

AGENCY NAME:	S.C. Transportation Infrastructure Bank		
AGENCY CODE:	U150	SECTION:	85



Fiscal Year 2014-15 Accountability Report

SUBMISSION FORM

AGENCY MISSION	<p>The mission of the South Carolina Transportation Infrastructure Bank is to utilize available funding sources to effectively provide financial assistance through authorized means to major qualified transportation projects while ensuring the financial integrity of the Bank.</p>
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Please identify your agency's preferred contacts for this year's accountability report.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	Tami Reed	737-2875	Reedtb@scdot.org
SECONDARY CONTACT:	Debra Rountree	312-5674	Rountreedr@scdot.org

I have reviewed and approved the enclosed FY 2014-15 Accountability Report, which is complete and accurate to the extent of my knowledge.

AGENCY DIRECTOR <i>(SIGN/DATE):</i>	
<i>(TYPE/PRINT NAME):</i>	Debra Rountree, SCTIB Director
BOARD/CMSN CHAIR <i>(SIGN/DATE):</i>	
<i>(TYPE/PRINT NAME):</i>	

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AGENCY’S DISCUSSION AND ANALYSIS

Summary of Accomplishments

The funding sources dedicated to the Bank by the General Assembly, such as truck registration fees, motor vehicle registration fees, and one cent of the gasoline fuel fees, have been used to provide financial assistance to more than \$5.3 billion in highway road and bridge projects since 1997. Issuing bonds for major road construction completes the projects much sooner than with pay-as-you-go funding, thus increasing safety and mobility to the motoring public and improving economic development opportunities. Also, the roads and bridges are constructed at a lower cost as the cost of interest is less than the inflationary costs of highway construction and land acquisition. The success of the Bank is due to partnerships with counties, municipalities, and the SCDOT. These entities are the applicants to the Bank, and often provide a significant amount of funding to the projects.

The South Carolina Transportation Infrastructure Bank continues to be recognized as the largest and most efficient State Infrastructure Bank, and has been named in Federal Highway Publications as a national model for the way progressive states can fund and build transportation infrastructure. Over one hundred projects in thirty four counties and municipalities have benefited from Bank funding by direct application for assistance, and the Partnerships with the SCDOT, including the design-build bridge replacement program. The Bank can only provide assistance to counties and cities that submit applications.

Counties/Cities receiving Bank Funding by Application

- | | |
|-------------------|----------------------|
| Aiken County | Lexington County |
| Anderson County | Richland County |
| Beaufort County | Spartanburg County |
| Berkeley County | York County |
| Charleston County | |
| Cherokee County | |
| Colleton County | |
| Dorchester County | City of Aiken |
| Florence County | City of Charleston |
| Georgetown County | City of Hardeeville |
| Greenville County | City of Greenville |
| Horry County | Town of Mt. Pleasant |
| Jasper County | |

Statewide Bridge Replacement

- | | |
|---------------------|------------------|
| Charleston County | Jasper County |
| Chester County | Lancaster County |
| Chesterfield County | Laurens County |
| Colleton County | Marion County |
| Fairfield County | Union County |
| Horry County | York County |

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Median Barrier Program

- | | |
|-------------------|--------------------|
| Anderson County | Lexington County |
| Calhoun County | Newberry County |
| Charleston County | Oconee County |
| Cherokee County | Orangeburg County |
| Greenville County | Richland County |
| Kershaw County | Spartanburg County |
| Laurens County | |

In 2001, the Bank partnered with SCDOT to provide funding for a major safety initiative with the installation of cable barriers on interstate medians. The Bank provided \$30 million to this project, and the barriers have experienced over 27,900 hits to date, saving hundreds of lives and preventing many serious injuries.

Aggressive Financial Management

The Bank’s policy of aggressive financial management has saved the citizens of South Carolina over \$197 million in the past ten years, and these savings are being invested in new highways and bridges. Each year the Bank Board is required to review and approve the fiscal sufficiency resolution, the debt service budget, and the operating budget in accordance with the Master Bond Resolution. The fiscal sufficiency resolution ensures the Bank has the resources to fund the bond payments, bond reserves, and approved projects. We have developed important relationships with the rating agencies and our performance has justified their confidence, as they continue to assign an “A” rating to the Bank.

Currently the Bank’s total outstanding revenue bonds are just under \$2 billion, and the total general obligation bonds outstanding are \$40 million. The Bank also obtains the approval of the SC Joint Bond Review Committee before any bonds are issued or projects funded.

Management Efficiency

Throughout the Bank’s history, administrative expenses have been less than 1% of total expenditures annually. By limiting the number of staff and outsourcing financial consultants, attorneys, and other professionals, the Bank pays only on an “as needed” basis. Thus the Bank has been able to minimize the administrative cost and maximize funds for our mission – to provide financial assistance to major transportation projects. The Bank’s Board of Directors recognize the importance of allocating every available source of funds to the mission of highway projects, and do not claim per diem compensation to promote savings and to set an example for other agencies.

Economic Impact

Since the creation of the Bank in 1997 and approval of financial assistance for the first major project in 1998, the Bank has provided funding solutions for over \$5.3 billion in major transportation projects and has expended over \$3.1 billion in grants and loans for these projects. In addition to investing in the state’s transportation system by accelerating the construction of much needed projects, the Bank’s expenditures have a tremendous

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effect on the economy of the state. The Bank also has an important role in economic development. Providing funding for the infrastructure for the Clemson University International Center for Automotive Research (ICAR) in Greenville, funding roads to develop the new Distribution Center in Berkeley County, and the new highways and bridges to encourage tourism in Charleston, Beaufort and Horry Counties, are some of the many ways the Bank has promoted thousands of new jobs.

Application Process

The Bank Board adopted a Financial Assistance Application Process that provides the criteria for project eligibility and selection. There are two primary requirements for eligibility:

- 1) Must be a major project – in excess of \$100 million
- 2) Must provide a public benefit in one or more of the following areas:

Enhancement of mobility and safety;
Promotion of economic development;
Increase in the quality of life and general welfare of the public.

Upon receipt of an application, the Bank Board determines whether the project is eligible and if so, refers the application to the Evaluation Committee, a three member Committee of the Board. The Committee then makes a recommendation to the Bank board for consideration.

The Evaluation Committee:

- extensively reviews the application including meetings with the applicant;
- makes site visits to the proposed project;
- verifies the project validity, traffic counts, and accident data with SCDOT;
- performs other analyses as necessary;
- ranks the project based on public benefit, financial plan, and project approach that include 39 separate criteria.

The Act which created the Bank requires the Board to give preference to eligible projects which have local financial contributions. The type of local contribution is important. If the applicant proposes loan repayments to the Bank, the capacity of the Bank to fund more projects is increased.

Projects Completed and Underway

Aiken County – Palmetto Parkway	Complete
Beaufort County – SC 170 Widening	Complete
Charleston County – Ravenel Bridge/Demo Old Bridges	Complete
Upstate GRID – Anderson, Greenville, Spartanburg	Complete
Horry County Ride Program	Complete
Lexington County – SC 6/SC 60/Lake Murray Dam	Complete
SCDOT Partnership – Median Barrier	Complete
SCDOT Statewide Bridge Replacement Program	Complete
Beaufort County – Okatie Highway SC 170	Underway
Beaufort/Colleton Counties – SCDOT US 17 Widening	Complete

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Berkeley County – I-26/Jedburg/Frontage Roads	Complete
Berkeley County Sheep Island/I-26	Underway
Charleston County – Mark Clark Extension	Underway
Dorchester County – various projects	Underway
Florence County – Sales Tax Program	Underway
Horry County – 2007 Program	Underway
Jasper/Hardeeville – Exit 3 on I-95	Underway
Mount Pleasant – US17/Mark Clark Interchange	Underway

As previously stated, every effort is made to maximize the Bank’s resources through the refunding of outstanding debt, strategic fiscal planning, and low administrative cost. Through this active financial management, the Bank has been able to provide limited assistance for components of recent applications.

City of Aiken – various projects	Approved
City of Charleston – Septima Clark Project	Approved

With the passage of Act 98 in 2013, the General Assembly approved allocation of \$50 million dollars per year from the South Carolina Department of Transportation to the South Carolina Transportation Infrastructure Bank to fund main line interstate and bridge widening and improvement projects recommended by the SCDOT. In December of 2013, the Joint Bond Review Committee (JBRC) approved financial assistance not to exceed \$549,402,000 and the issuance of up to \$500 million in Act 98 revenue bonds for the following projects:

Greenville County – I-85/385 Interchange
Lexington County – I-20 Widening
Spartanburg & Cherokee Counties – I-85 Widening
Richland County – I-77 Widening
Richland & Lexington Counties – I-26/I-20 Interchange Preliminary Engineering
Cherokee County – Phase III of I-85 Widening Preliminary Engineering

The Board, and the JBRC at their June 2015 meeting, approved three additional projects obligating the remaining \$6 million dollars in Act 98 funds.

I-26 Widening (US 176 to SC 296)
I-20 Widening (GA line to US 25)
I-26 Widening (SC 27 to US17 A)

Dorchester County was approved for \$30 million for the Berlin Myers project at that same time.

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Program Template

Program/Title	Purpose	FY 2013-14 Expenditures				FY 2014-15 Expenditures				Associated Objective(s)
		General	Other	Federal	TOTAL	General	Other	Federal	TOTAL	
I.A. Administration	Leadership for the agency, includes administration, finance, and legal services.	\$	433,428		\$ 433,428	\$	337,357		\$ 337,357	1.1.1, 1.1.2, 1.1.3, 1.1.4, 2.1.1, 2.1.2, 2.1.3
I.B. Transportation Infrastructure	Provide funding for major transportation projects.	\$	8,081,846		\$ 8,081,846	\$	45,686,731		\$ 45,686,731	1.1.1, 1.1.2, 1.1.3, 1.1.4, 2.1.1, 2.1.2, 2.1.3
II. Employee Benefits	Total of fringe benefits for employees.	\$	54,396		\$ 54,396	\$	61,900		\$ 61,900	1.1.1, 1.1.2, 1.1.3, 1.1.4, 2.1.1, 2.1.2, 2.1.3
					\$-				\$-	

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Strategic Planning Template

Type	Goal	Item # Strat	Object	Description
G	1			Maximize funding for major projects
		1.1		Review financial capacity
			1.1.1	Annually update business and financial plan to determine available capacity
			1.1.2	Issue bonds as needed to fund approved projects
			1.1.3	Consult with potential applicants to advise of preferred percentage and type of local match
			1.1.4	Issue refunding bonds when significant savings will be generated
G	2			Maintain "A" bond rating
		2.1		Ensure fiscal sufficiency to make required debt service payments
			2.1.1	Monitor annual revenues from sources pledged to repay bonds
			2.1.2	Monitor loan payments for adherence to loan agreement documents
			2.1.3	Transfer required funds to debt service accounts monthly

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Performance Measurement Template

Item	Performance Measure	Last Value	Current Value	Target Value	Time Applicable	Data Source and Availability	Reporting Freq.	Calculation Method	Associated Objective(s)
1	% of payments made within 30 days	N/A	100%	100%	July 1- June 30	SCEIS Transaction dates			
2	# of days annual audit delayed	N/A	N/A	zero	July 1 - October 15th	State Auditor's date of transmittal			
3	% of overall budget for administration	N/A	<1%	1%	July 1- June 30	SCTIB Budget to Actual Report, SCEIS Reports			
4	% of debt service payments paid on time	N/A	100%	100%	July 1- June 30	State Treasurer's Report Date, SCEIS			
5	# of audit findings from annual audit	N/A	N/A	zero	July 1 - October 15th	Audit Report, Comptroller General			