

## **MINUTES OF THE STATE FISCAL ACCOUNTABILITY AUTHORITY MEETING**

**May 18, 2021 – 10:00 A. M.**

The State Fiscal Accountability Authority (Authority) met at 10:00 a.m. on Tuesday, May 18, 2021, via videoconference. The meeting originated from Room 252 in the Edgar A. Brown Building, with the following members participating in the videoconference:

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.

Governor McMaster chaired the meeting on-site. Mr. Loftis and Representative Smith were also present in the meeting room. Mr. Eckstrom and Senator Leatherman participated in the meeting via videoconference.

Also participating in the meeting were State Fiscal Accountability Authority Executive Director Grant Gillespie (on-site); Authority General Counsel Keith McCook (on-site); State Auditor George Kennedy; Governor's Deputy Chief of Staff Mark Plowden (on-site); Treasurer's General Counsel Shelly Kelly; Comptroller General's Chief of Staff Eddie Gunn; Joint Bond Review Committee Director of Research Rick Harmon; Ways and Means Chief of Staff Daniel Boan; Authority Secretary Delbert H. Singleton, Jr. (on-site); and other State Fiscal Accountability Authority staff.

### ***Adoption of Agenda for State Fiscal Accountability Authority***

Upon a motion by Representative Smith, seconded by Senator Leatherman, the Authority adopted the agenda as presented.

### ***Minutes of Previous Meetings***

Upon a motion by Representative Smith, seconded by Senator Leatherman, the Authority approved the minutes of the March 30, 2021, State Fiscal Accountability Authority meeting.

### ***State Treasurer's Office: Bond Counsel Selection (Regular Session Item #1)***

Upon a motion by Senator Leatherman, seconded by Representative Smith, the Authority received the State Treasurer's Office report on the assignment of bond counsel as information in accord with Authority policy:

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**CONDUIT ISSUES:**

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel
\$38,000,000; South Carolina Jobs-Economic Development Authority, Economic Development Revenue Bonds; Foundation for Affordable Housing – Wellington Farms; Series 2021 (South Carolina Jobs-Economic Development Authority – “SC JEDA”)	Foundation for Affordable Housing – Wellington Farms Conduit: SC JEDA	Parker Poe – Emily Luther, Ray Jones	Nexsen Pruet – Laurie Becker
\$55,000,000; South Carolina Jobs-Economic Development Authority, Economic Development Revenue & Revenue Refunding Bonds; Greenville Renewable Energy Education Charter School DBA Green Charter Schools; Series 2021	Greenville Renewable Energy Education Charter School DBA Green Charter Schools Conduit: SC JEDA	Haynsworth Sinkler Boyd – Kimberly Witherspoon	Burr Forman McNair – Michael Seezen
\$76,000,000; South Carolina Jobs-Economic Development Authority, Senior Living Revenue Bonds; Heritage Tower Community, LLC; Series 2021	Heritage Tower Community, LLC Conduit: SC JEDA	Haynsworth Sinkler Boyd – Kathy McKinney, Kimberly Witherspoon, John Van Duys	Pope Flynn – Joe Lucas
\$21,000,000; South Carolina Jobs-Economic Development Authority, Hospital Revenue Refunding Bonds; Lexington Health, Inc.; Series 2021	Lexington Health, Inc. Conduit: SC JEDA	Haynsworth Sinkler Boyd – Kathy McKinney, Kimberly Witherspoon	Howell Linkous & Nettles – Sam Howell, Alan Linkous
\$100,000,000; South Carolina Jobs-Economic Development Authority, Educational Facilities Revenue Bonds; York Preparatory Academy; Series 2021	York Preparatory Academy Conduit: SC JEDA	Howell Linkous & Nettles – Sam Howell, Alan Linkous	Parker Poe – Emily Luther, Ray Jones
\$20,000,000; South Carolina Jobs-Economic Development Authority, Economic Development Revenue Notes; AHP of Spartanburg; Series 2021	AHP of Spartanburg, LLP Conduit: SC JEDA	Burr Forman McNair – Michael Seezen Ice Miller – Philip Genetos	Haynsworth Sinkler Boyd – Kathy McKinney, Kimberly Witherspoon
\$11,000,000; Multifamily Housing Revenue Bonds; Hickory Heights and Oakland Apartments Project; Series 2021 (Housing Authority of the City of Spartanburg)	Abbeville, LP (Hickory Heights and Oakland Apartments Project) Conduit: Housing Authority of the City of Spartanburg	Parker Poe – Emily Luther, Ray Jones	General Counsel to Housing Authority of the City of Spartanburg – Horton Law Firm – Bruce B. Campbell

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**GENERAL OBLIGATION / REVENUE ISSUES:**

Description of Issue	Agency/Institution	Approved Bond Counsel
\$250,000,000; Mortgage Revenue Bonds; Series 2021A & 2021B	SC State Housing Finance and Development Authority	Burr Forman McNair – Rion Foley
\$8,300,000; General Obligation State Economic Development Bonds; Series 2021	State of South Carolina – (Project Managed by SC Department of Commerce)	Haynsworth Sinkler Boyd - Theodore DuBose

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

***Dept. of Administration, Executive Budget Office: Permanent Improvement Projects (R#2)***

The Authority was asked to approve the following permanent improvement project establishment requests and budget revisions as requested by the Department of Administration; Executive Budget Office as noted herein. All items were reviewed favorably by the Joint Bond Review Committee (JBRC).

**Summary Background Information:**

- (a) Project: JBRC Item 1. Clemson University  
H12.9550: NCEES Building Acquisition
- Request: Establish a Preliminary Land Acquisition to evaluate the acquisition of the former headquarters building of the National Council of Examiners for Engineering and Surveying (NCEES) on Seneca Creek Road in Clemson.
- Included in CPIP: No – The cost of the acquisition had not been determined at the time of the 2020 CPIP submission.
- CHE Approval: 05/06/21

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

Rationale: Acquisition of the property would allow the University to move non-core programmatic functions out of the campus, opening up space for student driven education, programs, and functions. One of the potential users will be the Facilities Division, which is currently located in the core campus and other locations around campus. This relocation will allow this non-student facing function to be relocated to the periphery of campus, the vacated space to be filled with student facing units, and 6.7 acres of core campus to be returned to student purposes, allowing for its revitalization.

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- Characteristics:** The vacant building to be acquired is 36,086 square feet and was constructed in 1981 (40 years old), with renovations and additions completed in 1990 (31 years old), 2004 (17 years old), and 2013 (8 years old). The property on which the NCEES Building is sited is owned by Clemson University and is part of a 76-acre University-owned parcel. The ground lease of approximately 3.91 acres for the building, originally with NCEES, was acquired by CULSF Two, LLC, and will be terminated upon acquisition of the building by Clemson University.
- Financial Impact:** The property is offered by CULSF Two, LLC of Clemson SC for \$3,600,000 with \$150,000 to be spent to reimburse CULSF Two, LLC for acquisition expenses. The due diligence activities will be funded from Other, Maintenance and Stewardship Funds (uncommitted balance \$45 million at February 25, 2021). Revenue to this fund is tuition, matriculation and other debt retirement and plant transfers revenues that are not formally obligated to fund debt service in the current period and that are responsibly transferred to and managed by the State Treasurer until the time of their State Treasurer approved qualified use. The project is expected to result in an increase of \$234,560 (year1), \$241,597 (year 2), and \$248,845 (year 3), in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$1,005 per student per semester, and has increased from \$738 to \$1,005 for the academic years 2015-2016 to 2020-2021 respectively.
- Other:** NCEES moved its headquarters and operations to Greenville in mid-2020. With the facility becoming vacant, it created an opportunity to re-integrate the building and property back into the University campus, as the property is owned by Clemson University. The building was acquired by CULSF Two, LLC, a subsidiary of the Clemson University Land Stewardship Foundation as a strategic opportunity given its location, with one of the potential uses being for the University to acquire it, which takes time through the State's approval process.

Mr. Eckstrom noted that the item indicated that office space would be freed up by moving some of the Facilities Division personnel to the location. He asked if the University had developed an estimate of the cost to revitalize the vacated space and if the University has an estimate for the cost of upfitting the building for the University's use. He also asked if the \$150,000 to be spent for reimbursement of acquisition expenses is in addition to the \$3.6 million for the property acquisition cost. He further asked if the Land Stewardship Foundation had the building appraised when they acquired it in mid-2020 and what the Foundation paid the NCEES when the building was bought. Mr. Eckstrom commented that the transaction is described as a land acquisition, but the University already owns the land. He noted that a building is being acquired and not land, but the transaction is being described as a land acquisition.

Rick Petillo with Clemson University appeared before the Authority on this matter. He

stated that the Land Stewardship Foundation and the University did commission an appraisal as part of the acquisition process. He said the appraisal they ordered appraised the property at \$4 million and the seller had an appraisal of \$6.2 million. He said per the terms of the transaction if the University had acquired the property directly the purchase price would be \$4.7 million which is why the Land Stewardship Foundation purchased the property for \$3.6 million. He said the Land Stewardship Foundation will sell the property to the University for the purchase price it paid for the property and reimbursement of acquisition costs paid. Mr. Petillo stated that one of the benefits of the negotiated sale included several hundred thousand dollars of furniture left in the building for furnishing it. He further stated they expect to expend \$200,000 for minor upfit of the space configuration and that is all the upfit that will be required and is below the cost of outright acquiring everything.

Mr. Eckstrom asked if the building has been used as office space. Mr. Petillo said the building was an office building and they will be using it for office space. He said the additional expense is to configure the building for more office space.

Senator Leatherman commented that JBRC has approved Phase I for the project and it will come back to JBRC for Phase II with the information Mr. Eckstrom is asking about and then back to the Authority for approval. He said until Phase II goes before JBRC the matter is not before the Authority.

Mr. Eckstrom asked why the item is being presented as a land acquisition in Phase I. Senator Leatherman said he cannot answer that, and they will find that out when the University comes back for approval of Phase II. Mr. Petillo said the University submitted the item as a land acquisition and that was an inartful use of the term. He said they thought it needed to follow the same process as if they were acquiring the land, but they are acquiring the improvements on the land. He said acquiring the building will terminate the ground lease the Foundation has.

- (b) Project: JBRC Item 2. College of Charleston  
H15.9669: Addlestone Library Envelope Repairs & Interior Modifications
- Request: Establish Phase II Full Construction Budget for exterior and 1st floor interior improvements to the Addlestone Library.
- Included in CPIP: Yes – 2020 CPIP Priority 4 of 11 in FY21 (estimated at \$4,000,000)  
Phase I Approval: February 2020 (estimated at \$4,000,000) (SFAA)  
CHE Approval: 3/4/21

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Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement Project	80,000		80,000	3,920,000	4,000,000
All Sources	<u>80,000</u>		<u>80,000</u>	<u>3,920,000</u>	<u>4,000,000</u>

**Summary of Work:** The building envelope requires repairs to address water intrusion from the roof, windows & exterior wall failures. Circulation & reference desks will combine to release current staff space for student use. Existing 1st floor study areas will become collaborative learning zones, adding electrical power & new seating. A student Podcast Studio will be added that may also be used for movie/video editing & post-production. Two staff offices will become a new Interlibrary Loan Office. Space efficiency increases enable the Rivers Communications Museum to move to the Library from its (closed) location at 58 George Street. The museum's existing collection highlights transformative technological broadcasting & communication innovations up to the dawn of the 21st century. They anticipate the relocation of the museum to an ADA accessible facility.

**Rationale:** The most recent CHE Building Condition Survey (2020) rated this building with a CHEMIS Condition Code of 74 of a possible 100 points. Moisture intrusion has damaged furniture & collections. Addressing these issues in an early stage will prevent further deterioration & property damage. The last significant renovation was in 2011 and included the 2nd and 3rd floors, leaving the 1st floor unaffected.

**Facility Characteristics:** The Addlestone Library is a 151,306 gross square foot three-level facility built in 2004 (17 years old). All 2,200 faculty and staff, and 10,130 students are expected to interact with the library through electronic means or in person. The renovated areas will seat at least 300 students at any given time. It is anticipated that visitor traffic will increase after opening the Rivers Communication Museum.

**Financial Impact:** The project will be funded from Capital Improvement Project Funds (uncommitted balance \$30.6 million at January 20, 2021). Revenue to this fund is generated by the Capital Improvement Fee that are in excess of the current annual debt service related to bonds. This fee is that portion of the student bill earmarked for debt service and renewal of the physical infrastructure. The project is expected to result in a decrease of \$7,500 (year 1), \$7,800 (year 2), and \$8,110 (year 3), in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$906 per student per semester, and has increased from \$804 to \$906 for the academic years 2015-2016 to 2020-2021 respectively. \$483 of the \$906 is currently pledged for debit service. The balance of the fee, \$423 per student, per semester, is used to fund ongoing capital projects and maintenance.

**Full Project Estimate:** \$4,000,000 (internal) funded by Capital Improvement Project Funds. Contract execution is expected in February 2022 with construction completion in August 2022.

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(c) Project: JBRC Item 3. College of Charleston  
H15.9670: Multicultural Center Renovation

Request: Establish Phase II Full Construction Budget to make repairs to the Multicultural Center located at the western gateway of campus.

Included in CPIP: Yes – 2020 CPIP Priority 3 of 11 in FY21 (estimated at \$2,500,000)  
Phase I Approval: February 2020 (estimated at \$2,500,000) (SFAA)  
CHE Approval: 05/06/21

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement Project	62,500		62,500	1,937,500	2,000,000
All Sources	<u>62,500</u>		<u>62,500</u>	<u>1,937,500</u>	<u>2,000,000</u>

Summary of Work: The project scope will address envelope issues, exterior repairs/renovations, structural repairs, infrastructure modernization, landscaping, and a refresh of the interiors. The standing seam copper roof panels on the approximately 4,800 square foot roof are in good condition overall, but repairs are needed to address inadequate flashing and drip edge details, failing caulk joints, damaged stucco cornice, and improperly sloped gutters. The exterior surface area to be repaired/replaced is approximately 8,040 gross square feet and includes walls, windows, doors, and ventilation panels. Structural and aesthetic wood columns, railings, flooring, and fascia boards on two exterior piazzas totaling 1,060 gross square feet must be repaired or replaced. The interior area to be renovated is 8,287 gross square feet and will be isolated at areas that relate to exterior penetrations at windows or mechanical units to address any active water intrusion. There is a small amount of interior work required at the doorway to a new ADA restroom as well. A new ADA compliant restroom will be constructed which will be under 80 square feet. The project will attempt to restore as many components as possible in accordance with SHPO and national historic preservation best practices. Visible components will be replaced only if they cannot be restored. Structural elements will most likely require replacement using in-kind materials. A small addition was constructed in 1974 that is structurally sound but requires new windows and minor envelope repairs. HVAC, electrical and telecommunications infrastructure will be updated and/or replaced.

Rationale: The building has significant structural issues on the two-level piazza, decayed structural/aesthetic wood elements (columns, windows, railings and trim), stucco cracks, minor roof leaks and noncompliant wheelchair access. The current wheelchair access (built in-house) does not meet ADA requirements and only allows access to the porch and not the building's interior. Certain parts of the porch are blocked for structural issues. The college envisions this property setting the tone for campus historic preservation efforts as well as conveying the historic character of campus to visitors entering from the west. No alternatives to renovation exist and as a historically protected building, demolition of not an option.

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**Facility Characteristics:** This prominent historic building is 8,287 gross square feet and was constructed in 1817 (204 years old). The building was acquired by the college in 2002 (19 years ago). The last significant renovation occurred in 2005 (16 years ago) and reconfigured and upgraded the interiors. The roof was replaced in 2007 (14 years ago). The stucco and structural elements are believed to be original with various small repairs occurring over the years. Most, if not all windows and remaining shutters appear to be original. The building houses 11 full-time staff and 5 student assistants who serve the College's 10,000+ student body. Currently, the College has students representing all 50 states, several U.S. territories and approximately 70 foreign countries. Students visit the building and benefit from a multitude of program and events sponsored by Multicultural Programs and the Center for International Education. Any of their 880 +/- faculty may participate in studies abroad programs under CIE.

**Financial Impact:** The project will be funded from Capital Improvement Project Funds (uncommitted balance \$29.5 million at March 4, 2021). Revenue to this fund is generated by the Capital Improvement Fee that exceed current annual debt service related to bonds issued under S.C. Code of Laws Section 59-130 Article 5. The project is expected to result in a decrease of \$1,660 (years 1 thru 3), in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$906 per student per semester, and has increased from \$804 to \$906 for the academic years 2015-2016 to 2020-2021 respectively.

**Full Project Estimate:** \$2,000,000 (internal) funded by Other, Capital Improvement Project Funds. Contract execution is expected in March 2022 with construction completion in May 2023.

**(d) roject:** JBRC Item 7. Winthrop University  
H47.9586: Joynes Hall Interior Renovation

**Request:** Establish Phase I Predesign Budget to renovate the interior to accommodate the relocation of Alumni Relations and the Division of University Advancement Offices.

**Included in CPIP:** No – This project was not included in the 2020 because the original estimate was only \$950,000.

**CHE Approval:** 05/06/21

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Donation				9,750	9,750
All Sources				<u>9,750</u>	<u>9,750</u>

**Summary of Work:** Joynes Hall currently houses the Office of Admissions and the Inn at Winthrop. (The Inn was closed July 2019.) This project will also address building accessibility needs. Two alternatives were considered: building a new building and relocating Alumni Relations and the Division of University Advancement to

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Stewart House. These two options did not meet the program requirements, square footage, requirements, or exceeded the budget. The major renovation will be to renovate and expand the lobby of the building to improve receiving of future students and alumni. The project will also update the large multipurpose room on the first floor, the front entrance porch, and add accessible restrooms on the first, second and third floors.

**Rationale:** This interior renovation will improve the building to accommodate the relocation of Alumni Relations and the Division of University Advancement offices. Locating Admissions, Alumni, and Advancement in a single building will allow future students to interact with Alumni Services that would build excitement around the Winthrop experience, and assist in the admissions process that could lead to increased enrollment.

**Facility Characteristics:** The building is 30,077 square feet and was constructed in 1928 (93 years old). The building serves more than 5,000 students, family members, and alumni.

**Financial Impact:** This project will be funded from Other, Donation Funds (uncommitted balance \$1.21 million at April 2, 2020). The project is expected to result in an increase of \$12,000 (year 1), \$12,210 (year 2), and \$12,430 (year 3), in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$523 per student per semester, and has decreased from \$593 in academic year 2015-2016.

**Full Project Estimate:** \$1,100,000 (internal) funded by Donation Funds.

**(e) Project:** JBRC Item 8. Winthrop University  
 H47.9587: Lee Wicker Hall: Auxiliary Building Infrastructure & Envelope Upgrade

**Request:** Establish Phase I Predesign Budget to address exterior repairs.

**Included in CPIP:** Yes – 2020 CPIP Priority 2 of 4 in FY21 (Auxiliary Building Infrastructure and Building Envelope Upgrade: Lee Wicker Residence Hall and Phelps Residence Hall estimated at \$1,900,000 – this component estimated at \$950,000)

**CHE Approval:** 05/06/21

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Auxiliary Housing				26,250	26,250
All Sources				<u>26,250</u>	<u>26,250</u>

**Summary of Work:** The project scope will address roof replacement, envelope repairs, and architectural details (wood boxing) to Lee Wicker Residence Hall. The existing roof materials are transite shingles, which were originally a Johns Manville product and is an asbestos-cement product but became a generic term for other company's similar products. The university expects that the roof replacement will be shingles, but the roofing material will not be determined until design is

complete. All roofing material options will be evaluated during the Phase I process. The building envelope repairs, and architectural detail work involves the exterior brick masonry that normally stops just below the architectural detailing (boxing) thus exposing the envelope to the elements and often allows wildlife into the building. The project will replace the boxing around the perimeter of the building.

Rationale: This work will enhance the university's capacity to provide a learning and living environment that is dependable and safe, thus improving recruitment, retention, and reducing the university's vulnerability to system failures.

Facility Characteristics: Lee Wicker Residence Hall is 69,382 square feet and was constructed in 1961 (60 years old). The roof and mechanical, electrical, and plumbing systems are original to the building. The residence has houses approximately 282 students.

Financial Impact: This phase of the project will be funded from Other, Auxiliary Housing Funds (uncommitted balance \$10.6 million at April 1, 2021). Additional annual operating costs/savings have not yet been determined. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$523 per student per semester, and has decreased from \$593 in academic year 2015-2016.

Full Project Estimate: \$1,750,000 (internal) funded by a Revenue Bond or private debt issuance, which is expected in FY23. This project has been separated from the other component reflected in the 2020 CPIP because they will likely occur at different times. The estimated cost to complete this project has increased from the 2020 CPIP submission due to current increases of construction costs.

Mr. Eckstrom noted that when item 2(e) for Winthrop University's Wicker Hall was included on the CPIP it was listed as a \$1 million project and is now a \$1.9 million project. He asked what accounts for the cost inflation from the time the CPIP was prepared until now. Mr. Eckstrom also asked why the University is not using its Auxiliary Housing Fund to pay for the project instead of issuing a revenue bond or private debt issuance. He said that he has the same questions for item 2(f) for the Phelps Hall upgrade because the projects are similar and there is the same kind of cost inflation from the time the CPIP was prepared until now. He noted that the two projects total \$3.5 million and that the University plans to issue a revenue bond or private debt although the University has \$10.6 million available in its Auxiliary Housing Fund that can be used instead of issuing debt. Concerning item 2(g) for Wicker Hall mechanical system replacement and upgrades, Mr. Eckstrom noted that the original estimate for the item on the CPIP rose from \$3.1 million to \$5.5 million which he said equates to nearly an 80% increase in cost. He asked what the reason for the cost of inflation on these projects is. Mr. Eckstrom also

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asked why the University plans to issue a revenue bond or private debt when it has funds available in its Auxiliary Housing Fund. Mr. Eckstrom further stated that he is surprised that the University staff did not reach out and make themselves available to discuss the projects.

Justin Oates, CFO for Winthrop University, appeared before the Authority on this matter. Mr. Oates stated that the items had been on the CPIP for years. He said a lot of the work on the requests were done in a year and a half by looking at their auxiliary profile and their needs on campus. He said they are submitting the items as debt because their current debt on their auxiliary profile will roll off during FY 23-24 and that they will have the debt capacity to take on new debt as debt rolls off. He said this will allow them to preserve their auxiliary funds for emergencies that may pop up in the future that might impact auxiliary funds. Mr. Eckstrom said given the University does not have an immediate need to enter bonded financing why saddle the University with debt going forward. He said he understands the Auxiliary Housing Fund is used to meet emergency needs but noted the cost of bond financing is more expensive than what would be given up in investment earnings by drawing down the Auxiliary Housing Fund. Mr. Eckstrom commented that borrowing adds a cost to the University that could be avoided which provides the University with an opportunity to shield students from tuition and housing increases. Mr. Oates said that the University’s board has had discussions about this and they believe this is the right way for the University to proceed. He said they will continue to review the project and reassess at the need for financing the projects Phase II.

- (f) Project: JBRC Item 9. Winthrop University  
H47.9588: Phelps Hall: Auxiliary Building Infrastructure & Building Envelope Upgrade
- Request: Establish Phase I Predesign Budget to address exterior repairs.
- Included in CPIP: Yes – 2020 CPIP Priority 2 of 4 in FY21 (Auxiliary Building Infrastructure and Building Envelope Upgrade: Lee Wicker Residence Hall and Phelps Residence Hall estimated at \$1,900,000 – this component estimated at \$950,000)
- CHE Approval: 05/06/21

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Auxiliary Housing				26,250	26,250
All Sources				<u>26,250</u>	<u>26,250</u>

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**Summary of Work:** The project scope will address roof replacement, envelope repairs, and architectural details (wood boxing) to Phelps Residence Hall. The existing roof materials are transite shingles, which were originally a Johns Manville product and is an asbestos-cement product but became a generic term for other company's similar products. The university expects that the roof replacement will be shingles, but the roofing material will not be determined until design is complete. All roofing material options will be evaluated during the Phase I process. The building envelope repairs, and architectural detail work involves the exterior brick masonry that normally stops just below the architectural detailing (boxing) thus exposing the envelope to the elements and often allows wildlife into the building. The project will replace the boxing around the perimeter of the building.

**Rationale:** This work will enhance the university's capacity to provide a learning and living environment that is dependable and safe, thus improving recruitment, retention, and reducing the university's vulnerability to system failures.

**Facility Characteristics:** Phelps Residence Hall is 90,799 square feet and was constructed in 1941 (80 years old). The roof and mechanical, electrical, and plumbing systems are original to the building. The residence has houses approximately 400 students.

**Financial Impact:** This phase of the project will be funded from Other, Auxiliary Housing Funds (uncommitted balance \$10.6 million at April 1, 2021). The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$523 per student per semester, and has decreased from \$593 in academic year 2015-2016.

**Full Project Estimate:** \$1,750,000 (internal) funded by a Revenue Bond or private debt issuance, which is expected in FY23. This project has been separated from the other component reflected in the 2020 CPIP because they will likely occur at different times. The estimated cost to complete this project has increased from the 2020 CPIP submission due to current increases of construction costs.

**(g) Project:** JBRC Item 10. Winthrop University  
H47.9589: Lee Wicker Hall: Auxiliary Building Mechanical System  
Replacement & Upgrades

**Request:** Establish Phase I Pre-design Budget to address mechanical, electrical, and plumbing repairs and upgrades.

**Included in CPIP:** Yes – 2020 CPIP Priority 2 of 5 in FY22 (Auxiliary Building Mechanical System Replacement & Upgrades: Lee Wicker Residence Hall and Margaret Nance Residence Hall estimated at \$6,200,000 – this component estimated at \$3,100,000)

**CHE Approval:** 05/06/21

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Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Auxiliary Housing				26,250	26,250
All Sources				<u>26,250</u>	<u>26,250</u>

**Summary of Work:** The project scope will address mechanical, electrical, and plumbing system upgrades, accessibility requirements, (ADA compliance), interior finishes and upgrades to the security system for Lee Wicker Residence Hall.

**Rationale:** This work will enhance the university's capacity to provide a learning and living environment that is dependable and safe, thus improving recruitment, retention, and reducing the university's vulnerability to system failures.

**Facility Characteristics:** Lee Wicker Residence Hall is 69,382 square feet and was constructed in 1961 (60 years old). The mechanical, electrical, and plumbing systems are original to the building. The residence has houses approximately 282 students.

**Financial Impact:** This phase of the project will be funded from Other, Auxiliary Housing Funds (uncommitted balance \$10.6 million at April 1, 2021). Additional annual operating costs/savings have not yet been determined. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$523 per student per semester, and has decreased from \$593 in academic year 2015-2016.

**Full Project Estimate:** \$5,500,000 (internal) funded by a Revenue Bond or private debt issuance, which is expected in FY23. This project has been separated from the other component reflected in the 2020 CPIP because they will likely occur at different times. The estimated cost to complete this project has increased from the 2020 CPIP submission due to current increases of construction costs.

(h) **Project:** JBRC Item 16. Department of Health & Environmental Control  
 J04.9535: Hayne Lab Generator Tap

**Request:** Increase Phase I Predesign Budget and Revise Project Scope to add the installation of a backup generator at the Hayne Lab.

**Included in CPIP:** Yes – 2020 CPIP Priority 1 of 4 in FY21 (estimated at \$1,700,000)

**Phase I Approval:** August 2020 (estimated at \$150,000) (JBRC Staff)

**CSOF Approval:** October 2020 (estimated at \$150,000) (Admin)

**CHE Approval:** N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Special/Earned	2,250	(2,250)			-
Federal, COVID-19 Grant, (ELC)		2,250	2,250	20,250	22,500
All Sources	<u>2,250</u>		<u>2,250</u>	<u>20,250</u>	<u>22,500</u>

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**Summary of Work:** The original scope of work included the installation of a generator tap to allow for the connection to the building with a rental generator that would allow for the staff to continue to perform COVID-19 testing. The installation of a backup generator will allow for the building to have full capabilities for uninterrupted testing during power outages, both short term and long term. The install would include a full backup UPS, Transfer Switch and Generator with fuel tanks. There will be no waiting on the delivery of a rental generator to get the building back up and running.

**Rationale:** Currently there is no provision to provide power to the Hayne Lab without bypassing numerous safety items. The existing emergency generator only provides power to the immediate needs of the building and does not provide enough power to allow for directional airflow, boiler, chiller, etc. to operate.

**Facility Characteristics:** The Hayne Lab is 84,480 square feet and was constructed in 1976 (45 years old). The building houses the Public Health and Environmental Health testing, which include 180 staff.

**Financial Impact:** The project will be funded from Federal, CDC Epidemiology and Lab Capacity Grant (uncommitted balance \$86 million as of February 16, 2021). Specifically, the grant is titled Epidemiology & Lab Capacity (ELC): Enhancing Detection. The project is expected to result in an increase of \$5,000 (years 1 thru 3), in annual operating expenses

**Full Project Estimate:** \$1,500,000 (internal) funded by CDC Epidemiology and Lab Capacity Grant Funds.

(i) **Project:** JBRC Item 23. Clemson University PSA  
P20.9557: Pee Dee REC – Dargan’s Pond Dam Decommissioning

**Request:** Establish Phase II Full Construction Budget to decommission the dam on Dargan’s Pond at the Pee Dee Research and Education Center (REC) in Florence.

**Included in CPIP:** No – The option to be used to repair the hurricane damage to the dam and the cost of that work was not determined until after the 2020 CPIP was submitted.

**Phase I Approval:** October 2020 (\$1,800,000) (SFAA)

**CHE Approval:** N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, PSA Building Improvement	75,000		75,000	1,725,000	1,800,000
All Sources	<u>75,000</u>		<u>75,000</u>	<u>1,725,000</u>	<u>1,800,000</u>

**Summary of Work:** The work includes decommissioning the dam by constructing an engineered, shallow-sloped breach and filling and stabilizing the damaged areas to re-establish the pond bank. This will ensure that future storm flows are safely passed through the area without significant erosion, flooding or ponding of water. It will also include reconstructing the service roadway to allow Pee Dee REC work vehicles and farm equipment to safely pass through the area to access

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several hundred acres of university property.

**Rationale:** The dam was severely damaged during Hurricane Matthew in October 2016, causing the pond to partially drain and a service roadway to be washed away. DHEC, which administers the Dams and Reservoirs Safety Act, mandates that significant repairs be made to stabilize the water body and prevent the surrounding area from becoming a downstream flooding hazard. Clemson worked with numerous state and federal agencies, including DHRC, DNR, Army Corps of Engineers and FEMA, to ensure the repairs meet all state and federal regulations. DHEC gave the university options ranging from full repair to decommissioning. Further, a dam-specialist firm performed a site analysis that offered several repair options. After careful consideration, the decision was made to decommission the dam, as it is the most practical and cost-effective option to meet the needs of this water body.

**Facility Characteristics:** The dam construction preceded Clemson’s ownership of the property, but it is believed to have been constructed between 1960 to 1970 (50 to 60 years old). Dargan’s Pond was previously used for recreational fishing. The dam and access road will be used by 2 to 3 staff of the Pee Dee REC to reach the approximately 300 acres of managed forests on the other side of Dargan’s Pond for controlled burns and other maintenance as needed.

**Financial Impact:** The project will be funded from PSA Building Improvement Funds (uncommitted balance \$2.4 million at January 11, 2021). Revenue to this fund is self-generated and set aside for capital projects to maintain and make improvements to PSA-owned buildings and properties. The project is not expected to result in any change in annual operating expenditures.

**Full Project Estimate:** \$1,800,000 (internal) funded by PSA Building Improvement Funds, Federal FEMA Funds, and Emergency Management Division State Match Funds. Contract execution is expected in September 2021 with construction completion in March 2022.

(j) **Project:** JBRC Item 24. Department of Natural Resources  
P24.6033: Jasper-Meyer Lake HP Land Acquisition (LLT/Epstein)

**Request:** Establish Preliminary Land Acquisition for the purpose of investigating the purchase of approximately 973 acres of land in southwestern Jasper County.

**Included in CPIP:** Yes – 2020 CPIP Priority 15 of 15 in FY22 (estimated at \$240,000)

**CHE Approval:** N/A

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

**Rationale:** Acquisition of the property would protect habitat along the Savannah River and establish a SCDNR Heritage Preserve/Wildlife Management Area for the public

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to enjoy outdoor recreational activities. After the property is acquired, it will be dedicated as a heritage preserve and placed into the corpus of the SC Heritage Trust. It will be managed as part of the DNR's Wildlife Management Area program and open to the public for outdoor recreational activities.

**Characteristics:** The property is approximately 973 acres of land located adjacent to the Savannah River and approximately four miles northwest of Hardeeville. It adjoins the 31,000-acre Savannah National Wildlife Refuge on the west side of the Savannah River in Georgia. Approximately 70 percent of the property is composed of bottomland hardwood forest with the remainder being an upland pine-hardwood forest. The tract contains approximately 3.5 miles of river frontage, upland bluffs, two tributaries and two lakes. It provides key habitat for Neotropical migratory birds, wading birds, waterfowl, herpetofauna, aquatic, and related species. Biological staff have estimated more than 166 priority species utilize this area. The tract is adjacent to the Beaufort-Jasper Water & Sewer Authority's main drinking water intake and is therefore important for protecting water quality.

**Financial Impact:** The property is offered by Lowcountry Land Trust of Charleston SC for \$1,350,000. The due diligence activities will be funded from Other, Heritage Land Trust Funds (uncommitted balance \$20 million at February 28, 2021). Revenue to this fund is authorized by SC Code 51-17-115 and provides for the department to use Heritage Land Trust Funds to acquire in fee simple or lesser interest in priority areas, legal fees, appraisals, surveys, or other costs involved in the acquisition of priority areas, and for the development of minimal facilities and management necessary for the protection of priority areas. The project is expected to result in an increase of \$3,000 (year 1), \$2,000 (year 2), and \$1,000 (year 3), in annual operating expenses.

**(k) Project:** JBRC Item 25. Department of Natural Resources  
P24.6034: Horry-Waccamaw River HP Land Acquisition (River Oaks)

**Request:** Establish Preliminary Land Acquisition for the purpose of investigating the purchase of approximately 1,020 acres of land in central Horry County.

**Included in CPIP:** Yes – 2020 CPIP Priority 15 of 15 in FY22 (estimated at \$240,000)  
**CHE Approval:** N/A

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

**Rationale:** Acquisition of the property would protect additional habitat along the Waccamaw River southwest of SCDNR's Waccamaw River Heritage Preserve/Wildlife Management Area. After the property is acquired it will be dedicated as a heritage preserve (HP) and placed into the corpus of the SC Heritage Trust. It will be managed as part of the DNR's Wildlife Management Area (WMA) program and open to the public for outdoor recreational activities.

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**Characteristics:** The property is 1,020 acres of undeveloped land downstream from SCDNR’s Waccamaw River Heritage Preserve/Wildlife Management Area (WMA). It is located eight miles east of Conway off Grahamville Road. Approximately 60% of the property is composed of bottomland forest with the remainder being upland pine-hardwood forest. The tract contains approximately three miles of frontage along the Waccamaw River and eight small ponds. It provides habitat for game, waterfowl, reptiles, Neotropical migratory birds, and wading birds. Biological staff have estimated more than 150 priority species likely utilize this area.

**Financial Impact:** The property is offered by Ducks Unlimited of Hanahan SC for \$1,000,000. The due diligence activities will be funded from Other, Heritage Land Trust Funds (uncommitted balance \$20 million at February 28, 2021). Revenue to this fund is authorized by SC Code 51-17-115 and provides for the department to use Heritage Land Trust Funds to acquire in fee simple or lesser interest in priority areas, legal fees, appraisals, surveys, or other costs involved in the acquisition of priority areas, and for the development of minimal facilities and management necessary for the protection of priority areas. The project is expected to result in an increase of \$5,000 (year 1), \$2,500 (year 2), and \$1,500 (year 3), in annual operating expenses.

(I) **Project:** JBRC Item 26. Department of Natural Resources  
P24.6027: Chester-Landsford Canal WMA Land Acquisition (OSI-A)

**Request:** Final Land Acquisition to purchase approximately 385 acres of land located in eastern Chester County.

**Included in CPIP:** Yes – 2020 CPIP Priority 34 of 42 in FY21 (estimated at \$1,020,000)

**Phase I Approval:** January 2021 (estimated at \$1,020,000) (SFAA)

**CHE Approval:** N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Fish & Wildlife Protection – Timber	20,000		20,000	350,000	370,000
Other, Wateree Habitat Enhancement Grant				50,000	50,000
Other, SC Conservation Bank Grant				400,000	400,000
Other, Catawba Wateree FERC Relicensing				200,000	200,000
All Sources	<u>20,000</u>		<u>20,000</u>	<u>1,000,000</u>	<u>1,020,000</u>

**Rationale:** Acquisition of the property would protect additional habitat beside the agency’s Landsford Canal Wildlife Management Area. Acquisition of the site will aid in protecting water quality, expand the existing WMA, offer additional outdoor recreational opportunities to the public, and make management of the pending

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donation more efficient to manage. After the land is acquired, it will be managed as part of the Landsford Canal Forest Legacy WMA.

**Characteristics:** No buildings are located on the property. The property is located approximately six miles north of the Town of Fort Lawn. The tract is bounded by DNR's 1,049-acre Landsford Canal Forest Legacy Wildlife Management Area (WMA) and Landsford Canal State Park to the south, Landsford Road to the west and the Catawba River to the east. A pending 109-acre land donation (P24-6020), a result of a SC Department of Commerce mitigation project, is interwoven across this tract. The property primarily consists of forested uplands that provide habitat for deer, turkey, and small game species. The Catawba River, which is designated as a State Scenic River, contains 31 fish species and four priority mussel species, including the federally endangered Carolina heelsplitter.

**Financial Impact:** The property is offered by Open Space Institute Land Trust, Inc. for \$1,000,000. The acquisition will be funded from Other, Fish & Wildlife Protection – Timber Funds (uncommitted balance \$2.5 million at February 24, 2021), Other, Wateree Habitat Enhancement Grant Funds (uncommitted balance \$50,000 at February 24, 2021), Other, SC Conservation Bank Grant Funds (uncommitted balance \$400,000 at February 24, 2021), and Other, Catawba Wateree REC Relicensing Funds (uncommitted balance \$952K At February 24, 2021). Revenue to the Fish & Wildlife Protection - Timber fund is derived from timber harvests on DNR lands and provides for timber revenue to be 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. Revenue to the Wateree Habitat Enhancement Grant Fund is grant funds received from Duke Energy. Revenue to the SC Conservation Bank Grant Fund are provided to improve the quality of life in South Carolina through the conservation of significant natural resource lands, wetlands, historical properties, and archaeological sites. Revenue to the Catawba Wateree REC Relicensing Fund is received to support Fish & Wildlife Habitat Enhancement. The project is expected to result in an increase of \$2,500 (year 1), and \$500 (years 2 thru 3), in annual operating expenses. An appraisal was completed by Miller Farm and Land Appraisals, LLC in May 2020 and valued the property at \$2,312,000. A Phase I Environmental Site Assessment was completed by Terracon Consultants, Inc. in February 2020 and revealed no evidence of recognized environmental conditions (RECs) in connection with the property. A Building Condition Assessment is not required since no buildings are located on the property. Letters of support are also not required since the property is currently owned by a non-profit organization and is therefore not included on the tax rolls.

**(m) Project:** JBRC Item 30. Department of Employment and Workforce  
R60.9536: David Building - (3) Passenger Elevators & (1) Freight Elevator Renovation

**Request:** Establish Phase I Predesign Budget for the renovation and current code compliance of the elevators in the Robert E. David Building.

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Included in CPIP: Yes - 2020 CPIP Priority 1 of 3 in FY24 (Service Elevator - estimated at \$157,000) & 2020 CPIP Priority 3 of 3 in FY24 (Passenger Elevators – estimated at \$702,000)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Contingency Assessment				21,541	21,541
All Sources				<u>21,541</u>	<u>21,541</u>

Summary of Work: The project will renovate and bring up to code compliance of (3) passenger –stop traction elevators and (1) hydraulic 1-stop service elevator.

Rationale: The elevator controllers and equipment have been discontinued by the manufacturer and only non-warranty salvage parts are available. Equipment failure rendering the elevators unusable has been occurring often and more frequently disrupting agency operations.

Facility Characteristics: The building is 104,076 square feet and was constructed in 1975 (46 years old). The elevators and elevator machine room are a total of 652 square feet. The building is occupied by approximately 350 staff of the SC Department of Employment Workforce.

Financial Impact: The project will be funded from Contingency Assessment Funds (uncommitted balance \$42.7 million at March 11, 2021). Revenue received is the contingency assessment portion of the tax and is accounted for in the special revenue fund which is primarily to fund the administrative costs and employment services, whereas the employment tax is used to fund unemployment compensation benefits in the proprietary fund. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,660,409 (internal) funded by Contingency Assessment Funds. The estimated cost to complete the project has increased by \$801K from the 2020 CPIP estimate due to additional repairs needed in the elevator hoist way, elevator pit, and other related infrastructure.

Upon a motion by Representative Smith, seconded, by Senator Leatherman, the Authority approved the permanent improvement project establishment requests and budget revisions as requested by the Department of Administration, Executive Budget Office.

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: Easement (Regular Session #3)***

The Authority was asked to approve granting the following easement as recommended by the Department of Administration, Facilities Management and Property Services.

County Location:	Charleston
From:	Department of Administration
To:	Town of Mount Pleasant
Consideration:	\$700
Description/Purpose:	To grant a 0.022± acre easement for the construction, operation and maintenance of a stormwater outfall into the marshes of the Charleston Harbor at the end of Queen Street. The work is associated with the Edwards Park Drainage Improvements Project to reduce stormwater flooding in Mount Pleasant's Old Village. The Town has received DHEC approval of the Notice of Intent under NPDES General Permit for Stormwater Discharges from Construction Activities, DHEC-OCRM Critical Area Permit and Coastal Zone Consistency Certification, as well as an SCDOT Encroachment Permit, for this work. The easement will contain the State's standard reverter language that if the Town discontinues usage of the stormwater outfall, the easement will terminate. 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.

Upon a motion by Representative Smith, seconded by Senator Leatherman, the Authority approved granting the referenced easement as requested by the Department of Administration, Facilities 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: Clemson University Lease of 701 East Bay Street, Charleston, SC (Regular Session #4)***

Clemson University (Clemson) requested approval to lease 29,528 rentable square feet of space at 701 East Bay Street in Charleston, SC for Clemson's Charleston Design Center (CDC)

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from ROI-TAN Enterprises, LLC (Landlord), a South Carolina limited liability company. The lease will provide for faculty offices, labs, classrooms, and shop space. Clemson has leased space at this location for CDC since July 1, 2016. Total current enrollment for all programs located in the CDC is 61 students. Although an affiliate of Landlord is the owner of the Land and Building, Landlord has full right, power and authority to execute and deliver the Lease and to grant to Tenant the exclusive use and possession of the Demised Premises and to enter into the Lease.

After contacting state agencies to verify no adequate State space was available, the Department of Administration solicited for commercial space. Six proposals were received. Two proposals were eliminated based on location. Of the remaining locations, the selected location was the lowest priced overall bid and best option as the space is already upfit to meet Clemson’s needs, the space provides synergy with students and faculty in the Clemson Architecture Center and the Master in Historic Preservation Program and it is within walking distance of the “built environment”, which allows the students to immerse themselves in the living/learning elements offered on the historic Peninsula.

The lease also provides for 12 free parking spaces on-site during normal business hours, 30 free on-site parking spaces after normal business hours, and up to an additional 50 spaces on lots within close proximity of the demised premises at no additional charge.

The lease term will be five years commencing on July 1, 2021, with the option to extend the term for up to two periods of 1 year each. The rental rate, which includes typical services, for the first year of the term will be \$35.00 per square foot (which is a reduction from their current rate of \$38.29 per square foot). The rent over the term and any extended terms will increase annually by three percent (3%) as shown in the chart below. The total rent to be paid over the 5-year term will be \$5,486,712.84 and if extended for the two optional years, the total rent would be \$7,918,638.92.

<u>INITIAL TERM</u>	<u>PERIOD FROM – TO</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR 1	7/1/2021 - 6/30/2022	\$1,033,480.00	\$86,123.33	\$35.00
YEAR 2	7/1/2022 – 6/30/2023	\$1,064,484.40	\$88,707.03	\$36.05
YEAR 3	7/1/2023 – 6/30/2024	\$1,096,374.64	\$91,364.55	\$37.13
YEAR 4	7/1/2024 – 6/30/2025	\$1,129,265.88	\$94,105.49	\$38.24
YEAR 5	7/1/2025 – 6/30/2026	\$1,163,107.92	\$96,925.66	\$39.39

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<b>EXTENDED TERM</b>	<b><u>PERIOD FROM – TO</u></b>	<b><u>ANNUAL RENT</u></b>	<b><u>MONTHLY RENT</u></b>	<b><u>RENT PER SF</u></b>
YEAR 6	7/1/2026 – 6/30/2027	\$1,197,950.96	\$99,829.25	\$40.57
YEAR 7	7/1/2027 – 6/30/2028	\$1,233,975.12	\$102,831.26	\$41.79

The following chart represents comparable lease rates of similar space:

<b>Tenant</b>	<b>Location</b>	<b>Rate /SF</b>
Medical University of SC	125 Doughty St.	\$34.45
Medical University of SC	55 Bee St.	\$35.39
Vacant	22 WestEdge	\$42.00
Vacant	1940 Algonquin Rd.	35.00

\*Above rates may be subject to operating expenses and base rent escalations.

Clemson has adequate funds for the lease according to a Budget Approval Form approved April 12, 2021, which also includes a multi-year plan. Lease payments will be funded through Architecture program revenues. Clemson has indicated that no student fee increase will be associated with this lease. No option to purchase the property is included in the lease. The lease was approved by Clemson University Board of Trustees on April 23, 2021, by the Commission on Higher Education on May 6, 2021 and by JBRC on May 12, 2021.

Upon a motion by Representative Smith seconded by Mr. Loftis the Authority, as requested by Clemson University through the Department of Administration, Facilities Management Property Services, approved the proposed five-year lease and the two optional one-year extensions of 29,528 rentable square feet of space at 701 East Bay Street in Charleston, SC for Clemson’s Charleston Design Center (CDC) from ROI-TAN Enterprises. With exception of Mr. Loftis, all members voted for the item. Mr. Loftis abstained from voting on the item.

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: Real Property Conveyance – Greenville Technical College Sale of 8.32± Acres to the Greenville Tech Foundation (Regular Session #5)***

Greenville Technical College’s Barton Campus is located near downtown Greenville and serves as the College’s main campus. Since 2004 Greenville Tech Foundation has leased 9.197

acres of land located at 1433 Cleveland Street from the College through its subsidiary, GTF Student Housing, LLC, upon which it constructed the student housing community known as Campus Pointe Apartments. The Foundation owns the buildings and improvements and now desires to purchase 8.32± acres of the leased land. The College will retain the remaining 0.877± acres and terminate the lease in conjunction with the property conveyance.

The Foundation issued JEDA bonds to finance the construction of the student housing community. The balance due on the bonds is approximately \$8.6 million. There is an interest rate swap that has a liability that changes with interest rates and it is currently estimated to be \$700,000. Over the years, the Foundation also loaned \$2.5 million to GTF Student Housing, LLC to assist with cash flow issues as the student population has been unable to support the significant financial liability attached to the Campus Pointe Apartments. (The balance due on the bonds, the interest rate swap and the \$2.5 million loan are collectively referred to as the “Foundation’s Debt”).

Following the purchase of the land by the Foundation, the Foundation will sell both the land and the student housing community through a competitive solicitation at not less than appraised value. The proceeds from the sale will be utilized to pay the balance of the Foundation’s debt and the purchase price paid to the College for the land. Any remaining funds from the sale (less the \$2,537,000 paid for the 8.32 acres) will be transferred to the College.

The College requested approval to sell 8.32± acres to the Greenville Tech Foundation for \$2,537,000, which is the appraised value. Greenville Technical College will retain the proceeds from the sale in accordance with Proviso 93.15 of the 2019 General Appropriations Act and SC Code of Laws §59-53-53.

The proposed property sale was approved by the Greenville Technical College Area Commission on November 18, 2020, the State Board for Technical and Comprehensive Education on January 26, 2021 and the Joint Bond Review Committee on May 12, 2021.

Mr. Eckstrom said that this item is a wakeup call for projects like this. He commended Dr. Keith Miller for recognizing the futility in trying to make this project a viable project. He said the College is wisely trying to unwind from this project. He stated that technical colleges should not be in the business of providing student housing.

Representative Smith stated that he and Senator Leatherman made it clear at the JBRC

meeting that there will be no more housing approved for technical colleges. He said should a technical college come before JBRC for approval of housing the request will not be approved.

Upon a motion by Representative Smith, seconded by Mr. Loftis, the Authority, as requested by Greenville Technical College through the Department of Administration, Facilities Management and Property Services, approved the College's request to sell 8.32± acres located at 1433 Cleveland Street in Greenville to the Greenville Tech Foundation as described in this item and provided that Greenville Tech Foundation only sells the land and the student housing community through a competitive solicitation issued by the Department of Administration.

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

***Division of Procurement Services: Waiver to Extend the Maximum Potential Duration of a Contract for Trident Technical College (Regular Session #6)***

Section 11-35-2030(4), of the SC Consolidated Procurement Code limits the maximum potential duration of a contract to seven years unless otherwise approved by the Authority. Trident Technical College (TTC) 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. TTC proposes to implement a Software as a Service (SaaS) ERP solution to include Student Information System (which encompasses Financial Aid), Finance, Procurement, Human Resources and Fixed Asset Inventory. TTC believes a contract performance term of up to eleven years after implementation will allow TTC to: (a) substantially lower the State's costs associated with its upfront investment by amortizing these costs over a longer period of time; (b) align the contract with the expected life of the solution; (d) enable negotiation of contract terms more favorable to TTC; and (e) reduce the impact and disruption of day-to-day business activities of TTC associated with implementing a new system.

Mr. Eckstrom commented that Trident Tech is moving forward with an ERP system similar to what the State went through with SCEIS. He said the College should work closely with its auditors on this project to meet two accounting standards that are in process of being mandated that will impact how the College handles an implementation like this. He also noted that MUSC has gone through a similar ERP conversion and they should reach out to MUSC.

Upon a motion by Representative Smith, seconded by Mr. Eckstrom, the Authority, under authority of SC Consolidated Procurement Code Section 11-35-2030(5), approved Trident Technical College's request for a multi-term contract for an Enterprise Resource Planning System and authorized the solicitation of proposals and award of a contract with a performance term of up to eleven (11) years after implementation, as recommended by Division of Procurement Services. All members voted for the item with exception of Mr. Loftis. Mr. Loftis voted against the item.

Information relating to this matter has been retained in these files and is identified as Exhibit 6.

***Patriots Point Development Authority: Report Regarding Lease to Patriots Annex, LLC (Regular Session #7)***

On August 31, 2017, the State Fiscal Accountability Authority (the Authority) approved a lease agreement between Patriots Point Development Authority (PPDA) and Patriots Annex, LLC. The approval required PPDA to submit a report to the Authority each year prior to March 31 regarding the status of the proposed lease. The required report, dated March 12, 2021, was attached to this agenda item and provided an update on the status of the development.

Upon a motion by Senator Leatherman, seconded by Representative Smith, the Authority received as information a report from Patriots Point Development Authority updating the status of the Patriots Annex development.

Information relating to this matter has been retained in these files and is identified as Exhibit 7.

***State of South Carolina: Not Exceeding \$8,300,000 General Obligation State Economic Development Bonds (Regular Session #8)***

The Authority was asked to adopt a resolution making provision for the issuance and sale of not exceeding \$8,300,000 General Obligation State Economic Development Bonds of the State of South Carolina.

The proceeds of the bonds will be used for the purpose of providing environmental mitigation in connection with the Gallo Winery project in Chester County, and to pay the costs of issuance of the bonds.

Senator Leatherman commented that he appreciates the job that Commerce Secretary Bobby Hitt has done on this project by getting Gallo Winery to come to the State. He said the project will provide 400-450 jobs in the State. Mr. Eckstrom concurred with Senator Leatherman's comments. He asked why the State was issuing bonds for the project when the money for the project could have been appropriated. He said the bond issuance has an extremely high cost of issuance with almost 3.6% of the entire issuance being consumed in bond issuance cost. He said the State has hundreds of millions of dollars in surplus funds and the debt does not have to be incurred. Representative Smith commented that this matter was discussed at the JBRC meeting. He said the House still has the budget and they are going to look at it. He said if there is some glitch and the project does not get appropriated this will be a back up plan to fulfill the State's commitment to Gallo Winery. He stated that he hopes they will be able to fix this matter when they go through the budget in the next few weeks.

Upon a motion by Representative Smith seconded by Senator Leatherman, the Authority adopted a resolution making provision for the issuance and sale of not exceeding \$8,300,000 General Obligation State Economic Development Bonds of the State of South Carolina.

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

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

The required reviews on the following proposals to issue revenue bonds were completed with satisfactory results. The projects require approval under State law. Requests for volume cap ceiling allocation were handled in a separate agenda item.

- |    |                      |  |
|----|----------------------|--|
| a. | Issuing Authority:   | State Housing Finance and Development Authority                                      |
|    | Amount of Issue:     | N/E \$250,000,000 Mortgage Revenue Bonds, Series 2021A                               |
|    | Allocation Needed:   | \$250,000,000 (carryforward to be used)  |
|    | Name of Project:     | State Housing Finance and Development Authority Mortgage Revenue Bonds, Series 2021A |
|    | Employment Impact:   | n/a  |
|    | Project Description: | mortgage revenue bonds   |
|    | Bond Counsel:        | Rion D. Foley, Burr & Forman LLP   |

- b. Issuing Authority: Housing Authority of the City of Spartanburg  
Amount of Issue: N/E \$11,000,000 Multifamily Housing Revenue Bonds  
Allocation Needed: \$11,000,000  
Name of Project: Hickory Heights and Oakland Apartments  
Employment Impact: n/a  
Project Description: to provide a portion of the financing needed for the acquisition and rehabilitation of two affordable housing developments located in the City of Abbeville, to be known as Hickory Heights and Oakland Apartments (Hickory Heights: 20 one bed-room units, 16 two-bedroom units, and 8 three-bedroom units; Oakland Apartments: 8 one-bedroom units, 16 two bed-room units, and 8 three-bedroom units)  
Bond Counsel: Emily S. Luther, Parker Poe Adams & Bernstein LLP

Regarding item 9(b), Mr. Eckstrom noted that the bond documents mentioned the Spartanburg Housing Authority must have approval of the Abbeville Housing Authority to operate in Abbeville's territory. He said he did not see anything in the documents to indicate that step had been completed.

Emily Luther, bond counsel for the project, appeared before the Authority. She said the City of Abbeville is scheduled to approve the delegation of authority to the City of Spartanburg on May 19, 2021. She said the Abbeville Housing Authority has requested that the City of Abbeville give the approval for the City of Spartanburg to issue the bonds on behalf of the Abbeville Housing Authority. Mr. Eckstrom asked why the approval was not done before coming to the Authority. Ms. Luther said that this was a matter of timing in which the Abbeville Housing Authority has approved the project and has requested approval from the City of Abbeville. She said the City is deferential to the Abbeville Housing Authority's request in this matter.

Mr. Eckstrom noted that the documents indicate that the developer said it would do the project only if it got certain tax credits from the State. Ms. Luther said the tax credit is the low-income housing tax credit. She stated this is being bond financed and is receiving equity in the form of the low-income housing tax credits and the corresponding State tax credits that can be received in connection with the grant of the federal low-income housing tax credits. Mr.

Eckstrom asked if the federal tax credits have been approved. Ms. Luther said for local housing authority projects there must be a separate request for low-income housing tax credits made to the South Carolina State Housing Finance and Development Authority. She said that when State Housing is the issuer of the bonds the applications for the two of them go together. She says State Housing reviews the request for low-income tax credits after volume cap allocation has been made because volume cap is related to the grant of the low-income tax credits. Mr. Eckstrom asked if the application for the low-income tax credits has been submitted by State Housing. Ms. Luther said the developer is submitting the application to State Housing with the allocation of volume cap being the trigger for the submission of the application for the low-income tax credits. Mr. Eckstrom further asked what happens to the financing request if the tax credit is not granted. Ms. Luther said the project cannot go forward, but that the request is for non-competitive credits. She stated that to the extent the developer meets the design guidelines and the requirements for the allocation State Housing could grant the tax credits to the developer. She said that it is rare that the credits are not allocated.

Upon a motion by Representative Smith, seconded by Senator Leatherman, the Authority approved the requests to issue revenue bonds. All members voted for the item with exception of Mr. Eckstrom. Mr. Eckstrom abstained from voting on the item.

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

***Executive Director: 2021 Ceiling Allocations (Regular Session #10)***

The initial balance of the 2021 state ceiling allocation is \$573,984,400. In accord with Code Section 1-11-520, \$229,593,760 (40% of the total) is designated as the state pool and \$344,390,640 (60% of the total) is designated as the local pool. There is presently a state ceiling balance of \$501,864,400 remaining for 2021. Allocation requests for 2021 totaling \$88,600,000 have been received thus far.

The recommendation from the Department of Commerce for allocations for this cycle totaled \$16,000,000. The Department of Commerce made the following recommendation for allocation from the local pool:

- A. Approve the request to allocate ceiling allocation to **JEDA, Retreat at Lancaster** project (Lancaster County) in the amount of \$5,000,000 (assisted living and memory care facility consisting of approximately 80 units including assisted living and memory care units and independent living cottages).
  
- B. Approve the request to allocate ceiling allocation to **Housing Authority City of Spartanburg, Hickory Heights and Oakland Apartments** project (Spartanburg County) in the amount of \$11,000,000 (Hickory Heights—80 units and Oakland Apartments—32 units).

Given that the allocation request is for more than \$10 million, bond counsel for the project has indicated that the project should be granted ceiling allocation prior to July 1, because the project “is of such significance that approval of the allocation is warranted” prior to July 1. Bond counsel’s memo supporting the allocation is attached. (See also SC Code Section 1-11-54).

Approval of the recommended request will leave an unexpended state ceiling balance of \$485,864,400 (state pool - \$229,593,760; local pool - \$256,270,640) to be allocated later in the calendar year.

Mr. Eckstrom stated that a letter was received from bond counsel dated April 9, 2021, that JEDA adopted an amended inducement resolution in February that authorized an increase in the not to exceed bond amount from \$20 million to \$30 million. He noted that the Authority had previously approved a carryforward allocation of \$20 million for the bonds. He said the letter says the borrower is asking for an additional allocation of the state ceiling allocation in an amount of \$5 million. He asked if the project has increased from \$20 million to \$30 million why is the ceiling allocation request not for an additional \$10 million.

Emily Zackon, bond counsel, appeared before the Authority on this matter. She stated that the request is only for \$5 million because they think they will only need an additional \$5 million in tax exempt financing. She said there is a possibility that they may issue a small amount of taxable bonds and they wanted the total amount of bond issuance approved by JEDA to be not to exceed \$30 million.

Upon a motion by Representative Smith, seconded by Senator Leatherman, 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:

- A. JEDA, Retreat at Lancaster project (Lancaster County) in the amount of \$5,000,000.
- B. Housing Authority City of Spartanburg, Hickory Heights and Oakland Apartments project in the amount of \$11,000,000.

Information relating to this matter has been retained in these files and is identified as Exhibit 10.

***State Fiscal Accountability Authority: Future Meeting (Regular Session Item #11)***

Upon a motion by Representative Smith, seconded by Senator Leatherman, the Authority agreed to meet at 10:00 a.m. on Tuesday, June 29, 2021, in Room 252, Edgar A. Brown Building.

***Adjournment***

The meeting was 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 near the Board 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, May 14, 2021.]