

STATE BUDGET AND CONTROL BOARD

Meeting of Tuesday, March 5, 2013 -- 9:00 A. M.

Room 252, Edgar A. Brown Building

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3.	Division of State Budget	Permanent Improvement Projects
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7.	Budget and Control Board	Future Meeting
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1.	Executive Director	Contractual Matter

STATE BUDGET AND CONTROL BOARD

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BLUE AGENDA INDEX

<u>Item</u>	<u>Agency</u>	<u>Subject</u>
1.	Division of General Services	Easements
2.	Executive Director	Revenue Bonds
3.	Executive Director	Ceiling Allocation

AGENCY: Division of General Services

SUBJECT: Easements

The Division of General Services requests approval of the following easements in accordance with SC Code of Laws:

- (a) County Location: Georgetown
From: Budget and Control Board
To: Verlon L. Wulf
Consideration: \$700
Description/Purpose: To grant a 0.043 acre easement across uplands at South Point Waterway where the bulkhead and fill material extend 15 feet beyond the property line for land now owned by Mr. Wulf for the purpose of obtaining a permit to replace the existing dock and erosion control structure. The easement is being required by SC DHEC before the agency issues a dock permit as Mr. Wulf's property is not by definition waterfront. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.
- (b) County Location: Colleton
From: Budget and Control Board
To: The Hammocks Property Owners Association, Inc.
Consideration: \$700
Description/Purpose: To grant a 0.015 acre easement for the construction, installation, operation and maintenance of two (2) dry fire hydrant intake pipes into Scott Creek. The easement is part of a project to provide a water source for fire protection to the Hammocks Subdivision. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.
- (c) County Location: Lexington
From: Budget and Control Board
To: Time Warner Cable
Consideration: \$1

AGENCY: Division of General Services

SUBJECT: Easements

Description/Purpose: To grant an acre easement for the construction, installation, operation and maintenance of a hybrid fiber-coaxial cable television service and digital services distribution system, together with the right of ingress and egress, on property under the control of SLED on Bush River Road. The easement is being sought by SLED for the benefit of the property.

The Division of General Services requests that the Board concur and acquiesce in granting the following easement in accordance with SC Code of Laws:

- (d) County Location: Horry
- From: Department of Natural Resources
- To: Environmental Banc & Exchange, LLC
- Consideration: \$10
- Description/Purpose: To grant a temporary easement for the purpose of providing access to the Vaught Tract over land of the Lewis Ocean Bay Heritage Preserve and providing the authority to perform certain functions with regard to the preservation and rehabilitation of the Vaught tract. This easement is part of the transaction to donate 754± acre of land adjoining the Lewis Ocean Bay Heritage Preserve to the Department of Natural Resources. The acquisition includes the approval of an easement to be reserved by Environmental Banc & Exchange to establish a mitigation bank to restore and preserve the land. The easement will terminate upon the completion of the work.

BOARD ACTION REQUESTED:

Approve the referenced easements.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Sections 1-11-80, 1-11-90 and 1-11-10

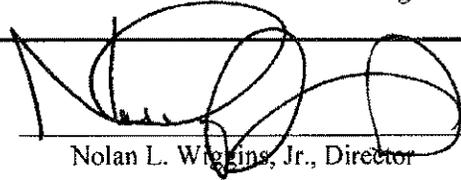
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: March 5, 2013

Blue Agenda

1. Submitted by:

- (a) Agency: Division of General Services
- (b) Authorized Official Signature:



Nolan L. Wiggins, Jr., Director

2. Subject: EASEMENTS

3. Summary Background Information:

The Division of General Services requests approval of the following easements in accordance with SC Code of Laws:

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4. **What is the Board asked to do?** Approve the referenced easements.

5. **What is recommendation of the Division of General Services?** Recommend approval of the referenced easements.

6. **List of Supporting Documents:**
SC Code of Laws Sections 1-11-80, 1-11-100 and 10-1-130

SOUTH CAROLINA CODE OF LAWS

SECTION 1-11-80. Board authorized to grant easements for public utilities on vacant State lands.

The State Budget and Control Board is authorized to grant easements and rights of way to any person for construction and maintenance of power lines, pipe lines, water and sewer lines and railroad facilities over, on or under such vacant lands or marshland as are owned by the State, upon payment of the reasonable value thereof.

SECTION 1-11-100. Execution of instruments conveying rights of way or easements over marshlands or vacant lands.

Deeds or other instruments conveying such rights of way or easements over such marshlands or vacant lands as are owned by the State shall be executed by the Governor in the name of the State, when authorized by resolution of the Budget and Control Board, duly recorded in the minutes and records of such Board and when duly approved by the office of the Attorney General; deeds or other instruments conveying such easements over property in the name of or under the control of State agencies, institutions, commissions or other bodies shall be executed by the majority of the governing body thereof, shall name both the State of South Carolina and the institution, agency, commission or governing body as grantors, and shall show the written approval of the majority of the members of the State Budget and Control Board.

SECTION 10-1-130. State institutions and agencies may grant easements and rights of way on consent of Budget and Control Board.

The trustees or governing bodies of State institutions and agencies may grant easements and rights of way over any property under their control, upon the concurrence and acquiescence of the State Budget and Control Board, whenever it appears that such easements will not materially impair the utility of the property or damage it and, when a consideration is paid therefor, any such amounts shall be placed in the State Treasury to the credit of the institution or agency having control of the property involved.

AGENCY: Executive Director

SUBJECT: Revenue Bonds

The required reviews on the following proposals to issue revenue bonds have been completed with satisfactory results. The projects requires approval under State law.

- a. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: Not Exceeding \$36,000,000 (2013A Tax- Exempt) and N/E \$5,000,000 (2013B Taxable) Economic Development Revenue Bonds (\$30,000,000 previously approved)
Allocation Needed: \$36,000,000 (\$30,000,000 carryforward from 2012; additional allocation of \$6,000,000 needed)
Name of Project: LowCountry BioMass, LLC
Employment Impact: maintain 5 jobs and add 10 within 12 months and 20 within 24 months
Project Description: acquiring, renovating, and equipping a facility for recycling wood pellets for power fuel source, bedding and litter material for small animals, horses and chickens and associated fees and costs
Note: *private sale*
Bond Counsel: E. Tyler Smith, Haynsworth Sinkler Boyd, P. A.
- b. Issuing Authority: State Housing Finance and Development Authority
Amount of Issue: Not Exceeding \$75,000,000 Homeownership Revenue Refunding Bonds
Allocation Needed: -0-
Name of Project: Homeownership Revenue Refunding Bonds
Employment Impact: n/a
Project Description: see project name
Bond Counsel: Rion D. Foley, McNair Law Firm, P.A.

BOARD ACTION REQUESTED:

Adopt resolutions approving the referenced proposals to issue revenue bonds.

ATTACHMENTS:

Resolutions

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OF (A) NOT EXCEEDING \$36,000,000 AGGREGATE PRINCIPAL AMOUNT TAX-EXEMPT ECONOMIC DEVELOPMENT REVENUE BONDS (LOWCOUNTRY BIOMASS, LLC PROJECT) SERIES 2013A, AND (B) NOT EXCEEDING \$5,000,000 AGGREGATE PRINCIPAL AMOUNT TAXABLE ECONOMIC DEVELOPMENT REVENUE BONDS (LOWCOUNTRY BIOMASS, LLC PROJECT) SERIES 2013B, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 41, CHAPTER 43 (1976), AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the “*Authority*”) has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the “*Act*”), requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its (a) not to exceed \$36,000,000 Tax-Exempt Economic Development Revenue Bonds (LowCountry BioMass, LLC Project) Series 2013A; and (b) not to exceed \$5,000,000 Taxable Economic Development Revenue Bonds (LowCountry BioMass, LLC Project) Series 2013B (such Series 2013A and Series 2013B Bonds, collectively, the “*Bonds*”), through private sale which the Authority has determined to be most advantageous; and

WHEREAS, the Authority represents to the State Budget and Control Board that the Bonds will be placed by a financial institution through a private placement acceptable to the Authority;

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. It is hereby found, determined and declared by the Board that the Petition, as amended, filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds through private sale acceptable to the Authority be and the same is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.

a.

THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

A RESOLUTION

APPROVING THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY HOMEOWNERSHIP REVENUE BONDS, 2013-1 SERIES AND 2013-1 SERIES AND OTHER MATTERS RELATED THERETO

WHEREAS, pursuant to Chapter 13, Title 31, Code of Laws of South Carolina, 1976, as amended, (the "Act"), upon the approval of the State Budget and Control Board of South Carolina (the "State Board"), the South Carolina State Housing Finance and Development Authority (the "Authority") is empowered to issue bonds the principal proceeds of which will be applied to provide sanitary and safe residential housing for persons and families of low income and moderate-to-low income at prices which such persons can afford and to refund certain prior bonds of the Authority; and

WHEREAS, on December 30, 2009, the Authority entered into a Homeownership Master Indenture between the Authority and Bank of New York Mellon Trust Company, National Association for the issuance of bonds under the Housing and Economic Recovery Act of 2008, the United States Department of Treasury Single Family New Issue Bond Program (the "New Issue Bond Program"); and

WHEREAS, under the Homeownership Master Indenture, the Authority issued bonds under (i) a 2009-1 Supplemental Indenture of Trust between the Authority and the Trustee dated December 30, 2009 (the "2009-1 Supplemental Resolution"), (ii) a 2010-1 Supplemental Indenture of Trust between the Authority and the Trustee dated July 1, 2010 (the "2010-1 Supplemental Indenture"), (iii) a 2010-2 Supplemental Indenture of Trust between the Authority and the Trustee dated December 1, 2010 (the "2010-2 Supplemental Indenture"), and (iv) a 2011-1 Supplemental Indenture of Trust between the Authority and the Trustee dated October 1, 2011 (the "2011-1 Supplemental Indenture"); and

WHEREAS, the primary purpose of the 2013-1 Series Bonds is refunding of the now Outstanding \$51,500,000 2009-1A Series of NIBP Program Bonds issued under the 2010-1 Supplemental Indenture and the primary purpose of the 2013-2 Series Bonds is the refunding of the now Outstanding \$23,020,000 2009-1B Series of NIBP Programs Bonds issued under the 2010-2 Supplemental Indenture and the Authority has determined that refunding such bonds will result in lower total interest costs, after taking into consideration the costs of such refunding, and is expected to provide overall better economic return to the Authority over the life of the 2013-1 Series Bonds and/or the 2013-2 Series Bonds; and

WHEREAS, it is anticipated that the 2013-1 Series Bonds and/or the 2013-2 Series Bonds will be sold to underwriters (the "Underwriters") headed by Citigroup Global Markets, Inc. bearing interest at competitive rates; and

WHEREAS, such sale shall be made pursuant to a purchase contract between the Authority and the Underwriters (the "Purchase Contract"); and

WHEREAS, the State Board has given due consideration to the proposed undertaking of the Authority and has determined to give approval to the issuance and sale of the 2013-1 Series Bonds and/or the 2013-2 Series Bonds, subject to the conditions set forth herein.

NOW, THEREFORE BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA IN MEETING DULY ASSEMBLED:

Section 1. Subject to the conditions set forth herein, approval is hereby granted by the State Board to the issuance and sale by the Authority of up to \$75,000,000 South Carolina State Housing Finance and Development Authority Homeownership Revenue Bonds, 2013-1 Series and/or the 2013-2 Series.

The 2013-1 Series Bonds and/or the 2013-2 Series Bonds shall be secured by the Homeownership Master Indenture and shall be further secured by, and subject to such terms and conditions as shall be set forth in, the 2013 Supplemental Indenture of Trust which shall hereafter be adopted by resolution of the Authority.

Section 2. The approval is granted provided that the Authority shall submit to the State Board all information required to be submitted to it pursuant to Section 31-13-220 of the Act such as the following:

- (a) the principal amount of the 2013-1 Series Bonds and/or the 2013-2 Series Bonds to be issued;
- (b) the maturity schedule of the 2013-1 Series Bonds and/or the 2013-2 Series Bonds to be issued;
- (c) a schedule showing the annual debt service requirements of all outstanding bonds, notes and obligations of the Authority;
- (d) a schedule showing the amount and source of revenues available for the payment of debt service on said bonds, notes and obligations of the Authority;
- (e) the method to be employed in selling the 2013-1 Series Bonds and/or the 2013-2 Series Bonds.

Section 3. The approval is granted subject to the following conditions:

- (a) The Authority shall submit to the State Board all information required to be submitted to it pursuant to Section 31-13-220 of the Act as stated above;
- (b) The State Treasurer shall determine that the funds anticipated to be available for the payment of the Authority's notes and bonds, including the 2013-1 Series Bonds and/or the 2013-2 Series Bonds, will be sufficient to provide for the payment of principal and interest thereon;
- (c) The State Treasurer shall approve the principal amount of the 2013-1 Series Bonds and/or the 2013-2 Series Bonds and the rate of interest to be borne thereby upon the issuance and delivery thereof;
- (d) The State Treasurer shall approve the form and substance of the 2013 Supplemental Indenture of Trust setting forth the terms and conditions of the 2013-1 Series Bonds and/or the 2013-2 Series Bonds;

(f) The State Treasurer shall approve the form and substance of preliminary and final official statements to be distributed in connection with the sale of the 2013-1 Series Bonds and/or the 2013-2 Series Bonds;

(g) The State Treasurer shall approve the terms and conditions of the Purchase Contract.

Section 4. Approval is granted to the undertaking of the Authority to refund certain prior bonds of the Authority issued under the New Issue Bond Program.

Summary of Refinancing Proposal for
 South Carolina Housing Finance and Development Authority
 Homeownership Revenue Bonds, Series 2013-1 and 2013-2 (Taxable)

PRELIMINARY – SUBJECT TO CHANGE

February 5, 2013

	2013-1	2013-2
Range of Bond Issues:	Taxable Bond Refunding	Taxable Bond Refunding
Outstanding bonds proposed to be refinanced	Series 2009-1A Program Bonds \$51,500,000 maturing 1/1/2041	Series 2009-1B Program Bonds \$22,720,000 maturing 7/1/2041
Total Bond Issuance	\$51,500,000	\$22,720,000
Average interest rate of bonds refinanced	4.05%	3.01%
Projected average interest rate of refinancing bonds	2.65%	2.65%
True interest cost of refinancing bonds	2.66%	2.66%
Projected net present value savings (net of costs) ^(1.)	\$4,526,050	\$459,421
Projected net present value savings as a percentage of the bonds refinanced ^(1.)	8.79%	2.02%
Estimated costs (costs as a percentage of refinancing bonds)	1.04%	1.17%
Estimated costs (costs as a percentage of refinancing savings) ^(1.)	11.82%	57.68%
Underwriting	\$339,000	\$151,320
Legal fees – bond, disclosure and general counsel (including expenses)	\$79,675	\$32,944
Rating agency fees	\$29,400	\$20,000
Advisory fees (including expenses)	\$52,500	\$28,400
Cash Flow Structuring fees	\$18,500	\$18,500
Bond trustee/registrar	\$8,000	\$8,000
Accounting and verification	\$0	\$0

Credit enhancement/bond insurance	\$0	\$0
Publication, printing, contingencies and all other expenses	\$7,925	\$5,836
Total	\$535,000.00	\$265,000.00

Footnotes:

- 1) The estimates of net present value provided assume expected mandatory bond redemption resulting from 200% PSA prepayment rate on the pledged mortgage loans.

Prepared by: Tim Rittenhouse & Kathy Li
CSG Advisors Incorporated

Date: February 5, 2013

AGENCY: Executive Director

SUBJECT: Economic Development (2013 Ceiling Allocations)

The initial balance of the 2013 state ceiling allocation is \$448,753,685. In accord with Code Section 1-11-520, \$179,501,474 (40% of the total) was designated as the state pool and \$269,252,211 (60% of the total) was designated as the local pool. There is presently a state ceiling balance of \$448,753,685 remaining for 2012. Allocation requests for 2013 totaling \$6,000,000 have been received thus far.

Relating to requests for calendar year 2013 ceiling allocations, the Board is asked to authorize shifts as necessary between the state pool and the local pool for the remainder of the calendar year.

The recommendation from the Department of Commerce for allocations for this cycle total \$6,000,000. The Department of Commerce makes the following recommendation for allocation from the local pool:

JEDA LowCountry BioMass, LLC, (Jasper County), \$6,000,000.

If the Board approves the recommended request, this will leave an unexpended state ceiling balance of \$442,753,685 (state pool - \$179,501,474 local pool - \$263,252,211) to be allocated later in the calendar year.

BOARD ACTION REQUESTED:

In accord with Code Section 1-11-500 et seq. and upon the recommendation of the Department of Commerce, grant the following tentative ceiling allocation:

JEDA LowCountry BioMass, LLC, (Jasper County), \$6,000,000; and

Authorize shifts as necessary between the state pool and the local pool for the remainder of the calendar year.

ATTACHMENTS:

2013 Ceiling Allocation Requests; Young 03/01/13 memo; Code Section 1-11-500 et seq.

2013 South Carolina State Ceiling

Balance remaining as of March 5, 2013, if ceiling allocation granted

State Pool (40%)	179,501,474
Total State Pool (40%)	<u>179,501,474</u>
Local Pool (60%)	269,252,211
Total Local Pool (60%)	<u>269,252,211</u>
Certified State Ceiling 2012	<u>448,753,685</u>

Date Allocated	Governmental Unit	Name of Project	Pool Total	Amount Allocated	Balance Available	Certified for Issue	Issue Date	Attorney
01/02/13	STATE POOL		179,501,474					
TOTAL, STATE POOL			<u>179,501,474</u>	<u>0</u>	<u>179,501,474</u>	<u>0</u>		
01/02/13	LOCAL POOL		269,252,211					
03/05/13	JEDA	LowCountry BioMass, LLC		6,000,000			0	expired Smith
TOTAL, LOCAL POOL				<u>6,000,000</u>	<u>263,252,211</u>	<u>0</u>		
GRAND TOTAL			<u>448,753,685</u>	<u>6,000,000</u>	<u>442,753,685</u>	<u>0</u>		

2013 South Carolina State Ceiling Allocations

Summary, CY 2013
 2013 State Ceiling
 Initial Allocations
 Expired/Relinquished
 Actual Allocations
 Certified for Issue
 Carried Forward

448,753,685
 6,000,000
 0
 6,000,000
 0
 0

Balance Available: 442,753,685

Issuer	Name of Project	Expiration:	Allocation Amount	Expired/Relinquished	Certified for Issue	Issue Date	Attorney
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Allocation: 3/5/13
 JEDA

Expiration: 6/3/13

LowCounty BioMass, LLC

6,000,000

Smith



Nikki R. Haley
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Robert M. Hitt III
Secretary

MEMORANDUM

To: Delbert Singleton

From: Daniel Young *ADY*

Date: March 1, 2013

Re: March 5, 2013 meeting

Upon the request of the Budget & Control Board, the South Carolina Department of Commerce evaluates allocation requests that pertain to economic development.

After reviewing the information provided by the law firm of Haynesworth Sinkler Boyd PA, Commerce recommends approval of Economic Development bonds at the December 12, 2012, Budget & Control Board meeting. The company is committing to create 20 new jobs within 24 months.

Name	Amount	Score	County
LowCountry BioMass	\$6,000,000	4	Jasper

Please let me know if you have any questions.

Thank you.

ARTICLE 3.

ALLOCATION OF STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

SECTION 1-11-500. Calculation and certification of state ceiling.

The state ceiling on the issuance of private activity bonds as defined in Section 146 of the Internal Revenue Code of 1986 (the Code) established in the act must be certified annually by the Budget and Control Board secretary based upon the provisions of the act. The board secretary shall make this certification as soon as practicable after the estimates of the population of the State of South Carolina to be used in the calculation are published by the United States Bureau of the Census but in no event later than February first of each calendar year.

SECTION 1-11-510. Allocation of bond limit amounts.

- (A) The private activity bond limit for all issuing authorities must be allocated by the board in response to authorized requests as described in Section 1-11-530 by the issuing authorities.
- (B) The aggregate private activity bond limit amount for all South Carolina issuing authorities is allocated initially to the State for further allocation within the limits prescribed herein.
- (C) Except as is provided in Section 1-11-540, all allocations must be made by the board on a first-come, first-served basis, to be determined by the date and time sequence in which complete authorized requests are received by the board secretary.

SECTION 1-11-520. Private activity bond limits and pools.

- (A) The private activity bond limit for all state government issuing authorities now or hereafter authorized to issue private activity bonds as defined in the act, to be known as the "state government pool", is forty percent of the state ceiling less any amount shifted to the local pool as described in subsection (B) of this section or plus any amount shifted from that pool.
- (B) The private activity bond limit for all issuing authorities other than state government agencies, to be known as the "local pool", is sixty percent of the state ceiling plus any amount shifted from the state government pool or less any amount shifted to that pool.
- (C) The board, with review and comment by the Joint Bond Review Committee, may shift unallocated amounts from one pool to the other at any time.

SECTION 1-11-530. Authorized requests for allocation of bond limit amounts.

- (A) For private activity bonds proposed for issue by other than state government issuing authorities, an authorized request is a request included in a petition to the board that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by a copy of the Inducement Contract, Inducement Resolution, or other comparable preliminary approval entered into or adopted by the issuing authority, if any, relating to the bonds. The board shall forward promptly to the committee a copy of each petition received.
- (B) For private activity bonds proposed for issue by any state government issuing authority, an authorized request is a request included in a petition to the board that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by a bond resolution or comparable action by the issuing authority authorizing the issuance of the bonds. The board shall forward promptly to the committee a copy of each petition received.
- (C) Each authorized request must demonstrate that the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project.

SECTION 1-11-540. Limitations on allocations.

(A) The board, with review and comment by the committee, may disapprove, reduce, or defer any authorized request. If it becomes necessary to exercise this authority, the board and the committee shall take into account the public interest in promoting economic growth and job creation.

(B) Authorized requests for state ceiling allocations of more than ten million dollars for a single project are deferred until after July first unless the board, after review and comment by the committee, determines in any particular instance that the positive impact upon the State of approving an allocation of an amount greater than ten million dollars is of such significance that approval of the allocation is warranted.

SECTION 1-11-550. Certificates by issuing authority and by board.

(A) An allocation of the state ceiling approved by the board is made formal initially by a certificate which allocates tentatively a specific amount of the state ceiling to the bonds for which the allocation is requested. This tentative allocation certificate must specify the state ceiling amount allocated, the issuing authority and the project involved, and the time period during which the tentative allocation is valid. This certificate must remind the issuing authority that the tentative allocation is made final after the issuing authority chairman or other duly authorized official or agent of the issuing authority, before the issue is made, certifies the issue amount and the projected date of issue, as is required by subsection (B) of this section. It also may include other information considered relevant by the board secretary.

(B) The chairman or other authorized official or agent of an issuing authority issuing any private activity bond for which a portion of the state ceiling has been allocated tentatively shall execute and deliver to the board secretary an issue amount certificate setting forth the exact amount of bonds to be issued and the projected bond issue date which date must not be more than ten business days after the date of the issue amount certificate and it must be before the state ceiling allocation involved expires. The issue amount certificate may be an executed copy of the appropriate completed Internal Revenue Service form to be submitted to the Internal Revenue Service on the issue or it may be in the form of a letter which certifies the exact amount of bonds to be issued and the projected date of the issue.

(C) In response to the issuing authority's issue amount certificate required by subsection (B) of this section, the board secretary is authorized to issue and, as may be necessary, to revise a certificate making final the ceiling allocation approved previously by the board on a tentative basis, if the secretary determines that:

- (1) the issuing authority's issue amount certificate specifies an amount not in excess of the approved tentative ceiling allocation amount;
- (2) the issue amount certificate was received prior to the issue date projected and that the certificate is dated not more than ten days prior to the issue date projected;
- (3) the issue date projected is within the time period approved previously for the tentative ceiling allocation; and
- (4) the bonds when issued and combined with the total amount of bonds requiring a ceiling allocation included in issue amount certificates submitted previously to the board by issuing authorities do not exceed the state ceiling for the calendar year. Except under extraordinary circumstances, the board secretary shall issue this certificate within two business days following the date the issue amount certificate is received.

(D) In accordance with Section 149(e)(2)(F) of the Code, the secretary of the Budget and Control Board is designated as the state official responsible for certifying, if applicable, that certain bonds meet the requirements of Section 146 of the Code relating to the volume cap on private activity bonds.

(E) Any tentative or final state ceiling allocation granted by the board before the effective date of this act remains valid as an allocation of a portion of the volume cap for South Carolina provided under Section 146 of the Code. The allocations expire in accordance with the regulations under which they were granted or extended and their validity may be extended or reinstated in accordance with the provisions of Sections 1-11-500 through 1-11-570.

SECTION 1-11-560. Time limits on allocations.

(A) Any state ceiling allocation approved by the board is valid only for the calendar year in which it is approved, unless eligible and approved for carry-forward election or unless specified differently in the board certificates required by Section 1-11-550.

(B) Unless eligible and approved for carry-forward election or unless specified differently in board certificates required by Section 1-11-550, each state ceiling allocation expires automatically if the bonds for which the allocation is made are not issued within ninety consecutive calendar days from the date the allocation is approved by the board.

(C) In response to a written request by the chairman or other duly authorized official or agent of an issuing authority, the board, acting during the period an approved allocation is valid, may extend the period in which an allocation is valid in a single calendar year by thirty-one consecutive calendar days to a total of not more than one hundred twenty-one consecutive calendar days.

(D) In response to a written request by the chairman or other authorized official or agent of an issuing authority, the board may reinstate for a period of not more than thirty-one consecutive calendar days in any one calendar year part or all of an allocation approved but not extended previously in accordance with subsection (C) of this section in that same calendar year which has expired. The reinstatement request must certify that the authorized request submitted previously is still true and correct or a new authorized request must be submitted.

(E) A tentative ceiling allocation is canceled automatically if the chairman or other authorized official or agent of the issuing authority involved fails to deliver the issue amount certificate required by Section 1-11-550 to the board secretary before the bonds for which the allocation is made are issued.

(F) The chairman or other authorized official or agent of an issuing authority shall advise the board secretary in writing as soon as is practicable after a decision is made not to issue bonds for which a portion of the state ceiling has been allocated. All notices of relinquishment of ceiling allocations must be entered promptly in the board's records by the board secretary.

(G) Ceiling allocations which are eligible and approved for carry-forward election are not subject to the validity limits of this section. The board shall join with the issuing authorities involved in carry-forward election statements to meet the requirements of the Internal Revenue Service.

STATE BUDGET AND CONTROL BOARD
MEETING OF March 5, 2013

REGULAR SESSION
ITEM NUMBER 1

AGENCY: Treasurer's Office

SUBJECT: State Auditor

The Board is asked to assign the Board's Executive Director to conduct a search for a State Auditor using the current position description.

BOARD ACTION REQUESTED:

Approve the State Treasurer's request to assign the Board's Executive Director to conduct a search for a State Auditor using the current position description.

ATTACHMENTS:

Position Description – State Auditor

STATE OF SOUTH CAROLINA MANAGERIAL POSITION DESCRIPTION

GENERAL INFORMATION

P 0 0 0 0 3 9 8 3 2	F 2 7	Office of the State Auditor	
Position Number	Agency Code	Agency Name	Columbia/Richland
Division / Section / Unit	Vacant	City / County	4 0
Employee Name	Agency Head	County Code	0 0 0 1
Current State Title	Alphanumeric Code	Slot	Alphanumeric Code
Full / Part Time Indicator	F 5 2	Supervisor State Title	Alphanumeric Code
Hours Per Week	3 7 5 0	State %	1 0 0 0
Base Hours	1 9 5 0	Federal %	Other %

REQUESTED ACTION INFORMATION

Requested Action	Requested State Title
Employee's Signature	Date
	4/13/12
Supervisor's Signature	Supervisor's State Title
	Alphanumeric Code

OHR AGENCY

OFFICE OF HUMAN RESOURCES

Agency Code	Alphanumeric Code	Slot	
Authorized Date	<input type="checkbox"/> New Position <input type="checkbox"/> State Title Change <input type="checkbox"/> Re-evaluation <input type="checkbox"/> Update	Approved State Title Approval Signature	Date Approved

FLSA Designation

Date

1. What are the minimum requirements for the position?

- Bachelor Degree in Accounting
- CPA designation
- Ten years of progressive managerial level accounting experience.

2. What knowledge, skills, and abilities are needed by an employee upon entry to this job including any special certification or license?

- Knowledge and understanding of governmental accounting and auditing is essential.
- Possess an overall understanding of the operation of South Carolina State Government.
- Possess good written and oral communication skills to communicate with internal and external customers.
- Possess good management skills to administer and/or delegate the day-to-day operations of the Office.
- Licensed certified public accountant.

3. Provide any additional comments regarding this position (e.g., work environment, physical requirements, overnight travel).

MISCELLANEOUS

Employee Number	Position Dept. Number
_____	_____

I. Description of Position

- A. Briefly describe the primary purpose of your position.** The State Auditor functions as the State's independent external auditor. The Agency's enabling legislation is found in Title 11, Chapter 7 of the South Carolina Code of Laws. The code states that the State Auditor is responsible for performing (1) the annual audit of the State's basic financial statements prepared by the Comptroller General, (2) the annual audit of Federal programs in accordance with OMB Circular A-133, (3) annual audits of state agencies, (4) audits of Medicaid providers, and (5) audits of county treasurers, municipal treasurers, county clerks of court, magistrates and municipal courts. In performing his duties the State Auditor serves as a deterrent to fiscal mismanagement, fraud, and misuse of assets by State agencies, providers of Medicaid services, and local governments.
- B. Describe your involvement in strategic planning or setting the strategic direction of your organization.** The State Auditor is responsible for the development and implementation of the Office's strategic plan. The State Auditor ensures that all State agencies, Medicaid providers, and Court entities receive adequate audit coverage. Annual audit coverage is dependent on funding and staffing. The State Auditor is responsible for the development and approval of the agency budget. The State Auditor is also responsible for ensuring that audit staff is provided the tools they need to carry out their duties (e.g., applicable continuing professional education, current auditing resources, equipment, etc.) and oversees the hiring of new audit staff.
- C. Major Accountabilities:** List in order of importance the major activities that you perform, then describe the end results that you are expected to achieve and the primary indicators of success. Indicate for each activity the approximate percentage of time required.

Activity 1	End Results Expected and Indicators of Success	% of Time
<p>The State Auditor manages the operations of the Office to ensure that activities described in 2 through 7 are accomplished. This includes establishing and maintaining an ethical work environment; developing goals and objectives; ensuring that staff have resources to carry out the duties of the Office; and hiring and retaining qualified staff.</p>	<p>Audit and attestation engagements are issued timely and meet applicable auditing and attestation standards.</p>	

Activity 2	End Results Expected and Indicators of Success	% of Time
Audit the State of South Carolina's basic financial statements.	The audit of the State's Comprehensive Annual Financial Report, which includes the State's basic financial statements, is completed and issued timely. The financial statements are prepared by the Office of Comptroller General and must be issued within six months of fiscal year end to qualify for the GFOA Certificate of Achievement for Excellence in Financial Reporting program. The audit must comply with auditing standards generally accepted in the United States and Government Auditing Standards.	3.5

Activity 3	End Results Expected and Indicators of Success	% of Time
Audit the State of South Carolina's Schedule of Expenditures of Federal Awards as mandated by the Single Audit Act Amendments of 1996.	OMB Circular A-133 specifies that the audit of federal programs must be completed and submitted to the Federal Audit Clearinghouse within nine months of the entity's fiscal year end (March 31). The audit must comply with the auditing standards generally accepted in the United States and Government Auditing Standards. Success is measured by notification from the federal cognizant agency that the report was accepted without further revision or additional work.	19.9

Activity 4	End Results Expected and Indicators of Success	% of Time
Conduct or cause to be conducted a financial audit or agreed-upon procedures engagement of all state agencies annually, as required by Section 11-7-20.	Fifteen months after each fiscal year end the financial records of each agency has been subjected to a financial audit or agreed-upon procedures engagement. All reports comply with applicable auditing and attestation standards issued by the American Institute of Certified Public Accountants (AICPA).	26.9

Activity 5	End Results Expected and Indicators of Success	% of Time
Conduct agreed-upon procedures engagements on the financial and statistical reports of Medicaid providers as required by the S.C. Department of Health and Human Service contract.	Annually conduct and issue agreed-upon procedures reports, subject to appeal, of one-fourth of the Medicaid providers. All reports comply with applicable attestation standards issued by the AICPA.	44.1

Activity 6	End Results Expected and Indicators of Success	% of Time
Conduct agreed upon procedures engagement of county treasurers, municipal treasurers, county clerks of court, magistrates, and municipal courts.	The Office is appropriated \$250,000 annually to conduct agreed-upon procedures engagements of county treasurers, municipal treasurers, county clerks of court, magistrates, and municipal courts. Conduct as many court engagements as funding allows using agency staff or independent CPA firms. Ensure that all reports issued meet applicable attestation standards issued by the AICPA.	5.6

Activity 7	End Results Expected and Indicators of Success	% of Time
Provide technical assistance to other State government agencies as requested.	Provide timely, professional assistance with accounting and financial matters, allowing State agencies to develop and maintain sound financial systems that protect public assets.	as needed

Activity 8	End Results Expected and Indicators of Success	% of Time

Activity 9	End Results Expected and Indicators of Success	% of Time

Activity 10	End Results Expected and Indicators of Success	% of Time

D. Who are the primary customer groups or stakeholders within or outside the agency with whom you have primary working relationships? What is the nature of your work with each? The State Auditor reports directly to the five members of the Budget and Control Board. Each member is considered a primary customer of the agency. Other customers include South Carolina citizens, members of the General Assembly, the governing body and management of each State agency, and Federal grantor agencies and inspector generals.

Generally the nature of our relationship with each group include engagement results, findings and resolutions to findings, the ability of the Office to serve as a deterrent to the fiscal mismanagement, fraud, and misuse of assets by State agencies and providers of Medicaid services. The focus of our relationship with Federal grantor agencies and inspector generals centers around the timely submission and results of the annual audit of federal programs.

E. Decision-making: Describe typical decisions that you are required to make, and what decisions your refer to others.

Decisions you make: Policy decisions related to audit, budget and personnel matters.

Decisions you refer to others: Day-to-day administrative and audit functions are delegated to others. For example, general procurement decisions, hiring and promotion of agency personnel, audit engagement decisions are delegated to key management staff.

II. Organization

A. Attach a current organizational chart which includes your position, the position to which you report, and the positions/functions which report to you.

B. Indicate total employees and funds for which you are accountable.

Total number of employees you directly supervise	2
Total number of employees for which you are responsible	38
Total personnel services budget for your area	2,440,758
Total funds allocated to your division/department	3,120,278

C. Agency budget and other quantitative measures:

Indicate below your agency's budget and any other quantitative measures which indicate the scope of your position. *(Examples include: # and \$ value of projects supervised, financial or capital expenditure plans created and overseen, physical inventory managed, etc.)*

Item	Quantity (if applicable)	Dollar Value (if applicable)
Audit of the State's basic financial statement	The fiscal year 2011 engagement was budgeted for 4,500 hours. It was staffed equally by State Auditor's Office personnel and personnel from an independent CPA firm. The engagement is performed primarily during September, October and November.	The cost of contracting one-half of the June 30, 2011 engagement was \$340,500. This cost is allocated and reimbursed by State agencies.
Audit of the State's Schedule of Expenditures of Federal Awards	The fiscal year 2011 engagement was budgeted for 12,300 hours. The engagement is performed during the months of October through March. All audit staff was assigned to this engagement.	Federal expenditures audited totaled \$8,106,791,127.

<p>Agency agreed-upon procedures engagements</p>	<p>Agreed-upon procedures engagements are conducted on 61 State agencies. The engagements are scheduled to be conducted after the completion of the State's basic financial statement audit and the audit of the State's federal program. The Office plans to conduct 46 AUP engagements using agency staff and/or CPA firm's. Due to lack of funding 25 agencies will be skipped.</p>	<p>The cost of contracted engagements totaled \$272,500.</p>
<p>Agency audit engagements</p>	<p>Contracts were let with independent CPA firms to conduct audit and attestation engagements of 28 State agencies and colleges and universities.</p>	<p>CPA firms completed and issued 43 audit and attestation engagements. The cost of the contracted engagements totaled \$1,476,923.</p>
<p>Medicaid agreed-upon procedures engagements</p>	<p>The current contract with the State Department of Health and Human Services requires that we conduct an agreed-upon procedures engagement of each Medicaid provider at least once every four years. There are currently 145 Medicaid providers.</p>	<p>The results of the Medicaid engagements may identify adjustments to payments made to Medicaid providers. Medicaid reports of 34 Medicaid providers were issued during fiscal year 2011. The reports identified \$4.1 million in net overpayments. Since July 1, 2011 the Office has issued reports on 17 Medicaid providers. The reports have identified net overpayments of \$12.0 million.</p>
<p>Court fines, fees, and assessment engagements</p>	<p>State Auditor's Office staff conducted agreed-upon procedures engagements of 9 general sessions, municipal and magistrate courts.</p>	<p>The agreed-upon procedures engagements identified approximately \$567 thousand in underreported revenue.</p>

II. Organization (continued)

D. Give a brief description of the function(s) of each position reporting directly to you.

Job Title	Function
Deputy State Auditor	<p>Manages audits of the State's basic financial statement and Schedule of Expenditures of Federal Awards; and manages agreed-upon procedures engagements of State agencies, Medicaid providers, and municipal, magistrate, and general sessions court engagements.</p> <p>Responsible for the development and implementation of audit programs and procedures for audits of State agencies and departments; Medicaid providers; and court engagements</p> <p>Contracts with CPA firms to conduct audit and attestation engagements of State agencies.</p> <p>Manages the internal and external quality control program and continuing education program.</p> <p>Manages the recruiting and hiring of new audit staff.</p>
Director of Administration	<p>Manages all administrative functions including: finance, accounting, budgeting, procurement, personnel, and information resources.</p>

III. Principal Problems and Challenges

A. Briefly describe the principal challenges encountered in your position.

The majority of Office budget is expended on personal services and other fixed charges (e.g., rent). As a result, any budget cut significantly impacts staffing. When the budget was cut in 2008-09 the Office implemented a retirement incentive plan, eliminated probationary positions, and imposed a hiring freeze. In Fiscal 2009-10 we implemented a 10 day mandatory furlough, cut travel costs, and renegotiated our office lease. Since fiscal year 2008-09 the Office's General Fund appropriation has been cut over \$1.47 million (40%) and staffing has been cut 18 positions (32%).

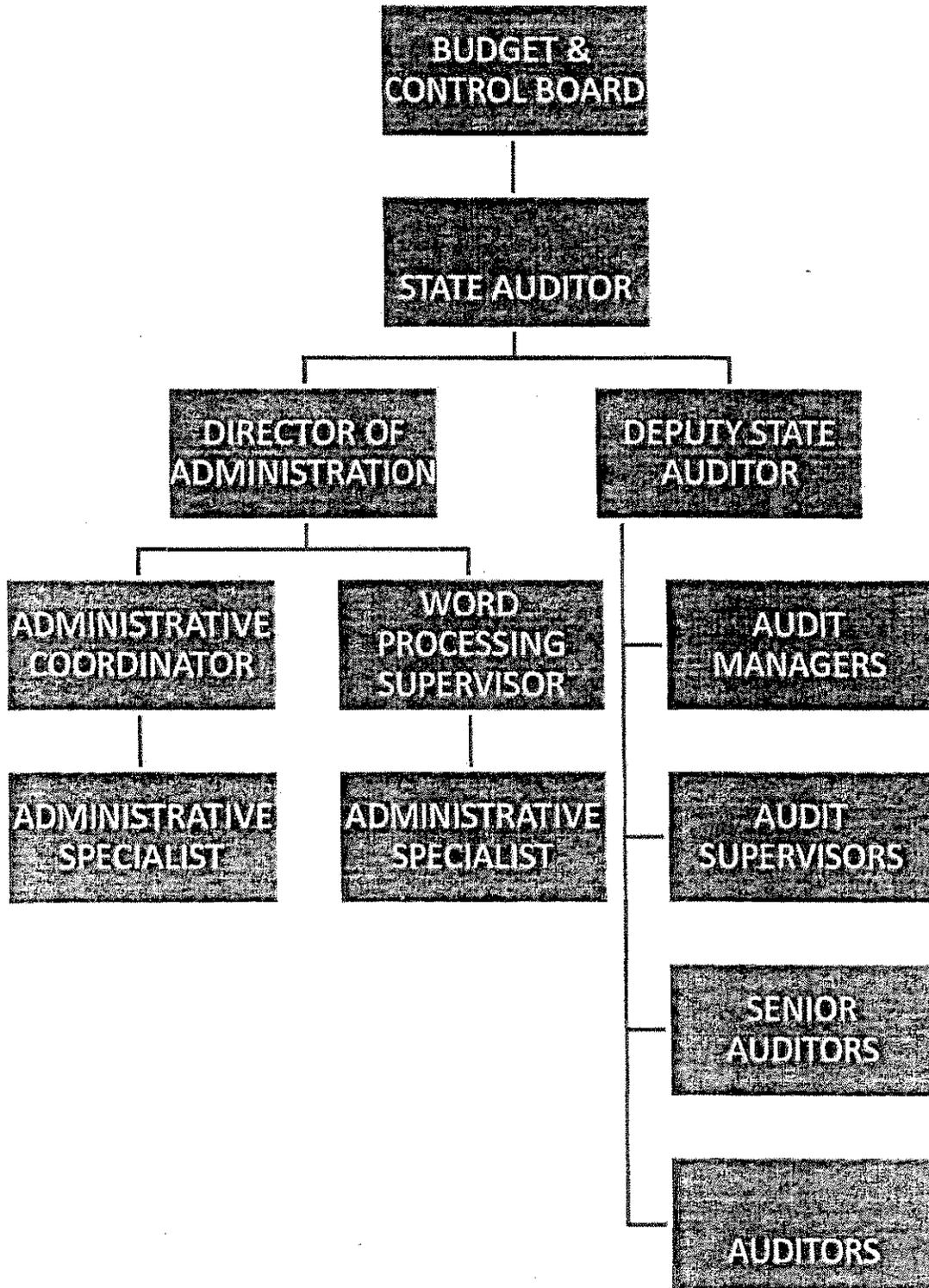
The principal challenges facing the State Auditor are (1) restoring general fund appropriations to 2008-09 levels, (2) restoring deleted FTE positions, and (3) hiring, training and retaining a quality work force to accomplish the Agency's mission.

IV. Comments – Immediate Supervisor

A. Give any additional information you believe would help someone better understand the position.

IF ADDITIONAL SPACE IS NEEDED, ATTACH ANOTHER SHEET

THE LANGUAGE USED IN THIS DOCUMENT DOES NOT CREATE AN EMPLOYMENT CONTRACT BETWEEN THE EMPLOYEE AND THE AGENCY. THIS DOCUMENT DOES NOT CREATE ANY CONTRACTUAL RIGHTS OR ENTITLEMENTS. THE AGENCY RESERVES THE RIGHT TO REVISE THE CONTENT OF THIS DOCUMENT, IN WHOLE OR IN PART. NO PROMISES OR ASSURANCES, WHETHER WRITTEN OR ORAL, WHICH ARE CONTRARY TO OR INCONSISTENT WITH THE TERMS OF THIS PARAGRAPH CREATE ANY CONTRACT OF EMPLOYMENT.



AGENCY: Division of General Services

SUBJECT: Spartanburg Community College Lease-Out to Spartanburg County for Operation of the State SC Works Upstate Center

Summary Background Information:

- Spartanburg Community College leases 4.53 acres from the Spartanburg Community College Foundation at 142 South Dean Street in Spartanburg, SC including the building located thereon commonly known as the Downtown Center.
- Spartanburg Community College is seeking to sublease 13,100 usable square feet on the first floor of the Downtown Center to Spartanburg County for operation of the State SC Works Upstate Center.
- SC Works is seeking to move from their current space on Commerce Street of 9,000 square feet to the Downtown Center to assume additional square footage that will allow them to expand their resource room and serve additional clients in a more centralized environment.
- The Master lease allows for subletting with prior written consent of the Landlord, and the Landlord has provided said written consent for this sublease by Spartanburg Community College to Spartanburg County.
- The term of the sublease shall be two (2) years and eight (8) months with the lease commencing on October 1, 2013 and ending on June 30, 2016. The rate schedule is as follows:

Term	Rent Rate/SF	Rent
October 1, 2013- June 30, 2014	\$11.00	\$144,100
July 1, 2014-June 30, 2015	\$12.00	\$157,200
July 1, 2015-June 30, 2016	\$13.15	\$172,265
Total		\$473,565

AGENCY: Division of General Services

SUBJECT: Spartanburg Community College Lease-Out to Spartanburg County for Operation of the State SC Works Upstate Center

- The sublease will provide additional revenue of \$473,565 to Spartanburg Community College over the term of the lease, while providing a larger and more centralized location for the provision of WorkForce Investment Act services provided by SC Works which help job seekers prepare for employment and businesses access skilled workers.

BOARD ACTION REQUESTED:

Approve the proposed sublease by Spartanburg Community College to Spartanburg County for operation of the State SC Works Upstate Center

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Sections 1-11-55 and 1-11-56; SC Code of Regulations 19-447.1000

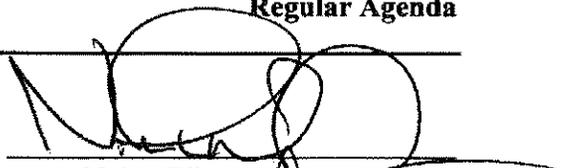
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: March 5, 2013

Regular Agenda

1. Submitted by:

- (a) Agency: Division of General Services
- (b) Authorized Official Signature:



Nolan Wiggins, Director

2. Subject: Spartanburg Community College lease-out to Spartanburg County for operation of the State SC Works Upstate Center.

3. Summary Background Information:

- Spartanburg Community College leases 4.53 acres from the Spartanburg Community College Foundation at 142 South Dean Street in Spartanburg, SC including the building located thereon commonly known as the Downtown Center.
- Spartanburg Community College is seeking to sublease 13,100 usable square feet on the first floor of the Downtown Center to Spartanburg County for operation of the State SC Works Upstate Center.
- SC Works is seeking to move from their current space on Commerce Street of 9,000 square feet to the Downtown Center to assume additional square footage that will allow them to expand their resource room and serve additional clients in a more centralized environment.
- The Master lease allows for subletting with prior written consent of the Landlord, and the Landlord has provided said written consent for this sublease by Spartanburg Community College to Spartanburg County.
- The term of the sublease shall be two (2) years and eight (8) months with the lease commencing on October 1, 2013 and ending on June 30, 2016. The rate schedule is as follows:

Term	Rent	
	Rate/SF	
October 1, 2013- June 30, 2014	\$11.00	\$144,100
July 1, 2014-June 30, 2015	\$12.00	\$157,200
July 1, 2015-June 30, 2016	\$13.15	\$172,265
Total		\$473,565

- The sublease will provide additional revenue of \$473,565 to Spartanburg Community College over the term of the lease, while providing a larger and more centralized location for the provision of WorkForce Investment Act services provided by SC Works which help job seekers prepare for employment and businesses access skilled workers.

4. What is the Board asked to do? Approve the proposed sublease by Spartanburg Community College to Spartanburg County for operation of the State SC Works Upstate Center.

5. What is the recommendation of the Division of General Services? Approval of the sublease by Spartanburg Community College to Spartanburg County for operation of the State SC Works Upstate Center.

6. List of Supporting Documents:

- (a) SC Code of Laws Sections 1-11-55 and 1-11-56
- (b) SC Code of Regulations 19-447.1000

SECTION 1-11-55. Leasing of real property for governmental bodies.

(1) "Governmental body" means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, legislative body, agency, government corporation, or other establishment or official of the executive, judicial, or legislative branches of this State. Governmental body excludes the General Assembly, Legislative Council, the Office of Legislative Printing, Information and Technology Systems, and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The Budget and Control Board is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this section.

(3) When any governmental body needs to acquire real property for its operations or any part thereof and state-owned property is not available, it shall notify the Office of General Services of its requirement on rental request forms prepared by the office. Such forms shall indicate the amount and location of space desired, the purpose for which it shall be used, the proposed date of occupancy and such other information as General Services may require. Upon receipt of any such request, General Services shall conduct an investigation of available rental space which would adequately meet the governmental body's requirements, including specific locations which may be suggested and preferred by the governmental body concerned. When suitable space has been located which the governmental body and the office agree meets necessary requirements and standards for state leasing as prescribed in procedures of the board as provided for in subsection (5) of this section, General Services shall give its written approval to the governmental body to enter into a lease agreement. All proposed lease renewals shall be submitted to General Services by the time specified by General Services.

(4) The board shall adopt procedures to be used for governmental bodies to apply for rental space, for acquiring leased space, and for leasing state-owned space to nonstate lessees.

(5) Any participant in a property transaction proposed to be entered who maintains that a procedure provided for in this section has not been properly followed, may request review of the transaction by the Director of the Office of General Services or his designee.

SECTION 1-11-56. Program to manage leasing; procedures.

The State Budget and Control Board, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of state agencies. The board's regulations, upon General Assembly approval, shall include procedures for:

(1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;

(2) establishing standards for the quality and quantity of space to be leased by a requesting agency;

(3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:

(a) a nonappropriation for the renting agency,

(b) a dissolution of the agency, and

(c) the availability of public space in substitution for private space being leased by the agency;

(4) rejecting an agency's request for additional space or space at a specific location, or both;

(5) directing agencies to be located in public space, when available, before private space can be leased;

(6) requiring the agency to submit a multi-year financial plan for review by the board's budget office with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period; and

(7) requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period.

19-447.1000. Leasing of Real Property.

A. LEASE OF NON STATE-OWNED REAL PROPERTY

No governmental body shall contract for the lease, rental, or use of non state-owned real property without approval of the Office of General Services, except as specified in subsection C. Requests shall be directed to the Office of General Services. The Office of General Services shall negotiate or approve the terms of all leases of non state-owned real property unless the governmental body has been exempted.

1. GENERAL REGULATIONS

(a) The Office of General Services shall be accountable for the procurement of leased real property for governmental bodies in accordance with the regulations promulgated by the Board.

(b) All leases shall require the written approval of the Office of General Services, except when such lease is exempt from approval by the Budget and Control Board.

(c) Before approving any lease, Office of General Services shall:

(1) assure that all appropriate approvals have been obtained.

(2) verify that adequate funds exist for the lease payments;

(3) verify that lease payments represent no more than fair market rental;

(4) verify that upfitting costs represent no more than current market costs;

(5) verify that a multi-year financial plan has been submitted by the requesting agency for review by the Budget and Control Board's budget office.

(d) All requests for leased real property by governmental bodies and agencies shall be submitted to the Office of General Services on a "Request for Space Form" provided by General Services.

(1) This form shall include, but not be limited to:

(a) The purpose for which the space will be used.

(b) Any special requirements or needs with written justification (computer rooms, etc.).

(c) Parking requirements and justification.

(d) The general location or area desired.

(e) A multi-year financial plan for review by the Board's budget office.

(2) The amount of office space desired shall be computed and justified using the standards specified in Code Section 1-11-55.

(3) Other types of space (warehouse, laboratory, etc.) shall require a written letter of justification from the requesting agency or governmental body and shall include documentation of market standards for use of this type space. The Office of General Services shall be accountable for investigating the existing space or any other information given in the justification.

(4) The "Request for Space Form" or any other document requesting space or justifying the need for space shall be certified by the Director of the requesting agency or governmental body.

(e) An agency or governmental body desiring to renew an existing lease is responsible for notifying the Office of General Services in writing of its intention to do so at least 60 days before the renewal deadline as stated in the lease. Upon approval by appropriate boards and the Office of General Services, the governmental body or agency shall notify the Lessor that it has elected to exercise its right of renewal pursuant to the lease. The Office of General Services may send each a renewal request form and a reminder notice well in advance of these deadlines.

(f) Under no circumstances will the requesting governmental body or state agency contact or negotiate lease terms with any real estate agency, broker, builder, owner, or representative in reference to space needs without the prior written consent of the Office of General Services.

(g) The Office of General Services will begin investigation of available rental space within ten (10) working days after receiving the "Request for Space Form".

(h) When processing requests for space, the Office of General Services will first determine whether appropriate state-owned or state-leased space is available before exploring commercial space alternatives. If such space is available, the Office of General Services will direct the requesting agency or governmental body to occupy said space. If state-owned or state-leased space is unavailable or

inappropriate, the Office of General Services shall begin a solicitation process to secure proposals for commercial space from as many qualified developers and/or brokers as is practicable.

(i) Rental rates will be determined by the Office of General Services for all leases by use of standard acceptable market rent analysis methods.

2. TYPES OF LEASE TRANSACTIONS

All state leases will be categorized as one of the following five types:

(a) Exempt Leases. Those leases exempted in accordance with subsection C or otherwise exempted by the Budget and Control Board.

(b) Standard Lease. All leases which commit less than \$1 million in a five year period and which do not involve equity accrual.

(c) Major Leases. Any lease which commits \$1 million or more in a five year period but which is otherwise standard in all respects.

(d) Lease/Purchases. All lease transactions which include clauses providing for equity accrual.

(e) Other Leases. All leases which are not encompassed by the first four categories. At its discretion, the Office of General Services may place any proposed lease transaction in this category if it involves complex issues or methodologies which warrant special handling.

3. EXEMPT LEASES

All exempt leases will be administered in accordance with regulations and procedures outlined in subsection C or Budget and Control Board directives.

4. STANDARD LEASES

(a) The Office of General Services will be responsible for managing all aspects of soliciting lease proposals from commercial entities. In all solicitations, the Office of General Services is required to assure that equitable competition occurs in the broadest market practicable.

(b) The Office of General Services will review all proposals from prospective Lessors with the agency or governmental body. The Office of General Services will recommend the proposal which offers the most cost effective terms and conditions to the agency or governmental body after satisfying subjective criteria such as parking, location requirements, special needs, etc. If the agency accepts the recommendation, General Services will make the selection and begin negotiations to finalize the lease transaction.

(c) If the agency or governmental body cannot accept the Office of General Services' recommendation, the dispute shall be referred to the Budget and Control Board, which will make the final determination.

(d) Evaluation criteria shall include total cost (including rental payments, upfitting costs, escalations, additional rents, operating, and all other costs) and location. Other subjective criteria such as parking and other special needs may be included. Total cost shall be given the highest weight of any single factor.

(e) Before making a recommendation, the Office of General Services shall verify that:

- (1) all prior approvals have been obtained;
- (2) adequate funds exist for the lease payments;
- (3) lease payments are no more than fair market rental; and
- (4) upfitting costs are no more than reasonable market costs.

(f) The Office of General Services may reject the agency's request for additional space and/or space at a specific location.

5. MAJOR LEASES

(a) All regulations and procedures for standard leases will apply to all major leases.

(b) All major leases must be reviewed by the Joint Bond Review Committee and approved by the Budget and Control Board before a final lease becomes effective.

6. LEASE/PURCHASES

All regulations and procedures for major leases will apply to lease/purchase transactions.

7. OTHER LEASES

(a) At its discretion, the Office of General Services may place any proposed lease transaction in this category if it involves complex issues or methodologies which warrant special handling.

(b) The Office of General Services shall determine which of the above regulations are applicable to any special lease situation and may adopt additional procedures to meet special needs on a case by case basis.

8. STANDARD LEASE DOCUMENTS

(a) The Office of General Services will be responsible for drafting and updating the state standard lease document.

(b) The state standard lease document will be used in all lease negotiations unless a substitute document is approved in advance by the Office of General Services.

(c) The state lease document will incorporate cancellation provisions including a right to cancel in the event of (a) non-appropriation of funds for the renting agency, (b) dissolution of the agency and (c) the availability of public space in substitution for private space being leased by the agency.

B. LEASE OF STATE-OWNED REAL PROPERTY

No governmental body shall contract with any commercial entity or other governmental body for the lease, rental, or use of state-owned real property whether it be titled in the name of the State of South Carolina or any governmental body, without approval of the Office of General Services, except as specified in subsection C. Requests shall be directed to the Office of General Services. The Office of General Services shall negotiate or approve the terms of all leases of state-owned real property unless the governmental body has been exempted.

C. EXEMPTIONS

The Budget and Control Board may exempt governmental bodies from leasing state-owned and non state-owned real property through the leasing procedure herein required provided, however, that annual reports be filed with the Office of General Services, prior to July 1 of each year. Annual reports shall contain copies of all existing leases of state-owned and non state-owned real property. The Budget and Control Board may limit or withdraw any exemptions provided for in this Regulation.

HISTORY: Added by State Register Volume 23, Issue No. 5, eff May 28, 1999.

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

Budget and Control Board approval is requested for the following permanent improvement project establishment requests and budget revisions which have been reviewed favorably by the Joint Bond Review Committee:

Establish Project for A&E Design

- (a) Summary 5-2013: JBRC Item 1. Department of Health and Environmental Control
Project: 9522, Florence County Health Department Roof Replacement/Façade Repair
Funding Source: \$4,500 Other, DHEC Earned Funds which are funds earned by the Health Services side of the agency for services rendered.
Request: Establish project and budget for \$4,500 (Other, DHEC Earned Funds) to begin design work to replace the roof and make façade repairs to DHEC's Florence County Health Department. The work will include replacing the existing roof, insulation and flashing and evaluating and replacing damaged areas of the façade to provide a water tight building envelope. The 21 year-old roof is reaching the end of its expected life and the façade needs to be patched, resurfaced or replaced to provide a weather tight exterior. The roof and façade both leak, which has damaged building interiors over time, and both have been patched and repaired numerous times. The new roof and façade repairs will lower maintenance costs and time and will provide a more efficient building system by maintaining its insulation value. The agency's internal estimated cost of this project, prior to A&E design being done, is \$300,000. The proposed source of funds for construction is Other, DHEC Earned Funds.
- (b) Summary 5-2013: JBRC Item 3. Coastal Carolina University
Project: 9596, Singleton Building Renovation
Funding Source: \$60,000 Other, Renovation Reserve/Plant Expansion funds which are funds that come from a \$150 per fulltime student per semester fee that is used for renovations, repairs, additions to existing facilities and for acquisitions for plant expansion.
Request: Establish project and budget for \$60,000 (Other, Renovation Reserve/Plant Expansion funds) to begin design work to renovate the 32,635 square foot Singleton Building at Coastal Carolina. The work will include renovating the HVAC, electrical and plumbing systems, replacing the existing elevator and installing a second elevator for ADA compliance, removing remaining asbestos in ceilings and floors, and upgrading lighting and interior finishes. The building, which houses university administrative offices, is 50 years old and has not had a major renovation since it was constructed. Chilled water lines are rusting and beginning to rupture and the building needs electrical wiring and other technology cabling upgrades to meet today's needs. The agency's internal estimated cost of this project, prior to A&E design being done, is \$4,000,000. The proposed source of funds for construction is Other, Renovation Reserve/Plant Expansion funds.

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

Establish Construction Budget

(c) Summary 5-2013: JBRC Item 4. The Citadel

Project: 9606, Deferred Maintenance - Mark Clark Hall Building Envelope Repairs

Funding Source: \$1,128,804 which includes \$811,439 Capital Reserve Funds from 2010-11 appropriated for deferred maintenance on this facility and \$317,365 Other, Deferred Maintenance Reserve funds which are Education and General (E&G) funds set aside in prior years to fund deferred maintenance.

Request: Increase budget to \$1,128,804 (add \$317,365 Other, Deferred Maintenance Reserve funds) to repair the exterior building envelope of Mark Clark Hall at The Citadel. The project was established in October 2011 with 2010-11 Capital Reserve Funds appropriated for deferred maintenance for this facility. The work will include making stucco repairs to the building's exterior, replacing windows and doors, making limited roof repairs, and doing related exterior work. All design work has been completed, the project has been bid, and all bids exceeded appropriated funds due to more extensive stucco work needed and a higher cost for window replacement than anticipated when the funds were requested. The increase will allow the low bid to be accepted to do the needed exterior repair work. The building is 58 years old and the exterior is cracking, which allows moisture to penetrate the building envelope. Energy savings and conservation measures will include the installation of energy efficient windows and a storefront with insulated glazing. The agency reports the total projected cost of this project is \$1,128,804 and annual operating cost savings of \$12,000 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is March 2013 and for completion of construction is September 2013. (See Attachment 1 for annual operating cost savings.)

(d) Summary 5-2013: JBRC Item 5. Coastal Carolina University

Project: 9588, Science Annex II Construction

Funding Source: \$30,000,000, which includes \$6,375,660 Institution Bonds which are general obligation state bonds which were issued in 2010, \$18,000,000 Other, One Cent Sales Tax funds which derive from the Horry County Education Capital Sales and Use Tax funds for Horry County schools, Coastal Carolina University and Horry-Georgetown Tech, and \$5,624,340 Other, Institutional Capital Project Funds which are excess debt service funds that derive from a \$525 per fulltime student per semester fee for debt service set aside.

Request: Increase budget to \$30,000,000 (add \$29,790,000: \$6,165,660 Institution Bonds, \$18,000,000 Other, One Cent Sales Tax and \$5,624,340 Other, Institutional Capital Project Funds) to construct a 67,800 square foot science annex at Coastal Carolina. The project was established in August 2011 for pre-design work which is now complete. This second science annex will include teaching and research labs, classrooms, faculty offices, and associated prep rooms and support spaces and will house the biology, marine science and chemistry departments. The College of Science is the largest of the four academic

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

colleges and its departments are spread throughout several locations on campus. This building will consolidate the departments within the College of Science onto the University's main campus and will accommodate the expanding student population and faculty growth. Constructing a third floor to this facility will eliminate the need for a third science annex. The facility will be constructed to LEED Gold certification and will include sustainable sites, energy and atmosphere, indoor environmental quality and other measures. The LEED cost benefit analysis shows a positive cost benefit of \$3,546,849 over 30 years. The agency reports the total projected cost of this project is \$30 million and additional annual operating costs of \$398,805 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is April 2014 and for completion of construction is November 2015. (See Attachment 2 for additional annual operating costs.)

- (e) Summary 5-2013: JBRC Item 6. State Board for Technical and Comprehensive Education Project: 6053, Aiken - Center for Energy and Advanced Technology Construction
Funding Source: \$8,845,000, which includes \$2,445,000 Appropriated State non-recurring funds appropriated for 2012-13 specifically for this facility, \$2,600,000 Federal grant funds from the US Department of Commerce Economic Development Administration, \$2,000,000 Other, Aiken Tech Foundation funds which are funds from the College's supporting foundation committed to this project, and \$1,800,000 Other, Local College funds which are local unrestricted funds that are remaining amounts from all prior years, not otherwise restricted or previously invested in capital assets.
- Request: Increase budget to \$8,845,000 (add \$8,752,042: \$2,445,000 Appropriated State, \$2,600,000 Federal, \$2,000,000 Other, Aiken Tech Foundation and \$1,707,042 Other, Local College funds) to construct an approximately 27,600 square foot facility to house the Center for Energy and Advanced Technology at Aiken Tech. The project was established in May 2012 for pre-design work which is now complete. The facility will include classrooms, welding, mechatronics and radiation protection labs, offices, support spaces and a training room for business seminars for the Industrial Technology programs. The two metal buildings where these functions are housed were built in the 1970s, are too small, have inadequate technology and antiquated wiring, do not meet current life safety codes, and have significant deferred maintenance issues. The facility will be constructed to LEED Silver certification and will include sustainable sites, water efficiency, energy and atmosphere, and other measures. The LEED cost benefit analysis shows a positive cost benefit of \$28,566 over 30 years. The agency reports the total projected cost of this project is \$8,845,000 and annual operating cost savings of \$342,350 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is October 2013 and for completion of construction is June 2015. (See Attachment 3 for annual operating cost savings.)

AGENCY: Division of State Budget

SUBJECT: Permanent Improvement Projects

- (f) Summary 5-2013: JBRC Item 8. Department of Motor Vehicles
Project: 9606, Rock Hill DMV Renovation
Funding Source: \$350,000 Other, DMV Operating Revenue funds which are fees raised pursuant to Title 56, Chapter 3 of the Code of Laws and include title fees, drivers reinstatement fees, sales of listings and labels, DMV cost recoveries, and driver license fees
Request: Increase budget to \$350,000 (add \$344,750 Other, DMV Operating Revenue funds) to renovate the Rock Hill DMV office for the Department of Motor Vehicles. The project was established in October 2012 for pre-design work which is now complete. The work will include constructing five new customer service counters and an enclosed testing room, renovating restrooms for ADA compliance, replacing the HVAC system, flooring and ceilings, renovating data and telephone cabling, and abating asbestos. DMV has shared the 4,609 square foot building with the Department of Public Safety's Highway Patrol which is moving from the location, freeing up space for DMV to expand. The Rock Hill office is one of the 15 busiest in the state and the current location has a high customer wait time due to the limited number of customer service counters. Renovation will allow the Rock Hill DMV to maintain its average initial wait time of 20 minutes. Energy savings and conservation measures will include the installation of energy efficient lighting, HVAC and energy management systems, and water conserving plumbing fixtures. The agency reports the total projected cost of this project is \$350,000 and additional annual operating costs of \$7,000 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is May 2013 and for completion of construction is August 2013. (See Attachment 5 for additional annual operating costs.)

BOARD ACTION REQUESTED:

Approve permanent improvement project establishment requests and budget revisions. All items have been reviewed favorably by the Joint Bond Review Committee.

ATTACHMENTS:

Attachments

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY
Code HO9 Name THE CITADEL

2. PROJECT
Project # 9606 Name Deferred Maintenance - Mark Clark Hall Building Envelope Repairs

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)
 COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2013-2014	\$ 12,000.00	\$ -	\$ -	\$ 12,000.00
2) 2014-2015	\$ 12,000.00	\$ -	\$ -	\$ 12,000.00
3) 2015-2016	\$ 12,000.00	\$ -	\$ -	\$ 12,000.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

6. Will the additional costs be absorbed into your existing budget? YES NO
If no, how will additional funds be provided?

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

COST FACTORS	AMOUNT
1. <u>Energy Savings</u>	\$ 12,000.00
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	\$ 12,000.00

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. Not applicable

9. Submitted By: *Thomas J. Elzey*
 BG Thomas J. Elzey
 EVP for Finance, Administration, and Operations

1-22-13
Date

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY
Code H17 Name Coastal Carolina University

2. PROJECT
Project # 9588 Name Science Annex II Construction

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2015	\$	\$	\$398,805	\$398,805
2) 2016	\$	\$	\$398,805	\$398,805
3) 2017	\$	\$	\$398,805	\$398,805

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

Expenses are related to general maintenance and campus operations. Operations and maintenance funds are provided by student tuition in our general operating budget. No increase in tuition will result due to these expenses.

6. Will the additional costs be absorbed into your existing budget? YES NO
If no, how will additional funds be provided?

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Utilities</u>	<u>\$211,250.00</u>
2. <u>Personnel Services</u>	<u>\$ 72,000.00</u>
3. <u>Supplies</u>	<u>\$115,555.00</u>
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$398,805.00</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. 3

9. Submitted By: Stacie A. Bowie January 11, 2013
Stacie A. Bowie, Vice-President for Finance & Administration Date

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY
Code H59 Name Aiken Technical College

2. PROJECT
Project # 6053 Name Aiken-Center for Energy and Advanced Technology Construction

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2016-17	\$ 342,350.00	\$	\$	\$ 342,350.00
2) 2017-18	\$ 342,350.00	\$	\$	\$ 342,350.00
3) 2018-19	\$ 342,350.00	\$	\$	\$ 342,350.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

6. Will the additional costs be absorbed into your existing budget? YES NO
If no, how will additional funds be provided?

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>25% Utilities cost from 400 Bldg</u>	<u>\$9208.00</u>
2. <u>25% Utilities cost from 500 Bldg</u>	<u>\$10511.00</u>
3. <u>Deferred Maintenance 400 Bldg</u>	<u>\$140055.00</u>
4. <u>Deferred Maintenance 500 Bldg</u>	<u>\$182576.00</u>
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$342350.00</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. _____

9. Submitted By: *Don C. Marshall* Director of Procurement _____ Date 1/22/2013
Signature of Authorized Official and Title

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY Code R40 Name South Carolina Department of Motor Vehicles

2. PROJECT Project # 9606 Name Rock Hill DMV Renovation

3. ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS. (Check whether reporting costs or savings.)

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2013-14	\$	\$	\$ 7,000.00	\$ 7,000.00
2) 2014-15	\$	\$	\$ 7,000.00	\$ 7,000.00
3) 2015-16	\$	\$	\$ 7,000.00	\$ 7,000.00

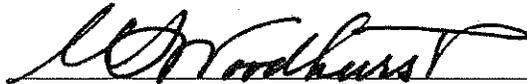
5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).
 DMV Operating Revenue

6. Will the additional costs be absorbed into your existing budget? YES NO
 If no, how will additional funds be provided?

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. Currently DPS pays 30% of all costs associated with the	\$7,000.00
2. upkeep of the facility. DMV will have to assume these	
3. expenses 100%. Last year these expenses were 7,000.00	
4. _____	
5. _____	
6. _____	
7. _____	
8. _____	
TOTAL	\$7,000.00

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. _____

9. Submitted By:  1-29-13
 Signature of Authorized Official and Title Date

Permanent Improvement Project Information for March 5, 2013 B&CB Meeting

Agency/ Project No.	Agency/Project Name	Original Approved Budget	Date of Original Approval	Phase I Amount	Date of Phase I Approval	Included in CIP	Total Projected Project Cost
J04-9522	Department of Health and Environmental Control - Florence County Health Department Roof Replacement/Façade Repair	\$4,500 for pre-design	3/5/13	\$4,500	3/5/13	No	To Be Determined
H17-9596	Coastal Carolina University - Singleton Building Renovation	\$60,000 for pre-design	3/5/13	\$60,000	6/5/13	2012 CIP Year 1	To Be Determined
H09-9606	The Citadel - Deferred Maintenance - Mark Clark Hall Building Envelope Repairs	\$811,439	10/31/11	N/A	N/A	No	\$1,128,804
H17-9588	Coastal Carolina University - Science Annex II Construction	\$210,000 for pre-design	8/9/11	\$210,000	8/9/11	2009 CIP Year 1	\$30,000,000
H59-6053	Aiken Tech - Center for Energy and Advanced Technology Construction	\$92,958 for pre-design	5/9/12	\$92,958	5/9/12	2012 CIP Year 1	\$8,845,000
R40-9606	Department of Motor Vehicles - Rock Hill DMV Renovation	\$5,250 for pre-design	10/30/12	\$5,250	10/30/12	No	\$350,000

Attachment 6
Additional Information on Funding Sources for
Higher Education Permanent Improvement Projects

Item (b) – Coastal Carolina University Singleton Building Renovation

The source of funds for A&E pre-design is \$60,000 Other, Renovation Reserve/Plant Expansion funds. Renovation Reserve/Plant Expansion funds are used for renovations, repairs, additions to existing facilities and for acquisitions for plant expansion. The source is funded by a fee called the Plant Improvement/Renovation Reserve fee, which is \$150 per fulltime student per semester. The fee has been in place since academic year 2006-07 at the same level. The current uncommitted balance of Renovation Reserve/Plant Expansion funds is \$11,421,834.

The proposed source of funds for construction is Other, Renovation Reserve/Plant Expansion funds which are defined above. The current uncommitted balance of Renovation Reserve/Plant Expansion funds is \$11,421,834.

The University reports that no increase in any student fee or tuition will be required for pre-design or renovation of this facility. Tuition will not increase as a result of this project.

Item (c) – The Citadel Deferred Maintenance – Mark Clark Hall Building Envelope Repairs

The sources of funds for construction, totaling \$1,128,804, include \$811,439 Capital Reserve Funds and \$317,365 Other, Deferred Maintenance Reserve funds.

- 1) The Capital Reserve Funds are 2010-11 Capital Reserve Funds appropriated for deferred maintenance on this facility in 2011. The amount of the appropriation was \$811,439 which is the current uncommitted balance of funds available for the project.
- 2) Other, Deferred Maintenance Reserve funds are educational and general (E&G) funds set aside in prior years to fund deferred maintenance. They are comprised mainly of College Fee funds which is a mandatory fee charged to all cadets as part of E&G tuition funds. The current uncommitted balance of Deferred Maintenance Reserve funds is \$4,031,343.

The University reports that no increase in any student fee or tuition will be required for pre-design or repair of this facility.

Item (d) – Coastal Carolina University Science Annex II Construction

The sources of funds for construction, totaling \$30 million, include \$6,375,660 Institution Bond funds, \$18,000,000 Other, One Cent Sales Tax funds, and \$5,624,340 Other, Institutional Capital Project Funds.

- 1) Institution Bonds funds are general obligation bond funds approved by the Budget and Control Board in 2009 and issued in 2010 for construction of Coastal Carolina facilities. The current uncommitted balance of Institution Bond funds, including unallocated interest, is \$6,396,727.
- 2) Other, One Cent Sales Tax funds are Horry County Education Capital Sales and Use Tax funds, passed by the General Assembly in 2008 which are allocated to Horry County schools, Coastal Carolina University and Horry-Georgetown Technical College. The current uncommitted balance of those funds is \$5,207,340 and, based on monthly average tax collections, Coastal Carolina estimates having \$23,207,340 by June 2015 from which the \$18 million budgeted for this project will come.
- 3) Other, Institutional Capital Project Funds are excess debt service funds held by the State Treasurer's Office and funded from a debt service set aside of \$525 per fulltime student per semester. This debt

service has been in place at the same level since the 2007-08 academic year. The current uncommitted balance of ICPF funds is \$6,657,986.

The University reports that no increase in any student fee or tuition will be required for pre-design or construction of this facility.

Item (e) – Aiken Tech Center for Energy and Advanced Technology Construction

The sources of funds for construction, totaling \$8,845,000, include \$2,445,000 Appropriated State funds, \$2,600,000 Federal funds, \$1,800,000 Other, Local College funds, and \$2,000,000 Other, Aiken Tech Foundation funds.

1) Appropriated State funds were appropriated for 2012-13 as Part IA non-recurring funds specifically for this project. The amount of the appropriation in the Appropriation Act was \$2,445,000. The current uncommitted balance of these funds is \$2,445,000.

2) Federal funds are grant funds from the US Department of Commerce Economic Development Administration. The grant funds in the amount of \$2.6 million were approved for use by Aiken Tech to construct a new LEED Silver certified facility on the Aiken Tech campus. The current uncommitted balance of these Federal funds is \$2,600,000.

3) Other, Local College funds are college unrestricted funds which are remaining amounts of college funds from all prior years, not otherwise restricted or previously invested in capital assets. National public college standards do not allow subdivision of unrestricted funds to committed or assigned funds on the college's financial statements, but the College has stated these funds can include tuition and student fees net of operating expenses and other income like facility rentals, surplus sales and bookstore net profits. The College had unrestricted net assets of \$8,905,529 as of June 30, 2012. The current uncommitted balance of these funds is \$2,197,199.

4) Other, Aiken Tech Foundation funds are funds from the College's supporting foundation which is a legally separate tax exempt component unit of the College. This foundation has committed \$2 million to Aiken Tech specifically for the construction of the Center for Energy and Advanced Manufacturing. The current uncommitted balance of these funds is \$2 million.

The College has reported that no increase in any student fee or tuition will be required for pre-design or construction of this facility.

AGENCY: Division of State Budget

SUBJECT: Real Property Acquisition

The Division of State Budget recommends approval of the following real property acquisition:

<u>Agency:</u>	Department of Natural Resources
Acreage:	754.19± acres
Location:	On the east side of International Drive near Myrtle Beach adjoining the Lewis Ocean Bay Heritage Preserve.
County:	Horry
Purpose:	To protect habitat for red-cockaded woodpeckers and endangered plants and offer additional hunting opportunities for the public.
Appraised Value:	N/A
Price/Seller:	Donation / Environmental Banc and Exchange, LLC, Camden, SC
Source of Funds:	N/A
Project Number:	P24-9928
Environmental Study:	Approved
Building Condition Assessment:	N/A
Additional Annual Op Cost/SOF:	No additional annual operating costs will result from acquisition as DNR currently manages the adjoining land.
Current Year Property Tax:	Unknown, but approximately \$710 when last paid.
Approved By:	JBRC on 2/27/13

BOARD ACTION REQUESTED:

Approve the real property acquisition as requested.

ATTACHMENTS:

Agenda item worksheet and attachments

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: March 5, 2013

Regular Agenda

1. Submitted by:

- (a) Agency: State Budget Division
(b) Authorized Official Signature:



Les Boles, Director

2. Subject: REAL PROPERTY ACQUISITION

3. Summary Background Information:

<u>Agency:</u>	Department of Natural Resources
Acreage:	754.19± acres
Location:	On the east side of International Drive near Myrtle Beach adjoining the Lewis Ocean Bay Heritage Preserve.
County:	Horry
Purpose:	To protect habitat for red-cockaded woodpeckers and endangered plants and offer additional hunting opportunities for the public.
Appraised Value:	N/A
Price/Seller:	Donation / Environmental Banc and Exchange, LLC, Camden, SC
Source of Funds:	N/A
Project Number:	P24-9928
Environmental Study:	Approved
Building Condition Assessment:	N/A
Additional Annual Op Cost/SOF:	No additional annual operating costs will result from acquisition as DNR currently manages the adjoining land.
Current Year Property Tax:	Unknown, but approximately \$710 when last paid.
Approved By:	JBRC on 2/27/13

4. What is Board asked to do?

Approve the real property acquisition requested.

5. What is recommendation of Board Division involved?

Recommend approval of the real property acquisition as requested.

6. Recommendation of other Division/Agency (as required)?

- (a) Authorized Signature: _____
 - (b) Division/Agency Name: _____
-

7. List of Supporting Documents:

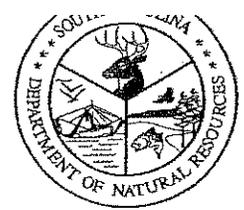
- (a) Code Section 1-11-65
- (b) Letter from Agency
- (c) Map
- (d) Environmental Results
- (e) Cost Implications

SECTION 1-11-65. Approval and recordation of real property transactions involving governmental bodies.

(A) All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the State Budget and Control Board. Upon approval of the transaction by the Budget and Control Board, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the board's approval of the transaction. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The board may exempt a governmental body from the provisions of this subsection.

(B) All state agencies, departments, and institutions authorized by law to accept gifts of tangible personal property shall have executed by its governing body an acknowledgment of acceptance prior to transfer of the tangible personal property to the agency, department, or institution.

South Carolina Department of
Natural Resources



DNR

Alvin A. Taylor
Director

December 5, 2012

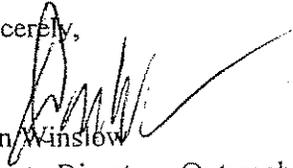
Carol Routh and
Charles Shawver
Office of State Budget
1201 Main Street
Columbia, SC 29201

RE: Horry - Lewis Ocean Bay Land Donation

Dear Carol and Charles:

With the receipt of a favorable environmental assessment, the Department of Natural Resources is seeking Budget & Control Board approval to complete the acquisition of +/- 754 acres of land in Horry County which is being donated to the Agency by the Environmental Banc and Exchange, LLC. The property contains both upland and wetland areas and is completely surrounded by Agency property near the Northeast corner of the property. It is comprised of a series of Carolina bays, and also contains relic pine savanna and xeric longleaf plant communities. The adjoining preserve protects the largest number (23) of undisturbed Carolina bays in the State and provides habitat for numerous plant and animal species, including Venus flytraps, pitcher plants, quail, deer, black bears, and red-cockaded woodpeckers. Acquisition of this property will provide additional habitat for these species and offer added recreational opportunities for the public.

Sincerely,


Don Winslow
Deputy Director - Outreach & Support Services

Area Summary	
Jurisdictional Wetlands	527.90 ac.
Non-Jurisdictional Wetlands	0.00 ac.
Uplands	226.39 ac.
Total Area	754.19 ac.



Wetland Delineation Map
Waccamaw Mitigation Bank

Horry County, SC



SUMMARY

S&ME, Inc. has completed a Phase I Environmental Site Assessment (ESA) on a tract of land totaling approximately 754 acres, generally located in the western quadrant of the Water Tower Road and Highway 31 intersection, in Horry County, South Carolina. This summary is intended as an overview of the Phase I ESA for the convenience of the reader. The complete report must be reviewed in its entirety prior to making decisions regarding this site.

The purpose of this Phase I ESA was to identify, to the extent feasible pursuant to ASTM E 1527-05, Recognized Environmental Conditions (RECs) in connection with the site. The ASTM Standard Practice E 1527-05 defines "good commercial and customary practice for conducting an environmental site assessment of a parcel of commercial real estate with respect to the range of contaminants within the scope of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and to petroleum products". This practice is intended to permit a user to satisfy one of the requirements to qualify for the "innocent landowner, contiguous property owner, or bona fide prospective purchaser limitations to CERCLA liability."

On October 19, 2012, Mr. Casey Wollard, an environmental technologist with S&ME, under the guidance of Thomas Still, P.E., an environmental professional, conducted a site reconnaissance to evaluate the subject property for drainage patterns, vegetation patterns, stains, discoloration, surrounding land use, and other visual aspects suggestive of the presence of recognized environmental conditions. The subject property is primarily undeveloped wooded land. Several unnamed and unimproved roads are located throughout the subject property. The adjacent properties consist of wooded land.

S&ME contracted Environmental Data Resources (EDR) to prepare a Field Check™ Radius Report compiling federal and state environmental database information. S&ME also viewed historical aerial photographs to determine past uses of the subject site and its adjacent properties. Interviews with the current property owner and with the local fire department were also conducted to further determine the environmental status of the subject site. This process revealed that the subject property has historically been mostly wooded and undeveloped land.

In summary, this assessment has revealed no evidence of RECs in connection with the subject property.

BUDGET AND CONTROL BOARD PROPERTY INFORMATION

Part I

1. PROJECT NUMBER: P24-9928
2. COUNTY: Horry
3. DESCRIPTION: Fee-simple donation of 754.19 acres adjoining the DNR's Lewis Ocean Bay Heritage Preserve/WMA.
4. GRANTOR(S): Environmental Banc & Exchange, LLC, 604 Greene St., Suite 100, Camden, South Carolina 29020.
5. GRANTEE(S): South Carolina Department of Natural Resources, 1000 Assembly Street, PO Box 167, Columbia, SC 29202.
6. COUNTY LOCATION: East side of International Drive, between Myrtle Beach and North Myrtle Beach on Highway 31.
7. ACREAGE: 754.19 acres.
8. PURPOSE/PROJECT: To accept a property donation of 754.19 acres to protect habitat for Red-cockaded Woodpeckers and endangered plants and offer additional hunting opportunities for the public.
9. NEED TO ACQUIRE PROPERTY: See above. The property is a donation associated with a proposed mitigation bank. The DNR will maintain the property in perpetuity as a South Carolina Heritage Preserve.
10. PURCHASE PRICE: \$0.00. The property will be donated to DNR by Environmental Banc & Exchange, LLC.
11. CURRENT YEAR PROPERTY TAX AMOUNT: Uncertain. According to Horry County records available online, taxes last were paid for tax year 2007 in the amount of \$709.65. The assessed value of the land remains the same; however, the online record indicates that not taxes have been paid since 2007. A copy of the online record is attached.

Part II

1. HOW MANY SITES WERE EVALUATED? No other sites were evaluated, in that the subject property is a donation of land that already is surrounded on all sides by the Lewis Ocean Bay Heritage Preserve.

BUDGET AND CONTROL BOARD PROPERTY INFORMATION

2. SELECTION CRITERIA USED TO EVALUATE SITES? Eligibility criteria for the Heritage Trust Program and Forest Legacy Program were used to evaluate the site. They include scenic values, forest production potential, fish and wildlife habitat values, threatened and endangered species values, water quality issues, level of conversion threat, and links to other habitat protection initiatives. The subject property was reviewed under the stated criteria and deemed suitable by the South Carolina Heritage Trust Advisory Board.
3. HOW WAS THE FINAL SELECTION MADE? Approval by the DNR Board.
4. WHY WAS THIS SPECIFIC SITE SELECTED? The land is surrounded by lands of the existing Lewis Ocean Bay Heritage Preserve and has been offered to the agency as a donation.
5. ESTIMATED COST OF ANY CONSTRUCTION COST OR RENOVATIONS TO BE DONE ON THE PROEPRTY AND THE ANTICIPATED SOURCE OF FUNDS FOR SUCH WORK. No construction or renovations will be done on the property by the DNR. Restoration work will be undertaken on the property by the donor under a mitigation banking instrument.
6. ESTIMATED ADDITIONAL ANNUAL OPERATING COSTS WHICH WILL RESULT FROM ACQUISITION OF THE PROPERTY AND THE ANTICIPATED SOURCE OF FUNDS. IF NONE, EXPLAIN WHY. No additional annual operating costs are anticipated for the acquisition, because DNR currently is managing the adjoining area in the same manner that it will manage the donated land.
7. ESTIMATED ADDITIONAL ANNUAL OPERATING COSTS WHICH WILL RESULT FROM CONSTRUCTION/RENOVATION OF THE PROPERTY AND THE ANTICIPATED SOURCE OF FUNDS. EXPLAIN FACTORS THAT DETERMINE THE COSTS. IF NONE, EXPLAIN WHY. N/A

AGENCY: University of South Carolina

SUBJECT: Not Exceeding \$34,000,000 University of South Carolina Higher Education Revenue Bonds, Series 2013; and Not Exceeding \$34,000,000 Higher Education Revenue Bond Anticipation Notes, Series 2013

The Board is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$34,000,000 University of South Carolina Higher Education Revenue Bonds, Series 2013. The resolution also asks for approval of issuance and sale of not exceeding \$34,000,000 Higher Education Revenue Bond Anticipation Notes, Series 2013.

The proceeds from the sale of the bonds will be used to (1) reimburse the University for capital expenditures previously made in connection with, and to pay the costs of renovating the Sims, McClintock, and Wade Hampton residence halls located on the University's Columbia Campus, (ii) pay capitalized interest on the Series 2013 bonds, if any, (iii) provide for the Series 2013 Reserve Requirement, if any, (iv) pay certain costs and expenses related to the issuance of the Series 2013 Bonds, and (v) provide for credit enhancement with respect to the Series 2013 Bonds, if any.

BOARD ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$34,000,000 University of South Carolina Higher Education Revenue Bonds, Series 2013; and the issuance and sale of not exceeding \$34,000,000 Higher Education Revenue Bond Anticipation Notes, Series 2013.

ATTACHMENTS:

Lipsitz 2/17/2013 letter; Resolution

Alan M. Lipsitz
Member
Admitted in SC

February 27, 2013

BY HAND DELIVERY

Mr. Delbert Singleton
South Carolina State Budget
and Control Board
612 Wade Hampton Office Building
Columbia, South Carolina 29201

Re: Not Exceeding \$34,000,000 University of South Carolina Higher Education
Revenue Bonds, Series 2013 (the "Series 2013 Bonds")

Dear Delbert:

Enclosed are six (6) duplicate originals of the revised Budget and Control Board Resolution approving the issuance and sale of the above-referenced Series 2013 Bonds to replace the Resolution sent to you on February 11, 2013. The Resolution has been revised to reduce the maximum principal amount of the Series 2013 Bonds from \$41,000,000 to \$34,000,000 and to delete South Tower as one of the projects to be financed with the proceeds of the Series 2013 Bonds. We request that the enclosed Resolution be presented to the State Budget and Control Board for consideration at its March 5, 2013 meeting.

Please let us know if you need any additional information.

Very truly yours,

Alan M. Lipsitz

AML/ssc
cc: Charles D. FitzSimons
F. Richard Harmon, Jr.

A RESOLUTION

APPROVING THE ISSUANCE AND SALE, IN ONE OR MORE SERIES, OF NOT EXCEEDING \$34,000,000 AGGREGATE PRINCIPAL AMOUNT HIGHER EDUCATION REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA PURSUANT TO TITLE 59, CHAPTER 147 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, TO FUND THE RENOVATION OF CERTAIN HOUSING AND OTHER FACILITIES; AUTHORIZING THE ISSUANCE AND SALE OF REVENUE BOND ANTICIPATION NOTES; AND OTHER MATTERS RELATED THERETO.

BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA, IN MEETING DULY ASSEMBLED:

ARTICLE I

FINDINGS OF FACT

As an incident to the adoption of this Resolution, the State Budget and Control Board of South Carolina (the "State Board") finds:

Section 1.01

(a) The Board of Trustees (the "Board of Trustees") of the University of South Carolina (the "University") is authorized pursuant to Title 59, Chapter 147 of the Code of Laws of South Carolina 1976, as amended (the "Enabling Act"), to issue revenue bonds of the University for the purpose of financing or refinancing in whole or in part the cost of acquisition, construction, reconstruction, renovation and improvements of land, buildings, and other improvements to real property and equipment for the purposes of providing facilities serving the needs of the University including, but not limited to, dormitories, apartment buildings, dwelling houses, bookstores and other University operated stores, laundries, dining halls, cafeterias, parking facilities, student recreational, entertainment and fitness related facilities, inns, conference and other non-degree educational facilities and similar auxiliary facilities of the University and any other facilities which are auxiliary to any of the foregoing excluding, however, athletic department projects which primarily serve varsity athletic teams of the University.

(b) On June 21, 1996, the Board of Trustees adopted a resolution entitled, "AN AMENDATORY AND RESTATED RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF UNIVERSITY OF SOUTH CAROLINA REVENUE BONDS AND OTHER MATTERS RELATING THERETO" (as amended, the "Bond Resolution"), as a means of providing for the issuance from time to time of Bonds of a particular series pursuant to the provisions of a Series Resolution of the Board of Trustees provided all conditions required by the Bond Resolution are met. Such Bonds are payable solely from the Net Revenues and Additional Funds.

(c) The Board of Trustees has determined that it is in the interest of the University to issue not exceeding \$34,000,000 aggregate principal amount Higher Education Revenue Bonds (the "Series 2013 Bonds"), in one or more series, the proceeds of which will be used to (i) reimburse the University for capital expenditures previously made in connection with, and to pay the costs of renovating the Sims, McClintock and Wade Hampton residence halls located on the University's Columbia Campus (collectively, the "Project"), (ii) pay capitalized interest on the Series 2013 Bonds, if any, (iii) provide for the Series 2013 Reserve Requirement, if any, (iv) pay certain costs and expenses related to the issuance of the Series 2013 Bonds, and (v) provide for credit enhancement with respect to the Series 2013 Bonds, if any.

(d) The Board of Trustees adopted at its regularly scheduled meeting on December 18, 2012, a Series Resolution entitled, "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE, IN ONE OR MORE SERIES, OF HIGHER EDUCATION REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA TO BE DESIGNATED SERIES 2013 IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$41,000,000; AUTHORIZING THE ISSUANCE AND SALE OF HIGHER EDUCATION REFUNDING REVENUE BONDS OF THE UNIVERSITY OF SOUTH CAROLINA IF SO DETERMINED; AUTHORIZING THE ISSUANCE AND SALE OF REVENUE BOND ANTICIPATION NOTES PENDING THE ISSUANCE OF THE BONDS; AND OTHER MATTERS RELATING THERETO" (the "Series 2013 Resolution"), authorizing the issuance of the Series 2013 Bonds subject to the approval of the State Board.

(e) The Series 2013 Resolution authorized the use of the proceeds of the Series 2013 Bonds for the purposes of: (i) reimbursing the University for capital expenditures previously made in connection with, and paying the costs of, acquiring, constructing and equipping the Project, including capitalized interest on the Series 2013 Bonds, if any, (ii) providing for the Series 2013 Reserve Requirement, if any, (iii) paying certain costs and expenses related to the issuance of the Series 2013 Bonds, and (iv) providing for credit enhancement with respect to the Series 2013 Bonds, if any.

Section 1.02

The Bond Resolution and the Series 2013 Resolution, each in the form adopted by the Board of Trustees, have been presented to the State Board.

Section 1.03

The Board of Trustees has determined that all conditions precedent to the issuance of the Series 2013 Bonds, including those required by the Bond Resolution, the Series 2013 Resolution and the Enabling Act, will be met upon the issuance of the Series 2013 Bonds.

Section 1.04

All capitalized terms used, but not defined, in this Resolution shall have the meaning ascribed to such terms in the Bond Resolution and the Series 2013 Resolution.

ARTICLE II

AUTHORIZATION TO ISSUE AND SELL THE SERIES 2013 BONDS AND SERIES 2013 NOTES

Section 2.01

The State Board hereby approves and authorizes the issuance and sale of the Series 2013 Bonds in the principal amount not exceeding \$34,000,000, at public or private sale, including a negotiated sale for public reoffering as authorized by the Board of Trustees in Article III and Section 7.01 of, and in the manner and under the conditions prescribed in, the Series 2013 Resolution.

Section 2.02

The State Board also hereby approves and authorizes the issuance and sale of not exceeding \$34,000,000 Higher Education Revenue Bond Anticipation Notes, Series 2013, in one or more series (the "Series 2013 Notes"), in lieu of issuance of the Series 2013 Bonds as provided in the Series 2013 Resolution, should the Chief Financial Officer and State Treasurer determine that it would be in the interest of the University to issue the Series 2013 Notes rather than the Series 2013 Bonds.

Section 2.03

On the basis of the foregoing and after due consideration of the facts above recited and other matters appurtenant thereto, this Resolution has been adopted.

Dated: March 5, 2013.

AGENCY: Winthrop University

SUBJECT: Not Exceeding \$3,400,000 General Obligation State Institution Bonds (Issued on behalf of Winthrop University), Series 2013

The Board is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$3,400,000 General Obligation State Institution Bonds, issued on behalf of Winthrop University, Series 2013.

The proceeds from the sale of the bonds will be used to (i) up-fit the fire alarm systems in various campus buildings at an estimated cost of \$940,000; (ii) repair roofs on several campus buildings at an estimated cost of \$875,000; (iii) repurpose the Facilities Management Building to accommodate the College of Visual and Performing Arts' Studios at an estimated cost of \$575,000; and (iv) upgrade energy management system jace panels, repair bathrooms, upgrade handicapped access, and address other minor facilities renewal needs in several campus buildings at an estimated cost of \$900,000.

BOARD ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$3,400,000 General Obligation State Institution Bonds, issued on behalf of Winthrop University, Series 2013.

ATTACHMENTS:

DuBose 2/12/2013 letter; Resolution

1201 MAIN STREET, 22ND FLOOR (29201-3226)
POST OFFICE BOX 11889 (29211-1889)
COLUMBIA, SOUTH CAROLINA
TELEPHONE 803.779.3080
FACSIMILE 803.765.1243
www.hsblawfirm.com

THEODORE B. DuBOSE
PUBLIC FINANCE
DIRECT DIAL NUMBER 803.540.7830
tdubose@hsblawfirm.com

February 12, 2013

VIA HAND DELIVERY

Mr. Delbert H. Singleton, Jr., Board Secretary
South Carolina State Budget & Control Board
604 Wade Hampton Building
Columbia, South Carolina 29201

Re: Not exceeding \$3,400,000 General Obligation State Institution Bonds (Issued on Behalf of Winthrop University), Series 2013 (the "State Institution Bonds")

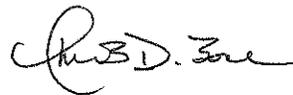
Dear Mr. Singleton:

In accordance with our conversation of February 8, 2013, I enclose the final draft of a resolution of the Board of Trustees of Winthrop University requesting the issuance of the above-captioned State Institution Bonds. The meeting of the Board of Trustees was scheduled for February 8, 2013, but was postponed until February 15, 2013. As we discussed last week, I will supply you with an executed copy of the resolution as soon as practicable the week of February 18.

Also enclosed are ten copies of a proposed resolution of the State Budget and Control Board (the "State Board") by which the issuance of the State Institution Bonds may be authorized. We respectfully request that this request be placed on the agenda for the meeting of the State Board scheduled for March 5, 2013.

If you need anything further or have any questions, please let me know.

Very truly yours,



Theodore B. DuBose

Enclosures

cc: F. Richard Harmon, Office of State Treasurer

STATE BUDGET AND CONTROL BOARD
MEETING OF March 5, 2013

REGULAR SESSION
ITEM NUMBER 7

AGENCY: Budget and Control Board

SUBJECT: Future Meeting

The next regular meeting of the Budget and Control Board will be held at 9:00 a.m. on Tuesday, May 7, 2013, in Room 252, Edgar A. Brown Building.

Schedule of Remaining Meetings in 2013

June 18, 2013
August 13, 2013
October 22, 2013
December 10, 2013

BOARD ACTION REQUESTED:

Agree to meet at 9:00 a.m. on Tuesday, May 7, 2013, in Room 252, Edgar A. Brown Building.

ATTACHMENTS: