The State Fiscal Accountability Authority (Authority) met at 9:30 a.m. on Tuesday, December 11, 2018, in Room 252 in the Edgar A. Brown Building, with the following members in attendance:

Governor Henry McMaster, Chair;
Mr. Curtis M. Loftis, Jr., State Treasurer;
Mr. Richard Eckstrom, Comptroller General;
Senator Hugh K. Leatherman, Sr., Chairman, Senate Finance Committee; and
Representative G. Murrell Smith, Chairman, Ways and Means Committee.

Also attending were State Fiscal Accountability Authority Executive Director Grant Gillespie; Authority General Counsel Keith McCook; State Auditor George Kennedy;
Governor’s Deputy Chief of Staff Mark Plowden; Treasurer’s Chief of Staff Clarissa Adams;
Comptroller General’s Chief of Staff Eddie Gunn; Senate Finance Committee Budget Director Mike Shealy; Ways and Means Chief of Staff Daniel Boan; Authority Secretary Delbert H. Singleton, Jr., and other State Fiscal Accountability Authority staff.

Adoption of Agenda for State Fiscal Accountability Authority

Mr. Gillespie advised Governor McMaster that the Department of Administration requested that agenda item #3(a) concerning an easement for the South Carolina Telecommunications Group Holdings, LLC, d/b/a Spirit Communications be deleted from the agenda. A motion to delete agenda item #3(a) was made by Mr. Eckstrom, seconded by Mr. Loftis. The motion to delete agenda item 3(a) was adopted.

Upon a motion by Mr. Loftis, seconded by Mr. Eckstrom, the Authority adopted the amended agenda.

Minutes of Previous Meeting

Upon a motion by Senator Leatherman, seconded by Mr. Eckstrom, the Authority approved the minutes of the October 23, 2018, Authority meeting.

State Treasurer’s Office: Bond Counsel Selection (Regular Session Agenda Item #1)

Upon a motion by Mr. Loftis, seconded by Senator Leatherman, the Authority received the State Treasurer’s Office report on the assignment of bond counsel as information in accord with Authority policy.
<table>
<thead>
<tr>
<th>Description of Issue</th>
<th>Agency/Institution (Borrower)</th>
<th>Bond Counsel</th>
<th>Issuer’s Counsel</th>
</tr>
</thead>
<tbody>
<tr>
<td>$80,000,000; Healthcare Facilities Revenue Bonds; Series 2018 (South Carolina Jobs-Economic Development Authority – “SC JEDA”)</td>
<td>Rolling Green Village Conduit: SC JEDA</td>
<td>Haynsworth Sinkler Boyd – Kathy McKinney</td>
<td>Pope Flynn – Joe Lucas</td>
</tr>
<tr>
<td>$9,000,000; Economic Development Revenue Bonds; Series 2018 (South Carolina Jobs-Economic Development Authority – “SC JEDA”)</td>
<td>Montage Living: Woodbridge Clinton (Laurens County) Conduit: SC JEDA</td>
<td>Parker Poe – Emily Luther &amp; Jeff Poley</td>
<td>Nixsen Pruett – Laurie Becker</td>
</tr>
<tr>
<td>$14,000,000; Education Facilities Revenue Bonds; Series 2018 (South Carolina Jobs-Economic Development Authority – “SC JEDA”)</td>
<td>Legion Collegiate Academy Conduit: SC JEDA</td>
<td>Parker Poe – Emily Luther &amp; Brandon Lewisohn</td>
<td>McNair – Michael Seezen</td>
</tr>
<tr>
<td>$11,000,000; Economic Development Revenue Bonds; Series 2018 (South Carolina Jobs-Economic Development Authority – “SC JEDA”)</td>
<td>Montage Living: The Renaissance (Abbeville County) Conduit: SC JEDA</td>
<td>Parker Poe – Emily Luther &amp; Jeff Poley</td>
<td>Nixsen Pruett – Laurie Becker</td>
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<td>$45,000,000; Economic Development Revenue Bonds; Series 2018 (South Carolina Jobs-Economic Development Authority – “SC JEDA”)</td>
<td>CR Senior Living: Avondale Senior Living (Lancaster County) Conduit: SC JEDA</td>
<td>Parker Poe – Emily Luther &amp; Jeff Poley</td>
<td>Nixsen Pruett – Laurie Becker</td>
</tr>
<tr>
<td>$25,000,000; Economic Development Revenue Bonds; Series 2018 (South Carolina Jobs-Economic Development Authority – “SC JEDA”)</td>
<td>CR Senior Living: Riverpark Independent Living (Horry County) Conduit: SC JEDA</td>
<td>Parker Poe – Emily Luther &amp; Jeff Poley</td>
<td>Nixsen Pruett – Laurie Becker</td>
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<tr>
<td>$8,000,000; Economic Development Revenue Bonds; Series 2019 (South Carolina Jobs-Economic Development Authority – “SC JEDA”)</td>
<td>Technical College of the Lowcountry Foundation: Conduit: SC JEDA</td>
<td>McNair – Michael Seezen</td>
<td>Haynsworth Sinkler Boyd – Kathy McKinney</td>
</tr>
</tbody>
</table>
GENERAL OBLIGATION / REVENUE ISSUES:

<table>
<thead>
<tr>
<th>Description of Issue</th>
<th>Agency/Institution</th>
<th>Approved Bond Counsel</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4,250,000; Clemson University Athletic Facilities Revenue Bonds; Series 2019</td>
<td>Clemson University</td>
<td>Pope Flynn – Matt Davis</td>
</tr>
</tbody>
</table>

SPECIAL ASSIGNMENT OF BOND COUNSEL:

<table>
<thead>
<tr>
<th>Description of Issue</th>
<th>Agency/Institution</th>
<th>Approved Bond Counsel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advice and counsel to the University of South Carolina in connection with certain matters of public finance, to include the assessment and development of financing options available to the University to meet student housing needs.</td>
<td>University of South Carolina</td>
<td>Pope Flynn</td>
</tr>
</tbody>
</table>

Information relating to this matter has been retained in these files and is identified as Exhibit 1.

Secretary of State: Notice of Expenditure of Funds (Regular Session Agenda Item #2)

Pursuant to S.C. Code Ann. Section 1-11-470, Secretary of State Mark Hammond advised the Authority that he would be expending funds to purchase radio and television public service announcements. The radio and television announcements will be used for a public awareness campaign on charitable solicitations fraud. Secretary Hammond expected to expend no more than $60,000 toward the cost of the radio and television public service announcements. The funds are from administrative fees and fines issued by the Secretary of State pursuant to the Solicitation of Charitable Funds Act, Code Section 33-56-160. Approval of the request must be by unanimous vote of the Authority.

Upon a motion by Senator Leatherman, seconded by Mr. Eckstrom, the Authority unanimously voted to approve a request from Secretary of State Mark Hammond concerning the expenditure of funds to purchase radio and television public service announcements not to exceed $60,000 for a public awareness campaign on charitable solicitations fraud.

Information relating to this matter has been retained in these files and is identified as Exhibit 2.
Department of Administration, Facilities Management and Property Services: Easements (Regular #3)

The Department of Administration requested approval of the following easements in accordance with SC Code of Laws:

[Secretary’s Note: Item 3(a) was deleted from the agenda as noted herein above.]

(a) County Location: Charleston
From: Department of Administration
To: South Carolina Telecommunications Group Holdings, LLC d/b/a Spirit Communications
Consideration: $3,398.00
Description/Purpose: To grant a 14.49 acre easement for the installation, operation and maintenance of fiber optic facilities within an existing subaqueous cable beneath the Cooper River at Charlotte Street on the Charleston Peninsula. The easement area is the same as that included in the 2003 utility easement previously granted to SCE&G. Admin has been advised that in 2015, Spirit Communications bought a wholly owned subsidiary of SCANA called SCANA Communications, Inc., and in connection with that purchase received rights to telecommunication lines located within the 2003 utility easement. Spirit now needs an easement to access and work on those lines. The term of the easement will be fifty (50) years. Consideration is $500 plus $200 per acre for easements across navigable waterways and submerged lands.

(b) County Location: Lee
From: Department of Administration
To: Farmers Telephone Cooperative, Inc.
Consideration: $700
Description/Purpose: To grant a 0.425 acre easement for the installation, operation and maintenance of telecommunication lines beneath the Lynches River to accommodate SCDOT’s US 76 Bridge Replacement Project. The existing conduit is attached to the bridge and must be relocated before SCDOT can demolish the existing bridge. The term of the easement will be fifty (50) years. Consideration is $500 plus $200 per acre for easements across navigable waterways and submerged lands.

Mr. Eckstrom noted that Code Section 1-11-80 lists four specific areas for granting easements: power lines, pipe lines, water and sewer lines, and railroad facilities. He asked if
there was some other authority for granting easements for telecommunication lines. Ashlie Lancaster, Director, Department of Administration, Division of Facilities Management and Property Services, appeared before the Authority on this matter. Ms. Lancaster said that over the years they have processed telecommunication easement requests using Section 1-11-80. She said her understanding is that when the law was first passed it did not consider easements for telecommunications and that over time the practice by the Budget and Control Board (now the Authority) has been to use Section 1-11-80 to approve easements for telecommunication lines because they serve the same purpose as a utility. Ms. Lancaster offered to do research on the matter. Mr. Eckstrom asked Ms. Lancaster if she would provide more information for the Authority on granting easements for telecommunication lines.

Upon a motion by Mr. Loftis, seconded by Senator Leatherman, the Authority approved granting the referenced easement as recommended by the Department of Administration, Facilities Management and Property Services.

Information relating to this matter has been retained in these files and is identified as Exhibit 3.

Department of Administration, Facilities Management and Property Services: SC Vocational Rehabilitation Department Lease - 301 N. Main Street in Greenville (Regular Agenda Item #4)

The SC Vocational Rehabilitation Department (Vocational Rehabilitation) requested approval to lease 30,538 rentable square feet on the fourth floor of the Landmark Building located at 301 North Main Street in Greenville from Tower on Main, LLC (Landlord) for their Disability Determination Services regional office. Vocational Rehabilitation has been in this location since November 1, 1998, and wishes to continue leasing the current space with a reduction of 5,133 square feet. This space accommodates all the needs of Vocational Rehabilitation, meets all Social Security Administration’s case processing requirements, and meets the state space standards with a density of approximately 167 SF/person. Minor renovations are required with the reduction of space and will be funded by the Landlord. Vocational Rehabilitation’s current lease at the location expires December 31, 2018.

A solicitation was conducted, and two proposals were received, with the selected location representing the lowest bid.
The lease term will be seven (7) years commencing January 1, 2019. Rent will be $18.57 per square foot for the first year of the lease, with three (3) percent annual escalations thereafter as shown on the chart below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate/SF</th>
<th>Annual Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$18.57</td>
<td>$567,090.72</td>
</tr>
<tr>
<td>2</td>
<td>$19.13</td>
<td>$584,191.92</td>
</tr>
<tr>
<td>3</td>
<td>$19.70</td>
<td>$601,598.64</td>
</tr>
<tr>
<td>4</td>
<td>$20.29</td>
<td>$619,616.04</td>
</tr>
<tr>
<td>5</td>
<td>$20.90</td>
<td>$638,244.24</td>
</tr>
<tr>
<td>6</td>
<td>$21.53</td>
<td>$657,483.12</td>
</tr>
<tr>
<td>7</td>
<td>$22.17</td>
<td>$677,027.52</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$4,345,252.20</strong></td>
</tr>
</tbody>
</table>

The rent includes all operating costs, as well as 98 parking spaces for staff and visitors. Lease payments will be made from federal funds, and there are adequate funds for the lease according to the Budget Approval Form and multi-year plan submitted by the Agency, as well as the attached approval letter from the Social Security Administration.

The following are comparables of similar commercial space in Greenville area:

<table>
<thead>
<tr>
<th>Location</th>
<th>Rate/SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>55 Beattie Place</td>
<td>$26.00</td>
</tr>
<tr>
<td>352 Halton Road</td>
<td>$23.00</td>
</tr>
<tr>
<td>200 Verdae Boulevard</td>
<td>$20.00</td>
</tr>
</tbody>
</table>

Above rates are subject to escalations over the term and do not reflect tenant improvement costs.

The lease was approved by the Joint Bond Review Committee at its December 4, 2018, meeting.

Mr. Eckstrom noted that there are about 200 employees at this location and hundreds of claimants that come through the location. He asked what other provision has been made for parking at the location in connection with the lease. Eric Moore, Director of Administration for the SC Vocational Rehabilitation Department, and Ken Norris, Deputy Director for Disability Determination Services, appeared before the Authority on this matter. Mr. Moore stated they have a little more than 100 employees who work at the site. He said the process is an electronic
process and that only a handful of claimants come to the location for hearings. Mr. Eckstrom noted that they have 98 spaces for over 100 employees. Mr. Moore said they have made other arrangements for parking in the area to cover the employees. Mr. Eckstrom asked if it was not possible to get parking at the location for all the employees. Mr. Moore said they attempted to negotiate that issue, but they were not successful.

Mr. Eckstrom further asked what the current lease rate is for the expiring lease. Mr. Moore said that it is a 10% reduction from what they negotiated in 2013 which was a little under $17.00 per square foot. Mr. Eckstrom also asked how the Department’s lease rate compares to other agencies’ lease rates in Greenville. Mr. Moore said he did not know. Mr. Eckstrom asked if it was likely the State could bundle leases to get a more favorable rate. Ms. Lancaster stated that when the Department of Administration looks at comparables they look at what other State agencies are currently paying. She noted that recent leases brought before the Authority for approval have reflected a significant increase in the market rates in the Greenville area. She said Vocational Rehabilitation has some specific requirements for the lease based on Social Security Administration protocols. She said that makes a difference when searching for comparables because of the more stringent requirements. Mr. Eckstrom asked why there would be more stringent requirements. Ms. Lancaster said in response that Vocational Rehabilitation has to have approval of the Social Security Administration and certain requirements are necessary. Mr. Eckstrom asked why there are stringent physical requirements given that claimants engage contact with the agency electronically. Mr. Moore said that there are some specific security requirements, but he did not remember all the details.

Mr. Eckstrom further commented that his question to the Department of Administration concerns the overall management of leases for State agencies in the Greenville area. Ms. Lancaster said in this situation they did a solicitation that yielded one other offer that was significantly higher. She said they also look at the market rate in the area to determine if the market rate is in line with other market rates. Regarding the consolidation of leases Ms. Lancaster stated that they are constantly looking at when leases are going to come up for renewal for bundling of leases to be considered. She noted that they have bundled leases in the Greenville area. She also stated that Vocational Rehabilitation’s needs were not compatible with other agencies to consider consolidation.
Rep. Smith asked where will the people park who come for a disability hearing given that there are 98 spaces for 100 employees. He said he has concerns about claimants and the public coming to the location and having to pay to park. Mr. Norris replied that when someone comes for a hearing, parking is provided for them. He stated that they keep parking for the hearings. Rep. Smith asked if Vocational Rehabilitation will continue to provide parking for claimants and the public at the location. Mr. Norris said that they will continue to provide free parking.

Mr. Loftis commented that if leased spaces are being limited to downtown spaces, and the best rates are not being attained. He noted that the agency will pay $50,000 per month for the rental space for 100 clerical employees. He stated one gets what one asks for and that better rates could be found away from the downtown area.

Upon a motion by Senator Leatherman, seconded by Mr. Loftis, the Authority approved the proposed lease for the SC Vocational Rehabilitation Department at 301 N. Main Street in Greenville, as recommended by the Department of Administration, Facilities Management and Property Services.

Information relating to this matter has been retained in these files and is identified as Exhibit 4.

Department of Administration, Facilities Management and Property Services: Petition to Request Annexation of Department of Motor Vehicles’ Saint George Office into the Town of Saint George (Regular Item #5)

The Town of Saint George requested annexation of the Department of Motor Vehicles’ Saint George Office at 5315 East Jim Bilton Boulevard into its corporate limits. The DMV Office consists of approximately 2.464 acres. This annexation will increase the area of the Town and make the Town contiguous to more properties the Town could annex in the future. The South Carolina Department of Motor Vehicles does not oppose the Town’s plans to annex the property and will benefit from 24/7 law enforcement services and municipal water rates. A public hearing was conducted by the Town of Saint George on October 8, 2018, and there was no public opposition to the annexation. Additionally, the district’s legislative representatives were contacted and have no opposition to the annexation.

Upon a motion by Mr. Eckstrom, seconded by Senator Leatherman, the Authority approved the petition to request annexation of the Department of Motor Vehicles’ Saint George
Office into the Town of Saint George, as recommended by the Department of Administration, Facilities Management and Property Services.

Information relating to this matter has been retained in these files and is identified as Exhibit 5.

**Dept. of Administration, Capital Budget Office: Permanent Improvement Projects (R#6)**

The Authority was asked to approve permanent improvement project establishment requests and budget revisions as requested by the Department of Administration, Capital Budget Office. All items were reviewed favorably by the Joint Bond Review Committee.

Mr. Smith stated that he was recusing himself from item 6(f) because of a potential conflict of interest. He said he would abstain from voting.

**Establish Project for A&E Design**

(a) **Summary 3-2019:** JBRC Item 1. (H27) University of South Carolina - Columbia Project: 6127, Jones PSC Biology Labs Renovation

Included in Annual CPIP: Yes – 2017 CPIP Priority 1 of 4 in FY19 (estimated at $2,500,000) & 2018 CPIP Priority 3 of 11 in FY19 (estimated at $6,500,000)

JBRC/SFAA Phase I Approval: N/A

**CHE Recommended Approval: 11/1/18**

<table>
<thead>
<tr>
<th>Source of Funding Detail</th>
<th>Original Budget Amount</th>
<th>Cumulative Changes Since Original Budget</th>
<th>Current Budget Requested</th>
<th>Current Budget</th>
<th>Total Budget After Current Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other, Institutional Capital Project</td>
<td>-</td>
<td>-</td>
<td>97,500</td>
<td>97,500</td>
<td>97,500</td>
</tr>
<tr>
<td>All Sources</td>
<td></td>
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</table>

**Funding Source:** $97,500 Other, Institutional Capital Project Funds, which are generated from the portion of tuition and fees designated for State Institution Bonds. These funds pay debt service first and the remainder is used for capital improvements.

**Request:** Establish project and budget for $97,500 (Other, Institutional Capital Project Funds) to renovate the first floor of Jones PSC to adapt space currently allocated to aged chemistry teaching labs to become modern biology teaching labs for the College of Arts and Sciences. The project will gut the basement and first floor at the south wing of Jones PSC. The demolition will include abatement of asbestos and lead paint on these two floors. The first floor upfit will provide four modern teaching labs, three prep rooms, a classroom, a collaborative study
area, faculty offices and accessible toilet rooms. New mechanical HVAC construction on the fourth level will support the renovated spaces below. Per the university, this project follows a long-range plan for adding and improving science teaching labs that addresses a shortfall of labs made more acute by enrollment growth. Enrollment in biology labs is projected to increase. The Jones Physical Sciences Center is 192,503 square feet and the portion to be renovated is 13,100 square feet. Based on 10 lab sessions per week, 90 students will utilize the lab spaces. Other collaboration and faculty office spaces will accommodate an additional 40 students and faculty. The 2018 CPIP amount has increased from the 2017 CPIP because the scope of work contemplated in the 2017 CPIP was to convert 3 deteriorated Chemistry Labs to become modern Biology Labs with little change expected for the room configuration. The university commissioned a feasibility study in 2018 that thoroughly considered several renovation options. Also, the report concluded that the required scope of asbestos removal must be increased to include the basement below the level of the renovation project and include removal of much of the existing walls that configure the first-floor space. The revised estimated budget anticipates this enlarged scope of work and allows for prudent contingency and cost escalation. The agency estimates total project costs at $6,500,000.

(b) Summary 3-2019: JBRC Item 2. (H27) University of South Carolina - Columbia Project: 6128, Strom Thurmond Wellness Center Intramural Recreation Fields Synthetic Turf Installation Included in Annual CPIP: Yes – 2018 CPIP Priority 4 of 11 in FY19 (estimated at $1,850,000) JBRC/SFAA Phase I Approval: N/A CHE Recommended Approval: 11/1/18

<table>
<thead>
<tr>
<th>Source of Funding Detail</th>
<th>Original Budget Amount</th>
<th>Cumulative Changes Since Original Budget</th>
<th>Current Budget Adjusted Requested</th>
<th>Total Budget After Current Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other, Strom Thurmond W/F Center Maintenance Reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>27,750</td>
</tr>
<tr>
<td>All Sources</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>27,750</td>
</tr>
</tbody>
</table>

Funding Source: $27,750 Other, Strom Thurmond Wellness and Fitness Maintenance Reserve Funds, which are available to the university from a student recreation fee. Annually the university Board of Trustees adopts the tuition and fee schedule for the University of South Carolina students as part of the annual budget development process. The full fee is $105 per semester, which was first implemented at that level in 2002 and
has not increased since that time.

Request: Establish project and budget for $27,750 (Other, Strom Thurmond W/F Center Maintenance Reserve Funds) to replace the natural grass turf surface of three outdoor recreation fields located adjacent to the Strom Thurmond Wellness Center. The fields are used by the student population for intramural athletics. The existing turf will be removed, the land regraded, and a new artificial turf system will be installed with engineered drainage. The project installs approximately 200,000 square feet of synthetic turf. Approximately 5,000 students use the space for intramural sports and sport club participants annually. In 2016-17, there were 1,374 teams participating in intramural sports. This represents a ten-year increase of 41%. Sport Club participants increased by 161% to 5,015 over the same period. The agency estimates total project costs at $1,850,000. (See attachment 1 for this agenda item for additional annual operating cost savings.)

(c) Summary 3-2019: JBRC Item 3. (H27) University of South Carolina – Columbia
Project: 6129, Williams Brice Stadium Renovations
Included in Annual CPIP: Yes – 2017 CPIP Priority 3 of 6 in FY20 (estimated at $6,000,000) & 2018 CPIP Priority 1 of 11 in FY19 (estimated at $21,000,000)
JBRC/SFAA Phase I Approval: N/A
CHE Recommended Approval: 11/1/18

<table>
<thead>
<tr>
<th>Source of Funding</th>
<th>Original Budget Amount</th>
<th>Cumulative Changes Since Original Budget</th>
<th>Current Budget Adjustment Requested</th>
<th>Total Budget After Current Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Athletic, Operating</td>
<td>-</td>
<td>-</td>
<td>420,000</td>
<td>420,000</td>
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<tr>
<td>All Sources</td>
<td>-</td>
<td>-</td>
<td>420,000</td>
<td>420,000</td>
</tr>
</tbody>
</table>

Funding Source: $420,000 Athletic, Operating Funds, which are generated from Athletic revenues which consist of ticket sales, SEC Conference Distributions, Gamecock Club contributions, seat premiums, corporate sponsorships, gifts and other donations. Athletic funds are auxiliary funds of the university and are self-supporting.

Request: Establish project and budget for $420,000 (Athletic, Operating Funds) to make improvements to areas at the south, east and west zones of the stadium. The Phase I A&E pre-design budget request is 2.00% of the estimated cost to complete the project and the additional amount will be used to provide for the cost of Construction Manager at Risk services. In the South End Zone area, the scope of work will renovate and adapt the vacated Crews Building following the opening of the Football Operations Center. A significant portion of the first floor of the Crews Building will be adapted for hosting recruitment meetings and dining for approximately 300 persons. The remaining portion will
be adapted to become an interior conditioned concessions area capable of accommodating approximately 500 fans. The exterior area under the south stands will be renovated to provide new accessible toilet rooms and concessions. Also, at the field level, a new space for approximately 350 fans will be created below new lounge seating near the southwest corner of the stadium. The second floor of the Crews Building will be renovated as an event space. New accessible toilet rooms and concessions will be added at the base of the southeast ramp for fans seated in the southeast corner of the stadium. In the West-Side 100 level, the scope of work will renovate and expand an existing scholarship lounge at the north end to become a space for fans seated in sections 101 through 109 and an additional 300 pass-holders. New concession areas will be constructed, and minor toilet room improvements will occur within the space. In the East-side 400-level, the existing concourse that currently has scholarship lounges will be fully enclosed and conditioned to provide a space for approximately 3,300 fans. New concession areas and toilet rooms will occur within the space. The project takes advantage of team spaces made available with the completion of the Football Operations Center. The university reports that the project also improves older spaces that have lagged other improvements at Williams Brice Stadium and are the most frequent source of complaints by fans. The total conditioned square footage of Williams Brice Stadium and the Crews Building is approximately 103,000 square feet. The total square footage of the portion to be renovated is approximately 95,000 square foot which includes enclosing and conditioning square footage not included in the original 103,000 square feet. No new space is being added to the facility. Existing unconditioned stadium space is being enclosed. An estimated 10,000 fans will utilize the renovated spaces. The 2018 CPIP amount has increased from the 2017 CPIP because the “Williams Brice Stadium Renovations” project expands upon and renames, the “Crews Building Renovation” listed in the 2017 CPIP. The agency estimates total project costs at $21,000,000. (See attachment 2 for this agenda item for additional annual operating costs.)

Mr. Eckstrom noted regarding item 6(c) that USC’s Athletic Department has committed to raising $10 million of the estimated $21 million cost for the project from private donations. Mr. Loftis asked how much more will tickets cost for this area. Craig Parks with USC appeared before the Authority on this item. He stated that depending on the section, ticket prices will increase between $25 and $40 per game.
Summary 3-2019: JBRC Item 4. (H59) Greenville Technical College
Project: 6147, Bldg. 802 Roof Replacement and Building Air Conditioning
Included in Annual CPIP: Yes – 2018 CPIP Priority 2 of 2 in FY19 (estimated at $3,520,000)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 11/1/18

<table>
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<tr>
<th>Source of Funding</th>
<th>Original Budget</th>
<th>Cumulative Changes Since Original Budget</th>
<th>Current Budget</th>
<th>Adjustment Requested</th>
<th>Total Budget After Current Adjustment</th>
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<tbody>
<tr>
<td>Other, Local College Plant</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>114,775</td>
<td>114,775</td>
</tr>
<tr>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>114,775</td>
<td>114,775</td>
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</tbody>
</table>

Funding Source: $114,775 Other, Local College Plant Funds, which are the accumulation of appropriated funds from Greenville County, which are used to perform maintenance and renovations to physical facilities of Greenville Technical College.

Request: Establish project and budget for $114,775 (Other, Local College Plant Funds) to proceed with Phase I schematic design to replace the roof, reinforce structural support of roof system for HVAC units, air condition vehicle lab areas, and replace outdated glass windows and doors around the facility. The Phase I A&E pre-design budget request is 2.40% of the estimated cost to complete the project and the additional amount will be used to cover the costs for the pre-design services for roof and building envelope architect, mechanical engineer pre-design services for the HVAC system, and a Certified Asbestos & Lead Paint Project Designer will also be needed to complete the Phase I services for this multiple disciplined project. The building was constructed in 1955 and the current roof is greater than 35 years old and is deteriorating to a level patching is no longer effective. The existing roof system is a “recovery” roof system consisting of a coverboard and two-ply (SBS) modified bitumen roof system that was installed over a gravel surfaced built up roof system. The roof decks that exist are gypsum fill over and sheet rock form, metal, and wood. The new roof to be installed will be a two-ply modified bitumen roof system and will come with a 20-year manufacturer’s warranty and a 3-year contractors warranty. The windows are original from the initial construction and need replacement along with abatement of the lead paint on them. The vehicle lab areas are not conditioned, and students are subjected to high temperature and humidity levels while working on vehicles during lab exercises. Per the college, conditioning of vehicle labs is vital to a successful learning environment. The exterior of the building is in major need of pointing of mortar and sealant to
ensure proper operation of new HVAC system. The building is 74,397 square feet and is utilized by 10 faculty and 200 students for Automotive Maintenance Technology, Diesel Maintenance Technology, and Robotics as part of the Mechanical Engineering academic program. The Phase I estimated cost to complete the project is $1,071,000 higher than the 2018 CPIP amount because the CPIP was an estimated amount based on general conditions such as square feet with the assumption that the building envelope was in satisfactory condition. Once the assessment studies were conducted by a certified roofing and building specialist and a mechanical engineer performed an HVAC assessment, the cost soared. The agency estimates total project costs at $4,591,000. (See attachment 3 for this agenda item for additional annual operating costs.)

(e) Summary 3-2019: JBC Item 6. (E24) Office of the Adjutant General
Project: 9815, Statewide Stand-Alone Facility Entrance Security Improvements
Included in Annual CPIP: Yes – 2018 CPIP Priority 7 of 18 in FY19 (estimated at $5,818,719)
JBRC/SFAA Phase I Approval: N/A
CHE Recommended Approval: N/A

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Funding Source: $87,280 Federal, National Guard Bureau, which is funding identified as part of the Construction and Facilities Management Office’s Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau.

Request: Establish project and budget for $87,280 (Federal, National Guard Bureau Funds) to improve the security of the SCARNG’s Stand-Alone Facilities (SAF) required per NGB Directive I&E-HPG.2018. This project will harden the primary and one (1) secondary entrance of each facility to level 5 ballistic properties. This work includes adding conduit and CAT-6 cables for an AIPhone, access card reader, security cameras, and electronic locking mechanism w/110-volt power supply and electronic hinge for door position. Also, the balance of entrances will be changed to exit only with audible alarm hardware. This work applies to 55 readiness centers across the state. The average age of the facilities is over 50 years old and are utilized by soldiers assigned to each facility.
along with civilian employees and the public since facilities are rentable. The agency estimates total project costs at $5,818,719. (See attachment 4 for this agenda item for additional annual operating costs.)

Mr. Eckstrom asked concerning item 6(e) how the project is going to be funded. Colonel Brigham Dobson, SC National Guard Construction and Facilities Management Officer, appeared before the Authority. He said the project is funded 100% by federal funds. Mr. Eckstrom asked if there was any overlap with this project and the readiness center upgrades for item 6(l). Colonel Dobson said the readiness center upgrades will include the security upgrades. He said item 6(e) is for 55 readiness centers to be upgraded. Mr. Eckstrom asked how many readiness centers there are. Colonel Dobson said they have 63 readiness centers. Mr. Eckstrom said he was questioning if there was any overlap with item 6(l). Colonel Dobson said there is overlap to the extent that the readiness centers that are being fully renovated will get the security upgrade. Mr. Eckstrom asked if the State shared in the cost of item 6(l). Colonel Dobson said the State will supply 50% of the cost for item 6(l) and 50% of the cost will come from federal funds.

With regard to items 6(a) and 6(h), Mr. Loftis asked what happens to the research done in those academic buildings. Mr. Loftis noted that the students’ tuition pays the debt service on the buildings. He asked where the research money goes considering it does not help pay for the building. Mr. Parks said that is handled by the department’s research division and that he can provide information to show where that money is reinvested in USC. Mr. Loftis commented that it seems as if the students subsidize the research for the professors. Mr. Parks noted that the students are engaged in the research. Mr. Loftis said he questions why the students are funding the debt. Mr. Parks said approval of the projects will help with the modernization of the labs.

(f) **Summary 3-2019:** JBRC Item 7. (H67) South Carolina Educational Television Project: 9517, SCETV Various Bldgs. – Guaranteed Energy, Water & Wastewater Conservation Services

Included in Annual CPIP: Yes – 2018 CPIP Priority 1 of 3 in FY19 (estimated at $13,200,000)

JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A
Source of Funding | Original Budget Amount | Cumulative Changes Since Original Budget | Current Budget Adjustment Requested | Total Budget After Current Adjustment
--- | --- | --- | --- | ---
Other, Spectrum Auction | - | - | - | 192,899
All Sources | - | - | - | 192,899

Funding Source: $192,899 Other, Spectrum Auction Funds, which are funds authorized by the 2018-19 Appropriations-Bill H.4950, Part IB, in Section 8. The Educational Television Commission is authorized to receive and retain up to $35,000,000 of the proceeds from the Federal Communication Commission TC Auction and place them in a segregated, restricted account. These processed shall be used to fund capital needs, including broadcast industry standards changes, existing equipment repair, maintenance and replacement needs, and operational costs.

Request: Establish project and budget for $192,899 (Other, Spectrum Auction Funds) to begin Phase I design work for participation in the South Carolina Energy Offices’ PEER program for multiple building sites including the SCETV Headquarters TCC Building on 1041 George Rogers Blvd. in Columbia. Per the agency, the contracting method is compliant with the state procurement process for energy performance contracting. The Phase I pre-design services will further define the energy measures, their associated guaranteed costs and financing terms for the Guaranteed Energy Savings Contract. Energy measures include lighting and water conservation upgrades, HVAC upgrades and replacements, building controls and energy management upgrades, revenue generating tower and transmission asset upgrades. The cost of the energy performance measures and design services for the GESC and the Phase I services are to be paid from the savings and revenues realized over the term of the 12-15 year contract term. Phase I costs will be included in the final contract costs and funded by savings. The buildings and infrastructure included in this project are to 20 to 30 years old and range from 750 to 155,000 square feet. These facilities are utilized by 150 people. The agency estimates total project costs at $13,200,000. (See attachment 5 for this agenda item for additional annual operating cost savings.)

Mr. Eckstrom asked how item 6(f) will be funded and of what does it consist. Anthony Padgett, President of ETV, appeared before the Authority. He said this is not for a new building, but for upgrades to their infrastructure system that are in most cases 30 years old. Mr. Eckstrom asked what an infrastructure system is. Mr. Padgett said it would include HVAC, lighting,
transmitters and associated buildings, microwave tower facilities, and their headquarters in Columbia. He said this is a cost the agency will have to bear over the next few years and this provides an opportunity for them to leverage a loan program and pay for it out of the savings they would recognize from the infrastructure upgrades. He said they estimate $1 million in energy savings will be generated from the improvements. Mr. Eckstrom asked what will happen if the savings are not realized. Mr. Padgett said the loan program is a guaranteed loan program and the funds would come from the vendors. Mr. Eckstrom commented that experience with the program raises questions about the adequacy of guaranteed savings. John White, State Engineer, said this matter is independent of the Energy Independence and Sustainable Construction Act discussed in the past. He said there have been several institutions over the years that have done these guaranteed energy savings contracts. He said the vendors guarantee the savings and they are responsible for making good on the savings. He noted that the one contract he is aware of that failed, the vendor made good on the contract and paid. Mr. Eckstrom asked how the contract is enforced. Mr. White said the contract has terms and conditions on how to verify the savings are being achieved.

Senator Leatherman commented that is what happened with the Johnson Controls energy plant. He said the project did not realize the savings the company said it would and the State enforced the contract against the company. Mr. Eckstrom asked if the State had to sue Johnson Controls. Mr. White said that no lawsuit was pursued and that the parties were able to resolve the matter.

Mr. Loftis asked Mr. Padgett if they had $35 million in the account. Mr. Padgett said they do and noted that these are funds generated from the recent FCC spectrum auction. He said the funds are available and have been identified for purposes of infrastructure improvement over the next three to five years. Mr. Loftis asked if the loan will come through the vendor. Mr. Padgett said the loan will come through the program and will be paid back over the next 10 to 12 years. Mr. Loftis asked if the loan is vendor generated. Mr. Padgett said it is generated through the State Treasurer’s Office. Mr. Loftis noted that is the lease program.

In further discussion, Mr. Eckstrom asked why borrow the funds when the agency has $35 million that can be used. Mr. Padgett said this allows them to leverage those funds to extend them further. He said ETV has about $50 million in infrastructure and upgrades that will be
needed for equipment and technology refresh that must be done over the next 5 to 10 years.

Establish Construction Budget

(g) Summary 3-2019: JBRC Item Separate. (H12) Clemson University
Project: 9941, Soccer Operations Complex Construction
Included in Annual CPIP: Yes – 2017 CPIP Priority 2 of 2 in FY19 (estimated at $8,000,000) & 2018 CPIP Priority 6 of 6 in FY19 (estimated at $8,000,000)
JBRC/SFAA Phase I Approval: June 2018 (estimated at $8,000,000)

CHE Recommended Approval: 11/1/18

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Funding Source: $4,000,000 Athletic Facilities Revenue Bonds, which are long-term debt instruments issued by the State Treasurer’s Office in the name of the university and are pledged to be repaid with a combination of athletic net revenues, ticket surcharge, and private gift funds.

$4,000,000 Other, Athletic Gifts and Donations, which are amounts received from individuals, corporations and other entities that are to be expended for their restricted purposes in support of the Athletic Department.

Request: Increase budget to $8,000,000 (add $7,840,000 Revenue Bonds and Other, Athletic Gifts and Donation Funds) to establish the Phase II construction budget to construct an approximately 13,000 square foot Soccer Operations Complex to house the day-to-day functions of the men’s and women’s NCAA soccer programs at Clemson. The facility will be certified to Two Green Globes Certification standards with a projected energy savings of $277,573 over a 30-year period. The facility will include locker rooms, team commons areas, coaches’ offices, meeting rooms and storage areas for each team and shared spaces including the lobby/event area, video analysis rooms, sports medicine areas, outdoor plaza and parking. Currently, soccer operations are located in non-contiguous locations. Coaches’ offices, locker rooms and training spaces are located on different floors of the Jervey Athletic Center and are separated from the locations of the practice soccer fields and Riggs Field, used for competition. The co-location of all player and coach operations is imperative to gain
training efficiencies and foster the positive program culture and dynamics needed for continued growth of the men’s and women’s soccer programs. The new soccer complex will be used by approximately 64 student athletes, 8 student training staff and managers, 8 coaches, and 2 sports medicine staff. Per the university, the efficiencies found within a planned operations facility is the best way to attract and develop student athletes needed to compete on a national level. With the recent construction of soccer practice fields, it is most advantageous to locate the new complex adjacent to this site. The agency estimates that the completed project will cost approximately $8,000,000. (See attachment 6 for this agenda item for additional annual operating costs.) The agency anticipates execution of the construction contract in June 2019 and completion of construction in June 2020.

(h) **Summary 3-2019:** JBRC Item 8. (H27) University of South Carolina - Columbia Project: 6123, Barnwell Exterior Renovation

Included in Annual CPIP: Yes – 2017 CPIP Priority 5 of 9 in FY18 (estimated at $1,500,000) & 2018 CPIP Priority 2 of 11 in FY19 (estimated at $1,650,000)

JBRC/SFAA Phase I Approval: March 2018 (estimated at $1,500,000)

CHE Recommended Approval: 11/1/18

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Funding Source: $1,650,000 Other, Institutional Capital Project Funds, which are generated from the portion of tuition and fees designated for State Institution Bonds. These funds pay debt service first and the remainder is used for capital improvements.

Request: Increase budget to $1,650,000 (add $1,627,500 Other, Institutional Capital Project Funds) to establish the Phase II construction budget to address the following exterior envelope maintenance needs at Barnwell College which were identified in a detailed building condition assessment completed April 2016: 1) Replace the deteriorated low-sloped metal roof, repair rotten wood sheathing. 2) Repair the perimeter slate roof with new underlayment. 3) Replace the internal gutter and all downspouts. 4) Repair the architectural metal entablature and wood framed substrate. 5) Repair molding and plaster column capitals. 6) Repair cementitious stucco, clean, reseal/caulk joints and repaint the entire building exterior. Barnwell
College was constructed in 1910 and is 58,623 square feet. However, the building systems being addressed in this project are 40 years old. The existing roof is a combination of low-slope metal in the center and sloped slate at the perimeter which is predominant. The existing roof leaks on the flat roof, in some areas of the slate roof and the gutter. The project is needed to resolve these leaks before more significant damage occurs to the structure and finishes. Part of the new roof will replace the oxidized metal roof with copper or aluminum which will not oxidize and is anticipated to last 30 to 40 years. The remainder, and predominant part of the roof will include removal of the existing slate, application of a new waterproof membrane, and reinstallation of the existing slate. Slate roofs with modern membrane underlayments are considered to be 60-year-plus roofs. The new roof will come with a 20-year warranty. The facility houses the Psychology, Language and Literature, History, Anthropology and other departments within the College of Arts and Sciences. The building has classrooms, faculty offices and administration space and is utilized by approximately 7,000 students.

The 2018 CPIP amount has increased by $1,150,000 from the 2017 CPIP because the Phase I design effort enabled a more thorough evaluation of the projected costs by roof and building envelope engineers. The agency estimates that the completed project will cost approximately $1,650,000. The agency anticipates execution of the construction contract in April 2019 and completion of construction in December 2019.

(i) Summary 3-2019: JBRC Item 9. (H29) University of South Carolina - Aiken Project: 9552, USC Aiken Maintenance Building

Included in Annual CPIP: Yes – 2017 CPIP Priority 2 of 2 in FY20 (estimated at $2,000,000) & 2018 CPIP Priority 1 of 2 in FY19 (estimated at $2,000,000)

JBRC/SFAA Phase I Approval: May 2018 (estimated at $2,000,000)

CHE Recommended Approval: 11/1/18

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Funding Source: $2,800,000 Other, USC Aiken Institutional Funds, which are received from a variety of sources including tuition and fees and sales and services activities.

Request: Increase budget to $2,800,000 (add $2,770,000 Other, USC Aiken
Institutional Funds) to establish the Phase II construction budget to construct a new building for the Facilities Maintenance and Supply staff and their associated equipment at the periphery of campus. Currently, these offices and equipment areas are adjacent to an academic building in the core of campus. Due to its prime location in the core of campus, the university has plans to repurpose the existing maintenance facility for a Scholars Academy and other academic programs. The new maintenance facility will be located remote from the core of campus. The facility will be similar in size to the existing building. The new approximately 14,000 square foot pre-engineered metal facility will accommodate approximately 25 staff. Since less than 10,000 gross square feet in the facility will be conditioned, the facility will not be constructed to meet LEED Silver or Green Globes certification standards. The Phase II estimated cost to complete the project has increased by $800,000 from the 2017 CPIP, 2018 CPIP, and from the Phase I amount because the Phase I design effort refined the scope and enabled a better estimate, especially related to site work costs and the cost of the pre-engineered steel building. The university estimates that the completed project will cost approximately $2,800,000. (See attachment 7 for this agenda item for additional annual operating costs.) The agency anticipates execution of the construction contract in June 2019 and completion of construction in December 2019.

(j) Summary 3-2019: JBRC Item 12. (J12) Department of Mental Health Project: 9767, SCDMH Tucker Center Chiller Replacement
Included in Annual CPIP: Yes – 2018 CPIP Priority 11 of 13 in FY19 (estimated at $520,000)
JBRC/SFAA Phase I Approval: October 2018 (estimated at $500,000)

CHE Recommended Approval: N/A

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Funding Source: $1,100,000 Other, Capital Improvement & Maintenance Funds, authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals,
capital projects and ordinary repair and maintenance.

Request:
Increase budget to $1,100,000 (add $1,092,500 Other, Capital Improvement & Maintenance Funds) to establish Phase II to replace the existing 2, 350-ton air cooled chiller units at the C M Tucker Jr. Nurse Care Center. The units are approximately 11 years old and have been damaged due to a brick security wall surrounding the units restricting air flow across the coils. The lack of air flow across the coils, and age, are causing multiple failures making the units unreliable. There is no redundancy, and a recent feasibility study shows the units are undersized for the existing building load. The plan is to replace the 2 chillers with 2, 390-ton air-cooled units, remove a large portion of the security wall and replace it with a chain link fence, and provide an additional connection for a 3rd chiller or an emergency rental chiller connection in the case of an emergency. The chillers supply chilled water to cool 4 buildings on the campus for a total of 214,207 square feet that house 135 long term nursing home patients, 90 VA long term nursing home patients and 240 staff and support personnel. The Phase I estimate was $600,000 lower than the Phase II estimate because the original plan was to replace the chillers 1 for 1. Upon further examination, it was determined that removing part of the wall including relocating a gas line and gas meter just outside the wall to expand the area for 2 larger chillers and provisions for a possible 3rd chiller at a later date was the better option. The project also includes upgrading the electrical services and new pumps. The agency estimates total project costs at $1,100,000. The agency anticipates execution of the construction contract in February 2019 and completion of construction in June 2019.

(k) Summary 3-2019: JBRC Item 13. (R60) Department of Employment and Workforce Project: 9528, David Building – VAV and DDC Controls Upgrade
Included in Annual CPIP: Yes – 2017 CPIP Priority 2 of 2 in FY19 (estimated at $400,000) & 2018 CPIP Priority 1 of 5 in FY19 (estimated at $1,013,835)
JBRC/SFAA Phase I Approval: May 2018 (estimated at $1,013,835)
CHE Recommended Approval: N/A

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Funding Source: $1,019,112 Other, DEW Contingency Assessment Funds, which was established by the Legislature in 1986 in response to federal budget cuts which would have forced office closing and reductions in staff. The contingency assessment portion of the taxes accounted for in the special revenue fund which is used primarily to fund administrative costs and employment services.

Request: Increase budget to $1,019,112 (add $1,007,450 Other, DEW Contingency Assessment Funds) for Phase II design and construction services for the replacement of 154 HVAC variable air volume (VAV) cabinets and pneumatic controls in the Robert E. David Building. The project will require asbestos abatement due to the large amount of asbestos duct tape mastic. The variable air volume (VAV) cabinets and pneumatic controls are not functional and are at the end of their service life. VAV cabinet replacement parts are not available, the pneumatic controls are obsolete and should be replaced with more energy efficient current technology digital controls, and most of the equipment cannot be repaired. Building temperatures are difficult to maintain resulting in uncomfortable office space in many areas of the building. The building was constructed in 1975, making it 43 years old, and is 104,076 square feet. The building houses approximately 350 staff on a regular basis. The agency estimates that the completed project will cost approximately $1,019,112. (See attachment 8 for this agenda item for additional annual operating cost savings.) The agency anticipates execution of the construction contract in June 2019 and completion of construction in June 2020.

Phase II Increase

(1) Summary 3-2019: JBRC Item 14. (E24) Office of the Adjutant General Project: 9793, Armory Revitalization (Annualized) Included in Annual CPIP: Yes – 2018 CPIP Priority 1 of 18 in FY19 (estimated at $15,050,000) JBRC/SFAA Phase II Approval: November 2016 (estimated at $10,500,000) Admin. Phase II Increase Approval: September 2018 (estimated at $13,500,000) JBRC Staff Letter 3 CSOF Approval: September 2018 (estimated at $13,500,000) CHE Recommended Approval: N/A
Funding Source: $8,000,000 FY16 & FY19 Capital Reserve Funds. $8,000,000 Federal Funds, which are Construction and Facilities Management Office’s Master Cooperative Agreement funds.

Request: Increase budget to $16,000,000 (add $3,000,000 Capital Reserve & Federal, National Guard Bureau Funds) to complete significant repairs at ten (10) Readiness Centers (aka; Armories) that are in the worst conditions of disrepair of the 63 RCs and are chosen based on the A/E’s assessment/design. The centers include Greenwood, Lancaster, Greenville, Florence, Sumter, Clemson, Laurens, Union, Hartsville, and Easley. Each armory is an average of 65,000 square feet and over 50 years old. Each of these facilities have varying issues that need to be repaired or renovated, but the major cost items include; 1) Roof replacement or repairs. Roofs will be replaced at Florence, Sumter, Easley, Laurens, Clemson, Union and Hartsville because each roof is approximately 40+ years old. Five armories have built-up bituminous roofing systems and two have standing seam metal roofs and all will be replaced with the same roofing material. All roofs will come with a minimum 20-year warranty. 2) HVAC systems maintenance and/or repairs. 3) Replacing existing exterior windows, doors and storefront systems. 4) Interior renovations of latrines, kitchen, lighting, fire suppression, carpeting/flooring, painting of interior & exterior walls. 5) Electrical system upgrades. 6) Site improvements and repairs of parking lots, stormwater systems, security fencing, security lighting. 7) Foundation, structure and exterior wall repairs. In most cases, items require replacement since they have exceeded their service life. In accordance with Federal law, the State of South Carolina is obligated to the National Guard Bureau to provide operation and maintenance funding for those facilities as long as there is a federally recognized unit assigned to the facilities. The agency has relocated and/or consolidated force structure to other RCs and closed the sub-standard RCs that could be closed. 3 of the 10 facilities (Greenwood, Lancaster and Greenville), have been out for bid and awarded. The next phase of projects (Florence, Sumter and Easley), are aimed to award bid in the 1st quarter of 2019 and begin construction by 3rd quarter of 2019. The
agency reports the total projected cost of this project through this fiscal year is $19,100,000 and will increase over the next 3 years to equal a total of approximately $39,800,000 in the final year of FY2020-2021. The agency also reports the estimated completion of construction is December 2022.

(m) Summary 3-2019: JBRC Item 15. (J12) Department of Mental Health Project: 9736, Harris Hospital HVAC and Sprinkler Renovations
Included in Annual CPIP: Yes – 2017 CPIP Priority 1 of 5 in FY18 (estimated at $13,089,595) & 2018 CPIP Priority 1 of 13 in FY19 (estimated at $14,604,534)
JBRC/SFAA Phase I Approval: December 2014 (estimated at $8,100,000)
JBRC/SFAA Phase II Approval: June 2016 (estimated at $10,300,000)
JBRC/SFAA Phase II Increase Approval: August 2017 (estimated at $13,089,595)
CHE Recommended Approval: N/A

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<td>12,969,595</td>
<td>13,089,595</td>
<td>2,287,217</td>
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Funding Source: $15,376,812 Other, Capital Improvement & Maintenance Funds, which is authorized by Proviso 35.7 to allow an interest-bearing fund with the State Treasurer to deposit funds appropriated for deferred maintenance and other one-time funds from any source. After receiving any required approvals, the department is authorized to expend these funds for the purpose of deferred maintenance, capital projects, and ordinary repair and maintenance.

Request: Increase budget to $15,376,812 (add $2,287,217 Other, Capital Improvement & Maintenance Funds) to add back items to the construction contract that were previously value engineered out in order to meet the approved budget for the HVAC and fire sprinkler renovations at the Patrick B. Harris Psychiatric Hospital in Anderson, SC. The construction contract was awarded in FY17 and the contractor issued a letter on February 26, 2018 agreeing to hold their pricing for one year on the value engineered out items should DMH find the funds to add them back in the project. The items being added back into the contract are Lodge A HVAC & sprinkler replacement, installing new underground chilled water and hot water piping, and replacement of the air handling units in the Physical Plant building. By adding back these items, they will have a complete HVAC and sprinkler renovation
for the facility. The scope of work replaces the 31-year-old HVAC distribution system, which is original to the building, including ductwork, underground chilled water piping, controls, and the energy plant’s cooling towers. The existing fire sprinkler system is also original to the building and has experienced failures at piping joints, valves, and fittings. The facility is a 175,300-gross-square-foot acute inpatient hospital with 200 licensed beds and current operating capacity of 131 beds. It is currently utilized by 626 students, 311 staff and 777 clients. The agency estimates that the completed project will cost approximately $15,376,812. (See attachment 9 for this agenda item for additional annual operating cost savings.) The agency also reports completion of construction in October 2020.

Preliminary Land Acquisition

(n) Summary 3-2019: JBRC Item 16. (P24) Department of Natural Resources Project: 9984, Richland – Wateree River WMA Land Acquisition (TCF) Included in Annual CPIP: Yes – 2018 CPIP Priority 2 of 16 in FY20 (estimated at $3,000,000) JBRC/SFAA Phase I Approval: N/A CHE Recommended Approval: N/A

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<th>Source of Funding Detail</th>
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Funding Source: $20,000 Federal, Hunter Education Range Grant Funds, which is income provided to the states and insular areas fish and wildlife agencies for projects to provide instruction in firearm operation and safety, wildlife management, nature conservation, ethics, game laws, outdoor survival, and wilderness first aid. Funds may also be used for the development and operations of archery and shooting range facilities. The Hunter Education Program is part of the Wildlife Restoration Program, which is administered by the US Fish and Wildlife Service and obtains funds from excise taxes on firearms, ammunition, archery equipment and arrow components.

Request: Establish project and budget for $20,000 (Federal, Hunter Education Range Grant Funds) to procure investigative studies required to adequately evaluate property prior to purchase. The agency is
considering the acquisition of approximately 781 acres of land located in eastern Richland County. The land, which adjoins the DNR’s Wateree River Wildlife Management Area (WMA), is being offered by The Conservation Fund of Arlington, VA. The acquisition opportunity for the land developed earlier than was anticipated in the CPIP. The property is located approximately 15 miles east of Columbia on US Hwy 378 in eastern Richland County and borders the west side of the Wateree River WMA. It contains upland and wetland areas, ponds, controlled impoundments, and open fields. Ten structures are on the site, including two residences, a log cabin and garage, a guest cabin, skinning shed, storage building, paddock and two pole sheds, which would be incorporated into the operation of the property. The main residence and the guest residence are approximately 78 years old. The log cabin and remaining buildings are approximately 38 years old. The existing buildings would not be renovated. The property would be used to develop a regional skeet and trap event facility for youth and adult shooting events and as a Take One/Make One youth hunting area. Dove fields, waterfowl impoundments, and other hunting and fishing areas would also be established for use by the public. Further, the site would be utilized as a training site by DNR law enforcement staff in the future. The agency estimates the land acquisition cost at $2,820,000. (See attachment 10 for this agenda item for additional annual operating costs.)

Final Land Acquisition

(o) Summary 3-2019: JBRC Item 19. (P24) Department of Natural Resources
Project: 9985, Greenville-Tall Pines Land Acquisition
Included in Annual CPIP: Yes – 2018 CPIP Priority 14 of 17 in FY19 (estimated at $4,020,000)
JBRC/SFAA Phase I Approval: October 2018 (estimated at $4,020,000)
CHE Recommended Approval: N/A

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<th>Source of Funding Detail</th>
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Funding Source: $520,000 Other, Fish & Wildlife Protection (Timber) Funds, which is income derived from timber harvests on DNR lands that is placed in the Fish and Wildlife Protection Fund. Revenue from this source must be expended by DNR for the protection, promotion, propagation, and management of freshwater fisheries and wildlife, the enforcement of related laws, the administration of the department, and the dissemination of information, facts, and findings the department considers necessary. $500,000 Other, Heritage Land Trust Funds, which provides for the department to acquire in fee simple or lesser interest in priority areas, legal fees, appraisals, surveys, or other costs involved in the acquisition of priority areas, and for the development of minimal facilities and management necessary for the protection of priority areas. $3,000,000 Other, SC Conservation Bank Funds, which are funds provided to improve the quality of life in South Carolina through the conservation of significant natural resource lands, wetlands, historical properties, and archaeological sites.

Request: Increase budget to $4,020,000 (add $4,000,000 Other, Fish & Wildlife Protection (Timber), Other Heritage Land Trust, and Other, SC Conservation Bank Funds) and to complete the acquisition of approximately 1,757 acres of land in northwestern Greenville County. The property is located on the north and south sides of Moody Bridge Road, in Greenville County, approximately 8 miles north of Travelers Rest. The tract contains upland and wetland areas, four lakes, numerous streams, and frontage along the South Saluda River. The property provides habitat for fish, deer, quail, turkey and small game. After acquisition, the property will be managed to enhance fish and wildlife habitat and provide outdoor recreational opportunities to the public. The property is offered for sale by the Conservation Fund of Arlington, VA for a proposed purchase price of $4,000,000. An appraisal completed on October 15, 2018 by Stone & Associates valued the property at $6,150,000. A Phase I Environmental Site Assessment was completed by Emerald, Inc. on October 16, 2018 and revealed no evidence of Recognized Environmental Conditions (REC’s). The agency estimates the land acquisition cost at $4,020,000. (See attachment 11 for this agend item for additional annual operating costs.) The agency anticipates completing the land acquisition in March 2019.

Upon a motion by Senator Leatherman, seconded by Mr. Eckstrom, the Authority approved the permanent improvement project establishment requests and budget revisions as requested by the Department of Administration, Capital Budget Office as noted herein. Governor McMaster, Mr. Loftis, and Senator Leatherman voted for the item. Rep. Smith abstained from voting on the
item noting that he was recusing himself from item 6(f). Mr. Eckstrom did not vote on the item. Information relating to this matter has been retained in these files and is identified as Exhibit 6.

**Division of Procurement Services: Waiver to Extend the Maximum Time on a Multi-Term Contract for the Medical University of South Carolina (Regular Session Item #7)**

Section 11-35-2030(4), of the SC Consolidated Procurement Code limits the maximum time for any multi-term contract to seven years unless otherwise approved by the Authority. The Medical University of South Carolina (MUSC) sought Authority approval to solicit a contract with a performance term of up to eleven (11) years after implementation for an Enterprise Resource Planning (ERP) system.

MUSC proposes to implement a Software as a Service (SaaS) ERP solution to include Financials, Human Capital Management, Solicitation, Procurement, and Inventory Management. MUSC believes a contract performance term of up to eleven years after implementation will:

(a) Substantially lower the State’s costs associated with its upfront investment by amortizing these costs over a longer period of time;

(b) Increase customer service through incentivizing high level of service for a longer period to assure contract extensions;

(c) Align the contract with the expected life of the solution;

(d) Enable negotiation of contract terms more favorable to MUSC; and

(e) Reduce the impact and disruption of day-to-day business activities of MUSC and vendors associated with implementing a new system.

Upon a motion by Senator Leatherman, seconded by Mr. Eckstrom, the Authority, under the authority of SC Consolidated Procurement Code Section 11-35-2030(4), approved MUSC’s request for a multi-term contract for an ERP and authorize the solicitation of proposals and award of a contract with a performance term of up to eleven (11) years after implementation.

Information relating to this matter has been retained in these files and is identified as Exhibit 7.
Clemson University: Not Exceeding $4,250,000 Athletic Facilities Revenue Bonds, Series 2019 of Clemson University (Regular Item #8)

The Authority was asked to adopt a resolution making provision for the issuance and sale of not exceeding $4,250,000 Athletic Facilities Revenue Bonds, Series 2019 of Clemson University.

The proceeds of the bonds will be used for the purpose of providing funds to construct a soccer operations complex and related facilities on the campus of the University and (i) providing the amount necessary, together with other available funds of the University, to defray the costs of the project; (ii) capitalizing interest during construction, if necessary; (iii) subject to the provisions of Section 6.03 of the 2019 Series Resolution, providing money to fund the Series 2019 Debt Service Reserve Fund, if any, for the Series 2019 Bonds; and (iv) paying certain costs and expenses relating to the issuance of the Series 2019 Bonds, including a municipal bond insurance premium, if any.

Mr. Eckstrom asked Mr. Loftis if this issue could be packaged with any other issues given that it is a very small issue. He noted that the cost of issuance for this single issue is high. Mr. Loftis said the intent is to package the issue with other issues.

Upon a motion by Senator Leatherman, seconded by Rep. Smith, the Authority adopted a resolution making provision for the issuance and sale of not exceeding $4,250,000 Athletic Facilities Revenue Bonds, Series 2019 of Clemson University.

Information relating to this matter has been retained in these files and is identified as Exhibit 8.

Executive Director: Revenue Bonds (Regular Session Item #9)

The required review on the following proposal to issue revenue bonds has been completed with satisfactory results. The project requires approval under State law.

Issuing Authority: State Housing Finance and Development Authority
Amount of Issue: Increase in Aggregate Principal Amount by $1,500,000
Allocation Needed: -0-
Name of Project: Waters at St. James Apartments
Employment Impact: N/A
Project Description: for the acquisition, construction and equipping of a 336-unit apartment development to be located in the City of Goose Greek Berkeley County

Bond Counsel: Emily S. Luther, Parker Poe Adams & Bernstein

Upon a motion by Senator Leatherman, seconded by Rep. Smith, the Authority adopted the resolution approving the referenced proposal to issue revenue bonds.

Information relating to this matter has been retained in these files and is identified as Exhibit 9.

Executive Director: Economic Development (2018 Ceiling Allocations and Carryforward) (Regular Item #10)

The initial balance of the 2018 state ceiling allocation was $527,558,745. In accord with Code Section 1-11-520, $211,023,498 (40% of the total) was designated as the state pool and $316,535,247 (60% of the total) was designated as the local pool. There is presently a state ceiling balance of $481,098,745 remaining for 2018. Allocation requests for 2018 totaling $166,500,000 have been received thus far.

The recommendation from the Department of Commerce for allocations for this cycle totaled $70,000,000. The Department of Commerce made the following recommendation for allocation from the local pool:

JEDA, River Park Independent Living (Horry County), $25,000,000; and
JEDA, Avondale Senior Living (Lancaster County), $45,000,000.

JEDA (Jobs-Economic Development Authority), in accord with S.C. Code of Laws Section 1-11-500, et seq., has requested that the allocations of $25,000,000 for the River Park Independent Living project and $45,000,000 for the Avondale Senior Living project be designated as carryforward for use in subsequent years. The project is an exempt facility (i.e., qualified residential rental bonds) under Section 142 of the Internal Revenue Code and is eligible for carryforward for the next three calendar years. The Authority was asked to authorize the filing of a carryforward election with the Internal Revenue Service provided that the bonds have not been issued on or before the ceiling allocation expiration date of December 31, 2018.

The South Carolina State Housing Finance and Development Authority, pursuant to S.C. Code of Laws Section 1-11-500, et seq., requested that any unallocated state ceiling balance
remaining at the end of the calendar year be designated to the Authority as carryforward for use in subsequent years. The Authority was asked to allocate any remaining 2018 state ceiling balance at year-end to the South Carolina State Housing Finance and Development Authority for use in the issuance of bonds to provide housing to the members of State Housing’s “beneficiary classes” (i.e., mortgage revenue bonds/mortgage credit certificates, and qualified residential rental bonds) for carryforward for the next three calendar years and authorize the filing of a carryforward election with the Internal Revenue Service.

Authority approval of the recommended requests leaves an unexpended state ceiling balance of $411,098,745 (state pool - $211,023,498; local pool - $200,075,247) to be allocated as carryforward.

Mr. Eckstrom noted that the term “JEDA” in the second paragraph of the “Authority Action Requested” does not belong in the action requested for the approval. Mr. Eckstrom noted that approval of the allocation is by the Authority. Mr. Gillespie said that the language would be reviewed.

Mr. Eckstrom further asked why the allocation was being referred to as a tentative ceiling allocation as opposed to it being a grant of the ceiling allocation once approved. Mr. Singleton stated that the allocation is stated as a tentative allocation because the intent is to close the project before the end of the year or it would become eligible for carryforward designation. Mr. Eckstrom asked if the allocation would revert to the allocation pool if the issue did not close.

Emily Luther, bond counsel for the project, appeared before the Authority on this matter. She stated that if the bonds are issued prior to the end of the year the amount not used is reverted to the local pool. She stated that her understanding is that if any amount of the carryforward is not used it will not revert to the pool, but will be gone. Mr. Eckstrom asked if they were asking for $70 million in ceiling allocation, but not on a tentative basis. Ms. Luther said they are asking for $70 million in ceiling allocation because that is the amount they expect the bonds to be issued in which is the not to exceed amount that was approved by JEDA. She said the tentative basis of the allocation is due to the way the statutory scheme is set up. She noted that the Authority grants the allocation on a tentative basis and not less than 10 days before the closing of the bonds they certify to the Authority the exact amount of the issue. She said that Mr. Singleton then issues a permanent ceiling allocation per the statute.
Mr. Eckstrom asked Ms. Luther of the likelihood of closing the issues by the end of the year. Ms. Luther said they are closing a portion of the Avondale project before the end of the year and that they are waiting on the term sheet from the bond purchaser for the River Park project. Mr. Eckstrom asked if the sale is a negotiated sale. Ms. Luther said it is a public sale to a limited group of investors that is represented by a single bond holder representative. She said the limited group of investors and the bond holder representative negotiate the terms of the sale of the bonds. She said it is not technically a negotiated private sale.

Upon a motion by Senator Leatherman, seconded by Rep. Smith, the Authority, in accord with Code Section 1-11-500 et seq. and upon the recommendation of the Department of Commerce, granted the following tentative ceiling allocation from the local pool:

JEDA River Park Independent Living (Horry County), $25,000,000; and
JEDA Avondale Senior Living (Lancaster County), $45,000,000.

Also, pursuant to S.C. Code of Laws Section 1-11-500, et seq., the Authority designated the allocations of $25,000,000 for the River Park Independent Living project and $45,000,000 for the Avondale Senior Living project as carryforward for use in subsequent years and authorized the filing of a carryforward election with the Internal Revenue Service provided that the bonds have not been issued on or before the ceiling allocation expiration date of December 31, 2018.

The Authority further authorized the allocation of any remaining 2018 state ceiling balance at year-end to the South Carolina State Housing Finance and Development Authority for use in the issuance of bonds to provide housing to the members of State Housing’s “beneficiary classes” (i.e., mortgage revenue bonds/mortgage credit certificates, and qualified residential rental bonds) for carryforward for the next three calendar years and authorized the filing of a carryforward election with the Internal Revenue Service.

Information relating to this matter has been retained in these files and is identified as Exhibit 10.
Executive Director: Qualified Public Educational Facilities (2018 Volume Cap Carryforward) (Regular Item #11)

Internal Revenue Code Section 26 U.S.C. Section 142(k) for qualified public educational facilities and Section 142(a)(13) were added by Section 422(a) and (b) of P.L. 107-16 in 2001. Section 142(k) provides a separate and independent volume cap for qualified public educational facilities to be used for the issuance of bonds for public educational facilities. These bonds are not subject to the general volume limitation under Code Section 146 but are subject to a separate volume limitation set forth in Code Section 142(k). No regulations for this provision have been promulgated.

The volume cap for qualified public educational facilities is governed by Section 142(k)5. That Section provides, in part, the following:

(B) Allocation rules.

(ii) Rules for carryforward of unused limitation. A State may elect to carry forward an unused limitation for any calendar year for 3 calendar years following the calendar year in which the unused limitation arose under rules similar to the rules of Section 146(f), except that the only purpose for which the carryforward may be elected is the issuance of exempt facility bonds described in subsection (a)(13).

The volume cap for calendar year 2018 was $50,243,690 and has been unused. The Authority was asked to elect to carryforward the entire volume cap for 2018 to be used for the issuance of bonds for qualified public educational facilities as described in Section 142(a)(13) and authorize the filing of a carryforward election with the Internal Revenue Service in connection with such allocation. Pursuant to Section 142(k)(5)(B)(ii) the carryforward will be valid for the next three calendar years.

Mr. Eckstrom asked who uses the qualified public educational facilities volume cap. Mr. Singleton said that allocation would allow financing of upgrades for public school facilities. He stated that this allocation type has not been used in the State. Mr. Eckstrom asked if there was any carryforward from 2016. Mr. Singleton said there is carryforward from 2016 that would be valid through the end of 2019. Mr. Eckstrom asked if the volume cap is based on the State’s population each year. Mr. Singleton said that it is based upon the State’s population multiplied by $10. Mr. Eckstrom asked if the total carryforward available was approximately $150 million.
to which Mr. Singleton responded that is the approximate amount of volume cap carryforward available.

Upon a motion by Senator Leatherman, seconded by Rep. Smith, the Authority approved the carryforward of the unused volume cap allocation for qualified public educational facilities for calendar year 2018 to be used for the issuance of such bonds and authorize the filing of a carryforward election with the Internal Revenue Service in connection with such allocation to be valid for the next three calendar years.

Information relating to this matter has been retained in these files and is identified as Exhibit 11.

*State Fiscal Accountability Authority: Future Meeting (Regular Session Item #12)*

Upon a motion by Mr. Eckstrom seconded by Senator Leatherman, the Authority agreed to meet at 9:30 a.m. on Tuesday, January 29, 2019, in Room 252, Edgar A. Brown Building.

*Adjournment*

The meeting adjourned at 10:50 a.m.

[Secretary’s Note: In compliance with Code Section 30-4-80, public notice of and the agenda for this meeting were posted on bulletin boards in the office of the Governor’s Press Secretary and in the Press Room, near the Authority Secretary’s office in the Wade Hampton Building, and in the lobbies of the Wade Hampton Building and the Edgar A. Brown Building at 2:45 p.m. on Friday, December 7, 2018.]