
AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: MUSC Lease-Out to Green and Healthy, Inc., of 0.343393 acres in Charleston, SC

The Medical University of South Carolina (MUSC) desires to lease 0.343393 acres, a portion of peninsula of Charleston, SC generally bounded by Lockwood Drive, Alberta Long Lake, Bee Street, Rutledge Avenue and Calhoun Street (the "Premises") to Green and Healthy, Inc., a South Carolina nonprofit corporation, in furtherance of a desire among owners and affiliates of the owners that own portions of facilities or land comprising a portion of the peninsula of Charleston, SC, generally bounded by Lockwood Drive, Alberta Long Lake, Bee Street, Rutledge Avenue and Calhoun Street (such area, the "Medical District") to foster collegial development patterns and make certain infrastructure improvements to facilitate mobility and service delivery by and among medical providers and more particularly to be developed into a pedestrian campus-like setting (the "Medical District Greenway").

MUSC has advised that the installation of the Medical District Greenway will benefit the mission of MUSC to preserve and optimize human life in South Carolina and beyond by promoting a healthier, more livable and workable atmosphere which is critical to the enrichment and preservation of MUSC students, patients, visitors and employees.

The lease term will be twenty-five (25) years (the "Term"). As the Medical District Greenway will benefit MUSC, nominal rental will be paid to MUSC in the amount of \$1.00 per year.

Generally, at the end of the Term, the Tenant will be required to return the Premises to MUSC in its original condition, changes in topography (as opposed to structures) excepted.

The Medical District Greenway will be constructed, developed, operated, managed and maintained by Green and Healthy, Inc. with their funds. If at any time during the Term, the Premises cease to function as the Medical District Greenway, then this Lease shall be immediately terminated and the Premises shall be returned to MUSC in its original condition, changes in topography (as opposed to structures) excepted.

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

MUSC has advised that this Lease does not require approval by the MUSC Board of Trustees or CHE. The Joint Bond Review Committee approved this Lease at its June 23, 2020 meeting.

AUTHORITY ACTION REQUESTED:

As requested by the Medical University of South Carolina through the Department of Administration, Facilities Management and Property Services, approve the Medical University lease out of 0.343393 acres in Charleston, SC to Green and Healthy, Inc.

ATTACHMENTS: Agenda item worksheet and attachments

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting Scheduled for: October 13, 2020

Regular Agenda

1. Submitted by:

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


Ashlie Lancaster, Director

2. Subject: Lease-Out

3. Summary Background Information:

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4. What is the Authority asked to do? Approve the proposed lease-out from MUSC.

5. What is recommendation of the division of Facilities Management and Property Services? Consider approval of the proposed lease-out.

6. Private Participant Disclosure – Check one:

- No private participants will be known at the time the Authority considers this agenda item.
- A Private Participant Disclosure form has been attached for each private participant.
- As referenced on the Disclosure forms, a private participant is a natural person or non-governmental legal entity which may directly benefit from, and is participating in or directly associated with, the requested approval.

7. Recommendation of other office (as required)?

- (a) Authorized Signature: _____
- (b) Office Name: Click or tap here to enter text.

8. List of Supporting Documents:

- (a) Letter from MUSC dated April 29, 2020
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56
- (c) Location Map

9. Upload Agenda Item Worksheet and supporting documentation in PDF and native format to the SFAA Authority File Drop.



MUSC Real Estate Group
1180 Sam Rittenberg Blvd., Suite 200
Charleston, SC 29407

September 10, 2020

Ashlie Lancaster
Innovations Director
Office of the Executive Director
Department of Administration
1200 Senate Street, Suite 460
Columbia, SC 29201

RE: Request for Leaseout – MUSC Greenway

Dear Ms. Lancaster:

The Medical University of South Carolina (MUSC) requests approval from the SC State Fiscal Accountability Authority and the Joint Bond Review Committee for the leaseout of green space to Green and Healthy Inc., a not for profit corporation, as part of the Charleston Greenway Project which utilizes a parking lot and sidewalk along the areas described in the attached lease draft. The Greenway Project is a philanthropic project designed to create more public space for patients, visitors and staff at MUSC and surrounding communities. This leaseout supports the MUSC Mission to preserve and optimize human life in South Carolina and beyond by promoting a healthier, more livable and workable atmosphere which is critical to the enrichment and preservation of our students, patients, visitors and employees.

This leaseout is exempt from the MUSC Board of Trustees and SC Commission on Higher Education. Please submit this request for the June 23, 2020 JBRC meeting and the June 30, 2020 SFAA meeting.

Requested Lease Term:

Lease Term: 25 Years [10/1/2020 – 9/30/2045]
Lease Type: NNN
Total Term Rent: \$25.00 / \$1.00 per year

Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Rachel Jones".

Rachel Jones
Medical University of South Carolina
Leasing Manager

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, agency, government corporation, or other establishment or official of the executive branch of this State. Governmental body excludes the General Assembly, Legislative Council, the Legislative Services Agency, the judicial department and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The Division of General Services of the Department of Administration 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. However, a technical college, with the approval by the State Board for Technical and Comprehensive Education, and a public institution of higher learning, may enter into any lease agreement or renew any lease agreement up to one hundred thousand dollars annually for each property or facility.

(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 Division of General Services of its requirement on rental request forms prepared by the division. 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 division agree meets necessary requirements and standards for state leasing as prescribed in procedures of the department 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 department 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 Division of General Services of the Department of Administration or his designee.

HISTORY: 1997 Act No. 153, Section 2; 2002 Act No. 333, Section 1; 2002 Act No. 356, Section 1, Pt VI.P(1); 2011 Act No. 74, Pt VI, Section 13, eff August 1, 2011; 2013 Act No. 31, Section 1, eff May 21, 2013; 2014 Act No. 121 (S.22), Pt V, Section 7.A, eff July 1, 2015.

Code Commissioner's Note

The last sentence in subsection (2), which was added by 2011 Act No. 74, was inadvertently omitted from 2014 Act No. 121 due to a scrivener's error. At the direction of the Code Commissioner, this sentence has been retained in subsection (2).

Effect of Amendment

The 2011 amendment, in subsection (2), added the third sentence relating to technical colleges.

The 2013 amendment, in subsection (1), substituted "Legislative Services Agency" for "Office of Legislative Printing, Information and Technology Systems".

2014 Act No. 121, Section 7.A, in subsection (1), substituted "agency, government corporation, or other establishment or official of the executive branch" for "legislative body, agency, government corporation, or other establishment or official of the executive, judicial, or legislative branches"; in subsection (2), substituted "Division of General Services of the Department of Administration" for "Budget and Control Board"; in subsection (3) substituted "division" for "office" in three instances, and substituted "department" for "board"; in subsection (4), substituted "department" for "board"; and in subsection (5), substituted "Division of General Services of the Department of Administration" for "Office of General Services".

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

(A) The Division of General Services of the Department of Administration, 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 a governmental body. The department must submit regulations for the implementation of this section to the General Assembly as provided in the Administrative Procedures Act, Chapter 23, Title 1. The department'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 multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and
- (7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.

(B) Leases or rental agreements involving amounts below the thresholds provided in subsection (A)(7) may be executed by the Department of Administration without this prior review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.

(C) The threshold requirements requiring review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority as contained in subsection (A)(7) also apply to leases or rental agreements with nonstate entities whether or not the state or its agencies or departments is the lessee or lessor.

HISTORY: 1997 Act No. 153, Section 2; 2014 Act No. 121 (S.22), Pt V, Section 7.B, eff July 1, 2015.

Effect of Amendment

2014 Act No. 121, Section 7.B, added subsection designator (A); in subsection (A), substituted "Division of General Services of the Department of Administration" for "State Budget and Control Board", substituted "a governmental body" for "state agencies", and added the second sentence relating to regulations; in subsection (A)(6), substituted "department" for "board's budget office", and deleted text relating to prior review by the Joint Bond Review Committee; rewrote subsection (A)(7); and added subsections (B) and (C) .