

STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Tuesday, December 10, 2019 -- 10:00 A. M.

Room 252, Edgar A. Brown Building

AGENDA INDEX

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A.	ADOPTION OF PROPOSED AGENDA	
B.	MINUTES OF PREVIOUS MEETINGS	
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7.	Department of Administration, Facilities Management and Property Services	South Carolina Department of Health and Human Services Lease of 2701 Alex Lee Boulevard, Florence
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AGENCY: State Treasurer's Office

SUBJECT: Bond Counsel Selection

The State Treasurer's Office has provided the following notification, for informational purposes, of the firms selected and approved:

CONDUIT ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel
\$120,000,000; Economic Development Revenue Bonds; South Carolina Student Loan Corporation; Series 2020 (South Carolina Jobs-Economic Development Authority – "SC JEDA")	SC Student Loan Corporation Conduit: SC JEDA	Burr Forman McNair – Rion Foley	Parker Poe – Emily Luther, Ray Jones
\$26,000,000; Economic Development Revenue Bonds; Hilton Head Christian Academy; Series 2019 (SC JEDA)	Hilton Head Christian Academy Conduit: SC JEDA	Parker Poe – Tyler Smith	Nexsen Pruet – Laurie Becker
\$20,000,000; Economic Development Revenue Bonds or Notes; WE ARE SHARING HOPE SC; Series 2020 (SC JEDA)	WE ARE SHARING HOPE SC Conduit: SC JEDA	Haynsworth Sinkler Boyd – Jeremy Cook	Howell Linkous & Nettles – Sam Howell, Alan Linkous

AUTHORITY ACTION REQUESTED:

In accord with Authority policy, receive the State Treasurer's Office report of bond counsel as information.

ATTACHMENTS:

Bond Counsel Selection Approved by the State Treasurer's Office

The State Treasurer advises the State Fiscal Accountability Authority, for informational purposes, of the firms selected and approved for its December 10, 2019 meeting:

CONDUIT ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
\$120,000,000; Economic Development Revenue Bonds; South Carolina Student Loan Corporation; Series 2020 (South Carolina Jobs-Economic Development Authority – “SC JEDA”)	SC Student Loan Corporation Conduit: SC JEDA	Burr Forman McNair – Rion Foley	Parker Poe – Emily Luther, Ray Jones	10/17/2019
\$26,000,000; Economic Development Revenue Bonds; Hilton Head Christian Academy; Series 2019 (SC JEDA)	Hilton Head Christian Academy Conduit: SC JEDA	Parker Poe – Tyler Smith	Nexsen Pruet – Laurie Becker	11/12/2019
\$20,000,000; Economic Development Revenue Bonds or Notes; WE ARE SHARING HOPE SC; Series 2020 (SC JEDA)	WE ARE SHARING HOPE SC Conduit: SC JEDA	Haynsworth Sinkler Boyd – Jeremy Cook	Howell Linkous & Nettles – Sam Howell, Alan Linkous	11/18/2019

GENERAL OBLIGATION / REVENUE ISSUES:

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved

SPECIAL ASSIGNMENT OF BOND COUNSEL:

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved

AGENCY: Secretary of State

SUBJECT: Notice of Expenditure of Funds

Pursuant to S.C. Code Ann. Section 1-11-470, Secretary of State Mark Hammond has advised the Authority that he will 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 expects to expend no more than \$55,000 toward the cost of the radio and television public service announcements. The funds are from administrative fees and fines issued by the Secretary of State pursuant to the Solicitation of Charitable Funds Act, Code Section 33-56-10. Approval of the request must be by unanimous vote of the Authority.

AUTHORITY ACTION REQUESTED:

Approve 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. The Authority must approve the request to use the funds for such purposes by unanimous vote.

ATTACHMENTS:

Dunlap 10/24/19 letter; Code Section 1-11-470

State of South Carolina
Office of the Secretary of State
The Honorable Mark Hammond

1205 PENDLETON STREET, SUITE 525
COLUMBIA, SC 29201

803-734-2170
www.sos.sc.gov



October 24, 2019

Mr. Delbert H. Singleton, Authority Secretary
State Fiscal Accountability Authority
1201 Main Street, Suite 600
Columbia, SC 29201

RE: Secretary of State's Request for Wise Charitable Giving Public Service
Announcement

Dear Mr. Singleton:

Secretary Hammond is requesting to appear before the State Fiscal Accountability Authority for approval to use funds for radio and television public service announcements concerning charitable solicitations fraud and wise charitable giving pursuant to S.C. Code §1-11-470. I would appreciate it if you would place this item on the agenda for SFAA's December 10, 2019 meeting.

As you are aware, at the October 15, 2019 SFAA meeting, the request did not receive unanimous approval based upon an objection of Comptroller General Richard Eckstrom. Mr. Eckstrom's objection to approve the request was based on a prior request that was made in 2015 for \$30,000.00. There was an overage that year, and a total of \$39,980.50 was expended. As Secretary Hammond stated when appearing before the Authority on October 15, 2019, the funds used for the public service announcements are not state appropriated funds, but funds collected by the agency from fees and fines imposed on charities and professional fundraisers for violations of the the Solicitation of Charitable Funds Act. (S.C. Code §33-56-10 et seq.). Secretary Hammond is the administrator of the Solicitation of Charitable Funds Act, and therefore he is responsible for protecting charitable donors from unscrupulous charities and professional fundraisers.

Pursuant to S.C. Code §1-11-470, a constitutional officer must receive approval of the Authority to expend appropriated funds to purchase radio or television space with unanimous approval of the Authority. While we are not seeking approval to spend state appropriated funds, the Secretary requests to appear before the Authority for approval out of a desire for transparency. Pursuant to S.C. Code §33-56-160, all fees collected under

Mr. Delbert Singleton – SFAA Authority Secretary – Page 2
October 24, 2019

the Solicitation of Charitable Funds Act and all fine revenue up to \$200,000.00 collected from enforcement of the Act must be transmitted to the State Treasurer and deposited in a fund separate and distinct from the state general fund, to be used by the Secretary of State for the purpose of administering the Act.

Additionally, Secretary Hammond will reduce his previous request to spend \$65,000.00 to \$55,000.00 due to the delay in running the public service announcements. This delay will impact our ability to reach as many members of the public as possible during the holiday season. However, we hope that with unanimous approval by the Authority on December 10, 2019, we will still have the opportunity to reach potential charitable donors during the limited time the public service announcements will run during the holiday season.

Although we do not anticipate experiencing an overage for public service announcements in the future, we shall contact Grant Gillespie, Executive Director of the State Fiscal Accountability Authority, to notify the Authority should this occur. Please contact me at (803) 734-2157 or mdunlap@sos.sc.gov if you have any questions about this request.

Sincerely,



Melissa Dunlap
Deputy Secretary of State & Chief Legal Counsel

SECTION 1-11-470. Limitations on use of funds appropriated by General Assembly.

(A) No funds appropriated by the General Assembly may be used by a constitutional officer to purchase space including, but not limited to, notices or advertisements, in a print medium or time from a radio or television medium without unanimous prior written approval of the Budget and Control Board.

(B) No funds appropriated by the General Assembly may be used by a constitutional officer to print on, or distribute with, official documents extraneous promotional material or to purchase plaques, awards, citations, or other recognitions without unanimous prior written approval of the Budget and Control Board.

(C) If nonpublic funds are used for the purposes enumerated in subsection (A), the constitutional officer expending the funds must submit the source of the funds showing all contributors to the Budget and Control Board before the funds are expended.

(D) The provisions of this section do not apply to the Governor or to the General Assembly.

HISTORY: 1997 Act No. 155, Part II, Section 42A.

Code Commissioner's Note

At the direction of the Code Commissioner, reference in this section to the former Budget and Control Board has not been changed pursuant to the directive of the South Carolina Restructuring Act, 2014 Act No. 121, Section 5(D)(1), until further action by the General Assembly.

AGENCY: Department of Public Safety

SUBJECT: Approval of Personnel Settlement Agreement

Tracey L. Phillips is currently employed with the South Carolina Highway Patrol as a Master Trooper. In 2014, Mr. Phillips filed a charge with the EEOC alleging race discrimination and retaliation (Charge No. 14C-2014-00656).

Following the failure of conciliation efforts, the EEOC issued Mr. Phillips a Notice of Suit Rights on December 7, 2017. Mr. Phillips subsequently filed suit on February 28, 2018 (Tracey L. Phillips v. SCDPS, 4:18-cv-678-RBH-TER). The case was tendered to the Insurance Reserve Fund (IRF) for a defense of the agency. The IRF issued a Reservation of Rights and advised that the agency's policy did not cover the causes of action for Retaliation and Outrage.

The case proceeded through discovery and was ultimately mediated on November 28, 2019. Through the mediation process, the parties have agreed to a contingent settlement of the matter totaling \$75,000.00 consisting of contributions of \$50,000.00 from the IRF and \$25,000.00 from the Department of Public Safety. In exchange for the payment, Mr. Phillips would release all pending claims against the Department arising out of the conduct alleged in his complaint. This settlement is contingent on approval by the SFAA pursuant to S.C. Reg. 19-718.11.

AUTHORITY ACTION REQUESTED:

As requested by the Department of Public Safety, approve the personnel settlement between the Department of Public Safety and Tracey L. Phillips as outlined in the settlement agreement.

ATTACHMENTS:

Agenda item worksheet with attachments: Gore 11/20/19 letter, EEOC Charge, EEOC Determination, Lawsuit, IRF Reservation of Rights, and Settlement Agreement; Wingo 11/21/19 letter

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: December 10, 2019 Regular Agenda

1. Submitted By:
(a) Agency: South Carolina Department of Public Safety
(b) Authorized Official Signature: 

2. Subject: Approval of Personnel Settlement Agreement

3. Summary Background Information:

T. L. Phillips is currently employed with the South Carolina Highway Patrol as a Master Trooper. In 2014, Mr. Phillips filed a charge with the EEOC alleging race discrimination and retaliation (Charge No. 14C-2014-00656).

Following the failure of conciliation efforts, the EEOC issued Mr. Phillips a Notice of Suit Rights on December 7, 2017. Mr. Phillips subsequently filed suit on February 28, 2018 (Tracey L. Phillips v. SCDPS, 4:18-cv-678-RBH-TER). The case was tendered to the Insurance Reserve Fund (IRF) for a defense of the agency. The IRF issued a Reservation of Rights and advised that the agency's policy did not cover the causes of action for Retaliation and Outrage.

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4. What is Authority asked to do?

Approve the personnel settlement as outlined in the settlement agreement.

5. What is recommendation of the Agency involved?

The Department of Public Safety recommends that the settlement be approved.

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

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

7. List of Supporting Documents:

Settlement Agreement; EEOC Charge; EEOC Determination; Lawsuit; IRF Reservation of Rights.



South Carolina Department of Public Safety

OFFICE OF GENERAL COUNSEL

P.O. Box 1993 • Blythewood, S.C. 29016
Tel: (803) 896-7965 • Fax: (803) 896-7967

November 20, 2019

VIA REGULAR MAIL AND E-MAIL
South Carolina Department of Administration
Karen Wingo, Director
State Division of Human Resources
8301 Parklane Road
Suite A220
Columbia, SC 29223

RE: Approval of Personnel Settlement for T. L. Phillips.

Dear Ms. Wingo:

A personnel settlement arising out of the above-referenced matter is currently on the agenda for the December 10, 2019 meeting of the State Fiscal Accountability Authority (SFAA). SFAA has requested that the Department of Public Safety (Department) seek the State Division of Human Resource's recommendation on approval of the settlement.

Mr. Phillips is currently employed with the South Carolina Highway Patrol as a Master Trooper. In 2014, Mr. Phillips filed a charge with the EEOC alleging race discrimination and retaliation (Charge No. 14C-2014-00656). (Exhibit A) The EEOC issued its determination on September 29, 2017. (Exhibit B) It concluded that "[t]here [was] insufficient evidence to show that Charging Party was discriminated in violation of Title VII, because of his race, Black." It went on to note that "[e]xamination of the evidence supports Charging Party's allegations of retaliation and does not support Respondent's defenses."

Following the failure of conciliation efforts, the EEOC issued Mr. Phillips a Notice of Suit Rights on December 7, 2017. Mr. Phillips subsequently filed suit on February 28, 2018 (Tracey L. Phillips v. SCDPS, 4:18-cv-678-RBH-TER). (Exhibit C) The case was tendered to the Insurance Reserve Fund (IRF) for a defense of the agency. The IRF issued a Reservation of Rights and advised that the agency's policy did not cover the causes of action for Retaliation and Outrage. (Exhibit D)

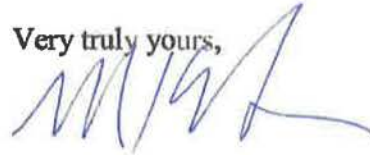
The case proceeded through discovery and was ultimately mediated on November 28, 2019. Through the mediation process, the parties have agreed to a contingent settlement of the matter totaling \$75,000.00 consisting of contributions of \$50,000.00 from the IRF and \$25,000.00 from the Department. (Exhibit E) In exchange for the payment, Mr. Phillips would release all pending claims against the Department arising out of the conduct alleged in his complaint. This settlement is contingent on approval by the SFAA pursuant to S.C. Reg. 19-718.11.

The Department and the IRF believe this settlement represents a fair and equitable resolution considering the risks associated with proceeding to trial and the additional defense costs that may be incurred.

The Department would therefore request that the State Division of Human Resources approve this settlement and advise SFAA accordingly.

If you should additional information, please do not hesitate to contact me. I appreciate your attention to my request.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'MKG', with a long horizontal flourish extending to the right.

Marcus K. Gore
General Counsel

MKG/pld

enc.

cc: Keith McCook, Esq. (w/o enclosures)

<h2 style="margin: 0;">CHARGE OF DISCRIMINATION</h2> <p style="font-size: small; margin: 0;">This form is affected by the Privacy Act of 1974. See enclosed Privacy Act Statement and other information before completing this form.</p>	<p>Charge Presented To: Agency(ies) Charge No(s):</p> <p> <input checked="" type="checkbox"/> FEPA <input checked="" type="checkbox"/> EEOC 14C-2014-00656 </p> <p style="text-align: center;">South Carolina Human Affairs Commission and EEOC</p> <p style="text-align: center; font-size: x-small;">State or local Agency, if any</p>
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Name (Indicate Mr., Ms., Mrs.) Mr. Tracey L. Phillips	Home Phone (Incl. Area Code) (843) 333-8783	Date of Birth 08-11-1974
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Street Address City, State and ZIP Code
3937 St. Ives Road Apt. 1223, Myrtle Beach, SC 29588

Named is the Employer, Labor Organization, Employment Agency, Apprenticeship Committee, or State or Local Government Agency That I Believe Discriminated Against Me or Others (if more than two, list under PARTICULARS below.)

Name SC DEPARTMENT OF PUBLIC SAFETY	No Employees, Members 500 or More	Phone No (Include Area Code) (803) 896-7920
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Street Address City, State and ZIP Code
10311 Wilson Blvd, Blythewood, SC 29016

Name	No Employees, Members	Phone No (Include Area Code)
Street Address City, State and ZIP Code		

<p>DISCRIMINATION BASED ON (Check appropriate box(es))</p> <p> <input checked="" type="checkbox"/> RACE <input type="checkbox"/> COLOR <input type="checkbox"/> SEX <input type="checkbox"/> RELIGION <input type="checkbox"/> NATIONAL ORIGIN <input checked="" type="checkbox"/> RETALIATION <input type="checkbox"/> AGE <input type="checkbox"/> DISABILITY <input type="checkbox"/> GENETIC INFORMATION <input type="checkbox"/> OTHER (Specify) </p>	<p>DATE(S) DISCRIMINATION TOOK PLACE</p> <table style="width: 100%; border: none;"> <tr> <td style="text-align: center; font-size: x-small;">Earliest</td> <td style="text-align: center; font-size: x-small;">Latest</td> </tr> <tr> <td style="text-align: center;">01-01-2013</td> <td style="text-align: center;">04-02-2014</td> </tr> </table> <p style="text-align: center;"><input checked="" type="checkbox"/> CONTINUING ACTION</p>	Earliest	Latest	01-01-2013	04-02-2014
Earliest	Latest				
01-01-2013	04-02-2014				

THE PARTICULARS ARE (if additional paper is needed, attach extra sheet(s)):

I have been subjected to intimidation and disparate terms and conditions from on or about January 1, 2013, through on or about April 2, 2014, and continuing. I have been subjected to excessive supervision, discretionary rules applied only to me, and the application of harsher standards of performance and stricter disciplinary measures by my supervisor, First Sergeant Don Causey (white). I am the only officer who has been required to bring in doctor's excuses for sick leave absences and denied access to the ALPR. I have been verbally abused and subjected to aggressive and increasingly hostile treatment by First Sergeant Causey. I contend First Sergeant Causey has made deliberate attempts to undermine me and set me up for failure. White employees have not been subjected to the same treatment. I have complained on more than one occasion to Captain Jonathan Nell and Chief Kenneth Phelps, but no corrective action has been taken. Since complaining, the hostile treatment from First Sergeant Causey has escalated. I received my first negative performance evaluation, even though my performance was at or above that of my peers, and First Sergeant Causey told me he was not going to approve my request for outside employment, which I rely on to supplement my income. I contend these actions are in retaliation for complaining about the discriminatory treatment to which I have been subjected.

I was disciplined on or about November 27, 2013, for insubordination. I contend I followed instructions as given, but I was disciplined in retaliation for my complaints.

I was involuntarily transferred from Zone (4) to Zone (3) on or about December 24, 2013. Zone (3) is farther from my home and more isolated than my previous zone. In addition, other officers are allowed to roam, but I have been limited where I can patrol. I contend I was transferred because I complained I was subjected to discriminatory treatment.

Therefore, I believe I have been discriminated against based on my race (black) and in retaliation for my opposition to employment practices declared unlawful by the SC Human Affairs Law, as amended, and Title VII of the US Civil Rights Act of 1964, as amended.

I want this charge filed with both the EEOC and the State or local Agency, if any. I will advise the agencies if I change my address or phone number and I will cooperate fully with them in the processing of my charge in accordance with their procedures

I declare under penalty of perjury that the above is true and correct.

05-08-2014 *Tracey Phillips*
 Date Charging Party Signature

NOTARY - When necessary for State and Local Agency Requirements

I swear or affirm that I have read the above charge and that it is the best of my knowledge, information and belief.

SIGNATURE OF COMPLAINANT
Tracey Phillips

SUBSCRIBED AND SWORN TO BEFORE ME THIS DATE
 (month, day, year)
Amanda B. Warren 5-8-14
 Amanda B. Warren





U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
Greenville Local Office

Intake Information Group TTY: (800) 669-6820
Direct Dial: (864) 241-4426
TTY (864) 241-4403

Landmark Building
301 North Main Street, Suite 1402
Greenville, SC 29601
Intake Information Group: (800) 669-4000
Greenville Status Line: (866) 408-8075
FAX (864) 241-4416
Website: www.eeoc.gov

Charge Number: 14C-2014-00656

Tracey L. Phillips
3937 St. Ives Road Apt. 1223
Myrtle Beach, SC 29588

Charging Party

SC Department of Public Safety
10311 Wilson Blvd.
Blythewood, SC 29016

Respondent

DETERMINATION

I issue the following determination on the merits of this charge.

Respondent is employer within the meaning of Title VII of the Civil Rights Act of 1964, as amended 42 U.S.C. 2000-e et seq. ("Title VII") and timeliness, deferral, and all other requirements for coverage have been met.

Charging Party alleges he was subjected to adverse terms and conditions of employment, transferred and disciplined because of his race, Black, and in retaliation for complaining of race discrimination, in violation of Title VII. Respondent denies the allegations.

Examination of the evidence supports Charging Party's allegations of retaliation and does not support Respondent's defenses. The evidence reveals Charging Party engaged in protected activity known to Respondent. Charging Party suffered adverse employment actions when Respondent transferred him, wrote a critical remark on his performance evaluation, disciplined him, and denied him approval for outside employment. There is a causal nexus between Charging Party's protected activity and the adverse employment actions. Accordingly, there is reasonable cause to believe Respondent retaliated against Charging Party in violation of Title VII.

There is insufficient evidence to show that Charging Party was discriminated in violation of Title VII, because of his race, Black. This does not certify that Respondent is in compliance with the statutes.



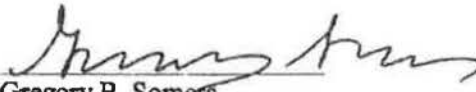
Upon finding there is reason to believe a violation has occurred, the Commission attempts to eliminate the alleged unlawful practice by informal methods of conciliation. Therefore, the Commission now invites the parties to join with it in reaching a just resolution of this matter. The confidentiality provisions of Sections 706 and 709 of Title VII of the Civil Rights Act of 1964, as amended, and Commission Regulations apply to information obtained during the conciliation.

If the Respondent declines to discuss settlement or when, for any reason, a settlement acceptable to the Office Director is not obtained, the Director will inform the parties and advise them of the court enforcement alternatives available to aggrieved persons and the Commission. A Commission representative will contact each party in the near future to begin conciliation.

On behalf of the Commission:


SEP 29 2017

Date


Gregory B. Somers
Bilingual Investigator

SEP 29 2017

Date


Patricia B. Fuller
Greenville Office Director

cc: Eugene H. Matthews
Richardson Plowden & Robinson, PA
1900 Barnwell Street
Columbia, SC 29201

STATE OF SOUTH CAROLINA)
 COUNTY OF HORRY)
 TRACEY L. PHILLIPS,)
)
 Plaintiff,)
)
 v.)
)
 SOUTH CAROLINA DEPARTMENT)
 OF PUBLIC SAFETY,)
)
 Defendants.)

IN THE COURT OF COMMON PLEAS
 FIFTEENTH JUDICIAL CIRCUIT
 CIVIL ACTION NO.:

COMPLAINT
(Jury Trial Demanded)

Plaintiff Tracey L. Phillips (“Mr. Phillips or Plaintiff”) complaining of the Defendant South Carolina Department of Public Safety (“SCDPS” or “Defendant”) alleges and shows as follows:

PARTIES, JURISDICTION AND VENUE

1. Plaintiff is a resident and citizen of Horry County, State of South Carolina.
2. Defendant is a state agency, organized and existing under the laws of the State of South Carolina.
3. This Court has personal jurisdiction of the parties and subject matter of the claims herein.
4. Venue in this Court is proper as the acts and/or omissions giving rise to and resulting in Plaintiff’s injuries occurred in Horry County, State of South Carolina.

FACTS

5. Plaintiff incorporates the above allegations by reference.
6. Plaintiff is an African-American male employee and began working for Defendant on January 4, 2008 as a highway patrolman.
7. Plaintiff was a Lance Corporal for the Defendant.



8. Plaintiff directly reported to Corporal D. Trevathan, who was supervised by First Sergeant C.D. Causey ("Causey") of Troop-5, Post-D (Horry County).

9. Plaintiff was subjected to excessive supervision, discretionary rules that applied only to him, and the application of harsher standards of performance and stricter disciplinary measures by his direct supervisor, Causey.

10. Upon information and belief, Plaintiff was the only officer required to provide doctor's notes and/or excuses for sick leave.

11. Plaintiff was denied access to an Automatic License Plate Reader ("ALPR"), which is a tool used to aide in the apprehension of "hit and runs", suspended licenses, driver's operating uninsured vehicles, and stolen vehicles.

12. Plaintiff was verbally abused and subjected to aggressive and increasingly hostile treatment by Causey.

13. Plaintiff verbally complained on more than one occasion to Captain Johnathan Nell and Chief Kenneth Phelps, however no corrective measure was taken.

14. Plaintiff was subject to escalated hostility by Causey after his complaints were filed with Captain Johnathan Nell and Chief Kenneth Phelps.

15. Plaintiff received a negative performance evaluation, even though his performance was at or above that of his fellow officers, after his complaints were filed with Captain Johnathan Nell and Chief Kenneth Phelps.

16. On or around November 27, 2013, Plaintiff was disciplined for insubordination, even after following given instructions.

17. On December 5, 2013, Plaintiff filed a Formal Discrimination and Harassment Complaint documenting the above discrimination with Major M. Warren and Defendant and asked that the matter be investigated by Defendant.

18. On or about December 24, 2013, Plaintiff was involuntarily transferred from Zone (4) to Zone (3), which was further away from the Plaintiff's home and more isolated than his previous zone.

19. Plaintiff called Corporal Trevathan and requested to leave his assigned Zone to return home for his contact lenses.

20. While outside of his assigned Zone, Plaintiff initiated a traffic stop for a vehicle traveling 74 miles per hour in a 45 mile per hour zone.

21. While returning to his patrol car, Plaintiff received a call from Corporal Trevathan stating that Causey wanted an explanation for why the Plaintiff was stopping cars outside of his Zone.

22. Corporal Trevathan informed the Plaintiff that Causey stated Plaintiff was not to leave his assigned Zone without letting a supervisor know.

23. Corporal Trevathan emphasized that his advisement was not from himself, but from Causey directly.

24. On January 10, 2014, Plaintiff filed another Formal Discrimination and Harassment Complaint with Major M. Warren and Defendant, and asked that the matter be investigated by Defendant.

25. On February 3, 2014, Plaintiff filed a Retaliation Complaint with Chief K. Phelps and Defendant.

26. Plaintiff was asked to attend a meeting with Corporal Trevathan and Causey.

27. Plaintiff was informed by Causey that he was recommending Plaintiff not get approved for outside employment.

28. Plaintiff held an active license for respiratory therapy and was required by the medical board to work a certain number of hours per year in order to keep his license in "active" status.

29. Plaintiff was denied approval for outside employment by Causey.

30. On February 25, 2014, Plaintiff filed a Negative EPMS Complaint with Chief K. Phelps and Defendant.

31. Plaintiff believes that his specific performance review shows that he was not being "treated equally or fairly."

32. Plaintiff, again, asked that an investigation into his complaint be addressed by Defendant.

33. On February 25, 2014, Plaintiff filed an official questionnaire with South Carolina Human Affairs Commission.

34. Defendant continues to pass over Plaintiff for promotions he is qualified for, in retaliation for reporting the above referenced discrimination.

35. Specifically, in August 2017, Plaintiff took part in a promotions test in which he scored a 96, well above the required score of 75.

36. Due to his high score, Plaintiff was eligible to participate in the promotional process.

37. Plaintiff therefore applied for a promotion to Vacancy #17-P65-Corporal (Troop 5/Post C/Georgetown/Williamsburg).

38. On February 20, 2018, a memorandum was released by the Defendant that Lance Corporal Trevor D. Cannon was being promoted to fill this vacancy.

39. The Plaintiff is informed and believes Lance Corporal Trevor D. Cannon's score on the promotional test was an 80.

40. Plaintiff's score was a 96.

41. Plaintiff met and exceeded all qualifications for the promotion.

42. Defendant refused to promote Plaintiff in retaliation for his claims of discrimination.

43. At all times relevant hereto, Plaintiff was performing his job duties in a satisfactory manner.

44. Plaintiff has exhausted his administrative remedies and complied with all conditions precedent prior to bringing this action.

FIRST CAUSE OF ACTION
(Race Discrimination)

(Title VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000e, *et seq.*)

45. Plaintiff incorporates the above allegations by reference.

46. During the course of Plaintiff's employment with Defendant, Defendant, by and through its agents and employees, discriminated against Plaintiff in the terms, conditions, and privileges of employment in various ways, in substantial part because of his race, in violation of Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e *et seq.*

47. Defendant discriminated against Plaintiff in the following particulars, to wit:

- a. Excessive supervision;
- b. Discretionary rules applied only to the Plaintiff;
- c. The application of harsher standards of performance;

- d. Stricter disciplinary measures by his supervisor;
- e. Failure to promote;
- f. Retaliation for Plaintiff's opposition to employment practices declared unlawful; and
- g. Unsubstantiated negative performance reviews/comments.

48. The above-described unwelcome race discrimination also created an intimidating, oppressive, hostile and offensive work environment, which interfered with Plaintiff's emotional well-being.

49. Defendant was put on notice of the discriminatory behavior but failed to take all reasonable and necessary steps to eliminate discrimination based upon race from the workplace and to prevent it from occurring in the future.

50. As a direct and proximate result of Defendant's violation of Title VII of the Civil Rights Act of 1964 as described, Plaintiff has suffered lost wages, physical and emotional distress and other damages.

SECOND CAUSE OF ACTION

(Retaliation)

(Title VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000e, et seq.)

- 51. Plaintiff incorporates the above allegations by reference.
- 52. Following the Plaintiff's claims of discrimination by Causey, Defendant allowed Causey to make an unjustified and critical remark on his performance evaluation.
- 53. Defendant also unjustifiably transferred Plaintiff.
- 54. Defendant continues to deny Plaintiff the opportunity to advance within the company by refusing to promote him to higher level positions.

55. Plaintiff is unable to obtain a higher paying position within the company due to the discriminatory actions of Defendant, despite being qualified to do so.

56. Defendant also continues to refuse Plaintiff to engage in outside employment.

57. Plaintiff is therefore suffering a materially adverse change in the terms and conditions of his employment.

58. Defendant's continued refusal is a retaliatory action towards Plaintiff in response to him filing a complaint and charge of discrimination, a practice that Title VII forbids.

59. A reasonable employee would have found the above described action of Defendant as materially adverse and one that would dissuade a reasonable worker from making or supporting a charge of discrimination.

60. As a direct and proximate result of Defendant's violation of Title VII of the Civil Rights Act of 1964 as described, Plaintiff has suffered lost wages, physical and emotional distress and other damages.

THIRD CAUSE OF ACTION
(Negligence)

61. Plaintiff incorporates the above allegations by reference.

62. Defendant owed a duty of care to Plaintiff to see that he was able to work in a safe and non-hostile environment, free from harassment, injury and racial discrimination.

63. Upon information and belief, Defendant was aware of Causey's discriminatory and hostile behavior toward the Plaintiff.

64. Defendant breached that duty by allowed Causey to continue to be employed with Defendant when Defendant was on notice of his hostile and discriminatory behavior towards Plaintiff and by requiring Plaintiff to continue to work with Causey.

65. Plaintiff has suffered damages as a direct and proximate result of Defendant's negligence.

FOURTH CAUSE OF ACTION
(Negligent Retention)

66. Plaintiff incorporates the above allegations by reference.

67. Defendant has known of Causey's discriminatory and hostile behavior towards Plaintiff through Plaintiff's own substantiated and verified complaints submitted to Defendant.

68. Despite being on notice of Causey's above-mentioned behavior, Defendant continued to employ him.

69. Plaintiff specifically put Defendant on notice of the mental, emotional and pecuniary injury caused to him through the filing of an EEOC Complaint yet Defendant continued to employ Causey and required Plaintiff to work with him.

70. Plaintiff has suffered damages as a direct and proximate result of Defendant's negligent retention of Causey.

FIFTH CAUSE OF ACTION
(Outrage)

71. Plaintiff incorporates the above allegations by reference.

72. Defendant has continuously engaged in the discriminatory and hostile conduct towards Plaintiff.

73. Defendant intentionally and/or recklessly inflicted severe and emotional distress or were certain or substantially certain that such distress would result from the above referenced conduct.

74. The above-mentioned conduct was extreme, outrageous, and exceeds the bounds of decency.

75. The above-mentioned conduct is atrocious and utterly intolerable in a civilized community.

76. Plaintiff suffered emotional distress and pecuniary losses as a result of Defendant's conduct that was so severe that no reasonable man could be expected to endure it.

SIXTH CAUSE OF ACTION
(Negligent Supervision)

77. Plaintiff incorporates the above allegations by reference.

78. At all times relevant herein, Causey was acting while on the premises of Defendant.

79. Defendant knows or should have known of the necessity and opportunity for exercising control of Causey, yet failed to supervise his actions towards employees, including, but limited to, those relating to Plaintiff.

80. Defendant has a duty to supervise Causey.

81. Defendant breached its duty to supervise Causey by allowing him to continuously engage in a discriminatory and hostile manner towards Plaintiff.

82. Causey does not demonstrate this behavior to Caucasian employees.

83. Causey has continuously engaged in this discriminating, harassing and hostile conduct towards Plaintiff.

84. Plaintiff suffered damages as a direct and proximate result of Defendant's negligent supervision.

WHEREFORE, Plaintiff prays this Honorable Court for Judgment against the Defendants, jointly and severally, as follows:

A. Actual and compensatory damages, in an amount sufficient to compensate for the injuries and damages sustained as may be determined by a jury;

B. Nominal, incidental, and consequential damages, in an amount to be determined by a jury;

C. Punitive damages, adequate to punish the Defendants named for wrongful behavior, sufficient to deter the named and others from continuing and/or repeating such similar conduct warranting punishment, in an amount to be determined by a jury;

D. All costs, interest as authorized by law, disbursements, and all reasonable attorneys' fees associated with this action; and

E. Any and all such other and further relief as this Court may deem just and proper.

Respectfully submitted,

GOLDFINCH WINSLOW, LLC

s/Jessica S. Benson (SC Bar #73670)
Jessica S. Benson, Esquire
Thomas W. Winslow, Esquire
11943 Grandhaven Drive, Suite A-2
Post Office Box 829
Murrells Inlet, SC 29576
Telephone: (843) 357-9301
Fax: (843) 357-9303
jessica@goldfinchwinslow.com
ATTORNEY FOR PLAINTIFF

Murrells Inlet, South Carolina
February 28, 2018

HENRY MCMASTER, CHAIR
GOVERNOR

CURTIS M. LOFTIS, JR.
STATE TREASURER

RICHARD ECKSTROM, CPA
COMPTROLLER GENERAL



INSURANCE RESERVE FUND
SECOND INJURY FUND OPERATIONS

POST OFFICE BOX 12349
COLUMBIA, SOUTH CAROLINA 29211
FAX: (803) 737-0789

HUGH K. LEATHERMAN, SR.
CHAIRMAN, SENATE FINANCE COMMITTEE

G. MURRELL SMITH, JR.
CHAIRMAN, HOUSE WAYS AND MEANS COMMITTEE

GRANT GILLESPIE
EXECUTIVE DIRECTOR

CERTIFIED MAIL
7018 0680 0001 7115 4449
RETURN RECEIPT REQUESTED

October 14, 2019

Attorney Marcus Gore
General Counsel
S.C. Department of Public Safety
P.O. Box 1993
Blythewood, SC 29016

Re: Summons and Complaint

Tracey Phillips vs. South Carolina Department of Public Safety
C/A No.: 4:18-00678-MGL-TER [former 18-CP-26-01453]
IRF Claim No.: B7471
Date of Loss: December 7, 2017

AMENDED RESERVATION OF RIGHTS

Dear Marcus:

We have received the above lawsuit for defense. Note that the South Carolina Department of Public Safety has a Tort Liability Policy (T112670018) with the Insurance Reserve Fund, hereinafter called the Fund; however, this policy does not cover all "causes of action" or occurrences. Based on our initial review of the Complaint, the Fund agrees at this time to provide a defense to the South Carolina Department of Public Safety under a full and complete reservation of rights.



The Summons and Complaint filed by Tracey Phillips includes causes of action for:

1. **Race Discrimination; Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e, et seq.**
2. **Retaliation; Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e, et seq.**
3. **Negligence**
4. **Negligent Retention**
5. **Outrage**
6. **Negligent Supervision**

Complaint mentions lost wages and other damages and contains prayer for actual, compensatory, nominal, incidental and consequential, punitive damages as well as costs, interest, and attorney fees.

The purpose of this letter is to advise you that the Complaint may be at least in part beyond the coverage afforded to the South Carolina Department of Public Safety under the Tort Liability Policy issued by the Fund. In providing this initial discussion of coverage issues, the Fund does not maintain that this letter necessarily addresses all coverage issues that may be applicable and relevant as this litigation proceeds, and consequently, the Fund does not waive its right to raise any and all coverage defenses in addition to those addressed specifically in this letter.

Pursuant to the insuring agreement in Section I of the Tort Liability Insurance Policy, the Fund has agreed to "pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages of A. Personal Injury or B. Property Damage to which this applies caused by an occurrence." Particular terms are defined in Section III of the Tort Liability Insurance Policy, and you are referred to that section of the policy for those definitions.

After reviewing the Complaint, it is our opinion that the Tort Policy issued to the South Carolina Department of Public Safety **does not cover the following causes of action:**

2. **Retaliation; Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e, et seq. This is specifically excluded from coverage by the policy (VI. Exclusions, (o)).**
5. **Outrage. This is not covered as it does not meet the policy definitions of personal injury, property damage or occurrence.**

The Fund will not be responsible for wages, benefits or other exemplary damages; Additional the Fund will be attorney fees, costs, interest, or punitive damages if based on a non-covered cause of action.

Other policy exclusions and conditions may also prove to be applicable, and the Fund expressly reserves its right to rely upon any other exclusions or policy defenses in addition to those addressed in this letter.

In sum, the Fund is hereby giving you notice that coverage questions exist with respect to the claims made by Tracey Phillips.

Please be advised that the Fund's investigation of this claim is still ongoing. The Fund accordingly is strictly reserving all rights to continue its investigation and to assert any available defenses, regardless of whether addressed in this letter, that may be discovered during the course of its investigation and during the entire course of this litigation.

Nevertheless, as stated above, the Fund has agreed to provide a defense at the present time under a full and complete reservation. The defense has been referred to the following attorney:

Attorney Mark Buyck, III
Willcox, Buyck & Williams
P.O. Box 1909
Florence, SC 29503
Phone: (843) 662-3258

Please recognize that neither Mr. Buyck, nor any member of his law firm, will have any interests in the coverage issues or will participate in any degree of addressing those coverage issues on behalf of the Fund. Mr. Buyck will be involved solely to represent the South Carolina Department of Public Safety in this litigation and to attempt to absolve the South Carolina Department of Public Safety of any liability, if that is possible under the applicable law and facts.

Because of the coverage issues, you are at liberty to retain your own legal counsel to work together with Mr. Buyck. However, if you choose to retain your own legal counsel, please understand that the Fund will not be responsible for the South Carolina Department of Public Safety's attorney fees or expenses. The Fund will be responsible only for the attorney fees and litigation costs incurred by Mr. Buyck and members of his firm until such time as the Fund may withdraw from the defense of this case should that event occur.

Note that the South Carolina Department of Public Safety's policy through the Fund has a limit of \$1,000,000 for any one occurrence, and since the above captioned Complaint does not contain a specific monetary prayer, theoretically a judgment could be rendered in excess of the applicable coverage limit.

In providing the South Carolina Department of Public Safety a defense in this litigation, and in continuing to investigate the allegations and claims, the Fund does not waive its rights under any policy provision, condition or exclusion. The Fund reserves its right to withdraw its defense should it be determined that no coverage exists under the policy and any of its forms or endorsements and/or that there is no duty to defend. The Fund further reserves its right to file a declaratory judgment action and/or move to intervene in order to address any coverage issues or to protect its interests with respect to those coverage issues.

Additionally, if this case should go to trial, we reserve our rights to ask the court for a special verdict seeking an apportionment of damages.

If you have any questions concerning this letter or wish to discuss any matter pertaining to this litigation, please do not hesitate to contact the undersigned.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Nancy Stevenson".

Nancy Stevenson
Claims Manager, Intermediate Claims Unit
S.C. Insurance Reserve Fund
803-737-0517

cc: Attorney Mark Buyck, III

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
FLORENCE DIVISION
C/A NO: 4:18-cv-678-MGL-TER

TRACEY L. PHILIPS,)
)
 Plaintiff,)
)
 -versus-)
)
 SOUTH CAROLINA DEPARTMENT OF)
 PUBLIC SAFETY,)
)
 Defendant.)

**SETTLEMENT AGREEMENT
AND RELEASE**

This Settlement Agreement and General Release (“Agreement”) is made and entered into by Tracey L. Phillips (“Plaintiff”) and the South Carolina Department of Public Safety (“Defendant”).

WHEREAS, Plaintiff has filed a Complaint in the United States District Court, District of South Carolina, Florence Division, as captioned above, Case Number: 4:18-cv-678-MGL-TER.

WHEREAS, Plaintiff alleges various causes of action against the Defendant related to his employment;

WHEREAS, the Defendant has denied any and all discriminatory or otherwise unlawful actions and/or liability whatsoever and specifically disclaims any wrongful acts against Plaintiff on the part of the Defendant, or any past or present officer, agent, employee, or representative of the Defendant;

WHEREAS, Plaintiff and the Defendant (“the Parties”) now wish to amicably resolve these disputes, subject to approval by the South Carolina State Fiscal Accountability Authority.



NOW, THEREFORE in consideration of the covenants and promises set forth below, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. The Defendant through The Insurance Reserve Fund and the South Carolina Department of Public Safety shall pay the agreed settlement sum of Seventy-Five Thousand and 00/100 (\$75,000.00) Dollars, check made payable to "Goldfinch Winslow, LLC as Attorneys for Tracey L. Phillips." Any and all tax obligations associated with Plaintiff's receipt of this settlement amount, whether arising under federal, state, or local laws, shall be the sole responsibility of Plaintiff, and Plaintiff agrees to indemnify and hold harmless the Defendant for any tax liability, interest, or penalty that may in the future be assessed arising out of the \$75,000 settlement amount. The settlement amount is not for lost wages attributed to Plaintiff's employment with the South Carolina Department of Public Safety.

2. (a) Plaintiff for himself, his heirs, executors, beneficiaries, successors, assignees, immediate family members, and any other person or entity who could now or hereafter assert a claim in his name or on his behalf, hereby release and forever discharge the Defendant, its successors and assignees, parents, subsidiaries, and all past and present officers, directors, employees, attorneys, and agents of the Defendant and its affiliated organizations, from any and all past, present, or future claims, lawsuits, demands, actions, causes of action of any description, known or unknown, which Plaintiff now has, owns, or holds, or claims, or could have claimed, or which Plaintiff at any time heretofore had owned or held, or claimed, or could have claimed, up to the date of execution of this Agreement. This includes, but is not limited to, any claims or potential suits arising out of or in any way connected with Plaintiff's employment with the South Carolina Department of Public Safety. The claims Plaintiff is releasing include, but

are not limited to, those arising under South Carolina Freedom of Information Act, Title VI and Title VII of the Civil Rights Act of 1964, the Employee Retirement Income Security Act, and the Worker Adjustment and Retraining Notification Act, the Family Medical Leave Act, the Fair Labor Standards Act, any state tort law, including, but not limited to, any claims of wrongful or retaliatory discharge, negligent hiring, retention, or supervision, fraud, personal injury, or emotional distress, any state contract or quasi-contract law, including, but not limited to, any claims for unpaid wages or compensation, any claims for violation of state or federal constitutions, any claims for breach of contract, any claims for promissory estoppel, any claims for benefits under any employee benefit or similar such plan, any state or federal law that prohibits retaliation for engaging or participating in any activities, any state or federal law that allows the recovery of attorneys' fees, the facts and allegations set forth in the Complaint filed in the Litigation, and Plaintiff's employment by the South Carolina Department of Public Safety.

(b) Plaintiff expressly releases any claim he may assert regarding violation of Title VII. In the event he participates in any Charge of Discrimination with either the South Carolina Human Affairs Commission or the Equal Employment Opportunity Commission, Plaintiff agrees to be bound by the terms of this agreement and waive any claim for relief.

(c) This Agreement does not release any rights or claims that arise after the date of execution and approval of this Agreement, including any claim for breach of this Agreement, other than those enumerated in Paragraph 5 below.

(d) It is expressly stipulated that Plaintiff is not to be considered a prevailing party for any purposes.

3. The Parties acknowledge that this Agreement is a compromise of all disputed claims and that nothing in this Agreement constitutes or will be treated by any party as an admission of any liability or wrongdoing.

4. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by the Parties and their heirs, beneficiaries, administrators, representatives, executors, successors, and assignees.

5. Plaintiff promises that he will not sue or bring any charge or claim before any federal, state, or local court, commission, or administrative body against the South Carolina Department of Public Safety based on any of the released and waived claims and rights and will not join as a party with others who may sue or pursue legal relief for such claims or rights. This provision does not preclude Plaintiff from suing the South Carolina Department of Public Safety for breach of this Agreement, and this provision will not apply when prohibited by law. If Plaintiff does not abide by this provision, then he will indemnify the South Carolina Department of Public Safety for all expenses and fees that it incurs in defending any such action, charge, or claim or enforcing this provision.

6. Any disputes arising hereunder will be litigated in a court of competent jurisdiction in the State of South Carolina, and the Parties expressly consent to jurisdiction in such forum.

7. Should any of the provisions of this Agreement be declared or be determined to be illegal, void, voidable, invalid, or unenforceable by any court of competent jurisdiction, the validity of the remaining parts, terms, or provisions shall not be affected thereby, and said illegal or invalid part, term, or provision shall be deemed not to be a part of this Agreement. It is the intention of the Parties that if any term or provision of this Agreement is capable of two

constructions, one of which would render the term or provision void and the other of which would render the term or provision valid, then the term or provision shall have the meaning that renders it valid.

8. The parties, by and through their undersigned legal counsel, do hereby stipulate that the above-referenced legal actions are hereby forever dismissed, with prejudice.

9. Each party to this Agreement shall be responsible for its own attorneys' fees, expenses, and costs incurred in connection with the Litigation and this Agreement.

10. This Agreement sets forth the entire agreement and understanding between the Parties on the subject matter hereof, and supercedes all prior discussions and negotiations between them. This Agreement may be amended, modified, or supplemented only by a written instrument executed by the Parties.

11. This Agreement shall be governed by and shall be construed according to the laws of South Carolina and the applicable provisions of federal law, including, but not limited to, the ADEA.

12. The Parties hereto acknowledge that this settlement is subject to approval by the South Carolina State Fiscal Accountability Authority. In the event the Authority does not approve this agreement, the settlement will not be consummated and its terms will be treated as privileged in the event the case proceeds to trial.

13. Plaintiff represents and acknowledges that he understands that this Agreement releases and waives any and all rights and claims that he may have against the South Carolina Department of Public Safety arising out of or related to his employment by the South Carolina Department of Public Safety, whether or not such claims are known or suspected by him to exist at the time of executing this Agreement, even if such claims would have had a material effect on

his decision to execute this Agreement if they had been known or suspected by him, and regardless of whether his lack of knowledge is the result of ignorance, oversight, error, negligence, or any other cause.

14. PLAINTIFF REPRESENTS AND ACKNOWLEDGES THAT HE HAS CAREFULLY READ THIS ENTIRE AGREEMENT, UNDERSTANDS THIS AGREEMENT AND ITS CONSEQUENCES, AND KNOWINGLY AND VOLUNTARILY ENTERS INTO IT.

IN WITNESS THEREOF, that Tracey L. Phillips has executed this Agreement by his signature below.

11/18/ , 2019




TRACEY L. PHILLIPS

ACKNOWLEDGMENT

As attorney for Tracey L. Phillips and as a member of the South Carolina Bar, I do hereby approve the foregoing settlement and the execution of the Settlement Agreement and Release, in full, set out above. I further acknowledge that the amount paid to Tracey L. Phillips under the terms of the foregoing Settlement Agreement and Release, in full, includes attorney's fees and extinguishes, with prejudice, any claim to attorney's fees to which I may be entitled against the employer under the state or federal law.

Nov 19, 2019


JESSICA S. BENSON
ATTORNEY AT LAW



Henry McMaster, Governor
Marcia S. Adams, Executive Director

DIVISION of STATE HUMAN RESOURCES
Karen Luchka Wingo, Director
8301 Parklane Road, Suite A220
Columbia, SC 29223
803.896.5300
803.896.5050 Fax

November 21, 2019

Grant Gillespie, Executive Director
Wade Hampton Building, Suite 600
Columbia, SC 29201

Via email only @ GGillespie@sfaa.sc.gov

Re: Personnel Settlement – South Carolina Department of Public Safety/Tracey L. Phillips

Dear Mr. Gillespie,

The Department of Administration (Admin) has been notified that the above matter has been placed on the agenda for the State Fiscal Accountability Authority's (SFAA) December 10, 2019 meeting. This office has reviewed the South Carolina Department of Public Safety's (SCDPS) letter requesting approval of the personnel settlement agreement reached between SCDPS and Mr. Tracey L. Phillips and notes that SCDPS sets out their reasons for settling this matter and provides justification for the amount of the settlement. As such, DSHR recommends that SFAA approve SCDPS's request based on their assertion that the amount of the settlement represents a fair and equitable resolution considering the risks associated with proceeding to trial concerning the charge filed with the U.S. Equal Employment Opportunity Commission and the additional defense costs that may be incurred.

Sincerely,



Karen L. Wingo
Director

c: Delbert Singleton (via email only)
Marcus K. Gore (via email only)



AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

State Fiscal Accountability Authority approval is requested for the following permanent improvement project establishment requests and budget revisions which have been reviewed favorably by the Joint Bond Review Committee:

Establish Project for A&E Design

- (a) Summary 3-2020: JBRC Item 1. (H12) Clemson University
 Project: 9944, Core Campus Safety and Revitalization
 Included in Annual CPIP: Yes – 2019 CPIP Priority 4 of 7 in FY20 (estimated at \$21,000,000)
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 11/7/19

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Maintenance & Stewardship	-	-	-	420,000	420,000
All Sources	=	=	=	<u>420,000</u>	<u>420,000</u>

Funding Source: \$420,000 Other, Maintenance & Stewardship Funds, which are tuition, matriculation and other debt retirement and plant transfer revenues that are not formally obligated to fund debt service in the current period and that are responsibly transferred to and managed by the State Treasurer until the time of their State Treasurer approved qualified use.

Request: Establish project and budget for \$420,000 (Other, Maintenance & Stewardship Funds) to establish the Phase I pre-design budget to create a safer environment for students in the middle of campus while revitalizing the area with student-centered programs. The Phase I request is 2.00% of the estimated cost to complete the project and the additional funds will allow the university to provide additional field investigation on the existing facilities and the pre-construction services of a construction manager at risk. A portion of the project will involve constructing replacement facilities at the Ravenel Center to relocate some of the university's facilities and related departments from the campus core to the perimeter to increase student safety. The replacement facilities will include constructing approximately 35,000 square feet of shop, warehouse, storage and shed spaces. The project will also address renovating approximately 34,000 square feet of vacated space for student-oriented uses, such as the Campus Activities Department, the Office of Community and Ethical Standards and other associated programs. Most university maintenance, utility and related

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

staff are located in deteriorating space in the heart of the student residential and recreation district. The physical plant building to be renovated for student-oriented uses was constructed in 1928 and is 91 years old. The facilities shops and sheds to be replaced were constructed between 1942 and 1975 and are between 44 and 77 years old. Facilities maintenance shops and warehouses are located within 30 yards of the recently completed Core Campus Residence Hall and are in a path that impedes students moving between main residential areas, parking and the Fike Recreation Center. Due to the types of activities performed by facilities staff, the university has determined it would be safer to relocate these departments outside the core campus. This will remove approximately 100 service vehicles and equipment, including tractors, lifts and backhoes, from the current location and eliminate dozens of daily deliveries and contractor vehicles that travel in this heavily student pedestrian area. Once university facilities is moved, existing shop and warehouse space can be demolished to provide for safer pedestrian access to this core campus area and the site will be available for future academic or residential development. The agency estimates total project costs at \$21,000,000.

- (b) Summary 3-2020: JBRC Item 2. (H12) Clemson University
 Project: 9945, Memorial Stadium Renovations
 Included in Annual CPIP: Yes – 2019 CPIP Priority 7 of 7 in FY20 (estimated at \$68,700,000)
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 11/7/19

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Athletic Gifts & Donations	-	-	-	1,030,000	1,030,000
All Sources	=	=	=	<u>1,030,000</u>	<u>1,030,000</u>

Funding Source \$1,030,000 Other, Athletic Gifts and Donation Funds, which are amounts received from individuals, corporations and other entities that are to be expended for their restricted purposes.

Request: Establish project and budget for \$1,030,000 (Other, Athletic Gifts and Donation Funds) to establish the Phase I pre-design budget to make comprehensive improvements at Memorial Stadium. The project scope will include five areas of improvement, including adding premium seating areas and club spaces, improving ADA accessibility and

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

additional accessible seating, fan experience upgrades including a new video board, parking lot enhancements and related sitework, and football locker room renovations. Additional premium seating is needed to meet the significant demand for club and suite seating at the stadium and, as the primary revenue-generating facility for athletics, to meet the need for continued revenue generation and capital gifts for IPTAY. The west end zone area will be expanded with an additional 800-seat concourse-level club and a 240-seat field level club with amenities similar to the West Zone and Younts South Club. In addition, significant accessible and wheelchair plus companion seating in the west end will be included where proper sightlines and on-grade access exist. Fan amenities for the stadium will be upgrades, including installing a larger main videoboard in the east end, a new audio/speaker system and LED lighting. Included in the east end design will also be strategically added seats, including accessible and wheelchair plus companion seating, and pedestrian pathways in and around the Hill and Howard's Rock area. The additional seats will offset potential future seat reductions throughout the stadium. The stadium seating renovations will be used by approximately 4,300 IPTAY donors. Renovations to existing parking lots will include general sitework, potential capacity expansion, reorientations and reconfigurations, and amenity layout improvements for better tailgating experiences for IPTAY donors. Finally, the locker room will be expanded from 5,500 to 14,000 square feet, including a video-review space within the locker room and relocation of equipment and sports medicine functions to provide efficient adjacencies. The locker room renovations will be used by approximately 120 student athletes and 80 coaches/staff. The agency estimates total project costs at \$68,700,000.

- (c) Summary 3-2020: JBRC Item 3. (H12) Clemson University
 Project: 9946, Roadway Pedestrian Safety Improvements
 Included in Annual CPIP: Yes – 2019 CPIP Priority 5 of 7 in FY20 (estimated at \$21,000,000)
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 11/7/19

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Maintenance & Stewardship	-	-	-	315,000	315,000
All Sources	-	-	-	<u>315,000</u>	<u>315,000</u>

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

Funding Source: \$315,000 Other, Maintenance & Stewardship Funds, which are tuition, matriculation and other debt retirement and plant transfer revenues that are not formally obligated to fund debt service in the current period and that are responsibly transferred to and managed by the State Treasurer until the time of their State Treasurer approved qualified use.

Request: Establish project and budget for \$315,000 (Other, Maintenance & Stewardship Funds) to establish the Phase I pre-design budget to improve the primary vehicular roadway accessing the university to reduce traffic in the pedestrian-focused campus core. 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 the 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. 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 Douthit Hills residence halls, providing more than 1,600 beds north of Walter T. Cox Boulevard. When the new College of Business opens in 2020, pedestrian crossings will continue 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. The roadway improvements will be used by the entire Clemson community, including approximately 25,000 students and 5,400 faculty and staff. 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. The agency estimates total project costs at \$21,000,000.

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

- (d) Summary 3-2020: JBRC Item 4. (H17) Coastal Carolina University
 Project: 9618, Eaglin Residence Hall Renovation
 Included in Annual CPIP: Yes – 2019 CPIP Priority 3 of 3 in FY20 (estimated at \$5,000,000)
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 10/3/19

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, University Housing Renovation Reserve	-	-	-	75,000	75,000
All Sources	=	=	=	<u>75,000</u>	<u>75,000</u>

Funding Source: \$75,000 Other, University Housing Renovation Reserve Funds, which are generated by excess revenues received over annual housing operations. There is no separate fee charged specifically for housing renovation set-aside. The majority of housing revenue is generated from room occupancy. The housing rate is charged per semester and is based on the number of bedrooms per suite or apartment, and the location of the residence hall, which is approved each year by the Board of Trustees. The university has not increased housing rates since FY15.

Request: Establish project and budget for \$75,000 (Other, University Housing Renovation Reserve Funds) to establish Phase I of the renovation project. This project consists of HVAC system replacement, electrical upgrades, updated technology, fire sprinkler system, mass notification systems and interior refurbishments. The HVAC units will be converted from a two-pipe system to a four-pipe system, allowing temperatures to be balanced throughout the building. IT cabling will be upgraded to current standards and the fire sprinkler system will be converted to a nitrogen system. Renovation will not impact residence hall occupancy as all indoor renovations will take place during the summer of 2021. Eaglin Hall is 79,355 square feet and was built in the year 2000, making the building and systems 19 years old. Eaglin Hall houses 394 students and contains 3 administrative offices. There is one professional staff apartment in the building as well. Due to normal wear and tear the age of the building dictates that the indicated upgrades are needed to ensure that the university maintains a safe and healthy living environment for our students and staff. The agency estimates total project costs at \$5,000,000.

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

- (e) Summary 3-2020: JBRC Item 5. (H51) Medical University of South Carolina
Project: 9849, CSB Primary to Secondary Transformer Replacement
Included in Annual CPIP: Yes – 2019 CPIP Priority 1 of 5 in FY20
(included in Capital Renewal Projects – this component estimated at \$1,300,000)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 11/7/19

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Deferred Maintenance Investment	-	-	-	19,500	19,500
All Sources	=	=	=	<u>19,500</u>	<u>19,500</u>

Funding Source: \$19,500 Other, Deferred Maintenance Investment Fund, which is a Strategic Investment Fund based on a percentage tax on certain college revenue streams. Approximately \$4 million of the Strategic Investment Fund retained by central administration is used to fund facilities and deferred maintenance.

Request: Establish project and budget for \$19,500 (Other, Deferred Maintenance Investment Funds) to proceed with Phase I schematic design to replace two 13,800-volt primary to 480-volt secondary transformers on the 7th floor of the Clinical Sciences Building. These transformers are over 40 years old, have significant vibration issues, and are overdue for replacement. This building is utilized by 400-500 faculty and staff permanently housed in the Clinical Sciences Building. In addition this building has a clinical operation with 700-800 patients entering it daily. The agency estimates total project costs at \$1,300,000.

- (f) Summary 3-2020: JBRC Item 6. (H51) Medical University of South Carolina
Project: 9851, Basic Science Building Air Handler Unit #1 (West Side) Replacement
Included in Annual CPIP: Yes – 2019 CPIP Priority 1 of 5 in FY20
(included in Capital Renewal Projects – this component estimated at \$4,500,000)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 11/07/19

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

<u>Source of Funding</u> <u>Detail</u>	<u>Original</u> <u>Budget Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original</u> <u>Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Sale of Property	-	-	-	67,500	67,500
All Sources	=	=	=	<u>67,500</u>	<u>67,500</u>

Funding Source: \$67,500 Other, Sale of Property Funds, which are proceeds from the sale of the Harborview Office Tower.

Request: Establish project and budget for \$67,500 (Other, Sale of Property Funds) to proceed with Phase I schematic design to replace the Basic Science Building Air Handler Units #1 West Side. This 200,000 cubic feet per minute air handler serves floors 1 through 6 of the west side of the 47-year-old Basic Science Building. This equipment is over 18 years old and nearing the end of its service life. There are 300 – 400 faculty and staff permanently housed in the building and. In addition this building is a major academic building with 400 – 500 students entering it daily. The agency estimates total project costs at \$4,500,000.

- (g) Summary 3-2020: JBRC Item 7. (E24) Office of the Adjutant General
Project: 9821, Joint Base Charleston Readiness Center
Included in Annual CPIP: Yes – 2019 CPIP Priority 2 of 18 in FY20 (estimated at \$19,284,000)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

<u>Source of Funding</u> <u>Detail</u>	<u>Original</u> <u>Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original</u> <u>Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Appropriated State, FY20 Proviso 118.16 (nonrecurring)	-	-	-	22,466	22,466
Federal, National Guard Bureau	-	-	-	265,564	265,564
All Sources	=	=	=	<u>288,030</u>	<u>288,030</u>

Funding Source: \$22,466 Appropriated State, FY20 Proviso 118.16 (nonrecurring) Funds.
\$265,564 Federal Funds, which is funding identified as part of the Construction and Facilities Management Office’s Master Cooperative Agreement through the Office of the Adjutant General and from the

AGENCY: Department of Administration, Capital Budget Office

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Request: National Guard Bureau.
 Establish project and budget for \$288,030 (Appropriated State, FY20 Proviso 118.16 (nonrecurring) Funds and Federal, National Guard Bureau Funds) to construct a new 59,933 square foot National Guard Readiness Center that will support the training, administrative, and logistical requirements for two SCARNG Units (1223 EN CO & I CO/237 SPT BN). This facility will be built on federal land at Joint Base Charleston (14.25 acres licensed from USAF) and is required to provide a training facility that accommodates the modernization and transformation of equipment and performance of their mission to support the Strategic Depth of the Army and unit training in the Army Modular Force configuration. The facility will house the 2 units consisting of 10 authorized full-time employees and 230 M-Day soldiers that currently do not have a permanent facility. The 2 displaced units were assigned to a leased facility that was 61,500 square feet and cost \$738,000 per year. Due to funding shortfalls, National Guard Bureau was unable to fund the entire lease in 2016 which relocated the two units to existing readiness centers nearby. 1123 EN CO went to Walterboro and 1 CO went to North Charleston. Unfortunately, these facilities that were built in 1970 and 1986 are not designed as modern readiness centers and are non-compliant with the criteria of National Guard Pam 415-12 dated January 25, 2015. They do not provide sufficient authorized square footage, and do not meet anti-terrorism/force protection standards. The agency estimates total project costs at \$19,202,000. (See attachment 1 for additional annual operating costs.)

- (h) Summary 3-2020: JBRC Item 11. (P24) Department of Natural Resources
 Project: 6006, Richland – Regional Skeet/Trap Event Range
 Included in Annual CPIP: 2019 CPIP Priority 16 of 26 in FY20 (estimated at \$4,000,000)
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

<u>Source of Funding</u> <u>Detail</u>	<u>Original</u> <u>Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
FY20 Appropriated State, Proviso 118.16 (nonrecurring)	-	-	-	60,000	60,000
All Sources	-	-	-	<u>60,000</u>	<u>60,000</u>

Funding Source: \$60,000 FY20 Appropriated State, Proviso 118.16 (nonrecurring) Funds.

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Request: Establish project and budget for \$60,000 (FY20 Appropriated State, Proviso 118.16 (nonrecurring) Funds), to begin Phase I pre-design for the construction of a Regional Skeet and Trap Event Facility, located at the DNR Wateree River WMA on US Hwy 378 in Lower Richland County near the Town of Eastover. This project entails the design, permitting, site development, and construction of a Regional Skeet/Trap Event Facility. The project will entail the site preparation and construction to include eight skeet/trap field overlays, pavilion and classroom, sidewalks, access road, parking lots and improvements to the property and structures needed to support the State Skeet/Trap Event Facility and provide ADA accessibility. With this project, DNR is seeking to take advantage of federal funds that are being made available specifically for range construction projects. The importance of such funding opportunities are that they allow the agency to initiate projects which conform to DNR objectives. These objectives include: (1) a safe area for constituents to participate in recreational shooting or to practice shooting prior to going hunting; and (2) an area that the agency can utilize for hands-on training for hunter education students and recruitment for hunters and recreational shooters. This facility is needed to meet the increasing demand for shooting sports in the state, particularly in the agency's Scholastic Clay Targets Sports Program (SCTS). Over the years SCTS has seen an upsurge in participation which has resulted in the need for facilities with the capacity to host local, state and national events. The proposed Regional Skeet/Trap Event Range will be located in the central midlands making it easily accessible to all areas of the state. The agency estimates total project costs at \$4,000,000. (See attachment 2 for additional annual operating costs.)

Establish Construction Budget

- (i) Summary 3-2020: JBRC Item 12. (H09) The Citadel
Project: 9620, Johnson Hagood Stadium Sansom Field Turf Replacement
Included in Annual CPIP: Yes – 2019 CPIP Priority 2 of 6 in FY20 (estimated at \$1,500,000)
JBRC/SFAA Phase I Approval: May 2019 (estimated at \$1,500,000)

CHE Recommended Approval: 9/5/19

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SUBJECT: Permanent Improvement Projects

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Gift-In-Kind	22,500	-	22,500	1,477,500	1,500,000
All Sources	<u>22,500</u>	<u>-</u>	<u>22,500</u>	<u>1,477,500</u>	<u>1,500,000</u>

Funding Source: \$1,500,000 Other, Gift In-Kind, which is a construction related gift from a private donor.

Request: Increase budget to \$1,500,000 (add \$1,477,500 Other, Gift-In-Kind) to establish Phase II for a gift of in-kind engineering and construction services to replace the natural grass playing surface on Sansom Field at Johnson Hagood Stadium on The Citadel campus. Sansom Field is approximately 85,000 square feet in size, and the natural grass field was originally constructed in 1948. It plays host as the football home of the NCAA FCS Southern Conference Citadel Bulldogs and is also used for club sports and outside events. The current natural field surface has become maintenance intensive and has extensive drainage and flooding problems. The new synthetic turf will be installed on the football field itself, the sidelines between the east and west grandstands, and a section behind each end zone. During the fall football season game days, it hosts up to 15,000 spectators, players, coaches and staff. Other revenue generating events such as high school football jamborees, bowl games, concerts and trade shows could be hosted without fear of damage to the field turf. The agency estimates total project costs at \$1,500,000. (See attachment 3 for additional annual operating cost savings.) The agency anticipates execution of the construction contract in December 2019 and completion of construction in July 2020.

- (j) Summary 3-2020: JBRC Item 13. (H27) University of South Carolina - Columbia Project: 6124, Honors College Residence Hall Expansion
Included in Annual CPIP: Yes – 2019 CPIP Priority 7 of 14 in FY20 (estimated at \$18,600,000)
Admin. Phase I Approval: March 2018 (estimated at \$18,600,000)

CHE Recommended Approval: 11/7/19

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SUBJECT: Permanent Improvement Projects

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
FY17 Capital Reserve	279,000	-	279,000	4,721,000	5,000,000
Other, Housing Maintenance Reserve	-	-	-	14,450,000	14,450,000
All Sources	<u>279,000</u>	<u>-</u>	<u>279,000</u>	<u>19,171,000</u>	<u>19,450,000</u>

Funding Source: \$5,000,000 FY17 Capital Reserve Funds. \$14,450,000 Other, Housing Maintenance Reserve Funds, which are derived from the Housing operating budget which includes housing fees and revenues by laundry operations, conferences, and interest.

Request: Increase budget to \$19,450,000 (add \$19,171,000 Other, Housing Maintenance Reserve) to establish Phase II to expand the Honors College Residence Hall by constructing the third and final academic and residential wing as was originally envisioned. The expansion will be five stories, matching the existing wings, providing 2 classrooms for 25-30 students, shell space for 3 future classrooms, an activity room, study spaces, 6 faculty offices, suites for 144 beds and an apartment for a resident faculty member. The total square footage of the Honors College Residence Hall is 192,724 square feet and the additional constructed expansion is projected to be 49,199 square feet. All required sitework and utility infrastructure is included in the project. The building will be constructed to meet 2 Green Globes certification standards with anticipated energy savings of \$1,380,705 over 30 years. The additional beds and academic space will respond to enrollment growth in the Honors College. Per the university, Honors College enrollment has increased by 52% (709 students) since 2010. The freshman class has increased from 338 to 594 students. The estimated cost to complete the project has increased from the Phase I and 2019 CPIP estimates because during Phase I design, an opportunity was seized to increase the originally proposed bed count of 136 beds by 6% to provide 144 beds. This decision responded to the significant shortage in on-campus beds that compelled the university to maximize the bed count within reasonable limits and they primarily attribute the cost increase to these additional beds. The addition of these beds did not require an expansion of support areas and thus the added beds were considered to be economical with an attractive return on investment, per the university. Also, the Phase I design process enabled a Construction Manager at Risk to conduct competitive subcontractor pricing and thereby provide an accurate project cost reflecting market conditions. The agency estimates

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total project costs at \$19,450,000. (See attachment 4 for additional annual operating costs.) The agency anticipates execution of the construction contract in March 2020 and completion of construction in August 2021.

- (k) Summary 3-2020: JBRC Item 17. (N04) Department of Corrections
 Project: 9755, Manning – Boiler Replacement
 Included in Annual CPIP: Yes – 2018 CPIP Priority 3 of 6 in FY20 (included in \$4,090,000 Capital Renewal, Mechanical and Electrical Equipment & Systems – this component estimated at \$1,100,000)
 JBRC/SFAA Phase I Approval: March 2019 (estimated at \$1,100,000)

CHE Recommended Approval: N/A

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Appropriated State, FY18 & FY19 Carryforward	16,500	-	16,500	1,167,246	1,183,746
All Sources	<u>16,500</u>	=	<u>16,500</u>	<u>1,167,246</u>	<u>1,183,746</u>

Funding Source: \$1,183,746 Appropriated State, FY18 & FY19 Carryforward Funds.

Request: Increase budget to \$1,183,746 (add \$1,167,246 FY19 Carryforward Funds) to obtain final design and construction cost estimate to replace the existing boiler system at Manning Reentry/Work Release Center. Currently the institution has two steam boilers that provide heat and hot water for the institution, and steam for the kitchen. Both boilers are original to the institution constructed in the 1960's, are 50+ years old, and have surpassed the expected lifespan. Based on an engineering evaluation and feasibility analysis for the heating system, the most economic and efficient replacement is to install a new hydronic boiler system and domestic hot water system. The existing 2,000 square foot boiler area will have the existing equipment removed and a new, approximately 600 square foot pre-fabricated metal building will be constructed for the new equipment which will be located closer to the main institution buildings. Per the agency, relocating the equipment in this manner will result in at least \$100,000 cost savings compared to the costs to install a new system in the existing boiler house. No other renovations are planned for the existing boiler house structure. The portion of the Manning Reentry/Work Release Center to benefit from this project is approximately 135,500 square feet. The reentry/work release center houses up to 840 inmates and has an average of 150 staff.

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The work will be accomplished by contract construction and in-house/inmate labor forces. It was discovered through periodic boiler inspections by their maintenance teams and outside regulatory authorities, that this particular boiler is deteriorating quicker than estimated. The demands on the boiler function have increased because the mission of the institution has been converted to focus on inmates that are being prepared for release back into the community (reentry), so the population continues to grow as the small “pre-release” centers are closed. Per the agency, it is more cost effective to move forward with the replacement of the boiler than to spend money making repairs when a new boiler system is needed. The agency estimates total project costs at \$1,183,746. (See attachment 5 for additional annual operating cost savings.) The agency anticipates execution of the construction contract in March 2020 and completion of construction in September 2020.

- (l) Summary 3-2020: JBRC Item 18. (N04) Department of Corrections
 Project: 9761, Wateree River CI – Replacement of Electrical Service Line
 Included in Annual CPIP: Yes – 2019 CPIP Priority 3 of 6 in FY20 (included in \$4,090,000 Capital Renewal, Mechanical and Electrical Equipment & Systems – this component estimated at \$1,200,000)
 JBRC/SFAA Phase I Approval: June 2019 (estimated at \$1,200,000)

CHE Recommended Approval: N/A

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Appropriated State, FY18 & FY19 Carryforward	18,000	-	18,000	1,783,920	1,801,920
All Sources	<u>18,000</u>	=	<u>18,000</u>	<u>1,783,920</u>	<u>1,801,920</u>

Funding Source: \$1,801,920 Appropriated State, FY18 & FY19 Carryforward Funds.

Request: Increase budget to \$1,801,920 (add \$1,1783,920 FY19 Carryforward Funds) to obtain final design and construction cost estimate to replace the existing 30+ year old electrical service line and upgrade the associated electrical transformers and switches that provide power to the Wateree River Correctional Institution. The electrical service line is past its recommended service lifespan of 20 years and is in critical condition. Three (3) individual repairs have been required since January 2019 and additional repairs may not be possible due to the condition of the service line. The institution houses approximately 750 inmates and is staffed by an average of 190 personnel members. The Phase II estimated cost to

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complete the project has increased from the 2019 CPIP and the Phase I amounts because replacing the secondary electrical service from the transformers into each building and to provide the institution with a loop electrical feed system to increase redundancy has increased project costs from the original estimate. The agency estimates total project costs at \$1,801,920. The agency anticipates execution of the construction contract in March 2020 and completion of construction in September 2020.

- (m) Summary 3-2020: JBRC Item 19. (N12) Department of Juvenile Justice Project: 9608, Columbia Campus Electrical Grid Upgrade and Transfer of Responsibility
Included in Annual CPIP: Yes – 2019 CPIP Priority 1 of 1 in FY20 (estimated at \$1,320,000)
JBRC/SFAA Phase I Approval: October 2019 (estimated at \$1,320,000)

CHE Recommended Approval: N/A

<u>Source of Funding</u> <u>Detail</u>	<u>Original</u> <u>Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Appropriated State, FY19 Carryforward	19,800	-	19,800	1,300,200	1,320,000
All Sources	<u>19,800</u>	-	<u>19,800</u>	<u>1,300,200</u>	<u>1,320,000</u>

Funding Source: \$1,320,000 Appropriated State, FY19 Carryforward Funds.

Request: Increase budget to \$1,320,000 (add \$1,1783,920 FY19 Carryforward Funds) to begin Phase II to bring the grid up to current standards and provide a safer and energy efficient system. This project is for a grid replacement and takeover by Dominion Energy. The electrical system is currently owned and maintained by SCDJJ for all the Columbia area locations on Broad River Road and Shivers Road. Dominion will provide SCDJJ with a newly constructed 23.9 kV electrical distribution system for 1,200,000. The electrical grid was constructed between 1950 and 1970. The system has fallen into disrepair and requires a total replacement. Dominion offered 3 options and the first option (option 1) offered has a lower initial cost than option 2. Option 2 would also make SCDJJ responsible for any future improvements and relocation costs. The first option has a lower operational cost than option 3. Option 3 would cost SCDJJ \$515,000 annually. Due to these reasons DJJ chose option 1 out of 3. They will save approximately \$200,000 in operational costs. Then they will have future possible savings like hiring, grid system interruptions and so on which amounts to an additional \$142,000

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annually (\$342,000 total annually). Dominion will maintain the system once it is within their possession and absorb the cost of repairs in case of natural disasters and all other emergencies. The agency estimates total project costs at \$1,320,000. The agency anticipates execution of the construction contract in January 2020 and completion of construction in June 2020.

Establish Construction Budget & Change Source of Funds

- (n) Summary 3-2020: JBRC Item 22. (H09) The Citadel
Project: 9621, Supplemental Housing
Included in Annual CPIP: Yes – 2019 CPIP Priority 3 of 6 in FY20 (estimated at \$1,563,533)
JBRC/SFAA Phase I Approval: August 2019 (estimated at \$1,563,533)

CHE Recommended Approval: 10/3/19

<u>Source of Funding</u> <u>Detail</u>	<u>Original</u> <u>Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Barracks Maintenance Reserve	23,453	-	23,453	(23,453)	-
Other, Barracks Reserve	-	-	-	1,700,000	1,700,000
All Sources	<u>23,453</u>	<u>-</u>	<u>23,453</u>	<u>1,676,547</u>	<u>1,700,000</u>

Funding Source: \$1,700,000 Other, Barracks Reserve Funds, which come from Barracks (dormitory) charges. Each year the student fees for the Barracks fund the Barracks Reserve (dormitories). The fund is used for capital and major construction financing as well as payment of debt service for the barracks.

Request: Change the source of fund and increase the budget to \$1,700,000 (add Other, Barracks Reserve Funds) to begin Phase II construction to replace the current, 20-year-old, 16 bed modular trailer (VTR) with a 50-52 bed, R-2 modular unit for supplemental housing. The current facility is 2,514 square feet and the new facility will be 8,000 square feet. The demand for the new facility is to house overflow students from the barracks during the fall semester until normal attrition allows for those students to move into the barracks. The remainder of the school year the facility will be used by visiting teams and athletic teams at The Citadel during campus closures over Thanksgiving, Christmas, and spring furloughs, as well as graduation in May, as needed. 10 staff members will oversee the

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students but are not housed in this space. The Phase II estimated cost to complete the project is higher than the 2019 CPIP and Phase I amounts because the previous amounts were based on preliminary cost estimates which were refined and expanded. The agency estimates total project costs at \$1,700,000. (See attachment 6 for additional annual operating costs.) The agency anticipates execution of the construction contract in February 2020 and completion of construction in August 2020.

Phase II Increase, Revise Scope & Change Project Name

- (o) Summary 3-2020: JBRC Item 23. (H51) Medical University of South Carolina Project: 9834, Psych Institute Chiller #1 Replacement
Included in Annual CPIP: Yes – 2019 CPIP Priority 1 of 5 in FY20 (included in \$10,000,000 Capital Renewal Projects FY20 – this component estimated at \$2,500,000)
JBRC/SFAA Phase I Approval: June 2016 (estimated at \$1,550,000)
JBRC/SFAA Phase II Approval: September 2016 (estimated at \$1,600,000)
Admin. Revise Scope & Change Project Name Approval: January 2017 (estimated at \$1,600,000)

CHE Recommended Approval: 11/7/19

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Deferred Maintenance Investment	23,250	1,576,750	1,600,000	900,000	2,500,000
All Sources	<u>23,250</u>	<u>1,576,750</u>	<u>1,600,000</u>	<u>900,000</u>	<u>2,500,000</u>

Funding Source: \$2,500,000 Other, Deferred Maintenance Investment Fund, which was established in FY13 when the university established the budget model Responsibility Centered Management (RCM). This budgeting model allocates all state appropriations and tuition/fees to the colleges and allocates all grant indirect cost recoveries to the grantee's college or unit. MUSC does not charge a separate plant improvement fee to the students. Under RCM, a Strategic Investment Fund has been created based on a percentage tax on certain college revenue streams. Approximately \$4 million of the Strategic Investment Fund retained by central administration is used to fund facilities and deferred maintenance.

Request: Revise scope, change project name and increase Phase II budget to \$2,500,000 (add \$900,000 Other, Deferred Maintenance Investment Funds), to replace chiller #1 at the Psychiatric Institute Building. The

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current scope of work is to interconnect the Thurmond Gazes, Psychiatric Hospital, Psychiatric Institute, and Bioengineering Buildings chilled water and steam piping systems to allow the Psychiatric Institute chiller, cooling tower, and associated pumps to be eliminated from inventory. After extensive evaluation of all possible routes, it has been determined that it is not economically feasible to connect these buildings systems. The existing chiller is beyond its useful life, undersized, and needs replacement. The existing 250-ton chiller will be replaced with a new 350-ton chiller. Existing pumps and cooling tower were also being upgraded to new capacity. This chiller is critical since it serves the building housing MUSC's data center. The agency estimates total project costs at \$2,500,000. The agency anticipates execution of the construction contract in February 2020 and completion of construction in December 2020.

Phase II Increase

- (p) Summary 3-2020: JBRC Item 24. (H59) Greenville Technical College Project: 6136, Greenville – Benson Campus Amphitheater and Student Plaza Included in Annual CPIP: Yes – 2017 CPIP Priority 3 of 3 in FY20 (estimated \$1,326,335)
 JBRC/SFAA Phase I Approval: January 2018 (estimated at \$2,500,000)
 JBRC/SFAA Phase II Approval: August 2018 (estimated at \$2,901,701)
 Admin. Phase II Increase Approval: May 2019 (estimated at \$3,041,701)

CHE Recommended Approval: 11/7/19

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Private Citizen Donation	37,500	2,864,201	2,901,701	200,000	3,101,701
Other, Local College Plant Maintenance (transfer from 6131)	-	140,000	140,000	-	140,000
All Sources	<u>37,500</u>	<u>2,901,701</u>	<u>2,901,701</u>	<u>200,000</u>	<u>3,241,701</u>

Funding Source: \$3,101,701 Other, Private Citizen Donation Funds, which have been received specifically for the development and construction of this project. \$140,000 Other, Local College Plant Maintenance Funds, which are funds received from Greenville County and used to fund physical plant projects.

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

Request: Increase budget to \$3,241,701 (add \$200,000 Other, Private Citizen Donation Funds) to cover the cost of removing unsuitable soil found on the site, relocating utility lines, and additional contingency funds. During construction, unsuitable soil was encountered in the retention wall area and new storm water detention pond. The unsuitable soil was not able to be utilized as backfill or top soil. The soil lacked density to provide adequate compaction and lacked adequate minerals and oxygenation to be used as topsoil. Additionally, all utility lines, power, fiber optics, sewer and natural gas, had to be relocated after a revision in the civil plans that added a second detention pond on the site. This project is to construct an amphitheater and student plaza on approximately 4 acres, in an outside lawn area between buildings 301 and 302, alongside Building 301 and the main entrance drive on Benson Campus. The facility includes tiered natural and bench seating, a stage, audio/visual, wireless internet, stage lighting, electrical panel service, band-shell pavilion, restroom facilities, native plant landscaping, and canopy trees. Nature trails, landscaping, and a small parking area along the main driveway into campus is also included. The college states that an aesthetically pleasing outdoor learning environment without walls or a ceiling in the fresh air, sunshine and relaxed setting will foster an environment to enhance creative thought processes by students. A small art pavilion structure of approximately 3,000 square feet is being constructed. The amphitheater and terraced seating will provide approximately 185 seats for performances and a large lawn beyond the tiered seating for blanket seating. The area will be utilized by an estimated 900 students, 50 faculty, 30 staff and 1,000 outside visitors. The agency estimates total project costs at \$3,241,701. (See attachment 7 for additional annual operating costs.) The agency anticipates completion of construction in April 2020.

- (q) Summary 3-2020: JBRC Item 25. (E24) Office of the Adjutant General
Project: 9793, Armory Revitalization (Annualized)
Included in Annual CPIP: Yes – 2019 CPIP Priority 3 of 18 in FY20 (estimated at \$23,346,000)
JBRC/SFAA Phase II Approval: November 2016 (estimated at \$10,500,000)
Admin. Phase II Increase Approval: September 2018 (estimated at \$13,500,000)
JBRC Staff Letter 3 CSOF Approval: September 2018 (estimated at \$13,500,000)
JBRC/SFAA Phase II Increase Approval: December 2018 (estimated at \$19,600,000)

CHE Recommended Approval: N/A

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
FY16 Capital Reserve	5,000,000	-	5,000,000	-	5,000,000
FY19 Capital Reserve	-	3,000,000	3,000,000	-	3,000,000
Appropriated State, FY20 Proviso 118.16 (nonrecurring)	-	-	-	2,000,000	2,000,000
Federal, National Guard Bureau	5,500,000	2,500,000	8,000,000	2,000,000	10,000,000
All Sources	<u>10,500,000</u>	<u>5,500,000</u>	<u>16,000,000</u>	<u>4,000,000</u>	<u>20,000,000</u>

Funding Source: \$8,000,000 FY16 & FY19 Capital Reserve Funds. \$2,000,000 FY20 Appropriated State, Proviso 118.16 (nonrecurring) Funds. \$10,000,000 Federal Funds, which are Construction and Facilities Management Office's Master Cooperative Agreement funds.

Request: Increase budget to \$20,000,000 (add \$4,000,000 Appropriated State, Proviso 118.16 (nonrecurring) & Federal, National Guard Bureau Funds) to complete significant repairs at ten (10) Readiness Centers (aka; Armories) that are in the worst conditions of disrepair of the 63 RCs and are chosen based on the A/E's assessment/design. The centers include Greenwood, Lancaster, Greenville, Florence, Sumter, Clemson, Laurens, Union, Hartsville, and Easley. Each armory is an average of 65,000 square feet and over 50 years old. Each of these facilities have varying issues that need to be repaired or renovated, but the major cost items include; 1) Roof replacement or repairs. Roofs will be replaced at Florence, Sumter, Easley, Laurens, Clemson, Union and Hartsville because each roof is approximately 40+ years old. Five armories have built-up bituminous roofing systems and two have standing seam metal roofs and all will be replaced with the same roofing material. All roofs will come with a minimum 20-year warranty. 2) HVAC systems maintenance and/or repairs. 3) Replacing existing exterior windows, doors and storefront systems. 4) Interior renovations of latrines, kitchen, lighting, fire suppression, carpeting/flooring, painting of interior & exterior walls. 5) Electrical system upgrades. 6) Site improvements and repairs of parking lots, stormwater systems, security fencing, security lighting. 7) Foundation, structure and exterior wall repairs. In most cases, items require replacement since they have exceeded their service life. In accordance with Federal law, the State of South Carolina is obligated to the National Guard Bureau to provide operation and maintenance funding for those facilities as long as there is a federally

AGENCY: Department of Administration, Capital Budget Office

SUBJECT: Permanent Improvement Projects

recognized unit assigned to the facilities. The agency has relocated and/or consolidated force structure to other RCs and closed the sub-standard RCs that could be closed. 1 of 10 facilities (Greenwood) has been completed. 2 of 10 (Greenville and Lancaster) are presently under renovation and will be completed by the end of 2019. A 4th facility (Florence) has been bid and a contract awarded with construction scheduled to begin in early December 2019. The next phase of projects, 2 facilities (Easley and Sumter), will be under contract for design following an increase in the project in January 2020. The agency reports the total projected cost of this project through this fiscal year is \$23,346,000 and will increase over the next 3 years to equal a total of approximately \$40,000,000 in the final year of FY2022-2023. The agency also reports the estimated completion of construction is December 2022.

- (r) Summary 3-2020: JBRC Item 26. (H63) Governor's School for the Arts and Humanities Project: 9516, SCGSAH Music Building Addition
 Included in Annual CPIP: Yes – 2016 CPIP Priority 1 of 4 in FY18 (estimated at \$4,310,000)
 Admin. Phase II Approval: November 2016 (estimated at \$4,310,000)
 Admin. Phase II Increase Approval: February 2017 (estimated at \$4,311,832)
 JBRC/SFAA Phase II Increase Approval: January 2019 (estimated at \$4,364,332)

CHE Recommended Approval: N/A

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
FY16 Capital Reserve	4,310,000	-	4,310,000	-	4,310,000
FY13 Appropriated State, Proviso 90.20	-	1,832	1,832	-	1,832
Other, Foundation Gift	-	52,500	52,500	-	52,500
Other, Construction Related Gift	-	-	-	75,000	75,000
All Sources	<u>4,310,000</u>	<u>54,332</u>	<u>4,364,332</u>	<u>75,000</u>	<u>4,439,332</u>

Funding Source: \$4,310,000 FY16 Capital Reserve Fund. \$1,832 FY13 Appropriated State, Proviso 90.20. \$52,500 Other, Foundation Gift Funds. \$75,000 Other, Construction Related Gift.

Request: Increase budget to \$4,439,332 (add \$75,000 Other, Construction Related Gift) for landscaping that the Arts and Humanities Foundation is gifting for the Music Building Addition project. This project is for the

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SUBJECT: Permanent Improvement Projects

construction of a structural addition to the current music building to address the needs of the SCGSAH music program. Due to the school operating at full residential capacity for several years, they have outgrown the existing instructional, rehearsal, and practice space. The existing space is insufficient for their volume of instruction, rehearsal and practice. Because of the space limitations placed upon them, many students now take instruction and rehearse in halls, stairwells, vacant spaces throughout the campus buildings that are neither designed for nor conducive to such activity. The new construction will expand the current structure and house a large rehearsal hall, six individual practice rooms, two music studios, a percussion studio, an instrument storage room and mechanical/electrical spaces. Due to the unique opportunities and constraints of the site, the addition will be recessed into the grade and tied to an existing courtyard. The addition is designed to maintain the architectural character and quality of the campus. The agency estimates total project costs at \$4,439,332. (See attachment 8 for additional annual operating costs.) The agency also reports the estimated completion date for the project is December 2020.

Preliminary Land Acquisition

- (s) Summary 3-2020: JBRC Item 32. (H24) SC State University
 Project: 9756, SC State PSA Building Acquisition (Midlands Cluster)
 Included in Annual CPIP: No – The availability of this project was not brought to the attention of administration until August 2019.
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: This is a PSA project and does not require CHE approval.

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Federal, USDA 1890 Evans Allen Grant	-	-	-	20,000	20,000
All Sources	=	=	=	<u>20,000</u>	<u>20,000</u>

Funding Source: \$20,000 Federal, USDA 1890 Evans Allen Grant Funds.

Request: Establish project and budget for \$20,000 (Federal, USDA Evans Allen Grant Funds) to procure investigative studies required to adequately evaluate property prior to purchase. The university is considering the

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SUBJECT: Permanent Improvement Projects

acquisition of a 43,646 square foot office building located on 4.16 acres of land at 1801 Charleston Highway in Cayce. The SC State PSA has program responsibility in 34 counties across the state, with offices currently located in Bennettsville, Kingstree, Anderson, Hampton, Bowman and Orangeburg. The Midlands Research Center will combine research, extension and community outreach to provide innovative science, knowledge and over 20 programs across the region and state. This building will support expansion of these programs and will serve as a hub for the Midlands region. The facility will serve the counties of Richland, Lexington, Sumter, Newberry, Calhoun, Kershaw, Saluda and Fairfield, and will provide administrative, programmatic and research space for activities in the areas of 4- H and youth development, family, nutrition and health, sustainable agriculture and natural resources, community development, education innovation and other lifelong learning opportunities. The building is 44 years old and is currently being offered for sale by Wood Realty for \$1,400,000. This facility will house 20 staff and serve 6,000 clients annually. If acquired, the facility will require upfitting for research and other unique space requirements, and upgrades/replacement to the windows, doors, HVAC, electrical, roof, flooring, and paint, which is currently estimated to cost \$1,100,000. The University believes that this purchase and associated upfit will be more cost-effective than new construction of a facility build to its specifications. A facilities condition assessment performed as a part of Phase I will validate and refine these costs. The project will be funded entirely with federal USDA 1890 Evans Allen Grant Funds. The agency estimates the acquisition cost at \$1,420,000 with additional annual operating costs of \$115,120 in years 1 thru 3. (See attachment 9 for additional annual operating costs.)

Final Land Acquisition

- (t) Summary 3-2020: JBRC Item 34. (P24) Department of Natural Resources
Project: 9995, Lancaster-Liberty Hill WMA Land Acquisition (TIR Tract)
Included in Annual CPIP: Yes – 2019 CPIP Priority 5 of 26 in FY20 (estimated at unknown)
JBRC/SFAA Phase I Approval: August 2019 (estimated at \$1,820,000)

CHE Recommended Approval: N/A

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SUBJECT: Permanent Improvement Projects

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Federal, Forest Legacy Grant	-	-	-	1,330,000	1,330,000
Other, Fish & Wildlife Protection – Timber	20,000	-	20,000	248,000	268,000
Other, Fish & Wildlife Protection - Deer	-	-	-	222,000	222,000
All Sources	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>1,800,000</u>	<u>1,820,000</u>

Funding Source: \$1,330,000 Federal, Forest Legacy Grant Funds, which are funds received from the US Forest Service to protect environmentally important areas that are threatened by conversion to non-forest uses. \$268,000 Other, Fish & Wildlife Protection – Timber Funds, which is income from timber harvests on DNR lands and placed in the Fish and Wildlife Protection Fund. Revenue from this source must be expended by DNR for the protection, promotion, propagation, and management of freshwater fisheries and wildlife, the enforcement of related laws, the administration of the department, and the dissemination of information, facts, and findings the department considers necessary. \$222,000 Other, Fish & Wildlife Protection – Deer Funds, which is income from the sale of freshwater fisheries and wildlife licenses, permits, stamps and tags and provides for this revenue to be placed in the Fish and Wildlife Protection Fund. Revenue from this source must be expended by DNR for the protection, promotion, propagation, and management of freshwater fisheries and wildlife, the enforcement of related laws, the administration of the department, and the dissemination of information, facts, and findings the department considers necessary.

Request: Increase budget to \$1,820,000 (add \$1,330,000 Federal, Forest Legacy Grant Funds, \$248,000 Other, Fish & Wildlife Protection Timber Funds, and \$222,000 Other, Fish & Wildlife Protection Deer Funds) to complete the acquisition of approximately 593.03 acres of land in Lancaster County. The property is being offered by The Conservation Fund of Arlington Virginia for \$1,800,000. An appraisal was completed by Compass South Appraisals in November 2018 and valued the property at \$1,960,000. Compass South Appraisals issued a recertification in September 2019 for the same value. A Phase I Environmental Site Assessment was completed by Emerald, Inc., in August 2019 and revealed no evidence of environmental hazards, and therefore a Phase II Environmental Site Assessment is not recommended

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at this time. Letters of support from the local county and school district are not required because it is currently held by a nonprofit corporation. The property is located four miles northwest of the Liberty Hill community and is west of SC Highway 97. The DNR's Liberty Hill WMA adjoins the tract on the north, east and south sides. The tract contains forested uplands, high bluffs, granite outcrops, and Piedmont streams. The property provides habitat for deer, turkey and small game. Non-game species, including the golden eagle, have been documented on the adjoining WMA. After it is acquired, the property will be managed as part of the Liberty Hill WMA and be open to the public for outdoor recreational opportunities, including bird watching, hiking, hunting and fishing on the adjacent Catawba River. The agency estimates the land acquisition cost at \$1,820,000. (See attachment 10 for additional annual operating costs.) The agency anticipates completing the land acquisition in January 2020.

AUTHORITY ACTION REQUESTED:

Approve permanent improvement project establishment requests and budget revisions as requested by the Department of Administration, Capital Budget Office. All items have been reviewed favorably by the Joint Bond Review Committee.

ATTACHMENTS:

Agenda item worksheet and attachments

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

1. AGENCY Code E24 Name Office of the Adjutant General

2. PROJECT 9821
Project # _____ Name Joint Base Charleston Readiness Center

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

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2022	\$ 18,000.00	\$ 54,000.00	\$ 0.00	\$ 72,000.00
2) 2023	\$ 19,000.00	\$ 57,000.00	\$ 0.00	\$ 76,000.00
3) 2024	\$ 20,000.00	\$ 60,000.00	\$ 0.00	\$ 80,000.00

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

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

No additional Federal Funds will be requested to support this new facility.

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

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Electricity / Gas</u>	<u>\$57,600.00</u>
2. <u>Water / Sewer</u>	<u>8,640.00</u>
3. <u>Storm Water</u>	<u>3,240.00</u>
4. <u>Refuse Disposal</u>	<u>2,520.00</u>
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$72,000.00</u>

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

9. Submitted By: Michael J Young Michael J Young, State Contracting Officer 18 Oct 2019
Signature of Authorized Official and Title Date

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY Code P24 Name Department of Natural Resources

2. PROJECT Project # 6006 Name Richland - Regional Skeet/Trap Event Range

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

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2021	\$	\$ 135,567.00	\$ 45,188.00	\$ 180,755.00
2) 2022	\$	\$ 105,000.00	\$ 35,000.00	\$ 140,000.00
3) 2023	\$	\$ 105,000.00	\$ 35,000.00	\$ 140,000.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).
Fish & Wildlife Protection Fund
License fees from hunting and fishing licenses, permits and tags.

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

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

COST FACTORS	AMOUNT
1. <u>Range Coordinator (Temporary Grant)</u>	<u>\$45,755.00</u>
2. <u>Vehicle</u>	<u>35,000.00</u>
3. <u>Supplies</u>	<u>50,000.00</u>
4. <u>Operational - Electricity, Fuel, Facility maint.</u>	<u>50,000.00</u>
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$180,755.00</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. 1.00

9. Submitted By: Scott Speares Signature of Authorized Official and Title
Scott Speares, Asst Dep Director Support
October 22, 2019 Date

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY Code H09 Name The Citadel

2. PROJECT Project # 9620 Name Johnson Hagood Stadium Sansom Field Turf Replacement

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

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2020	\$	\$	\$ (29,500.00)	\$ (29,500.00)
2) 2021	\$	\$	\$ (29,500.00)	\$ (29,500.00)
3) 2022	\$	\$	\$ (29,500.00)	\$ (29,500.00)

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

6. Will the additional costs be absorbed into your existing budget? YES NO

If no, how will additional funds be provided?

N/A

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

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Decompact/clean/test/add infill for Synthetic Turf</u>	<u>\$12,000.00</u>
2. <u>Painting Synthetic Turf</u>	<u>10,000.00</u>
3. <u>Repair Synthetic Turf</u>	<u>8,000.00</u>
4. <u>Dress, Drag, Fertilize, Aerate Natural Turf</u>	<u>(31,500.00)</u>
5. <u>Natural Turf Sod Repair</u>	<u>(10,000.00)</u>
6. <u>Irrigation of Natural Turf</u>	<u>(3,000.00)</u>
7. <u>Paint Natural Turf</u>	<u>(15,000.00)</u>
8. _____	_____
TOTAL	<u>(\$29,500.00)</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. 0

9. Submitted By: Charles Canler COL Charles Canler, VP for Finance and 
 Signature of Authorized Official and Title

06/26/2019
 Date

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

1. AGENCY
Code H27 Name University of South Carolina

2. PROJECT
Project # 6124 Name Honors College Residence Hall Expansion

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

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2019	\$	\$	\$ 325,322.00	\$ 325,322.00
2) 2020	\$	\$	\$ 302,322.00	\$ 302,322.00
3) 2021	\$	\$	\$ 302,322.00	\$ 302,322.00

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

Housing Operating Funds

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

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

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Custodial Services</u>	<u>62,284</u>
2. <u>Maintenance Services</u>	<u>42,018</u>
3. <u>Utilities</u>	<u>175,780</u>
4. <u>Waste Management</u>	<u>3,440</u>
5. <u>Administration</u>	<u>18,800</u>
6. <u>One-Time Expenses</u>	<u>23,000</u>
7. _____	_____
8. _____	_____
TOTAL	<u>325,322</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. 2

9. Submitted By:  University Architect 10/21/19
Signature of Authorized Official and Title Date

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

1. AGENCY Code H09 Name The Citadel, Military College of South Carolina

2. PROJECT Project # 9621 Name Supplemental Housing

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

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2020	\$ 10,125.00	\$	\$	\$ 10,125.00
2) 2021	\$ 13,500.00	\$	\$	\$ 13,500.00
3) 2022	\$ 14,000.00	\$	\$	\$ 14,000.00

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

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

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

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Electricity</u>	<u>\$9,625.00</u>
2. <u>Water & Sewer</u>	<u>500.00</u>
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$10,125.00</u>

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

9. Submitted By: *Charles L. Cansler* COL Charles L. Cansler, VP for Fin & Bus 8/29/2019
Signature of Authorized Official and Title Date

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

1. AGENCY Code N04 Name South Carolina Department of Corrections

2. PROJECT Project # 9755 Name Manning - Boiler Replacement

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

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2020	\$ 4,552.00	\$	\$	\$ 4,552.00
2) 2021	\$ 4,597.00	\$	\$	\$ 4,597.00
3) 2022	\$ 4,643.00	\$	\$	\$ 4,643.00

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

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

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

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>New boiler is more energy efficient than the original.</u>	<u>\$4,552.00</u>
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$4,552.00</u>

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

9. Submitted By: X Bryan P. Stirling Director/Designee 11/15/19 Date
Signature of Authorized Official and Title

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

1. AGENCY Code H59 Name Greenville Technical College

2. PROJECT Project # 6136 Name Greenville - Benson Campus Amphitheater and Student Plaza

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

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 18 - 19	\$ 3,000.00	\$	\$	\$ 3,000.00
2) 19 - 20	\$ 3,000.00	\$	\$	\$ 3,000.00
3) 20 - 21	\$ 3,000.00	\$	\$	\$ 3,000.00

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

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

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

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Utilities and grounds maintenance.</u>	<u>\$3,000.00</u>
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$3,000.00</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. 0

9. Submitted By: Bill Tripp Bill Tripp Eng./Assoc. Eng. III 10-15-2019
Signature of Authorized Official and Title Date

ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY Code H63 Name SC Governor's School for the Arts and Humanities

2. PROJECT Project # 9516 Name SCGSAH Music Building Addition

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

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2021	\$ 25,000.00	\$	\$	\$ 25,000.00
2) 2022	\$ 26,050.00	\$	\$	\$ 26,050.00
3) 2023	\$ 26,500.00	\$	\$	\$ 26,500.00

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

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

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

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Electricity</u>	<u>\$8,000.00</u>
2. <u>Housekeeping</u>	<u>5,000.00</u>
3. <u>Water/Sewer</u>	<u>2,000.00</u>
4. <u>Insurance</u>	<u>5,000.00</u>
5. <u>Facilities and Grounds</u>	<u>5,000.00</u>
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$25,000.00</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. .25

9. Submitted By: *Lynne M. Schuber, VP Finance + Administration* 11/5/2019
 Signature of Authorized Official and Title Date

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

1. AGENCY Code H24 Name South Carolina State University
2. PROJECT Project # 9756 Name SC State PSA Building Acquisition (Midlands Region)

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

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1)	\$	\$ 115,120.00	\$	\$ 115,120.00
2)	\$	\$	\$	\$ 0.00
3)	\$	\$	\$	\$ 0.00

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

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

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

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Building Maintenance, Labor & Materials</u>	<u>\$19,654.00</u>
2. <u>Custodial Labor</u>	<u>52,149.00</u>
3. <u>Custodial Materials</u>	<u>6,309.00</u>
4. <u>Building Operations:</u>	
5. <u>Electricity</u>	<u>33,487.00</u>
6. <u>Water</u>	<u>2,123.00</u>
7. <u>Sewer</u>	<u>1,398.00</u>
8. _____	_____
TOTAL	<u>\$115,120.00</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. 4

9. Submitted By: *Spencer B. ...* V. P. of Finance & 10/21/19
Signature of Authorized Official and Title Date

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

1. AGENCY Code P240 Name Department of Natural Resources

2. PROJECT Project # 9995 Name Lancaster-Liberty Hill WMA Land Acquisition (TIR Tract)

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

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2020	\$	\$ 1,200.00	\$ 400.00	\$ 1,600.00
2) 2021	\$	\$ 1,200.00	\$ 400.00	\$ 1,600.00
3) 2022	\$	\$ 1,200.00	\$ 400.00	\$ 1,600.00



5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).
Fees from hunting and fishing licenses, permits and tags.

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

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

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Agricultural supplies (fence gates, signs)</u>	<u>\$1,600.00</u>
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$1,600.00</u>

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

9. Submitted By:  Scott Speares, Asst Dep Director Support  October 18, 2019
Signature of Authorized Official and Title Date

Permanent Improvement Project Information for December 10, 2019 SFAA Meeting

Agency/ Project No.	Agency/Project Name	Original Approved Budget	Date of Original Approval	Phase I Amount	Date of Phase I Approval	Included in CPIP	Total Projected Project Cost
H12-9944	Core Campus Safety and Revitalization	N/A	N/A	\$420,000	N/A	Yes	\$21,000,000
H12-9945	Memorial Stadium Renovations	N/A	N/A	\$1,030,000	N/A	Yes	\$68,700,000
H12-9946	Roadway Pedestrian Safety Improvements	N/A	N/A	\$315,000	N/A	Yes	\$21,000,000
H17-9618	Eaglin Residence Hall Renovation	N/A	N/A	\$75,000	N/A	Yes	\$5,000,000
H51-9849	CSB Primary to Secondary Transformer Replacement	N/A	N/A	\$19,500	N/A	Yes	\$1,300,000
H51-9851	Basic Science Building Air Handler Unit #1 (West Side) Replacement	N/A	N/A	\$67,500	N/A	Yes	\$4,500,000
E24-9821	Joint Base Charleston Readiness Center	N/A	N/A	\$288,030	N/A	Yes	\$19,202,000
P24-6006	Richland - Regional Skeet/Trap Event Range	N/A	N/A	\$60,000	N/A	Yes	\$4,000,000
H09-9620	Johnson Hagood Stadium Sansom Field Turf Replacement	\$22,500	5/14/19	\$22,500	5/14/19	Yes	\$1,500,000
H27-6124	Honors College Residence Hall Expansion	\$279,000	3/13/18	\$279,000	3/13/18	Yes	\$19,450,000
N04-9755	Manning - Boiler Replacement	\$16,500	3/5/19	\$16,500	3/5/19	Yes	\$1,183,746
N04-9761	Wateree River CI - Replacement of Electrical Service Line	\$18,000	6/18/19	\$18,000	6/18/19	Yes	\$1,801,920
N12-9608	Columbia Campus Electrical Grid Upgrade and Transfer of Responsibility	\$19,800	10/15/19	\$19,800	10/15/19	Yes	\$1,320,000
H09-9621	Supplemental Housing	\$23,453	8/13/19	\$23,453	8/13/19	Yes	\$1,700,000
H51-9834	Psych Institute Chiller #1 Replacement	\$23,250	6/26/16	\$23,250	6/26/16	Yes	\$2,500,000
H59-6136	Greenville - Benson Campus Amphitheater and Student Plaza	\$37,500	1/30/18	\$37,500	1/30/18	Yes	\$3,241,701
E24-9793	Armory Revitalization	\$10,500,000	11/1/16	\$10,500,000	11/1/16	Yes	\$20,000,000
H63-9516	SCGSAH Music Building Addition	\$4,310,000	11/17/16	\$4,310,000	11/17/16	Yes	\$4,439,332
H24-9756	SC State PSA Building Acquisition	N/A	N/A	\$20,000	N/A	No	\$1,420,000
P24-9995	Lancaster-Liberty Hill WMA Land Acquisition (TIR Tract)	N/A	8/13/19	\$20,000	8/13/19	Yes	\$1,820,000

**Additional Information on Funding Sources for
Higher Education Permanent Improvement Projects**

Item (a) – Clemson University – Core Campus Safety and Revitalization

The source of funds for pre-design is Maintenance & Stewardship Funds, which are tuition, matriculation and other debt retirement and plant transfer revenues that are not formally obligated to fund debt service in the current period and that are responsibly transferred to and managed by the State Treasurer until the time of their State Treasurer approved qualified use.

The source of funds for construction is anticipated to be State Institution Bonds.

The University reports that no increase in any student fee or tuition will be required for this project.

Item (b) – Clemson University – Memorial Stadium Renovations

The source of funds for pre-design is Athletic Gifts and Donation Funds, which are amounts received from individuals, corporations and other entities that are to be expended for their restricted purposes.

The source of funds for construction is anticipated to be Athletic Facilities Revenue Bonds and Athletic Gifts and Donations

The University reports that no increase in any student fee or tuition will be required for this project.

Item (c) – Clemson University – Roadway Pedestrian Improvements

The source of funds for pre-design is Maintenance & Stewardship Funds, which are tuition, matriculation and other debt retirement and plant transfer revenues that are not formally obligated to fund debt service in the current period and that are responsibly transferred to and managed by the State Treasurer until the time of their State Treasurer approved qualified use.

The source of funds for construction is anticipated to be State Institution Bonds.

The University reports that no increase in any student fee or tuition will be required for this project.

Item (d) – Coastal Carolina University – Eaglin Residence Hall Renovation

The source of funds for pre-design is University Housing Renovation Reserve Funds, which are generated by excess revenues received over annual housing operations. There is no separate fee charged specifically for housing renovation set-aside. The majority of housing revenue is generated from room occupancy. The housing rate is charged per semester and is based on the number of bedrooms per suite or apartment, and the location of the residence hall, which is approved each year by the Board of Trustees. The university has not increased housing rates since FY15.

The source of funds for construction is anticipated to be University Housing Renovation Reserve Funds.

The University reports that no increase in any student fee or tuition will be required for this project.

Item (e) – Medical University of South Carolina – CSB Primary to Secondary Transformer Replacement

The source of funds for pre-design is Deferred Maintenance Investment Fund, which was established in FY13 when the university established the budget model Responsibility Centered Management (RCM). This budgeting model allocates all state appropriations and tuition/fees to the colleges and allocates all grant indirect cost recoveries to the grantee's college or unit. MUSC does not charge a separate plant improvement fee to the students. Under RCM, a Strategic Investment Fund has been created based on a percentage tax on certain college revenue streams. Approximately \$4 million of the Strategic Investment Fund retained by central administration is used to fund facilities and deferred maintenance.

The source of funds for construction is anticipated to be Deferred Maintenance Investment Funds.

The University reports that no increase in any student fee or tuition will be required for this project.

Item (f) – Medical University of South Carolina – Basic Science Building Air Handler Unit #1 (West Side) Replacement

The source of funds for pre-design is Other, Sale of Property, which are proceeds from the sale of the Harborview Office Tower.

The source of funds for construction is anticipated to be Sale of Property and Deferred Maintenance Investment Funds.

The University reports that no increase in any student fee or tuition will be required for this project.

Item (i) – The Citadel - Johnson Hagood Stadium Sansom Field Turf Replacement

The source of funds for construction is Gift In-Kind, which is a construction related gift from a private donor.

The University reports that no increase in any student fee or tuition will be required for this project.

Item (j) – University of South Carolina – Columbia – Honors College Residence Hall Expansion

The source of funds for construction is Capital Reserve and Housing Maintenance Reserve Funds, which are derived from the Housing operating budget which includes housing fees and revenues by laundry operations, conferences, and interest.

The University reports that no increase in any student fee or tuition will be required for this project.

Item (n) – The Citadel – Supplemental Housing

The source of funds for construction is Barracks Reserve Funds, which come from Barracks (dormitory) charges. Each year the student fees for the Barracks fund the Barracks Reserve (dormitories). The fund is used for capital and major construction financing as well as payment of debt service for the barracks

The University reports that no increase in any student fee or tuition will be required for this project.

Item (o) – Medical University of South Carolina – Psych Institute Chiller #1 Replacement

The source of funds for construction is Deferred Maintenance Investment Fund, which was established in FY13 when the university established the budget model Responsibility Centered Management (RCM). This budgeting model allocates all state appropriations and tuition/fees to the colleges and allocates all grant indirect cost recoveries to the grantee's college or unit. MUSC does not charge a separate plant improvement fee to the students. Under RCM, a Strategic Investment Fund has been created based on a percentage tax on certain college revenue streams. Approximately \$4 million of the Strategic Investment Fund retained by central administration is used to fund facilities and deferred maintenance.

The University reports that no increase in any student fee or tuition will be required for this project.

Item (p) – Greenville Technical College – Benson Campus Amphitheater and Student Plaza

The source of funds for construction is Private Citizen Donation Funds, which have been received specifically for the development and construction of this project and Local College Plant Maintenance Funds, which are funds received from Greenville County and used to fund physical plant projects.

The University reports that no increase in any student fee or tuition will be required for this project.

Item (s) – SC State University PSA – Building Acquisition (Midlands Cluster)

The source of funds for pre-design is USDA 1890 Evans Allen Grant Funds.

The source of funds for construction is anticipated to be USDA 1890 Evans Allen Grant Funds.

The University reports that no increase in any student fee or tuition will be required for this project.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Easement

The Department of Administration requests approval of the following easement in accordance with SC Code of Laws:

County Location: Charleston
From: Department of Administration
To: Charleston Water System
Consideration: \$766
Description/Purpose: To grant a 1.33± acre easement for the installation, operation and maintenance of a water main beneath tidal wetlands and waters of Elliott Cut and Wappoo Creek. The easement is needed to replace the existing water main that was severed by a dredge and will subsequently be removed. The term of the easement will be fifty (50) years. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.

AUTHORITY ACTION REQUESTED:

Approve granting the referenced easement as recommended by the Department of Administration, Facilities Management and Property Services.

ATTACHMENTS:

Agenda item worksheet and attachments

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: December 10, 2019

Regular Agenda

1. Submitted by:

- (a) Agency: Department of Administration,
Division of Facilities Management
and Property Services
- (b) Authorized Official Signature:



Ashlie Lancaster, Director

2. Subject: EASEMENT

3. Summary Background Information:

The Department of Administration requests consideration of the following easement in accordance with SC Code of Laws:

- (a) County Location: Charleston
From: Department of Administration
To: Charleston Water System
Consideration: \$766
Description/Purpose: To grant a 1.33± acre easement for the installation, operation and maintenance of a water main beneath tidal wetlands and waters of Elliott Cut and Wappoo Creek. The easement is needed to replace the existing water main that was severed by a dredge and will subsequently be removed. The term of the easement will be fifty (50) years. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.
-

4. What is the Authority asked to do? Approve the referenced easement.

5. What is recommendation of the Department of Administration? Consider approval of the referenced easement.

6. List of Supporting Documents:

1. SC Code of Laws Sections 1-11-80 and 1-11-100
2. Easement Plat

SOUTH CAROLINA CODE OF LAWS

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

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

HISTORY: 1962 Code Section 1-357.1; 1963 (53) 177; 2014 Act No. 121 (S.22), Pt V, Section 7.C, eff July 1, 2015.

Effect of Amendment

2014 Act No. 121, Section 7.C, substituted "Department of Administration, upon approval of the State Fiscal Accountability Authority," for "State Budget and Control Board".

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

Deeds or other instruments conveying such rights of way or easements over such marshlands or vacant lands as are owned by the State shall be executed by the Governor in the name of the State, when authorized by the Department of Administration, upon approval of the State Fiscal Accountability Authority, and when duly approved by the office of the Attorney General; deeds or other instruments conveying such easements over property in the name of or under the control of State agencies, institutions, commissions or other bodies shall be executed by the majority of the governing body thereof, shall name both the State of South Carolina and the institution, agency, commission or governing body as grantors, and shall show the written approval of the Director of the Department of Administration and the State Fiscal Accountability Authority.

HISTORY: 1962 Code Section 1-357.3; 1963 (53) 177; 2014 Act No. 121 (S.22), Pt V, Section 7.C, eff July 1, 2015.

Effect of Amendment

2014 Act No. 121, Section 7.C, substituted "authorized by the Department of Administration, upon approval of the State Fiscal Accountability Authority," for "authorized by resolution of the Budget and Control Board, duly recorded in the minutes and records of such Board" and substituted "written approval of the Director of the Department of Administration and the State Fiscal Accountability Authority" for "written approval of the majority of the members of the State Budget and Control Board".

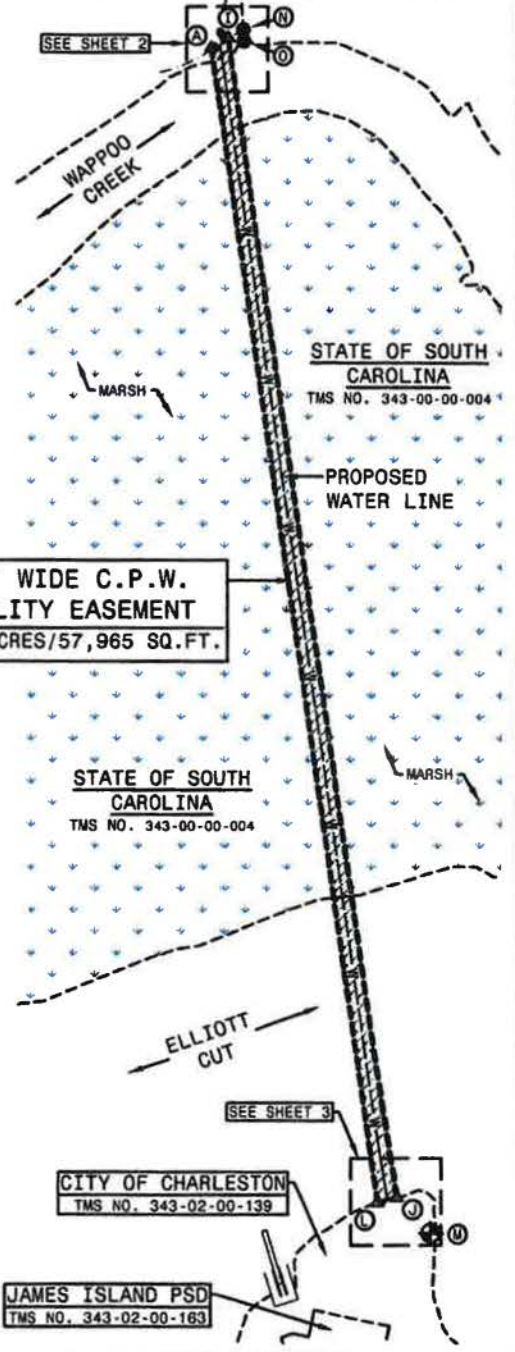
(a-1)

STATE PLANE COORDINATES (NAD 83 - 2011)				
POINT	NORTHING	EASTING	LATITUDE	LONGITUDE
A	343774.48	2309555.87	N32°48'26.44"	W79°59'34.20"
L	341889.88	2309835.73	N32°46'07.57"	W79°59'31.13"

LINE TABLE		
LINE	BEARING	LENGTH
A-B	N47°40'19"E	8.45'
B-C	S35°50'47"E	8.37'
C-D	N35°55'48"E	15.91'
D-E	N30°50'44"W	18.15'
E-F	N07°50'39"E	4.87'
F-G	S48°55'31"E	8.29'
G-H	S37°52'57"E	12.96'
H-I	N78°53'49"E	1.82'
I-J	S08°23'19"E	1934.43'
J-K	S74°19'21"W	10.49'
K-L	S75°00'48"W	19.72'
L-A	N08°23'19"W	1925.33'
J-M	S43°18'49"E	80.22'
N-A	S60°10'13"W	61.88'
N-O	S03°44'30"E	19.22'
O-I	S78°35'53"E	27.48'

POINT TABLE	
POINT	DESCRIPTION
A	COMPUTED POINT
B	COMPUTED POINT
C	COMPUTED POINT
D	COMPUTED POINT
E	COMPUTED POINT
F	COMPUTED POINT
G	COMPUTED POINT
H	COMPUTED POINT
I	COMPUTED POINT
J	COMPUTED POINT
K	COMPUTED POINT
L	COMPUTED POINT
M	NGS DISK DS 104 A
N	2" PIPE
O	1" PIPE

CAROLINE K. HORN TMS NO. 349-11-00-073
 ARTHUR RAVENEL, III TMS NO. 349-11-00-072



NOTES:

- WHERE THE PROPOSED WATER MAIN CROSSES LAND NOT SOLELY UNDER FEDERAL OR STATE JURISDICTION, IT SHALL BE THE RESPONSIBILITY OF CHARLESTON CPW TO ACQUIRE ANY ADDITIONAL EASEMENTS NECESSARY TO CONSTRUCT THIS UTILITY UPON PRIVATE PROPERTY.
- THIS MAP DOES NOT, NOR IS IT INTENDED TO, CONTAIN ALL INFORMATION REQUIRED ON A RECORDABLE INSTRUMENT BY THE SC STANDARDS OF PRACTICE. THIS DOCUMENT IS TO BE USED SOLELY FOR THE PURPOSE OF OBTAINING A PERMIT FROM THE DEPARTMENT OF ADMINISTRATION TO CONSTRUCT UTILITIES SHOWN HEREON. THE 30' WIDE UTILITY EASEMENT SHOWN ON THIS PLAN HAS NOT BEEN RECORDED NOR HAS IN ANY WAY BEEN DEEDED TO THE PERSON(S) RESPONSIBLE FOR REQUESTING THIS PERMIT.



Patrick L. Hajes
 PATRICK L. HAJES S.C.P.L.S. NO. 28584



SHEET 1 OF 4

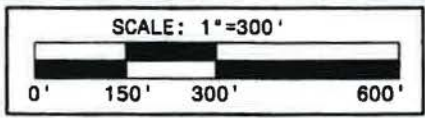
MAP SHOWING A 30' WIDE C.P.W. UTILITY EASEMENT CROSSING A WATERWAY AND ADJACENT MARSHLANDS CONTROLLED BY THE STATE OF SOUTH CAROLINA

CITY OF CHARLESTON, CHARLESTON COUNTY, SOUTH CAROLINA

DATE: JULY 24, 2019
 SCALE: 1" = 300'
 JOB NO. 819002347
 SVY NO. M-19072401-A1928

HUSSEY GAY BELL
 Established 1958
 474 WANDO PARK BLVD., SUITE 201, MT. PLEASANT, SC 29464 / T.843.849.7500

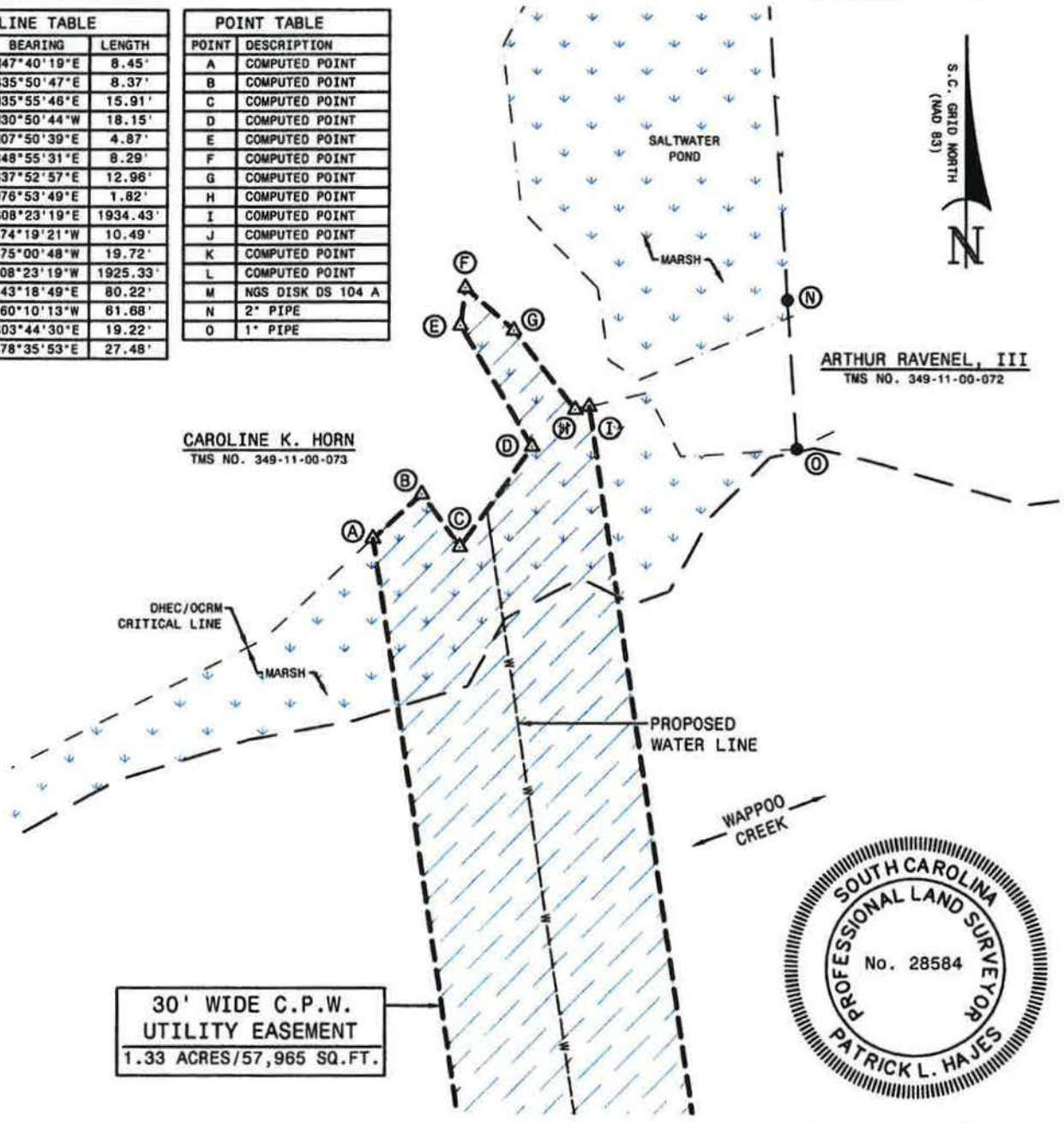
Hussey, Gay, Bell & DeYoung, Inc., Consulting Engineers of SC
 474 Wando Park Blvd, Suite 201
 Mt. Pleasant, SC 29464



(a-2)

LINE TABLE		
LINE	BEARING	LENGTH
A-B	N47°40'19"E	8.45'
B-C	S35°50'47"E	8.37'
C-D	N35°55'48"E	15.91'
D-E	N30°50'44"W	18.15'
E-F	N07°50'39"E	4.87'
F-G	S48°55'31"E	8.29'
G-H	S37°52'57"E	12.96'
H-I	N76°53'49"E	1.82'
I-J	S08°23'19"E	1934.43'
J-K	S74°19'21"W	10.49'
K-L	S75°00'48"W	19.72'
L-A	N08°23'19"W	1925.33'
J-M	S43°18'49"E	80.22'
N-A	S60°10'13"W	61.68'
N-O	S03°44'30"E	19.22'
O-I	S78°35'53"E	27.48'

POINT TABLE	
POINT	DESCRIPTION
A	COMPUTED POINT
B	COMPUTED POINT
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D	COMPUTED POINT
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F	COMPUTED POINT
G	COMPUTED POINT
H	COMPUTED POINT
I	COMPUTED POINT
J	COMPUTED POINT
K	COMPUTED POINT
L	COMPUTED POINT
M	NGS DISK DS 104 A
N	2" PIPE
O	1" PIPE



CAROLINE K. HORN
TMS NO. 349-11-00-073

ARTHUR RAVENEL, III
TMS NO. 349-11-00-072

30' WIDE C.P.W.
UTILITY EASEMENT
1.33 ACRES/57,965 SQ.FT.



Patrick L. Hajes
 PATRICK L. HAJES S.C.P.L.S. NO. 28584

SHEET 2 OF 4



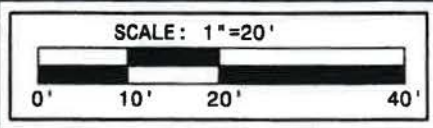
MAP SHOWING A 30' WIDE C.P.W. UTILITY
 EASEMENT CROSSING A WATERWAY AND
 ADJACENT MARSHLANDS CONTROLLED BY
 THE STATE OF SOUTH CAROLINA

CITY OF CHARLESTON, CHARLESTON COUNTY, SOUTH CAROLINA

DATE: JULY 24, 2019
SCALE: 1" = 20'
JOB NO. 819002347
SVY NO. M-19072401-A1928

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Hussey, Gay, Bell & DeYoung,
 Inc., Consulting Engineers of SC
 474 Wando Park Blvd, Suite 201
 Mt. Pleasant, SC 29464



(a-3)



30' WIDE C.P.W. UTILITY EASEMENT
1.33 ACRES/57,965 SQ.FT.

ELLIOTT CUT

PROPOSED WATER LINE

DHEC/OCRM CRITICAL LINE

DHEC/OCRM CRITICAL LINE

CITY OF CHARLESTON
TMS NO. 343-02-00-139



Patrick L. Hajes 7/14/19
PATRICK L. HAJES S.C.P.L.S. NO. 28584

SHEET 3 OF 4



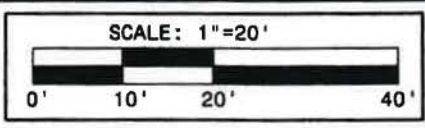
MAP SHOWING A 30' WIDE C.P.W. UTILITY EASEMENT CROSSING A WATERWAY AND ADJACENT MARSHLANDS CONTROLLED BY THE STATE OF SOUTH CAROLINA

CITY OF CHARLESTON, CHARLESTON COUNTY, SOUTH CAROLINA

DATE: JULY 24, 2019
SCALE: 1" = 20'
JOB NO. 819002347
SVY NO. M-19072401-A1928

HUSSEY GAY BELL
Established 1958
474 WANDO PARK BLVD., SUITE 201, MT. PLEASANT, SC 29464 / T. 843.849.7500

Hussey, Gay, Bell & DeYoung, Inc., Consulting Engineers of SC
474 Wando Park Blvd, Suite 201
Mt. Pleasant, SC 29464



POINT	DESCRIPTION
A	COMPUTED POINT
B	COMPUTED POINT
C	COMPUTED POINT
D	COMPUTED POINT
E	COMPUTED POINT
F	COMPUTED POINT
G	COMPUTED POINT
H	COMPUTED POINT
I	COMPUTED POINT
J	COMPUTED POINT
K	COMPUTED POINT
L	COMPUTED POINT
M	NGS DISK DS 104 A
N	2" PIPE
O	1" PIPE

LINE	BEARING	LENGTH
A-B	N47°40'19"E	8.45'
B-C	S35°50'47"E	8.37'
C-D	N35°55'48"E	15.91'
D-E	N30°50'44"W	18.15'
E-F	N07°50'39"E	4.87'
F-G	S48°55'31"E	8.29'
G-H	S37°52'57"E	12.96'
H-I	N76°53'49"E	1.82'
I-J	S08°23'19"E	1934.43'
J-K	S74°19'21"W	10.49'
K-L	S75°00'48"W	19.72'
L-A	N08°23'19"W	1925.33'
J-M	S43°18'49"E	80.22'
N-A	S60°10'13"W	61.68'
N-O	S03°44'30"E	19.22'
O-I	S78°35'53"E	27.48'

(a-4)

EASEMENT DESCRIPTION

ALL THAT CERTAIN PIECE, PARCEL OR LOT OF LAND SITUATE, LYING AND BEING IN AND NEAR THE CITY OF CHARLESTON, CHARLESTON COUNTY, SOUTH CAROLINA, BEING DELINEATED AND SHOWN ON A MAP SHOWING A 30' WIDE C.P.W. UTILITY EASEMENT CROSSING A WATERWAY AND ADJACENT MARSHLANDS CONTROLLED BY THE STATE OF SOUTH CAROLINA, PREPARED BY HGBD SURVEYORS, LLC, DATED JULY 24, 2019, SAID PARCEL HAVING THE FOLLOWING METES AND BOUNDS TO WIT:

COMMENCING AT A 1" PIPE LOCATED ON THE EASTERN BOUNDARY LINE OF THE PROPERTY OF CAROLINE K. HORN AND ALONG THE BANK OF WAPPOO CREEK. SAID PIPE HAVING A SOUTH CAROLINA STATE PLANE COORDINATE OF N: 343,785.96 E: 2,309,610.63. THENCE PROCEEDING FROM SAID 1" PIPE IN A DIRECTION OF N03°44'30"W FOR A DISTANCE OF 19.22' TO A 2" PIPE LOCATED ON THE EASTERN BOUNDARY LINE OF THE PROPERTY OF CAROLINE K. HORN; THENCE TURNING AND PROCEEDING IN A DIRECTION OF S60°10'13"W FOR A DISTANCE OF 61.68' TO A COMPUTED POINT ON THE DHEC/OCRM CRITICAL LINE, THIS BEING THE TRUE POINT OF BEGINNING; THENCE PROCEEDING ALONG THE DHEC/OCRM CRITICAL LINE FOR THE FOLLOWING COURSES AND DISTANCES: N47°40'19"E FOR A DISTANCE OF 8.45' TO A COMPUTED POINT; THENCE, S35°50'47"E FOR A DISTANCE OF 8.37' TO A COMPUTED POINT; THENCE, N35°55'46"E FOR A DISTANCE OF 15.91' TO A COMPUTED POINT; THENCE, N30°50'44"W FOR A DISTANCE OF 18.15' TO A COMPUTED POINT; THENCE, N07°50'39"E FOR A DISTANCE OF 4.87' TO A COMPUTED POINT; THENCE, S48°55'31"E FOR A DISTANCE OF 8.29' TO A COMPUTED POINT; THENCE, S37°52'57"E FOR A DISTANCE OF 12.96' TO A COMPUTED POINT; THENCE, N76°53'49"E FOR A DISTANCE OF 1.82' TO A COMPUTED POINT; THENCE TURNING AND PROCEEDING ACROSS MARSHES AND WATERWAYS OF WAPPOO CREEK AND ELLIOTT CUT IN A DIRECTION OF S08°23'19"E FOR A DISTANCE OF 1934.43' TO A COMPUTED POINT ON THE DHEC/OCRM CRITICAL LINE; THENCE TURNING AND PROCEEDING ALONG THE DHEC/OCRM CRITICAL LINE FOR THE FOLLOWING COURSES AND DISTANCES: S74°19'21"W FOR A DISTANCE OF 10.49' TO A COMPUTED POINT; THENCE, S75°00'48"W FOR A DISTANCE OF 19.72' TO A COMPUTED POINT; THENCE TURNING AND PROCEEDING ACROSS MARSHES AND WATERWAYS OF WAPPOO CREEK AND ELLIOTT CUT IN A DIRECTION OF N08°23'19"W A DISTANCE OF 1925.33' TO A COMPUTED POINT ON THE DHEC/OCRM CRITICAL LINE, THIS BEING THE POINT OF BEGINNING.

THIS PARCEL CONTAINS 1.33 ACRES.

SHEET 4 OF 4



Patrick L. Hajes
PATRICK L. HAJES S.C.P.L.S. NO. 28584



MAP SHOWING A 30' WIDE C.P.W. UTILITY EASEMENT CROSSING A WATERWAY AND ADJACENT MARSHLANDS CONTROLLED BY THE STATE OF SOUTH CAROLINA

CITY OF CHARLESTON, CHARLESTON COUNTY, SOUTH CAROLINA

DATE: JULY 24, 2019
SCALE: N/A
JOB NO. 819002347
SVY NO. M-19072401-A1928

HUSSEY GAY BELL
Established 1958
474 WANDO PARK BLVD., SUITE 201, MT. PLEASANT, SC 29464 / T: 843.849.7500

Hussey, Gay, Bell & DeYoung, Inc., Consulting Engineers of SC
474 Wando Park Blvd, Suite 201
Mt. Pleasant, SC 29464

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Real Property Conveyances

The Department of Administration, Facilities Management and Property Services, recommends approval of the following real property conveyances:

- (a) **Controlling Agency:** **Department of Commerce, Division of Public Railways**
Acreage: 12.11 ± acres and improvements (Buildings NH-45/46 / 156,825 SF)
Location: 1690 Turnbull Avenue, North Charleston
County: Charleston
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 the Department of Commerce's Division of Public Railways pursuant to Proviso 93.15.
- (b) **Controlling Agency:** **Department of Commerce, Division of Public Railways**
Acreage: 2.81 ± acres and improvements (Building M17 / 21,097 SF)
Location: 1631 Truxtun Avenue, North Charleston
County: Charleston
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 the Department of Commerce's Division of Public Railways pursuant to Proviso 93.15.
- (c) **Controlling Agency:** **Department of Commerce, Division of Public Railways**
Acreage: 14.44 ± acres and improvements (Buildings 64, 66 & 67 / 242,000 SF)
Location: 2301 Noisette Boulevard, North Charleston
County: Charleston
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 the Department of Commerce's Division of Public Railways pursuant to Proviso 93.15.
- (d) **Controlling Agency:** **Department of Commerce, Division of Public Railways**
Acreage: 11.20 ± acres and improvements (DFAS Building / 238,261 SF)
Location: 1545 Truxtun Avenue, North Charleston
County: Charleston
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 the Department of Commerce's Division of Public Railways pursuant to Proviso 93.15.

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: Real Property Conveyances

- (e) **Controlling Agency:** Department of Commerce, Division of Public Railways
- | | |
|--------------------------|---|
| Acreage: | 5.50 ± acres and improvements (Building 81 / 3,028 SF) |
| Location: | 2335 Noisette Boulevard, North Charleston |
| County: | Charleston |
| 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 the Department of Commerce's Division of Public Railways pursuant to Proviso 93.15. |

AUTHORITY ACTION REQUESTED:

Approve the referenced real property conveyances as recommended by the Department of Administration, Facilities Management and Property Services.

ATTACHMENTS:

Agenda item worksheet and attachments

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: December 10, 2019

Regular Agenda

1. Submitted by:

(a) Agency: Department of Administration,
Division of Facilities Management
and Property Services

(b) Authorized Official Signature:



Ashlie Lancaster, Director

2. Subject: REAL PROPERTY CONVEYANCES

3. Summary Background Information:

- (a) **Controlling Agency:** Department of Commerce, Division of Public Railways
Acreage: 12.11 ± acres and improvements (Buildings NH-45/46 / 156,825 SF)
Location: 1690 Turnbull Avenue, North Charleston
County: Charleston
Purpose: To dispose of surplus real property.
Price/Transferred To: To be determined/Not less than appraised value
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- (b) **Controlling Agency:** Department of Commerce, Division of Public Railways
Acreage: 2.81 ± acres and improvements (Building M17 / 21,097 SF)
Location: 1631 Truxtun Avenue, North Charleston
County: Charleston
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 the Department of Commerce's Division of Public Railways pursuant to Proviso 93.15.
- (c) **Controlling Agency:** Department of Commerce, Division of Public Railways
Acreage: 14.44 ± acres and improvements (Buildings 64, 66 & 67 / 242,000 SF)
Location: 2301 Noisette Boulevard, North Charleston
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Purpose: To dispose of surplus real property.
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- (d) **Controlling Agency:** Department of Commerce, Division of Public Railways
Acreage: 11.20 ± acres and improvements (DFAS Building / 238,261 SF)
Location: 1545 Truxtun Avenue, North Charleston
County: Charleston
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 the Department of Commerce's Division of Public Railways pursuant to Proviso 93.15.

(e) **Controlling Agency:** Department of Commerce, Division of Public Railways
Acreage: 5.50 ± acres and improvements (Building 81 / 3,028 SF)
Location: 2335 Noisette Boulevard, North Charleston
County: Charleston
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 the Department of Commerce's Division of Public Railways pursuant to Proviso 93.15.

4. **What is Authority asked to do?** Approve the property conveyances as requested at not less than the individual or collective appraised values.

5. **What is recommendation of Department of Administration?** Approve the property conveyances as requested at not less than the individual or collective appraised values.

6. **List of Supporting Documents:**

1. Letter from Palmetto Railways dated November 5, 2019
2. Maps
3. SC Code of Laws Section 1-11-65
4. 2019-2020 Appropriations Bill H4950, Part 1B, Proviso 93.15



Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Robert M. Hitt III
Secretary

November 5, 2019

Mr. Delbert Singleton
State Fiscal Accountability Authority
1200 Senate Street
Columbia, SC 29201

Ms. Ashlie Lancaster
South Carolina Department of Administration
1200 Senate Street, Ste. 460
Columbia, SC 29201

Dear Delbert and Ashlie:

The purpose of this letter is to notify you of the intention of the South Carolina Department of Commerce ("Commerce") and its Division of Public Railways ("Palmetto Railways") to seek the approval of the State Fiscal Accountability Authority ("SFAA") and the Department of Administration ("DOA") to dispose of and surplus 46.06+/- acres of land and buildings on the former Navy Base in North Charleston, SC. Palmetto Railways no longer needs to retain these properties for the implementation of its Navy Base Intermodal Facility ("NBIF") project and wishes to dispose of excess properties to generate funding for the construction of the project and related infrastructure.

PROPERTIES TO BE SURPLUSED AND SOLD

Summary descriptions of the properties to be surplused and sold are as follows:

1. Former Navy Base Hospital which is approximately 156,000 square feet and is on the National Historical Register. The hospital requires a full rehabilitation at a cost of at least several million dollars.
2. Former Marine Barracks which is approximately 21,097 square feet and is on the National Historical Register. The barracks also requires a full rehabilitation.
3. Three industrial warehouses comprised collectively of approximately 242,000 square feet.
4. An office building which is approximately 238,261 square feet and is currently leased to the United States Defense Finance & Accounting Service until 2052.
5. Former fire station which is approximately 3,028 square feet.

JUSTIFICATION

Palmetto Railways needs additional funds for construction and implementation of the NBIF. Two companies with track records rehabilitating historic properties have approached Palmetto

Railways and are interested in purchasing all remaining surplus property on the Navy Base. Given the opportunity to restore the two historic structures, which currently have little value and will continue to deteriorate, Palmetto Railways is proposing that the properties be marketed as a complete package sale or combination of properties and that the proposals only be deemed acceptable if from buyers with the qualifications and demonstrated ability to restore the Navy Base Hospital and Marine Barracks to productive uses.

If, after the Department of Administration advertises the properties, a qualified buyer makes a successful proposal to purchase the properties and restore the Naval Hospital and Marine Barracks, Palmetto Railways will receive the benefit of replenishing its funds needed for rail projects and the local community and state will benefit from the preservation of historic properties and return of those properties to productive, taxable use.

SUMMARY OF APPRAISALS

Approve the surplus of:

TMS #	ADDRESS	ACREAGE	BLDG # & NOTES
400-00-00-074	1690 Turnbull Ave	12.11	Land & former Navy Hospital
400-00-00-045C	1631 Truxtun Ave	2.81	Land & former Marine Barracks
400-00-00-061	2301 Noisette Blvd	14.44	Land & 3 warehouses
400-00-00-060/160	1545 Truxtun Ave	11.2	Land & Office Building
400-00-00-048 (portion)	2335 Noisette Blvd	5.5	Land & former fire station
	TOTAL	46.06	

SUMMARY OF REQUESTS FOR APPROVAL

1. Establish all five real properties as surplus and available for sale.
2. Pursuant to S.C. Code Sections 1-11-58(A)(4) and 1-11-65, authorize the Division of General Services to sell all surplus real properties by offering them as a complete package sale or combination of properties to achieve the desired results and the Navy Hospital and Marine Barracks being offered for appraised value only subject to a Purchase and Sale Agreement, the terms of which shall be approved by DOA staff and which shall contain a commitment by a qualified buyer with the demonstrated ability and desire to restore the historic structures for productive uses by a date certain and with remaining surplus real properties being offered at fair market value.
3. Authorize inclusion in the Navy Hospital and Marine Barracks deeds of a reverter clause that would allow an appropriate public entity (i.e., Palmetto Railways, the Charleston Naval Complex Redevelopment Authority, or the City of North Charleston) to regain title to the Navy Hospital and Marine Barracks should the buyer be unable to rehabilitate the properties as contemplated by the Purchase and Sale Agreement.

In accordance with Proviso 93.15, proceeds from the sale will be retained by Palmetto Railways and used to fund the NBIF project and related rail activities.

Sincerely,



Robert M. Hitt III

RMH/ch/vw

cc: Karen B. Manning, Chief Legal Counsel
Jeff McWhorter, President, Palmetto Railways
Sheri Cooper, Chief Financial Officer, Palmetto Railways
Chris Huffman, Chief Financial Officer

List of Documents to be Provided:

1. Real Property Transaction Submission & Approval Forms
2. Updated Appraisals
3. Surveys
4. Existing deeds

SOUTH CAROLINA CODE OF LAWS

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

(A) All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the Department of Administration for transactions of one million dollars or less. For transactions of more than one million dollars, approval of the State Fiscal Accountability Authority is required in lieu of the department, although the recording will be with the department. Upon approval of the transaction, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the department's and authority's approval of the transaction as required. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The department and authority may exempt a governmental body from the provisions of this subsection.

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

HISTORY: 1985 Act No. 201, Part II, Section 5; 1989 Act No. 26, Section 1; 1997 Act No. 153, Section 2; 2014 Act No. 121 (S.22), Pt V, Section 7.C, eff July 1, 2015.

Editor's Note

Except for designation of the paragraphs, this section and former Section 1-11-57 were identical. For consistency, Section 1-11-57 is treated as an amendment to this section.

Effect of Amendment

2014 Act No. 121, Section 7.C, rewrote subsection (A).

South Carolina General Assembly
123rd Session, 2019-2020

H. 4000
General Appropriations Bill for fiscal year 2019-2020
As Ratified by the General Assembly

PART IB

OPERATION OF STATE GOVERNMENT

SECTION 93 – D500-DEPARTMENT OF ADMINISTRATION

93.15. (DOA: Sale of Surplus Real Property) Up to fifty percent of the proceeds, net of selling expenses, from the sale of surplus real properties shall be retained by the Department of Administration and used for the deferred maintenance of state-owned buildings. The remaining fifty percent of the net proceeds shall be returned to the agency that the property is owned by, under the control of, or assigned to and shall be used by that agency for nonrecurring purposes. This provision applies to all state agencies and departments except: institutions of higher learning; the Public Service Authority; the Ports Authority; the MUSC Hospital Authority; the Myrtle Beach Air Force Redevelopment Authority; the Department of Transportation; the Columbia State Farmers Market; the Department of Agriculture's Columbia Metrology Lab building and property; the Charleston Naval Complex Redevelopment Authority; the Department of Commerce's Division of Public Railways; the Midlands Technical College Enterprise Campus Authority; the Trident Technical College Enterprise Campus Authority; the Commissioners residence at the Department of Corrections and the Educational Television Commission's Key Road property.

The Educational Television Commission shall be authorized to retain the net proceeds from the sale of its property on Key Road, and such proceeds may be used for the renovation of the ETV Telecommunications Center and other maintenance and operating expenses. If it is determined that sufficient net proceeds are not to be derived from the sale of its property on Key Road to cover the cost of all renovations of the Telecommunications Center, the property on Key Road shall not be sold. Any proposed sale hereunder shall, prior to said sale, be submitted to the Department of Administration for approval as being in compliance with the requirements of this subsection.

The Department of Corrections shall be authorized to retain the net proceeds from the sale of the residence provided for the Commissioner of the Department of Corrections and use such proceeds for deferred maintenance needs at the Department of Corrections.

The Forestry Commission shall be authorized to retain the net proceeds from the sale of surplus land for use in firefighting operations and replacement of firefighting equipment.

The Department of Natural Resources shall be authorized to retain the net proceeds from the sale of existing offices originally purchased with a federal grant or with restricted revenue from hunting and fishing license sales for the improvement, consolidation, and/or establishment of regional offices and related facilities.

The Department of Agriculture, the Educational Television Commission, the Department of Corrections, the Department of Natural Resources, and the Forestry Commission shall annually submit a report, within sixty days after the close of the fiscal year, to the Senate Finance Committee and the House Ways and Means Committee on the status of the sale of the identified property and a detailed accounting on the expenditure of funds resulting from such sale.

This provision is comprehensive and supersedes any conflicting provisions concerning disposition of state-owned real property whether in permanent law, temporary law or by provision elsewhere in this act.

Any unused portion of these funds may be carried forward into succeeding fiscal years and used for the same purposes.

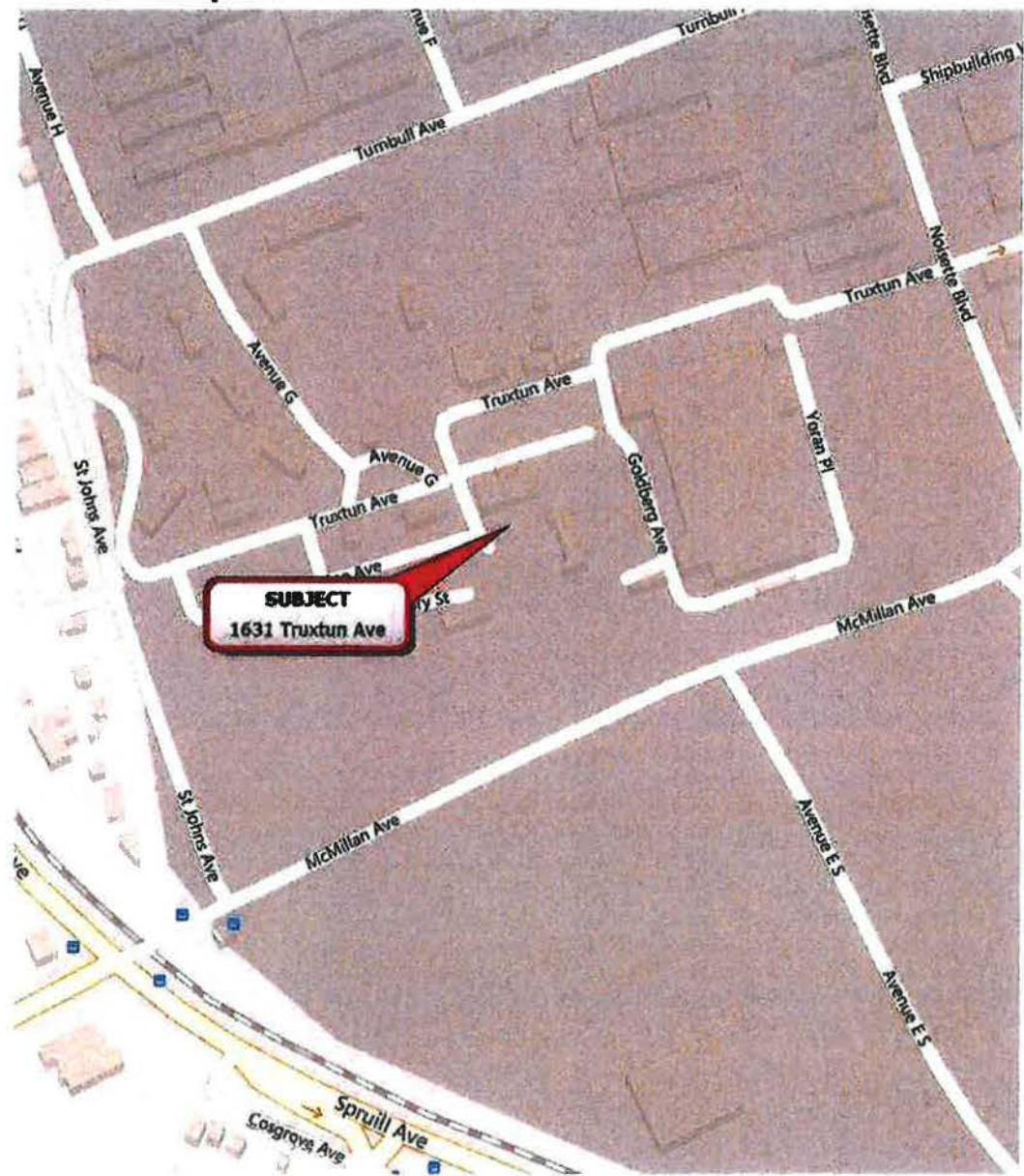
1690 Turnbull Ave
TMS #400-00-00-074

Location Map



1631 Truxtun Ave
TMS #400-00-00-045C

Location Map



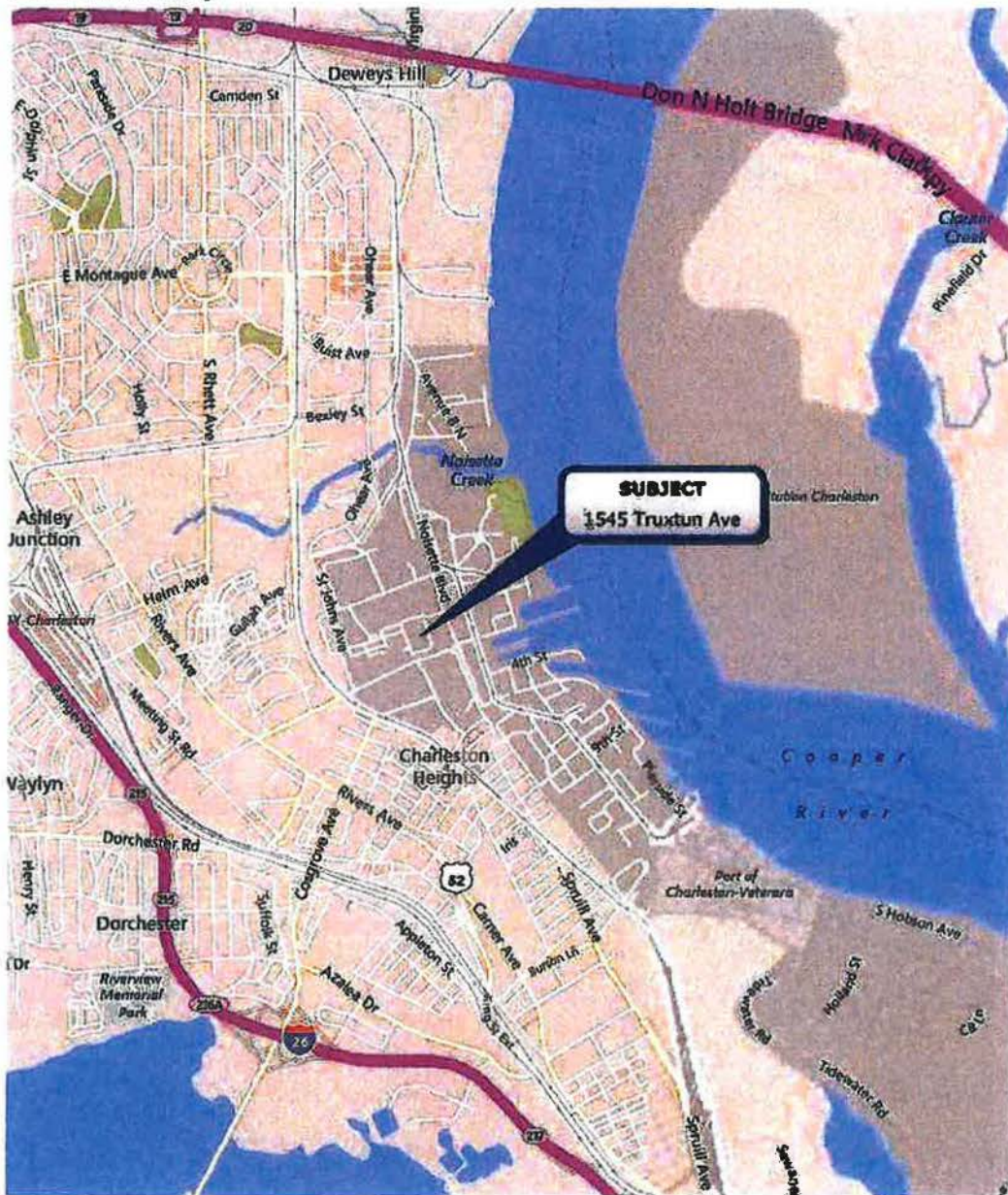
2301 Noisette Blvd
TMS #400-00-00-061

Location Map



1545 Truxtun Ave
TMS #400-00-00-060/160

Location Map



2335 Noisette Blvd
TMS #400-00-00-048 (portion)

Location Map



AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: South Carolina Department of Health and Human Services Lease of 2701 Alex Lee Boulevard, Florence, SC

The South Carolina Department of Health and Human Services (“HHS”) requests approval to lease approximately 19,360 rentable square feet located at 2701 Alex Lee Boulevard in Florence from the American National Insurance Company (“Landlord”).

HHS is in the process of implementing a new Medicaid Eligibility Determination System that will require a significant increase in eligibility application processors and staff retraining. The HHS plan to provide the statewide infrastructure to accommodate this increase is to create regional processing sites. Additionally, HHS desires to consolidate the new regional Medicaid processing center with the local BabyNet and Community Long Term Care (“CLTC”) programs which are currently housed in 7,200 square feet at 201 North Dozier Boulevard in Florence.

State agencies were contacted to verify that no adequate state space was available. In soliciting for commercial space, six responses were received, of which only two could provide sufficient space. The other four were deemed non-responsive based on space requirements, security, and parking. Of the remaining two proposals, the proposed Landlord was the least expensive as the location includes the provision of at least 169 cubicles, eliminating the need for such furniture expenditures. Additionally, the proposed Landlord can accommodate all needed space in one location with minimal upfit and adequate parking facilities.

The lease term will be seven years and is expected to commence on March 1, 2020. The monthly rental rate for the first year will be \$33,880 per month, resulting in an annual rent amount of \$406,560. The rent equates to \$21.00 per rentable square foot and includes all operating costs. The rental rate will increase by 2.5% per year. The total rent to be paid over the 7-year term is \$3,068,483. The rent includes full access and free use of the surrounding parking lot which has adequate parking for staff and visitors and for which there is no additional cost. The lease meets the state space standards with a density of 84 square feet per person.

The rent, with annual escalations, over the term of the lease is as follows:

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT ROUNDED</u>	<u>RENT PER SF ROUNDED</u>
YEAR 1	\$406,560.00	\$33,880.00	\$21.00
YEAR 2	\$416,820.80	\$34,735.07	\$21.53
YEAR 3	\$427,081.60	\$35,590.13	\$22.06
YEAR 4	\$437,729.64	\$36,477.47	\$22.61
YEAR 5	\$448,764.84	\$37,397.07	\$23.18
YEAR 6	\$459,993.60	\$38,332.80	\$23.76
YEAR 7	\$471,416.00	\$39,284.67	\$24.35

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: South Carolina Department of Health and Human Services Lease of 2701 Alex Lee Boulevard, Florence, SC

The following chart represents comparable lease rates of similar space in the Florence area:

Tenant	Location	Type	Rate /SF
Vacant	1831 E. Evans St	Gross	\$22.50
Vacant	2300 David H. McLeod Blvd	Negotiable	\$22.00
Vacant	1100 Woody Jones Blvd	Negotiable	\$22.00
Vacant	1001 S. Irby St	Negotiable	\$22.00
Vacant	383 W. Cheves St	NNN	\$20.00

*The above rates are subject to base rent and operating expense escalations

HHS has adequate funds for the lease according to a Budget Approval Form submitted October 18, 2019, which also includes a multi-year plan. Lease payments will be made from state appropriations (27.78%), federal funding (62.22%), and other restricted funds (10%). No option to purchase the property is included in the lease. Joint Bond Review Committee approved this lease at its meeting of December 3, 2019.

AUTHORITY ACTION REQUESTED:

As recommended by the Department of Administration, Facilities Management and Property Services, approve the Department of Health and Human Services lease of approximately 19,360 rentable square feet located at 2701 Alex Lee Boulevard in Florence.

ATTACHMENTS:

Agenda item worksheet; Letter from HHS dated November 22, 2019; SC Code of Laws Sections 1-11-55 and 1-11-56

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: December 10, 2019

Regular Agenda

1. Submitted by:

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


Ashlie Lancaster, Director

- 2. Subject:** South Carolina Department of Health and Human Services Lease of 2701 Alex Lee Blvd., Florence, SC
-

3. Summary Background Information:

The South Carolina Department of Health and Human Services ("HHS") requests approval to lease approximately 19,360 rentable square feet located at 2701 Alex Lee Boulevard in Florence from the American National Insurance Company ("Landlord").

HHS is in the process of implementing a new Medicaid Eligibility Determination System that will require a significant increase in eligibility application processors and staff retraining. The HHS plan to provide the statewide infrastructure to accommodate this increase is to create regional processing sites. Additionally, HHS desires to consolidate the new regional Medicaid processing center with the local BabyNet and Community Long Term Care ("CLTC") programs which are currently housed in 7,200 square feet at 201 North Dozier Boulevard in Florence.

State agencies were contacted to verify that no adequate state space was available. In soliciting for commercial space, six responses were received, of which only two could provide sufficient space. The other four were deemed non-responsive based on space requirements, security, and parking. Of the remaining two proposals, the proposed Landlord was the least expensive as the location includes the provision of at least 169 cubicles, eliminating the need for such furniture expenditures. Additionally, the proposed Landlord can accommodate all needed space in one location with minimal upfit and adequate parking facilities.

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The rent, with annual escalations, over the term of the lease is as follows:

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Vacant	1001 S. Irby St	Negotiable	\$22.00
Vacant	383 W. Cheves St	NNN	\$20.00

*The above rates are subject to base rent and operating expense escalations.

HHS has adequate funds for the lease according to a Budget Approval Form submitted October 18, 2019, which also includes a multi-year plan. Lease payments will be made from state appropriations (27.78%), federal funding (62.22%), and other restricted funds (10%). No option to purchase the property is included in the lease. Joint Bond Review Committee approved this lease at its meeting of December 3, 2019.

4. **What is the Authority asked to do?** Approve the proposed seven-year lease.

5. **What is recommendation of the Division of Facilities Management and Property Services?** Approval of the proposed seven-year lease.

6. **List of Supporting Documents:**

- (a) Letter from HHS
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56

November 22, 2019

Ms. Ashlie Lancaster
South Carolina Department of Administration
Real Property Services
1200 Senate Street, Suite 460
Columbia, South Carolina 29201

RE: Lease for 2701 Alex Lee Boulevard, Florence, SC

Dear Ms. Lancaster:

The South Carolina Department of Health and Human Services (SCDHHS) administers the state's Medicaid program, which pays for health care coverage for approximately one million South Carolinians. SCDHHS makes final decisions and eligibility determinations for individuals applying for Medicaid services. We receive approximately 1,200 Medicaid applications per day. In addition to processing applications, SCDHHS eligibility staff must maintain and annually review all beneficiary information.

SCDHHS is in the next phase of the complex Medicaid Eligibility Determination System replacement that will impact both work volume and productivity and require a significant increase in staff to maintain state and federal timeliness and accuracy standards for processing and reviewing Medicaid applications. This system implementation will require statewide staff retraining and rigorous quality assurance during system transition. To provide the statewide infrastructure necessary to house additional eligibility application processors, training, and support staff in a manner that affords the state both flexibility and timeliness, SCDHHS opted to procure several regional processing sites. We sought and received approval last year from the JBRC and SFAA to lease office space for two processing center locations—one in Columbia and the other in Spartanburg. These processing centers are now up and running with approximately 300 and 150 staff respectively.

SCDHHS' next regional processing center for which we seek approval to lease office space is in Florence. Therefore, SCDHHS requests approval by the Joint Bond Review Committee (JBRC) and the State Fiscal Accountability Authority (SFAA) at its upcoming meetings to consider a seven-year lease with the American National Insurance Company for approximately 19,360 square feet of office space located at 2701 Alex Lee Boulevard. This space will house approximately 180 staff for SCDHHS' Florence regional Medicaid processing center and Community Long Term Care (CLTC) and BabyNet programs. Training and conference room space will also be included. This space meets SCDHHS' needs for approximately 180 staff, with minimal upfit. It allows SCDHHS' processing center staff and CLTC and BabyNet programs to

Ms. Lancaster
November 22, 2019
Page Two

be in one location without the need for other leased space. Currently SCDHHS is in a month to month lease for its CLTC and BabyNet programs in space located at 201 N. Dozier Boulevard and 300 Rainbow Drive, respectively. SCDHHS will not renew these leases.

We received a total of six proposals in response to our solicitations for the processing center and CLTC/BabyNet space and conducted site visits of each location. After evaluations, we concluded that the 2701 Alex Lee Boulevard property best meets our needs. We considered the following in our decision-making: minimal up fit needed, furniture included, one location to house all three programs, and meets our parking needs.

This is a proposed seven-year lease with a base rate beginning at \$21.00/sq. ft. in the first year and increases 2.5% each year thereafter.

Thank you for your consideration of our request and let us know if you need any additional information.

Sincerely,



Joshua D. Baker

cc: Gary Anderson
Shawn DeJames

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

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

(2) The Division of General Services of the Department of Administration is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this section. However, a technical college, with the approval by the State Board for Technical and Comprehensive Education, and a public institution of higher learning, may enter into any lease agreement or renew any lease agreement up to one hundred thousand dollars annually for each property or facility.

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

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

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

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

Code Commissioner's Note

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

Effect of Amendment

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

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

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

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

(A) The Division of General Services of the Department of Administration, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of a governmental body. The department must submit regulations for the implementation of this section to the General Assembly as provided in the Administrative Procedures Act, Chapter 23, Title 1. The department's regulations, upon General Assembly approval, shall include procedures for:

- (1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;
- (2) establishing standards for the quality and quantity of space to be leased by a requesting agency;
- (3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:
 - (a) a nonappropriation for the renting agency;
 - (b) a dissolution of the agency; and

- (c) the availability of public space in substitution for private space being leased by the agency;
- (4) rejecting an agency's request for additional space or space at a specific location, or both;
- (5) directing agencies to be located in public space, when available, before private space can be leased;
- (6) requiring the agency to submit a multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and
- (7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.

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

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

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

Effect of Amendment

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

AGENCY: State Fiscal Accountability Authority, Insurance Reserve Fund

SUBJECT: Insurance Rates

The Insurance Reserve Fund (IRF) has as its mission the provision of property and liability insurance coverage at the lowest possible cost for its insureds. The IRF has worked diligently to avoid rate increases.

In March 2017, IRF communicated to the Authority the actuarial recommendation for several years of rate increases, and recommended in the first phase to implement a property rate increase for the Seacoast and Beach areas beginning July 1, 2017. At that time, IRF also reported the actuarial recommendation for taking rate increases in Property, Tort Liability and Medical Professional Liability in the future to be phased in over a 4-year period. Following that recommendation, and based on updated information, annually IRF has returned to the Authority for rate increases for multiple lines. The second year of the phased in rate increases became effective beginning July 1, 2018; the third year of the phased in approach rate increases became effective July 1, 2019.

Again, following that recommendation for the phased in approach, and based on updated information, the actuaries have determined the need for an overall rate increase of 18% to be applied to multiple lines as outlined on the chart, and to become effective beginning July 1, 2020.

IRF staff will be available to brief the Authority on the rate increase status.

AGENCY: State Fiscal Accountability Authority, Insurance Reserve Fund

SUBJECT: Insurance Rates

Rate Impact Projection Percentages For Insurance Lines

Insurance Line	Rate Increase %	Rate Increase %
	State	Non- State
Business Interruption (B)	0	0
Data Processing (D)	0	0
Building & Personal Property (F)	0	0
Builders Risk (R)	0	0
Inland Marine (M)	0	0
Auto Comprehensive & Collision (C)	18%	18%
General Tort Liability (T)		
Law Enforcement Exposure	252%	50%
All Remaining Exposures	40%	20%
Optional Pre-Paid Legal Extension	100%	200%
Auto Liability (L)	0	0
School Bus Liability (S)	0	0
Professional Medical Liability (P)	18%	18%
Underground Storage Tank Liability (U)	0	0

AUTHORITY ACTION REQUESTED:

Approve the recommended rate increases.

ATTACHMENTS:

Agenda item worksheet

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: December 10, 2019

1. Submitted By:

(a) Agency: SFAA Insurance Reserve Fund

(b) Authorized Official Signature:



2. Subject: Insurance Rates

3. Summary Background Information:

The Insurance Reserve Fund (IRF) has as its mission the provision of property and liability insurance coverage at the lowest possible cost for its insureds. The IRF has worked diligently to avoid rate increases.

In March 2017, IRF communicated to the Authority the actuarial recommendation for several years of rate increases, and recommended in the first phase to implement a property rate increase for the Seacoast and Beach areas beginning July 1, 2017. At that time, IRF also reported the actuarial recommendation for taking rate increases in Property, Tort Liability and Medical Professional Liability in the future to be phased in over a 4 year period. Following that recommendation, and based on updated information, annually IRF has returned to the Authority for rate increases for multiple lines. The second year of the phased in rate increases became effective beginning July 1, 2018; the third year of the phased in approach rate increases became effective July 1, 2019.

Again, following that recommendation for the phased in approach, and based on updated information, the actuaries have determined the need for an overall rate increase of 18% to be applied to multiple lines as outlined on the chart, and to become effective beginning July 1, 2020.

IRF staff will be available to brief the Authority on the rate increase status.

Rate Impact Projection Percentages For Insurance Lines

Insurance Line	Rate Increase %	Rate Increase %
	State	Non- State
Business Interruption (B)	0	0
Data Processing (D)	0	0
Building & Personal Property (F)	0	0
Builders Risk (R)	0	0
Inland Marine (M)	0	0
Auto Comprehensive & Collision (C)	18%	18%
General Tort Liability (T)		
Law Enforcement Exposure	252%	50%
All Remaining Exposures	40%	20%
Optional Pre-Paid Legal Extension	100%	200%
Auto Liability (L)	0	0
School Bus Liability (S)	0	0
Professional Medical Liability (P)	18%	18%
Underground Storage Tank Liability (U)	0	0

4. **What is Authority asked to do?**
Approve the recommended increases.

5. **What is recommendation of the Agency involved?**
Approve the recommended increases.

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

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

7. **List of Supporting Documents:**

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audits and Certifications

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

- a. Coastal Carolina University:** supplies and services¹, \$400,000* per commitment; information technology², \$150,000* per commitment; revenue generating contracts, \$1,500,000* per commitment; construction contract award, \$300,000 per commitment; construction contract change order, \$200,000 per change order; architect/engineer contract amendment, \$75,000 per amendment.

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

¹ Supplies and Services includes non-IT Consulting, and Printing Services

² Information technology includes consultant assistance for any aspect of information technology, systems and networks

The internal controls of the Coastal Carolina's procurement system are adequate to ensure compliance, in all material respects, with the South Carolina Procurement Code and ensuing regulations as described in the audit report. The Division recommends the State Fiscal Accountability Authority approve procurement certification for Coastal Carolina University at the limited noted above for a period of three years.

- b. Greenville Technical College:** supplies and services¹, \$250,000* per commitment; information technology², \$150,000*per commitment; construction contract award, \$100,000 per commitment; construction contract change order, \$50,000 per change order; architect-engineer contract amendment, \$25,000 per amendment.

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

¹ Supplies and Services includes non-IT Consulting, and Printing Services

² Information technology includes consultant assistance for any aspect of information technology, systems and networks

The internal controls of Greenville Technical College's procurement system are adequate to ensure compliance, in all material respects, with the South Carolina Consolidated Procurement Code and ensuing regulation as described in the audit report. The Division recommends the State Fiscal Accountability Authority grant Greenville Technical College procurement certification at the limits noted above.

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audits and Certifications

- c. Department of Transportation:** supplies, \$1,000,000* per commitment; services¹, \$500,000* per commitment; information technology², \$100,000* per commitment; construction contract award, \$500,000 per commitment; construction contract change order, \$100,000 per change order; architect/engineer contract amendment, \$25,000 per amendment.

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

¹ Supplies and Services includes non-IT Consulting, and Printing Services

² Information technology includes consultant assistance for any aspect of information technology, systems and networks

The internal controls of the SC Department of Transportation's procurement system are adequate to ensure compliance, in all material respects, with the South Carolina Consolidated Procurement Code and ensuing regulation as described in the audit report. The Division recommends the State Fiscal Accountability Authority grant the SC Department of Transportation with procurement certification at the limits noted above.

AUTHORITY ACTION REQUESTED:

Grant 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. Coastal Carolina University:** supplies and services¹, \$400,000* per commitment; information technology², \$150,000* per commitment; revenue generating contracts, \$1,500,000* per commitment; construction contract award, \$300,000 per commitment; construction contract change order, \$200,000 per change order; architect/engineer contract amendment, \$75,000 per amendment.

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

¹ Supplies and Services includes non-IT Consulting, and Printing Services

² Information technology includes consultant assistance for any aspect of information technology, systems and networks

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audits and Certifications

- b. Greenville Technical College:** supplies and services¹, \$250,000* per commitment; information technology², \$150,000*per commitment; construction contract award, \$100,000 per commitment; construction contract change order, \$50,000 per change order; architect-engineer contract amendment, \$25,000 per amendment..

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

¹ Supplies and Services includes non-IT Consulting, and Printing Services

² Information technology includes consultant assistance for any aspect of information technology, systems and networks

- c. Department of Transportation:** supplies, \$1,000,000* per commitment; services¹, \$500,000* per commitment; information technology², \$100,000* per commitment; construction contract award, \$500,000 per commitment; construction contract change order, \$100,000 per change order; architect/engineer contract amendment, \$25,000 per amendment.

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

¹ Supplies and Services includes non-IT Consulting, and Printing Services

² Information technology includes consultant assistance for any aspect of information technology, systems and networks

ATTACHMENTS:

Agenda item worksheets and attachments

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting scheduled for: December 10, 2019

Green Agenda

1. Submitted by:

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


John St. C. White, Materials Management Officer

2. Subject: Procurement Certification for Coastal Carolina University

3. Summary Background Information:

In accordance with S.C. Code Ann. §11-35-1210, the Division of Procurement Services has conducted an examination of the procurement operating policies and procedures of Coastal Carolina University to determine whether the internal controls of Coastal Carolina University's procurement system were adequate to ensure compliance, in all material respects, with the S.C. Consolidated Procurement Code and ensuing regulations.

	<u>Current Certification</u>	<u>Recommended Certification</u>
I. Supplies and Services ¹	*\$ 300,000 Per Commitment	*\$ 400,000 Per Commitment
II. Information Technology ²	*\$ 50,000 Per Commitment	*\$ 150,000 Per Commitment
III. Consultant Services	*\$ 200,000 Per Commitment	\$ -- Per Commitment
IV. Revenue Generating Contracts	*\$ 1,000,000 Per Commitment	*\$ 1,500,000 Per Commitment
V. Construction Contract Award	\$ 200,000 Per Commitment	\$ 300,000 Per Commitment
VI. Construction Contract Change Order	\$ 150,000 Per Change Order	\$ 200,000 Per Change Order
VII. Architect/Engineer Contract Amendment	\$ 50,000 Per Amendment	\$ 75,000 Per Amendment

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

The internal controls of Coastal Carolina University's procurement system are adequate to ensure compliance, in all material respects, with the South Carolina Consolidated Procurement Code and ensuing regulations as described in the audit report. We recommend the State Fiscal Accountability Authority approve procurement certification for Coastal Carolina University at the limits noted above for a period of three years.

4. What is Authority asked to do?

Approve the Recommended Procurement Certification for Coastal Carolina University.

5. What is recommendation of Authority division involved?

Approve the Recommended Procurement Certification

6. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. List of supporting documents:

- (a) S.C. Code Ann. § 11-35-1210

¹ Supplies and Services includes non-IT Consulting, and Printing Services

² Information Technology includes consultant assistance for any aspect of information technology, systems and networks


**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting scheduled for: December 10, 2019

Green Agenda

1. Submitted by:

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


John St. C. White, Materials Management Officer

2. Subject: Procurement Certification for Greenville Technical College

3. Summary Background Information:

In accordance with S.C. Code Ann. §11-35-1210, the Division of Procurement Services audited the procurement operating policies and procedures of Greenville Technical College to determine whether the internal controls of Greenville Technical College's procurement system were adequate to ensure compliance, in all material respects, with the S.C. Consolidated Procurement Code and ensuing regulations.

	<u>Current Certification</u>	<u>Recommended Certification</u>
I. Supplies and Services ¹	*\$ 250,000 Per Commitment	*\$ 250,000 Per Commitment
II. Information Technology ²	*\$ 150,000 Per Commitment	*\$ 150,000 Per Commitment
III. Consultant Services	*\$ 250,000 Per Commitment	\$ -- Per Commitment
IV. Construction Contract Award	\$ 100,000 Per Commitment	\$ 100,000 Per Commitment
V. Construction Contract Change Order	\$ 50,000 Per Change Order	\$ 50,000 Per Change Order
VI. Architect-Engineer Contract Amendment	\$ 25,000 Per Amendment	\$ 25,000 Per Amendment

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

The internal controls of Greenville Technical College's procurement system are adequate to ensure compliance with the South Carolina Consolidated Procurement Code and ensuing regulations as described in the audit report. We recommend the State Fiscal Accountability Authority approve procurement certification for Greenville Technical College at the limits noted above for a period of three years.

4. What is Authority asked to do?

Approve the Recommended Procurement Certification for Greenville Technical College.

5. What is recommendation of Authority division involved?

Approve the Recommended Procurement Certification

6. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. List of supporting documents:

- (a) S.C. Code Ann. §11-35-1210

¹ Supplies and Services includes non-IT Consulting, and Printing Services

² Information Technology includes consultant assistance for any aspect of information technology, systems and networks

**STATE FISCAL ACCOUNTABILITY AUTHORITY
AGENDA ITEM WORKSHEET**

Meeting scheduled for: December 10, 2019

Green Agenda

1. Submitted by:

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


John St. C. White, Materials Management Officer

2. Subject: Procurement Certification for the South Carolina Department of Transportation

3. Summary Background Information:

In accordance with S.C. Code Ann. §11-35-1210, the Division of Procurement Services has conducted an examination of the procurement operating policies and procedures of the South Carolina Department of Transportation to determine whether the internal controls of the Department's procurement system were adequate to ensure compliance, in all material respects, with the S.C. Consolidated Procurement Code and ensuing regulations.

	<u>Current Certification</u>	<u>Recommended Certification</u>
I. Supplies	*\$ 1,000,000 Per Commitment	*\$ 1,000,000 Per Commitment
II. Services ¹	*\$ 500,000 Per Commitment	*\$ 500,000 Per Commitment
III. Information Technology ²	*\$ 100,000 Per Commitment	*\$ 100,000 Per Commitment
IV. Consultant Services	*\$ 100,000 Per Commitment	\$ -- Per Commitment
V. Construction Contract Award	\$ 500,000 Per Commitment	\$ 500,000 Per Commitment
VI. Construction Contract Change Order	\$ 100,000 Per Change Order	\$ 100,000 Per Change Order
VII. Architect/Engineer Contract Amendment	\$ 25,000 Per Amendment	\$ 25,000 Per Amendment

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

The internal controls of the South Carolina Department of Transportation's procurement system are adequate to ensure compliance, in all material respects, with the South Carolina Consolidated Procurement Code and ensuing regulations as described in the audit report. We recommend the State Fiscal Accountability Authority approve procurement certification for the South Carolina Department of Transportation at the limits noted above for a period of three years.

4. What is Authority asked to do?

Approve the Recommended Procurement Certification for the South Carolina Department of Transportation.

5. What is recommendation of Authority division involved?

Approve the Recommended Procurement Certification

6. Recommendation of other office (as required)?

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

7. List of supporting documents:

- (a) S.C. Code Ann. § 11-35-1210

¹ Supplies and Services includes non-IT Consulting, and Printing Services

² Information Technology includes consultant assistance for any aspect of information technology, systems and networks

§ 11-35-1210. Certification

- (1) Authority. The board may assign differential dollar limits below which individual governmental bodies may make direct procurements not under term contracts. The designated board office shall review the respective governmental body's internal procurement operation, shall certify in writing that it is consistent with the provisions of this code and the ensuing regulations, and recommend to the board those dollar limits for the respective governmental body's procurement not under term contract.
- (2) Policy. Authorizations granted by the board to a governmental body are subject to the following:
 - (a) adherence to the provisions of this code and the ensuing regulations, particularly concerning competitive procurement methods;
 - (b) responsiveness to user needs;
 - (c) obtaining of the best prices for value received.
- (3) Adherence to Provisions of the Code. All procurements shall be subject to all the appropriate provisions of this code, especially regarding competitive procurement methods and nonrestrictive specifications.

AGENCY: Office of Executive Director

SUBJECT: Bank Account Transparency and Accountability

Proviso 117.82 of the Fiscal Year 2019-20 Appropriations Act requires agencies with composite reservoir bank accounts or other accounts which are not included in the South Carolina Enterprise Information System (SCEIS) to prepare a report disclosing transaction information from the prior fiscal year. State institutions of higher learning are exempted from this requirement. The proviso also provides for an agency to petition the State Fiscal Accountability Authority for an exemption from the detailed reporting requirements if release of the information would be detrimental to the state or agency. Agencies exempted from the detailed transaction reporting by action of the former Budget and Control Board must provide the following information for each account: 1) Name of the account; 2) Names and titles of each person responsible for making withdrawals and deposits in the account; 3) Names and titles of each person responsible for reconciling each account; 4) the beginning balance, total deposits, total expenditures and year-end balance of the account.

The SFAA Office of Executive Director requested state agencies to provide the required reports by October 1, 2019. The reports received from the various state agencies have been submitted to the Comptroller General's Office to be posted on its website. Attached is a list of those agencies which submitted a report in accordance with Proviso 117.82 of the FY 2019 -20 Appropriations Act.

One agency has requested an exemption from the reporting requirements of Proviso 117.82:

South Carolina Department of Public Safety

AUTHORITY ACTION REQUESTED:

- a) Receive as information the list of agencies which have submitted reports in accordance with Proviso 117.82, concerning bank account transparency and accountability.
- b) Grant approval for the SC Department of Public Safety request for exemption from the detailed reporting requirements of Proviso 117.82 except for the following information 1) Name of the account; 2) Names and titles of each person responsible for making withdrawals and deposits in the account; 3) Names and titles of each person responsible for reconciling each account; 4) the beginning balance, total deposits, total expenditures and year-end balance of the account.
- c) Request the State Auditor's Office to continue to include a review of agency composite accounts when performing audits of agencies.

ATTACHMENTS:

Agenda item worksheet; Proviso 117.82; Summary of Agency responses

H. 4000

General Appropriations Bill for Fiscal Year 2019-2020 Ratified Version

PART IB

SECTION 117 - X900 - GENERAL PROVISIONS

117.82. (GP: Bank Account Transparency and Accountability) Each state agency, except state institutions of higher learning, which has composite reservoir bank accounts or any other accounts containing public funds which are not included in the Comptroller General's South Carolina Enterprise Information System shall prepare a report for each account disclosing every transaction of the account in the prior fiscal year. The report shall be submitted to the State Fiscal Accountability Authority by October first of each fiscal year. The report shall include the name(s) and title(s) of each person authorized to sign checks or make withdrawals from each account, the name and title of each person responsible for reconciling each account, the beginning and year-end balance of funds in each account, and data related to both deposits and expenditures of each account. The report shall include, but not be limited to, the date, amount, and source of each deposit transaction and the date, name of the payee, the transaction amount, and a description of the goods or services purchased for each expenditure transaction. To facilitate review, the State Fiscal Accountability Authority shall prescribe a common format for the report which agencies must use. In order to promote accountability and transparency, a link to the report shall be posted on the Comptroller General's website as well as the agency's homepage.

When the State Auditor conducts or contracts for an audit of a state agency, accounts of the agency subject to this proviso must be included as part of the review.

If an agency determines that the release of the information required in this provision would be detrimental to the state or the agency, the agency may petition the State Fiscal Accountability Authority to grant the agency an exemption from the reporting requirements for the detrimental portion. The meeting to determine whether an exemption should be granted shall be closed. However, the exemption may only be granted upon a majority vote of the State Fiscal Accountability Authority in a public meeting.

FY 2018-2019 AGENCY COMPOSITE BANK ACCOUNTS

AGENCY	EXEMPTION REQUESTED	EXEMPTION GRANTED	REPORT RECEIVED
ADJUTANT GENERAL'S OFFICE	NO		YES
ARTS COMMISSION	NO		YES
ATTORNEY GENERAL'S OFFICE	YES	YES	YES
DEPARTMENT OF COMMERCE	NO		YES
DEPARTMENT OF COMMERCE - PALMETTO RAILWAYS	NO		YES
DEPARTMENT OF CORRECTIONS	YES	YES	YES
DEPARTMENT OF DISABILITIES & SPECIAL NEEDS	YES	YES	YES
DEPARTMENT OF EDUCATION (GOV SCHOOL S&M)	NO		YES
DEPARTMENT OF HEALTH & HUMAN SERVICES	NO		YES
DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL	NO		YES
DEPARTMENT OF JUVENILE JUSTICE	YES	YES	YES
DEPARTMENT OF LABOR,LICENSING AND REGULATION	NO		YES
DEPARTMENT OF MOTOR VEHICLES	YES	YES	YES
DEPARTMENT OF NATURAL RESOURCES	YES	YES	YES
DEPARTMENT OF PARKS RECREATION AND TOURISM	NO		YES
DEPARTMENT OF PUBLIC SAFETY	YES	Request submitted for new account	YES
DEPARTMENT OF REVENUE	YES	YES	YES
DEPARTMENT OF SOCIAL SERVICES	YES	YES	YES
DEPARTMENT OF TRANSPORTATION	NO		YES
GOVERNOR'S MANSION AND GROUNDS	NO		YES
JOBS ECONOMIC DEVELOPMENT AUTHORITY	NO		YES
JOHN DE LA HOWE SCHOOL	YES	YES	YES
SC LAW ENFORCEMENT DIVISION	YES	YES	YES
SCHOOL FOR THE DEAF AND BLIND	NO		YES
SECRETARY OF STATE	NO		YES
STATE MUSEUM	NO		YES
VOCATIONAL REHABILITATION DEPARTMENT	YES	YES	YES
WIL LOU GRAY OPPORTUNITY SCHOOL	YES	YES	YES



S. C. DEPARTMENT OF PUBLIC SAFETY

P.O. Box 1993 Blythewood, SC 29016

TO: Grant Gillespie
Executive Director
SC State Fiscal Accountability Authority

FROM: Karl Boston *KB*
Chief financial Officer

DATE: September 27, 2019

RE: Composite Account Exemption Request
Bank Account Transparency and Accountability (Proviso 117.82)

Based on the confidential nature of the transactions involving account number 4013030903, we are requesting an exemption from reporting the details of this composite account which was established to issue "buy" money for our Immigration Enforcement Unit (IEU). I have attached a copy of our policy on the Use of Confidential Informants along with a section of the Standard Operating Procedures governing agency investigations involving the use of "buy" money. This composite checking account is utilized by our Accounts Payable department to distribute checks that are cashed by members of the IEU as needed to deter, disrupt and eliminate criminal activity associated with illegal immigration by enforcing immigration laws pursuant to Federal and State statutes. The IEU provides documentation and requests to receive "buy" money to purchase fraudulent documents and our revenue department reconciles the monthly bank statements.

Please call me at 803-896-8605 if you have any questions or need additional information.

AGENCY: Executive Director

SUBJECT: Qualified Public Educational Facilities (2019 Volume Cap Carryforward)

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

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

(B) Allocation rules.

....

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

The volume cap for calendar year 2019 is \$50,841,270 and has been unused. The Authority is asked to elect to carryforward the entire volume cap for 2019 to be used for the issuance of bonds for qualified public educational facilities as described in Section 142(a)(13) and authorize the filing of a carryforward election with the Internal Revenue Service in connection with such allocation. Pursuant to Section 142(k)(5)(B)(ii) the carryforward will be valid for the next three calendar years.

AUTHORITY ACTION REQUESTED:

Approve the carryforward of the unused volume cap allocation for qualified public educational facilities for calendar year 2019 to be used for the issuance of such bonds and authorize the filing of a carryforward election with the Internal Revenue Service in connection with such allocation to be valid for the next three calendar years.

ATTACHMENTS:

Internal Revenue Code 26 U.S.C. Section 142; Certification of 2019 State Ceiling for Qualified Public Educational Facilities Bonds

26 U.S.C.

United States Code, 2011 Edition

Title 26 - INTERNAL REVENUE CODE

Subtitle A - Income Taxes

CHAPTER 1 - NORMAL TAXES AND SURTAXES

Subchapter B - Computation of Taxable Income

PART IV - TAX EXEMPTION REQUIREMENTS FOR STATE AND LOCAL BONDS

Subpart A - Private Activity Bonds

Sec. 142 - Exempt facility bond

From the U.S. Government Printing Office, www.gpo.gov**§142. Exempt facility bond****(a) General rule**

For purposes of this part, the term “exempt facility bond” means any bond issued as part of an issue 95 percent or more of the net proceeds of which are to be used to provide—

- (1) airports,
- (2) docks and wharves,
- (3) mass commuting facilities,
- (4) facilities for the furnishing of water,
- (5) sewage facilities,
- (6) solid waste disposal facilities,
- (7) qualified residential rental projects,
- (8) facilities for the local furnishing of electric energy or gas,
- (9) local district heating or cooling facilities,
- (10) qualified hazardous waste facilities,
- (11) high-speed intercity rail facilities,
- (12) environmental enhancements of hydroelectric generating facilities,
- (13) qualified public educational facilities,
- (14) qualified green building and sustainable design projects, or
- (15) qualified highway or surface freight transfer facilities.

(b) Special exempt facility bond rules

For purposes of subsection (a)—

(1) Certain facilities must be governmentally owned**(A) In general**

A facility shall be treated as described in paragraph (1), (2), (3), or (12) of subsection (a) only if all of the property to be financed by the net proceeds of the issue is to be owned by a governmental unit.

AGENCY: Executive Director

SUBJECT: JEDA, The Heritage at Forest Acres, LLC Project Ceiling Allocation Request

Pursuant to SC Code of Laws Section 1-11-500 et seq., the Jobs-Economic Development Authority (JEDA) has filed a petition with the State Fiscal Accountability Authority (the Authority) requesting a tentative ceiling allocation for The Heritage at Forest Acres, LLC, project in the amount of \$60,000,000.

On August 13, 2019, the Authority granted JEDA's request for a tentative ceiling allocation for The Heritage at Forest Acres, LLC, project in the amount of \$60,000,000 with an expiration date of November 11, 2019. On October 15, 2019, the Authority extended the expiration date of the allocated \$60,000,000 volume cap from the State ceiling for thirty-one (31) days for calendar year 2019 which is December 12, 2019.

Bond counsel for the project has advised that it is anticipated that the bonds will price on or about December 10, 2019, and close in late December 2019. Bond counsel further advises that JEDA will allow the present allocation to expire, and pending approval of the request for state ceiling allocation on December 10, 2019, close the bond transaction by the end of calendar year 2019. The allocation request for the December 10, 2019, meeting is not in addition to the prior August 13, 2019 request.

AUTHORITY ACTION REQUESTED:

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

JEDA, The Heritage at Forest Acres, LLC Project, \$60,000,000 (Richland County)

ATTACHMENTS:

Witherspoon 12/2/19 letter; JEDA Petition; Young 12/3/19 memo

**HAYNSWORTH
SINKLER BOYD**

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ONE NORTH MAIN STREET, 2ND FLOOR
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GREENVILLE, SOUTH CAROLINA 29601
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www.hsblawfirm.com

KIMBERLY WITHERSPOON
DIRECT 864.240.3255
kwitherspoon@hsblawfirm.com

December 2, 2019

Delbert Singleton
State Fiscal Accountability Authority
601 Wade Hampton Office Building
Columbia, South Carolina 29201

Re: State Ceiling Allocation for South Carolina Jobs-Economic Development Authority Senior Living Revenue Bonds (The Heritage at Forest Acres Project), Series 2019

Dear Delbert:

Pursuant to the provisions of South Carolina Code Annotated, Title 1, Chapter 11 (1976), as amended (the "Act"), \$60,000,000 from the state ceiling was allocated on August 13th, and in accordance with Section 1-11-560 of the Act the State Fiscal Accountability Authority granted a 31 day extension on October 15th, which will expire on December 12th.

As a result of the financing schedule, The Heritage at Forest Acres Properties, LLC, as Borrower, anticipates that the above-referenced Bonds will price on or about December 10, 2019 and close in late December 2019.

Therefore, the South Carolina Jobs-Economic Development Authority will allow the present allocation to expire, and pending approval of the request for state ceiling allocation on December 10th, close the Bond transaction by the end of calendar year 2019. The allocation request for the December 10, 2019 meeting is not in addition to the prior August 13th request.

Sincerely yours,



Kimberly Witherspoon

KW/lc

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

TO THE STATE FISCAL)
)
ACCOUNTABILITY AUTHORITY)
_____)

PETITION OF SOUTH
CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY

This Petition of the South Carolina Jobs-Economic Development Authority (the "*Authority*"), pursuant to South Carolina Code Annotated, Title 1, Chapter 11 (1976), as amended (the "*Act*"), respectfully shows:

1. The Act, among other things authorizes the State Fiscal Accountability Authority (the "*SFAA*") to allocate the State of South Carolina's (the "*State*") ceiling on the issuance of private activity bonds in response to authorized requests from issuing authorities.

2. Each State ceiling allocation made by the SFAA, unless eligible and approved for carry-forward election, is valid only for the calendar year in which the State ceiling allocation is made and expires automatically if the bonds for which the allocation is made are not issued within ninety (90) consecutive calendar days from the date the allocation is approved.

3. The Authority has agreed to assist The Heritage at Forest Acres Properties, LLC and The Heritage at Forest Acres Management Company, LLC, each a Florida limited liability company (collectively, the "*Borrower*"), by issuing its revenue bonds in one or more tax-exempt and taxable series in order to defray the cost to (i) acquire approximately 26.49 acres of land in Richland County, South Carolina, located at 1348 Sunnyside Drive, Forest Acres, South Carolina; (ii) construct, develop and equip an assisted living and memory care rental community for seniors to be known as The Heritage at Forest Acres, expected to consist of approximately one hundred seventy (170) total units of senior housing, including forty (40) independent living cottages, eighty-eight (88) assisted living units and forty-two (42) memory support units (the "*Project*"); (iii) fund capitalized interest on the Bonds; (iv) funding a working capital fund; (v) funding a liquidity support fund; and (vi) fund the cost of issuance of the Bonds. The Authority has petitioned the South Carolina Coordinating Council for Economic Development for approval of the Bonds, pursuant to Section 41-43-110 of the Code of Laws of South Carolina 1976, as amended.

4. The Project is expected to be a qualified residential rental project as described under Section 142 of the Internal Revenue Code (the "*Code*").

5. The Bonds to be issued for the Project require an allocation of \$60,000,000 of the State ceiling. The Bonds constitute all of the private activity bond financing contemplated for the Project as of the date of this Petition.

Upon the basis of the foregoing, the Authority respectfully prays that the SFAA (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such review as it deems advisable and (iii) allocate to the Bonds \$60,000,000 from the state ceiling as established by the Tax Reform Act of 1986 and the Internal Revenue Code of 1986, as amended, for calendar year 2019.

Respectfully submitted,

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

By: 
Harry A. Huntley
Executive Director

Dated: December 2, 2019



Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Robert M. Hitt III
Secretary

MEMORANDUM

To: Delbert Singleton

From: Daniel Young *AOY*

Date: December 3, 2019

Re: December 10, 2019 Meeting

At the request of SC State Fiscal Accountability Authority, the South Carolina Department of Commerce evaluates allocation requests that pertain to economic development.

After reviewing information provided by Haynesworth Sinkler Boyd, P. A., regarding a senior housing project the Department of Commerce recommends approval of this project at December 10, 2019, meeting of the State Fiscal Accountability Authority.

Name	Requested Amount	Score	County
Heritage at Forest Acres	\$60,000,000	5	Richland

Please let me know if you have any questions.

Thank you.

AGENCY: Executive Director

SUBJECT: Economic Development (2019 Ceiling Allocation and Carryforward)

The initial balance of the 2019 state ceiling allocation was \$533,833,335. In accord with Code Section 1-11-520, \$213,533,334 (40% of the total) was designated as the state pool and \$320,300,001 (60% of the total) was designated as the local pool. There is presently a state ceiling balance of \$443,833,335 remaining for 2019. Allocation requests for 2019 totaling \$200,000,000 have been received thus far.

- A. The Jobs-Economic Development Authority (JEDA) makes the following request for allocation:

JEDA, South Carolina Student Loan Corporation, \$100,000,000 (Richland County) (Palmetto Assistance Loan Program—to provide financial assistance for post-secondary education at the lowest possible cost to borrowers).

In accord with S.C. Code of Laws Section 1-11-500, et seq., JEDA has requested that the allocation of \$100,000,000 for the South Carolina Student Loan Corporation project be designated for carryforward for use in subsequent years. The project is a qualifying project (i.e., qualified student loan bonds) under Section 142 of the Internal Revenue Code and is eligible for carryforward for the next three calendar years. The Authority is asked to authorize the filing of a carryforward election with the Internal Revenue Service for the project.

If the Authority approves the recommended request, this will leave an unexpended state ceiling balance of \$343,833,335 (state pool - \$213,533,334; local pool - \$130,300,001) to be designated as carryforward at year end for use in subsequent years.

- B. The South Carolina State Housing Finance and Development Authority, pursuant to S.C. Code of Laws Section 1-11-500, et seq., has requested that any unallocated state ceiling balance remaining at the end of the calendar year be designated to the Authority as carryforward for use in subsequent years. The Authority is asked to allocate any remaining 2019 state ceiling balance at year-end to the South Carolina State Housing Finance and Development Authority for use in the issuance of bonds to provide housing to the members of State Housing's "beneficiary classes" (i.e., mortgage revenue bonds/mortgage credit certificates, and qualified residential rental bonds) for carryforward for the next three calendar years and authorize the filing of a carryforward election with the Internal Revenue Service.

AGENCY: Executive Director

SUBJECT: Economic Development (2019 Ceiling Allocations and Carryforward)

AUTHORITY ACTION REQUESTED:

- A. In accord with Code Section 1-11-500 et seq., grant the following tentative ceiling allocation from the local pool:

JEDA, South Carolina Student Loan Corporation, \$100,000,000 (Richland County); and designate the allocation of the \$100,000,000 for the South Carolina Student Loan Corporation project as carryforward for the next three calendar years and authorize the filing of a carryforward election with the Internal Revenue Service.

- B. Authorize the allocation of any remaining 2019 state ceiling balance at year-end to the South Carolina State Housing Finance and Development Authority for use in the issuance of bonds to provide housing to the members of State Housing's "beneficiary classes" (i.e., mortgage revenue bonds/mortgage credit certificates, and qualified residential rental bonds) for carryforward for the next three calendar years and authorize the filing of a carryforward election with the Internal Revenue Service.

ATTACHMENTS:

2019 Ceiling Allocation Requests; Foley 10/25/19 letter with attachment and Petition; Easton 10/28/19 letter with Petition; Code Section 1-11-500 et seq.

2019 South Carolina State Ceiling

Balance as of December 10, 2019, if ceiling allocation granted

State Pool (40%)	213,533,334
Total State Pool (40%)	<u><u>213,533,334</u></u>
Local Pool (60%)	320,300,001
Total Local Pool (60%)	<u><u>320,300,001</u></u>
Certified State Ceiling 2019	533,833,335

Date Allocated	Governmental Unit	Name of Project	Pool Total	Amount Allocated	Balance Available	Certified for Issue	Issue Date	Attorney
01/02/19	STATE POOL		213,533,334					
TOTAL, STATE POOL			<u><u>213,533,334</u></u>	<u><u>0</u></u>	<u><u>213,533,334</u></u>	<u><u>0</u></u>		
01/02/19	LOCAL POOL		320,300,001					
01/29/19	JEDA	The Muffin Mam, Inc.		10,000,000		10,000,000	03/12/19	McKinney
01/29/19	JEDA	Probitas Ventures, LLC		0		0	expired	McKinney
05/14/19	JEDA	Probitas Ventures, LLC		10,000,000		10,000,000		McKinney
08/13/19	JEDA	The Heritage at Forest Acres Properties		60,000,000				McKinney
10/15/19	JEDA	River Park Independent Living		10,000,000				Luther
12/10/19	JEDA	South Carolina Student Loan Corporation		100,000,000				Foley
TOTAL, LOCAL POOL			<u><u>320,300,001</u></u>	<u><u>190,000,000</u></u>	<u><u>130,300,001</u></u>	<u><u>20,000,000</u></u>		
GRAND TOTAL			<u><u>533,833,335</u></u>	<u><u>190,000,000</u></u>	<u><u>343,833,335</u></u>	<u><u>20,000,000</u></u>		

2019 Ceiling Allocation Requests

Recd.	Issuing Authority	Project	Request	Cumulative	Bond Counsel	Request		Location	NOTES
						Alloc	St.Law		
1	01/29/19	JEDA	The Muffin Mam, Inc.	10,000,000	10,000,000	Kathleen McKinnery	x		Laurens
2	01/29/19	JEDA	Probitas Ventures, LLC	10,000,000	20,000,000	Kathleen McKinnery	x		Marlboro
3	01/29/19	JEDA	Probitas Ventures, LLC	10,000,000	30,000,000	Kathleen McKinnery	x		Marlboro
4	08/13/19	JEDA	The Heritage at Forest Acres Properties	60,000,000	90,000,000	Kathleen McKinnery	x		Richland
5	09/03/19	JEDA	River Park Independent Living	10,000,000	100,000,000	Emily Luther	x		Horry
6	10/25/19	JEDA	South Carolina Student Loan Corporation	100,000,000	200,000,000	Rion Foley	x		Richland

2019 South Carolina State Ceiling Allocations

Summary, CY 2019

2019 State Ceiling	533,833,335
Initial Allocations	200,000,000
Expired/Relinquished	10,000,000
Actual Allocations	190,000,000
Certified for Issue	20,000,000
Carried Forward	0

Balance Available:	343,833,335
---------------------------	--------------------

Issuer	Name of Project	Allocation Amount	Expired/ Relinquished	Certified for Issue	Issue Date	Attorney
<u>Allocation: 1/29/19</u>						
	<u>Expiration: 4/29/19</u>					
JEDA	The Muffin Mam, Inc.	10,000,000		10,000,000	03/12/19	McKinney
JEDA	Probitas Ventures, LLC	10,000,000	10,000,000		expired	McKinney
<u>Allocation: 5/14/19</u>						
	<u>Expiration: 8/12/19</u>					
JEDA	Probitas Ventures, LLC	10,000,000		10,000,000	05/30/19	McKinney
<u>Allocation: 8/13/19</u>						
	<u>Expiration: 11/11/19</u>					
JEDA	The Heritage at Forest Acres Properties	60,000,000				McKinney
<u>Allocation: 10/15/19</u>						
	<u>Expiration: 12/31/19</u>					
JEDA	River Park Independent Living	10,000,000				Luther
<u>Allocation: 12/10/19</u>						
	<u>Expiration: CARRYFORWARD</u>					
JEDA	South Carolina Student Loan Corporation	100,000,000				Foley

Rion Foley
rfoley@burr.com
Direct Dial: (843) 973-6827
Direct Fax: (843) 805-6569

Burr & Forman LLP
100 Calhoun Street
Suite 400
Charleston, SC 29401

Mailing Address
Post Office Box 1431
Charleston, SC 29402

Office (843) 723-7831
Fax (843) 722-3227

BURR.COM

October 25, 2019

Via FedEx

Mr. Delbert H. Singleton, Jr.
Secretary
State Fiscal Accountability Authority
601 Wade Hampton Office Building
Columbia, SC 29201

Re: Request for Carryforward Election of 2019 Ceiling Allocation

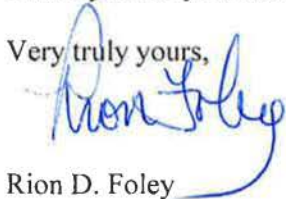
Dear Delbert:

Enclosed is one original and six copies of a Petition requesting a carryforward election of the State Fiscal Accountability Authority for the State of South Carolina Jobs-Economic Development Authority ("JEDA") (South Carolina Student Loan Corporation Project) and an original and six copies of JEDA's Inducement Resolution approving such Petition that was adopted by JEDA on October 16, 2019. Also enclosed is a memorandum explaining JEDA's need for 2019 ceiling allocation.

We would greatly appreciate if this matter could be placed on the agenda for the State Fiscal Accountability Authority's December 10, 2019 meeting.

Thank you for your assistance.

Very truly yours,



Rion D. Foley

RDF/mpc
Enclosure

Rion Foley
rfoley@burr.com
Direct Dial: (843) 973-6827
Direct Fax: (843) 805-6569

Burr & Forman LLP
100 Calhoun Street
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Charleston, SC 29401
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Fax (843) 722-3227

BURR.COM

MEMORANDUM

To: Delbert H. Singleton, Jr.
Secretary, State Fiscal Accountability Authority

From: Rion D. Foley
Bond Counsel, South Carolina Student Loan Corporation

Re: SC Jobs-Economic Development Authority Request for Carryforward Election
of 2019 Ceiling Allocation for the South Carolina Student Loan Corporation (the "Corporation")

Date: October 25, 2019

The purpose of this Memorandum is to provide information and context for SC Jobs-Economic Development Authority's ("JEDA") request that the State Fiscal Accountability Authority grant it, for the benefit of the South Carolina Student Loan Corporation, a carryforward allocation of a portion of the State of South Carolina's 2019 Private Activity Bond Ceiling Allocation ("Bond Ceiling"). It is the expectation that this request would draw from the portion of the Bond Ceiling that remains unallocated at the end of calendar year 2019. The request is for \$100,000,000 of Bond Ceiling. Bond Ceiling must either be allocated for the issuance of private activity bonds issued during the calendar year or must be allocated at the end of such calendar year on a carryforward basis to support the issuance of certain private activity bonds within the next three calendar years. At the end of a calendar year, unused Bond Ceiling that is not the subject of a carryforward allocation is lost to the State of South Carolina and cannot thereafter be retrieved. In the past JEDA has utilized Bond Ceiling that would otherwise have been lost for the benefit of JEDA borrowers. This request for Bond Ceiling has been coordinated with the SC State Housing Finance and Development Authority.

The Corporation has a loan program known as the Palmetto Assistance Loan Program. The Palmetto Assistance Loan Program provides financial assistance to South Carolina students and their parents at a lower average cost than national, for-profit lenders operating within the State of South Carolina. The average cost of attending South Carolina colleges and universities exceeds the amount of federal financial aid available to most families, and many students and parents borrow additional amounts through private, credit based loans (such as the Palmetto Assistance Loan Program loans) that are disbursed to the school to fill this gap. For the 2018/2019 academic year, South Carolina students and parents borrowed \$193 million through this type of loan product. The Corporation accounted for 11% of this volume.

As the nonprofit, state based student loan lender for the State of South Carolina, the Corporation's objective is to provide financial assistance for post-secondary education at the lowest possible cost to borrowers. Currently, the Corporation's Palmetto Assistance Loan Program offers an average interest rate that is 3% lower than for-profit lenders operating in the State of South Carolina, which saves the average borrower \$2,500 over the life of their loan. The Corporation obtains the funds to offer this program through the issuance of bonds, and revenue from loans funded by bond proceeds is pledged to the payment of those bonds until the bonds are paid in full. As a result, the Corporation's primary concern when setting the rate for its loan program is that the revenue from pledged loans be sufficient to pay debt service on bonds issued. The Corporation intends to use the requested carryforward allocation to issue private activity bonds through JEDA to fund its loan program for the next two years, which it expects will provide significant debt service savings compared to other bond financing options. The Corporation will pass these savings directly to South Carolina students and parents by reducing student loan interest rates to reflect the lower cost of borrowing to fund its loan program. This will provide additional savings compared to other lenders operating in the State of South Carolina, and allow the Corporation to bring these savings to a larger portion of the existing South Carolina private student loan market.

By reducing the overall cost of paying for college, the Corporation increases access to post-secondary education, resulting in more South Carolinians being able to pursue their educational goals and become workforce ready. This impacts the economy broadly. Well educated, skilled workers make businesses more competitive and productive, which translates to higher profits, stronger growth, and higher wages. This results in higher tax revenue, and a greater number of financially secure individuals who are better able to support the local economy through the purchase of goods and services. In addition to the 27 employees of the Corporation for whom the Palmetto Assistance Loan Program helps provide permanent employment, bonds proposed to be issued from the requested carryforward allocation will be used to provide permanent financing for student loans for an estimated 7200 post-secondary students.

STATE OF SOUTH CAROLINA)
RICHLAND COUNTY)

TO THE STATE FISCAL) PETITION OF THE SOUTH CAROLINA
ACCOUNTABILITY AUTHORITY) JOBS-ECONOMIC DEVELOPMENT
OF SOUTH CAROLINA) AUTHORITY

This Petition of the South Carolina Jobs-Economic Development Authority (the "Authority"), pursuant to Title 1, Chapter 11, Code of Laws of South Carolina 1976, as amended (the "Act"), and specifically Section 1-11-530 thereof, respectfully shows:

1. The Act, among other things, authorizes the State Fiscal Accountability Authority (the "SFAA") to allocate the State of South Carolina's (the "State") ceiling on the issuance of private activity bonds in response to authorized requests from issuing authorities.

2. Each State ceiling allocation made by the SFAA, unless eligible and approved for carry-forward election, is valid only for the calendar year in which the State ceiling allocation is made and expires automatically if the bonds for which the allocation is made are not issued within 90 consecutive calendar days from the date the allocation is approved.

3. The Authority has agreed to assist South Carolina Student Loan Corporation, a South Carolina non profit corporation described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), or its affiliates or assigns (the "Borrower"), by issuing one or more series of its Student Loan Economic Development Revenue Bonds (the "Bonds"), in an amount not to exceed \$120,000,000 to finance the costs of acquisition of private credit-based student loans for post-secondary education (collectively, the "Project"). The Authority has petitioned the South Carolina Coordinating Council for Economic Development for approval of the Bonds, at its meeting on November 7, 2019, pursuant to Section 41-43-110 of the Code of Laws of South Carolina, 1976, as amended.

4. The bonds to be issued for the Project would require an allocation of \$100,000,000 of the State ceiling (the "Allocation"). The Bonds constitute all of the private activity bond financing contemplated for the Project as of the date of this Petition.

5. The Borrower and the Authority believe the Bonds will be issued and sold after the end of the calendar year based on information available as of the date of this Petition. Therefore, the Authority desires the SFAA make a carry-forward election with respect to the Allocation so the Borrower and the Authority have the benefit of the Allocation past the end of the calendar year.

6. The Project is expected to be comprised of a portfolio of qualified student loans under Section 144 of the Internal Revenue Code (the "Code"). Because the Project is described in Section 144 of the Code, the State ceiling allocation for the Bonds is eligible for a carry-forward election.

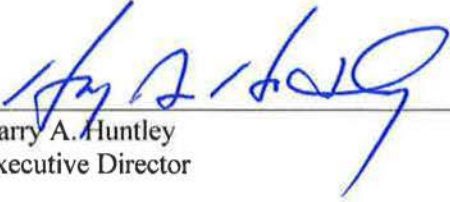
Upon the basis of the foregoing, the Authority respectfully prays that the SFAA (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such review as it considers advisable, and (iii) approve the Allocation for the Bonds of \$100,000,000, and (iv) make a carry-forward election with respect to the Allocation.

Dated: October 16, 2019

Respectfully submitted,

SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY

By:



Harry A. Huntley
Executive Director

[Signature Page to Petition]

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT BY AND BETWEEN THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY AND SOUTH CAROLINA STUDENT LOAN CORPORATION, WHEREBY UNDER CERTAIN CONDITIONS THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY WILL ISSUE NOT EXCEEDING \$120,000,000 OF ITS ECONOMIC DEVELOPMENT REVENUE BONDS, IN ONE OR MORE SERIES, PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, AUTHORIZING APPLICATION UPON CERTAIN CONDITIONS TO THE SOUTH CAROLINA COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT FOR APPROVAL OF THE ISSUANCE OF SUCH BONDS, AND AUTHORIZING APPLICATION UPON CERTAIN CONDITIONS TO THE STATE FISCAL ACCOUNTABILITY AUTHORITY OF THE STATE OF SOUTH CAROLINA FOR STATE CEILING ALLOCATION AND CARRY-FORWARD ALLOCATION.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority"), acting by and through its Board of Directors, is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43, Code of Laws of South Carolina 1976, as amended (the "Act"), to acquire and cause to be acquired private credit-based student loans for post-secondary education that constitute projects under Section 41-43-160 of the Act through which the industrial, commercial, agricultural and recreational development of the State of South Carolina (the "State") will be promoted and trade developed by inducing business enterprises to locate in and remain in the State as a result of a more educated work force and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State; and

WHEREAS, the Authority is further authorized by Section 41-43-110 of the Act to issue revenue bonds (including refunding revenue bonds), as defined in the Act to include notes, payable by the Authority solely from revenues and receipts from any financing agreement between the Authority and any business enterprise with respect to such project and secured by a pledge of said revenues and receipts and by an assignment of such financing agreement; and

WHEREAS, South Carolina Student Loan Corporation, a South Carolina non-profit corporation that is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), or its affiliates and assigns (the "Borrower"), proposes to finance the costs of acquisition of private credit-based student loans for post-secondary education with its headquarters located at 8906 Two Notch Road, Columbia, Richland County, South Carolina (the "County"); and

WHEREAS, the Borrower has requested the Authority to issue not exceeding \$120,000,000 aggregate principal amount of its revenue bonds (including refunding revenue bonds) or notes pursuant to the Act, to finance the Project, to pay interest coming due on the Bonds, to fund certain reserves and accounts, and to pay certain costs of issuance with respect to the Bonds (including credit enhancement fees or premiums, if any); and

WHEREAS, subject to the approval of the South Carolina Coordinating Council for Economic Development (the "Coordinating Council") for the issuance of the bonds or notes at public or private sale, the Authority proposes to make the proceeds of such bonds or notes available to the Borrower under and pursuant to the terms of a loan agreement to be entered into between the Authority and the Borrower; and

WHEREAS, the Authority proposes to issue its revenue bonds or notes, in one or more series, in the aggregate principal amount of not exceeding \$120,000,000 (the "Bonds") under and pursuant to the Act for the purposes described above;

WHEREAS, it is deemed advisable by the Authority to file with the Coordinating Council, in compliance with Section 41-43-110 of the Act, a Petition of the Authority requesting approval by the Coordinating Council for the issuance of the notes or bonds at public or private sale upon receipt by the Authority from the Borrower of evidence satisfactory to the Authority of the economic feasibility of the Project; and

WHEREAS, it is deemed advisable by the Authority to file with the State Fiscal Accountability Authority of the State of South Carolina, a Petition of the Authority requesting approval of an allocation of state ceiling allocation and carry-forward allocation.

NOW THEREFORE, BE IT RESOLVED, by the Authority as follows:

Section 1. Pursuant to Section 41-43-110 of the Act and subject to such approval by the Coordinating Council and the governing body of the County, as may be required by law and for the purpose of defraying the cost of acquiring the Project, paying interest coming due on the Bonds, funding certain reserves and accounts, and paying certain costs of issuance related to the Bonds (including credit enhancement fees or premiums, if any), there is hereby authorized to be issued the Bonds in one or more series.

Section 2. The provisions, terms and conditions of the loan agreement by and between the Authority and the Borrower, the provisions, terms and conditions of the trust indenture by and between the Authority and the trustee or bondholder, yet to be named, and the form, details, rate or rates of interest, maturity and redemption provisions, if any, of the Bonds, other details of any loan agreement relating to the Bonds, and findings required by the Act shall be prescribed by subsequent resolution of the Authority.

Section 3. The Executive Director of the Authority (the "Executive Director") is hereby authorized and directed to execute the Inducement Agreement attached hereto in the name and on behalf of the Authority, and affix thereto the seal of the Authority and deliver said executed Inducement Agreement to the Borrower.

Section 4. It is the intention of the Authority that this resolution shall constitute an official intent to issue the Bonds and allow the Borrower to be reimbursed with and for up to the maximum amount of the proceeds of the Bonds expenditures made by the Borrower with respect to the Project incurred no earlier than 60 days prior to the date of this Resolution on the part of the Authority within the meaning of Treas. Reg. Section 1.150-2 and all other applicable regulations of the United States Treasury Department.

Section 5. It is hereby found, determined and declared as follows:

(a) The Borrower is, or will be, engaged in the business of financing private credit-based student loans for post-secondary education, and the student loans comprising the Project are, or will be, distributed to borrowers located in the County and other counties in the State.

(b) The Project constitutes a project financeable under Act, and the issuance of the Bonds in the aggregate principal amount of not exceeding \$120,000,000 to defray the cost of the Project, to interest coming due on the Bonds, to fund certain reserves and accounts, and to pay certain issuance costs related to the Bonds (including credit enhancement fees or premiums, if any), will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(c) It is anticipated that the Project will benefit the general public welfare of the State, and the County in particular, by directly providing and/or maintaining permanent employment therein for 27 people

and indirectly providing for a more educated workforce by financing student loans for post-secondary education to approximately 7,200 students, with a resulting alleviation of unemployment and a maintenance of payrolls and other public benefits incident to the conduct of such businesses not otherwise provided locally, and the number of jobs created or maintained through the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

(d) The size and scope of the Project is such that a definite benefit to the economy of the State, and the County in particular, is reasonably expected to result therefrom.

Prior to issuance of the Bonds, the Authority will, as part of its proceedings:

(a) Hold a public hearing pursuant to the requirements of the Act and the Code;

(b) Make findings that the terms of the agreements to be entered into in connection with the Project are reasonable and proper, taking into account such factors as the type of program involved, the amount of program funds involved, and the number and type of jobs involved; and that the public interest is adequately protected by the terms of the agreements to be entered into in connection with the transaction;

(c) Negotiate the terms of such agreements to the extent necessary to conclude that neither the Project, the Bonds, nor any documents or agreements entered into by the Authority in connection therewith will constitute or give rise to a pecuniary liability of the Authority or the State or a charge against the general credit or taxing power of either, and only program funds (as defined in the Act) will be made available for the purposes described above;

(d) Undertake such investigation as is necessary to conclude that the Borrower and its sole member is a limited liability company or corporation (as applicable), which collectively has established credit and is a responsible party; and

(e) Undertake such investigation as is necessary to conclude that the issuance of the Bonds by the Authority in the aggregate principal amount of not exceeding \$120,000,000 will be required for the purposes described above, and such principal amount bears a reasonable relationship to the amount of private funds also committed to the Project.

Section 6. Upon receipt by the Authority from the Borrower of evidence, which shall be satisfactory to the Executive Director of the Authority, of the economic feasibility of the Project, there be and is hereby authorized and directed the submission on behalf of the Authority, of a Petition requesting approval by the Coordinating Council pursuant to the provisions of Section 41-43-110 of the Act of the issuance of the Bonds through public or private sale, said Petition to be in form acceptable to the Coordinating Council.

Section 7. Upon receipt by the Authority from the Borrower of evidence, which shall be satisfactory to the Executive Director of the Authority, of the economic feasibility of the Project, there be and is hereby authorized and directed the submission on behalf of the Authority, of a Petition requesting approval by the State Fiscal Accountability Authority of the State of South Carolina of an allocation of state ceiling allocation and carry-forward allocation, said Petition to be in form acceptable to the State Fiscal Accountability Authority.

Section 8. The Executive Director of the Authority is hereby authorized and directed to execute said Petitions in the name and on behalf of the Authority, and the Executive Director of the Authority is hereby authorized and directed to affix the seal of the Authority to said Petitions and to attest

the same and thereafter, upon the conditions set forth hereinabove, to submit an executed copy of this resolution to the Coordinating Council and to the State Fiscal Accountability Authority.


Section 9. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force from and after its passage and approval.

Passed and approved **October 16, 2019.**



Dated: **16 October, 2019**

SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY

By: 

Harry A. Huntley
Executive Director



South Carolina State Housing Finance and Development Authority

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October 28, 2019

Delbert H. Singleton, Jr., Esquire
Secretary
State Fiscal Accountability Authority
1200 Senate Street
Wade Hampton Building, Suite 600
Columbia, South Carolina 29201

Re: Request for Carryforward Allocation of 2019 Private Activity Bond Ceiling

Dear Delbert:

I enclose four originals of a petition requesting an allocation of the remaining 2019 Private Activity Bond Ceiling for the State of South Carolina and four originals of the South Carolina State Housing Finance and Development Authority's Board of Commissioner's Resolution approving such petition that was adopted by the Authority's Board on October 16, 2019. Also enclosed is a memorandum explaining the Authority's need for bond ceiling.

I would greatly appreciate if this matter could be placed on the agenda for the State Fiscal Accountability Authority's meeting in December.

Thank you for your assistance.

Very truly yours,

A handwritten signature in blue ink that reads "Tracey C. Easton".

Tracey C. Easton
General Counsel



South Carolina State Housing Finance and Development Authority

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MEMORANDUM

To: Delbert E. Singleton, Jr.
Secretary, State Fiscal Accountability Authority

From: Tracey C. Easton
General Counsel, State Housing Finance & Development Authority

Re: Request for Carryforward Allocation of 2019 Private Activity Bond Ceiling

Date: October 28, 2019

The purpose of this Memorandum is to provide support for the Authority's request that the State Fiscal Accountability Authority grant it a carryforward allocation of that portion of the State's 2019 Private Activity Bond Ceiling ("Bond Ceiling") that remains unallocated at the end of the calendar year. Bond Ceiling must either be allocated to private activity bonds issued during the calendar year for which it was received from the federal government or allocated at the end of such year on a carryforward basis to support the issuance of bonds within the next three years. At the end of a calendar year, unused Bond Ceiling that is not the subject of a carryforward allocation is lost to the State and cannot thereafter be retrieved. In the past the Authority has utilized Bond Ceiling that would otherwise have been lost.

The program through which the Authority provides financing for the development of affordable low-income housing by private-sector developers and the program through which it provides home ownership opportunities to low-to-moderate income families are financed by the issuance of private activity bonds that require the allocation of Bond Ceiling. The Authority has also begun issuing mortgage credit certificates which can help make home ownership more affordable for qualified borrowers. By requesting a carryforward allocation of unused 2019 Bond Ceiling, it is the intent of the Authority to assist the State of South Carolina by preserving the ability to use the unused 2019 Bond Ceiling for an additional three years. The Authority normally intends that by requesting a carryforward allocation of unused Bond Ceiling that it would lessen the demand for the following year's Bond Ceiling, however, the current climate is not showing a large demand for Bond Ceiling. If, however, the state tax credit is passed, the Authority would see an increased demand.

Of the 2016 Carryforward Bond Ceiling, the Authority dedicated \$244,741,700 for multifamily use and \$244,741,700 for single family use. Of the 2017 Carryforward Bond Ceiling, the Authority dedicated \$233,193,600 for multifamily use and \$223,193,600 for single family use. Of the 2018 Carryforward Bond Ceiling, the Authority dedicated \$110,762,995 for multifamily use and \$300,000,000 for single family use. The Authority has issued \$0 of the 2016 single family amount to date and \$0 of the 2016 multifamily amount to date but has approximately \$120,000,000 in single family bonds and \$30,000,000 in multifamily bonds in process. The remainder of the 2016 Carryforward Bond Ceiling will expire on December 31, 2019.

The Authority is seeing an uptick in multifamily inquiries and currently has four deals in process. The Authority is researching other manners of utilizing bond authority and is always exploring the next bond financing for the single family home ownership program. Unless a carryforward allocation is made, the remaining 2019 allocation will expire as of December 31, 2019 and be lost to the State of South Carolina. Due to the current economic climate, the Authority's bond issuances have slowed, however, an allocation to the Authority would at least preserve the remaining 2019 allocation for the State for another three years.

The Authority has been made aware that the Student Loan Corporation is looking to return to the tax exempt bond market and is aware of their request to the State Fiscal Accountability Authority. The two organizations are working together to ensure that both organizations needs are met.

STATE OF SOUTH CAROLINA

COUNTY OF LEXINGTON

TO THE SOUTH CAROLINA STATE
FISCAL ACCOUNTABILITY AUTHORITY

P E T I T I O N

This Petition of the South Carolina State Housing Finance and Development Authority (the "Authority") respectfully shows:

1. The Authority is an "issuing authority," as such term is used in Act No. 117 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina of 1987 (the "Allocation Act") establishing a plan for the allocation of the State of South Carolina's volume limitation with respect to private activity bonds (as defined in Section 141 of the Internal Revenue Code of 1986) imposed by the Tax Reform Act of 1986.

2. The Allocation Act authorizes the Authority to submit its request to the State Fiscal Accountability Authority of South Carolina (the "SFAA") that a portion of the State Ceiling established by the Tax Reform Act (the "State Ceiling") be allocated to bonds proposed to be issued by the Authority.

3. The Authority is informed and believes that a portion of the 2019 State Ceiling has not yet been allocated and will, unless allocated on a carryforward basis, be lost to the State at the end of the current calendar year.

4. Based upon the need which it has found to exist, the Authority has determined it may issue one or more series of its revenue bonds or mortgage credit certificates pursuant to the authorizations granted to it under Title 31, Chapter 13, Code of Laws of South Carolina, 1976, as amended, which will be new issues and which will require allocations of the State Ceiling.

5. In order to preserve the unallocated portion of the State's 2019 Private Activity Bond Ceiling, and in order further to lessen the demand for the State's 2020 Private Activity Bond Ceiling, the Authority respectfully requests that it be allocated on a carryforward basis, such of the State's 2019 Private Activity Bond Ceiling as shall remain unallocated at the end of 2019, such ceiling to be apportioned between the issuance of Mortgage Revenue Bonds/Mortgage Credit Certificates and Qualified Residential Rental Bonds in such amounts as shall be requested by the Authority prior to the filing by the SFAA of its IRS Form 8328, "Carryforward Election of Unused Private Activity Bond Volume Cap".

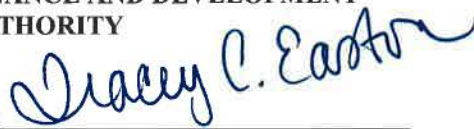
6. This Petition constitutes an "authorized request," within the meaning of Section 4 of the Allocation Act.

Upon the basis of the foregoing, the Authority respectfully prays:

That the SFAA accept the filing of the Petition presented herewith, that it allocate to the Authority on a carryforward basis, such of the State's 2019 Private Activity Bond Ceiling as shall remain unallocated at the end of 2019, such ceiling to be apportioned between the issuance of Mortgage Revenue Bonds/Mortgage Credit Certificates and Qualified Residential Rental Bonds in such amounts as shall be requested by the Authority prior to such allocation.

October 28, 2019.

Respectfully submitted,
SOUTH CAROLINA STATE HOUSING
FINANCE AND DEVELOPMENT
AUTHORITY

By: 
Tracey C. Easton
General Counsel

A RESOLUTION

AUTHORIZING A PETITION TO THE STATE FISCAL ACCOUNTABILITY AUTHORITY OF SOUTH CAROLINA REQUESTING CARRYFORWARD ALLOCATION OF THE REMAINING PORTION OF THE STATE CEILING ESTABLISHED BY THE TAX REFORM ACT OF 1986.

WHEREAS, the South Carolina State Housing Finance and Development Authority (the "**Authority**") is authorized and empowered by Title 31, Chapter 13, Code of Laws of South Carolina 1976, as amended (the "**Act**") to issue bonds, the principal proceeds of which will be used to provide sanitary and safe residential housing for persons and families of low income and of moderate to low income (collectively, the "**beneficiary classes**") at prices which such persons can afford; and

WHEREAS, the Authority is an "issuing authority," as such term is used in Act No. 117 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina 1987 establishing a plan for the allocation of the State of South Carolina's volume limitation with respect to private activity bonds (as defined in Section 141 of the Internal Revenue Code of 1986) imposed by the Tax Reform Act of 1986; and

WHEREAS, the Authority has, pursuant to the Act, previously issued multiple series of its revenue bonds and mortgage credit certificates and has used the proceeds thereof to provide money for the financing of housing to be occupied by members of the beneficiary classes; and

WHEREAS, in light of additional demand for housing that is affordable to members of the beneficiary classes, the Authority has formulated a plan for the issuance of its bonds or mortgage credit certificates in one or more series pursuant to the Act, such plan being conditioned, *inter alia*, upon the granting by the State Fiscal Accountability Authority of South Carolina (the "**State Board**") of an allocation of the State Ceiling established by the Tax Reform Act of 1986 (the "**State Ceiling**") relating to the issuance of private activity bonds; and

WHEREAS, the Authority proposes to make provision for one or more additional series of bonds or mortgage credit certificates which will be new issues (collectively, the "**New Issues**") and may require an allocation of the State Ceiling; and

NOW, THEREFORE, BE IT RESOLVED BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY IN MEETING DULY ASSEMBLED: that the Executive Director, General Counsel, or either of them, is authorized to submit to the State Fiscal Accountability Authority a Petition requesting that the unused portion of the 2019 State Ceiling be allocated on a carryforward basis to the New Issues proposed to be issued by the Authority.

**STATE OF SOUTH CAROLINA
COUNTY OF LEXINGTON**

I, the undersigned Assistant Secretary of the South Carolina State Housing Finance and Development Authority (the "**Authority**"), **DO HEREBY CERTIFY** that the foregoing is a true, correct, and verbatim copy of a Resolution duly adopted by the Authority at a duly called meeting held on October 16, 2019.

WITNESS MY HAND this 16th day of October, 2019.

Bonita Shropshire

Secretary, South Carolina State Housing Finance and
Development Authority

ARTICLE 3.

ALLOCATION OF STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

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

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

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

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

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

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

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

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

SECTION 1-11-540. Limitations on allocations.

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

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

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

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

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

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

(1) the issuing authority's issue amount certificate specifies an amount not in excess of the approved tentative ceiling allocation amount;

(2) the issue amount certificate was received prior to the issue date projected and that the certificate is dated not more than ten days prior to the issue date projected;

(3) the issue date projected is within the time period approved previously for the tentative ceiling allocation; and

(4) the bonds when issued and combined with the total amount of bonds requiring a ceiling allocation included in issue amount certificates submitted previously to the board by issuing authorities do not exceed the state ceiling for the calendar year. Except under extraordinary circumstances, the board secretary shall issue this certificate within two business days following the date the issue amount certificate is received.

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

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

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

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

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

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

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

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

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

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

SECTION 1-11-570. Budget and Control Board to adopt policies and procedures.

The Budget and Control Board, after review and comment by the committee, may adopt the policies and procedures it considers necessary for the equitable and effective administration of Sections 1-11-500 through 1-11-570.

SECTION 1-11-580. Budget and Control Board to make quarterly payments on certain insurance contracts.

The Budget and Control Board shall make quarterly payments on insurance contracts where the annual premium exceeds fifty thousand dollars. The board shall undertake necessary negotiations to implement this requirement. Where fees may be incurred for quarterly rather than annual payments, the Budget and Control Board shall determine whether the investment income opportunity is greater or less than proposed fees and shall make the decision which best benefits South Carolina.

STATE FISCAL ACCOUNTABILITY AUTHORITY
MEETING OF December 10, 2019

REGULAR SESSION
ITEM NUMBER 14

AGENCY: State Fiscal Accountability Authority

SUBJECT: Future Meeting

The next regular meeting of the State Fiscal Accountability Authority will be held at 9:30 a.m. on Tuesday, February 4, 2020, in Room 252, Edgar A. Brown Building.

AUTHORITY ACTION REQUESTED:

Agree to meet at 9:30 a.m. on Tuesday, February 4, 2020, in Room 252, Edgar A. Brown Building.

ATTACHMENTS: