to OSI in the form of a reimbursable grant. That would mitigate additional interest costs that would otherwise be incurred while OSI applies for federal grants and other philanthropic resources to offset the State's acquisition costs. Once those fundraising activities have been exhausted, OSI will transfer title to the State for incorporation as a State Park or Heritage Preserve. OSI would return any funds it secured from federal or philanthropic sources back to the State to reduce the State's overall investment in the project. Hopefully, partners will recoup up to \$1,000,000 from these efforts and return those funds to the State.

<sup>&</sup>lt;sup>1</sup> Origin of the funding was by donations of Google and the Waccamaw Community Foundation.

2) Describe how the protection of the Property satisfies the SCOR's mission.

Resilience is defined as the ability of communities, economies, and ecosystems within South Carolina to anticipate, absorb, recover, and thrive when presented with environmental change and natural hazards. The preservation and enhancement of the natural functions of the landscape can greatly impact how impacts can be absorbed.

Land conservation resilience functions serve the following purposes:

- O Protection of High-Risk Flood Areas The protection from high-risk floods areas allows for water to flow into natural areas during times of flood. By preserving these areas, we are keeping people and property away from the flood waters. Doing so reduces the risk of loss of life, reduces damage to property, eliminates rescue costs, and eliminates or reduces disaster recovery repair or reconstruction costs. Flood risk areas can be riverine floodplains, coastal barrier systems, or areas susceptible to flash flooding.
- O Protection of Marsh Migration Areas Marshes act as critical buffers to coastal flooding and storm events. Development adjacent to marshes can act as a barrier to marsh migration resulting from changes in sea level due to rising oceans or land subsidence. Conservation of undeveloped areas that are identified in the National Oceanic and Atmospheric Administration's (NOAA) marsh migration model will allow for migration of the marshes under future conditions so that they are allowed to continue to provide storm protection and flood reduction.
- Protection of Wetlands- Wetlands hold water and reduce stream flooding by slowing the movement of water across the landscape. Protection of wetlands add flood protection and water quality benefits for downstream communities and infrastructure.
- O Protection of High-Quality Infiltration Areas. The quantity of rainfall that becomes stormwater is driven in large part by the type and quality of the soil on which it falls. Based on federal Natural Resources Conservation Service (NRCS) soils data, the Office has identified the highest infiltration soils for each basin as priority for conservation. Development or modifications to the soils in these areas would have an outsized impact on the volume of water the ultimately becomes flood waters. Additionally, preservation of these areas allows for protection of important groundwater recharge areas. Recharging the water table is essential for drought resilience.
- 3) SC Code Section 48-59-50(B)(5) mandates that the SC Conservation Bank create and maintain a conservation priority map to consolidate the State's broader conservation objectives. Accordingly, the Property ranks as a High Priority. If a property doesn't rank on the SCCB Priority Map, please provide justification for the acquisition for the agency's intended purpose. See enclosed maps.

4) Describe if the proposed project provides financial leverage. If financial leverage has not been applied to this project, please explain why.

The State will collectively invest \$16,450,000 to initially purchase real estate valued at \$25,350,000. Of that, the Resources Agencies, OSI and other conservation partners will use good faith efforts to recoup up to \$8,000,000 of that through federal grants and other philanthropic gifts, which includes \$1,000,000 already secured by way of SustainSC's Land and Water Action Fund. Please see below for more details:

	FMV	OSI Purchase Price	Max Recoup
OSI Tract	\$ 7,070,000	\$ 4,450,000*	\$1,000,000
Merrill Boyce	\$13,100,000	\$ 8,000,000	\$6,000,000
Olivia Boyce	\$ 5,180,000	\$ 4,000,000	\$1,000,000
Total	\$25,350,000	\$16,450,000	\$8,000,000
Less Comm	itted		
SCCB	Grant	\$ 500,000	
Sustain	nSC Grant	\$ 1,000,000	
SCOR Reques	st	\$14,950,000	

<sup>\*</sup> Includes \$150,000 transaction costs

5) Describe if the proposed project includes partnerships.

SC Office of Resilience is partnering with the SC Conservation Bank, SC Department of Natural Resources, South Carolina Department of Parks, Recreation and Tourism, Open Space Institute, Sustain SC, US Fish and Wildlife Service, and the National Oceanic and Atmospheric Administration to effectuate these transactions.

6) Describe any other aspects of the proposed project that make it a quality conservation acquisition.

The property is within the Conservation Bank and SCOR's priority conservation areas. It has unique landforms and habitats. Barrier islands and coastal tracts face development pressure or land use change pressures. Acquiring Waites Island preserves an important coastal buffer. It will eventually be available for public use, research, and recreation.

- 7) Please explain if any SCCB funds (by an NGO or the Conservation Agency) were used to support this project.
  - a. OSI Tract (259 acres): The SCCB awarded \$4,000,000 to this project, \$3,500,000 of which was to be reimbursed. Of that amount, OSI has secured \$1,000,000, thereby reducing their liability to \$2,500,000. \$300,000 remains outstanding on OSI's line of credit, as does \$150,000 in incurred transaction costs.
  - b. Merrill Boyce Tract (107.02 acres): OSI has applied to the SCCB for \$8,000,000, with up to \$6,000,000 to be reimbursed through federal grants and other philanthropic sources. The SCCB has received the application and will consider it at its upcoming board meeting on 12/13/23.
  - c. Olivia Boyce Tract (114.24 acres): OSI has applied to the SCCB for \$4,000,000, with up to \$1,000,000 to be reimbursed through federal grants and other philanthropic sources. The SCCB has received the application and will consider it at its upcoming board meeting on 12/13/23.

### **ACKNOWLEDGMENTS**

Waites Island Tracts

OSI Tract (259 Acres)

Merrill Boyce Tract (107.02 Acres)

Olivia Boyce Tract (114.24 Acres)

Horry County

The South Carolina Office of Resilience has coordinated and collaborated with the South Carolina Conservation Bank to maximize the most cost-effective use of funds appropriated or authorized by the General Assembly in the proposed purchase of the above referenced property. On behalf of the South Carolina Conservation Bank, I affirm that the requirements of Part IB Proviso 117.182 of the 2023-2024 Appropriations Act have been satisfied for the proposed acquisition of the above referenced property by the South Carolina Department of Natural Resources.

Benjamin I. Duncan II.

**Executive Director** 

South Carolina Office of Resilience

November 21, 2023

Date

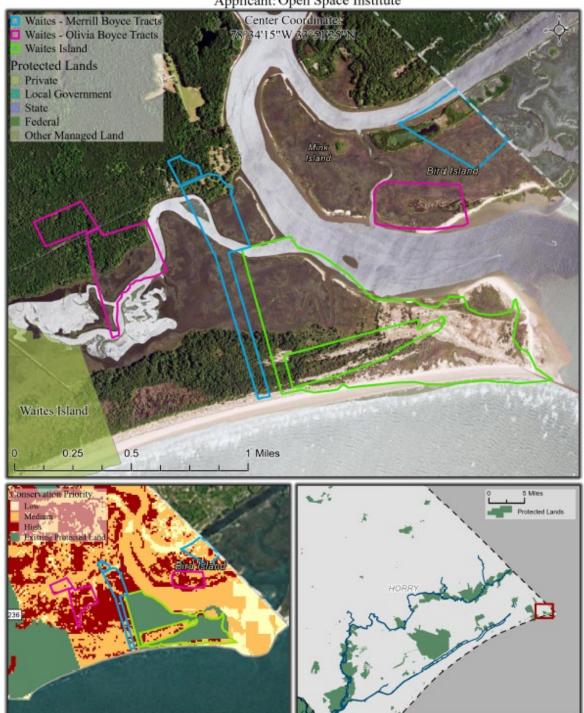
Date

Raleigh West

Executive Director SC Conservation Bank

### SC Conservation Bank - Proviso 117.182 of the FY 2023-23 Appropriations Act

Property Name: Waites Island
Applicant: Open Space Institute



### JOINT BOND REVIEW COMMITTEE Meeting of December 5, 2023

AGENCY: South Carolina Public Service Authority

SUBJECT: Proposed Disposition of Real Property

Camp Hall Commerce Park, Berkeley County

The South Carolina Public Service Authority requests approval to sell approximately 14.59 acres identified as Campus 7 in Camp Hall Commerce Park to BSS Global Corp., at a price of \$290,000 per acre and a total purchase price of \$4,231,100.

The purchaser intends to use the property for manufacturing battery storage systems. The project is expected to generate \$30 million in capital investment and create 80 new jobs.

The proposed purchase and sale agreement requires the Authority to construct the road, utility, and stormwater infrastructure to the property, which will also serve other parcels.

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

Proceeds of the sale will be used to defray Camp Hall development costs, and to reduce Authority debt.

### **COMMITTEE ACTION:**

In accordance with Section 58-31-240(B)(2) of the South Carolina Code,<sup>2</sup> review and approve, reject, or modify the Authority's request to sell approximately 14.59 acres identified as Campus 7 in Camp Hall Commerce Park to BSS Global Corp. for a total of \$4,231,100 in sale proceeds.

### **ATTACHMENTS:**

- 1. Letter dated December 5, 2023, of Mr. J. Martine Watson, Chief Commercial Officer, Santee Cooper.
- 2. Description of the property and terms of sale.
- 3. Map of the property location.

### **AVAILABLE:**

1. Ownership interests of the purchaser.

<sup>&</sup>lt;sup>1</sup> A South Carolina corporation in good standing registered with the SC Secretary of State effective March 24, 2022. Registered Agents Inc., Charleston, SC, is registered agent. Private Participant Disclosures were included with the submission.

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



J. Martine Watson, P.E. Chief Commercial Officer (843) 761-7072 marty.watson@santeecooper.com

December 5, 2023

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

Re: Property Sale of +/- 14.59 acres in Campus 7 of the Camp Hall Commerce Park located in Berkeley County

### Dear Chairman Peeler:

The South Carolina Public Service Authority ("Santee Cooper") requests that the Joint Bond Review Committee approve the sale of approximately 14.59 acres of surplus property within the Camp Hall Commerce Park as described on Attachment A. Expected proceeds are \$4.23 million, and the sale is projected to generate over \$30 million in capital investment and create 80 new jobs. The purchaser intends to use the property for manufacturing battery storage systems.

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

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

Attachment A describes the substantive terms of the proposed sale for which approval is requested, as well as maps showing the location of the Property.

Sincerely,

J. Martine Watson

thist

JMW:cmb

### **Attachment**

Attachment A – Substantive terms of proposed Purchase and Sale Agreement, and location maps

### Attachment A

+/- 14.59 acres identified as Campus7 within the Camp Hall Commerce Park, Substantive terms of proposed Purchase and Sale Agreement are as follows:

Purchaser	BSS Global Corp., a South Carolina corporation
Acreage	Approximately 14.59 acres
Purchase Price	\$290,000.00 /acre as determined by survey for an overall total of \$4,231,100.
Earnest Money Deposit	\$75,0000.00 upon PSA execution becoming nonrefundable upon expiration of Due Diligence Period + an additional \$15,000 for each 30-day extension.
Inspection Period	90 days from Effective Date of PSA with option to extend for three additional 30-day periods.
Approximate Closing Date	No later than thirty (30) days after the expiration of the Inspection Period.
Special Provisions	Purchaser shall commence construction of improvements within two (2) years of Closing. In the event construction has not commenced within two (2) years, then Seller shall have the option to repurchase the site at ninety percent (90%) of the Purchase Price. Property use is restricted that each building has a minimum fifty percent of the square footage climate-controlled space.
	Seller shall construct the road, utility, and stormwater infrastructure to the Property (which will also serve other parcels).
Intended Use	To develop a manufacturing facility for ESS container systems and components.
Notes	SCPSA's Board of Directors declared Camp Hall property to be surplus real property and authorized that it or portions of it may be sold, leased, optioned or otherwise transferred for development purposes.

**Campus 7** +/- 14.59 acres





### JOINT BOND REVIEW COMMITTEE Meeting of December 5, 2023

AGENCY: South Carolina Public Service Authority

SUBJECT: Proposed Disposition of Real Property

Camp Hall Commerce Park, Berkeley County

The South Carolina Public Service Authority requests approval to dedicate approximately 0.43 acres in Camp Hall Commerce Park to Berkeley County Water and Sanitation, an agency of Berkeley County, at a purchase price of \$10 and other valuable consideration.

The dedication of this property will support on-site infrastructure improvements pursuant to the master plan for the park, and supplements dedication of acreage for this purpose previously approved by the Committee in September 2022. The additional acreage will support future expansion and construction revisions for Campuses 1, 3, and 8 pump stations. Once constructed, these stations will be connected to facilities of, and owned and operated by, Berkeley County Water and Sanitation. Berkeley County requires dedication of the property for these purposes.

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

### **COMMITTEE ACTION:**

In accordance with Section 58-31-240(B)(2) of the South Carolina Code, review and approve, reject, or modify the Authority's request to dedicate approximately 0.43 acres in Camp Hall Commerce Park to support on-site infrastructure.

### **ATTACHMENTS:**

1. Letter dated December 5, 2023, of Mr. J. Martine Watson, Chief Commercial Officer, Santee Cooper.

- 2. Description of the property and terms of dedication.
- 3. Map of the property and location of the facilities.

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



J. Martine Watson, P.E. Chief Commercial Officer (843) 761-7072 marty.watson@santeecooper.com

December 5, 2023

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

RE: Dedication of additional 0.43 acres for sewage pump stations located within Camp Hall Commerce Park, located in Berkeley County

### Dear Chairman Peeler:

The South Carolina Public Service Authority ("Santee Cooper") requests that the Joint Bond Review Committee approve the dedication of approximately 0.43 acres of property for three sewage pump stations located within the Camp Hall Commerce Park to Berkeley County Water & Sanitation ("BCWS") as described on Attachment A.

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

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

It should be noted three sewage pump stations were previously submitted to and approved by the JBRC in September 2022. Two pump stations are completed and BCWS requires an additional 0.43 acres for future expansion and construction revisions for Campuses 1, 3, and 8 pump stations.

Sincerely,

J. Martine Watson

JMW:cmb

### **Attachment**

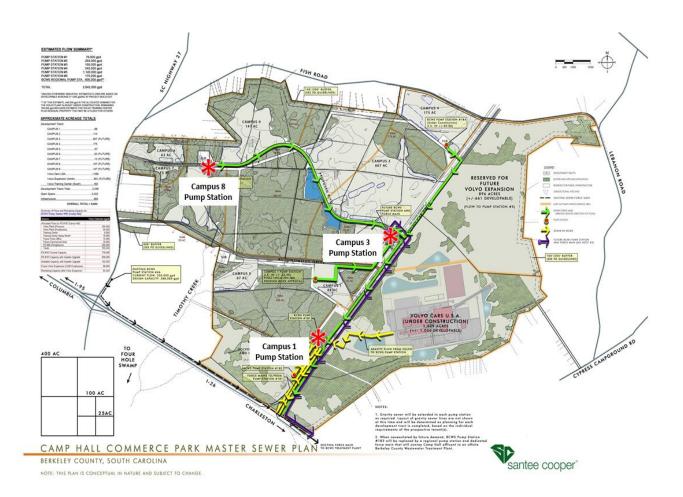
Attachment A – Substantive terms of proposed dedication

### Attachment A

Dedication of 0.43 acres additional property for Campuses 1, 3 and 8 Sewage Pump Stations, Camp Hall Commerce Park located in Berkeley County to BCWS.

The substantive terms of the proposed dedication are as follows:

Purchaser	Berkeley County Water and Sanitation, an agency of Berkeley County
Acreage	Campuses 1, 3, and 8 Pump Stations – 0.43 acres
Purchase Price	\$10.00 and other valuable consideration
Special Provisions	Santee Cooper to provide BCWS form documents that are required for dedication, including a deed, certification of no liens, title opinion letter, engineer's certificate.



AGENCY: South Carolina Conservation Bank

SUBJECT: Proposed Grant Award for Conservation Easement

Shaws Creek Preserve, Aiken County

Section 48-59-70(L) of the Code of Laws provides that the Conservation Bank Board may not authorize the purchase of a conservation easement for more than \$1 million unless the transaction is reviewed by the Joint Bond Review Committee and the Committee provides its recommendation to the Board.

Responsive to this requirement, the South Carolina Conservation Bank requests review of its proposed grant award to the Aiken Land Conservancy to purchase a conservation easement on the Shaws Creek Preserve property located in Aiken County. By action on September 27, 2023, the South Carolina Conservation Bank Board reviewed and approved a grant in the amount of \$1,900,000 pursuant to an application submitted in July 2023 by the Land Conservancy. Approval of the grant was made subject to review by the Joint Bond Review Committee.

The Preserve consists of approximately 2,567 acres of undeveloped forested land, including an approximately 92-acre reservoir. It is located 12 miles north of the Aiken city limits, and consists of the Brunswick Tract and all of the Masons Branch Reservoir parcel. The Preserve is composed of uplands, jurisdictional wetlands, and jurisdictional streams, including Shaws Creek and six tributaries, including Mason Branch, Curry Branch, Boggy Branch, Sandy Branch and Spring Branch.

The City intends to maintain the Preserve in its generally undeveloped state and provide for public recreation on the Preserve, with improvements limited to maintaining old or constructing new trails, improvements at the entrances to the Preserve including parking areas, restroom facilities, pavilions, and picnic areas; and potentially any living quarters for on-site managers if full-time management is determined by the City to be necessary.

The Bank's commitment will be paid from the Conservation Bank Trust Fund which, following grants included for consideration at this meeting, will have an unobligated balance of \$11,405,770.

### **COMMITTEE ACTION:**

Review and make recommendation regarding the proposal by the SC Conservation Bank to award a grant in the amount of \$1,900,000 to the Aiken Land Conservancy for the purchase of a conservation easement on the Shaws Creek Preserve.

### ATTACHMENTS:

- 1. Letter dated October 6, 2023, of Mr. Michael G. McShane, Chairman, and Mr. J. Raleigh West, III, Executive Director, South Carolina Conservation Bank.
- 2. Project Maps and Narrative.



October 6, 2023

Rick Harmon
Director of Research
Joint Bond Review Committee
312 Gressette Senate Office Building
Columbia, South Carolina 29201

Sent via email to: RickHarmon@SCSenate.gov

Re: Shaws Creek Preserve – 2,657 acres – Aiken County

Dear members of Joint Bond Review Committee:

Ida SCH, SC

Pursuant to SC Code Section 48-59-70(L), the Bank must present and receive approval from the Joint Bond Review Committee (JBRC) on any grant exceeding \$1 Million to purchase a conservation easement. On September 27, 2023, the Bank approved a grant of \$1,900,000 to Aiken Land Conservancy to purchase a conservation easement on the 2,657-acre Shaws Creek Preserve property in Aiken County contingent on approval from the Joint Bond Review Committee. Therefore, on behalf of the SC Conservation Bank Board, we request that the JBRC include this item on the agenda for review at the December 5, 2023, meeting. Enclosed is the Project Map and Narrative.

We sincerely hope that the Committee agrees that this grant demonstrates the Bank's role in promoting landscape-scale conservation of our important natural and historic resources in a fiscally sound manner.

Sincerely,

Michael G. McShane

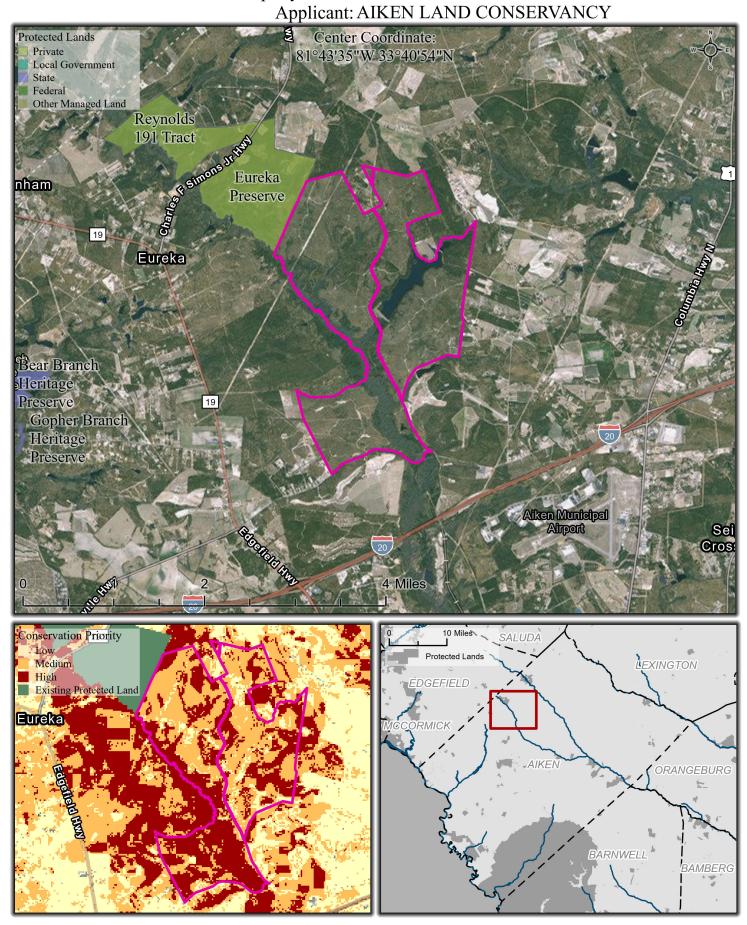
**Board Chairman** 

J. Raleigh West, III

**Executive Director** 

# SC Conservation Bank July 2023 Applicant

Property Name: Shaws Creek Preserve



#### Narrative for the SCCB Shaws Creek Preserve

#### I. Description of the Preserve and History of the Project.

A project seven years in the making, and one that fully illustrates the benefits of a true partnership between a land trust, a local municipality, and the South Carolina Conservation Bank now has the opportunity to reach the finish line. Conservation funding from the South Carolina Conservation Bank would provide the opportunity for the City of Aiken to permanently protect this incredible natural and recreational resource with a conservation easement held by the Aiken Land Conservancy (ALC), an accredited land trust.

The Shaws Creek Preserve (SCP) consists of +/- 2657.63 acres of undeveloped forested land, including a +/- 92-acre reservoir, located in Aiken County twelve miles north of the city limits. The Preserve consists of two parcels: the Brunswick Track (+/- 2251.13 acres) and all of the Masons Branch Reservoir parcel (+/- 406.05 acres). The Preserve is composed of +/- 2254.1 acres of uplands, +/- 403.53 acres of jurisdictional wetlands, and 33,327 linear feet (6.31 miles) of jurisdictional streams, which includes Shaws Creek and six tributaries including Mason Branch, Curry Branch, Boggy Branch, Sandy Branch, and Spring Branch.

Habitat types within the subject property include bottomland hardwood forest, longleaf pine-scrub oak sandhill, basin marsh, seepage streams, forested wetland, and loblolly pine plantation. Despite a long history of fire exclusion, remnant native groundcover still exists in some of the uplands, offering high potential for successful restoration efforts. Many of the wetland areas of the Preserve are in good-to-excellent condition.

The Masons Branch Reservoir was purchased and constructed by the City in the early 1980's to serve as supplemental water flow for Shaws Creek in times of drought. Shaws Creek is a primary source of drinking water for the City's residents. The water from Shaws Creek is processed by the City's Water Treatment Plant (WTP) located at the intersection of Shaws Creek and Highway 1. The City intends to start construction of a new WTP in the summer of 2024.

The City purchased the Brunswick Tract in 2020 after years of discussion and consideration. The Tract was listed for sale by the owners in 2016. Although it was historically used for commercial timber production, the then owner/developer had created a conceptual plan to build a residential golf and equestrian community with approximately 4,300 residential units and over one million square feet of commercial space.

The City and ALC were deeply concerned about the proposed development because the Brunswick Tract borders Masons Branch Reservoir on three sides, surrounds a portion of Shaws

Creek, and is the largest and most important undeveloped tract in the entire watershed. The Brunswick Tract itself is comprised of +/- 1876.10 acres of uplands, +/- 378 acres of jurisdictional wetlands, and 30,349 linear feet of jurisdictional streams (Shaws Creek and its tributaries: including Boggy Branch, Mason Branch, Curry Branch, Spring Branch, and Sandy Branch). The absence of development on the Brunswick Tract and the presence of habitat continuity has preserved floodplain function within the Tract and the associated Mason Branch Reservoir. The City and Aiken Land Conservancy were certain that the construction of a residential/commercial development of the size proposed by the developer/owner on the Brunswick Tract would jeopardize water quality in the Shaws Creek Watershed and the headwaters of the Edisto River.

As a result, the City and ALC worked together over the next several years to evaluate different options for the purchase of the property by other conservation agencies or public/private partnerships. In mid-2020, the City concluded that the best option to protect the Brunswick Tract from development and, thus, protect the quality of its water supply for approximately 20% of its residents, was for the City to purchase the property. In December 2020, the City purchased the Brunswick Tract for \$5.25 million. The City financed the purchase from its own cash reserves and currently holds title to the Brunswick Tract free and clear without any liens, encumbrances on, or claims to, the title.

In the two and a half years since the purchase of the property, the City has performed an in-depth inventory of the natural resources on the property, including developing a forestry management plan with the South Carolina Forestry Commission, a wetland and stream condition assessment, and the prospects for wetland mitigation. As a result, the City increased the buffers around Masons Branch Reservoir to protect the water quality in Mason Branch and the reservoir. City has also hired an experienced private forester to implement the SCFC forest management plan for the property. The forestry plan is focused on restoring longleaf pine ecosystems on the uplands.

Finally, in January 2023, City Council determined in a planning/work session 1) that it would continue to own the property; 2) that it would open the property to the public for recreational purposes; 3) that it would place a conservation easement (CE) in favor of ALC on the Brunswick Tract and on the Mason's Branch Reservoir parcel; and 4) that it would apply to the South Carolina Conservation Bank (SCCB) for funding of a portion of the conservation easement. The City's intent is that funding would be used to make improvements on the property consistent with its use as a passive recreational property for public use and for other conservation uses in the City, County, and Shaws Creek watershed. The City notified ALC of its intention to protect the Brunswick Tract with a conservation easement, and the City and ALC commenced working on the prospective terms of the conservation easement and the anticipated application by ALC to the SCCB on July 31, 2023.

### II. Future Use & Connectivity

The City intends to maintain the Shaws Creek Preserve in its generally undeveloped state and provide a public haven for recreation on the Preserve. The only improvements on the Preserve will be those consistent with maintaining the property for the recreational benefit of the public. Improvements include improvements to old trails or construction of new trails; improvements at the entrances to the Preserve to include, but not limited to, parking areas, restroom facilities, pavilions, and picnic areas; and conceivably small living quarters for one or more on-site managers for the Preserve if the City decides full-time, on-site managers are necessary.

The conservation easement between the City and Aiken Land Conservancy will limit improvements for recreational purposes and access on the Preserve by capping the amount of impervious surfaces at 2.5% of the total acreage of the Preserve and by restricting the conversion of forest land to open fields and/or meadows to 10% of the total acreage. This 10% conversion restriction does not include the existing water/reservoir, maintained trails and roads, or the reservoir dam.

The City's vision for developing a recreational haven for the public is broader than just the Shaws Creek Preserve. The City is currently working on the development and construction of a public greenway that will connect the Preserve with the Beverly D. Clyburn Generations Park, which is located approximately 8 miles south. Connecting the existing multi-use Beverly D. Clyburn Generations Park and the Shaws Creek Preserve with the Aiken Greenway will provide exciting recreational opportunities in a truly public space for citizens of every age, fitness level, and socio-economic status; for families seeking to enjoy the beauty of nature; for pedestrians, hikers, birdwatchers, dog walkers, equestrians, mountain biking enthusiasts, photographers, and painters—the list of possibilities is endless.

It is not just people that will benefit from conservation of the Shaws Creek Preserve. The Property contains known habitat for a wide diversity of plant and animal species, including several state-listed species such as Southern hognose snake, pine snake, and bog spicebush that have been documented on-site. Indicators of high-quality habitat present on the Property include the Acadian flycatcher, wood thrush, and prothonotary warbler. Additionally, the tract currently sits within a natural wildlife corridor stretching for miles north and south between nearby public and private conservation lands, offering hope of future population viability for a number of imperiled wildlife species native to the region.

### III. Upper Shaws Creek Voluntary Conservation Project

South Carolina has significant experience and success using land conservation as a tool for protection of sensitive lands within watersheds, such as (for example) the preservation of thousands of acres in the COWASSEE Basin and the ACE Basin. In 2017, after learning of the potential sale and development plans for the Brunswick Tract, the City decided to model the success of other conservation efforts in the state and create the Upper Shaws Creek Voluntary Conservation Program, which would provide an opportunity for landowners, land trusts, local government, and public agencies to work together to achieve their conservation goals in the watershed. The purpose of the program is to create a continuous corridor of protected properties along Upper Shaws Creek and its tributaries, which flow into the Shaws Creek WTP that services the citizens in the northern reaches of the city. This green corridor of conserved properties will protect water quality, reduce treatment costs for the WTP, and provide a travel corridor for wide-ranging wildlife species. As mentioned above, the City has authorized construction of a new WTP, which is expected to begin construction in the Summer 2024.

As part of that effort, the City worked with the Nature Conservancy and eight other conservation agencies to model the watershed and rate the parcels of land with the greatest potential to conserve water and water quality. The parcel prioritization modeling funded by SCDHEC, USEPA and the City identified the Shaws Creek Preserve as the top-rated parcels to protect water and water quality in the Upper and Middle Shaws Creek Watershed. The City (with the aid of the proceeds of a 319 grant), the Aiken Land Conservancy and others funded the costs of outreach and some of the conservation easement soft costs, which had proven to be a barrier to landowner participation in the program.

Although the response to the voluntary conservation program was muted by the Covid-19 pandemic, significant progress has been, and continues to be, made in fulfilling the goal of establishing a corridor of green infrastructure throughout the Upper Shaws Creek watershed. ALC previously closed two other conservation easements on properties identified on the Top 100 Priority list: the 601-acre Eureka Partners property that is directly adjacent to the Brunswick Tract, and the smaller Long Branch Houck Preserve with frontage on Long Branch, which runs into Reynolds Pond just north of the WTP.

In addition, north of the Eureka Preserve is the 394-acre Reynolds Preserve, which is protected by a conservation easement in favor of the Central Savannah River Land Trust. The City owns Reynolds Pond and its associated wetlands, which is upstream of the WTP and south of the Preserve, and has no plans to develop that property. ALC has also been in discussion with the owner of the last private property located on Masons Branch Reservoir, who has indicated his willingness to protect his property pending the resolution of certain personal and financial issues. The City and ALC will continue to cultivate interest in conservation with other landowners to

further develop the green corridor in the watershed, as well as its partnership with the SCCB, for the purpose of creating a robust Upper Shaws Creek Watershed program that makes a difference in the protection of water and ground water, ecosystems, and local habitat in the Shaws Creek and Edisto River watersheds, which in turn protects the headwaters of the ACE basin as well.

#### IV. The Importance of the Shaws Creek Watershed

The Shaws Creek Preserve (SCP) is located in the Shaws Creek Watershed and contains both the Upper and Middle Shaws Creek Sub-watersheds (HUCs 030502040106 and 030502040107, respectively) with a total area of 54,297 acres (Figure 1). Shaws Creek begins in Edgefield County and flows into Aiken County where it eventually flows into the South Fork of the Edisto River. Shaws Creek is a vital resource as a recreational area and as the primary drinking water supply source for the City of Aiken.

The City of Aiken has long recognized the importance of the Shaws Creek Watershed. The City in conjunction with South Carolina Department of Health and Environmental Control and U.S. Environmental Protection Agency prepared a Watershed Based Management Plan (WBMP) using grants and city funds. The purpose of a Watershed Based Plan (WBP or Plan) is to document the sources of water pollution and present a course of action to protect and/or improve water quality within a watershed. The WBP provides an approach to manage and maintain or restore the waterbody to its designated use. Community stakeholders play a critical role in plan development, and the final plan reflects the community's goals for their watershed.

The WBMP identified numerous sources of pollution in the watershed. To address this issue, the City applied for and won competitive grants under the "319 Program." The City's first 319 program used outreach and education to work with willing agricultural landowners and septic systems to reduce bacteria, nutrients, and sediment loading. As discussed above, the City successfully implemented the grant funds and worked with many landowners to reduce pollutant loading in the watershed.

Conservation of the Shaws Creek Preserve, and the larger watershed it sits within, offers the South Carolina Conservation Bank the chance to build off of a successful conservation foundation within a targeted region. Such an investment is both wise and fiscally-responsible, as it ensures that conservation funding goes as far as possible in terms of the benefits it can provide. As has been described above, the Shaws Creek Preserve is not the end of the story for watershed conservation in the region; rather, it is just one significant step forward. The City of Aiken and Aiken Land Conservancy, and their respective partners, fully intend to continue their work to expand this conservation corridor, and look forward to partnering with SCCB in the future to help make that happen.

AGENCY: South Carolina Conservation Bank

SUBJECT: Proposed Grant Award for Conservation Easement

Camp Awanita, Greenville County

Section 48-59-70(L) of the Code of Laws provides that the Conservation Bank Board may not authorize the purchase of a conservation easement for more than \$1 million unless the transaction is reviewed by the Joint Bond Review Committee and the Committee provides its recommendation to the Board.

By action on September 27, 2023, the South Carolina Conservation Bank Board reviewed and approved a grant in the amount of \$950,000 pursuant to an application submitted in July 2023 by The Nature Conservancy to purchase a conservation easement on Camp Awanita located in northern Greenville County. Review by the Joint Bond Review Committee is not statutorily required for this easement; however, the Bank has submitted notice of the pending award as information and as a courtesy.

Camp Awanita consists of approximately 524 acres operated as a non-denominational camp founded in the 1960s serving 14,000 children, youth, and adult groups each year. The Board of the Camp wishes to ensure that the property retains its conservation value and is protected against the possibility of future development.

Approximately 35% of the value of the easement will be donated by the landowner, and the Conservation Bank grant will be matched with funds from the Greenville County Historic and Natural Resources Trust, the Upstate Conservation Land Fund, and The Nature Conservancy.

The Bank's commitment will be paid from the Conservation Bank Trust Fund which, following grants included for consideration at this meeting, will have an unobligated balance of \$11,405,770.

#### **COMMITTEE ACTION:**

Receive notice of the pending award as information.

#### **ATTACHMENTS:**

- 1. Letter dated October 2, 2023, of Mr. Michael G. McShane, Chairman, and Mr. J. Raleigh West, III, Executive Director, South Carolina Conservation Bank.
- 2. Project Maps and Narrative.



October 2, 2023

Rick Harmon
Director of Research
Joint Bond Review Committee
312 Gressette Senate Office Building
Columbia, South Carolina 29201

Sent via email to: RickHarmon@SCSenate.gov

Re: Camp Awanita

Dear members of Joint Bond Review Committee:

Pursuant to SC Code Section 48-59-70(L), the Bank must present and receive approval from the Joint Bond Review Committee (JBRC) on any grant exceeding \$1 Million to purchase a conservation easement. On September 27, 2023, the Bank approved a grant of \$950,000 to The Nature Conservancy to purchase a conservation easement on the 542-acre Camp Awanita property in northern Greenville County (please see attached Project Map and Project Narrative). Although this grant falls below the threshold necessary to invoke Sec 48-59-70(L), the Bank Chairman and Director thought it sufficiently proximate to warrant informing the JBRC of the pending award as a courtesy. We sincerely hope that the Committee agrees that this grant demonstrates the Bank's role in promoting landscape-scale conservation of our important natural and historic resources in a fiscally sound manner.

At the same meeting, the Bank also approved a grant in Aiken County that does, in fact, cross the \$1 Million threshold and will require us to formally present to JBRC, which we intend to do at the next available opportunity.

Sincerely,

Michael G. McShane

Jun GH. SC

**Board Chairman** 

J. Raleigh West, III

**Executive Director** 



# Project Narrative Camp Awanita

Greenville County
July 2023



The Nature Conservancy (TNC) will purchase a conservation easement on approximately 542 acres in Greenville County, South Carolina from Look Up Lodge Christian Camp, Inc. on their Camp Awanita property. Camp Awanita is in the viewshed from the western portion of Highway 25, a major thoroughfare between Hendersonville, North Carolina and Greenville, South Carolina.

The property is an unfragmented, core forest block and provides habitat for non-game fauna including an array of bird species, especially neotropical migratory birds, reptiles such as the Eastern Box Turtle, and amphibians including several species of salamanders. Game and non-game species are abundant on the property including Black bear, deer, and wild turkey. There are 16 rare, threatened, or endangered terrestrial species reported within two miles of the property.

Camp Awanita has a diverse array of habitats that extends from the valley, which has open pasture and forests to high elevation overlooks. The property has diverse multi-aged forests and over 2 miles of creeks which flow into the Saluda River. Protection of this property will help further secure the critical Middle Saluda Watershed Basin as the Property has headwaters and other associated streams, which flow into the Saluda River contributing to the drinking water supplies for many growing towns in the vicinity.

Greenville County is in one of the fastest growing areas of South Carolina. The county's population is expected to almost double by 2040, and growth projections show urbanization



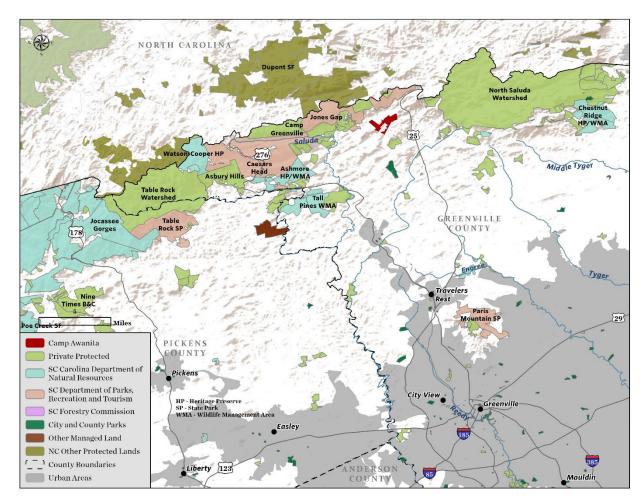
increasing north of Greenville, where the property is located. The conservation community recognizes the importance and need to focus land protection in this area to ensure this corridor protection for species migration.

The property is adjacent to and surrounded by lands owned by a single family of Greenville, SC, totaling almost 3,000 acres. The preservation of Camp Awanita could influence the future for the surrounding properties which would be critical core forest blocks to conserve in the future.

Camp Awanita is a non-denominational Christian camp founded in the 1960s serving approximately 14,000 individuals per year, including children, youth, and adult groups. The camp offers summer camps, school year conferences and retreat facilities to the community. The camp's board wants to ensure that the property retains its conservation values and prevent the possibility of development in the future.

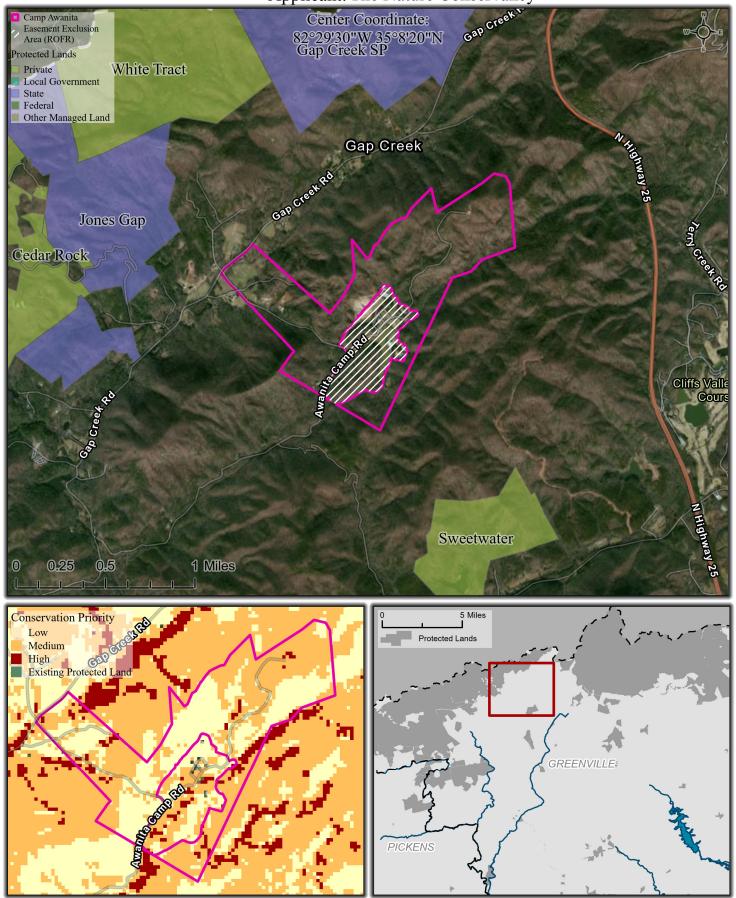
TNC will protect the property with a bargain-sale conservation easement, which will carve out the main campus/building area and not allow for any subdivisions. The landowner is donating approximately 35% of the value of the easement, and the SC Conservation Bank grant would be matched with funds from Greenville County Historic and Natural Resources Trust, Upstate Conservation Land Fund, and TNC.





# SC Conservation Bank July 2023 Applicant

Property Name: Camp Awanita Camp Awanita - Applicant: The Nature Conservancy



AGENCY: Department of Administration

Facilities Management and Real Property Services

SUBJECT: Proposed Lease

College of Charleston

Student Housing at 61 Vanderhorst Street, Charleston

The College of Charleston requests review of its proposal to lease 101 beds for student housing located at 61 Vanderhorst Street, Charleston, from Vanderhorst Realty, LLC.<sup>1</sup> The lease is needed to support an increase in student demand for on-campus housing due to increased enrollment, and other campus housing that will be unavailable while undergoing renovation.

The South Carolina Department of Administration conducted a solicitation for 1-, 3-, 5-, 7-, and 10-year terms following a determination that other state space was not available and received 3 offers responsive to the solicitation. The response for the selected location was the lowest offer.

The term of the proposed lease is 3 years, with 2 possible extensions of one year each. The rental rate for the initial year of the term is \$1,499,850, or an average of \$14,850 per bed; thereafter, base rent will increase by 5% annually. Total rent over the initial and extended terms will be a maximum of \$8,287,618. Rent includes all operating and maintenance expenses except for janitorial consumables, which will be provided by the College. The lease includes the Landlord providing furniture, housewares, and appliances. The lease also provides for up to 32 spaces at an additional cost, and 1 space free of charge for use by college staff, in a parking lot surrounding the leased premises. No option to purchase the property is included in the lease.

The Department of Administration reports that lease payments will be made from student housing 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 annual rate of \$15,405 to \$22,701 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 September 19, 2023, of Mr. John F. Loonan, Executive Vice President for Business Affairs, College of Charleston.

<sup>&</sup>lt;sup>1</sup> A South Carolina limited liability company in good standing registered with the SC Secretary of State effective January 19, 2007. Hilton C. Smith of Charleston, SC is registered agent. Private Participant Disclosures were included with the submission.

# JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: December 5, 2023 Regular Agenda

1. Submitted by:

(a) Agency: Department of Administration

(b) Authorized Official Signature:

Ashlis Lancaster
Ashlie Lancaster, Director

2. Subject: College of Charleston Lease of 61 Vanderhorst Street, Charleston SC 29403

### 3. Summary Background Information:

The College of Charleston (College) requests approval to lease one-hundred and one (101) bedrooms at 61 Vanderhorst Street, Charleston, SC from Vanderhorst Realty, LLC.

After contacting state agencies to verify no adequate State space was available, the Department of Administration solicited for commercial space for 1, 3, 5, 7 and 10-year terms. Three responsive offers were received in response to the solicitation. The selected location was the lowest offer.

The requested lease term is three (3) years commencing August 1, 2024 with two possible extensions of one-year each.

The rent for the first year of the term will be \$1,499,850.00, for an annual average cost per bed of \$14,850.00 to the College. The College currently plans to charge students \$5,562.00 per bed per semester, which is what they currently charge students for similar space. However, they anticipate an increase in student housing charges in the near future.

The rental rate shall escalate by 5% annually over the initial and extended terms, if any. The maximum total rent to be paid will be \$8,287,618.04. This lease includes all operating and maintenance costs with the exception of janitorial consumables (which will be provided by the College) and includes all furniture, housewares, and appliances.

INITIAL TERM	<u>PERIOD:</u> <u>FROM - TO</u>	ANNUAL RENT	MONTHLY RENT	AVERAGE ANNUAL RENT PER BED
YR 1	August 1, 2024 – July 31, 2025	\$1,499,850.00	\$124,987.50	\$14,850.00
YR 2	August 1, 2025 – July 31, 2026	\$1,574,842.50	\$131,236.88	\$15,592.50
YR 3	August 1, 2026 – July 31, 2027	\$1,653,584.63	\$137,798.72	\$16,372.13
EXTENDED TERM	<u>PERIOD:</u> <u>FROM - TO</u>	ANNUAL RENT	MONTHLY RENT	AVERAGE ANNUAL RENT PER BED

YR4	August 1, 2027- July 31, 2028	\$1,736,263.86	\$144,688.65	\$17,190.73
YR5	August 1, 2028- July 31, 2029	\$1,823,077.05	\$151,923.08	\$18,050.27

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

Tenant	Tenant Location	
Independent Renters	363, 364, 365, 367, 369 King Street, Charleston*	\$22,701.17
Independent Renters	595 King Street, Charleston*	\$15,405.30
Independent Renters	930 Morrison Drive, Charleston*	\$15,863.75

<sup>\*</sup>Offers were received in response to this solicitation and are subject to base rent and/or operating expense escalations..

The lease provides for the use of up to 32 parking spaces in the surface lot surrounding the premises for an additional cost of \$185 per space per month that the College would make available for student rental at the approved College rental rate which is currently \$550 per semester. One additional reserved parking space will be provided to the College free of charge for the Initial and Extended Term for College staff. Students shall also have full access to and use of bike parking in or adjacent to the premises.

The College has adequate funds for the lease according to a Budget Approval Form approved October 18, 2023. Lease payments will be funded through student housing funds. The lease was approved by the College of Charleston's Board of Trustees on October 31, 2023, and the Commission on Higher Education on November 2, 2023. No option to purchase the property is included in the lease.

- **4. What is the JBRC asked to do?** Approve the proposed three-year student housing lease with two extensions of one year each for the College of Charleston for 101 beds at 61 Vanderhorst Street, Charleston, SC from Vanderhorst Realty, LLC.
- 5. What is recommendation of the division of Facilities Management and Property Services? Approve the proposed three-year student housing lease with two extensions of one year each for the College of Charleston for 101 beds at 61 Vanderhorst Street, Charleston, SC from Vanderhorst Realty, LLC.

## **6.** List of Supporting Documents:

(a) Letter from Agency



September 19, 2023

Ms. Ashlie Lancaster Division Director, Facilities Management and Property Services 1200 Senate Street, 6<sup>th</sup> Floor Columbia, SC 29201

**RE: Student Housing** 

Dear Ms. Lancaster:

The College has an increase in student demand for on-campus housing due to increased enrollment and housing scheduled to be off-line for renovations.

Through the lease solicitation process, the College received five proposals for these space needs. The most satisfactory and cheapest response is a full-service lease at 61 Vanderhorst Street. This location allows for a flexible lease term and is a short walk to campus. The property consists of 101 beds which meets our immediate space needs. The other locations were unsuitable for Fall 2024 and cost more per square foot.

The term of the proposed lease is for three years beginning August 1, 2024 and ending July 1, 2027 with two one year renewal options. The first year would cost \$1,499,850 with rent increasing 5% annually. The total lease cost is \$8,287,618.04 for the five-year term.

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

Sincerely,

--- DocuSigned by:

John F. Loonan 2A42872317CF4ED... John F. Loonan

**Executive Vice President for Business Affairs** 

AGENCY: Department of Administration

Facilities Management and Property Services

SUBJECT: Proposed Lease

Medical University of South Carolina to U.S. Department of Veterans Affairs 112-116 Doughty Street, Charleston

The Medical University of South Carolina requests review of its proposal to continue leasing 46,857 square feet of hospital and medical office space located at 112-116 Doughty Street, Charleston to the U.S. Department of Veterans Affairs. The continuation is proposed as an amendment to extend the term for 3 years, with 2 additional 1-year renewal options. The current lease, as amended, will expire on January 14, 2024.

The Medical University and the Department jointly occupy the facility and have a long history of collaboration, with the two organizations sharing extensive research information. Most of the Department's attending physicians are University faculty and all of the doctors-in-training are University residents.

Rent for the first year will be charged at a rate of \$34.56 per square foot; thereafter, the rental rate will increase by 3% annually. Total rent over the initial and extended terms will be a maximum of \$8,596,385. Operating costs are included in the rental rate. No option to purchase the property is included in the lease.

No student fees are associated with the lease. The Department of Administration reports that comparable rates for similar commercial space in the area range from \$33.71 to \$38.77 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 November 6, 2023, of Ms. Rachel Jones, Director of Lease Management, Medical University of South Carolina.

### JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: December 5, 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 out at Strom Thurmond Research Building, 112-116 Doughty Street, Charleston, SC to the US Department of Veterans Affairs

### 3. Summary Background Information:

The Medical University of South Carolina (MUSC) requests approval to amend their current lease to continue leasing  $\pm$  46,857 square feet of hospital and medical office space in the Strom Thurmond Research Building at 112-116 Doughty Street, Charleston SC 29425 to the US Department of Veterans Affairs (VA). The VA has leased this space from MUSC since January 15, 1997, and currently pays \$1,572,154.38 annually or \$33.55 per square foot. The term of the current lease will expire on January 14, 2024.

MUSC and the VA jointly occupy the 150,000 square foot facility and have a long history of collaboration. Most of the VA attending physicians are MUSC faculty and all of the doctors-intraining are MUSC residents. The two organizations also share extensive research information.

The requested amendment will extend the lease term, commencing January 15, 2024, for three (3) years with two (2) additional 1-year renewal options. Rent for the first year will be charged at a rate of \$34.56 per square foot or \$1,619,377.92 (rounded). Thereafter, the rental rate shall escalate by 3% annually. The maximum total rent that could be paid over the extended and optional terms would be \$8,596,385.22 (rounded).

INITIAL TERM	PERIOD: FROM – TO	ANNUAL RENT	MONTHLY RENT	RENTAL RATE
Year 1	1/15/2024 - 1/14/2025	\$1,619,377.92	\$134,948.16	\$34.56
Year 2	1/15/2025 - 1/14/2026	\$1,667,640.63	\$138,970.05	\$35.59
Year 3	1/15/2026 - 1/14/2027	\$1,717,777.62	\$143,148.14	\$36.66
EXTENDED	PERIOD: FROM -	ANNUAL	MONTHLY	RENTAL
TERMS	TO	RENT	RENT	RATE
Year 4	1/15/2027 - 1/14/2028	\$1,769,320.32	\$147,443.36	\$37.76
Year 5	1/15/2028 – 1/14/2029	\$1,822,268.73	\$151,855.73	\$38.89

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

The following chart represents comparable lease rates of similar space:

Tenant	Location	Rate /SF
MUSC	125 Doughty St.	\$33.71
MUSC	22 WestEdge	\$38.77
MUSC	261 Calhoun	\$36.79

<sup>\*</sup>Above rates subject to operating expenses and/or base rent escalations.

The lease amendment is pending approval by the MUSC Board of Trustees at its December 8, 2023, meeting. MUSC began renewal discussions in February of 2023; however, the VA did not notify MUSC that it was authorized to move ahead with the amendment until October 10, 2023. Commission on Higher Education approval is not required as this is a lease-out.

- **4. What is the JBRC asked to do?** Approve the proposed three-year lease out with two optional one-year extensions from MUSC to the VA for  $\pm 46,857$  square feet.
- 5. What is recommendation of the submitting agency involved? Approve the proposed three-year lease out with two optional one-year extensions from MUSC to the VA for  $\pm 46,857$  square feet.

## **6.** List of Supporting Documents:

(a) Letter from Agency



MUSC Real Estate Services Department 22 WestEdge Street, Suite 200 Charleston, SC 29403 843-792-5996

Ashlie Lancaster
Director, Facilities Management and Property Services
Department of Administration
1200 Senate Street, 6<sup>th</sup> Floor
Columbia, SC 29201

November 6, 2023

RE: Request for U.S. Department of Veterans Affairs Lease Amendment

Dear Ms. Lancaster:

The Medical University of South Carolina (MUSC) requests approval of this lease amendment between MUSC and the U.S. Department of Veterans Affairs (VA) for space in the Strom Thurmond building located at 112-116 Doughty Street, Charleston, South Carolina. The current lease agreement expires January 14, 2024. This amendment has been requested by the VA to continue the lease for three additional years ending January 14, 2027, with an option to extend for two additional terms of one year each which if further extended would end January 14, 2029.

The current lease agreement between MUSC and the VA has been in effect since January 15, 1997. MUSC and the VA have jointly occupied 150,000 square feet of space within the Strom Thurmond Building in Charleston. There is a long history of collaboration with the Charleston's VA Medical Center. Most of the VA attending physicians are MUSC faculty, all doctors-in-training at the VA are MUSC residents and the two organizations share a wealth of research information.

MUSC requests JBRC and SFAA approval for the three (3) year extended term and two (2), one (1) year options to further extend through January 14, 2029, at their December 2023 meetings. The MUSC Board of Trustees is expected to approve this amendment on December 8, 2023.

Square Feet: 46,857 Annual Increase: 3%

Total Including Options: \$8,596,385.22

	1/	15/24 - 1/14/25	1/15/25- 1/15/26	1	/15/26 - 1/14/27	- 1	1/15/27 - 1/14/28	1	1/15/28 - 1/14/29
Cost Per SF	\$	34.56	\$ 35.59	\$	36.66	\$	37.76	\$	38.89
Annual Rent	\$	1,619,377.92	\$ 1,667,640.63	\$	1,717,777.62	\$	1,769,320.32	\$	1,822,268.73
Monthly Rent	\$	134,948.16	\$ 138,970.05	\$	143,148.14	\$	147,443.36	\$	151,855.73

Sincerely,

RachalJone

**Rachel Jones** 

Director of Lease Management

AGENCY: South Carolina Public Service Authority

SUBJECT: Proposed Lease

Storage Space at 11461 SC Highway 707, Murrells Inlet

The South Public Service Authority requests approval of its proposal to lease 5.9 acres of real property located at 11461 Highway 707, Murrells Inlet, from Marlow Properties, LLC. The property will be used as a material storage site as transmission and substation infrastructure is constructed to support Horry County's growth, and the undersea fiber landing facility in the Myrtle Beach Aerospace Park.

The term of the proposed lease is 1 year, with an option to extend the term on a month-to-month basis thereafter. The rental rate is \$25,000 for the first year of the term; and \$2,500 per month for any extended term thereafter. No option to purchase the property is included in the lease.

#### **COMMITTEE ACTION:**

Review and make recommendation regarding the proposed lease.

#### **ATTACHMENTS:**

1. Letter dated December 5, 2023, of Mr. J. Martine Watson, Chief Commercial Officer, Santee Cooper.

- 2. Substantive terms of the lease agreement.
- 3. Map and location of the property.

<sup>&</sup>lt;sup>1</sup> A South Carolina limited liability company in good standing registered with the SC Secretary of State effective May 26, 2006. John W. Marlow, II of Murrells Inlet, SC is registered agent. Private Participant Disclosures were included with the submission.



J. Martine Watson, P.E. Chief Commercial Officer (843) 761-7072 marty.watson@santeecooper.com

December 5, 2023

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

RE: Material Storage Site Lease of +/- 5.9 acres on Highway 707 in Murrells Inlet, located in Horry County

#### Dear Chairman Peeler:

The South Carolina Public Service Authority ("Santee Cooper") requests that the Joint Bond Review Committee approve the lease of approximately 5.9 acres of property for a material storage site as described on Attachment A.

Santee Cooper is building transmission and substation infrastructure to support Horry County's growth and the undersea fiber landing facility in the Myrtle Beach Aerospace Park (ITAP).

Attachment A describes the substantive terms of the proposed material storage site lease for which approval is requested, as well as maps showing the location of the Property.

Sincerely,

J. Martine Watson

JMW:cmb

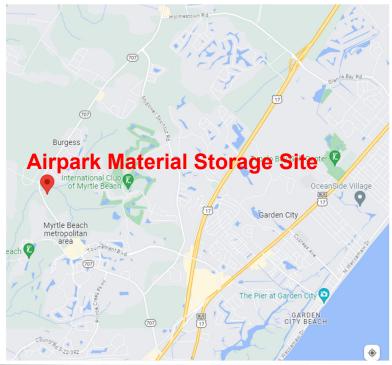
#### **Attachment**

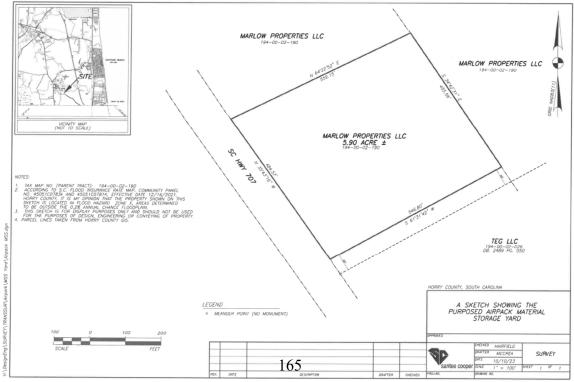
Attachment A – Substantive terms of proposed Lease Agreement, and location maps

# Attachment A

The substantive terms of the proposed Lease Agreement are as follows:

Lessor	Marlow Properties, LLC
Property	5.90 acres, Airpark Material Storage Yard
Term	One year term with an option to extend on a month-to-month basis
Rental	\$25,000.00 annual rental rate \$2,500 month-to-month rental rate





AGENCY: Department of Administration

Capital Budget Office

SUBJECT: Permanent Improvement Project Proposals

The Department of Administration has submitted 27 proposals for Permanent Improvement Projects on behalf of agencies, summarized as follows:

			Proposed	Estimated
		Existing	Budget	Total Project
	Items	Budget	Change	Cost
Higher Education				
H09 - The Citadel	3	981,000	23,226,000	33,062,000
H15 - College of Charleston	3	23,000,000	(10,755,300)	68,411,886
H21 - Lander University	1	-	37,500	2,500,000
H27 - University of South Carolina - Columbia	2	170,000	11,430,000	11,600,000
H59 - Tri-County Technical College	1	20,000	265,000	285,000
Higher Education Total	10	24,171,000	24,203,200	115,858,886
Agencies				
D50 - Department of Administration	3	-	74,375	3,725,000
E24 - Office of the Adjutant General	2	-	535,753	31,751,000
J12 - Department of Mental Health	1	-	1,500,000	111,700,000
K05 - Department of Public Safety	1	7,560	606,312	613,872
N12 - Department of Juvenile Justice	1	700,000	250,000	950,000
P16 - Department of Agriculture	1	-	649,541	659,541
P24 - Department of Natural Resources	6	546,700	375,500	2,751,508
P28 - Department of Parks, Recreation & Tourism	1	20,000	1,000,000	1,020,000
U12 - Department of Transportation	1	5,100	794,900	800,000
Agencies Total	17	1,279,360	5,786,381	153,970,921
Grand Total	27	25,450,360	29,989,581	269,829,807

### 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 3-2024 covering the period August 12, 2023, through September 22, 2023.

August 12, 2023 through September 22, 2023

1. Project: The Citadel

H09.9626: 201-203 Richardson Ave Renovation/Addition

Request: Establish Phase I Pre-Design Budget to construct an addition and to renovate 201, 202 and

203 Richardson Avenue.

Included in CPIP: Yes – 2023 CPIP Priority 2 of 2 in FY25 (estimated at \$3,600,000)

CHE Approval: 11/02/23 Supporting Details: Pages 1-10

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Gift				108,000	108,000
All Sources				<u>108,000</u>	<u>108,000</u>

Summary of Work: The project will renovate units 201, 202 and 203, which total 6,791 gross square feet in the

two-story building which is used for office space. A single story approximately 2,550 gross square foot addition will also be constructed at the rear of the units. A new accessible ramp and restrooms will be added to the units. The HVAC system and electrical system will be replaced. The exterior finish of the addition will be stuccoed to match the existing units. It will have hurricane-rated windows and a low-slope roof. All roofing material options will

be evaluated during the Phase I process.

Rationale: Most of this building remains in its original condition. There have been minor upgrades to

the first-floor areas to accommodate faculty and staff occupancy. This renovation and addition will expand the faculty and staff areas, as well as student interaction spaces. There is currently no handicapped assessable entrance or accessible restrooms in these units. The HVAC system is still in operation but is in poor condition. The old residential electrical system is at maximum capacity and needs to be replaced and expanded. The renovation and addition to Richardson Avenue facilitates the creation of a new School of Leadership

and Ethics.

Facility Characteristics: 201, 202, 203 and 204 Richardson Avenue is 9,692 gross square feet and was constructed

in 1936 (87 years old). It is a two-story building comprised of 4 units. Three of the 4 units, 201, 202 and 203, totaling 6,791 gross square feet will be renovated in this project. The building was originally constructed to serve as faculty housing but is currently used as office space. An approximately 2,550 gross square foot addition will also be constructed. The facility will house the administration and some specialty teaching spaces that support approximately 520 undergraduate and graduate students, and approximately 21 faculty and

staff.

Financial Impact: The project will be funded from Gift Funds (uncommitted balance \$2.7 million at

September 18, 2023). The project is expected to result in an increase of \$4,530 (year 1), \$4,760 (year 2), and \$5,000 (year 3), in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. Currently, no portion of tuition is

designated for capital improvements.

Full Project Estimate: \$3,600,000 (internal) funded by Gift Funds. The Phase I amount requested is 3.00% of the

total estimated cost to complete the project and the additional funds will be used to

complete schematic design work, as well as soil borings and geotechnical surveys.

August 12, 2023 through September 22, 2023

2. Project: The Citadel

H09.9627: Johnson Hagood Stadium East Stands Reconstruction

Request: Establish Phase I Pre-Design Budget to reconstruct the East Grandstands in the stadium.

Included in CPIP: Yes – 2023 CPIP Priority 2 of 2 in FY24 (estimated at \$6,000,000)

CHE Approval: 11/02/23 Supporting Details: Pages 11-20

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Gift				137,000	137,000
All Sources				<u>137,000</u>	<u>137,000</u>

Summary of Work: The project will remove the temporary bleachers, complete site and utility work, and install

new stadium seating, a filming booth, and public restrooms. It is estimated that the seating capacity for the new East Grandstands will be approximately 2,000 fans. The filming booth will be covered with a roof. All roofing material options for the filming booth will be

evaluated during the Phase I process.

Rationale: The former grandstands were demolished in 2017 due to structural, environmental and

financial issues. One thousand temporary stands were erected in order to offer patrons a

seating option on the east side of the stadium.

Facility Characteristics: The proposed Johnson Hagood Stadium East Grandstands will cover approximately 24,000

square feet of property. The footprint of the grandstands is approximately 133,700 square feet. There will only be approximately 500 square feet of heated/cooled space for the family restroom and the filming booth. Other areas are ventilated only. The only area that is covered, and has a roof will be the filming booth, which will be approximately 420 square feet. The constructed Grandstands will be used for Athletic events as well as other revenue generating events like concerts, productions and shows, and other fundraising events for the college. During the fall football season, the stadium hosts up to 16,000 spectators,

players, coaches and staff.

Financial Impact: The project will be funded from Gift Funds (uncommitted balance \$2.5 million at

September 18, 2023). The project is expected to result in an increase of \$48,250 (year 1), \$52,750 (year 2), and \$53,500 (year 3), in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. Currently, no portion of tuition

is designated for capital improvements.

Full Project Estimate: \$5,500,000 (internal) funded by Gift Funds. The Phase I amount requested is 2.50% of the

total estimated cost to complete the project and the additional funds will be used to

complete site and geotechnical surveys.

August 12, 2023 through September 22, 2023

3. Project: The Citadel

H09.9623: Stevens Barracks Renovation

Request: Establish Phase II Full Construction Budget and Revise Scope to remove the bathrooms

and shower rooms and to complete this barracks renovation project.

Included in CPIP: No – This project was not included in the 2023 CPIP due to an agency oversight.

Phase I Approval: Octo Revise Scope &

October 2021 (estimated at \$65,400,000) (SFAA)

Change Project Name

Approval:

December 2022 (estimated at \$21,700,000) (Admin)

CHE Approval: 11/02/23 Supporting Details: Pages 21-36

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY22 Appropriated State, Proviso 118.18 (B) (10)				3,500,000	3,500,000
Other, Barracks Reserve	981,000		981,000	18,119,834	19,100,834
Other, Institutional Capital Project				1,361,166	1,361,166
All Sources	981,000		<u>981,000</u>	22,981,000	23,962,000

Summary of Work: The project will renovate the existing cadet rooms in Stevens Barracks and will install a

new chilled water HVAC system. To support this new system in the barracks, the central chiller plant is being upgraded to handle this additional building. Steam distribution piping serving the central part of campus, including Stevens Barracks, is also being replaced as part of this project. Renovation of the restrooms is being removed from this project because

they were renovated in 2017 and 2018.

Rationale: The project will bring Stevens Barracks in-line with the cadet housing standards of the

other four barracks. The Citadel considered replacement of the existing Stevens Barracks with a new barracks, however adequate funding for the project cost is unavailable. The renovations will result in a better thermal envelope for the building, which will make the building much more efficient. Addition the building HVAC to the central chilled water

system will improve efficiency over the existing single room electric cooling.

Facility Characteristics: Stevens Barracks is 54,640 (with restrooms and shower rooms) or 39,545 (without

restrooms and shower rooms) square feet and was constructed in 1942 (81 years old). The majority of the building systems were refurbished in 1977 (46 years old). An estimated 440 cadets and 4 Teach-Advise-Coach Officers utilize the building daily. It will also be used for summer housing for cadets and camps as needed by summer maintenance rotation.

Financial Impact: This phase of the project is funded from FY22 Appropriated State (nonrecurring)

(uncommitted balance \$3.5 million at October 18, 2023), Barracks Reserve Funds (uncommitted balance \$18.12 million at October 18, 2023) and Institutional Capital Project Funds (uncommitted balance \$10.71 million at October 18, 2023). Revenue to the Barrack Reserve Fund is derived from the debt portion of the cadet room charge which is \$1,440 per cadet per year. Revenue to the Institutional Capital Project Fund is derived from all excess debt service funds transferred to this fund by June 30 each year. The project is expected to result in a decrease of \$25,000 (years 1 thru 3), in annual operating expenses.

## JOINT BOND REVIEW COMMITTEE PERMANENT IMPROVEMENTS PROPOSED BY AGENCIES August 12, 2023 through September 22, 2023

No student fees or tuition will be increased as a consequence of the project. Currently, no portion of tuition is designated for capital improvements.

Full Project Estimate:

\$23,962,000 funded by Appropriated State (nonrecurring) and Barracks Reserve Funds. Contract execution is expected in April 2024 and completion of construction in September 2026.

August 12, 2023 through September 22, 2023

4. Project: College of Charleston

H15.9685: New LX Residence Hall Construction

Request: Establish Phase I Pre-Design Budget to construct a new residence hall.

Included in CPIP: Yes – 2023 CPIP Priority 7 of 10 in FY24 (estimated at \$42,000,000)

CHE Approval: 11/02/23 Supporting Details: Pages 37-48

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Housing Revenue				1,224,700	1,224,700
All Sources				<u>1,224,700</u>	1,224,700

Summary of Work: This project will construct a new residence hall to house approximately 240 students in

double-occupancy rooms and will provide 39 parking spaces. All roofing material options will be evaluated during the Phase I process. The buildings will be designed to meet Two Green Globes certification standards. A one-level standalone building and a portion of the

adjacent building will be demolished as part of this project.

Rationale: Real estate costs in downtown Charleston are continually escalating. These rising costs are

also encountered in properties being leased by the college for student housing. The college has two year-to-year, triple-net lease agreements for apartment complexes within walking

distance of campus.

Facility Characteristics: The new LX Residence Hall to be constructed will be approximately 89,000 gross square

feet and will include an approximately 18,600 gross square foot first floor parking area. The student residential space will be built on property the college owns, replacing leased space. The new residence hall will benefit 240 general population student residents and four staff members. The new facility will benefit visitors, parents, and potential students

who may attend meetings and seminars in the facility.

Financial Impact: This phase of the project will be funded from Housing Revenue (uncommitted balance \$2.9

million on September 13, 2023). Revenues to this fund are generated primarily from the Student Housing Fee, paid per-semester by students who reside in on-campus housing. The project is expected to result in a decrease of \$1,574,756 (year 1), \$1,653,494 (year 2), and \$1,736,168 (year 3), in annual operating expenditures. The Phase I amount is 2.50% of the estimated cost to complete the project and the additional funds will be used to procure a Construction Manager At-Risk. 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 not increased for the academic years 2019-2020 to 2023-2024. \$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: \$54,891,886 (internal). Phase II will be funded by State Revenue Bonds.

5. Project: College of Charleston

H15.9678: Berry Residence Hall and Honors Program Renovation

Request: Revise Scope and Decrease Phase II Full Construction Budget to make this an

annualized project to complete interior renovations to Berry Residence Hall.

No – This project was not included in the 2023 CPIP submission because it previously Included in CPIP:

received Phase II approval and the total estimated cost of this project will remain at

\$23,000,000.

May 2022 (estimated at \$23,000,000) (SFAA) Phase I Approval: Phase II Approval: March 2023 (estimated at \$23,000,000) (SFAA)

CHE Approval: 10/05/2023 Supporting Details: Pages 49-78

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Auxiliary Housing Revenues	475,000	18,525,000	19,000,000	(12,000,000)	7,000,000
Other, Capital Improvement Project	100,000	3,900,000	4,000,000		4,000,000
All Sources	<u>575,000</u>	<u>22,425,000</u>	23,000,000	(12,000,000)	11,000,000

Summary of Work:

This annualized project will address mechanical, electrical and plumbing issues, upgrade elevators, interior refresh, and replace roofs and windows. The scope revision will divide the project into four portions of construction. The first portion will complete a complete redesign of the first floor Honors Center and public areas, replace the roof, exterior brick and stucco repairs, window resealing and landscaping, HVAC upgrades, fire/life safety and security system upgrades, technology cabling, new signage, furniture and appliances. The ground floor will be renovated to centralize and expand Honors College classrooms, programming, and supporting administrative offices, releasing space elsewhere on campus. Roof replacement includes minor deck repairs, rough carpentry, roof insulation, including taper, and installation of a three-ply modified bitumen roof system. The new roof will come with a minimum 20-year material and workmanship warranty. The remaining portions of the project which will address floors two through six, will be added in future fiscal years. These portions will update Student suites with new paint, flooring, lighting, millwork, plumbing fixtures, appliances, furniture, and signage. Floors two and three will house Honors College students. Floors four through six will house general student population.

Rationale:

Revising the scope and decreasing the budget will unencumber funds for other campus housing projects. The last significant renovation was in 2003. Per the college, prospective students and parents consider campus living environments to be among the top criteria in choosing a college or university, and this especially applies to Honors housing.

Facility Characteristics: Berry Residence Hall is a 183,514 six-level 630-bed residence hall constructed in 1989 (34 years old). The building will house Honors College students (floors two and three), general population students (floors four through six), Faculty Fellow Program/Advising Center, the Office of Undergraduate Research and Creative Activities, and the Office of Nationally Competitive Awards (floor one). Technology-rich, comfortable public space will be created for presentations, receptions, workshops, and other events.

Financial Impact:

The project will be funded from Auxiliary Housing Revenues (uncommitted balance \$7.27 million at October 12, 2023), and Capital Improvement Project Funds (uncommitted

### JOINT BOND REVIEW COMMITTEE PERMANENT IMPROVEMENTS PROPOSED BY AGENCIES August 12, 2023 through September 22, 2023

balance \$22.10 million at October 12, 2023). Revenue to the Housing fund is generated primarily through the Student Housing Fee, paid per-semester by students who reside in on-campus housing. The fee varies based on amenities, condition, and age of the College's 13 residence halls and 24 historic student residences. The revenues are used solely for the operation, maintenance, renovation, repair, and debt service of this specific auxiliary enterprise. Revenue to the Capital Improvement Project Fund is 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 \$166,025 (year 1), \$171,006 (year 2), and \$176,136 (year 3), in annual operating expenditures. The procurement method for this project will be Construction Manager At-Risk. The building will be constructed to meet Two Green Globes certification standards with an anticipated energy savings of \$6,863,947 over a 30-year period. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$906 per student per semester, and has not increased for the academic years 2019-2020 to 2023-2024. \$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:

\$11,000,000 funded by Auxiliary Housing Revenue and Capital Improvement Project Funds. The total estimated cost to complete all portions of this project is \$23,000,000. Contract execution for this portion of the project is expected in May 2023 and completion of construction in July 2024.

### JOINT BOND REVIEW COMMITTEE PERMANENT IMPROVEMENTS PROPOSED BY AGENCIES August 12, 2023 through September 22, 2023

6. Project: College of Charleston

H15.9686: 81 Wentworth Street Land Purchase

Request: Establish Preliminary Land Acquisition for the purpose of investigating the purchase of a

1.13-acre parcel and vacant parking garage at the corner of St. Philip and Wentworth

Streets in downtown Charleston.

Included in CPIP: Yes – 2023 CPIP Priority 8 of 10 in FY24 (estimated at \$78,000,000 – this component

estimated at \$6,000,000)

CHE Approval: 11/02/23 Supporting Details: Pages 79-94

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

Rationale:

As part of a property exchange with the City of Charleston, the college seeks to acquire this large one-block-long parcel, adjacent to main campus, because it provides a rare opportunity for strategic mixed-use redevelopment. The parcel has been leased by the college from the City of Charleston since the early 1980's as part of a joint parking development. In turn, the college will transfer a .69-acre parcel with a 601-space parking garage, subject to a long-term ground lease, to the City. The deed transfer of the parcel being divested is a condition of the agreement with the City of Charleston that enables the College to affordably purchase the larger Wentworth Garage parcel without incurring additional debt. The College intends to construct a mixed-use development consisting of parking, student housing, offices, and retail. The parcel is currently underbuilt with only five floors. Zoning permits six floors, and the College intends to seek a variance for a seventh floor to maximize density and return on investment. The City of Charleston no longer allows stand-alone parking garages with street frontage. Therefore, parking spaces on the ground level must be "screened" with office or retail space to activate street frontage. Exact use of the retail/office space is not determined. It could be space that is affiliated with the College or revenue generating leased space. Priority will be placed on maximizing available parking on the ground level. Unlike the parking structure to be demolished, the proposed parking facility will only serve College of Charleston students, faculty, and staff. The ratio of parking spaces versus student housing units has not been determined.

Characteristics:

The 1.13-acre property to be acquired contains a vacant 515-space structurally deficient parking garage which will be demolished by college as part of a separate project after acquisition of the property.

Financial Impact:

The property is offered by the City Council of Charleston for the proposed purchase price of \$2,500,000. The estimated value of the property to be acquired is \$12,500,000 million and the estimated value of the property to be disposed is \$7,000,000. The \$3,000,000 difference in value that the college would owe for the land swap is being contemplated as a conveyance for the demolition of the garage. The estimated \$3,000,000 for demolition is not a firm cost since the college has not solicited bids or entered into a contract for demolition. However, a conceptual budget was received in February 2023 from Trident Construction that estimated demolition to be about \$2.6M. The due diligence activities will be funded from Auxiliary Parking Revenue Funds (uncommitted balance \$4.18 million on June 30, 2023). Revenue to this fund is derived from parking fees paid by individuals who

apply for and receive parking. The project is expected to result in a decrease of \$41,000 (years 1 thru 3), in annual operating expenditures. If the property is acquired, a new mixed-use development project will be established for approximately \$75,480,000 that will provide approximately 294 spaces for parking, and housing for 350-400 students. 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 not increased for the academic years 2019-2020 to 2023-2024. \$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: \$2,520,000 (internal) funded by Auxiliary Parking Revenues.

August 12, 2023 through September 22, 2023

7. Project: Lander University

H21.9565: Student Dining Hall Renovation

Request: Establish Phase I Pre-Design Budget to renovate the dining hall in the Grier Student Center.

Included in CPIP: No – The project was not included in the 2023 CPIP submission due to an oversight by

the university, as well as the project was estimated to cost less than \$2,000,000.

CHE Approval: 09/07/2023 Supporting Details: Pages 95-104

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Aramark Contract Requirement				37,500	37,500
All Sources				<u>37,500</u>	<u>37,500</u>

Summary of Work: This project will remove the existing food preparation and serving venues, and replace with

upgraded, versatile venues where the equipment and appliances allow the preparation of a wide variety of menu items. Upgrades to the dining hall aesthetics such as ceiling, lighting, flooring, and furnishings, are also included. The project may also reroute the infrastructure

to service the new equipment.

Rationale: The university entered into a contract with Aramark in August 2023. As part of the required

deliverables, the vendor agreed to invest in infrastructure updates.

Facility Characteristics: Grier Student Center is a 3-story, 61,000 square foot building constructed in 1978 (45 years

old). The student dining hall in on the bottom floor of the building and is 19,300 square feet. Due to continued increases in enrollment, the dining hall footprint was expanded and renovated in 2007. Approximately 3,600 students and 180 faculty, staff, visitor, and guests,

utilize the dining hall each day.

Financial Impact: The project will be funded from an Aramark Contractual Requirement (uncommitted

balance \$4 million at August 23, 2023). 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. Currently, no portion of tuition is designated for capital

improvements.

Full Project Estimate: \$2,500,000 (internal) funded by Aramark Contract Requirement Funds.

August 12, 2023 through September 22, 2023

8. Project: University of South Carolina - Columbia

H27.6152: Green and Garnet I - Energy Optimization

Request: Establish Phase II Full Construction Budget to implement energy conservation measures

on five campus buildings.

Included in CPIP: Yes – 2023 CPIP Priority 15 of 16 in FY24 (estimated at \$10,000,000)

Phase I Approval: August 2023 (10,000,000) (SFAA)

CHE Approval: 11/02/23 Supporting Details: Pages 105-116

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	8,550,000	8,700,000
All Sources	<u>150,000</u>		<u>150,000</u>	8,550,000	8,700,000

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 October 27, 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 \$272,000 (year 1), \$502,000 (year 2), and \$727,000 (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 2019-2020 to 2023-2024.

Full Project Estimate: \$8,700,000 funded by Maintenance Reserve Funds. Contract execution is expected in

January 2024 and completion of construction in December 2025.

August 12, 2023 through September 22, 2023

9. Project: University of South Carolina - Columbia

H27.6149: River Property Land Acquisition

Request: Establish Final Land Acquisition to acquire four parcels of land totaling 585+/- acres in

Richland County.

Included in CPIP: Yes – 2023 CPIP Priority 6 of 16 in FY24 (estimated at \$3,000,000)

Phase I Approval: June 2023 (estimated at \$3,000,000 to 3,300,000) (SFAA)

CHE Approval: 11/02/23 Supporting Details: Pages 117-130

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Institutional/Land Reserve	20,000		20,000	2,880,000	2,900,000
All Sources	<u>20,000</u>		<u>20,000</u>	<u>2,880,000</u>	<u>2,900,000</u>

Rationale:

Acquisition of the property will complete a long-term plan to use the proceeds from a previous sale of surplus land (The Wedge Property). Per the university, this property will more effectively serve the university mission. The property can support agricultural and archeological research, future recreation fields, passive forms of recreation such as hiking and camping, and land for other future development opportunities.

Characteristics:

The four contiguous parcels are 543.2+/-acres, 5+/-acres, 25+/-acres and 12+/-acres, and are contiguous with, and surrounded by university property. There are no buildings located on the property.

Financial Impact:

The 5-acre, 12-acre and 25-acre parcels are offered by the USC Development Foundation as a donation. The 543.2+/- acre parcel is offered by the USC Development Foundation for \$2,880,000. The acquisition will be funded from Institutional Funds/Land Reserve Funds (uncommitted balance \$3.38 million at October 27, 2023). Revenue to this fund is derived from tuition and fees, sales and services activities, and other miscellaneous sources. The project is expected to result in an increase of \$85,000 (year 1), and \$130,000 (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 \$320 per student per semester, and has not increased for the academic years 2019-2020 to 2023-2024. An appraisal was completed in August 2023 for the 543.2+/- acres and valued the property at \$2,880,000. A Phase I Environmental Site Assessment was completed in March 2023 for the 585 +/- acres and revealed no evidence of recognized environmental conditions in connection with the property, and therefore a Phase II assessment is not recommended at this time. A Building Condition Assessment is not required because there are no buildings located on the property. Letters of support have been received from Richland County Council and Richland County School District One authorizing the property to be removed from the tax rolls.

Full Project Estimate:

\$2,900,000 funded by Institutional/Land Reserve Funds. The acquisition will be completed by February 2024.

August 12, 2023 through September 22, 2023

10. Project: Tri-County Technical College

H59.6237: TCTC Transportation and Logistics Hub - Building and Land Acquisition

Request: Establish Final Land Acquisition to purchase approximately 5.19 acres of land and a

4,884 square foot building in Anderson County.

Included in CPIP: Yes – 2023 CPIP Priority 8 of 8 in FY24 (estimated at \$285,000)

Phase I Approval: March 2023 (estimated at \$285,000) (JBRC)

CHE Approval: 11/02/23 Supporting Details: Pages 241-252

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, College	20,000		20,000	265,000	285,000
All Sources	<u>20,000</u>		<u>20,000</u>	<u>265,000</u>	<u>285,000</u>

Rationale: The acquisition of the property will allow for the expansion of the Automotive Training

program, a new Diesel Engine Technician and Hybrid Electric Technician programs and a redesigned Logistics and Supply Chain programs at the college's Anderson Campus.

Characteristics: The property is adjacent to the Anderson Campus and includes a 5,000 square foot light

industrial commercial space that can accommodate both classroom instruction and

laboratory (hands on), training.

Financial Impact: The property is offered by the Tri-County Technical College Foundation of SC for

\$265,000. The acquisition will be funded from College Funds (uncommitted balance \$47 million September 30, 2023). Revenue to this fund is derived from the cumulative excess of revenues over expenses accumulated over time for the purpose of funding capital projects and major renovations. The project is expected to result in an increase of \$1,000 (years 1 thru 3), in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$2.17 per credit hour per student per semester, and has decreased from \$4.17 per credit hour to \$2.17 for the academic years 2019-2020 to 2023-2024. After the property is acquired, \$10,000,000 in renovations will be required, which will be funded with \$10,000,000 in previously appropriated Capital Reserve Funds. An appraisal was completed in August 2023 and valued the property at \$290,000. A Phase I Environmental Site Assessment was completed in June and revealed no recognized environmental conditions, or controlled recognized environmental conditions but did identify an historical environmental condition in connection with the property, which was an underground storage tank that was removed from the property in 1994 and a release from the underground storage tank was reported. A Building Condition Assessment was completed in June 2023 and found some immediate costs and short-term cost deficiencies that were

estimated to cost \$157,325 to complete.

Full Project Estimate: \$285,000 funded by College Funds. The property is anticipated to be acquired in December

2023.

August 12, 2023 through September 22, 2023

11. Project: Department of Administration

D50.6132: Brown Building – Replace East Side and West Side Bus Bar

Request: Establish Phase I Pre-Design Budget to replace the electrical bus bars.

Included in CPIP: Yes – 2023 CPIP Priority 26 of 38 in FY24 (estimated at \$825,000)

CHE Approval: N/A

Supporting Details: Pages 253-260

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State				17,375	17,375
All Sources				<u>17,375</u>	<u>17,375</u>

Summary of Work: The project will replace the east and west bus bars and associated bus bar plugs, which

serves the Edgar A. Brown Building.

Rationale: The electrical bus bars are original to the facility, are past their life expectancy, and

replacement parts are difficult to source. If either of the bus bars were to experience a

failure, electrical service would be lost throughout the facility.

Facility Characteristics: The Brown Building is approximately 156,182 square feet and was constructed in 1976 (47

years old). The Brown Building is utilized by Administrative Law Clerk, Attorney General, Commission for the Blind, Department of Public Safety, Department of Administration, Judicial Branch, Medical University of South Carolina, Parks, Recreation & Tourism, Secretary of State, State Board of Financial Institutions, Procurement Review Board, Senate and Education Oversight. The building is utilized by approximately 150 employees

and various visitors daily.

Financial Impact: The project will be funded from FY24 Appropriated State Funds (uncommitted balance

\$10.47 million on September 18, 2023). The project is not expected to result in any change

in annual operating expenditures.

Full Project Estimate: \$825,000 (internal) funded by FY24 Appropriated State Funds.

August 12, 2023 through September 22, 2023

12. Project: Department of Administration

D50.6133: Dennis Building – Replace 2 Rooftop Air Handlers

Request: Establish Phase I Pre-Design Budget to replace two rooftop air handling units.

Included in CPIP: Yes – 2023 CPIP Priority 20 of 38 in FY24 (estimated at \$1,600,000)

CHE Approval: N/A

Supporting Details: Pages 261-268

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve				24,000	24,000
All Sources				<u>24,000</u>	<u>24,000</u>

Summary of Work: The project will replace two rooftop air handling units for the Dennis Building.

Rationale: The air handling units are approximately 45 years old, have exceeded their life expectancy,

require frequent repairs, and maintenance parts are difficult to source. Failure of the air

handlers would result in a loss of conditioned air to the building.

Facility Characteristics: The Dennis Building is approximately 247,573 gross square feet and was constructed in

1950 (73 years old). The rooftop air handlers were installed in 1978 (45 years old). The building is utilized by Attorney General, Commission for the Blind, Department of Natural Resources, Department of Revenue and Fiscal Affairs, and Legislative Council. The

building is utilized by 750 employees and visitors daily.

Financial Impact: The project will be funded from Depreciation Reserve Funds (uncommitted balance \$8.21

million on September 18, 2023). Revenues received are derived from the rent account, which receives rent charged to agencies. The project is expected to result in additional

annual operating cost savings, but those amounts have not yet been determined.

Full Project Estimate: \$950,000 (internal) funded by Depreciation Reserve Funds.

August 12, 2023 through September 22, 2023

13. Project: Department of Administration

D50.6134: DOA - Repoint and Clean Exterior Façade

Establish Phase I Pre-Design Budget for the repair and maintenance of the exterior veneer Request:

of the Brown Building, Calhoun Building, Dennis Building, and Wade Hampton Building.

Included in CPIP: Yes - 2023 CPIP Priority 28 of 38 in FY24 (estimated at \$500,000), Priority 29 of 38 in

FY24 (estimated at \$450,000), Priority 30 of 38 in FY24 (estimated at \$500,000), Priority

31 of 38 in FY24 (estimated at \$500,000)

N/A CHE Approval:

Supporting Details: Pages 269-278

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve				33,000	33,000
All Sources				<u>33,000</u>	<u>33,000</u>

The project will include re-pointing the mortar joints, as needed, and cleaning the exterior Summary of Work:

building envelope of each facility.

Rationale: There is evidence of mortar deterioration in the veneer, which must be addressed to prevent

moisture infiltration and further deterioration of the building envelope.

Facility Characteristics: The Brown Building is approximately 156,182 square feet and was constructed in 1976 (47

years old). The Calhoun Building is approximately 97,672 square feet and was constructed in 1926 (97 years old). The Dennis Building is approximately 247,573 gross square feet and was constructed in 1950 (73 years old). The Wade Hampton Building is approximately 121,141 square feet and was constructed in 1938 (85 years old). The Brown Building is utilized by Administrative Law Clerk, Attorney General, Commission for the Blind, Department of Public Safety, Department of Administration, Judicial Branch, Medical University of South Carolina, Parks, Recreation & Tourism, Secretary of State, State Board of Financial Institutions, Procurement Review Board, Senate and Education Oversight. The building is utilized by approximately 150 employees and various visitors daily. The Dennis Building is utilized by Attorney General, Commission for the Blind, Department of Natural Resources, Department of Revenue and Fiscal Affairs, and Legislative Council. The building is utilized by 750 employees and visitors daily. The Calhoun Building is utilized by SC Judicial Branch. The building is utilized by 190 employes and various visitors daily. The Wade Hampton Building is utilized by Commission on Prosecution Coordination, Governor's Office, Office of State Treasurer, Office of the Comptroller General, Department of Administration, Department of Agriculture, the State Fiscal Accountability Authority, Bureau of Protective Services and Adjutant General. The building is utilized by

275 employees and various visitors daily.

The project will be funded from Depreciation Reserve Funds (uncommitted balance \$8.21 Financial Impact:

> million on September 18, 2023). Revenues received are derived from the rent account, which receives rent charged to agencies. The project is not expected to result in any change

in annual operating expenditures.

Full Project Estimate: \$1,950,000 (internal) funded by Depreciation Reserve Funds.

August 12, 2023 through September 22, 2023

14. Project: Office of the Adjutant General

E24.9852: Armory Revitalizations 2024-2025

Request: Establish Phase I Pre-Design Budget for this annualized project to prepare designs for

Clemson and Seneca Readiness Centers for this project that will complete repairs and

replacements at Clemson, Seneca, Andrews and Saluda Readiness Centers.

Included in CPIP: Yes – 2023 CPIP priority 2 of 15 FY25 (estimated at \$11,000,000)

CHE Approval: N/A

Support Details: Pages 279-286

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating				110,377	110,677
Federal, National Guard Bureau				110,376	110,676
All Sources				<u>220,753</u>	<u>220,753</u>

Summary of Work: The project will complete significant repairs and replacements at the Clemson, Seneca,

Andrews, and Saluda Readiness Centers. These items include roofing systems, windows, doors, water, sewer, HVAC, electrical, telecom systems, sidewalks, parking and road replacement and expansion. This phase of the project will prepare the design for Clemson

and Seneca.

Rationale: In most cases, items require replacement since they have exceeded their service life. In

accordance with Federal law, the State of South Carolina is obligated to the National Guard Bureau to provide operation and maintenance funding for those facilities if there is a

federally recognized unit assigned to the facilities.

Facility Characteristics: The Clemson Readiness Center is 27,794 square feet and was constructed in 1958 (65 years

old). The Seneca Readiness Center is 15,793 square feet and was constructed in 1954 (69

years old). Approximately 150 individuals utilize these readiness centers.

Financial Impact: The project will be funded from Appropriated State, Operating (uncommitted balance \$3.

million on September 22, 2023), and National Guard Bureau Funds (uncommitted balance \$11 million on October 1, 2023) Revenue to the National Guard Bureau Fund is received from the Construction and Facilities Management Office's Master Cooperative Agreement funds. The project is expected to result in an increase of \$500 (years 1 thru 3), in annual

operating expenditures.

Full Project Estimate: \$11,000,000 (internal) to complete the Clemson and Seneca Readiness Centers funded by

Appropriated State, Operating and Federal, National Guard Bureau Funds. The total

estimated cost to complete all four readiness centers is \$22,000,000.

August 12, 2023 through September 22, 2023

Office of the Adjutant General 15. Project:

E24.9853: SCEMD (Pine Ridge Armory) Building Expansion

Request: Establish Phase I Pre-Design Budget to expand the State Emergency Operations Center,

to include the SC National Guard's Joint Operations Center, the SC Emergency

Management Division, and increased facility parking.

Included in CPIP: Yes – 2023 CPIP priority 9 of 15 FY25 (estimated at \$20,000,000)

CHE Approval: N/A

Support Details: Pages 287-298

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, Emergency Operations Center Grant Program				315,000	315,000
All Sources				<u>315,000</u>	<u>315,000</u>

Summary of Work:

The project will construct an approximately 29,000 square foot addition to the current SC Emergency Management Division (SCEMD) facility, and includes associated design, and modifications to the existing HVAC and electrical systems. The facility expansion will increase square footage from 37,000 square feet to approximately 66,000 square feet. The project will expand the State Emergency Operations Center (SEOC), add space for the National Guard's Joint Operation Center (JOC), increase media briefing room space, and add 134 workspaces for emergency personnel. All roofing material options will be evaluated during the Phase I process for the addition.

Rationale:

The SEOC and JOC provide the locations for the coordination of state level responses to emergencies and disasters affecting the state and its residents. The facility renovation ensures the SEOC is capable of supporting staff requirements to continuously respond to large disasters, enhances the JOC's ability to support the National Guard's ever-changing role in emergency response operations, and provides the SCEMD staff with adequate space to support daily recovery, mitigation, and preparedness actions. Currently, the lack of space in the SEOC and JOC during disasters has a detrimental effect on the ability of the SERT to effectively coordinate the state's response and to provide support to the counties. Given the increased number of personnel serving on the SERT, the expanded size of the SCEMD staff, and the frequency of disaster response, there is a need to increase the SEOC size and capabilities, and associated parking. SEOC and JOC operations requires space for up to 500+ SERT members. The JOC also requires sleeping facilities to support continuous staffing and additional staff workspaces during long-term response operations.

Facility Characteristics: The SCEMD facility is currently approximately 37,000 square feet and was constructed in 1994 (29 years old). Approximately 10,000 square feet of this facility will be renovated in this project. An approximately 29,000 square foot addition will be added. The South Carolina Emergency Management Division (Pine Ridge Armory) is currently occupied by approximately 100+ personnel during normal day to day operations. During State EOC activations the SCEMD facility can have up to 500-600 people in the building coordinating State-level responses to emergencies and disasters.

Financial Impact:

This phase of the project will be funded from Federal, Emergency Operations Center Grant Program Funds (uncommitted balance \$7.5 million at September 30, 2023). The project is

#### JOINT BOND REVIEW COMMITTEE PERMANENT IMPROVEMENTS PROPOSED BY AGENCIES August 12, 2023 through September 22, 2023

expected to result in an increase of \$109,560 (year 1), \$113,942 (year 2), and \$118,500 (year 3), in annual operating expenditures.

Full Project Estimate: \$20,751,000 (internal). Phase II will be funded by \$7,185,000 in Emergency Operations

Center Grant Program, \$7,000,000 in Federal, Congressional Earmark, and \$6,251,000 in FY25 Appropriated State Funds to be requested during the FY24-25 budget process.

August 12, 2023 through September 22, 2023

16. Project: Department of Mental Health

J12.9859: State Veterans' Nursing Home Construction

Request: Establish Phase I Pre-Design Budget to construct a Veterans Nursing Home in Lexington.

Included in CPIP: No – The need for the project was unknown at the time of the 2023 CPIP submission.

CHE Approval: N/A

Supporting Details: Pages 299-310

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance				1,500,000	1,500,000
All Sources				<u>1,500,000</u>	<u>1,500,000</u>

Summary of Work: The project will construct a new Veterans' Nursing Home consisting of 129 beds that will

serve the needs of the western midlands, replacing 90 beds at the Stone Pavilion facility in Columbia, and exhausting the remaining 39 beds available by the US Department of Veterans Affairs through its census. The overall design will be based off the current Veterans Nursing Home construction project in Sumter County as the Department prepares the Veterans Administration (VA) State House Construction grant application to be

submitted prior to April 15, 2024, deadline.

Rationale: Based on the history of past congressional appropriations for the VA State Home

Construction Grant Program, the Department projects that federal funding could become available by federal fiscal year 2033, if included in the VA's 2025 VA priority one list.

Facility Characteristics: The Veterans Nursing Home to be constructed will be approximately 134,000 square feet.

It will be occupied by 129 Veteran Nursing Home patients and approximately 120 staff.

Financial Impact: The project will be funded from Other, Capital Improvement & Maintenance Funds

(uncommitted balance \$5.33 million at September 1, 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 an increase of \$15,365,864 (year 1), \$15,826,840 (year 2), and \$16,301,644 (year

3), in annual operating expenditures.

Full Project Estimate: \$111,700,000 (internal) funded by Capital Improvement & Maintenance Funds.

August 12, 2023 through September 22, 2023

17. Project: Department of Public Safety

K05.9619: SCDPS Headquarters "D" Building - Building Controls Upgrade

Request: Establish Phase II Full Construction Budget to install a new DDC control system for the

existing HVAC system.

Included in CPIP: Yes – 2023 CPIP Priority 2 of 3 in FY24 (estimated at \$400,000)

Phase I Approval: August 2023 (estimated at \$597,240) (JBRC)

CHE Approval: N/A

Supporting Details: Pages 311-320

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	606,312	613,872
All Sources	<u>7,560</u>		<u>7,560</u>	606,312	<u>613,872</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 \$2.087

million at August 31, 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: \$613,872 funded by DPS Building Funds. Contract execution is expected in February 2024

and completion of construction in August 2024.

August 12, 2023 through September 22, 2023

18. Project: Department of Juvenile Justice

N12.9627: Parking Expansion for Security Needs

Request: Increase Phase II Full Construction Budget to cover higher than anticipated bid costs to

construct a new asphalt parking lot at the Broad River Road Campus.

Included in CPIP: No – CHE Approval: N/A

No – The need for the increase was unknown at the time of the 2023 CPIP submission.

CHE Approval: Supporting Details:

Pages 321-328

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY22 Carryforward	29,370	670,630	700,000		700,000
Appropriated State, FY23 Carryforward				250,000	250,000
All Sources	<u>29,370</u>	<u>670,630</u>	<u>700,000</u>	<u>250,000</u>	<u>950,000</u>

Summary of Work: The project will construct a new asphalt parking lot to include the existing parking lot and

expansion towards Broad River Road. An area across the entrance road from the existing

parking will also be considered as an area for expansion of the parking lot.

Rationale: The increased cost of the project is due to an increase in cost of asphalt and labor which

has risen since the Phase II was approved. The agency decided based on the increased cost to break the project into two, a base bid for the main parking lot and the alternate for the smaller overflow lot. The lowest base bid was \$660,000. The low bid will only allow the agency to complete the main parking lot and will require the use of the majority of the original contingency. This budget increase will allow the agency to fund the alternate and to reestablish a contingency for the project. This project is an agency priority as it will allow staff to park outside the security fence, which will increase security and decrease liability. Additionally, due to the planned increase of administrative and non-direct care staff, more vehicles are projected to use the existing parking spaces, which will require an

increased capacity for personal and state vehicles.

Facility Characteristics: The new parking lot will accommodate approximately 300 vehicles located in front of the

Community Connections Center (CCC) building. Approximately 300 staff and 50

visitors will utilize the new parking area on a daily basis.

Financial Impact: This phase of the project will be funded from Appropriated State, FY23 Carryforward

Funds (uncommitted balance \$3.62 million at September 20, 2023). Proviso 67.15 allows the South Carolina Department of Juvenile Justice (DJJ) the flexibility to use the agency's cash and carry forward balances for operating and/or capital needs in specific categories outlined in the Proviso. The project is not expected to result in any change in annual

operating expenditures.

Full Project Estimate: \$950,000 funded by Appropriated State, FY22 & FY23 Carryforward Funds.

Construction completion is anticipated in April 2024.

August 12, 2023 through September 22, 2023

19. Project: Department of Agriculture

P16.9521: CPD Laboratory Renovation

Request: Establish Phase II Full Construction Budget to create new space at the Consumer

Protection Laboratory/Food Protection Program Support.

Included in CPIP:

No – The need for this project was unknown at the time of the 2023 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
Appropriated State, Operating				509,990	509,990
Other, State Farmers Market Escrow Account				149,551	149,551
All Sources				<u>659,541</u>	<u>659,541</u>

Summary of Work: The project will create new space to relocate the feed grinding room to accommodate new

equipment related to that function and to provide storage space. The resultant vacated grinding room will be converted to the milk testing laboratory to accommodate the

laboratory bench, hood and equipment needs.

Rationale: The Consumer Protection Laboratory has been identified as needing improvements to

accommodate the SCDHEC personnel that are transferring to SCDA as a result of the

passage of S.399.

Facility Characteristics: The Consumer Protection Laboratory is 1,355 square feet and was constructed in 2000 (13

years old). It is utilized by 40 staff members for Retail Food Safety, Milk Safety Inspection, Milk/Dairy Laboratory, Residue Laboratory, Feed Laboratory, Produce Safety, Consumer

Services and Laboratory Services.

Financial Impact: The project will be funded from Appropriated State, Operating (uncommitted balance

\$1.25 million at September 27, 2023) and Other, State Farmers Market Escrow Account Funds (uncommitted balance \$417K at September 27, 2023). Revenue to the State Farmers market Escrow Account is derived from interest money left over from the sale of/relocation of the old farmers market in Columbia to the new site in West Columbia. The project is expected to result in an increase of \$2,000 (years 1 thru 3), in annual operating

expenditures.

Full Project Estimate: \$659,541 funded by Operating and State Farmers market Escrow Account Funds. Contract

execution is expected in January 2024 and completion of construction in July 2024.

Other: JBRC Staff has authorized the agency to bypass Phase I and establish the project at Phase

II because there is a legislatively determined implementation date.

August 12, 2023 through September 22, 2023

20. Project: Department of Natural Resources

P24.6088: Lexington-Bundrick Island Dock Replacement

Request: Establish Phase I Pre-Design Budget to replace the existing dock at Bundrick Island on

Lake Murray.

Included in CPIP: Yes – 2023 CPIP Priority 30 of 47 in FY24 (estimated at \$500,308)

CHE Approval: N/A

Supporting Details: Pages 339-348

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY23 Carryforward				7,500	7,500
All Sources				<u>7,500</u>	<u>7,500</u>

Summary of Work: The project will replace and expand the existing dock to have the additional capacity for

boats. The new dock will have standard 24-foot-wide by 24-foot-long slips that will give additional room to allow 2 boats to dock simultaneously. The additional length of the slip

will extend the main walk roughly about 20 feet.

Rationale: The Bundrick Island facility is a major hub for SCDNR Law Enforcement and Fisheries

activities on Lake Murray. It is utilized by SCDNR primarily for day-to-day Law Enforcement activities and emergency response. The current structure does not have the capacity needed to moor the number of boats required to serve this lake and needs

replacement.

Facility Characteristics: The existing dock was constructed in 2000 (23 years old). The Bundrick Island facility is

a joint-used facility with the Lexington County Sheriff's Office and houses two of their 25-foot-long fire and rescue boats as well as SCDNR Law Enforcement watercraft. This dock serves as the primary dock for EMS extractions from Lake Murray and is also used in joint training exercises with South Carolina Law Enforcement Division, US Alcohol Tobacco & Firearms, SC Department of Natural Resources Dive team, US Navy Divers, and others.

Financial Impact: This phase of the project will be funded from Appropriated State, FY23 Carryforward

Funds (uncommitted balance \$450K at August 31, 2023). The project is not expected to

result in any change in annual operating expenditures.

Full Project Estimate: \$500,308 (internal). Phase II will be funded by \$442K in FY23 Carryforward and \$50K in

Boat Title/Reg-Drews Law LE Funds.

August 12, 2023 through September 22, 2023

21. Project: Department of Natural Resources

P24.6059: Pickens - Eastatoe Creek Stream Restoration

Request: Establish Phase II Full Construction Budget to restore a portion of Eastatoe Creek on the

Jocassee Gorges Natural Area, located in Pickens County.

Included in CPIP: Yes – 2023 CPIP Priority 3 of 47 in FY24 (estimated at \$268,000)

Phase I Approval: February 2023 (estimated at \$240,000) (JBRC Staff)

CHE Approval: N/A

Supporting Details: Pages 349-356

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY23 Carryforward				78,000	78,000
Other, Keowee-Toxoway HEP	3,600		3,600	186,400	190,000
Other, Keowee-Toxoway Bad Creek				43,600	43,600
All Sources	<u>3,600</u>		<u>3,600</u>	308,000	<u>311,600</u>

Summary of Work: The project will restore approximately 900 linear feet of Eastatoe Creek on the DNR's

Jocassee Gorges (Franklin Gravely Wildlife Management Area). The project includes the installation of four (4) rock vane (cross vane and J-Hook Vane) structures to establish grade control and improve the profile of the stream. Native riparian vegetation will be replanted

to stabilize banks upon completion of stream restoration.

Rationale: The stream pattern will be adjusted to a sustainable meander pattern, where bank erosion

is minimized. Stream restoration activities include stabilizing eroding stream banks and

using natural channel design to correct the stream pattern and profile.

Facility Characteristics: The Eastatoe Creek Heritage Preserve covers 374 acres in Pickens County. Within the

preserve, three streams - Laurel Branch, Side of Mountain Creek, and Rocky Bottom Creek flow into Eastatoe Creek. Approximately 900 linear feet of Eastatoe Creek will be restored.

The project will benefit trout anglers in this publicly accessible trout stream.

Financial Impact: This phase of the project will be funded from Appropriated State, FY23 Carryforward

(uncommitted balance \$78K at October 26, 2023), Other, Keowee-Toxaway HEP

(uncommitted balance \$187K at October 26, 2023), and Other, Keowee-Toxoway Bad Creek Funds (uncommitted balance \$44K at October 26, 2023). Revenue to the Keowee-Toxoway HEP Fund is provided for fisheries enhancement by Duke Energy in the Keowee-Toxoway Drainage. Revenue to the Keowee-Toxoway Bad Creek Fund is mitigation funds provided by Duke Energy to enhance fisheries resources in the Keowee-Toxoway

Drainage. The project is not expected to result in any change in annual operating

expenditures.

Full Project Estimate: \$311,600 funded by FY23 Carryforward, Keowee-Toxaway HEP Grant Eastatoe Creek

Funds and Keowee-Toxaway Bad Creek FERC Mitigation MOU Funds. Contract

execution is expected in February 2024 and completion of construction in October 2024.

August 12, 2023 through September 22, 2023

22. Project: Department of Natural Resources

P24.9961: Charleston Bear Island WMA Dike Repair

Request: Change Source of Funds to include Federal Emergency Management Agency Disaster

Assistance Funds and State Match Funds.

Included in CPIP: No – Change Source of Funds requests are not required to be included in the CPIP.

Phase I Approval: December 2016 (estimated at \$480,000) (JBRC)

Phase II Approval: January 2017 (estimated at \$475,430) (JBRC)

Phase II Increase

Approval: August 2017 (estimated at \$543,100) (JBRC)

CHE Approval: N/A

Supporting Details: Pages 357-364

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, FEMA				405,432	405,432
Other, Fish & Wildlife Protection (Timber)	7,200	535,900	543,100	(540,576)	2,524
Other, FY24 EMD Appropriated State, Proviso 117.53 (FEMA Flexibility)				135,144	135,144
All Sources	<u>7,200</u>	535,900	<u>543,100</u>	<u>0.00</u>	543,100

Summary of Work: The project To repair the dikes, barges, tugs, pusher boats and earth moving equipment

will need to be mobilized. Transportation for workers to and from the site must be arranged and provisions must be made for fueling and on island transportation for work crews. Creation of coffer dams is necessary to perform the work. An on-site borrow area will need to be excavated to obtain adequate fill material to make repairs to the existing 3,950 linear feet of exterior dike. The minimum elevation in the breach will need to be raised a minimum of 0.5' above the tie-in elevations. Replacement of two existing water control

trunks is also required

Rationale: The original fund source allowed the critical repairs on the Fishhook Impoundment, West

Cut and other trunk sites, all part of the Bear Island WMA to begin before additional damage occurred. FEMA funds and State Match funds are available to cover the project so

the Fish & Wildlife Protection Funds can be released for other projects.

Facility Characteristics: The dike is on the Edisto River side of the island.

Financial Impact: This phase of the project will be funded from Federal, FEMA Funds (uncommitted balance

\$406K at October 16, 2023) and Other, EMD Appropriated State (nonrecurring) Funds (uncommitted balance \$135K at October 16, 2023). The project is not expected to result in

any change in annual operating expenditures.

Full Project Estimate: \$543,100 funded by FEMA, and EMD Appropriated State Funds. Construction for this

project is substantially complete.

August 12, 2023 through September 22, 2023

23. Project: Department of Natural Resources

P24.6089: Jasper-Coosawhatchie HP Land Acquisition Part IV (Gopher Tortoise-OSI)

Request: Establish Preliminary Land Acquisition for the purpose of investigating the purchase of

approximately 273 acres of land in northeastern Jasper County.

Included in CPIP: Yes – 2023 CPIP Priority 40 of 47 in FY24 (estimated at \$720,000)

CHE Approval: N/A

Supporting Details: Pages 365-374

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

Rationale: Acquisition of the property will protect important wildlife species and provide additional

lands for the public to engage in outdoor recreational activities.

Characteristics: The property is approximately eight miles north of Ridgeland and three miles west of

Interstate 95. It adjoins the west side of Coosawhatchie Heritage Preserve/Wildlife Management Area and is comprised of forested uplands and sand ridges that provide habitat for the state endangered gopher tortoise. More than 170 tortoises currently inhabit the area. Besides the gopher tortoise, the area provides habitat for other herpetofauna of

concern, big and small game species, and Neotropical songbirds.

Financial Impact: The property is offered by Open Space Institute Lane Trust for the proposed purchase price

of \$700,000. The due diligence activities will be funded from Heritage Land Trust Funds (uncommitted balance \$25.29 million at August 31, 2023). Revenue to this fund is provided for the agency to acquire in fee simple or lesser interest in priority areas, legal fees, appraisals, surveys, or other costs involved in the acquisition of priority areas, and for the development of minimal facilities and management necessary for the protection of priority areas. The project is expected to result in an increase of \$2,000 (year 1), \$1,000 (year 2),

and \$500 (year 3), in annual operating expenditures.

Full Project Estimate: \$720,000 (internal) funded by Heritage Land Trust Funds.

August 12, 2023 through September 22, 2023

24. Project: Department of Natural Resources

P24.6090: Lancaster-Forty Acre Rock HP Land Acquisition (Baxley)

Request: Establish Preliminary Land Acquisition for the purpose of investigating the purchase of

approximately 73 acres of land in eastern Lancaster County.

Included in CPIP: Yes – 2023 CPIP Priority 46 of 47 in FY24 (estimated at \$470,000)

CHE Approval: N/A

Supporting Details: Pages 375-386

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

Rationale: Acquisition of the property will facilitate prescribed fire management and serve as a

restoration site for Piedmont prairie and/or longleaf pine. If acquired, the property will be

managed as part of Forty Acre Rock Heritage Preserve/WMA.

Characteristics: The property is approximately 10 miles north of Kershaw and adjoins the north side of

Forty Acre Rock Heritage Preserve/Wildlife Management Area. It contains approximately 2,000 feet of frontage along Conservancy Road, the main entrance into the preserve. The site is comprised of forested uplands with slopping topography toward an intermittent stream that flows into Flat Creek. The adjoining preserve contains approximately 25

tracked plant species.

Financial Impact: The property is offered by Baxley Tree Farm, LLC for the proposed purchase price of

\$286,500. The due diligence activities will be funded from Heritage Land Trust Funds (uncommitted balance \$25.29 million at August 31, 2023). Revenue to this fund is provided for the agency to acquire in fee simple or lesser interest in priority areas, legal fees, appraisals, surveys, or other costs involved in the acquisition of priority areas, and for the development of minimal facilities and management necessary for the protection of priority areas. The project is expected to result in an increase of \$1,000 (year 1), \$750 (year 2), and

\$500 (year 3), in annual operating expenditures.

Full Project Estimate: \$306,500 (internal) funded by Heritage Land Trust Funds.

August 12, 2023 through September 22, 2023

25. Project: Department of Natural Resources

P24.6091: Pickens – Jocassee Gorges WMA Land Acquisition (Winchester-NLT)

Request: Establish Preliminary Land Acquisition for the purpose of investigating the purchase of

approximately 103 acres of land in northeastern Pickens County.

Included in CPIP: Yes – 2023 CPIP Priority 46 of 47 in FY24 (estimated at \$470,000)

CHE Approval: N/A

Supporting Details: Pages 387-398

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Fish & Wildlife Protection (Deer)				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

Rationale: Acquisition of the property will aid in management activities, connect it to another parcel

of interest by DNR and provide additional lands for the public to engage in outdoor

recreational activities.

Characteristics: The property is approximately 3 miles west of Sunset north of US Highway 11. It adjoins

the south side of Jocassee Gorges Wildlife Management Area. The property is composed of forested uplands containing planted pine and mixed pine/hardwoods. A section of the

Little Eastatoe Creek and three associated streams are also located on the tract.

Financial Impact: The property is offered by Naturaland Trust the proposed purchase price of \$370,000. The

due diligence activities will be funded from Fish & Wildlife Protection (Deer) Funds (uncommitted balance \$971K at August 31, 2023). Revenue to this fund is derived from income from the sale of antlered and antlerless deer tags. The project is expected to result in an increase of \$3,000 (year 1), \$2,000 (year 2), and \$500 (year 3), in annual operating

expenditures.

Full Project Estimate: \$370,000 (internal). The acquisition will be funded by Fish & Wildlife Protection (Deer)

and Fish & Wildlife Protection (Timber) Funds.

August 12, 2023 through September 22, 2023

26. Project: Department of Parks, Recreation & Tourism

P28.9831: Property Acquisition – Paris Mountain Hughes Tract

Request: Establish Final Land Acquisition to purchase approximately 150 acres in Greenville

County.

Included in CPIP: Yes – 2023 CPIP Priority 24 of 29 in FY24 (estimated at \$1,020,000)

Phase I Approval: August 2023 (estimated at \$1,020,000) (SFAA)

CHE Approval: N/A

Supporting Details: Pages 399-414

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY24 Appropriated State, Proviso 118.19 (B)(38(a)				500,000	500,000
Federal, LWCF				500,000	500,000
Other, Park Revenue	20,000		20,000		20,000
All Sources	<u>20,000</u>		20,000	1,000,000	1,020,000

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 Natural and Trust for \$1,000,000. The acquisition will be funded

by FY24 Appropriated State (nonrecurring) (uncommitted balance \$2.5 million at September 30, 2023), and Federal, Land & Water Conservation Funds (\$500K reimbursable grant). The project is not expected to result in any change in annual operating expenditures. An appraisal was completed in September 2023 and valued the property at \$2,400,000. A Phase I Environmental Site Assessment was completed in September 2023 and revealed no evidence of recognized environmental conditions in connection with the property, and therefore a Phase II assessment is not recommended at this time. A Building Condition Assessment is not required because there are no buildings located on the

property.

Full Project Estimate: \$1,020,000 funded by FY24 Appropriated State (nonrecurring), Land and Water

Conservation Grant, and Park Revenue Funds.

August 12, 2023 through September 22, 2023

27. Project: Department of Transportation

U12.9756: Greenville County Maintenance Salt Spreader Shed Construction

Request: Establish Phase II Full Construction Budget to construct an open storage shed at the

Greenville County Maintenance Complex

Included in CPIP: Yes – 2023 CPIP Priority 8 of 10 in FY24 (estimated at \$340,000)

Phase I Approval: October 2022 (estimated at \$340,000) (JBRC)

CHE Approval: N/A

Supporting Details: Pages 451-459

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, State Highway	5,100		5,100	794,900	800,000
All Sources	<u>5,100</u>		<u>5,100</u>	<u>794,900</u>	<u>800,000</u>

Summary of Work: The project will construct an open sided, steel framed structure with a concrete slab floor,

metal roof and lighting for storing salt spreaders and other miscellaneous salt spreading

equipment.

Rationale: Salt spreading equipment is presently stored on the ground and exposed to the elements.

Covering the equipment will protect it and allow for easier loading onto vehicles.

Facility Characteristics: The storage shed to be constructed will be 5,000 square feet. SCDOT Greenville County

Maintenance staff will utilize this salt shed for snow and ice operations.

Financial Impact: The project will be funded from Other, State Highway Funds (uncommitted balance \$2.97

million at July 20, 2022). Revenue to this fund is generated from motor fuel user fee tax collections. The project is not expected to result any change in annual operating expenses.

Full Project Estimate: \$800,000 (internal) funded by State Highway Funds. Contract execution is expected in

September 2023 and completion of construction in October 2024. The estimated cost to

complete this project has increased from the Phase I and 2023 submission estimates due to

industry costs being up 23%.

AGENCY: Public Institutions of Higher Learning

SUBJECT: Permanent Improvement Projects Approved by Governing Boards

Pursuant to Proviso 117.136 (FY2023-24)

Proviso 117.136 of the Fiscal Year 2023-24 Appropriations Act provides:

For the current fiscal year, permanent improvement projects, as defined in Title 2, Chapter 47 of the 1976 Code, where the cost is at least one million dollars but not greater than five million dollars for public research universities and not greater than two million dollars for all other public institutions of higher learning shall be exempt from the requirements of Section 2-47-50, except that a project shall not be considered approved without an institution's governing board having first voted to approve the project in a public session. Institutions shall provide a report of projects approved by their governing boards pursuant to this provision to the Chairman of the Commission on Higher Education, the Joint Bond Review Committee, and the State Fiscal Accountability Authority by November 15th of the current fiscal year.

Timely reports received by the committee are summarized as follows.

	<u>Projects</u>	<u>Total</u>
Clemson University	11	\$ 22,200,000
Coastal Carolina University	2	3,513,000
College of Charleston	4	5,600,800
Francis Marion University	2	1,700,000
Lander University	3	4,900,000
Medical University of South Carolina	5	7,525,000
South Carolina State University		
The Citadel	2	3,350,000
University of South Carolina	11	26,900,000
Winthrop University		
State Technical College System		
Total	43	\$ 75,688,800

These permanent improvement projects are exempt only from the approval provisions of Section 2-47-50; the projects are subject to the other provisions of Chapter 47 of Title 2, along with any applicable policies and procedures of the committee.

#### **COMMITTEE ACTION:**

Receive as information.

#### **ATTACHMENTS:**

1. Public Institutions of Higher Education Permanent Improvement Projects Approved by Governing Boards Pursuant to Proviso 117.136 (FY2023-24).

# Public Institutions of Higher Learning Permanent Improvement Projects Approved by Governing Boards Pursuant to Proviso 117.136 (FY2023-24)

Institution	Project	Estimate
The Citadel	Stevens Barracks Window Replacement	1,950,000
The Citadel	Mims Housing Renovation	1,400,000
Clemson University	Entrepreneurship Accelerator Program	4,300,000
Clemson University	South Campus Stormwater & Landscaping Improvements	1,500,000
Clemson University	Southern Green	1,200,000
Clemson University	Poe East End Storage Building	1,900,000
Clemson University	PAW Journey at Reeves	1,500,000
Clemson University	Edisto REC Discovery Heritage Center Renovation	1,600,000
Clemson University	Edisto REC Discovery Heritage Center	1,600,000
Clemson University	Godley Snell Research Center Annex	1,400,000
Clemson University	Life Science Building Atrium Renovation	1,900,000
Clemson University	Parking - P5 Lot Expansion (Hwy 76)	3,000,000
Clemson University	Parking - Commons Court Lot Expansion (Lightsey Bridge)	2,300,000
Coastal Carolina	Campus WiFi Upgrade	1,900,000
Coastal Carolina	East Campus Parking Lot Improvements	1,613,000
College of Charleston	School of Education Building Envelope Repairs	1,735,000
College of Charleston	Silcox and Johnson Physical Education Chilled Water Replacement	1,268,000
College of Charleston	Beatty Center Building Envelope Repairs	1,097,800
College of Charleston	Patriots Point Tennis Center Renovation	1,500,000
Francis Marion University	Village Apartment Renovation	200,000
Francis Marion University	Campus Entryway Replacement	1,500,000
Lander University	Elevator Upgrades	1,100,000
Lander University	Graduate School Major Utility Systems Replacement	1,900,000
Lander University	Laboratory Ventilation Hoods Replacement	1,900,000
Medical University of South Carolina	Colbert Library Roof Replacement	1,100,000
Medical University of South Carolina	Waring Library Renovation	1,200,000
Medical University of South Carolina	Basic Science Building 7 East Renovations	1,300,000
Medical University of South Carolina	Institute of Psychiatry Sleep Lab	1,250,000
Medical University of South Carolina	MUSC Parking Garages Structural and Waterproofing Repairs	2,675,000
South Carolina State University	None Submitted	-
Technical College System	None Submitted	-
University of South Carolina	Wellness Center Pool Pack Replacement	2,500,000
University of South Carolina	USC Aiken Center for Student Success Renovation	1,500,000
University of South Carolina	USC Aiken Recreation and Athletic Field Sitework Infrastructure	1,750,000
University of South Carolina	Project Budget Increase - Wardlaw Roof	1,100,000
University of South Carolina	Project Budget Increase - West Energy Chiller Replacement	3,600,000
University of South Carolina	East Energy Plant Chiller #4 and Cooling Tower #4	4,900,000
University of South Carolina	Taylor House Interior Renovations	2,500,000
University of South Carolina	Biology Instructional Lab Renovation	4,900,000
University of South Carolina	USC Upstate Palmetto Villas Interior Flood Repairs	1,700,000
University of South Carolina	Capital Renewal and Utility Projects Elevators	1,100,000
University of South Carolina	USC Upstate Campus Entrance Drive Modifications	1,350,000
Winthrop University	None Submitted	-

AGENCY: South Carolina State Fiscal Accountability Authority

SUBJECT: Proposed Amendments to State Ceiling Allocation Plans for

Calendar Years 2023 and 2024

Act 202 of 2022 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 this statutory requirement, the State Authority adopted State Ceiling Allocation Plans in August 2022 for calendar year 2023 and in August 2023 for calendar year 2024.

Act 88 of 2023 requires among other things that the State Housing Finance and Development Authority provide no later than June 30, 2023, a plan for allocation of South Carolina Housing Tax Credits and non-recurring funding as supplemental financial support to certain multifamily housing projects. Act 88 also provides that projects qualified to receive supplemental financial support may also qualify for an additional allocation of state ceiling.

In order to facilitate the intent of Act 88, State Housing has asked the State Authority to create an exemption to the State Ceiling Allocation Plans for the 2023 and 2024 calendar years. The amendments are needed to accommodate modified allocation dates and competitive requirements that otherwise would apply pursuant to the Plans. The amended requirements apply solely to multifamily housing projects qualified for supplemental financial support pursuant to Act 88.

By letter dated November 7, 2023, State Authority Executive Director Grant Gillespie has advised that, following consultation with its members and other interested parties, the State Authority has proposed amendments to the State Ceiling Allocation Plans responsive to the request of the Housing Authority, and requests review and comment by the Committee on the proposed amendments.

#### **COMMITTEE ACTION:**

Review and comment on the proposed amendments to the State Ceiling Allocation Plans for Calendar Years 2023 and 2024.

#### **ATTACHMENTS:**

- 1. Letter dated November 7, 2023, of Mr. Grant Gillespie, Executive Director, South Carolina State Fiscal Accountability Authority.
- 2. Proposed Amendment 2 to the 2023 South Carolina State Ceiling Allocation Plan.
- 3. Proposed Amendment 1 to the 2024 South Carolina State Ceiling Allocation Plan.
- 4. Memorandum dated October 30, 2023, of Mr. Richard A. Hutto, Executive Director, South Carolina State Housing Finance and Development Authority.
- 5. Letter dated November 7, 2023, of Ronald T. Scott, Haynsworth Sinkler Boyd.

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

November 7, 2023

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

RE: Amendment to the 2023 and 2024 State Ceiling Allocation Plan

Dear Mr. Harmon:

Act 202 of 2022 requires the State Fiscal Accountability Authority (State Authority) to publish a State Ceiling Allocation Plan (State Plan), subject to review and comment by the Joint Bond Review Committee. After a favorable review by the Committee, the State Authority adopted a plan in August 2022 for calendar year 2023 and adopted a plan in August 2023 for calendar year 2024.

In May 2023, Governor McMaster signed Act 88 of 2023, a joint resolution which authorized supplemental financial support to address escalations and other costs for certain multifamily housing development. Pursuant to Act 88, the State Housing Finance and Development Authority developed a Supplemental Allocation Plan to allocate the South Carolina Housing Tax Credits and nonrecurring, one-time funding made available to certain multifamily housing projects.

Projects receiving supplemental financial support pursuant to Act 88 may also involve either a request for an allocation of state ceiling or a request for issuance approval regarding a project using carryforward from prior years. In order to facilitate the intent of Act 88, State Housing has asked the State Authority to create an exemption to the 2023 and 2024 State Ceiling Allocation Plans, as outlined in the attached memorandum.

In light of the above, and after consultation with Authority members I have enclosed a proposed Amendment to the 2023 and 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 December 5, 2023.

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

Sincerely,

Grant Gillespie

#### Enclosures:

- 1. Memorandum of State Housing dated October 30, 2023
- 2. November 7, 2023 Letter from Ron Scott
- 3. Proposed Amendment to the 2023 State Ceiling Allocation Plan
- 4. Proposed Amendment to the 2024 State Ceiling Allocation Plan
- 5. Act 88 of 2023

# 2023 South Carolina State Ceiling Allocation Plan – Amendment #2 – December 12, 2023

#### SECTION S. EXEMPTION

In response to the recent Joint Resolution, Act 88 of 2023, which authorizes supplemental financial support to address escalations and other costs for certain multifamily housing developments, State Housing created a Supplemental Allocation Plan, which subsequently received a favorable review by the Joint Bond Review Committee. Certain projects identified in the Supplemental Allocation Plan require approval of an authorized request by the State Authority pursuant to the State Ceiling Allocation Plan. In order to facilitate the intent of Act 88, and in light of their inclusion in the Supplemental Allocation Plan, the State Authority exempts any original and supplemental allocations of state ceiling in the amounts reflected within the Supplemental Allocation Plan; provided this exemption expires once the bonds for any project qualified for the exemption have been issued. Any subsequent request by a project sponsor following supplemental allocation of state ceiling to the project will constitute a new authorized request to which the 2023 State Ceiling Allocation Plan shall apply. This exemption does not excuse any project from compliance with Section 1-11-530 or apply to any request for an allocation of current year ceiling.

# 2024 South Carolina State Ceiling Allocation Plan – Amendment #1 – December 12, 2023

#### SECTION S. EXEMPTION

In response to the recent Joint Resolution, Act 88 of 2023, which authorizes supplemental financial support to address escalations and other costs for certain multifamily housing developments, State Housing created a Supplemental Allocation Plan, which subsequently received a favorable review by the Joint Bond Review Committee. Certain projects identified in the Supplemental Allocation Plan require approval of an authorized request by the State Authority pursuant to the State Ceiling Allocation Plan. In order to facilitate the intent of Act 88, and in light of their inclusion in the Supplemental Allocation Plan, the State Authority exempts any original and supplemental allocations of state ceiling in the amounts reflected within the Supplemental Allocation Plan; provided this exemption expires once the bonds for any project qualified for the exemption have been issued. Any subsequent request by a project sponsor following supplemental allocation of state ceiling to the project will constitute a new authorized request to which the 2024 State Ceiling Allocation Plan shall apply. This exemption does not excuse any project from compliance with Section 1-11-530 or apply to any request for an allocation of current year ceiling.



# 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

Writer's Direct Numbers (803) 896-9005
E-mail: <a href="mailto:richard.hutto@schousing.com">richard.hutto@schousing.com</a>

#### **MEMORANDUM**

To: Delbert H. Singleton, Jr.

Secretary, State Fiscal Accountability Authority

From: Richard A. Hutto, CPA

**Executive Director, State Housing Finance & Development Authority** 

Re: Request for Amendment to Ceiling Allocation Plans for Calendar Years 2023

and 2024

**Date:** October 30, 2023

The purpose of this Memorandum is to provide support for the State Housing Finance and Development Authority's ("SC Housing") request that the State Fiscal Accountability Authority ("State Authority") amend the State Ceiling Allocation Plans for Calendar Years 2023 and 2024. The currently published State Ceiling Allocation Plans, which assign percentages of the state ceiling to categories of any of the permitted purposes prescribed by the Internal Revenue Code, are subject to review and comment by the Joint Bond Review Committee ("Committee"). The State Authority adopted a State Ceiling Allocation Plan in August 2022 for calendar year 2023, which is statutorily prescribed under Act 202 of 2022. The State Authority adopted a State Ceiling Allocation Plan in August 2023 for Calendar Year 2024. As initially adopted, the Plans required authorized requests for allocations of state ceiling to be made at the State Authority's regularly scheduled meetings of March 28 and August 29 of 2023, and on March 26 and August 27 of 2024.

Act 88 of 2023, as enacted on May 19, 2023, requires among other things, that SC Housing provide, no later than June 30, 2023, a plan for allocation of South Carolina Housing Tax Credits and non-recurring funding as supplemental financial support to certain multifamily housing projects to address cost escalations. At its meeting on August 22, 2023, the Committee determined that SC Housing's plan meets the requirements of Act 88 and accepted its recommendations as proposed. Importantly, projects qualified to receive supplemental financial support may also qualify for an additional allocation of state ceiling. Following SC Housing's presentation of this plan to the Committee, an opportunity was given for multifamily housing projects to be reconsidered for additional funding, and such reconsideration is presently being analyzed by SC Housing and will be further considered by the Committee on December 5, 2023.

SC Housing is aware that certain of the multifamily housing projects included in the supplemental allocation plan will need an additional allocation of state ceiling pursuant to Act 88. Accordingly, SC Housing recommends the State Authority exempt from both the 2023 and 2024 State Ceiling Allocation Plans any original and supplemental allocations of state ceiling in the amounts reflected within the supplemental allocation plan; provided that this exemption expires once the bonds for any project qualified for the exemption have been issued. Any subsequent request by a project sponsor following this supplemental allocation of state ceiling to the project will constitute a new authorized request to which the applicable State Ceiling Allocation Plan shall apply. This exemption does not excuse any project from compliance with Section 1-11-530 or apply to any request for an allocation of current year ceiling.



HAYNSWORTH SINKLER BOYD, P.A. 1201 MAIN STREET, 22ND FLOOR P.O. BOX 11889 (29211) COLUMBIA, SOUTH CAROLINA 29201 MAIN 803.779.3080 FAX 803.765.1243 www.hsblawfirm.com

RONALD T. SCOTT, ESQUIRE PUBLIC FINANCE rscott@hsblawfirm.com

November 7, 2023

#### By Electronic Delivery

Delbert H. Singleton, Jr.
Assistant Executive Director and Authority Secretary
State Fiscal Accountability Authority
Wade Hampton Office Building, 6<sup>th</sup> Floor
Columbia, South Carolina 29201

Re: South Carolina State Housing Finance and Development Authority Request for Issuance Approval for the 573 Meeting Street Project

#### Dear Delbert:

A petition and transmittal package was submitted on October 30, 2023 on behalf of the South Carolina State Housing Finance and Development Authority ("State Housing") requesting approval to issue multifamily housing revenue bonds in an aggregate principal amount of not exceeding \$17,000,000 (the "Bonds") for the 573 Meeting Street Project located in the City of Charleston, Charleston County, South Carolina. The transmittal requested approval of the Bonds by the State Fiscal Accountability Authority (the "SFAA") at its meeting scheduled for December 12, 2023. State Housing has given preliminary approval for the issuance of the Bonds and has tentatively allocated \$17,000,000 of its carryforward of the state ceiling available to the Project.

As set forth in the transmittal package, State Housing anticipates that it will use the proceeds of the Bonds to make a mortgage loan to 573 Meeting Street Associates, LLC, a South Carolina limited liability company (the "Sponsor"), to finance the acquisition, construction, furnishing and equipping of 573 Meeting Street Apartments, a 70-unit affordable rental housing facility to be constructed on an approximately 0.5 acre site located at 573 Meeting Street, in the City of Charleston (the "City"), Charleston County (the "County"), South Carolina (the "Project"). The 70 dwelling units include a mix of studio units (50), 1-bedroom units (16), and 2-bedroom units (4). Unlike many multifamily housing bond projects, this Project involves \$3,000,000 in support from Charleston County and \$3,000,000 in support from the City of Charleston and will include a new family shelter in downtown Charleston to assist women and children, particularly those impacted by domestic violence, as they take steps toward finding stable and permanent housing. The Project site will also provide housing services for veterans and a small café that will provide real-world work experience for a culinary training program.

The Sponsor seeks issuance approval of the Bonds by the SFAA at its December 12, 2023 meeting, primarily due to the fact that escalating construction costs and increasing interest rates continue to negatively impact the total costs to complete the Project. State Housing originally submitted its petition

#### HAYNSWORTH SINKLER BOYD

November 7, 2023 Page 2

to the SFAA seeking issuance approval of this project on July 15, 2021. Since that time, estimated construction costs for the Project have increased by 30%. Notably, the affordable housing industry has been significantly impacted by the increasing interest rate environment. For example, in December 2021 the 10-year treasury rate was about 1.4% compared to 4.65% today, reflecting an increase of 232%. Issuance approval by the SFAA is required for completion of the Project, along with final bond resolution approval by State Housing. Obtaining SFAA issuance approval at its December 12, 2023 meeting will allow State Housing to give final approval of the bond resolution at its board meeting scheduled for January 17, 2024. If the Project is not placed upon the SFAA's agenda for its December 12, 2023 meeting, it is our understanding that the SFAA will not meet again until January 30, 2024. Thereafter, State Housing's board is not scheduled to meet again until March 20, 2024, thus again delaying the timeframe in which the Project can proceed to final issuance.

The Sponsor believes that the current economic environment of increasing construction costs and volatile interests rates presents exceptional and compelling circumstances that warrant obtaining issuance approval for the Project as soon as is practically possible. Accordingly, the Sponsor respectfully requests consideration and approval of the issuance of the Bonds at the SFAA's December 12, 2023 meeting.

Thank you for your assistance. Please do not hesitate to contact me if you have any questions or need any additional information.

Sincerely,

Ronald T. Scott

cc: Lee Ann Watson, State Housing General Counsel

Lound S. Seat

### JOINT BOND REVIEW COMMITTEE Meeting of December 5, 2023

AGENCY: South Carolina State Housing Finance and Development Authority

SUBJECT: Final Allocation Plan Pursuant to Act 88 of 2023

At its meeting on August 22, 2023, the Joint Bond Review Committee reviewed the plan submitted by the South Carlina State Housing Finance and Development Authority to allocate supplemental financial support to qualified multifamily housing projects pursuant to the provisions of Act 88 of 2023. The Committee determined that the plan met the requirements of the Act, and accepted its recommendations as proposed.

Notwithstanding, the Committee recommended that the State Housing Authority provide a process for project sponsors to appeal the findings and submit supplementary information that may not have been fully considered within the assessment of independently verified costs required by the Act. The Committee further directed that submissions by project sponsors for the appeal and reconsideration process would be made to the State Housing Authority no later than 30 days from the date of the August 22 meeting. The State Housing Authority accepted appeals during the 30-day period beginning August 22, 2023, and ending September 21, 2023.

At the meeting of the Committee on October 10, 2023, the State Housing Authority reported timely receipt of 17 requests for reconsideration. The State Housing Authority was directed to evaluate the justifications and provide recommendations for consideration by the Committee at its meeting on December 5, 2023.

Responsive to this directive, the State Housing Authority has provided its report proposing further allocations of supplemental financial support to projects that requested reconsideration, details of which further allocations are included with the submission.

The report recommends a total of \$4.6 million in further supplemental State Tax Credits; \$2 million in further supplemental Federal Tax Credits; \$6.9 million in further supplemental amounts made available from the South Carolina Housing Trust Fund; and \$9.5 million in further supplemental allocations of state ceiling.

All supplemental funding was made in accordance with the provisions of Act 88, and the assumptions and methodology for allocations of supplemental financial support were maintained as previously submitted to the Committee throughout the reconsideration process.

In accordance with Section 6 of the Act, the State Housing Authority has required as a condition of any supplemental financial support an agreement from the project sponsor that any funding allocated is deemed final and without recourse. At the time of submission, the State Housing Authority had received agreements for all projects other than those that submitted requests for reconsideration, which are the subject of this item.

<sup>&</sup>lt;sup>1</sup> Act 88 of 2023 provided 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.

The State Housing Authority requests review of the findings and recommendations for supplemental financial support included in this submission.

To avoid the potential of any lapse of supplemental financial support that will by provisions of law expire on December 31, 2023, the State Housing Authority recommends no further reconsideration for extension beyond the Committee meeting on December 5, 2023, and that all decisions relating to the supplemental allocation amounts are deemed final.

#### **COMMITTEE ACTION:**

Review and comment on the proposed final allocations of supplemental financial support pursuant to Act 88 of 2023.

#### ATTACHMENTS:

- 1. Letter dated November 15, 2023, of Mr. Richard A. Hutto, Executive Director, South Carolina State Housing Finance and Development Authority.
- 2. S.739 Allocation and Appeal List as of November 9, 2023.
- 3. S.739 Final Allocation List.



## 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

Richard A. Hutto Executive Director

November 15, 2023

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

Re: Allocation Plan Requests for Reconsideration Pursuant to Act 88 of 2023

Dear Mr. Harmon:

#### **Background**

The Joint Bond and Review Committee (the "JBRC") reviewed and approved the South Carolina State Housing Finance and Development Authority's ("SC Housing") Allocation Plan of Supplemental Support pursuant to Act 88 of 2023 ("Plan") and recommendations proposed at the August 22, 2023, meeting. In addition, JBRC recommended that SC Housing provide a 30-day process for project sponsors to appeal findings and supplement information that may not have been fully considered within the assessment of independently verified costs. The 30-day Reconsideration Process was established by SC Housing and designated as Appendix 3 of the Allocation Plan as of August 24, 2023. Submission requests for reconsideration by Project Sponsors closed on September 21, 2023, at 5pm (EDT).

By letter dated September 27, 2023, and at the October 10, 2023, JBRC meeting, SC Housing reported the timely receipt of seventeen (17) requests for reconsideration from affected developments. At the meeting, SC Housing was directed to evaluate the justifications and provide recommendations for consideration by the JBRC at its meeting on December 5, 2023.

Please accept this submission as SC Housing's evaluation of the requests for reconsideration submitted by the Project Sponsors.

#### Federal and State Low Income Housing Tax Credits (LIHTCs)

Additional or supplemental Federal and State Low Income Housing Tax Credits were in all cases limited to provisions set forth and designated in Act 88 of 2023 (the "Act"), or twenty (20%) percent of the Tax Credit reflected on the eligibility statement, plus a de minimus adjustment not exceeding five (5%) percent.

#### South Carolina Housing Trust Fund (one-time, non-recurring)

Of the Twenty-Five Million (\$25,000,000.00) Dollars in one-time, non-recurring funding from the South Carolina Housing Trust Fund (HTF) authorized for use under Act 88, a total of \$22,082,055 was assigned

Mr. F. Richard Harmon, Jr. Allocation Plan Requests for Reconsideration Pursuant to Act 88 of 2023 November 15, 2023 Page 2 of 2

to projects, and \$2,917,945 of the amount so authorized remains unassigned. This is a result of sufficient amounts being allocated to Project Sponsors that met financial feasibility through the Plan of Allocation for Supplemental Financial Support accepted by JBRC at its meeting on August 22, 2023.

#### **Reconsideration Requests**

A total of six (6) of the seventeen (17) Project Sponsors that submitted requests for reconsideration indicated their developments were not financially feasible despite a twenty-five (25%) percent threshold adjustment for both State and Federal tax credits. Additional petitions for consideration were included in their requests for any remaining and unused HTF to fill these funding gaps. SC Housing allocated additional amounts from the HTF based on the project's number of proposed housing units, as adjusted by the project's percentage of completion, up to the requested HTF amount.

Notwithstanding, the assumptions and methodology of the Plan of Allocation for Supplemental Financial Support as previously submitted to JBRC were maintained throughout this process.

SC Housing now requests consideration by JBRC of the findings and final recommendations for supplemental financial support included in this submission. To avoid the potential of any lapse of supplemental financial support that will by provisions of law expire on December 31, 2023, SC Housing recommends no further reconsideration for extensions beyond the JBRC meeting on December 5, 2023, and that all decisions relating to the supplemental allocation amounts are deemed final.

Lastly, in accordance with Act 88, Section 6, SC Housing has required, as a condition of any supplemental financial support, an agreement from the project sponsor that any funding allocated is deemed final and without recourse. Agreements were provided to all project sponsors that accepted final supplemental allocation amount(s) reflected on the Allocation List approved by JBRC at its meeting on August 22, 2023. At this time, SC Housing is in receipt of Section 6 Agreements for all projects, other than those that submitted requests for reconsideration, that are the subject of final review by the Committee at its meeting on December 5, 2023.

Thank you for your consideration of our recommendations.

Sincerely,

Richard A. Hutto, CPA Executive Director

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Enclosure

S.739 ALLOCATION & APPEAL LIST (AS OF NOVEMBER 9, 2023)	(AS OF NOVEMBER 9, 2023)													
Development Name	Development Company	Location	тев/интс	Units	Completion	Annual State Tax Credit Amount	Bond Ceiling Allocation/Ann Federal Tax Credit	Supplemental S STC 10/10/23	Supplemental STC 12/5/23	Supplemental FTC 10/10/23	Supplemental FTC 12/5/23	Supplemental Housing Trust Fund 10/10/23	Supplemental 'Housing Trust Fund 12/5/23	Additional Bond Ceiling Allocation Request
			4% TEB	CLOSED OF	A CONSTRUCTIC	4% TEB-CLOSED ON CONSTRUCTION LOAN OR G702 P.	PAY APPLICATION PRIOR TO 5/19/2023	IOR TO 5/19/2023						
Robert Smalls	Equity Plus	Spartanburg	4%	190	76-100%	\$ 1,493,584.00 \$	\$ 28,000,000.00	\$ 373,396.00 \$	•	\$	,	\$ 597,965.62	\$ -	
Abbott Arms	DGA Residential	Саусе	4%	100	76-100%	\$ 1,057,671.87 \$	\$ 25,000,000.00 \$	\$ - \$	264,417.97	\$		•	\$ -	
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 \$	20,233.97	\$		\$	\$ -	
Eastside Apartments	Flatiron Partners	Charleston	4%	4	51-75%	\$ 716,178.00 \$	\$ 14,000,000.00 \$	\$ 59,958.33 \$	119,086.17	\$		\$	\$ 1,380,554.00 \$	
Garden Lakes	GDA Partners	Columbia	4%	288	51-75%	\$ 2,064,110.15 \$	\$ 35,000,000.00 \$	\$ 368,206.36 \$	147,821.18	\$ -	\$	•	\$ -	
Section Total:			I	1,170		\$ 8,831,469.02 \$	\$ 163,025,000.00 \$	\$ 1,656,307.97 \$	551,559.29	\$ -	\$	\$ 1,235,027.25	\$ 1,380,554.00 \$	·
				4% TE	B- GRADING/LA	IND DISTURBANCE P	4% TEB- GRADING/LAND DISTURBANCE PERMIT OR GC CONTRACT	RACT						
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	\$ 224,287.81 \$	8,250,000.00
Talford Greene	Parallel Housing	Chester	4%	20	10% or less	\$ 611,151.00 \$	\$ 6,730,000.00 \$	\$ 73,986.48 \$	78,801.27	\$	\$	\$ 1,463,768.26	\$ 285,457.21 \$	1,217,217.00
Section Total:			I	125		\$ 1,766,151.00 \$	\$ 13,980,000.00	\$ 362,736.48 \$	78,801.27	\$ -	\$	\$ 2,775,837.03	\$ 509,745.02 \$	9,467,217.00
4% TEB Total:			1	1,295		\$ 10,597,620.02 \$	\$ 177,005,000.00 \$	\$ 2,019,044.45 \$	630,360.56	\$ -	\$	\$ 4,010,864.28	\$ 1,890,299.02	9,467,217.00
				9% LIH	TC -GRADING/L	9% LIHTC -GRADING/LAND DISTURBANCE	CE PERMIT OR GC CONTRACT	TRACT						
The Magnolia	Southern Community Builders	Aiken	%6	09	10% or less	\$ 856,579.46 \$	\$ 856,579.46	\$ - \$	214,144.87	\$ 166,019.68 \$	\$ 48,125.19	•	\$	
Havenwood Mathis	Lowcountry Housing Communities	Greenwood	%6	48	10% or less	\$ 752,228.74 \$	\$ 752,228.74	\$ - \$	188,057.19	\$ 128,451.52 \$	\$ 59,605.77	•	\$	
Southpointe Senior Residences	Lowcountry Housing Communities	Greenville	%6	06	10% or less	\$ 893,728.46 \$	\$ 893,728.46	\$ 67,801.35 \$	155,630.77	\$ 223,432.12 \$	,	•	\$ 367,016.41	
Havenwood St. Ives	Lowcountry Housing Communities	North Charleston	%6	72	10% or less	\$ 774,890.31 \$	\$ 774,890.31	\$ 47,807.89 \$	145,914.69	\$ 193,722.58 \$	,	\$	\$ 293,613.14	,
Stoneridge Senior Village	The Banyan Foundation	Columbia	%6	06	10% or less	\$ 1,194,851.54 \$	\$ 1,194,851.54	\$ .	298,712.89	\$ 234,187.29 \$	\$ 64,525.60	•	\$	
Dogwood Senior Village	Piedmont Housing Group	Greenwood	%6	48	10% or less	\$ 785,895.43 \$	\$ 785,895.43	\$ - \$	196,473.86	\$ 143,402.00 \$	\$ 53,071.86	\$	\$	,
Gateway at Charleston	Gateway Development Corporation	Charleston	%6	69	10% or less	\$ 1,072,100.27 \$	\$ 1,072,100.27	\$ -	268,025.07	\$ 189,305.08 \$	\$ 78,719.99	•	\$	
The Peaks at Lexington	RHG Housing Development	Lexington	%6	78	10% or less	\$ 887,321.00 \$	\$ 887,321.00	\$ .	221,830.25	\$ 221,830.25 \$	,	· ·	\$	
Clemons Greene	Woda Cooper Development	Lexington	%6	90	10% or less	\$ 20.717,277 \$	\$ 772,717.92	\$ - \$	193,179.48	\$ 193,179.48 \$	- \$	\$	\$ 367,016.41	
Section Total:				645		\$ 7,990,313.13 \$	\$ 7,990,313.13	\$ 115,609.24 \$	1,881,969.07	\$ 1,693,530.00	\$ 304,048.41	•	\$ 1,027,645.96 \$	
9% Total			ļ	645		\$ 7,990,313.13 \$	\$ 7,990,313.13	\$ 115,609.24 \$	1,881,969.07	\$ 1,693,530.00	\$ 304,048.41	•	\$ 1,027,645.96	
Grand Total:			ı <b>1</b> 1	1,940		\$ 18,587,933.15	\$ 184,995,313.13	\$ 2,134,653.69 \$	2,512,329.63	\$ 1,693,530.00	\$ 304,048.41	\$ 4,010,864.28	\$ 2,917,944.98	9,467,217.00

Hickory Heights & Oakland Apts		Location	тев/интс	Units	Completion	TDC	Annual State Tax Credit Amount	Allocation/Ann Federal Tax	Supplemental STC	Supplemental FTC	intal	Ceiling
Hickory Heights & Oakland Apts								Credit			Fund	Request
Hickory Heights & Oakland Apts		4	% TEB-CLOSED O	IN CONSTRUC	TION LOAN OR G70.	4% TEB-CLOSED ON CONSTRUCTION LOAN OR G702 PAY APPLICATION PRIOR TO 5/19/2023	RIOR TO 5/19/2023					
	DGA Capital	Abbeville	4%	112	PIS \$			11,000,000.00	113,366.80	· \$	· ·	· \$
Hilton Head Gardens		Hilton Head Island	4%	112		28,092,105.04	\$ 924,408.00	20,000,000.00	154,600.25	٠		· •
John G Felder	Mansermar Development & ReBuild America	St Matthews	4%	40		9,180,348.57	\$ 203,448.00	12,000,000.00	50,862.00	· \$	•	- \$
Spanish Trace	Vitus Corporation	Beaufort	4%	88				12,000,000.00	\$ 79,941.83	· \$	1,062,385.00	· \$
Arrington Place	Vitus Corporation	Columbia	4%	89				7,540,000.00	29,182.35			1
Connecticut Village Apts		Gaffney	4%	105	PIS \$		\$ 746,179.08	10,000,000.00		· •	\$	· ·
Palmetto Towers	Mansermar Development & ReBuild America	Sumter	4%	95				12,000,000.00	149,563.00	٠		1
Redemption Towers	Mansermar Development & ReBuild America	Summerville	4%	95	PIS \$	29,286,210.00	\$ 716,073.00	12,000,000.00	179,018.25	,	•	1
Colonel Creek	Fitch Irick SC, LLC	Columbia	4%	288	76-100% \$	52,988,414.00	1,745,049.00	26,100,000.00	436,262.25	,	979,568.84	1
Lawsons Ridge	Connelly Development, LLC	Spartanburg	4%	228	76-100% \$	42,074,851.00	\$ 1,940,935.00	27,500,000.00	•	,	•	1
Robert Smalls	Equity Plus	Spartanburg	4%	190	76-100% \$	57,307,452.00	\$ 1,493,584.00	\$ 28,000,000.00 \$	373,396.00	٠ \$	597,965.62	1
Abbott Arms	DGA Residential	Саусе	4%	100	\$ %001-92	42,250,875.00	\$ 1,057,671.87	\$ 25,000,000.00 \$	264,417.97	٠ \$	1	1
The Sullivan	Schaumber Development & Douglas Development	Greenville	4%	180	76-100% \$	39,381,298.82	\$ 1,522,150.00	\$ 22,000,000.00 \$	370,951.81	٠ \$	ı	1
Village at Congaree Pointe	Armada Development	Columbia	4%	240	76-100% \$	51,098,928.00	\$ 1,551,952.00	28,025,000.00	387,988.00	٠ \$	637,061.63	1
Garden Oaks	GDA Partners	Beaufort	4%	288	76-100% \$	59,349,788.00	\$ 1,947,973.00	33,000,000.00	486,993.25	,	•	· ·
Eastside Apartments	Flatiron Partners	Charleston	4%	64	51-75% \$	29,861,538.00	\$ 716,178.00	14,000,000.00	179,044.50	,	1,380,554.00	1
Garden Lakes	GDA Partners	Columbia	4%	288	51-75% \$		\$ 2,064,110.15	35,000,000.00	516,027.54	· \$	•	1
Haven at Congaree Pointe	Dominiumin	Columbia	4%	198	51-75% \$	63,949,909.77	\$ 2,765,963.90	30,000,000.00	459,937.44	,	•	1
The Park at Wilkerson Road	KCG Development	Rock Hill	4%	136	51-75% \$	31,826,694.39		25,000,000.00	117,993.40	· \$	•	1
Archer Apartments	Humanities Foundation	Charleston	4%	68	51-75% \$	35,813,435.22	\$ 1,257,430.00	23,000,000.00	250,421.45	· \$	•	1
Oak Park	UrbanMatters Development	Columbia	4%	190	26-50% \$		Ĺ	24,000,000.00	79,044.23	· \$	1	- \$
Shockley Terrace	KCG Development	Anderson	4%	258				30,000,000.00	569,074.00	· •	501,913.65	1
Gateway at Cross Creek	Gateway Development	Central	4%	168				20,000,000.00	292,932.80		1	· \$
Oak Terrace	UrbanMatters Development	Columbia	4%	95	11-25% \$		1,	12,000,000.00	106,109.66	· •		· \$
Dillon Graded Schools	Tapestry Development	Dillon	4%	37				12,000,000.00	1	٠	2,184,572.44	- \$
Dunbar Place	Charlotte-Mecklenburg Housing Partnership	Rock Hill	4%	100	10% or less \$	28,178,141.59	\$ 1,282,496.00	\$ 17,750,000.00	\$ 320,624.00	· ·	٠,	1
Section Total:			l	3852	•	956 171 933 03	\$ 33.373.183.40	\$ 528 915 000 00	\$ 6.062.682.50		\$ 7.566.514.84	
			4% TFR-	FR. GRADING	GRADING/I AND DISTI IBRANCE	PERMIT OR GC CO						
573 Meeting Street	Michael Develonment	Charleston	4%	70	10% or less \$		1.072.662.00	3 14,000,000,00	\$ 228.612.05	- ·	1.617.648.52	3.000.000.00
Brookfield Pointe	Bradley Housing Developers	Columbia	4%	06				00.666,666,6	110,680.89	· \$		\$ 2,500,001.00
Cherokee Landing	TWG Development	Greenville	4%	128	10% or less \$		Ή	17,800,000.00	270,369.25	٠	818,434.07	
Dunean Mill	Lincoln Avenue Capital	Greenville	4%	09		22,125,374.11	\$ 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 \$	20,672,532.52	\$ 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 \$	55,324,494.00	\$ 2,017,034.83	27,000,000.00	12,687.89	,	455,403.65	· ·
Lowline Housing	SCG Development and Davis	Charleston	4%	55				7,250,000.00	288,750.00	· \$	1,536,356.58	
Magnolia Branch	Fitch Irick	North Charleston	4%	162				21,600,000.00	507,048.50	· \$	1,272,680.08	
Edgewood Place Apartments	Fitch Irick	Rock Hill	4%	216				23,070,000.00	342,542.12	, ,	ı	\$ 7,930,000.00
Seneca Mill Lofts	JP Stevens Mill	Seneca	4%	120	10% or less \$			30,000,000.00	,	· •		· •
Settlement Manor Apartments	Hallmark	Greenville	%	120			Į,	20,000,000.00	152,604.94	' ۰	1,039,544.01	
Talford Greene	Parallel Housing	Chester	4%	70				6,730,000.00	152,757.75	د	1,749,225.47	
The Lofts at Lorick Place	ADK Development	Columbia	4%	144	10% or less \$			30,000,000.00	97,118.45	\$	968,519.70	
Section Total:				1499	S	422,538,727.78	\$ 15,991,739.24	\$ 234,449,999.00	\$ 2,395,235.34	· •	\$ 15,754,361.58	\$ 35,297,218.00
4% TEB Total:			1	5351	s	1,378,710,660.81	\$ 49,364,922.64	\$ 763,364,999.00	\$ 8,457,917.84	- \$	\$ 23,320,876.42	\$ 35,297,218.00

Development Name	Development Company	Location	тев/шнтс	Units	Completion		Annual State Tax Credit Amount	Allocation/Ann Federal Tax Credit	Supplemental STC	Supplemental FTC	Supplemental Housing Trust Fund	Ceiling Allocation Request
		Ď	% LIHTC- CLOSED	ON CONSTR	UCTION LOAN OR	9% LIHTC- CLOSED ON CONSTRUCTION LOAN OR G702 PAY APPLICATION PRIOR TO	N PRIOR TO 5/19/2023					
Bay Pointe III	Bradley Housing Developers	Myrtle Beach	%6	70	76-100%	\$ 15,226,790.00	\$ 798,841.79	\$ 798,841.79	· \$	\$ 199,710.45	- \$	· •
Brushy Creek Senior	Palmetto Housing Developers	Easley	%6	09	76-100%	\$ 13,854,294.50	\$ 751,318.29	\$ 751,318.29	- \$	\$ 187,829.57	· \$	· \$
Westview Terrace	MPI GHD, LLC and South Creek Development	Spartanburg	%6	48	76-100%	\$ 12,416,555.00	\$ 588,305.00	\$ 588,305.00	· \$	\$ 147,076.26		· •
Gentry Place	Flatiron Partners	Pickens	%6	09	76-100%	\$ 12,968,929.97	\$ 641,266.00	\$ 641,266.00		\$ 160,316.50		\$
Glenwood Falls Apartments	Tri-State Development	Fort Mill	%6	48	76-100%	\$ 8,289,604.00	\$ 479,444.29	\$ 479,444.29	- \$	\$ 93,993.14	· \$	· \$
Legacy Oaks II	Prestwick Companies	Greenville	%6	06	76-100%	\$ 19,140,551.95	\$ 957,322.34	\$ 957,322.34	· \$	\$ 239,330.59		· •
May River Village Phase 3	BBR Development	Bluffton	%6	24	51-75%	\$ 6,150,807.95	\$ 294,153.05	\$ 294,153.05	· \$	\$ 73,538.26		· \$
The Park at Hanahan	Prestwick Companies	Hanahan	%6	72	51-75%	\$ 16,831,179.33	\$ 912,565.10	\$ 912,565.10	- \$	\$ 228,141.28	· \$	· \$
Willow Creek Apartments	Hallmark Development Partners	McCormick	%6	24	26-50%	\$ 3,816,308.32	\$ 192,086.00	\$ 192,086.00	- \$	\$ 48,021.50	· \$	· \$
Aston Pointe	Prestwick Companies	Anderson	%6	06	26-50%	\$ 21,847,387.00	\$ 1,424,722.83	\$ 1,424,722.83	· \$	\$ 100,606.40		\$
Bridge Creek Pointe	Prestwick Companies	Spartanburg	%6	06	11-25%	\$ 23,423,047.00	\$ 1,382,235.76	\$ 1,382,235.76	· \$	\$ 318,015.81	· \$	· ·
Benton Crossing	Parallel Housing, Inc & Woda Cooper Development	Columbia	%6	26	11-25%	\$ 16,498,364.39	\$ 916,317.49	\$ 916,317.49	- \$	\$ 220,175.89	· \$	· •
Indigo Townes	Connelly Development, LLC	Florence	%6	09	11-25%	\$ 15,159,500.45	\$ 972,169.77	\$ 972,169.77	- \$	\$ 139,946.08	· \$	· \$
Midtown at Bull	Connelly Development, LLC	Columbia	%6	06	10% or less	\$ 25,056,707.00	\$ 1,581,792.90	\$ 1,581,792.90	. \$	\$ 194,402.87	· \$	· ·
Section Total:				882		\$ 210,680,026.86	\$ 11,892,540.61	\$ 11,892,540.61	· ·	\$ 2,351,104.60	· \$	· •
			1%6	IHTC -GRADIN	IG/LAND DISTURBA	9% LIHTC -GRADING/LAND DISTURBANCE PERMIT OR GC CONTRACT	CONTRACT					
Pintail Pointe	Connelly Development, LLC	Beaufort	%6	84	10% or less	\$ 20,414,308.80	\$ 956,358.70	\$ 956,358.70	\$ 225,786.36	\$ 239,089.68	- \$	
The Magnolia	Southern Community Builders	Aiken	%6	09	10% or less	\$ 15,575,466.00	\$ 856,579.46	\$ 856,579.46	\$ 214,144.87	\$ 214,144.87	· \$	· ·
Havenwood Mathis	Lowcountry Housing Communities	Greenwood	%6	48	10% or less	\$ 14,151,190.00	\$ 752,228.74	\$ 752,228.74	\$ 188,057.12	\$ 188,057.12		
Southpointe Senior Residences	Lowcountry Housing Communities	Greenville	%6	06	10% or less	\$ 23,435,906.00	\$ 893,728.46	\$ 893,728.46	\$ 223,432.12	\$ 223,432.12	\$ 367,016.41	
Havenwood St. Ives	Lowcountry Housing Communities	North Charleston	%6	72	10% or less	\$ 21,022,997.00	\$ 774,890.31	\$ 774,890.31	\$ 193,722.58	\$ 193,722.58	\$ 293,613.14	
Stoneridge Senior Village	The Banyan Foundation	Columbia	%6	06	10% or less	\$ 23,746,432.00	\$ 1,194,851.54	\$ 1,194,851.54	\$ 298,712.89	\$ 298,712.89	. \$	· ·
Dogwood Senior Village	Piedmont Housing Group	Greenwood	%6	48	10% or less	\$ 13,778,290.00	\$ 785,895.43	\$ 785,895.43	\$ 196,473.86	\$ 196,473.86	. \$	
Riley at Overbrook	Schaumber Development	Greenville	%6	88	10% or less	\$ 26,011,216.46	\$ 1,086,747.13	\$ 1,086,747.13	\$ 114,532.48	\$ 271,686.78	· \$	
Gateway at the Green	Gateway Development Corporation	Greenville	%6	72	10% or less	\$ 18,673,889.55	\$ 1,032,048.31	\$ 1,032,048.31	· \$	\$ 209,839.69	- \$	· \$
Gateway at Charleston	Gateway Development Corporation	Charleston	%6	69	10% or less	\$ 20,003,177.00	\$ 1,072,100.27	\$ 1,072,100.27	\$ 268,025.07	\$ 268,025.07	•	
Carrington Manor	Commonwealth Development Corporation	Beaufort	%6	64	10% or less	\$ 17,457,363.23	\$ 805,223.73	\$ 805,223.73	\$ 201,305.93	\$ 201,305.93	\$ 651,477.62	· •
The Peaks at Lexington	RHG Housing Development	Lexington	%6	78	10% or less	\$ 20,389,881.00	\$ 887,321.00	\$ 887,321.00	\$ 221,830.25	\$ 221,830.25	\$	· ·
Clemons Greene	Woda Cooper Development	Lexington	%6	90	10% or less	\$ 18,840,542.00	\$ 772,717.92	\$ 772,717.92	\$ 193,179.48	\$ 193,179.48	\$ 367,016.41	- \$
Section Total:			1	953		\$ 253,500,659.04	\$ 11,870,691.00	\$ 11,870,691.00	\$ 2,539,203.01	\$ 2,919,500.32	\$ 1,679,123.58	- \$
9% Total:			Į.	1,835		\$ 464,180,685.90	\$ 23,763,231.61	\$ 23,763,231.61	\$ 2,539,203.01	\$ 5,270,604.92	\$ 1,679,123.58	\$

AGENCY: Department of Administration

SUBJECT: Subsequent Developments, Proviso 118.22

(SR: Bull Street Corridor Relocation)

At its meeting on November 14, 2023, the Committee reviewed the Bull Street Corridor Relocation Report dated November 1, 2023, submitted by the South Carolina Department of Administration pursuant to Proviso 118.22 of the Fiscal Year 2023-24 Appropriations Act.

Following its review, the Committee recommended execution of leases, as legislatively approved pursuant to the Proviso, by the Departments of Public Health, Mental Health, Disabilities and Special Needs, and Alcohol and Other Drug Abuse Services, for rental space located at 400 Otarre Parkway in Cayce; and the Department of Environmental Services for rental space located at 1200 Colonial Life Boulevard in Columbia, all in accordance with the findings of the Department of Administration included in the Report.

The Department of Administration subsequently has been notified that the offer made for rental space located at 1200 Colonial Life Boulevard in Columbia has been withdrawn.

Accordingly, the Department of Administration has advised its intent to proceed pursuant to the Proviso with a solicitation of proposals for replacement space contemplated by the offer that has been withdrawn.

The Department of Administration will present further findings to the Committee upon conclusion of that solicitation.

### **COMMITTEE ACTION:**

Receive as information.

### **ATTACHMENTS:**

1. Letter dated November 27, 2023, of Mrs. Marcia S. Adams, Executive Director, South Carolina Department of Administration.





OFFICE of THE EXECUTIVE DIRECTOR

November 27, 2023

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

Dear Chairman Peeler,

As you are aware at its November 14, 2023, meeting, the Joint Bond Review Committee (JBRC) recommended the execution of a lease to relocate the Department of Environmental Services (DES) from the Bull Street Corridor to commercially leased space at 1200 Colonial Life Boulevard from Colonial Life Accident & Insurance Company, a subsidiary of Unum Group (Unum).

In negotiating the lease, Unum was represented by Cushman & Wakefield at the national level and Colliers International (Colliers) at the local level through a sub-agency agreement with Cushman & Wakefield for the local market. As was presented November 14, 2023, the Department of Administration (Admin) fully negotiated a lease for 191,730 SF of office space with Unum. On November 16, 2023, Admin received notification from Cushman & Wakefield, as Unum's representative, that they did not have the space available as an existing tenant is leasing the negotiated space through December 31, 2029, and Unum could not come to an agreement to release, or recapture, the space from the current tenant. Therefore, they needed to withdraw the campus buildings from consideration at this time.

Admin was not aware that there was any issue with the availability or the recapture of the space. The proposal from Colliers dated September 11, 2023, contained a contingency regarding the potential relocation of larger agencies (DES, Department of Social Services (DSS), Department of Public Health (DPH)) relating to the release of space currently under lease. However, the cover letter submitted with the proposal also indicated that once the State provided feedback as to which agencies were interested in the Colonial Life campus, they would be able to confirm the availability of specific space. Colliers further provided a letter on September 21, 2023, indicating that "the landlord can make approximately 290,082 SF of office, warehouse, and retail space available to the State subject to a mutually agreeable time frame" and that the "Landlord has the potential of providing additional office space (up to 120,162 SF, or a portion thereof) within the next 24 ± months, if needed" implying that there was no contingency on the 290,082 SF of space, only the need to confirm the mutually agreeable time frame.

South Carolina Department of Administration 1200 Senate Street, Suite 460 Columbia, SC 29201 Post Office Box 2825, Columbia, SC 29211 Ph: 803.734.8120 Fx: 803.734.9002 www.admin.sc.gov



Chairman Peeler November 27, 2023 Page Two (2)

Admin notified Colliers on September 28, 2023, that the State did indeed plan to recommend moving either DSS or DES to the location, after which no further mention that the contingency remained unresolved was ever made by Unum, Colliers or Cushman & Wakefield. The parties proceeded to negotiate a proposed lease that provided sufficient space to accommodate DES in the "Demised Premises" as defined in the lease and expressed, without any mention of a contingency, a representation and warranty that the "...Landlord has full right, power and authority to execute and deliver this Lease and to grant to Tenant the exclusive use and possession of the Demised Premises..." In fact, on October 24, 2023, Cushman & Wakefield presented a list of 12 areas of concern for discussion regarding the lease with not a single mention of a contingency related to the release of space currently under lease. On October 27, 2023, Admin advised Colliers that a lease agreeable for execution needed to be in our report to the JBRC by November 1, 2023. Other contingencies or concerns with the lease were discussed with Unum, Colliers and Cushman & Wakefield and included in the proposed lease agreed upon by the parties on October 31, 2023. Throughout this negotiation process, there was no mention of a contingency related to the release of space currently under lease and no such contingency was included in the mutually agreed upon lease. Representatives from Colliers and Cushman & Wakefield, as well as Unum's Vice President for Corporate Real Estate, Assistant Vice President and Senior Counsel, Advanced Senior Paralegal for Transactions and Real Estate, and Unum's outside counsel were all part of the negotiations.

Had there been any indication that the space was not available because the recapture was at a standstill, Admin would not have included the proposed lease in our report to the JBRC or in our presentation to the JBRC on November 14, 2023.

Furthermore, following receipt of the notification from Cushman & Wakefield on November 16, 2023, Admin engaged Unum, Cushman & Wakefield and Colliers in multiple phone calls in an attempt to come to a resolution. In multiple conversations with Colliers, they specifically advised that they were also unaware that the recapture of the required space from an existing tenant was at a standstill or remained an issue prior to the November 16 notification. Colliers also indicated that after the notification they heard that Unum may have had a prospective buyer for the property, but it fell through because of the prospective buyer's unfavorable view of the statutorily required non-appropriations clause contained in the lease and that this may have contributed to withdrawal of the proposal to lease to the State.

In accordance with Proviso 118.22 of the FY 2023-24 Appropriations Act, Admin will publish an update to its solicitation for commercial space to relocate DES and provide the results to the JBRC for its consideration.

Sincerely,

Marcia S. Adams

Marcia St. adam

AGENCY: Department of Administration

Capital Budget Office

SUBJECT: Comprehensive Permanent Improvement Plan

Section 2-47-55 of the South Carolina Code of Laws requires all state agencies responsible for providing and maintaining physical facilities to submit a Comprehensive Permanent Improvement Plan.

The Plan outlines agencies' permanent improvement activities for the upcoming five years. Year 1 of each agency's Plan includes projects that the agency expects to initiate in the upcoming year, for which funding is reasonably expected to be available. Years 2 through 5 include projects planned by the agency, generally without current or certain sources of funding, which may include a request by the agency for state appropriation, other agency and non-state sources, or some combination thereof.

The Department of Administration has compiled and submitted a report summarizing the 2023 Plan submissions for all agencies, as well as a listing of the individual projects for each agency by year and source of funding. The report has been distributed to Committee members under separate cover. In addition, detailed submissions are available to members of the Committee upon request.

The report and detailed submissions are publicly available at <a href="https://admin.sc.gov/budget/cpip">https://admin.sc.gov/budget/cpip</a>.

### **COMMITTEE ACTION:**

Receive this report as information.

#### ATTACHMENTS:

Letter dated November 8, 2023, of Mr. Mike Shealy, Interim Director, Executive Budget Office, South Carolina Department of Administration.

#### **AVAILABLE:**

- 1. State of South Carolina 2023 Comprehensive Improvement Plan for Plan Years 2024 through 2028.
- 2. Detailed Agency Submissions, 2023 Comprehensive Permanent Improvement Plan for Plan Years 2024 through 2028.



Henry McMaster, Governor Marcia S. Adams, Executive Director

### **EXECUTIVE BUDGET OFFICE**

Brian J. Gaines, Director 1205 Pendleton Street, Suite 529 Columbia, SC 29201 803.734.2280 803.734.0645 Fax

November 8, 2023

Mr. F. Rick Harmon Director of Research Joint Bond Review Committee Gressette Building Columbia, SC 29201

Dear Mr. Harmon:

Submitted herewith is the 2023 Comprehensive Permanent Improvement Plan as prescribed by Section 2-47-55 of the SC Code of Laws, which provides that all state agencies responsible for providing and maintaining physical facilities are to submit a Comprehensive Permanent Improvement Plan to the Joint Bond Review Committee and the State Fiscal Accountability Authority.

This report has been compiled by the Executive Budget Office of the South Carolina Department of Administration from agency submissions. The complete and full details may be accessed on the Department's website at <a href="https://www.admin.sc.gov/budget/cpip">https://www.admin.sc.gov/budget/cpip</a>.

Sincerely,

Mike Shealy U

**Executive Budget Office** 

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 project status report for the period ending September 30, 2023, which reflects expenditures for the period of \$53,547,880, and total expenditures to date of \$118,673,264.

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 November 7, 2023, of Mr. Harry M. Lightsey, III, Secretary, South Carolina Department of Commerce.
- 2. Project Connect Quarterly Status Report for the period ended September 30, 2023.



Henry McMaster
Governor

Harry M. Lightsey III
Secretary

November 7, 2023

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

Dear Chairman Peeler:

Act No. 3 of the 2023-2024 Appropriations Act (H.3504) requires that the South Carolina Department of Commerce submit to the Joint Bond Review Committee 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 quarterly report that includes expenditures through the period ending September 30, 2023, that also includes a high-level status update through today's date.

Please let me know if you need further information. The Department will have staff members present at the December 5 meeting to answer any questions you or other members of the committee may have.

Sincerely,

Harry M. Lightsey III

HMLIII/km Attachment

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



Report: Project Connect (Scout) Quarterly Status Report

Report Date: December 5, 2023

Required By: Act No. 3 of the 2023-2024 Appropriations Act (H3504)

### Funds Expended through September 30, 2023:

Designated Recipient and Purpose	Amount Designated	Prior Periods	Current Period	Remaining Balance
Richland County				
Grant	831,082,986			712,909,717
Land Acquisition		27,922,946		
Site Improvements		30,627,438	12,153,654	
Mitigation		6,075,000	30,446,726	
Soil Stabilization			10,947,500	
Water; Wastewater				
Loan	200,000,000			200,000,000
SC Technical College	25,000,000	500,000		24,500,000
Training Center				
SC Department of Transportation	200,000,000			200,000,000
Other Recipients				
City of Columbia	35,000,000			35,000,000
Totals to Date	1,291,082,986	65,125,384	53,547,880	1,172,409,717

### **General Updates and Developments:**

- Scout held community events on September 17<sup>th</sup> and 19<sup>th</sup>-during which Scout\_shared its 3-D model with the community.
- TeamSC held an event on September 19<sup>th</sup> with SCDOT, DHEC, SCDAH, SCDNR, SC Commerce, Richland County and Scout to answer questions from the community about the project.
- Wetlands permit is expected to be issued mid to late December.
- Scout plans to start construction February 2024.
- Collaborative meetings continue with SCDOT, Norfolk Southern and Palmetto Rail for the completion of the new interchange, rail bridge and providing rail to the site.

AGENCY: South Carolina Rural Infrastructure Authority

SUBJECT: Annual Report

Section 11-50-160 of the SC Code of Laws provides among other things that, following the close of each state fiscal year, the South Carolina Rural Infrastructure Authority must submit an annual report of its activities for the preceding year to the Governor and to the General Assembly, and an annual report of any loans or other financial assistance, excluding grants, to the Joint Bond Review Committee.

The report is provided as information to the Committee.

### COMMITTEE ACTION:

Receive as information.

### ATTACHMENTS:

1. South Carolina Rural Infrastructure Authority Annual Report Fiscal Year 2022-23.

Harry M. Lightsey III Chairman



Bonnie Ammons
Executive Director

## South Carolina Rural Infrastructure Authority

October 19, 2023

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

Dear Chairman Peeler:

I am pleased to provide the Joint Bond Review Committee with a copy of the SC Rural Infrastructure Authority's FY 23 Annual Report. This report highlights *Ten Years of Impact* since the Authority began providing financial assistance for infrastructure needs across the state.

RIA's year was dominated by the award of \$1.4 billion in SC Infrastructure Investment Program (SCIIP) funds allocated from the state's American Rescue Plan Act (ARPA) funding. We worked to ensure that these funds would meet critical and transformational needs in every county. We placed particular emphasis on regional partnerships and outreach to small and rural communities that often need the most help.

Thank you for the opportunity to make investments in statewide infrastructure needs that will improve the quality of life and support economic development in the future. If you have any questions, please do not hesitate to contact me.

Sincerely,

**Bonnie Ammons** 

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



TRANSFORMING
INFRASTRUCTURE
IN SOUTH CAROLINA
COMMUNITIES

2022-2023 ANNUAL REPORT



**Harry M. Lightsey, III**Chairman, SC Department of Commerce



**Michael Gambrell**Vice Chairman, State Senator



**David E. Anderson**Anderson Brothers Bank



William Clyburn
State Representative



William Kellahan, Jr. Kellahan & Associates



Jack W. Shuler
Retired, ArborOne Farm Credit &
SC Department of Agriculture



**Richard Yow**State Representative

## **VISION**

All South Carolina communities have the infrastructure necessary to protect public health and the environment as well as lay the groundwork for economic success.

## **MISSION**

To provide resources for strategic investments that will strengthen and modernize critical community infrastructure.

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## RIA.SC.GOV





46

**Counties Impacted** 

328

**Applications** 

238

PROJECTS

Water, Sewer and Strom Drainage

\$

64%

Small & Disadvantaged Communities\*

\$1.6

BILLION
Grants & Loans

\$900

MILLION Leveraged by Grants



## **Transforming Infrastructure in SC Communities**

A seed was planted over 10 years ago by the General Assembly when it created the Rural Infrastructure Authority. The agency was charged with providing financial resources for critical infrastructure needs that impact public health as well as the environment and create opportunities for economic growth. That seed grew into a mission to improve the quality of life, invest in sustainable infrastructure solutions and partner with communities to build a better future.

Between 2013 and 2023, RIA awarded more than \$222 million in state grant funds and \$861 million in low interest loan financing for improvements to drinking water, sanitary sewer and stormwater infrastructure. From small cities to large, from rural communities to growing areas, the impacts have been significant.

RIA was honored to bring this experience to an important new initiative this year after the General Assembly dedicated federal American Rescue Plan Act resources to infrastructure improvements that would have a transformational impact on communities. The South Carolina Infrastructure Investment Program was designed to benefit communities of all sizes across the state and incentivized efforts to work together and plan for the future. After reviewing over 300 applications, RIA awarded all \$1.4 billion – seven times more than all of RIA's previous grants – well in advance of the federal deadline for obligation of all funds. While this unprecedented infusion of funds could not address all of the state's infrastructure needs, it will make a big difference in our state's future.

Since the beginning, RIA has benefited from the strong leadership of our Board of Directors. Their vision and our

staff's "can-do" attitude inspire us to be responsive and accountable in helping communities finance long-term solutions. The legacy of such investments is that our children and their children will be safer because of improvements to basic infrastructure. Services will be more reliable and affordable, and communities can prosper and grow. And South Carolinians will have a brighter future.

Bonnie Ammons

Best Regards,



The South Carolina Rural Infrastructure Authority was created by the General Assembly to select and assist in financing qualified infrastructure projects in rural areas. The General Assembly has since broadened the grant program to include qualified infrastructure projects statewide and transferred an existing revolving loan program to RIA. All the agency's programs are specifically focused on drinking water, sanitary sewer and stormwater infrastructure.

While FY 2023 was dominated by the one-time, federally funded South Carolina Infrastructure Investment Program discussed in a later section, the agency's state funded grant program has provided a reliable source of funding for essential infrastructure since 2013. RIA has offered low-cost loan funding through the State Revolving Fund program since 2015. These strategic investments help communities close funding gaps for significant infrastructure projects. This year, RIA celebrates the impact that 10 years of these grants and loans have had across South Carolina.

## **AGENCY MILESTONES**



### WE'RE HERE TO HELP

RIA is known for a focus on customer service and responsiveness to both potential applicants and funding recipients. Each grant manager is dedicated to a region of the state so that communities can easily identify the appropriate contact. Once awarded, projects are shepherded to successful completion using a hands-on approach to grant management. Grant managers check in frequently during the typical two-year grant period to ensure timely progress and compliance with program requirements.

### **COORDINATED EFFORTS**

RIA works with partners within and beyond state government to maximize the impact of state grant dollars. Agency leadership meets regularly with a group of state and federal agencies that fund similar infrastructure projects, known as the Infrastructure Funders Coordinating Committee. These discussions help to avoid duplicating efforts, streamline co-funded projects and efficiently allocate limited funds. RIA is also leading an effort to create a network of organizations that can help water and sewer utilities achieve long-term viability.

## **STATE FUNDED GRANTS**

These grants are offered to local governments and public water and sewer utilities through a competitive application process. All RIA grants for construction projects require a financial contribution from the grantee.

## **OBJECTIVES**

**IMPROVE** Quality of Life INCREASE
Community Sustainability

**CREATE**Economic Opportunities

2013-2023

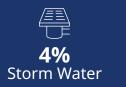
**522 GRANTS** 

\$222 MILLION









## STATE REVOLVING FUND (SRF) LOANS

Low-interest loans are offered to public drinking water and wastewater facilities through a partnership between RIA and the South Carolina Department of Health and Environmental Control (SCDHEC).

## **SRF BENEFITS**

**BELOW-MARKET**Interest Rates

**FIXED-RATE** Financing

Terms up to **30 YEARS** 

2016 - 2023

121 LOANS STATEWIDE \$861 MILLION LOANS CLOSED

These grants help communities preserve public health, protect the environment and strengthen fundamental services.

2013 - 2023

**405 GRANTS** 

\$162 MILLION AWARDED

\$270 MILLION

LEVERAGED

## **GRANT PRIORITIES BY DOLLARS AWARDED**

**57%** Aging Infrastructure

36% Health & Environmental Issues 7% Other

Data reflect original award amounts. Actual amount of funds disbursed may differ from the original award.

In rare cases, a grant may be rescinded prior to disbursement of any funds.



# CHICORA DRAINAGE UPDATES HORRY COUNTY

In 2017, the City of Conway received a \$500,000 RIA grant to alleviate significant flooding issues in the Chicora neighborhood on the northern side of the city. The previous drainage system was not capable of adequately draining even a one-inch rain event from the area, let alone major rain events such as tropical storms and hurricanes. Standing water in roadways and yards took days to drain and created a significant hazard to the residents' safety and health.

The city combined nearly \$300,000 in local funds with the RIA grant to install a new pipe and regrade the existing ditch, improving drainage for 56 residences.

**\$500,000**GRANT

56 CUSTOMERS
BENEFITING



# WASTEWATER TREATMENT PLANT UPGRADES COLLETON COUNTY

In 2015, the City of Walterboro was awarded \$500,000 to assist with upgrading its wastewater treatment plant to meet existing demand and comply with new SCDHEC regulatory requirements. The city leveraged the RIA grant with nearly \$4 million from other funding sources to improve the plant, which serves 2,839 residential and commercial customers.

The project led seven existing businesses to commit to creating 144 new jobs and contributing \$11 million in private investment toward their operations. The completed improvements were designed to serve as the first step in the eventual expansion of the plant to provide future capacity for growth and development.

\$500,000 GRANT 2,839 CUSTOMERS
BENEFITING



These grants support the creation or retention of jobs and help communities prepare for economic development opportunities.

2013-2023

117 GRANTS

\$60 MILLION

11,514
PROPOSED JOBS\*

**\$4.3 BILLION**PROPOSED CAPITAL INVESTMENT

### **GRANT PRIORITIES BY DOLLARS AWARDED**

**47%**Capacity Increase

**38%**Job Creation

15% Product Dev.

\*Includes only economic infrastructure grants.
The number of proposed jobs reported for FY22 included one basic infrastructure grant.

## **PERFORMANCE AGREEMENTS**

Most RIA economic infrastructure projects expand capacity and prepare communities for opportunities that result in new jobs and investment. Just over one-third of economic infrastructure projects are directly tied to job creation, which may require a performance agreement with the employer. The performance agreement includes a jobs creation commitment typically within a five year period.

	CLOSED	IN PROCESS
Performance Agreements	17	17*
Jobs: Proposed	2,179	2,601
Jobs: Actual to Date	3,327	958
Other Public Benefit	2	N/A

<sup>\*</sup>This includes one agreement that is not in compliance, and RIA has received partial repayment of the grant funds disbursed. Once full repayment is received, the grant will be closed.

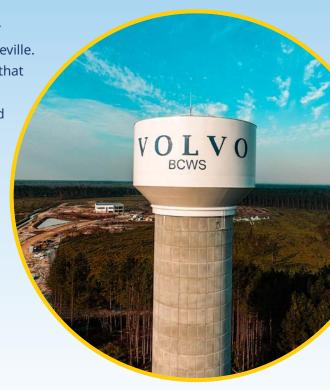
# CAMP HALL WATER IMPROVEMENTS BERKELEY COUNTY

In 2015, Berkeley County was granted \$3 million for installation of water infrastructure at the Camp Hall industrial site on Interstate 26 near Ridgeville. These improvements were needed to properly serve the industrial park that would become the home of Volvo Car USA's first US factory, which was expected to create 2,000 jobs and invest \$500 million when it announced and continues to grow.

RIA funds assisted in the construction of an elevated water storage tank while over \$9 million in local funds were used to install related water lines. Volvo has since announced an expansion to its facility, and Redwood Materials announced that it will also establish a plant at Camp Hall. The \$3.5 billion investment will create 1,500 new jobs.

\$3 MILLION GRANT **\$9 MILLION**LOCAL MATCH

**2,000** PROPOSED JOBS



# SEWER LINE IMPROVEMENTS TO SERVE NEW INDUSTRY GREENWOOD COUNTY

In 2016, Greenwood Metropolitan District received a \$500,000 RIA grant to relocate and install a new sewer line at a publicly owned industrial site. The location of the existing sewer line limited development and the line was inadequately sized for a manufacturing facility to be built for Teijin Carbon America, Inc.

Over \$2 million in local funds were combined with the RIA grant. At the time of application, Teijin was expected to create 220 new jobs and invest \$600 million. This represents the largest investment in Greenwood County by a private industry to date.

**\$500,000** GRANT

**\$2.4 MILLION**LOCAL MATCH

**220** PROPOSED JOBS



This year, RIA's state grant funds were primarily dedicated to providing matching funds needed for transformational South Carolina Infrastructure Investment Program projects. RIA awarded 37 Basic Infrastructure grants for that purpose. Additionally, one Economic Infrastructure grant and one Regional Feasibility Planning grant were awarded to respond to immediate needs.

### **GRANT PRIORITIES BY DOLLARS AWARDED**

**45%** Aging Infrastructure

**28%**Capacity Increase

21% Health & Environmental Issues 6% Regional Solutions

GRANTEE AWARD
Abbeville, City of\$500,000
Allendale, Town of
Andrews, Town of
Bamberg Board of Public Works
Barnwell, City of\$500,000
Bethune, Town of
Bishopville, City of
Blackville, Town of
Burnettown, Town of\$103,097
Cheraw, Town of\$500,000
Cherokee County/Grassy Pond Water Company \$500,000
Clinton, City of\$500,000
Daniel Morgan Rural Community Water District \$496,264
Edisto Beach, Town of
Estill, Town of\$475,000
Folly Beach, City of
Fort Lawn, Town of\$472,000
Great Falls, Town of
Hartsville, City of
Heath Springs, Town of\$500,000

CDANITE
GRANTEE AWARD
Hemingway, Town of\$500,000
Jamestown, Town of\$56,250
Kingstree, Town of
Lamar, Town of
Laurens Commission of Public Works\$500,000
Loris, City of\$500,000
Manning, City of\$500,000
McCormick Commission of Public Works\$500,000
Newberry County Water and Sewer Authority\$500,000
Nichols, Town of
Oconee Joint Regional Sewer Authority \$2,109,309
Oconee Joint Regional Sewer Authority\$100,000
Orangeburg, City of/Bull Swamp Rural
Water Company
St. Matthews, Town of\$221,842
Sullivan's Island, Town of
Summerton, Town of\$500,000
Union, City of\$500,000
Whitmire, Town of
Williamsburg County\$500,000

39 Projects = \$17,473,944

RIA partners with SCDHEC to jointly administer a low-interest loan program for public drinking water and wastewater facilities. RIA staff manage all of the program's financial aspects, including setting loan policies, conducting credit reviews, issuing loan agreements and handling payments. In addition to the program's income from loan repayments and fees, federal funds are provided annually through the US Environmental Protection Agency. RIA provides the state funds needed to match 20% of those federal dollars.

# **1.4% INTEREST RATE**A HISTORIC LOW

# **\$59 MILLION**LOAN REPAYMENTS RECEIVED

RECIPIENT AWARD	RECIPIENT AWARD
Berkeley County\$14,378,107	Kershaw County\$2,703,740
Berkeley County\$10,894,511	Myrtle Beach, City of
Berkeley County\$9,727,382	Myrtle Beach, City of
Clinton, City of\$3,033,550	Powdersville Water
Easley, City of\$4,032,516	ReWa\$3,488,161
East Richland County Public Service District\$4,335,661	ReWa\$6,280,044
Grand Strand Water and Sewer Authority \$745,144	ReWa\$10,778,231
Grand Strand Water and Sewer Authority \$15,119,846	ReWa\$8,246,000
	Summerville, Town of\$14,075,274

17 Projects = \$121,276,516

### ASSISTANCE FOR SMALL AND DISADVANTAGED COMMUNITIES

In addition to low-cost loans, the SRF program is required by federal statute to offer principal forgiveness, which does not have to be repaid as long as program requirements are met. It assists small and other utilities that cannot afford a loan and serve primarily disadvantaged populations. In FY 2023, South Carolina communities received \$8 million in principal forgiveness. Under the Bipartisan Infrastructure Law of 2021, federal funds are expected to provide an additional \$50 million annually over five years for loans and principal forgiveness.

RIA.SC.GOV 238



The South Carolina Infrastructure Investment Program (SCIIP) was created in 2022 using federal funds provided to the state through the American Rescue Plan Act. The General Assembly directed RIA to use this once-in-a-generation funding for transformational infrastructure projects across the state. The funds were awarded in several grant categories, most of which were selected through a competitive application process and required local investment. As authorized in Act 244 of 2022, special economic development projects were designated by the South Carolina Secretary of Commerce. These long-term capital improvements will strengthen fundamental services to residents and businesses, create more resilient communities and build the capacity to support future opportunities for growth and economic development.

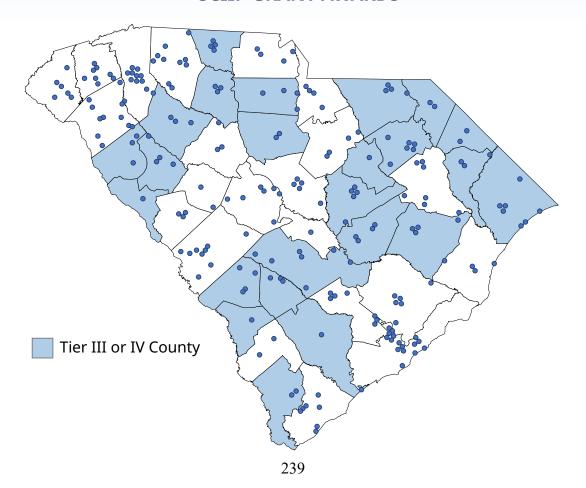
**309 APPLICATIONS** 

**\$2 BILLION REQUESTED** 

**219 GRANTS** 

\$1.4 BILLION
AWARDED

### **SCIIP GRANT AWARDS**



#### **REACHING COMMUNITIES STATEWIDE**

Beginning in FY 2022, RIA and partner agencies conducted extensive outreach to ensure that all the state's public utilities and local governments were aware of this one-time funding opportunity. After an online workshop attended by 522 people, RIA hosted four in-person regional meetings and held 90 individual consultations about specific projects.

## 67% AWARDED

TO SMALL & DISADVANTAGED COMMUNITIES\*

### **KEEPING PROJECTS ON TRACK**

All SCIIP funds are subject to federal requirements, including an expenditure deadline of December 2026. RIA staff are using the agency's characteristic hands-on approach to ensure projects stay on schedule, in budget and in compliance with program requirements. After awards were announced, 533 representatives of SCIIP grantees attended an implementation workshop. RIA grant managers maintain regular communication about each project.

### **WORKING WITH PARTNERS**

The General Assembly provided \$5 million to the 10 Councils of Governments (COGs) to help small communities participate in this program. RIA is working closely with the COGs to ensure that even the smallest grant recipients have the capacity to successfully carry out their projects.

The South Carolina Department of Health and Environmental Control (SCDHEC) received \$6 million to accommodate the increased demand for construction permits resulting from SCIIP projects. RIA is coordinating with SCDHEC as well as the South Carolina Department of Transportation to ensure that permit requests will be processed as efficiently as possible.

\*Includes SCIIP grant funds to recipients that serve fewer than 30,000 people as well as those located in Tier III and IV counties.



533 Participants at the SCIIP Implementation Workshop (May 2023)

These are competitive grants of up to \$10 million for priority investments in capital improvements in large and small communities.

## **PRIORITIES**

**Regional Solutions** 

**Water Quality** 

Capacity

**Resilience and Storm Protection** 

**Other Aging Infrastructure** 

GRANTEE	GRANTEE
Abbeville, City of	Cherokee County/Grassy Pond Water Company \$6,542,035
Aiken County	Chester Metropolitan District \$10,000,000
Aiken County/Breezy Hill Water and Sewer Co \$5,941,930  Aiken, City of	Chesterfield County/Alligator Rural Water and Sewer Company
Allendale, Town of	Water and Sewer Company \$8,465,881 Chesterfield County/Chesterfield Rural Water Company \$10,000,000 Clarendon County \$10,000,000 Clinton, City of \$10,000,000 Columbia, City of \$10,000,000 Conway, City of \$10,000,000 Daniel Morgan Rural Community Water District \$2,812,165 Darlington County Water and Sewer Authority \$3,042,426 Darlington, City of \$564,400 Darlington, City of \$1,647,215 Darlington, City of \$10,000,000 Donalds-Due West Water and Sewer Authority \$9,500,000 Dorchester County \$10,000,000 Dorchester County Water Authority \$8,727,000 Due West, Town of \$1,950,000 Easley Combined Utilities \$10,000,000 Easley, City of \$10,000,000 Edgefield County Public Service District \$6,000,000 Edgefield County Water and Sewer Authority \$10,000,000 Edgefield County Water and Sewer Authority \$10,000,000 Edgefield County Water and Sewer Authority \$10,000,000 Edgefield, Town of \$8,904,385 Elloree Water System \$1,748,610 Estill, Town of \$2,652,175
Charleston, City of       \$10,000,000         Cheraw, Town of       \$10,000,000	Florence County       \$3,732,023         Florence, City of       \$9,908,062

GRANTEE AWARD	GRANTEE AWARD
Florence, City of/Florence County\$2,526,791	Lake Marion Regional Water Agency\$10,000,000
Folly Beach, City of\$8,161,700	Lamar, Town of
Fort Lawn, Town of	Lancaster County\$8,169,699
Fort Mill, Town of	Lancaster County Water and Sewer District\$10,000,000
Fountain Inn, City of	Lancaster, City of
Georgetown County \$2,947,905	Latta, Town of\$8,134,112
Georgetown County Water and Sewer District \$10,000,000	Laurens Commission of Public Works \$10,000,000
Georgetown, City of\$9,733,738	Laurens County Water and Sewer Commission \$7,922,850
Gilbert-Summit Rural Water District \$9,616,356	Lexington, Town of\$10,000,000
Goose Creek, City of	Liberty, City of\$1,630,136
Grand Strand Water and Sewer Authority \$10,000,000	Liberty-Chesnee-Fingerville Water District \$6,443,000
Great Falls, Town of	Loris, City of
Greenville County	Lyman, Town of\$534,510
Greenville County/Blue Ridge	Manning, City of\$8,563,510
Rural Water Company\$9,118,123	Marion County/Marco Rural Water Company \$7,752,313
Greenville Water	Marion, City of\$572,930
Greenville, City of	Marlboro County/Marlboro Water Company \$2,084,193
Greenwood Commissioners of Public Works \$10,000,000	Mauldin, City of\$3,399,750
Greenwood Metropolitan District\$10,000,000	McCormick Commission of Public Works \$4,128,219
Greer Commission of Public Works	MetroConnects\$10,000,000
Harleyville, Town of	Moncks Corner Water Works\$6,954,598
Hartsville, City of	Moncks Corner, Town of
Heath Springs, Town of       \$2,975,000         Hemingway, Town of       \$8,494,811	Mount Pleasant Waterworks\$10,000,000
Hilton Head Public Service District \$10,000,000	Mount Pleasant Waterworks\$3,000,000
Honea Path, Town of	Mount Pleasant, Town of\$6,012,131
Horry County	Myrtle Beach, City of
Inman-Campobello Water District	New Ellenton Commission of Public Works \$3,451,535
Isle of Palms Water and Sewer Commission \$4,576,256	Newberry County Water and Sewer Authority \$10,000,000
Iva, Town of	Newberry, City of\$10,000,000
Jackson, Town of	Nichols, Town of
James Island Public Service District	North Augusta, City of
Jamestown, Town of	North Charleston Sewer District
Jasper County	North Charleston, City of
Johnsonville, City of\$2,927,655	North Charleston, City of\$614,062
Joint Municipal Water and Sewer Commission \$10,000,000	North Charleston, City of
Kershaw County and Lee County	North Charleston, City of\$712,735
Regional Water Authority\$10,000,000	Oconee Joint Regional Sewer Authority \$9,599,975
Kingstree, Town of	Olanta, Town of
Kingstree, Town of\$2,064,787	Orangeburg, City of
Lake City, City of\$8,402,250	Pendleton, Town of
	Pickens County Public Service Commission \$163,803

15

GRANTEE AWARD
Pickens Regional Joint Water System \$10,000,000
Pickens, City of\$4,947,268
Port Royal, Town of\$740,176
Powdersville Water District \$10,000,000
ReWa\$10,000,000
Richland County\$9,984,882
Richland County\$10,000,000
Ridgeland, Town of\$839,503
Rock Hill, City of
Salem, Town of
Sandy Springs Water District\$7,693,228
Seneca, City of\$6,995,475
Simpsonville, City of \$9,997,625
Six Mile Water District\$3,933,440
Southside Rural Community Water District \$1,583,063
Spartanburg County
Spartanburg Sanitary Sewer District \$10,000,000
Spartanburg Water System \$6,030,661
Springfield, Town of\$202,025
St. Matthews, Town of\$2,957,106
Starr-Iva Water and Sewer District\$8,966,000
Startex-Jackson-Welford-Duncan Water District \$10,000,000

GRANTEE	AWARD
Sullivan's Island, Town of	\$8,758,775
Summerton, Town of	\$5,158,703
Summerville Commissioners of Public Works	\$7,280,000
Summerville, Town of	\$340,422
Sumter County	\$10,000,000
Sumter, City of	\$10,000,000
Union County/Meansville-Riley Road Water Company, Inc	\$9,840,365
Union, City of	\$2,673,125
Valley Public Service Authority	\$9,222,842
Wagener, Town of	\$959,438
Walhalla, City of	\$10,000,000
West Columbia, City of	\$10,000,000
West Union, Town of	\$433,707
Westminster, City of	\$3,929,180
Whitmire, Town of	\$849,953
Williamsburg County	\$2,818,893
Williamston, Town of	\$1,870,000
Williston, Town of	\$5,066,228
Winnsboro, Town of	\$10,000,000
Woodruff Roebuck Water District	\$10,000,000
York County	\$10,000,000
York, City of	\$10,000,000

183 Projects = \$1,178,615,475



## GEORGES CREEK TRUNK SEWER LINE PICKENS COUNTY

Easley Combined Utilities was the recipient of a \$10 million SCIIP grant to improve sewer service east of the City of Easley in Pickens County, which has experienced a high level of growth in the last few years. A new gravity sewer line will connect to a trunk line maintained by ReWa, a regional sewer treatment provider.

This project will allow the system to decommission an existing pump station and access much needed additional capacity at ReWa's Georges Creek wastewater treatment plant. The project will benefit 460 existing customers as well as provide increased capacity for the future, including the ability to provide public sewer service to those currently on septic systems.

\$10 MILLION GRANT 460 CUSTOMERS
BENEFITING



HEMPHILL WATER TREATMENT PLANT RENOVATION CHESTER COUNTY

Chester Metropolitan District was granted \$10 million in SCIIP funds to rehabilitate its Hemphill Water Treatment Plant, originally constructed in 1964. This plant is key to providing clean drinking water to nearly 7,500 residential and business customers in the City of Chester, Town of Great Falls and unincorporated Chester County. Leveraging the SCIIP funds with approximately \$5.5 million in State Revolving Fund loans and \$1.4 million in local match, the plant will be rehabilitated to current environmental standards to ensure long-term reliability and resiliency. The project also allows for future growth and development, which is expected as a result of several recent industrial announcements.

\$10 MILLION
GRANT

7,500 CUSTOMERS

BENEFITING



These are grants of up to \$50 million for projects designated by the South Carolina Secretary of Commerce as significant to economic development.

GRANTEE AWARD	GRANTEE AWARD
Barnwell, City of\$10,000,000	Kershaw County\$10,000,000
Beaufort-Jasper Water and Sewer Authority \$8,127,750	Lowcountry Regional Water System\$10,000,000
Berkeley County\$38,584,770	Scranton, Town of
Chester County Wastewater Recovery\$10,000,000	Sumter, City of\$5,000,000
Denmark, City of	Sumter, City of
Dorchester County\$8,665,407	Walterboro, City of
Gaffney Board of Public Works \$50,000,000	Woodruff, City of

14 Projects = \$189,118,250

## SANITARY SEWER SYSTEM UPGRADES SPARTANBURG COUNTY

The City of Woodruff received a grant of \$10 million for upgrades to its wastewater treatment plant that are necessary to accommodate rapid growth, both residential and commercial, in the area. In addition to the planned construction of 4,000 new homes, the BMW Group is constructing a new high-voltage battery assembly facility in the city. This \$700 million investment is expected to create 300 new jobs.

The SCIIP grant, along with over \$3 million in local investment, will be used for improvements that will accommodate the industrial discharge from the BMW facility and complete the first phase of the city's plan to expand treatment capacity to serve this growing community.

\$10 MILLION GRANT \$3 MILLION LOCAL INVESTMENT

**300** PROPOSED JOBS

These are competitive grants of up to \$10 million for projects that promote long-term viability through partnerships.

## **PRIORITIES**

New consolidation or operating agreements addressing viability concerns

Expanded partnerships addressing viability concerns

## Other partnerships

GRANTEE AWARD	GRANTEE AWARD
Batesburg-Leesville, Town of\$10,000,000	Orangeburg, City of/Bull Swamp Rural
Fairfield Joint Water and Sewer System \$10,000,000	Water Company
Gaffney Board of Public	Pelzer, Town of
Works/Macedonia Water Works \$10,000,000	ReWa\$10,000,000
MetroConnects\$10,000,000	Saluda County Water and Sewer Authority \$2,918,750
North Myrtle Beach, City of\$10,000,000	Summerton, Town of\$6,921,875
	Union, City of

11 Projects = \$95,408,625

BULL SWAMP RURAL WATER SYSTEM CONNECTION ORANGEBURG COUNTY

The Bull Swamp Rural Water Company is a not for profit water company serving fewer than 1,000 customers. Like many other small, rural utilities, it has struggled to secure the personnel needed to operate and maintain its water system. This \$10 million SCIIP grant, along with nearly \$3 million in local match, will construct an interconnection with the neighboring City of Orangeburg's system and make infrastructure upgrades that will improve the reliability of the water supply.

The grant funding will allow Orangeburg Department of Public Utilities to own and operate the Bull Swamp system without placing a financial burden on its existing customers. An agreement to consolidate the two systems is currently in process.

\$10 MILLION GRANT 945 CUSTOMERS
BENEFITING



These are competitive grants of up to \$1 million for projects that help very small systems plan for the future.

## **PRIORITIES**

**Regional Solutions** 

**System Planning** 

## **Project Planning**

GRANTEE AWARD	GRANTEE AWARD
Branchville, Town of	Norway, Town of
Briarcliffe Acres, Town of \$350,000	Pinewood, Town of
Chesterfield, Town of \$460,000	Ridge Spring, Town of
Eastover, Town of	St. George, Town of
Ninety Six Commission of Public Works \$930,500	Swansea, Town of
	Ware Shoals, Town of \$600,000

11 Projects = \$6,490,875







South Carolina
Rural Infrastructure Authority
Creating water solutions.
Improving communities statewide.

**RIA.SC.GOV** 

AGENCY: Department of Corrections

SUBJECT: Report of Expenditures

Comprehensive Security and Maintenance Plan

Proviso 65.30 of the Fiscal Year 2021-22 Appropriations Act, as reauthorized in the Fiscal Year 2023-24 Appropriations Act, permits the Department of Corrections to carry forward certain CARES Act reimbursement funds and directed their deposit into a separate and distinct fund known as the Department of Corrections Security and Maintenance Reserve Fund. The original amount of funding available pursuant to the provisos totaled \$93.026 million.

The provisos permit the Department to expend these funds to meet the maintenance and security needs of the agency for critical repairs, deferred maintenance, renovations, security upgrades, and equipment which are directly related to the safety and security of the public, officers, employees, and inmates. The Department was required to develop a comprehensive security and maintenance plan itemizing the permanent improvement projects and equipment purchases needed to maintain the safety and security of the state's prison system, which was presented to the Governor and the Committee for review and comment by September 30, 2021, in accordance with the original proviso. The Department made a timely submission to the Committee, which received review and comment at its meeting of October 5, 2021.

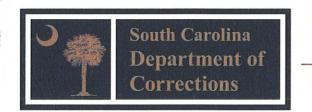
In addition to the foregoing, the provisos require the Department to report to the Governor and the Committee expenditures from the fund by September 30 of each fiscal year. In accordance with this requirement, the Department made a timely submission on September 27, 2022, and reported establishment of projects totaling \$93.2 million and \$21.5 million in expenditures.

#### **COMMITTEE ACTION:**

Receive the report required by the proviso as information.

#### ATTACHMENTS:

- 1. Letter dated September 26, 2022, of Mr. Brian P. Stirling, Director, South Carolina Department of Corrections.
- 2. Comprehensive Security and Maintenance Plan and Expenditure Activity for Fiscal Year 2022-23.



September 27, 2023

The Honorable Henry McMaster, Governor State of South Carolina South Carolina State House 1100 Gervais Street Columbia, South Carolina 29201

The Honorable Bruce W. Bannister Vice Chairman, Capital Improvements Joint Bond Review Committee 525 Blatt Building Columbia, South Carolina 29201 The Honorable Harvey S. Peeler, Jr. Chairman, Capital Improvements Joint Bond Review Committee 111 Gressette Building Columbia, South Carolina 29201

F. Richard Harmon
Director of Research, Capital Improvements
Joint Bond Review Committee
105 Gressette Building
Columbia, South Carolina 29201

#### Dear Gentleman:

In pursuant of the FY 23-24 Appropriates Act Proviso 65.30, the Department must provide to the Governor and the Capital Improvements Joint bond Review Committee a report on the implementation and accumulated expenditures of the Comprehensive Security and Maintenance Plan by September 30 or each fiscal year.

Please accept the following attached as our reported plan and expenditure activity for FY22-23.

Should you have any questions please do not hesitate to contact Dexter Lee, Legislative Liaison at (803)896-1731.

Sincerely,

Bryan P. Stirling

BPS/ndh

	Dept. of Corrections: Proviso 65.30	Projected Budget	Cost to Date	Status	Phase 1	Phase 1	Phase 2	Phase 2
	Security and Maintenance Reserve Fund				Sent	Approved	Sent	Approved
PROJECT #								
Engineering NOT STARTED Engineering NOT STARTED	9776 Security and Maint. Upgrades - Control Room Additions and Cell Lock Replacement S S TED Broad River Cl S Liber Cl TED Evans Cl	nent \$7,852,572.00 \$9,243,000.00 \$7,852,572.00 \$7,852,572.00	,	Engineering Engineering				
	TOTAL	\$32,800,716.00	\$659,426.60					
7776	<b>9777</b> Security and Maintenance Upgrades - Fire Alarm Replacements							
Engineering	Evans Cl	\$1,965,600.00	\$191,367.00	Engineering				
Engineering	MicCormick Cl Kershaw Cl	\$1,649,700.00	\$148,347.00	Engineering				
Engineering	Wateree Cl	\$2,679,300.00	\$87,200.00	Engineering				
Engineering	Manning CI	\$1,778,400.00	\$56,200.00	Engineering				
Engineering	MacDougall CI	\$585,000.00	\$37,075.53	Engineering				
Engineering	Leath CI	\$1,673,100.00	\$73,500.00	Engineering				
Engineering	Livesay Cl	\$1,602,900.00	\$40,700.00	Engineering				
Not Started	Turbevile Cl	\$2,936,700.00		Not Started				
	TOTAL	\$17,550,000.00	\$634,389.53					
9778	9778 Security and I Maint. Upgrades - HVAC, Chiller & Kitchen Boiler Replacement							
REBID	Lee CI-Replace Admin HVAC	\$1,872,000.00	\$68,610.00	No Bidders/Going out for Re-Bid				
OUT FOR BID	Kirkland CI-SSR Replace HVAC	\$3,510,000.00	\$4,934,989.00	Pre-Bid Meeting 8/2/2023				
ENG/On Hold	Headquarters Replace HVAC	\$4,071,600.00	\$112,095.00	Waitng completion of other Projects				
CONTRACT	Turbeville CI-Repalce Chiller&Tower	\$1,755,000.00	\$2,248,907.00	Contract Awarded				
CONTRACT	Evans CI-Replace HVAC Housing Units	\$1,325,610.00	\$3,791,044.00	Contract Awarded/Waiting Equiment				
ENG/On Hold	McCormick CI-Replace HVAC Housing Units	\$1,325,610.00	\$86,173.00	Waitng completion of other Projects				
ENG/On Hold	Boad River Cl-Replace HVAC Housing Units	\$1,326,780.00	\$98,888.00	Waitng completion of other Projects				
COMPLETED	Tyger River CI-Replace Kitchen Kettles	\$491,400.00	\$230,075.00	Project Completed				
NOT STARTED	Turbeville CI-Repalce Kitchen Boiler	\$424,476.00		Waitng completion of other Projects				
NOT STARTED	Perry Cl-Repalce Kitchen Boiler	\$245,700.00		Waitng completion of other Projects				
NOT STARTED	Camille Graham Cl-Repalce Kitchen Boiler	\$245,700.00		Waitng completion of other Projects				
Engineering	Broad River CI-Replace Kitchen Boiler	\$424,476.00	\$10,250.00	State Engineer Office for Approval				
NOT STARTED	Manning CI-Replace Electrical Grid	\$1,565,273.00		Waitng completion of other Projects				
	TOTAL	\$18,583,625.00	\$11,581,031.00					
9779	9779 Security and Maintenance - Institutional Roof Replacement							
Not Started	Tyger River CI-Lower Yard	\$819,000.00		Not Started				
Not Started	Allendale Cl	\$1,053,000.00		Not Started				
מו מו מו	מוספת שואבן כן	00.000,650,14		Not Started				
	TOTAL	\$2,925,000.00						

9780 Security and Maint. Upgrades - Relocation of Rec. Yard & Tower

ESS Lee CI T Leiber CI T Turbeville CI ESS Evans CI BID Ridgeland CI T Kirkland CI T Kirkland CI T Lee CI T Labeville CI T Allendale CI T Turbeville CI	\$5,850,000.00 \$1,622,060.46 In Progress \$1,755,000.00 \$1,465,011.78 In Progress \$1,755,000.00 \$614,576.60 Waiting on Materials \$1,200,000.00 \$838,765,00 Contract Awarded \$1,755,000.00 \$1,017,388.24 In Progress \$1,200,000.00	\$12,022,500.00 \$5,557,802.08 Waiting Materials/Equipment \$1,170,000.00 \$593,800.00 Waiting Materials/Equipment \$877,500.00 \$548,516.00 Waiting Materials/Equipment \$887,500.00 \$446,606.00 Waiting Materials/Equipment \$585,000.00 \$64,872.53 Waiting Materials/Equipment \$409,500.00 \$284,636.00 Waiting Materials/Equipment \$5,382,000.00 \$33,017,938.53
	Lee Cl McCormick Cl Leiber Cl Turbeville Cl Evans Cl	TOTAL Security and Maintenance Upgrades - Security Electronic Replacement Kirkland Cl Lee Cl Perry Cl Turbeville Cl Yger River Cl Statewide

AGENCY: South Carolina Office of State Treasurer

SUBJECT: Notice of Intent to Utilize Debt Service Funds

Proviso 112.2 of the Fiscal Year 2023-24 Appropriations Act provides that excess debt service funds available in Fiscal Year 2023-24 may be expended in the fiscal year to pay down general obligation bond debt for which the State (1) is paying the highest rate of interest; (2) will achieve relief in constrained debt capacity; or (3) [will] reduce the amount of debt issued. Prior to the use of these funds, the Office of State Treasurer must notify the Chairman and Vice Chairman of the Joint Bond Review Committee.

In accordance with the Proviso, the Office of State Treasurer has notified the Chairman and Vice Chairman of its intent to utilize \$91 million of current year excess debt service to partially fund currently approved economic development projects.

#### **COMMITTEE ACTION:**

Receive as information.

#### ATTACHMENTS:

- 1. Memorandum dated November 20, 2023, of Robert E. Macdonald, Director, Debt Management Division, South Carolina Office of State Treasurer.
- 2. Letter dated October 31, 2023, of Secretary of Commerce Harry M. Lightsey, III, South Carolina Department of Commerce.
- 3. Debt Service Budget Estimate dated November 20, 2023.

#### **Rick Harmon**

From: Macdonald, Robert < Robert.Macdonald@sto.sc.gov>

**Sent:** Monday, November 20, 2023 11:01 AM

**To:** Rick Harmon

**Cc:** Kelly, Shelly; Quentin Hawkins; Daniel Boan

**Subject:** Fiscal Year 2023-24 Proviso 112.2 Excess Debt Service

Attachments: 2024-25 Debt Service Budget Estimate\_11-20-23\_FINAL.pdf; HL - Curtis Loftis - 10-31-23

\_COMMERCE.pdf

Follow Up Flag: Flag for follow up

Flag Status: Flagged

Rick,

Per Fiscal Year 2023-24 proviso 112.2 please accept this email as notification to the Honorable Harvey S. Peeler, Chairman of the Joint Bond Review Committee and the Honorable Bruce W. Bannister, Vice Chairman of the Joint Bond Review Committee that the Office of State Treasurer intends to utilize current year excess debt service in the amount of \$91,000,000.00 to partially fund currently approved economic development projects. The use of these funds will reduce the amount of debt to be issued for the currently approved projects.

Additionally, I have attached the current debt service budget and a letter of support from the Department of Commerce.

Thank you,

#### Robert



Robert E. Macdonald, CPA, CGFO | Director Debt Management Division South Carolina Office of State Treasurer 1200 Senate Street, Suite 214 Columbia, SC 29201 803-734-2677 | robert.macdonald@sto.sc.gov



Henry McMaster Governor Harry M. Lightsey III Secretary

October 31, 2023

The Honorable Curtis M. Loftis, Jr. State Treasurer 1200 Senate Street Columbia, SC 29201

Dear Treasurer Loftis:

As you know, the State of South Carolina has been extraordinarily successful over the last 12-18 months in attracting significant economic development projects that qualify for funding pursuant to the State General Obligation Economic Development Bond Act (the "ED Bond Act"). Two of the qualifying projects have already been authorized for economic development bond funding and others are likely to follow. The pipeline of significant projects remains robust.

Given this demand on the state's bonding capacity under the ED Bond Act, we respectfully request that the Office of the State Treasurer consider using excess debt service funds for the current fiscal year pursuant to Proviso 112.2 to reduce the amount of debt issued for outstanding economic development projects. Doing so will maximize this important recruitment tool available to the Department of Commerce.

As always, we appreciate your support and the support and professionalism of your staff.

Sincerely,

HMLIII/km/cc

# SUBMITTED NOVEMBER 20, 2023

# DEBT SERVICE BUDGET ESTIMATE

EXISTING LAW - EXCLUDES POTENTIAL IMPACT OF PROPOSED LEGISLATION

		FISCAL YE	FISCAL YEAR 2023-24		FISCAL YEAR 2024-25			FUTURE YEARS	ARS
			APPROPRIATION	CURRENT	NEW ISSUES				
CATEGORY		APPROPRIATED	NEEDED	(AT 6/30/23)	(AFTER 6/30/23)	TOTAL NEEDED	2025-26	<b>V</b> C	2026-27
Capital Improvement Bonds	5% Constitutional Limitation	\$ 49,343,728	\$ 10,010,000	10,010,000	· •	\$ 10,010,000	1 \$ 10,0	10,010,000   \$	10,010,000
State School Facilities Bonds	5% Constitutional Limitation	12,050,289	1	,	1	1		1	1
Air Carrier Hub Bonds	5% Constitutional Limitation	4,308,400	4,168,600	4,317,750	1	4,317,750		1	ı
Economic Development Bonds 11-41-50C	5% Constitutional Limitation	29,801,309	13,114,625	2,331,000		2,331,000		<u>'</u>	1
Total 5% Constitutional Limit		\$ 95,503,726	\$ 27,293,225	\$ 16,658,750	· ·	\$ 16,658,750	\$ 10,0	10,010,000	10,010,000
Economic Development Bonds 11-41-50A	.5%/5.5% Statutory Limitation	4,215,425	4,215,425	4,224,175	14,893,333	19,117,508	20,4	20,472,550	20,474,100
Research Universities Bonds	.5%/6.0% Statutory Limitation	24,220,344	4,764,525	4,801,250	1	4,801,250	1,3	1,356,575	1,359,200
Agricultural College Stock-Interest		11,508	11,508	11,508	1	11,508		11,508	11,508
Clemson Perpetual Stock-Interest		3,513	3,513	3,513	1	3,513		3,513	3,513
Economic Development Bonds 11-41-50B		29,960,250	29,960,250	18,049,500	1	18,049,500		1	1
Total other classes of budgeted debt		\$ 58,411,040	\$ 38,955,221	\$ 27,089,946	\$ 14,893,333	\$ 41,983,279	\$ 21,8	21,844,146	21,848,321
FY23-24 - Carryforward		8,485,380		,	1	1		1	1
Economic Development - Proviso 112.2		,	91,000,000	3	,	,		1	1
TOTAL DEBT SERVICE FROM GENERAL FUND		\$ 162,400,146	\$ 157,248,446	\$ 43,748,696	\$ 14,893,333	\$ 58,642,029	\$ 31,8	31,854,146 \$	31,858,321
Potential Appropriation Lapse for FY23-24		↔	5,151,700						

# Notes and Assumptions

11/20/2023

<sup>&</sup>lt;sup>1</sup> Fees, expenses, reimbursements, and contingencies included in CIB.

<sup>&</sup>lt;sup>2</sup> Appropriation (\$63,976,984) allocated based on percentage of appropriation needed after separation of Economic Development Bond Classes.

<sup>&</sup>lt;sup>3</sup> Excess Debt Service application per Proviso 112.2

<sup>&</sup>lt;sup>4</sup> Estimated Economic Development Bond Debt Service.

Office of State Treasurer

SUBJECT: Federal and State Housing Tax Credit Programs

Responsive to interests expressed by the Committee at its meeting on October 10, 2023, the South Carolina State Housing Finance and Development Authority has provided an overview of the Federal and State Housing Tax Credit Programs, which provide developers with incentives to create and maintain affordable housing.

In addition to a brief overview of the objectives of the Programs, the State Housing Authority has provided summary information reflecting the actual number of developments, housing units, and levels of income addressed by the Programs over the last 3 years.

This report is provided as information to the Committee.

#### **COMMITTEE ACTION:**

Receive as information.

#### **ATTACHMENTS:**

1. Federal and State Housing Tax Program Overview.







The Low Income Housing Tax Credit Program (LIHTC) is designed to provide for-profit and nonprofit developers with an incentive to create and maintain affordable housing. This is the country's most extensive affordable housing program. Developments that may qualify for credits include new construction, acquisition with rehabilitation, rehabilitation and adaptive reuse. Owners of and investors in qualifying developments can use the credit as a dollar-for-dollar reduction of federal income tax liability. Allocations of credits are used to leverage public, private, and other funds in order to keep rents to tenants affordable.



#### FEDERAL AND STATE HOUSING TAX CREDIT PROGRAMS

The LIHTC program is a federal program that helps build or preserve thousands of units in South Carolina every year. Credits are made available in two ways: the "9 percent" credit, which is awarded on a competitive basis once per year and is designed to cover about 70 percent of project costs, and the "4 percent" credit, which is designed to cover 30 percent of project costs and typically requires additional funding to cover the remainder.

Real estate developers submit applications to SC Housing to apply for LIHTC tax credits and are approved for a tax credit award based upon selection criteria outlined in the state's Qualified Allocation Plan (QAP).

The South Carolina State Housing Tax Credit for affordable housing development was created by the Workforce and Senior Affordable Housing Act, which was signed by the Governor on May 14, 2020, as Act 137; and was subsequently revised by Act 202 on May 31, 2022. Developers who are applying for federal housing tax credits through the LIHTC program can also request state tax credits to support their eligible projects.

Application Year	2020	2021	2022	Totals
Total Developments	34	51	13	98
Total Units	2995	5743	726	9464
New Construction	2040	4747	518	7305
Rehab	955	996	208	2160
Family	2386	4929	478	7793
Older	270	621	188	1079
Elderly	339	123	60	522
20% AMI	0	74	44	118
30% AMI	25	10	9	44
40% AMI	0	56	0	56
50% AMI	0	215	76	291
60% AMI	64	586	267	917
70% AMI	0	78	22	100
80% AMI	0	15	0	15
# counties represented	22	16	12	



SUBJECT: South Carolina Housing Trust Fund

Responsive to interests expressed by the Committee at its meeting on October 10, 2023, the South Carolina State Housing Finance and Development Authority has provided an overview of the South Carolina Housing Trust Fund, which is established pursuant to Article 4, Chapter 13, Title 31 of the South Carolina Code.

The accompanying report describes the statutory purpose, eligible uses of funds, eligible applicants, and legislative prioritization for the funding. The report also provides current designations and amounts of funding awarded by programmatic purpose, along with ideas under consideration for use of the funding in the future.

This report is provided as information to the Committee.

#### **COMMITTEE ACTION:**

Receive as information.

#### ATTACHMENTS:

1. South Carolina Housing Trust Fund Program Overview.







The South Carolina Housing Trust Fund (SCHTF) is funded by a portion of the documentary stamp tax on real estate transactions. Its purpose is to assist low-income households throughout the state by providing financial assistance for the development, rehabilitation, and preservation of safe, decent, sanitary, and affordable housing, often leveraging outside dollars to support these efforts. The program serves all 46 counties in South Carolina. SCHTF funding is administered through a network of non-profit and governmental entities that provide home repair to eligible low-income homeowners to correct life, health, and safety issues, including the repair or replacement of major systems in the home and accessibility for persons with disabilities and supportive housing services.

The Home Repair Program is only for rehabilitation of an existing home and includes two tiers: The Critical Home Repair Program covers urgent health and safety repairs that are mostly external, such as roof replacements and HVAC equipment and systems. A more comprehensive Home Repair Program that covers interior and exterior repairs, including lead-based paint, asbestos, and mold removal and remediation based upon applicable federal and state regulations, is available as well. The financial support for repairs is provided as a forgivable loan as long as the property is occupied as the beneficiary's primary residence for a period of 20 years, and repairs greater than \$15,000 are also subject to a restrictive covenant on the property.

The Supportive Housing Program funds new construction, acquisition, and acquisition/rehabilitation of rental housing and includes access to supportive services for special needs populations, such as people with disabilities and people experiencing homelessness.





#### SOUTH CAROLINA HOUSING TRUST FUND

#### **Statutory Requirements:**

- Equitable distribution of monies between urban and rural areas no more than 20% of funds expended or allocated to any one county during the fiscal year.
- Implementation of an application and selection system to identify housing sponsors and developments which qualify to receive assistance.
- Monitoring of developments to ensure compliance with HTF legislation and SC Fair Housing laws.
- Legislative directives for program purpose:
  - Affordable homeownership & rental housing opportunities for the very-low income (50% and below AMI) and low-income (80% and below AMI)
  - New Construction & Rehabilitation of safe, decent, affordable, and sanitary housing for very-low and low-income persons through loans & grants
  - Increase availability of affordable rental & owner-occupied housing for special needs populations
  - Promote creativity & flexibility in the design of programs at the local level
  - Maximize utilization of federal housing programs and the leveraging of other public and private financing
  - Establish partnerships between government, nonprofits, for-profits, and those in need of affordable housing

#### • Eligible uses of funds:

- Finance in part or in whole affordable housing developments
- 2% of an award may be used to provide supportive housing services
- Acquisition & Rehabilitation of substandard housing units
- New Construction of housing units
- New Construction or Rehabilitation of shelters
- Other programs the board considers appropriate, which increase the supply of safe, decent, and affordable housing for very-low and low-income

#### • Eligible Applicants:

- Nonprofits
- ♦ For-Profits
- Units of State, regional, and local governments
- Public Housing Authorities

#### • Legislative Prioritization:

- Affordable housing proposals that serve the very-low income (50% AMI)
- Proposals that include local government contributions and supportive services for residents
- Proposals that leverage federal funding
- Proposals that leverage applicant contributions to project costs
- Proposals submitted by nonprofits
- Proposals that coordinate with other housing and infrastructure investments
- Provision of housing to persons whose current housing fails to meet basic standards of health & safety





#### **CURRENT APPROVED SET-ASIDES/PURPOSES**

	I
Small Rental Development Program Rental program that leverages the State's allocation of federal HOME Investment Partnerships Program and National Housing Trust Fund Program dollars to finance the development & preservation of rental housing units.	\$15,000,000
HOME-ARP Program Rental program that leverages the State's allocation of federal HOME-ARP funding to finance the development & preservation of rental housing units for the homeless, at risk of becoming homeless, fleeing domestic violence or human trafficking.	\$20,000,000
Supportive Housing Rental Program that finances the development and preservation of affordable rental housing units and shelters in conjunction with providing supportive housing services to residents.	\$7,000,000 (of which, \$1 million is set-aside for DDSN nonprofit affiliate organizations to finance acquisition/rehabilitation of Group Homes)
<ul> <li>Home Repair Programs Two home repair programs that provide financial assistance to low-income homeowners to make necessary repairs to their homes. <ul> <li>Home Repair - Up to \$75,000 for repairs &amp; hazardous material remediation.</li> <li>Critical Home Repair - Up to \$30,000 to address repairs to envelope of home (roof, HVAC, water heaters, wells/septic, doors/windows, etc.)</li> </ul> </li></ul>	\$3,000,000
Office of Resilience - Disaster Recovery  Home repair & replacement program that leverages federal CDBG Disaster Recovery funds administered by the SC Office of Resilience to assist homes damaged by Hurricane Florence.	\$2,500,000
Construction Cost Increases Funding available to awarded SRDP applications with funding gaps from construction cost increases that can't be filled with federal HUD dollars due to cost allocation limitations.	\$5,000,000
Supplemental Financial Support to Multifamily Projects Pursuant to S.739 Joint Resolution SC State Housing Tax Credit	\$25,000,000





#### **Recent SC HTF Awards**

Set-Aside	Amount Awarded	# Units
Small Rental Development Program 2018 – 2022 (2023 awards under review)	\$38,683,500	218
Home Repair Programs 2019-2023	\$12,879,362	1305
Supportive Housing 2019-2024	\$4,073,317	74
Office of Resilience 2018-2013	\$10,500,000	832

#### **Ideas Under Consideration for Future Use:**

- SC Office of Resilience Discussion underway to leverage federal funding for new construction of homes for HUD Disaster Recovery Flood Buyout Program.
- **Down Payment Assistance Program** Provide down payment assistance to homebuyers at or below 80% AMI in conjunction with SC Housing mortgage products.
- **Habitat for Humanity** Provide funding for land acquisition, new construction, and/or down payment assistance for homeownership opportunities.
- SC Department of Health and Human Services & SC Department on Aging Provide funding to assist low-income homeowners to make accessibility accommodations to allow homeowners to age in-place at their own residence vs. transitioning to residential care facility environments.
- **Landlord Assistance Program** Provide financial assistance to landlords to make necessary improvements to rental units to meet new HUD INSPIRE physical condition standards in exchange for agreement to make units available to Housing Choice Voucher recipients.
- Home Repair Programs (1.) Allow municipalities and councils of governments to participate in Home Repair programs as Sponsors. (2.) Provide block grant funding to local governments to develop and implement their own home repair programs designed to meet local needs (3.) Put out an RFQ to create a list of approved contractors that meet program criteria to assist Sponsors with finding qualified contractors.
- **Community Development Financial Institution (CDFI) Partnerships** Provide funding to leverage federal and private capital investments for affordable housing opportunities available through the Capital Magnet Funds Program.
- **Department of Health & Human Services** Explore opportunities to provide funding to low-income homeowners to repair/replace deficient wells and septic system.
- **Other** Explore opportunities (1.) with the Department of Social Services (DSS) to provide funding for the development of affordable housing for children aging out of foster care and (2.) with the Department of Veteran's Affairs to provide affordable housing opportunities for veterans.



Item 8(g)(iii)

AGENCY: Joint Bond Review Committee

SUBJECT: Debt Authority of Local Housing Authorities

At its meeting on October 10, 2023, the Committee expressed an interest in the ability of local housing authorities to issue multifamily housing bonds following the enactment of Act 202 of 2022, which among other things limited the amount of State Housing Tax Credits to \$20 million each year; provided for a process of allocating state ceiling among IRS-limited purposes, which for South Carolina include economic development, multi-family, and single-family housing; and required equitable awards of these limited resources on the basis of highest value and greatest public benefit. The necessity for provisions included within Act 202 are well-established.

Act 202 had no legal effect on the ability of local housing authorities to issue indebtedness. City, County, Regional, and Consolidated Housing Authorities have broad powers to issue tax-exempt debt under provisions of state law that are codified in Chapter 3 of Title 31, which were not amended in any way by Act 202, or superseded by policies that implement its provisions; however, because federal law regards multi-family housing bonds as private activity debt, federal tax exemption of multi-family housing debt is dependent on the amount of state ceiling available for allocation to the bonds.

Given competing demands for these federally limited resources for other private activity purposes like economic development and single-family housing, the State Fiscal Accountability Authority is statutorily charged with responsibility to manage allocation of these resources carefully and equitability, through adoption and administration of an Annual Ceiling Allocation Plan that is subject to review and comment of the Committee.

Federal law permits the state to carry forward unused state ceiling for certain purposes; notably, state ceiling can be carried forward for housing debt, but not for economic development. For this reason, assignment of amounts carried forward from previous years to multi-family housing promotes greatest flexibility and most efficient use of the state's limited resources. Unfortunately, IRS rules do not permit amounts carried forward to be reassigned, even to other governmental entities. Nevertheless, the State Housing Authority and Committee staff will continue to explore meaningful ways to promote participation and engagement of local housing authorities within the constraints of federal and state law, and the practical implications of each.

#### **COMMITTEE ACTION:**

Receive as information.

#### **ATTACHMENTS:**

None.

SUBJECT: Land Acquisitions Subject to Collaboration with the

South Carolina Conservation Bank

Proviso 117.182 of the Fiscal Year 2023-24 Appropriations Act provides that:

Prior to entering into contracts to utilize funds appropriated or authorized by the General Assembly to acquire interests in land for natural resource protection and rural land preservation, including conservation easements, the Department of Natural Resources, Department of Parks, Recreation, and Tourism, Office of Resilience, and Forestry Commission (Resource Agencies) shall coordinate and collaborate with the SC Conservation Bank to maximize the most cost effective options available for the acquisition with the greatest public benefit. The Conservation Bank shall coordinate with the Resource Agency to ensure that the funds are used for projects that support the agency's objectives, the State's broader conservation objectives, and that demonstrate a satisfactory degree of financial leverage, partnerships, and other indicators of quality as determined by the Bank and Resource Agency.

At its meeting of October 10, 2023, the Committee observed that land acquisitions submitted for consideration on that agenda did not include clear evidence of the collaboration required pursuant to the Proviso. Since that time, the Conservation Bank and Resource Agencies, in consultation with Committee staff, have made diligent efforts to develop an approach for future real property acquisitions that will establish clear conformance with requirements of the Proviso.

All future Phase II final land acquisition proposals submitted to the Committee will include in the permanent improvement project summary a statement to the effect that evidence of collaboration with the South Carolina Conservation Bank is included with the submission, and details supporting the submission will include a copy of the collaborative assessment of the acquisition jointly signed by the Resource Agency and the Conservation Bank.

Evidence of collaboration was provided in connection with the Phase II final land acquisition proposal by the Department of Parks, Recreation, and Tourism for the Paris Mountain Hughes Tract considered on this agenda. In addition, the Conservation Bank has provided evidence of collaboration for 3 additional acquisitions previously considered by the Committee. The Conservation Bank and Resource Agencies have committed to prompt resolution of any remaining acquisitions that are not in conformance with the Proviso.

#### **COMMITTEE ACTION:**

Receive as information.

#### ATTACHMENTS:

1. Letter dated October 10, 2023, of Committee staff.

## Capital Improvements Toint 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

#### **HOUSE MEMBERS**

BRUCE W. BANNISTER 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

October 10, 2023

Mr. Benjamin I. Duncan, II Chief Resilience Officer South Carolina Office of Resilience 632 Rosewood Drive Columbia, South Carolina 29201

Mr. Scott Phillips State Forester and Executive Director South Carolina Forestry Commission 5500 Broad River Road Columbia, South Carolina 29212

Mr. J. Raleigh West III Executive Director South Carolina Conservation Bank 2711 Middleburg Drive, Suite 308 Columbia, South Carolina 29204 Mr. Robert H. Boyles, Jr.
Director
South Carolina Department of Natural Resources
Rembert C. Dennis Building
1000 Assembly Street
Columbia, South Carolina 29201

Mr. Duane N. Parrish Director South Carolina Department of Parks, Recreation, and Tourism 1205 Pendleton Street Columbia, South Carolina 29201

Messrs. Duncan, Boyles, Phillips, Parrish, and West:

Proviso 117.182 of the Fiscal Year 2023-24 Appropriations Act requires coordination and collaboration between Resource Agencies and the South Carolina Conservation Bank prior to entering into contracts to acquire interests in land for natural resource protection and rural land preservation.

At its meeting on October 10, 2023, the Joint Bond Review Committee noted that at least one of the acquisitions proposed for consideration by the Committee did not include evidence of this required collaboration. Accordingly, Committee staff has been directed to work with the agencies subject to the Proviso to ensure that future acquisitions of real property comply with the intent of the Proviso, and that evidence of compliance is included with the submission presented for Committee review.

Committee staff is aware that collaborative efforts are already underway among the Resource Agencies, the Office of Resilience, and the Conservation Bank, and hopefully that work can be extended to conform with the requirements of the Proviso.

# Capital Improvements Toint Bond Review Committee

Messrs. Boyles, Parrish, Duncan, Phillips, and West October 10, 2023 Page 2

Inasmuch as this requirement became effective on July 1, 2023, it is imperative that new procedures are immediately implemented to meet the objectives of the Proviso. To that end, please coordinate responsive recommendations through Mr. West with the Conservation Bank for consideration by the Committee at its next meeting tentatively scheduled on December 5, 2023. In addition, please include appropriate representatives of the divisions of Real Property Services and Capital Budgeting of the Department of Administration in the development of these procedures, as those divisions will be heavily engaged in ensuring that future submissions for consideration by the Committee meet the requirements of the Proviso.

In addition to the foregoing, the Committee has considered and recommended approval of seven land acquisitions fiscal year to date, which were presented at its August and October 2023 meetings. These acquisitions must be assessed for applicability of the Proviso, and if it is applicable, a plan must be developed to bring the proposals into compliance. A list of these submissions is attached to this letter, but it may not be exhaustive.

Please plan to provide coordinated responsive information and recommendations no later than October 31, 2023, so that staff supporting the Committee has an opportunity to review and comment prior to finalizing recommendations for consideration by the Committee at its meeting on December 5, 2023.

Many thanks for your participation in this important undertaking.

Very truly yours,

F. Richard Harmon, Jr. Director of Research

c: Ms. Marcia S. Adams
Executive Director, South Carolina Department of Administration

Ms. Ashlie Lancaster Director, Facilities Management and Property Services

Mr. Mike Shealy Director, Executive Budget Office and Capital Planning

Ms. Jennifer LoPresti Manager, Capital Budgeting

# Capital Improvements Foint Bond Review Committee

#### Land Acquisitions Submitted Year to Date

Date Presented to Committee	Resource Agency	Proposed Acquisition
August 22, 2023	Parks, Recreation, and Tourism	Black River Lieberman
August 22, 2023	Parks, Recreation, and Tourism	Black River Weyerhaeuser
August 22, 2023	Parks, Recreation, and Tourism	Paris Mountain Hughes Tract
October 10, 2023	Natural Resources	Jocassee Gorges Wildlife Management Area (Keasler )
October 10, 2023	Natural Resources	Jocassee Gorges Wildlife Management Area (Rocky Bottom)
October 10, 2023	Natural Resources	Coosawhatchie Heritage Preserve (Open Space)
October 10, 2023	Natural Resources	Coosawhatchie Heritage Preserve (Nature Conservancy)

SUBJECT: Transfer of Responsibility for State Veterans Homes

Following expressions of interest by the Committee in the plan for and progress toward the transfer of responsibility for state veterans homes from the South Carolina Department of Mental Health to the South Carolina Department of Veterans' Affairs, these Departments were requested to among other things provide a comprehensive but concise update to the Committee on the principal components and status of the transition plan, integrating as appropriate the findings and recommendations of the third-part engagement currently underway.

Following that request, General Todd McCaffrey, Executive Director of the Department of Veterans' Affairs, proposed to provide to the Committee at its meeting on January 24, 2024, a coordinated response that incorporates budget considerations; findings and recommendations of the third-party engagement; and the concurrence of the South Carolina Department of Administration.<sup>1</sup>

#### **COMMITTEE ACTION:**

Receive as information.

#### **ATTACHMENTS:**

1. Letter dated October 10, 2023, of Committee staff.

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<sup>&</sup>lt;sup>1</sup> Act 60 of 2023 provides for among other things the transfer to the Department of Veterans' Affairs the authority to establish and operate state veterans homes; and requires the Department of Administration to perform certain functions and make recommendations as to the appropriate structure and operation of state agencies restructured pursuant to the Act.

## Capital Improvements Joint Bond Review Committee

HARVEY S. PEELER, JR. SENATE CHAIRMAN

#### **SENATE MEMBERS**

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BRUCE W. BANNISTER HOUSE OF REPRESENTATIVES VICE CHAIRMAN

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ADMINISTRATIVE ASSISTANT
803-212-6677
FAX: 803-212-6690

October 10, 2023

Dr. Robert L. Bank, M.D. Acting State Director South Carolina Department of Mental Health 2414 Bull Street Columbia, South Carolina 29201

Major General (Ret.) Todd B. McCaffrey Secretary of Veterans' Affairs South Carolina Department of Veterans Affairs 1800 St. Julian Place Suite 305 Columbia, SC 29204

Re: South Carolina Veterans Homes

Dear Dr. Bank and General McCaffrey:

At its meeting today, the Joint Bond Review Committee received as information an update on the future plans for maintaining the Stone Pavilion state veterans home facility at C.M. Tucker Nursing Care Center in Columbia, and the potential impact on federal funding priority of the Lexington Home as a replacement in part of capacity presently served by Stone. Please accept our gratitude for your responsiveness in addressing these concerns of the Committee.

The Committee also expressed an interest in the plan for and progress toward the transfer of responsibility of state veterans homes from the Department of Mental Health to the Department of Veterans' Affairs, which for Stone must be effected by July 1, 2025, and for all other homes must be effected by July 1, 2024.

Responsive to this interest, please plan to provide a comprehensive but concise update to the Committee on the principal components and status of the transition plan, integrating as appropriate the findings and recommendations of the third-party engagement currently underway, and any capital, operating, and other cost and budgetary implications of the plan. The update also should include estimates of the capital costs attending Stone's continued use and operation over the intermediate term.

## Capital Improvements Toint Bond Review Committee

Dr. Robert L. Bank, M.D. Major General (Ret.) Todd B. McCaffrey October 10, 2023 Page 2

Please ensure that the Department of Administration is given an opportunity to review, provide input, and ultimately concur with the plan prior to its submission to the Committee.

The next meetings of the Committee are tentatively scheduled for December 5, 2023, and January 24, 2024, but the submission will need to be made sufficiently in advance to provide for development of the item and an opportunity to resolve questions or concerns. Please let us know the earliest but most practical date by which you will be able to make an informative submission.

We look forward to hearing from you.

Very truly yours,

F. Richard Harmon, Jr. Director of Research

c: Ms. Marcia S. Adams, Executive Director, South Carolina Department of Administration

Mr. Mike Shealy, Interim Director, Executive Budget Office

Mr. Mark W. Binkley, South Carolina Department of Mental Health

Mr. Quentin Hawkins, Senate Finance Committee

Mr. Daniel Boan, House Ways and Means Committee

Ms. Olivia Burns, Senate Finance Committee

SUBJECT: Future Meeting

The State Fiscal Accountability Authority is scheduled to meet on Tuesday, January 30, 2024.

#### 2024

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#### COMMITTEE ACTION:

Schedule next meeting.