MINUTES OF THE STATE FISCAL ACCOUNTABILITY AUTHORITY MEETING

June 29, 2021 – 10:00 A. M.

The State Fiscal Accountability Authority (Authority) met at 10:00 a.m. on Tuesday, June 29, 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.

All members participated in the meeting on-site.

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 Chief of Staff Clarissa Adams; Comptroller General's Chief of Staff Eddie Gunn (on-site); Joint Bond Review Committee Director of Research Rick Harmon (on-site); Ways and Means Chief of Staff Daniel Boan (on-site); Authority Secretary Delbert H. Singleton, Jr. (on-site); and other State Fiscal Accountability Authority staff.

Adoption of Agenda for State Fiscal Accountability Authority

Mr. Eckstrom said given the length of the agendas and when they are received there is not enough time to for review of the agendas. He asked the Authority members to consider adding one or more meetings during the year given the length of the agendas and when they are received. He said that seven meetings a year does not seem to be enough. He said another option would be to have the final agenda available to the members a week earlier to follow up on the agenda items. Mr. Eckstrom stated that a third option would be to allow for more discussion at the meetings. He said unless the members permit more meetings and allow a longer period for review of the agendas, they should tolerate more discussion and provide more opportunity to question those who present items.

Governor McMaster asked Mr. Gillespie to take Mr. Eckstrom's comments under consideration. Mr. Gillespie said that he would have discussions with Mr. Eckstrom about his concerns.

Upon a motion by Senator Leatherman, seconded by Mr. Loftis, the Authority adopted the agenda as presented.

Minutes of Previous Meetings

Upon a motion by Mr. Eckstrom, seconded by Mr. Loftis, the Authority approved the minutes of the May 18, 2021, State Fiscal Accountability Authority meeting.

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

Upon a motion by Mr. Eckstrom, 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. Governor McMaster, Mr. Eckstrom, Senator Leatherman, and Representative Smith voted for the item. Mr. Loftis voted against the item.

CONDUIT ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel
$21,000,000; South Carolina Jobs-Economic Development Authority, Economic Development Revenue Notes; AHP of Greenville, LLC – The Woodwinds Apartments Homes; Series 2021 (South Carolina Jobs-Economic Development Authority – "SC JEDA")	AHP of Greenville, LLC – The Woodwinds Apartments Homes Conduit: SC JEDA	Burr Forman McNair – Michael Seezen Ice Miller – Philip Genetos	Haynsworth Sinkler Boyd – Kathy McKinney, Kimberly Witherspoon
$27,000,000; South Carolina Jobs-Economic Development Authority, Economic Development Revenue Bonds; Foundation for Affordable Housing – Oasis at West Ashley; Series 2021	Foundation for Affordable Housing – Oasis at West Ashley Conduit: SC JEDA	Parker Poe Adams & Bernstein – Emily Luther, Ray Jones	Nexsen Pruet – Laurie Becker
$25,000,000; South Carolina Jobs-Economic Development Authority, Hospital Revenue Notes; 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
$18,000,000; South Carolina Jobs-Economic Development Authority, Economic Development Revenue Bonds; Palmetto Goodwill and Palmetto Goodwill Services; Series 2021	Palmetto Goodwill and Palmetto Goodwill Services Conduit: SC JEDA	Haynsworth Sinkler Boyd – Mitchell Johnson, Jeremy Cook	Pope Flynn – Joe Lucas
$8,000,000; South Carolina Jobs-Economic Development Authority, Student Housing Refunding Bonds; FMU Student Housing, LLC; Series 2021	FMU Student Housing, LLC Conduit: SC JEDA	Pope Flynn – Bill Musser, Gary Pope	Howell Linkous & Nettles – Sam Howell, Alan Linkous
$22,000,000; Multifamily Housing Revenue Bonds; The Commons at Sulphur Springs Apartments Project; Series 2021 (SC State Housing Finance and Development Authority - "SCSHFDA")	DHD Preserve, LLC (The Commons at Sulphur Springs Apartments Project) Conduit: SCSHFDA	Howell Linkous & Nettles – Sam Howell, Alan Linkous	Tracey Easton, General Counsel

$33,000,000; Multifamily Housing Revenue Bonds; Garden Oaks Apartments Project; Series 2021 (SCSHFDA)	Garden Oaks, LP (Garden Oaks Apartments Project) Conduit: SCSHFDA	Parker Poe Adams & Bernstein – Emily Zackon, Ray Jones	Tracey Easton, General Counsel
$37,000,000; Multifamily Housing Revenue Bonds; Villages at Congaree Pointe Apartments Project; Series 2021 (SCSHFDA)	Congaree Pointe, LP (Villages at Congaree Pointe Apartments Project) Conduit: SCSHFDA	Parker Poe Adams & Bernstein – Emily Zackon, Ray Jones	Tracey Easton, General Counsel

GENERAL OBLIGATION / REVENUE ISSUES:

Description of Issue	Agency/Institution	Approved Bond Counsel
$80,000,000; MUHA Mortgage Indebtedness Bridge; Series 2021 (Medical University Hospital Authority - "MUHA")	MUHA	Haynsworth Sinkler Boyd – Mitchell Johnson, David Caughran
$80,000,000; MUHA FHA Insured Mortgage; Series 2021	MUHA	Haynsworth Sinkler Boyd – Mitchell Johnson, David Caughran
$80,000,000; MUHA Revenue Anticipation Notes; Series 2021	MUHA	Haynsworth Sinkler Boyd – Mitchell Johnson, D avid Caughran
$21,500,000; General Obligation State Institution Bonds; Clemson University; Roadway Pedestrian Safety Improvements; Series 2021	Clemson University – Roadway Pedestrian Safety Improvements	Pope Flynn – Gary Pope

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 #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 requested approval to spend $55,000 for radio and television public service announcements that will begin in the late Fall of 2021. 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.

Last year, the Authority approved Secretary Hammond's request for the expenditure of $50,000 for public service announcements at its August 18, 2020, meeting. The exact amount spent for last year's campaign was $49,996.84.

Upon a motion by Representative Smith, seconded by Mr. Loftis, the Authority unanimously approved a request from Secretary of State Mark Hammond to use funds to purchase radio and television public service announcements not to exceed $55,000 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.

Dept. of Administration, Executive Budget Office: Permanent Improvement Projects (R#3)

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).

(a) Project: JBRC Item Separate: Clemson University
H12.9946: Roadway Pedestrian Safety Improvements

Request: Establish Phase II Full Construction Budget and Change the Source of Funds to improve the primary vehicular roadway accessing the university to reduce traffic in the pedestrian-focused campus core.

Included in CPIP: Yes – 2020 CPIP Priority 5 of 8 in FY21 (estimated at $21,000,000)
Phase I Approval: December 2019 (estimated at $21,000,000) (SFAA)
CHE Approval: 06/03/21

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Institution Bonds				21,000,000	21,000,000
Other – Maintenance & Stewardship	315,000		315,000	(315,000)	
All Sources	315,000		315,000	20,685,000	21,000,000

Summary of Work: The work will include widening a 1.2-mile portion of Perimeter Road from US 76 to Cherry Road, installing safety lighting, pedestrian and bike paths, and improved signals, and doing other associated work to allow for roadway expansion. Additional safety improvements along Walter T. Cox Boulevard formerly SC 93, may also be included as planning proceeds. These include adding raised plazas and speed tables and improving pedestrian signals at intersections.

Rationale: The university Long-Range Framework Plan, completed in 2017, calls for a significant shift toward pedestrian mobility in the heart of campus to ensure safety. Walter T. Cox Boulevard has seen large increases in pedestrian crossings with the addition of private housing developments downtown and the opening of the university's Douthit Hills residence halls, providing more than 1,600 beds north of Walter T. Cox Boulevard. When the new College of Business opened in 2020, pedestrian crossings continued to increase, making it essential for safety that the university encourage vehicles to reroute away from the campus core by using Perimeter Road. While much of Perimeter Road is already four lanes, the 1.2-mile, two-lane section will likely deter additional use as congestion is becoming more frequent during peak times when drivers enter and exit parking areas and roads that intersect Perimeter Road. Per the university, studies done for the university in 2018 show that efforts to move vehicular traffic to Perimeter Road have been successful, showing a 33% increase on Perimeter Road and corresponding decrease on Walter T. Cox Boulevard.

Facility Characteristics: An approximately 1.2-mile portion of Perimeter Road from US 76 to Cherry Road will be widened. The roadway improvements will be used by the entire Clemson community, including approximately 25,000 students and 5,400 faculty and staff.

Financial Impact: The project will be funded from State Institution Bond Funds (to be issued by the college for $21,000,000). 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 $1,005 per student per semester, and has increased from $738 in 2015-2016 to 2020-2021 respectively.

Full Project Estimate: $21,000,000 (internal) funded by State Institution Bonds.

(b) Project: JBRC Item 1: College of Charleston
H15.9674: Electrical Grid Infrastructure Upgrades

Request: Establish Phase I Predesign Budget to examine and repair and/or replace the entire campus electrical distribution system.

Included in CPIP: Yes – 2020 CPIP Priority 6 of 12 in FY22 (estimated at $15,000,000)
CHE Approval: 06/3/21

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement Project				82,500	82,500
All Sources				82,500	82,500

Summary of Work: The campus electrical grid is a network of overhead and underground conduit and wiring that serves the entire main campus. This project will examine and systematically repair and/or replace hubs, transformers, conduit, wiring, switches, surge protection and other components in a phased approach over at least five years.

Rationale: Approximately eight (8) out of the total thirty-eight (38) transformers on the power distribution system are live front. The term 'live front' means that when the primary compartment doors are opened on the front of the transformer the operator is directly exposed to high voltage, which is a safety hazard. Multiple incremental repairs and upgrades were made over the last 50 years as buildings were demolished, renovated, or constructed. The electrical distribution system upgrade will substantially reduce the risk of catastrophic failure, increase delivery reliability, increase system resilience, alleviate safety concerns, and accommodate future load growth.

Facility Characteristics: The Main Campus electrical grid is was completed in 1972 (49 years old). The College maintains 150 buildings, constructed from 1770 to 2015 (6 to 251 years old, with the average being 160 years old). The electrical distribution grid serves the entire CofC community of 10,133 students, 809 faculty, 1,203 staff, plus clients, visitors, parents, and potential students.

Financial Impact: The project will be funded from Capital Improvement Project Funds (uncommitted balance $22 million at April 22, 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 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 $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: $5,500,000 (internal) funded by Capital Improvement Project Funds.

(c) Project: JBRC Item 2: College of Charleston
H15.9673: Guaranteed Energy Savings Contract

Request: Establish Phase II Full Construction Budget and Change the Source of Funds for building automation/monitoring, electrical, lighting, weatherization, and water conservation measures that will benefit all college owned campus buildings.

Included in CPIP: No – The project team at the college was not aware this initiative should be included in the CPIP.

Phase I Approval: February 2021 (estimated at $23,350,000) (SFAA)

CHE Approval: 06/03/21

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Renovation Reserve	1,000		1,000	(1,000)	
Other, Master Lease Program				22,350,000	22,350,000
Other, Capital Improvement Project				1,250,000	1,250,000

All Sources	1,000		1,000	23,599,000	23,600,000

Summary of Work: The college seeks to achieve all possible energy conservation measures for its campus owned buildings that address maximum utility savings (electricity, water & wastewater), operational savings, and operational improvements, while minimizing expenditure of the college's capital funds. A preliminary energy audit was completed by Ameresco in 2016 and identified many opportunities in a comprehensive energy savings performance contract. Under permission and guidance of the SC OSE and State Procurement Office, the college issued a competitive RFP in accordance with guidelines. An investment-grade audit for evaluation and inclusion in the project was required by interested offerors. Once awarded, the successful offeror is required to implement a monitoring, measurement, and verification process compatible with requirements of the International Performance Monitoring and Verification Protocol (IPMVP). Also required is a written guarantee that total project costs shall be 100% covered by guaranteed utility savings for the life of the project, and that the college will meet its annual payment necessary to cover principal and interest payments for financing through annual savings.

Rationale: The college attempts to make facilities as energy efficient as possible, but some buildings have older lighting, equipment, and a lack of digital controls. Per the college, the preliminary energy audit results justified the pursuit of a formal study. A Performance Contracting Program will save more energy and benefit the college through technology upgrades, equipment replacement, and updating/upgrading the existing energy management system and building control system.

Facility Characteristics: The college maintains 3,574,023 gross square feet among 150 college owned campus buildings that were constructed between 1770 and 2015, with the average being 160 years old. Eighteen buildings are 200+ years old, sixty-six buildings are 100-200 years old, twenty buildings are 50-100 years old, twenty-nine buildings are 20-50 years old, thirteen buildings are 10-20 years old, and five buildings are 5-10 years old. The buildings support campus administrative, academic, and auxiliary programs and departments.

Financial Impact: The project will be funded from Capital Improvement Project Funds and the Master Lease Program. The Master Lease Program from the State Treasurer's Office, pursuant to SC Code § 48-52-670 and SC Code § 11-35-1530. The establishment and maintenance of the State Treasurer's Office Master Lease Program is authorized through Section 1-1-1020, SC Code of Laws. The Program provides cost-effective financing arrangements to South Carolina's state agencies, colleges, and universities for the purpose of acquiring equipment needed to effectively improve and execute services on behalf of the State. The Program provides accepted applicants with financial assistance in obtaining office, telecommunications, medical, data processing, and energy conservation equipment as well as related software. The project is expected to result in a decrease of $413,380 (year 1), and $20,000 (years 2 and 3), in annual operating expenses. This project will realize a net energy savings of $31 million over a 30-year period. 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 in academic year 2015-2016.

Full Project Estimate: $23,600,000 (internal) funded by Capital Improvement Project Funds and the State Treasurer's Office Master Lease Program. Contract execution is expected in July 2021 with construction completion in July 2023.

(d) Project: JBRC Item 3: University of South Carolina - Columbia
H27.6139: New Health Sciences Campus - Medical Education and Research Facilities

Request: Establish Phase I Predesign Budget to construct a new University of South Carolina School of Medicine facilities to replace current leased space in the Wm. Jennings Bryan Dorn Veterans Affairs Medical Center campus in Columbia.

Included in CPIP: Yes – 2020 CPIP Priority 1 of 11 in FY21 (estimated at $285,000,000)
CHE Approval: 06/03/21

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Institutional				4,200,000	4,200,000
All Sources				4,200,000	4,200,000

Summary of Work: The proposed new Medical Education Building will provide spaces to accommodate classrooms, anatomy labs, clinical skills, simulation spaces, faculty offices, administration offices, and student support. Initial programming suggests a four or five-story facility of approximately 130,000 gross square feet and is also based on analyses of recently completed schools of medicine. The building is envisioned to expand the medical student class size from 100 to 160 students per year. Inter-professional education program class sizes to be accommodated in the new facility will increase from the current 214 students to 360 students over time. The multi-disciplinary Research Building will provide modern research space and wet labs for numerous university health and science disciplines with associated support spaces. Initial programming suggests a facility of approximately 162,000 gross square feet. The project will include associated site improvements to include grading, landscaping, hardscaping, paved surface parking, site lighting, and site utility infrastructure for storm water, domestic water, sanitary waste, natural gas, and electrical services.

Rationale: The School of Medicine leases space from the Department of Veterans Affairs and it is expected that the VA will decrease the area available to lease to the School of Medicine after 2030 in response to growth in the VA mission to support veterans. It is also understood that the VA will begin assessing market-rate lease costs on the space they will remain willing to lease. The buildings at the Dorn VA campus were constructed in the 1930s and require constant and costly maintenance and capital reinvestment to extend their service lives.

Moreover, the buildings do not provide a flexible technology-based environment in which to maximize the potential for modern education and research. Per the university, the current SOM Columbia campus does not reflect its cutting-edge reputation, and the location is unsustainable, with a tight fit of 341,000 square feet of inefficient space at the Dorn VA Center, leased from the U.S. Department of Veterans Affairs for $1 per year until 2030. Additionally, per the university, the space requires about $75 million in capital investment to address deferred maintenance and to modernize the space for 21st century medical education and research. If such an investment was begun with the expectation that the lease would be renewed, the lease rate would increase to an expected market rate of $26 or more per square foot, costing the school $8.8M in annual rent.

Facility Characteristics: The current School of Medicine is 341,000 square feet and was constructed in the 1930s (91 years old). The new Medical Education Building will be 130,000 gross square feet and the Research Building will be 162,000 gross square feet. The Medical Education Building will be the home of the School of Medicine. The facilities will be designed to meet either LEED Silver or Green Globes certification standards. The Research Building will accommodate inter-disciplinary research in support of Medicine, Public Health, Pharmacy, Nursing, and other synergistic programs. Using the enrollment growth plan as a guide, the estimated number of students, faculty, staff, and visitors expected to utilize the new facilities is approximately 2,000.

Financial Impact: This project will be funded from Other, Institutional Funds (uncommitted balance $65.4 million at May 26, 2021). Revenue to this fund is generated from tuition and fees, sales and services activities, indirect cost recovery from grants, reserve funds and other misc. sources. The project is expected to result in a decrease in annual operating expenses, but those amounts 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 $319.50 per student per semester, and has not increased from academic year 2017-2018 respectively.

Full Project Estimate: $300,000,000 (internal) funded by $124,612,000 State Institutional Bonds, $92,388,000 Institutional Tuition and Fee Reserves, $9,000,000 Institutional Non-Tuition Reserves, $8,000,000 Institutional Capital Project Funds, $11,000,000 Gift Funds, and $55,000,000 Capital Reserve Funds.

Other: The University has submitted a request to the Office of State Engineer requesting that the State Fiscal Accountability Authority consider and approve its preferred project delivery method to achieve the most advantageous outcome and best long-term value to the University. Specifically, the preferred project delivery method contemplates a type of design-build solution with a single point of contractual responsibility between the offeror and the University. In its review of proposals, the University intends to evaluate the possibility of private financing. The University states it is unlikely that private financing will produce the highest and best value, but wishes to explore all options that potentially could benefit the project.

Mr. Eckstrom asked if approval of the contracting approach was predicated on approval of this item. Mr. Gillespie said that it was not and that the contracting approach was being handled in a different item.

(e) Project: JBRC Item 4: University of South Carolina - Columbia
H27.6135: Colonial Life Arena Roof Replacement and Envelope Maintenance

Request: Establish Phase II Full Construction Budget to replace the entire arena and concourse roof membrane, the moisture-damaged portions of the rigid insulation substrate and also add insulation for increased R-value.

Included in CPIP: Yes – 2020 CPIP Priority 2 of 11 in FY21 (estimated at $2,850,000)
Phase I Approval: June 2020 (estimated at $2,850,000) (SFAA)
CHE Approval: 06/03/21

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Athletic, Operating	30,000		30,000	2,545,000	2,575,000
All Sources	30,000		30,000	2,545,000	2,575,000

Summary of Work: To replace the entire original 19-year-old thermoplastic polyolefin membrane (TPO) roof on the Colonial Life Arena with a white TPO membrane roof and all associated flashing and coping, which will come with a 20-year warranty. The project will also replace the moisture-damaged portions of the rigid insulation substrate and address moisture intrusion occurring in the stucco and masonry exterior walls surrounding the concourse. Localized cracking at stucco and masonry joints must also be addressed to prevent moisture intrusion. The exterior stucco will be patched and re-coated for a consistent finish at all facades.

Rationale: The existing roof has recently become more problematic by allowing water to intrude at membrane joints and where membrane cracking and seam failure has occurred. The roof is routinely being patched to mitigate water intrusion. The roof warranty has expired, and the roof must be replaced to ensure that leaks do not impact events in the arena.

Facility Characteristics: The Colonial Life Arena is 328,966 square feet and was completed in 2002. (19 years old) The roof is 175,000 gross square feet. The facility is utilized by the Athletics Department and for other non-athletic events and has a seating capacity for 18,000 people.

Financial Impact: The project will be funded from Athletic Operating Funds. (uncommitted balance $13.1 million at April 21, 2021). Revenue to the fund is generated from Athletic revenues which consist of ticket sales, SEC Conference Distributions, Gamecock Club contributions, seat premiums, corporate sponsorships, gifts, and other donations. The project is expected to result in a decrease of $5,000 (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 $81 per student per semester, and has increased from

$34.50 to $81 for the academic years 2017-2018 to 2021-2022 respectively. A legal agreement was negotiated between the university and Firestone regarding replacement of the existing TPO roof membrane material (not to include installation) at no cost to the university; furthermore, this replacement material is to be provided with a 20-year labor and material warranty from Firestone. REI will include a 5-year roof installer warranty in its specifications along with requirements for bidders to be a Firestone approved installer.

Full Project Estimate: $2,575,000 (internal) funded by Facilities and Athletic Operating funds. Contract execution is expected in November 2021 with construction completion in March 2022.

(f) Project: JBRC Item 5: York Technical College
H59.6171: York – Renovate H Building

Request: Establish Phase I Predesign Budget to renovate the outdated Administration Building at York Technical College.

Included in CPIP: Yes – 2020 CPIP Priority 2 of 2 in FY21 (estimated at $3,270,818)
CHE Approval: 6/3/21

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, College Capital Reserve				49,063	49,063
All Sources				49,063	49,063

Summary of Work: The project will include modernization of carpets, walls, HVAC, and lighting. ADA accessibility improvements also need to be made. The 50-year old fan coil units and pneumatic controls will be replaced. The 20-year old air-handling units will be replaced. Existing T8 lighting will all be replaced with LED lighting. Plumbing fixtures (urinals/toilets/sinks/flush valves) will be replaced with new low flow fixtures. The 20+ year old carpet will be replaced. Walls will be repainted. Due to the age of the building, there are also asbestos containing materials in walls, pipe insulation and ceilings, that can be effectively removed at the time of renovations.

Rationale: The building has not undergone any changes since offices in the IT area were remodeled and a new HVAC system was installed in the rear of the building om 1996. The college has held off renovation of this building because the first priority must be spaces used by students.

Facility Characteristics: The Administration Building is 15,342 square feet and was constructed in 1970 (51 years old). Approximately 40% of the HVAC system was renovated in 1997 (24 years old), but the remaining 60% is original to the building including old floor mounted 4-pipe fan coil units and pneumatic controls. All faculty and staff (475 employees) use this building throughout the year to meet with accounting, human resources, business services, and college advancement. Approximately 40 staff work in this building permanently. All new employee interviews originate in this building and conference rooms in this building are used daily by all faculty and staff including meetings with outside clients. Some students visit the building regularly if they are inquiring about work study opportunities or meeting with accounting or business services regarding their school finances.

Financial Impact: The project will be funded from College Capital Reserve Funds (uncommitted balance $10.9 million at December 31, 2020). Revenue to this fund is generated from excess revenues generated by college operations. Makeup of college revenues: More than one-quarter of all revenues come from Pell and other Federal Financial Aid programs, which is approximately equal to actual student out-of-pocket expense. The project is expected to result in a decrease of $927 (year 1), $955 (year 2), and $984 (year 3), in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. The college does not charge a fee to students for capital improvements. Per the college, because individual revenue dollars (with the exception of grant/contract programs that run zero cash flow) are not tracked as they are spent, it is impossible to say with absolute certainty what portion of net unrestricted assets come from student payments.

Full Project Estimate: $3,270,818 (internal) funded by Other, Capital Reserve Funds.

(g) Project: JBRC Item 6: Northeastern Technical College
H59.6163: Marlboro Campus Renovations

Request: Establish Phase II Full Construction Budget and Change Fund Source to renovate 18,210 square feet and upfit 11,560 square feet of new additions, exterior façade improvements, and new exterior recreation area with decorative fencing.

Included in CPIP: Yes – 2020 CPIP Priority 1 of 2 in FY21 (estimated at $5,510,497)
Phase I Approval: October 2020 (estimated at $5,510,497) (SFAA)
CHE Approval: 06/03/21

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Restricted Capital Contributions	82,657		82,657	(82,657)	
Other, EDA Grant				5,510,498	5,510,498
All Sources	82,657		82,657	5,427,841	5,510,498

Summary of Work: The interior renovations will include new restrooms, a nursing training location, EMT classrooms, an upgraded welding area and metal fabrication shop, a construction technology area, a tutoring classroom, an office for SC Works with a community room, a Diesel technology classroom and garage with storage space, a mechatronics, a recreation area, a lobby entrance, and roof replacement. Specialty equipment and process piping are not included in this estimate. The existing roof is an ethylene propylene diene terpolymer (EPDM) roof and is 21 years old. The new roof to be installed will be a new 60 Mil White TPO Mechanically attached roof system over new insulation. The new roof will

		include a 20-year material warranty and a 20-year labor warranty upon completion. The addition to the building will be added to provide a space for a diesel technology garage/storage space for the Diesel Mechanics program.
	Rationale:	The college was recently awarded a National Science Foundation (NSF) grant entitled "Pathways to Diesel Technology Careers for High School and Community College Students" and the addition to the building for the diesel technology garage/storage space will be utilized for their NETC dual enrollment and diesel technology students.
	Facility Characteristics:	The Marlboro Campus is on approximately 6.9 acres and is leased from the Northeastern Technical College Foundation for a term of not less than 35 years, pursuant to a lease dated April 1, 2020. There is one 46,238 square foot building included in this project which was constructed in 1999 (22 years old). Approximately 18,210 square feet will include interior renovations, with 11,560 square feet to be added to the building. The current NETC Marlboro Campus serves over 370 students and 25 employees throughout Marlboro County and surrounding areas. This campus will also serve as the primary campus for industries, businesses, and citizens of Marlboro County (2019 population: 26,118) and surrounding areas.
	Financial Impact:	The project will be funded from Other, Economic Development Administration Grant Funds (grant award $5.5 at April 23, 2021). The project is expected to result in an increase of $7,500 (year 1), and $15,000 (year 2 and 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 $36 per student per semester, and has not increased from its inception in academic year 2018-2019. Per the college, prior to the design phase of the buildings, Lambert Architecture + Construction Services engaged with a specialty firm to review the project for the additional costs versus benefits associated with achieving LEED Certification. Based on the findings, a total cost increase for LEED certification will cost $320,150, with a 30-year payback of only $300,000. Therefore, they have been informed that the cost benefit does not justify LEED certification for this project.
	Full Project Estimate:	$5,510,498 (internal) funded by Other, EDA Grant Funds. Contract execution is expected in July 2021 with construction completion in January 2023.
(h)	Project:	JBRC Item Separate: South Carolina Educational Television Commission H67.9521: Aiken Tower Relocation & Construction
	Request:	Establish Phase II Full Construction Budget to purchase and install a telecommunications tower on property owned by the City of Aiken.
	Included in CPIP:	Yes – 2020 CPIP Priority 5 of 10 in FY21 (estimated at $1,065,000)
	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, Spectrum Auction				1,242,208	1,242,208
All Sources				1,242,208	1,242,208

Summary of Work: The project will acquire, construct, and install a telecommunications tower on property owned by the City of Aiken. SCETV will utilize the emergency justification process for this project. Although this agreement is secured outside of the state contract, Motorola has indicated they are able to meet the deadline and honor the normal state discounts. SCETV will advertise for the required amount of time that Motorola will be the provider for this emergent need. The agency will use Motorola for the purchase of the self-supporting telecommunications tower with all ground kits, hoisting grips, and coaxial hangers. This project also includes installation of 9 antennas and associated coaxial cable, site preparation, a refurbished prefab telecommunications enclosure to hold equipment, climate control for the shed and equipment, and demolition of the old tower. Once operations are established at the new site, the old tower will be demolished.

Rationale: ETV has been informed by Aiken city and county officials that an existing tower must be removed so the city of Aiken can take advantage of a local economic development opportunity. Aiken officials have requested that SCETV complete the project, 270 days from the finalization of the MOU. Given this and other extenuating circumstances such as, the availability and increase in the costs of materials, SCETV is navigating the emergency procurement process.

Facility Characteristics: The existing 400-foot tower was erected on Aiken County property in 1984 (37 years old). The tower services vital public communication needs for SCETV, SLED, EMD, NOAA, the Aiken County schools, and others. The tower supports the provision of multiple critical public communication services including the public-school bus system, emergency weather notifications, public incident response, and state law enforcement crisis management systems.

Financial Impact: The project will be funded from Other, Spectrum Auction Funds (uncommitted balance $11.2 million at May 27, 2021). Revenue received is from the Federal Communication Commission TC Auction and placed in a segregated, restricted account to be used to fund capital needs, including broadcast industry standards changes, existing equipment repair, maintenance and replacement needs, and operational costs. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $1,242,208 (internal) funded by Other, Spectrum Auction Funds. Contract execution is expected in July with construction completion in 270 days from the signature of the MOU.

Mr. Eckstrom asked if the Materials Management Office signed off on the use of the emergency procurement procedures. Mr. Singleton explained that the use of the emergency procurement procedures is within the discretion of the agency director. Mr. Eckstrom asked if the use of the emergency procedures comport with the emergency regulation. Mr. McCook responded that the agency is fully expected to comply with the emergency procedures and that there is no indication that they will not. He said that agencies routinely use an accelerated process to achieve emergency goals and that the procurement code gives the use of emergency procedures to the agency's discretion.

Mr. Eckstrom further asked if ETV had obtained written guarantee from the city and county that they are going to hold ETV harmless. He said that ETV has exposure of $350,000 and that the project will cost more than that. He asked if there was a written guarantee from the city and county to cover the difference in the cost. Anthony Padgett, ETV President and CEO, stated that they do have written agreements in place to reimburse ETV for the majority of the expense. He said their obligation is limited to $350,000.

(i) Project: JBRC Item 12: Department of Mental Health
J12.9736: Harris Hospital HVAC and Sprinkler Renovations

Request: Increase Phase II Full Construction Budget to cover additional costs for three change orders due to project delays caused by the COVID-19 pandemic, and multiple unknowns encountered during the renovation of the hospital.

Included in CPIP: Yes – 2019 CPIP Priority 3 of 7 in FY20 (estimated at $16,167,812)
Phase I Approval: December 2014 (estimated at $8,100,000) (SFAA)
Phase II Approval: June 2016 (estimated at $10,300,000) (SFAA)
Phase II Increase Approval: August 2017 (estimated at $13,089,595) (SFAA)
Phase II Increase Approval: December 2018 (estimated at $15,376,812) (SFAA)
Phase II Increase Approval: August 2019 (estimated at $16,167,812) (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, Capital Improvement & Maintenance	120,000	16,047,812	16,167,812	150,000	16,317,812
All Sources	120,000	16,047,812	16,167,812	150,000	16,317,812

Summary of Work: The project is replacing the HVAC distribution and fire sprinkler system, including ductwork, underground chilled water piping, controls, and the energy plant's cooling towers. The project is in its final phase, starting work in Lodge A, and is expected to be complete by July 2021.

Rationale: The existing system is beyond its normally expected service life and is difficult to maintain due to limited service parts and obsolete technology. It is experiencing an increased frequency of system failures.

Facility Characteristics: The Patrick B. Harris Psychiatric Hospital, located in Anderson County, is a 162,310-gross-square-foot acute inpatient hospital constructed in 1985 (36 years old). The hospital has 200 licensed beds and current operating capacity of 125 beds. It is currently utilized by 652 outpatient clients, 311 staff and 125 inpatient clients.

Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance $3.1 million at April 13, 2021). Revenue to this fund is 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. The project is expected to result in a decrease of $30,000 (year 1), and $60,000 (years 2 and 3), in annual operating expenses.

Full Project Estimate: $16,317,812 (internal) funded by Capital Improvement & Maintenance Funds. Construction completed is anticipated in July 2021.

(j) Project: JBRC Item 15: Department of Natural Resources
P24.9942: Beaufort-Waddell Mariculture Center Infrastructure Renovation

Request: Increase Phase II Full Construction Budget to help offset the costs incurred associated with the damage sustained from the Hurricane Irma and Hurricane Matthew disasters.

Included in CPIP: No – The agency had an internal process gap between FEMA recovery projects and the PIP process. They have this on track now.

Phase II Approval: October 2014 (estimated at $1,100,000) (SFAA)
Phase II Increase Approval: February 2016 (estimated at $1,350,000) (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
Appropriated State, FY15 Proviso 118.16 (nonrecurring)	1,100,000		1,100,000		1,100,000
Federal, Sportfish Restoration Grant		250,000	250,000		250,000
Federal, FEMA Public Assistance Grant (Hurricane Matthew)				106,765	106,765

Federal, FEMA Public Assistance Grant (Hurricane Irma)				251,687	251,687
All Sources	1,100,000	250,000	1,350,000	358,452	1,708,452

Summary of Work: The project has restored walls and floors that were in need of repair due to 32 years of saltwater corrosion. The project will also mitigate salt damage to the Center's electrical system facility by repairing the damaged electrical systems that support the Hatchery Ponds and the facility that protects the electrical systems. Finally, as some of the Center's ponds no longer hold water due to concrete and pond liner damage, these would be replaced in an effort to increase the Center's ability to produce fish for stocking.

Rationale: The costs for this increase were incurred by the agency associated with the damage sustained from the Hurricane Irma and Hurricane Matthew disasters. High winds and high velocity flooding from these disasters displaced riprap that protects the Center's electrical system and damaged portions of the electrical system itself.

Facility Characteristics: The Waddell Mariculture Center, in Beaufort County, is approximately 14,000-square-feet and was constructed in 1984 (37 years old). The facility is utilized for Marine Research and Monitoring.

Financial Impact: The project will be funded from Federal, FEMA Public Assistance Grant Funds (Hurricane Matthew) (uncommitted balance $106,764.98 at April 23, 2021) and Federal, FEMA Public Assistance Grant Funds (Hurricane Irma) (uncommitted balance $251,686.63 at April 23, 2021). A portion of existing project funding will be used to meet the 25% required match. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $1,708,452 (internal) funded by Appropriated State, FY15 Proviso 118.16 (nonrecurring), Federal, Sportfish Restoration Grant, and Federal, FEMA Public Assistance Grant Funds. Construction completion is anticipated in December 2021.

(k) Project: JBRC Item 16: South Carolina Department of Natural Resources
P24.9967, Charleston-Fort Johnson Boat Slip Renovation

Request: Increase Phase II Full Construction Budget to help offset the costs incurred associated with the damage from the Hurricane Matthew event in 2016.

Included in CPIP: Yes - 2019 CPIP Priority 3 of 26 in FY20 (estimated at $1,000,000)

Phase II Approval: May 2017 (estimated at $1,000,000) (Admin.)
Phase II Increase Approval: July 2020 (estimated at $3,000,000) (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
Appropriated State, FY17 Proviso 118.16 nonrecurring	1,000,000		1,000,000		1,000,000
Appropriated State, FY19 Proviso 118.16 nonrecurring		2,000,000	2,000,000		2,000,000
Federal, FEMA Public Assistance Grant (Hurricane Matthew)				44,550	44,550
All Sources	1,000,000	2,000,000	3,000,000	44,550	3,044,550

Summary of Work: This project renovates the Fort Johnson Boat Slip on James Island, SC. The work consists of bulkhead repairs, composite fender system replacement, utility replacement, boat slip dredging and the installation of safety features such as step ladders and new loading pads at the utility crossings.

Rationale: High winds and high velocity flooding from Hurricane Matthew displaced riprap at the entrance of the boat slip and destroyed a safety ladder within the slip. The renovation project addresses structural deterioration that has been documented in recent engineering assessments. The project extends the useful life of the boat slip 40-50 years. The renovation also addresses on-going outfall and sediment deposition that require continuing boat slip maintenance including dredging.

Facility Characteristics: The boat slip accommodates the large DNR ocean going research vessels and is 51years old. These vessels fulfill state and federal grant studies that provide information for MARMAP, SEAMAP, Artificial Reef, Fisheries and Turtle Research programs. In addition, DNR Law Enforcement maintains ocean going Marine Patrol vessels that perform Homeland Security functions in addition to enforcement of conservation and boating safety laws. Staff utilizing the 3 ocean going vessels is 2,175 aboard per year and school groups that take marine educational tours in Charleston harbor aboard the E/V Discovery is 2,100 avg per year.

Financial Impact: The project will be funded with Federal, FEMA Public Assistance Grant (Hurricane Matthew) Funds (uncommitted balance $44,550 at April 23, 2021). Existing project funds were used to complete the work and the agency is now ready to request FEMA reimbursement. A portion of existing project funding will be used to meet the 25% required match. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $3,044,550 (internal) funded by State Appropriated Funds, FY17 & FY19 Proviso 118.16 (nonrecurring) and Federal, FEMA Public Assistance Grant (Hurricane Matthew) Funds. The portion of the project covered under the FEMA grant that was damaged by Hurricane Matthew has been completed using available renovation funds. Construction completion for the remainder of the project is November 2022.

(l) Project: JBRC Item 18: Department of Parks, Recreation & Tourism
P28.9796: Paving Agreement with SCDOT

Request:	Establish Phase I Predesign Budget for an annualized project to re-pave park roads.
Included in CPIP:	Yes - 2020 CPIP Priority 3 of 4 in FY24 (Statewide Road Repairs estimated at $2,500,000 – this component estimated at $1,000,000)
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, Park Revenue				15,000	15,000
All Sources				15,000	15,000

Summary of Work:	The project will be annualized and completed in phases. The first phase will include re-paving Poinsett, Barnwell, Charles Towne Landing and Table Rock State Park.
Rationale:	Through discussions with the SCDOT and a recent completed project, SCPRT has discovered that the SCDOT can repair and resurface roads much more efficiently and at tremendous savings than the SCPRT can internally. These funds will be used to reimburse the SCDOT for paving projects. The SCDOT will oversee all on site construction work and when billed by the paving contractor, the SCPRT will reimburse the SCDOT for the expense. The SCDOT will be moving forward with these projects first based on the priority list provided to them.
Facility Characteristics:	The roads in the parks are utilized by all park visitors to these sites. It is estimated that approximately 480,000 persons use the park roads each year.
Financial Impact:	The project will be funded from Other, Park Revenue Funds (uncommitted balance $3.2 million at April 23, 2021). Revenue to this fund is revenue generated by the State Park System. The fund collects fees for admission, camping, lodging, and other fees charged for the use of recreational facilities and programs. Section 51-3-65 allows SCPRT to set the fee structure to maintain fiscal soundness and continued maintenance of the state park system. In addition, 51-1-40 states the revenue must be used for park and recreational operations. 51-3-80 allows SCPRT to acquire land through gifts, donations, and contributions of land suitable for park purposes. The project is not expected to result in any change in annual operating expenditures.
Full Project Estimate:	$1,000,000 (internal) funded by Other, Park Revenue Funds.

Mr. Eckstrom noted that the item is on SCPRT's fiscal year 2024 CPIP. Yvette Sistare, SCPRT's Finance Director, said that is correct and that PRT has multiple road projects that are ongoing. She said this item is on their CPIP for that year. Mr. Eckstrom asked why the projected is being brought before higher prioritized projects. Ms. Sistare stated that they look at the worst projects and go from there. Mr. Eckstrom noted that there are four parks to be paved and asked if the other parks needed repaving. Ms. Sistare said they prioritize by way of the worst roads needing repair and the ones that receive the most visitors. She said other parks need road work, but these are at the top of the list.

(m) Project: JBRC Item 20: Department of Parks, Recreation & Tourism
P28.9790: Kings Mountain Camp York Recreational Building Donation

Request: Establish Phase II Full Construction Budget to construct a new recreational building at Kings Mountain State Park.

Included in CPIP: No – This project was unknown at the time the 2020 CPIP was submitted. The YMCA only recently approached the agency.
Phase I Approval: March 2021 (estimated at $1,300,000)
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, Donation (construction related gift)	19,500		19,500	1,280,500	1,300,000
All Sources	19,500		19,500	1,280,500	1,300,000

Summary of Work: The project will allow the Upper Palmetto YMCA to construct a new recreational building on an area in Camp York that is currently a vacant field. The YMCA will be responsible for all costs, from construction through facility upkeep, repairs, utilities, etc.

Rationale: The agency currently has a long-term contract with the Upper Palmetto YMCA to manage camps at Kings Mountain State Park. The YMCA needs a facility to conduct their programs in an enclosed area. They currently use the mess hall for this, and it is not large enough nor is it convenient.

Facility Characteristics: The building will be mainly a wood structure with a shingled roof, approximately 5,000 square feet, and will include a classroom and activity hall for games. The YMCA will conduct their recreational and educational programs in this facility. It is anticipated that approximately 10,000 children will use the facility each year.

Financial Impact: The project will be funded from YMCA Donations (as a construction related gift). The project is not expected to result in any change in annual operating expenditures for the agency. The YMCA will be responsible for maintenance and upkeep.

Full Project Estimate: $1,300,000 (internal) funded by a YMCA construction related gift.

Upon a motion by Senator Leatherman, seconded, by Representative Smith, 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 3.

Department of Administration, Facilities Management and Property Services: Real Property Conveyances (Regular Session #4)

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

(a) **Controlling Agency:** **Clemson University**
Acreage: 59.11± acres
Location: Highway 17 Bypass and Esso Road, Myrtle Beach
County: Horry
Purpose: To dispose of surplus real property.
Price/Transferred To: To be determined/Not less than appraised value
Disposition of Proceeds: To be retained by Clemson University pursuant to Proviso 93.15.
Additional Information: The proposed sale consists of the following four (4) parcels:

Acreage	**Description**
±40.64	Parcel Y - PIN 44700000002/TMS 1850003074
±8.75	Parcel Z - PIN 44702010039/TMS 1850003073
±8.33	Parcel C - PIN 44702020013/TMS 1850003028
±1.39	Parcel D - PIN 44702030001/TMS 1850003029

The parcels will be offered for sale through a competitive bid process. Parcels Y and Z will be sold independently of one another as those parcels are not contiguous. Parcels C and D will be sold together as one is the frontage road for the other. Potential buyers will be allowed to bid individually or collectively on the parcels.

(b) **Controlling Agency:** **Clemson University**
Acreage: 56.29± acres
Location: Hardscrabble Road and Clemson Road, Columbia
County: Richland

Purpose:	To dispose of surplus real property.
Price/Transferred To:	To be determined/Not less than appraised value
Disposition of Proceeds:	To be retained by Clemson University pursuant to Proviso 93.15.

Upon a motion by Mr. Eckstrom, seconded by Senator Leatherman, the Authority approved the referenced real property conveyances 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 4.

Department of Administration, Facilities Management and Property Services: Medical University of South Carolina (MUSC) Lease at Hagood Avenue and Line Street in Charleston (Regular Session #5)

The Medical University of South Carolina ("MUSC") requested approval to lease 140 parking spaces at the intersection of Hagood Avenue and Line Street from Rushmark Horizon, LLC ("Landlord"). MUSC's current lease at this location expires on October 31, 2021.

After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for reserved parking space for a one (1) year term with an option to terminate at any time with a thirty (30) day notice because MUSC was unsure of their future parking needs. Two proposals were received. The selected location, which is the current location, was the lowest priced option.

The lease term will be one (1) year commencing November 1, 2021. Rent for the year has increased from $118 per parking space per month to $121.00 per parking space per month, which is an annual rate of $203,280.00.

The following chart represents comparable lease rates of similar space:

Tenant	Location	Rate/ Space/Month
MUSC	155 Spring St.	$119.50
Vacant	194 Cannon St.	$125.00
Vacant	City of Charleston Parking Garage behind 19 Hagood Street	$145.00
MUSC	96/102 President Street	133.90

MUSC has adequate funds for the lease according to a Budget Approval Form submitted May 24, 2021. Lease payments will be funded through parking revenue. No option to purchase the property is included in the lease. The lease was approved by the MUSC Board of Trustees on May 14, 2021, the Commission on Higher Education on May 18, 2021 and JBRC on June 22, 2021.

As requested by the Department of Administration, Facilities Management Property Services on behalf of the Medical University of South Carolina, the Authority approved the proposed one-year lease of 140 parking spaces at the intersection of Hagood Avenue and Line Street in Charleston from Rushmark Horizon, LLC.

Upon a motion by Mr. Eckstrom, seconded by Senator Leatherman, the Authority, as requested by the Medical University of South Carolina through the Department of Administration, Facilities Management Property Services, approved the proposed one-year lease of 140 parking spaces at the intersection of Hagood Avenue and Line Street in Charleston from Rushmark Horizon, LLC.

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

Department of Administration, Facilities Management and Property Services: SC Department of Social Services Lease at 2638 Two Notch Road, Columbia (Regular Session #6)

The South Carolina Department of Social Services (DSS) requested approval to lease 22,394 rentable square feet of office space from 2638 Two Notch Road LLC ("Landlord"). DSS has leased space for its regional Adoptions, Child Care, Foster Family Licensing, Legal and Adult Protective Services divisions at this location since December 1996. DSS's current lease at this location expires on August 31, 2021.

After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for commercial space. The selected location, which is the current location, was the lowest priced option for five years of the five received proposals.

The space meets the standard of 210 RSF/person with a density of 207 RSF/person. The lease provides free parking spaces for staff and visitors in the adjacent parking lot.

The lease term will be five (5) years commencing September 1, 2021. The rental rate for the first year of the term will be $11.00 per rentable square foot for an annual aggregate amount of $246,334.00, a decrease of $0.21 per rentable square foot from their current rate of $11.21 per rentable square foot. The rental rate will then increase by 3% annually. The total rent to be paid over the 5-year term will be $1,307,810.00. This is a full gross lease and includes all operating expenses.

The following chart represents comparable lease rates of similar space:

Tenant	**Location**	**Rate/ Space/Month**
DSS	1628 Browning Road	$14.60
HHS	300 Arbor Lake Dr.	$15.81
Vacant	400 Arbor Lake Dr.	$19.50
Vacant	200 Center Point Circle	$21.50

DSS has adequate funds for the lease according to a Budget Approval Form submitted, which also includes a multi-year plan. Lease payments will be funded through approximately 45% state appropriations, 47% federal funding and 8% Medicaid. No option to purchase the property is included in the lease. The lease was approved by JBRC on June 22, 2021.

Senator Leatherman commented that in the past there has been discussion concerning vacant buildings with long-term leases. He said consideration should be given to looking at buildings before they are leased. Ashley Lancaster with the Department of Administration said they conduct site visits of all the locations that are proposed to evaluate the best fit for the agency and consider cost. Senator Leatherman asked what the term of the lease is. Ms. Lancaster said the term of the lease is five years. She noted they can reduce space and terminate space if State space becomes available. She said there is a termination clause that is included in the lease.

Mr. Eckstrom said inquiry should be made if there is more space like this one available. He said the lease is attractive and commented that this lease is much more reasonable than others that they have approved recently. He said the State should avail itself of opportunities like this.

Representative Smith said he understands that Senator Leatherman is talking about looking at the inventory of buildings in Columbia before leasing. He said that there needs to be a comprehensive look at what buildings are vacant and what needs to be done with them.

Upon a motion by Representative Smith, seconded by Mr. Eckstrom, as requested by the

Department of Administration, Facilities Management Property Services on behalf of the Department of Social Services, the Authority approved the proposed five-year lease of 22,394 rentable square feet of office space at 2638 Two Notch Road, Columbia from 2638 Two Notch Road LLC.

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

Department of Administration, Facilities Management and Property Services: SC Department of Social Services Lease at 714 N. Pleasantburg Drive, Greenville (Regular Session #7)

The South Carolina Department of Social Services (DSS) requested approval to lease 22,000 rentable square feet of office space from North Point Buildings LLC (“Landlord”). DSS has leased space at this location since October 1995, which houses its regional Adoptions and Child Support Services divisions. DSS’s current lease at this location expires on August 31, 2021.

After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for commercial space. The selected location, which is the current location, was the lowest priced option of the four proposals received for five years when taking into consideration the costs of relocating.

The space meets the standard of 210 RSF/person with a density of 176 RSF/person. The lease provides free parking spaces for staff and visitors in the adjacent parking lot.

The lease term will be five (5) years commencing September 1, 2021. The rental rate for the first year of the term will be $17.75 per rentable square foot, which is an increase from their current rate of $17.02, for an annual aggregate amount of $390,500.00. The rental rate will then increase by 2.5% annually. The total rent to be paid over the 5-year term will be $2,052,596.99. This is a full gross lease and includes all operating expenses.

The following chart represents comparable lease rates of similar space:

Tenant	Location	Rate/ RSF
Vocational Rehabilitation	301 N. Main St.	$19.70
Vacant	2000 Wade Hampton Blvd.	$18.50
Vacant	100 Verdae Blvd.	$23.00
Vacant	1001 Keys Dr.	$19.75

DSS has adequate funds for the lease according to a Budget Approval Form submitted, which also includes a multi-year plan. Lease payments will be funded through 38% state appropriations and 62% federal funding. No option to purchase the property is included in the lease. The lease was approved by JBRC on June 22, 2021.

Upon a motion by Representative Smith, seconded by Senator Leatherman, as requested by the Department of Administration, Facilities Management Property Services on behalf of the Department of Social Services, the Authority approved the proposed five-year lease of 22,000 rentable square feet of office space at 714 N. Pleasantburg Drive in Greenville from North Point Buildings LLC.

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

Department of Administration, Facilities Management and Property Services: SC Educational Television Commission Lease at Wire Road and Beaufort Street, Aiken County (Regular Session #8)

The SC Educational Television Commission ("ETV") requested approval to lease approximately 2.23 unimproved acres (the "Site") located at the intersection of Wire Road and Beaufort Street in the City of Aiken from the City of Aiken ("Landlord") to provide ETV with a site for the erection and maintenance of a transmission tower, supporting structures and cables, accessary building sand fencing and any other improvements incidental to the operation of a telecommunications tower on the Site. ETV has been leasing alternative space from the County of Aiken ("County") since 1985, most recently by a lease agreement entered into on January 22, 1998. ETV is making this request to enter into a new lease following a request from Aiken County that ETV consider constructing a tower at a new location and waive its purchase option under its current lease to accommodate a planned economic development project. The County, in consultation with the Landlord, proposed the Site, owned by the Landlord.

The lease term will be twenty (20) years. The rental rate for each year of the term will be $1.00. The total rent to be paid over the 20-year term will be $20.00.

ETV has adequate funds for the lease according to a Budget Approval Form submitted, which also includes a multi-year plan. The lease includes an option to purchase the property if the Landlord decides to sell all or a portion of the Premises or it declines to renew this Lease or otherwise extend the Term. The purchase price is to be at a value determined by appraisal made by an MAI appraiser agreed to by the Landlord and ETV at the same time. The acquisition is subject to all governmental approvals required for the purchase of property, including but not limited to approvals by SFAA, as applicable. The lease was approved by JBRC on June 22, 2021.

Mr. Loftis asked if ETV receives the rent from the tower. Mark Jahnke with ETV stated that funds remain with ETV.

Upon a motion by Mr. Eckstrom, seconded by Senator Leatherman, as requested by the SC Educational Television Commission through the Department of Administration, Facilities Management and Property Services, the Authority approved the Commission's request to lease approximately 2.23 unimproved acres located at the intersection of Wire Road and Beaufort Street in the City of Aiken from the City of Aiken to provide ETV with a site for the erection and maintenance of a transmission tower, supporting structures and cables, accessary building sand fencing and any other improvements incidental to the operation of a telecommunications tower on the site for a lease term of twenty (20) years.

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

Division of Procurement Services: USC New Health Sciences Campus – Approval of Project Delivery Method and Potential Contract Duration (Regular Session #9)

The University of South Carolina (USC) is in the planning stages for a proposed Medical Education Building and a Research Building on the new Health Sciences Campus proposed for property in the Bull Street District of Columbia. The University estimates that the total potential value of this project is $300 million.

USC intends to solicit contractual offers that include design, build (construction), long-term operations and/or maintenance, and perhaps private financing. Due to the complexity of the proposed project and their interest in considering any value added by financing, USC seeks approval to use either the design-build-operate-maintain (DBOM) or design-build-finance-operate-maintain (DBFOM)project delivery methods, with the option to reduce the scope of work if the pricing of operations and maintenance, or the value add of financing, is not advantageous to USC.

Under the procurement code, these two project delivery methods require SFAA approval before USC may solicit proposals. USC's justification for their request appears in the attached Written Determination.

Approval of the project delivery method must be accompanied by identification of the source selection method to be used. The competitive process will be conducted using the Competitive Negotiation source selection method.

Because USC's intended approach involves the potential for operations and maintenance services exceeding seven years, and/or long-term private financing, the duration of an awarded contract may exceed seven years. Any contract governed by the procurement code having a maximum potential duration exceeding seven years must be approved by SFAA before USC may solicit proposals. Accordingly, USC is also requesting approval for a contract duration in excess of seven years. Before final award of a contract with a term in excess of seven years, USC will obtain SFAA approval of the actual duration.

The project delivery methods are defined in Section 11-35-2910. Approval of the project delivery method is governed by Section 11-35-3010 and Regulation 19-445.2145B. The source selection method must be specified pursuant to Section 11-35-3015(8). Approval of the contract duration request is governed by 11-35-2030(5) and Regulation 19-445.2135G. Copies of these laws are attached.

The Authority’s actions herein are limited to the approvals required by the Consolidated Procurement Code and Regulations as set forth above.

Representative Smith stated that Ed Walton with USC was questioned extensively at JBRC about the project. He said Mr. Walton assured them there would be no tuition increases because of the project being approved. He said with the law school USC asked for an appropriation and tuition was increased. He said USC has assured them there will not be a tuition increase in this case. Representative Smith said he wanted to make sure that everyone understands that this action is predicated on tuition not being increased for the medical students or any students because of the project being approved.

Mr. Eckstrom asked how the bonds will be repaid without a lien on tuition to some degree. Representative Smith said that USC has assured them that there would not be an increase and that they would use existing funds to pay the debt and not add anything new to tuition. Craig Parks with USC stated as part of the overall funding portfolio that USC, through an excellence initiative and strategic saving for the past five years, will have by 2024 close to $100 million in cash dedicated and brought to the project to be switched over for debt financing that is required.

Mr. Loftis asked if the excellence initiative is University-wide to which Mr. Parks said that is correct. Mr. Loftis commented that they have been collecting from the entire University and they have been paying overage for the past five years.

Upon a motion by Senator Leatherman, seconded by Representative Smith, the Authority, for the proposed Medical Education Building and a Research Building project on the new Health Sciences Campus, approved USC's use of either design-build-operate-maintain or design-build-finance-operate-maintain as the project delivery method, with the option to reduce the scope of work if the pricing of operations and maintenance, or the value add of financing, is not advantageous to the University. For the same project, the Authority approved USC to solicit proposals that may result in a proposed contract with a duration in excess of seven years, provided USC obtains approval for any actual duration exceeding seven years before final award of a contract. Governor McMaster, Mr. Eckstrom, Senator Leatherman, and Representative Smith voted for the item. Mr. Loftis voted against the item.

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

Division of Procurement Services: Procurement Audits and Certifications (Regular #10)

In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Division of Procurement Services audited the following agencies and recommended certification within the parameters described in the audit report for the following agencies for a period of three years.

A. Department of Health and Human Services

Department of Health and Human Services: service provider contracts[1], $3,000,000* per contract per year; supplies and services[2], $600,000* per commitment; information

[1] Provider being a Provider of Services directly to a client. Limit four one-year extension options.
[2] Supplies and Services includes non-IT consulting services

technology[3], $300,000 per commitment.

*Total potential purchase commitment whether single year or multi-term contracts are used.

The internal controls of DHHS' procurement system are adequate to ensure compliance with the South Carolina Consolidated Procurement Code and ensuing regulations as described in the audit report. The Division recommends the Authority approve procurement certification for DHHS at the limits noted above for a period of three years.

Senator Leatherman asked to hear from DHHS about its compliance with the Procurement Code. Robbie Kerr, DHHS's Director, stated they are installing a new tracking system for their procurement system to make sure that they maintain internal controls and that compliance the Procurement Code requirements are checked off. He said their documentation standards will be improved with the new system.

Mr. Eckstrom commended the procurement auditors for the diligent work they did on this audit. He also commended DHHS for their cooperation in the audit and challenged other agencies to do the same.

B. Medical University of South Carolina

Medical University of South Carolina: supplies and services[4], $2,000,000* per contract per year; information technology[5], $2,000,000* per commitment; construction contract award, $1,000,000 per commitment, construction contract change order, $500,000 per change order, architect/engineer contract amendment, $100,000 per amendment.

*Total potential purchase commitment whether single year or multi-term contracts are used.

The internal controls of MUSC's procurement system are adequate to ensure compliance with the South Carolina Consolidated Procurement Code and ensuing regulations as described in the audit report. The Division recommends the Authority approve procurement certification

[3] Information Technology includes consultant assistance for any aspect of information technology, systems and networks
[4] Supplies and Services includes non-IT consulting services
[5] Information Technology includes consultant assistance for any aspect of information technology, systems and networks

for MUSC at the limits noted above for a period of three years.

Upon a motion by Mr. Eckstrom, seconded by Representative Smith, the Authority granted procurement certification, in accord with Section 11-35-1210, for the following agencies within the parameters described in the audit report for the following limits (total potential purchase commitment whether single-or multi- year contracts are used):

A. Department of Health and Human Services: service provider contracts, $3,000,000* per contract per year; supplies and services, $600,000* per commitment; information technology, $300,000 per commitment.

*Total potential purchase commitment whether single year or multi-term contracts are used.

B. Medical University of South Carolina: supplies and services, $2,000,000* per contract per year; information technology, $2,000,000* per commitment; construction contract award, $1,000,000 per commitment, construction contract change order, $500,000 per change order, architect/engineer contract amendment, $100,000 per amendment.

*Total potential purchase commitment whether single year or multi-term contracts are used.

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

Clemson University: Not Exceeding $21,500,000 General Obligation State Institution Bonds, Series 2021A, Issued on behalf of Clemson University (Regular Session #11)

The Authority was asked to adopt a resolution making provision for the issuance and sale of not exceeding $21,500,000 General Obligation State Institution Bonds, Series 2021A, issued on behalf of Clemson University.

The bonds will defray the $21 million cost to construct, reconstruct, improve, furnish, and refurnish improvements to the primary vehicular roadway accessing the University and related improvements and infrastructure on the campus of the University, to include safety lighting, pedestrian and bicycle paths, and signals.

Upon a motion by Senator Leatherman, seconded by Representative Smith, the Authority adopted a resolution making provision for the issuance and sale of not exceeding $21,500,000 General Obligation State Institution Bonds, Series 2021A, issued on behalf of Clemson University.

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

Medical University Hospital Authority: Not Exceeding $80,000,000 Bridge Loan Indebtedness of the Medical University Hospital Authority (Regular Session #12A)

The Authority was asked to adopt a resolution making provision for the incurrence or issuance by the Medical University Hospital Authority (MUHA) of Bridge Loan Indebtedness in a principal amount not to exceed $80,000,000. Such resolution includes the authority of the Medical University Hospital Authority to mortgage or otherwise cause to be subjected to a lien of any of MUHA's real or personal property as it deems necessary.

MUHA intends to purchase multiple hospitals in Columbia, Winnsboro, and Camden. The hospitals to be acquired are Providence Health, which includes 2 acute care facilities in Columbia and one free standing emergency room in Winnsboro, and Kershaw Health, which includes an acute care hospital located in Camden and a comprehensive urgent care and outpatient center located in Elgin.

MUHA seeks a taxable fixed rate bridge loan to fund the acquisition of Providence Health and Kershaw Health on or about July 31, 2021. No bank responding to the RFP has yet to demand or require a mortgage or lien on any of MUHA's real or personal property, however, MUHA seeks the authority to make such encumbrances if necessary. It is anticipated that the bridge loan will be outstanding only until such time as MUHA can obtain a federally insured permanent mortgage loan through the U. S. Department of Housing and Urban Development ("HUD"), which will fund the refinance of the taxable bridge loan and serve as the permanent financing for the acquisition of the subject health systems. MUHA anticipates that a closing of the purchase of the health systems will occur before it is able to close on the HUD loan that will constitute the permanent financing, making the bridge loan necessary for the acquisition of the aforementioned hospital systems.

Senator Leatherman asked if the Medical University has reviewed its revenues to assure that they will be able to debt service the bonds. Lisa Goodlett, CFO for MUSC, stated that the debt service for the placement should be below $70 million. Senator Leatherman asked if she knew how many bonds they had outstanding. She said their total amount for outstanding long-term debt is $739 million.

Mr. Eckstrom asked why the issuance was not structured as a Bond Anticipation Note (BAN). Ms. Goodlett said this was an opportunity to do this transaction differently and that all the packages would be secured by revenue from the facilities. Mr. Eckstrom noted that in the past this would have come as a BAN instead of a bridge loan. Ms. Goodlett stated that in the second approval related to this item they are asking for HUD insured financing for the acquisition cost of permanent financing. She said in the interim that will take six to nine months.

Upon a motion by Mr. Eckstrom, seconded by Senator Leatherman, the Authority adopted a resolution approving the Medical University Hospital Authority to incur or issue bridge loan indebtedness in a principal amount not to exceed $80,000,000 to provide initial financing for the acquisition of certain hospital facilities in Columbia, Winnsboro and Camden, South Carolina. Governor McMaster, Mr. Eckstrom, Senator Leatherman, and Representative Smith voted for the item. Mr. Loftis voted against the item.

Information relating to this matter has been retained in these files and is identified as Exhibit 12.

Medical University Hospital Authority: Not Exceeding $80,000,000 Mortgage Indebtedness incurred pursuant to FHA Insured Mortgage Acquisition Obligation of the Medical University Hospital Authority (Regular #12B)

The Authority was asked to adopt a resolution making provision for the incurrence or issuance by the Medical University Hospital Authority (MUHA) of Mortgage indebtedness incurred pursuant to a FHA Insured Mortgage Acquisition Obligation in an amount not to exceed $80,000,000. Such resolution includes the authority of the Medical University Hospital Authority to both mortgage and otherwise cause to be subject to a lien of any of MUHA's real or personal property as it deems necessary.

MUHA intends to purchase multiple hospitals in Columbia, Winnsboro, and Camden. The hospitals to be acquired are Providence Health, which includes 2 acute care facilities in Columbia and one free standing emergency room in Winnsboro, and Kershaw Health, which includes an acute care hospital located in Camden and a comprehensive urgent care and outpatient center located in Elgin.

MUHA seeks a taxable fixed permanent mortgage loan that will refinance the bridge loan and provide permanent financing for the acquisition of Providence Health and Kershaw Health. MUHA expects to obtain a commitment from the U.S. Department of Housing and Urban Development ("HUD") for a Federal Housing Administration ("FHA") insured private mortgage loan. It is anticipated that said loan will be a 25 year taxable Government National Mortgage Association (a federal government corporation that guarantees the timely payment of principal and interest on mortgage backed securities issued by approved lenders and commonly referred at Ginnie Mae and abbreviated to "GNMA") guaranteed mortgage-backed security ("MBS") financing transaction that will refinance the Bridge Loan and provide MUHA with permanent financing for the acquisition of the aforementioned hospital systems. The application for the permanent financing is expected to be submitted to HUD by the end of July 2021 with financing to occur by the end of October 2021. The proceeds of the HUD loan will repay the bridge loan in full.

Upon a motion by Senator Leatherman. seconded by Mr. Eckstrom, the Authority adopted a resolution approving the Medical University Hospital Authority to incur or issue taxable fixed rate Mortgage Indebtedness incurred pursuant to a FHA insured private mortgage loan in a principal amount not to exceed $80,000,000 to provide permanent financing for the acquisition of certain hospital facilities in Columbia, Winnsboro and Camden, South Carolina. Governor McMaster, Mr. Eckstrom, Senator Leatherman, and Representative Smith voted for the item. Mr. Loftis voted against the item.

Information relating to this matter has been retained in these files and is identified as Exhibit 13.

Medical University Hospital Authority: Not Exceeding $80,000,000 Revenue Anticipate Notes (Regular Session #12C)

The Authority was asked to adopt a resolution making provision for the issuance and sale of not exceeding $80,000,000 Revenue Anticipation Notes of the Medical University Hospital Authority (MUHA).

MUHA intends to purchase multiple hospitals in Columbia, Winnsboro, and Camden. The hospitals to be acquired are Providence Health, which includes 2 acute care facilities in Columbia and one free standing emergency room in Winnsboro, and Kershaw Health, which includes an acute care hospital located in Camden and a comprehensive urgent care and outpatient center located in Elgin.

MUHA anticipates that there will be an interruption and/or delay of the revenue stream and requires the issuance of taxable fixed rate revenue anticipation notes (RANs) to fund working capital needs related to the acquisition of the hospitals.

MUHA is authorized to issue revenue anticipation notes; provided that such notes have a maturity of not exceeding six months from the date of issuance and do not exceed, in the aggregate, ten percent of the net patient service revenue for the fiscal year of MUHA preceding the fiscal year in which such obligations are issued. The issuance of the notes is subject to approval of the State Fiscal Accountability Authority.

MUHA advises that for fiscal year ended June 30, 2020, net patient service revenues were $2,017,502,433.

MUHA requested that the SFAA authorize the State Treasurer to negotiate the terms of the short-term operating indebtedness which MUHA intends to issue in one or more tranches, shall be issued in an aggregate principal amount not exceeding $80,000,000 (which is below the statutorily prescribed threshold found in Section 59-123-60, SC Code of Laws), and each tranche of which shall have a maturity of not exceeding six (6) months from the date of its issuance. MUHA also requests that the SFAA authorize the Treasurer to negotiate other terms and conditions of the revenue anticipation notes and to approve all documents related thereto to which MUHA is a party and to negotiate the terms and conditions of up to three (3) renewals of each tranche of the short-term operating indebtedness, for terms not exceeding six (6) months.

Senator Leatherman asked if the $739 million debt that was referred to in discussion of regular session item #12A included the debt for this matter. Ms. Goodlett responded that it did not.

Mr. Eckstrom asked what authority allowed the SFAA to renew the RAN. He said the statute seems to indicate that the six-month period is a maximum and the statute does not address renewing the RAN. He asked if there is legal authority for renewing the RAN. Senator Leatherman commented that when bonds are renewed, generally money is saved doing so. Mr.

Eckstrom said that his question concerns renewal of the RAN.

Ms. Goodlett responded that the RANs are for a six-month period and will be extinguished by revenue from the use of the facilities. She said that these have not been on solid footing since 2016 and they will have to make some investments which will take a couple of years to get them to where they want them to be. She stated that during that time they will ask for renewal, but the RANs would be extinguished after each of the three six-month time periods. She said in 2019 the State Treasurer was delegated oversight over RANs as they negotiated the RANs each six months. She said that rather than come back to the Authority each time they can renew the RANs in six-month tranches through the State Treasurer's Office. Ms. Goodlett said although the explanation did not answer the statutory question it did address prior precedent of the Authority.

Mr. Eckstrom said his question is if what they are asking to be done comports with the statute. Mitchell Johnson, bond counsel for MUHA, stated that they would be doing six months maturities and there is no obligation on the lender to renew. He said they are trying to keep from coming back to the Authority every six months to renew and to delegate to the State Treasurer the ability to negotiate the RANs. Representative Smith said the question is whether there is authority under the statute to renew the RANs. Mr. Johnson said that the Authority would be approving the issuance of multiple tranches for six months the first time. He said there is a six-month maturity each time with no obligation on either party. He stated that if the lender chooses not to participate, then the RANs mature. Representative Smith asked does the statute allow the Authority to approve another issuance to which Mr. Johnson responded yes. He further stated that if the Authority chooses to do so they can require them to come back in six months for approval. He said what the Authority is being asked to do is to approve three separate issuances of RANs at the same time with each having a maturity of six months. Representative Smith asked if Mr. Johnson was saying that the statute allowed them to approve the issuance of RANs on the same project. Mr. Johnson said that is correct. Governor McMaster said that renew is perhaps not the best word to use. Representative Smith said that is correct and that there are multiple issuances. Mr. Johnson said there will be multiple tranches of multiple RANs and the first will not include the full amount of the $80 million nor will the cumulative value of all the tranches exceed $80 million.

Upon a motion by Senator Leatherman, seconded by Representative Smith, the Authority adopted a resolution authorizing the State Treasurer of South Carolina to negotiate the terms of the above-described short-term operating indebtedness which shall be issued in one or more tranches in an aggregate principal amount not exceeding $80,000,000, and each tranche of which shall have a maturity of not exceeding six (6) months from the date of its issuance. The State Treasurer of the State of South Carolina shall be further authorized to negotiate other terms and conditions of such Short-Term Operating Indebtedness and to approve the form of all documents related thereto to which the Authority shall be a party. The State Treasurer of the State of South Carolina is further authorized to negotiate the terms and conditions of up to three (3) renewals of each tranche of such Short-Term Operating Indebtedness, for terms not exceeding six (6) months. Governor McMaster, Mr. Eckstrom, Senator Leatherman, and Representative Smith voted for the item. Mr. Loftis voted against the item.

Information relating to this matter has been retained in these files and is identified as Exhibit 14.

Executive Director: Hickory Heights and Oakland Apartments Projects Ceiling Allocation Extension Request (Regular Session #13)

On May 18, 2021, the State Fiscal Accountability Authority granted a tentative ceiling allocation to the Housing Authority of the City of Spartanburg for the Hickory Heights and Oakland Apartments project in the amount of $11,000,000 with an expiration date of August 16, 2021. Bond counsel for the transaction has indicated that:

> The COVID-19 pandemic and other factors outside control of the Borrower, have created substantial backlogs at HUD, and the loan application review process is significantly delayed. Although HUD has notified the Borrower that the Loan is now in underwriting, a critical step to approval, it is possible that HUD review could push the closing of the Bonds beyond the Expiration Date. Because of the backlog at HUD and uncertainties surrounding HUD's underwriting times, the Borrower, together with the Authority, requests an extension of the current allocation by an additional 31 days to allow additional time for HUD to underwrite the Loan.

In accord with S.C. Code of Laws Section 1-11-560(C), bond counsel on behalf of the

Housing Authority of the City of Spartanburg requested an extension of the volume cap allocation for the Hickory Heights and Oakland Apartments project in the amount of $11,000,000 through September 16, 2021, which is not more than 31 consecutive calendar days and which is a total of not more than 121 days from the date of the allocation.

Upon a motion by Senator Leatherman, seconded by Representative Smith, the Authority, in accord with Code Section 1-11-560(C), granted the Housing Authority of the City of Spartanburg's request for an extension of the volume cap allocation for the Hickory Heights and Oakland Apartments project in the amount of $11,000,000 to September 16, 2021.

Information relating to this matter has been retained in these files and is identified as Exhibit 15.

Executive Director: Revenue Bonds (Regular Session #14)

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

a. Issuing Authority: State Housing Finance and Development Authority
Amount of Issue: N/E $33,000,000 Multifamily Housing Revenue Bonds, Series 2021A
Allocation Needed: $33,000,000 (carryforward to be used)
Name of Project: Garden Oaks Apartments
Employment Impact: n/a
Project Description: to provide a portion of the financing needed for the acquisition, construction, and equipping of an approximately 288-unit multifamily affordable housing development located in Beaufort County. The project is new construction and will consist of thirteen garden-style apartment building and three nonresidential buildings. The project will offer approximately 96 one bedroom units, 132 two bedroom units, and 60 three bedroom units.
Bond Counsel: Emily Luther, Parker Poe Adams & Bernstein LLP

b. Issuing Authority: State Housing Finance and Development Authority
Amount of Issue: N/E $22,000,000 Multifamily Housing Revenue Bonds, Series 2021
Allocation Needed: -0- (carryforward to be used)
Name of Project: The Commons at Sulphur Springs
Employment Impact: n/a
Project Description: to provide construction and permanent financing for a portion of the cost of acquisition and construction of

		multifamily housing to be known as The Commons at Sulphur Springs in Greenville
	Bond Counsel:	Samuel W. Howell, Howell Linkous & Nettles, LLC
c.	Issuing Authority:	State Housing Finance and Development Authority
	Amount of Issue:	N/E $37,000,000 Multifamily Housing Revenue Bonds, Series 2021
	Allocation Needed:	$37,000,000 (carryforward to be used)
	Name of Project:	Villages at Congaree Pointe
	Employment Impact:	n/a
	Project Description:	to provide a portion of the funding needed for the acquisition, construction, and equipping of an approximately 240-unit multifamily affordable housing development known as Villages at Congaree Pointe. The project is new construction and will consist of ten garden-style apartment buildings and two nonresidential building, including a clubhouse. The projects will offer approximately 60 one bedroom units, 144 two bedroom units, and 36 three bedroom units.
	Bond Counsel:	Emily Luther, Parker Poe Adams & Bernstein LLP

Mr. Eckstrom pointed out that all the items note that carryforward will be used but are noted in the item as allocation that is needed. He asked if carryforward is being used why is additional allocation being requested. Mr. Singleton stated that additional allocation is not being requested and that the notation of "carryforward to be used" was to inform the Authority no new allocation was being requested. Mr. Singleton commented that better phrasing of the allocation needed will be done going forward.

Upon a motion by Mr. Eckstrom, seconded by Representative Smith, the Authority approved the requests to issue revenue bonds.

Information relating to this matter has been retained in these files and is identified as Exhibit 16.

State Fiscal Accountability Authority: Future Meeting (Regular Session Item #15)

Upon a motion by Senator Leatherman, seconded by Representative Smith, the Authority agreed to meet at 10:00 a.m. on Tuesday, August 24, 2021, in Room 252, Edgar A. Brown Building.

South Carolina Department of Corrections: Legal Settlement of Litigation Related to the Lee Correctional Institution Riot (Regular Session #16)

Pursuant to S.C. Laws Ann. Section l l-l-45, the South Carolina Department of Correction requested Authority approval to settle litigation related to the April 15, 2018, Lee Correctional Institution riot. The riot resulted in numerous injured inmates and seven deaths. To date, eighty-one (81) lawsuits relating to the riot have been filed by inmates, or on behalf of inmates, in state and federal court. The total settlement amount for all cases is $6,000,000.

Representative Smith stated that his law firm is involved in the litigation of the cases and that he is recusing himself from participation and vote on this item.

Senator Leatherman asked if all parties agree with the settlement. Mr. Gillespie stated that any discussion on the terms of the settlement would have to be done in executive session because the settlement is not final and is contingent on the Authority's vote. Mr. McCook commented that while it is not required by law, he has found only one instance where the Authority Board has not convened in executive session to discuss a settlement. He said since the settlement is not finalized the Authority may want to consider discussing the matter in executive session.

[Secretary's Note: Representative Smith left the meeting prior to a motion to convene in executive session was made and did not return.]

Senator Leatherman motioned for the Authority to convene in executive session to receive information the matter. Mr. Eckstrom seconded the motion. The Authority unanimously agreed to convene in executive session to discuss the settlement.

Mr. Gillespie announced that pursuant to SC Code Section 30-4-70(a)(2), the Authority would convene in executive session to receive legal advice on the settlement and to consider the proposed contractual matter concerning the Lee Correctional Institution prison riot.

Upon reconvening in regular session Governor McMaster stated that the Authority had been executive session to receive legal advice on the settlement and to consider the proposed contractual matter. He noted that no action was taken in executive session and asked Mr. Gillespie to report on the item.

Mr. Gillespie stated that the Authority was asked to approve a settlement in the litigation related to the April 15, 2018, Lee Correctional Institution riot as requested by the South Carolina

Department of Corrections pursuant to S.C. Laws Ann. Section l l-l-45.

Upon a motion by Senator Leatherman, seconded by Mr. Loftis, the Authority approved the settlement in the litigation related to the April 15, 2018, Lee Correctional Institution riot as requested by the South Carolina Department of Corrections pursuant to S.C. Laws Ann. Section l l-l-45.

Adjournment

The meeting was adjourned at 11:00 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, June 25, 2021.]