

# STATE FISCAL ACCOUNTABILITY AUTHORITY

Meeting of Tuesday, March 5, 2019 -- 9:00 A. M.

Room 252, Edgar A. Brown Building

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## AGENDA INDEX

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6.	Department of Administration, Facilities Management and Property Services	Patriots Point Development Authority (PPDA) Eighth Amendment to Lease out To BH Golf Properties, LLC
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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
\$50,000,000; Economic Development Revenue Bonds; Series 2019 (South Carolina Jobs-Economic Development Authority – "SC JEDA")	The Villas at Carolina Forest Conduit: SC JEDA	Parker Poe Adams & Bernstein – Ray Jones, Emily Luther, Emily Zackon	Burr Foreman McNair – Michael Seezen

**GENERAL OBLIGATION / REVENUE ISSUES:**

Description of Issue	Agency/Institution	Approved Bond Counsel
\$120,000,000; Revenue Anticipation Notes "RANs" (RANs financing associated with the purchase of substantially all of the assets of certain affiliates of Community Health Systems, Inc. that are associated with or used in the ownership and/or operation of Carolinas Hospital System – Florence in Florence, SC; Carolinas Hospital System - Marion in Mullins, SC; Springs Memorial Hospital in Lancaster, SC; and Chester Regional Medical Center in Chester, SC, and associated clinical sites and services.)	Medical University Hospital Authority ("MUHA")	Haynsworth Sinkler Boyd – Mitchell Johnson

**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 March 05, 2019 meeting:**

**CONDUIT ISSUES:**

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
\$50,000,000; Economic Development Revenue Bonds; Series 2019 (South Carolina Jobs-Economic Development Authority – "SC JEDA")	The Villas at Carolina Forest Conduit: SC JEDA	Parker Poe Adams & Bernstein – Ray Jones, Emily Luther, Emily Zackon	Burr Foreman McNair – Michael Seezen	01/18/2019

**GENERAL OBLIGATION / REVENUE ISSUES:**

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved
\$120,000,000; Revenue Anticipation Notes "RANs" (RANs financing associated with the purchase of substantially all of the assets of certain affiliates of Community Health Systems, Inc. that are associated with or used in the ownership and/or operation of Carolinas Hospital System – Florence in Florence, SC; Carolinas Hospital System - Marion in Mullins, SC; Springs Memorial Hospital in Lancaster, SC; and Chester Regional Medical Center in Chester, SC, and associated clinical sites and services.)	Medical University Hospital Authority ("MUHA")	Haynsworth Sinkler Boyd – Mitchell Johnson	02/07/2019

**SPECIAL ASSIGNMENT OF BOND COUNSEL:**

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

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 5-2019: JBRC Item 2. (N04) Department of Corrections  
 Project: 9755, Manning – Boiler Replacement  
 Included in Annual CPIP: Yes–2018 CPIP Priority 3 of 7 in FY21  
 (estimated at \$3,500,000 for Boiler & Infrastructure Upgrades–Boiler Replacement  
 estimated at \$865,000)  
 JBRC/SFAA Phase I Approval: N/A  
 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 Carryforward	-	-	-	16,500	16,500
All Sources	=	=	=	<u>16,500</u>	<u>16,500</u>

**Funding Source:** \$16,500 Appropriated State, FY18 Carryforward Funds.  
**Request:** Establish project and budget for \$16,500 (Appropriated State, FY18 Carryforward Funds) to begin Phase I schematic design 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. Relocating the equipment in this manner will result in at least \$100,000 cost savings compared to the costs to

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AGENCY: Department of Administration, Capital Budget Office

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SUBJECT: Permanent Improvement Projects

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 890 inmates and has an average of 150 staff. The work will be accomplished by contract construction and in-house/inmate labor forces. The 2018 CPIP estimated cost to complete this project is higher because the CPIP included more scope for infrastructure improvements, which was for the construction of a new loading dock, renovations at the kitchen, dining, and commissary areas, and the renovation of the existing boiler facility for use as the laundry and maintenance shop. However, the 2018 CPIP amount specific to the boiler replacement did not include any rental equipment costs needed during the construction phase. Initially, this project was anticipated to be established in FY21. However, 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 \$1,100,000.

### **Establish Construction Budget**

- (b) Summary 5-2019: JBRC Item 4. (H34) University of South Carolina - Upstate  
Project: 9548, USC Upstate Smith Science Building Renovations  
Included in Annual CPIP: Yes – 2017 CPIP Priority 1 of 2 in FY19  
(estimated at \$8,250,000 for Smith Science Building Renovation to include a 17,000 SF addition -Smith Science Building Renovations without addition estimated at \$4,250,000)  
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 2/7/19

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>
FY19 Capital Reserve	-	-	-	3,500,000	3,500,000
Other – Institutional Capital Project	-	-	-	750,000	750,000
All Sources	=	=	=	<u>4,250,000</u>	<u>4,250,000</u>

**Funding Source:** \$3,500,000 FY19 Capital Reserve Funds. \$750,000 Other, Institutional Capital Project Funds, which are generated from the portion of tuition and fees designated for bond and renovation reserve. These funds pay debt service first and the remainder is used for capital improvements.

**Request:** Establish project and budget for \$4,250,000 (FY19 Capital Reserve Funds and Other, Institutional Capital Project Funds) for mechanical replacement work in the Horace C Smith Building on USC’s Upstate Campus. This project will restore a fully functional mechanical system to the building and support future lab programming. The scope of work will include the following items: 1) Removal of air handlers, pumps, boilers, VAV terminals, exhaust fans, controls and all ductwork. Asbestos in the duct mastic is anticipated and will be abated as part of the demolition. 2) Provide new air handlers with the outside air capacity necessary to accommodate future lab renovations and new fume hoods. Provide new pumps with variable speed drives for efficiency. Replace VAV terminals and all ductwork. 3) Provide new boilers with variable speed pumps for efficiency. 4) Provide new digital controls connected to the central energy management system. 5) Replace ceilings that will be removed to demolish the existing mechanical systems and install the new systems. Constructed in 1984, the 34-year-old science building is 65,541, square feet. The portion to be renovated is 57,300 square feet and houses the General Biology and Chemistry departments. This area is utilized by approximately 500 students and faculty. The 2018 CPIP reflected the estimated cost of the project \$4,000,000 higher than this request because the CPIP included a much larger scope of work that included a 17,000-gross square foot addition for new lab space and the renovation and reconfiguration of the existing labs to include new fume hoods and lab benches. However, it is anticipated this future work will

AGENCY: Department of Administration, Capital Budget Office

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be undertaken when funding materializes. The agency estimates total project costs at \$4,250,000. The agency anticipates execution of the construction contract in July 2019 and completion of construction in May 2020.

- (c) Summary 5-2019: JBRC Item 6. (D50) Department of Administration  
 Project: 6007, M.J. "Dolly" Cooper VC Columbaria Grant-Additional  
 Included in Annual CPIP: No – The grant became available after the 2018 CPIP  
 submission  
 JBRC/SFAA Phase I Approval: October 2018 (estimated at \$1,215,000)

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>
Federal, Veterans Cemetery Grant	-	-	-	1,093,500	1,093,500
Other, Interment Fees	18,225		18,225	103,275	121,500
All Sources	<u>18,225</u>	=	<u>18,225</u>	<u>1,196,775</u>	<u>1,215,000</u>

**Funding Source:** \$1,093,500 Federal, Veterans Cemetery Grant Funds. \$121,500 Other, Interment Fee Funds, which are fees collected for the interment of veterans and/or eligible family member. National Cemetery Administration pays \$762 for each veteran interred and families pay \$300 for the eligible family member interred (Section 25-11-80).

**Request:** Increase budget to \$1,215,000 (add \$1,196,775 Federal, Veterans Cemetery Grant and Other, Interment Fee Funds) to proceed with Phase II architectural/engineering professional services followed by construction services for the construction of up to 1,200 burial niches. The additional niches are essential for the interment of veterans, which is the mission of the Division of Veterans' Affairs in the Office of Executive Policy and Programs. The agency has applied for a \$1,215,000 federal grant through the Federal Veterans Cemetery Grants Program. While a grant award has not yet been made to the agency, the agency has been advised that the US Department of Veterans Affairs plans to grant the award not later than September 30, 2019. In accordance with the grant, the state must contribute 10% of the total

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project cost (which cannot exceed the grant amount). Although the preliminary design estimate for the project is \$959,993, construction costs have been very volatile, and the agency is requesting approval of the maximum grant amount so that there will be no time delays if the construction costs do exceed the preliminary design estimate. The grant milestone deadlines are very tight and if the agency were required to go through an additional meeting cycle they would likely fail to meet the required federal timelines. It is estimated that the existing Columbaria will be at capacity within 2.5 years. The cemetery is currently interring 70 veterans/eligible family members per year. The agency estimates total project costs at \$1,215,000. The agency anticipates execution of the construction contract in October 2019 and completion of construction in February 2020.

- (d) Summary 5-2019: JBRC Item 8. (E24) Office of the Adjutant General  
 Project: 9811, Training Sites TT Enlisted Barracks Replacement  
 Included in Annual CPIP: Yes – 2017 CPIP Priority 10 of 21 in FY18  
 (estimated at \$1,404,000 - Annualized) & 2018 CPIP Priority 5 of 18 in FY19  
 (estimated at \$280,800 – Annualized, bringing the total to \$1,684,800)  
 JBRC/SFAA Phase I Approval: May 2018 (estimated at \$1,404,000)

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>
Federal, National Guard Bureau	88,000	-	88,000	1,326,416	1,414,416
All Sources	<u>88,000</u>	=	<u>88,000</u>	<u>1,326,416</u>	<u>1,414,416</u>

Funding Source: \$1,414,416 Federal, National Guard Bureau, which is funding identified as part of the Construction and Facilities Management Office’s Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau

Request: Increase budget to \$1,414,416 (add \$1,326,416 Federal, National Guard Bureau Funds) to demolish existing WWII Era barracks and construct replacement Transient Training Enlisted, (TT ENL) Barracks at two Army National Guard Training Sites; McCrady Training Center (MTC)

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AGENCY: Department of Administration, Capital Budget Office

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SUBJECT: Permanent Improvement Projects

and Clarks Hill Training Site (CHTS). The current McCrady Training Center includes five (5) buildings that total 14,805 square feet and the current Clarks Hill Training Site includes five (5) buildings that total is 3,840 square feet. The barracks to be replaced are no longer sufficient for the housing of soldiers; the structures are not insulated properly; the roofs are cost prohibitive to repair; no latrine; single pane windows; and old/energy inefficient light fixtures. Due to their age and condition, the existing barracks no longer support the SCARNG's mission and need to be replaced to current codes and standards. The construction phase of this project will be annualized with one barrack from McCrady Training Center (#3511), and one barrack from Clarks Hill Training Site (#4423) being demolished and replaced with 16-man barracks at this time. Construction for each of the ten barracks is anticipated to cost \$663,208, totaling \$6,632,080. The total estimated cost to complete the full scope of the project is estimated at \$6,720,080. Each barracks building will be of permanent construction with a finished interior, including mechanical, electrical, and plumbing, (MEP) systems, a latrine with showers, urinals, toilets, sinks and washer/dryer connections. Installation of utilities and the extensions of utilities to the nearest service lines are also included. Each of the five (5) new barracks buildings at McCrady Training Center will be approximately 2,400 to 4,600 square feet. Each of the five (5) new barracks buildings at Clarks Hill Training Site will be approximately 2,400 square feet. Approximately 300 Army National Guard soldiers use these facilities. The agency estimates that the completed project will cost approximately \$1,414,416. (See attachment 1 for additional annual operating cost savings.) The agency anticipates execution of the construction contract in April 2019 and completion of construction in July 2020.

- (e) Summary 5-2019: JBRC Item 9. (N04) Department of Corrections  
Project: 9751, Tyger River CI – Housing Units HVAC Replacement  
Included in Annual CPIP: Yes – 2018 CPIP Priority 6 of 6 in FY19  
(estimated at \$5,000,000 for Capital Renewal, Major Maintenance & Repairs – Tyger River  
Housing Units HVAC Replacement estimated at \$1,800,000)  
JBRC/SFAA Phase I Approval: October 2018 (estimated at \$2,100,000)

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>
Appropriated State, FY18 Carryforward	31,500	-	31,500	2,068,500	2,100,000
All Sources	<u>31,500</u>	<u>-</u>	<u>31,500</u>	<u>2,068,500</u>	<u>2,100,000</u>

Funding Source: \$2,100,000 Appropriated State, FY18 Carryforward Funds.

Request: Increase budget to \$2,100,000 (add \$2,068,500 Appropriated State, FY18 Carryforward Funds) establish the final design and construction to replace the existing 37-year-old air handler units, boiler and condensing units for the ten (10) housing units located at Tyger River Correctional Institution. The existing air handlers are in poor condition, deficient in providing air flow for heating, having casings that are in poor condition, are not energy efficient, and have exceeded their anticipated useful service life. The scope of work will include the new packaged rooftop units with DX cooling and modulating gas heat. The work will be accomplished by contract construction and SCDC's in-house/inmate labor forces. Each of the ten (10) housing units are approximately 17,000 square feet and were constructed in 1981, making them 37 years old. The HVAC system is original to the buildings. The Tyger River Correctional Institution has 1,200 inmates and 200 staff members. The agency estimates total project costs at \$2,100,000. (See attachment 2 for additional annual operating cost savings.) The agency anticipates execution of the construction contract in August 2019 and completion of construction in April 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 Project # 9811 Name Traning Sites TT Enlisted Barracks 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) 2019	\$ 0.00	\$ 7,000.00	\$ 0.00	\$ 7,000.00
2) 2020	\$ 0.00	\$ 7,000.00	\$ 0.00	\$ 7,000.00
3) 2021	\$ 0.00	\$ 7,000.00	\$ 0.00	\$ 7,000.00

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</u>	<u>(\$2,000.00)</u>
2. <u>Maintenance &amp; Repairs</u>	<u>(5,000.00)</u>
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>(\$7,000.00)</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                      1 Feb 2018  
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 #     9751     Name     Tyger River CI - Housing Units HVAC 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	\$ 6,800.00	\$	\$	\$ 6,800.00
2) 2021	\$ 20,400.00	\$	\$	\$ 20,400.00
3) 2022	\$ 20,400.00	\$	\$	\$ 20,400.00

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. 15% reduction in KWH used per month per HVAC unit	\$2,040.00
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
<b>TOTAL</b>	<b>\$2,040.00</b>

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     *Bryant*     Director/Designee  
Signature of Authorized Official and Title \_\_\_\_\_ Date \_\_\_\_\_

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

**Item (b) – University of South Carolina – Upstate – Smith Science Building Renovations**

The source of funds for construction is Institutional Capital Project Funds, which are generated from the portion of tuition and fees designated for Bond and Renovation Reserve. These funds pay debt service first and the remainder is used for capital improvements.

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

**Permanent Improvement Project Information for March 5, 2019 SFAA Meeting**

<b>Agency/ Project No.</b>	<b>Agency/Project Name</b>	<b>Original Approved Budget</b>	<b>Date of Original Approval</b>	<b>Phase I Amount</b>	<b>Date of Phase I Approval</b>	<b>Included in CPIP</b>	<b>Total Projected Project Cost</b>
N04-9755	Manning - Boiler Replacement	N/A	N/A	\$16,500	N/A	Yes	\$1,100,000
H34-9548	USC Upstate Smith Science Building Renovations	N/A	N/A	\$4,250,000	N/A	Yes	\$4,250,000
D50-6007	M.J. "Dolly" Cooper VC Columbaria Grant - Additional	\$18,225	10/23/18	\$18,225	10/23/18	No	\$1,215,000
E24-9811	Training Sites TT Enlisted Barracks Replacement	\$88,000	5/1/18	\$88,000	5/1/18	Yes	\$1,414,416
N04-9751	Tyger River CI - Housing Units HVAC Replacement	\$31,500	10/23/18	\$31,500	10/23/18	Yes	\$2,100,000

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AGENCY: Department of Administration, Facilities Management and Property Services

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SUBJECT: Easements

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

- (a) County Location: Charleston  
From: Trident Technical College  
To: South Carolina Electric and Gas Company  
Consideration: \$1  
Description/Purpose: To grant a 0.068 acre permanent easement for the purpose of constructing, extending, replacing, relocating, maintaining and operating underground electric line(s) and associated facilities on property of Trident Technical College's Main Campus in North Charleston. The easement is needed to provide service to the new S.C. Aeronautical Training Center. The easement is being sought by Trident Technical College for the benefit of the property. The Division of Facilities Management and Property Services has determined that Trident Technical College has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it.
- (b) County Location: Greenville  
From: Department of Administration  
To: Circle K Stores, Inc.  
Consideration: Other good and valuable consideration including: (i) the expansion and restriping of the existing overflow parking located on SCDMV property, (ii) the construction of a connecting sidewalk and (iii) the granting of an access easement over and across Circle K property to Bryson Drive.  
Description/Purpose: To grant a 0.061 acre access easement for the purpose of ingress and egress over and across property of SCDMV's Fountain Inn office to the adjoining Circle K property. The grant also includes a temporary construction easement necessary for the completion of improvements that will be of mutual benefit. The term of the easement will be fifty (50) years. The Division of Facilities Management and Property Services has determined that SCDMV has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it.

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AUTHORITY ACTION REQUESTED:

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

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ATTACHMENTS: Agenda item worksheet and attachments

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: March 5, 2019

Blue 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: EASEMENTS

3. Summary Background Information:

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

- (a) County Location: Charleston  
From: Trident Technical College  
To: South Carolina Electric and Gas Company  
Consideration: \$1  
Description/Purpose: To grant a 0.068 acre permanent easement for the purpose of constructing, extending, replacing, relocating, maintaining and operating underground electric line(s) and associated facilities on property of Trident Technical College's Main Campus in North Charleston. The easement is needed to provide service to the new S.C. Aeronautical Training Center. The easement is being sought by Trident Technical College for the benefit of the property. The Division of Facilities Management and Property Services has determined that Trident Technical College has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it.
  
- (b) County Location: Greenville  
From: Department of Administration  
To: Circle K Stores, Inc.  
Consideration: Other good and valuable consideration including: (i) the expansion and restriping of the existing overflow parking located on SCDMV property, (ii) the construction of a connecting sidewalk and (iii) the granting of an access easement over and across Circle K property to Bryson Drive.  
Description/Purpose: To grant a 0.061 acre access easement for the purpose of ingress and egress over and across property of SCDMV's Fountain Inn office to the adjoining Circle K property. The grant also includes a temporary construction easement necessary for the completion of improvements that will be of mutual benefit. The term of the easement will be fifty (50) years. The Division of Facilities Management and Property Services has determined that SCDMV has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it.

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

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**5. What is recommendation of the Department of Administration? Recommend approval of the referenced easements.**

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**6. List of Supporting Documents:**

1. SC Code of Laws Sections 1-11-80, 1-11-100 and 10-1-130
2. Exhibits (maps, plats, etc.)
  - (a) South Carolina Electric and Gas Company (Trident Tech)
  - (b) Circle K Stores, Inc. (SCDMV)

## **SOUTH CAROLINA CODE OF LAWS**

### **SECTION 1-11-80. Board 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.

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

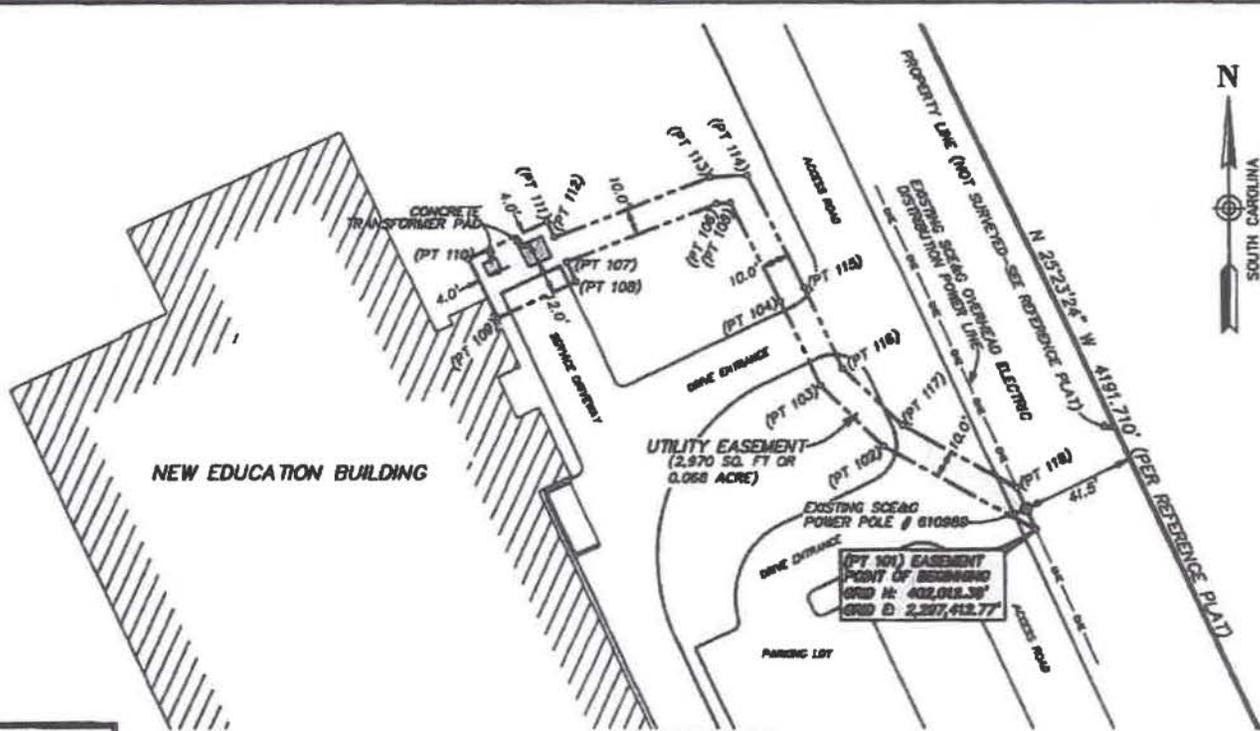
Deeds or other instruments conveying such rights of way or easements over such marshlands or vacant lands as are owned by the State shall be executed by the Governor in the name of the State, when authorized by the Department of Administration, upon approval of the State Fiscal Accountability Authority, 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.

### **SECTION 10-1-130. Grant of easements and rights of way.**

The trustees or governing bodies of state institutions and agencies may grant easements and rights of way over any property under their control, upon the recommendation of the Department of Administration and approval of the State Fiscal Accountability Authority, whenever it appears that such easements do not materially impair the utility of the property or damage it and, when a consideration is paid therefor, any amounts must be placed in the State Treasury to the credit of the institution or agency having control of the property involved.

e:\working office active projects\surveying client files\hurd00117\turner - trident technology easement.dwg : 11x17 (Plotted: 12/2018 7:48:32 AM)

(a)



SCE&G UTILITY EASEMENT (0.068 ACRE)		
PT to PT	BEARING	DISTANCE
101 to 102	N 01°25'23" W	62.83'
102 to 103	N 46°20'10" W	31.48'
103 to 104	N 25°29'40" W	31.31'
104 to 105	N 26°17'12" W	40.37'
105 to 106	S 07°02'34" W	4.98'
106 to 107	S 66°30'53" W	58.63'
107 to 108	S 24°33'01" E	7.98'
108 to 109	S 64°38'26" W	31.18'
109 to 110	N 26°24'24" W	24.22'
110 to 111	N 64°05'26" E	31.80'
111 to 112	S 24°33'01" E	8.52'
112 to 113	N 06°38'53" E	60.88'
113 to 114	N 07°02'34" E	13.10'
114 to 115	S 26°17'12" E	46.12'
115 to 116	S 25°29'40" E	32.38'
116 to 117	S 46°37'48" E	28.27'
117 to 118	S 01°25'23" E	48.81'
118 to 101	S 24°45'42" E	18.75'

**SURVEY NOTES**

- THIS EXHIBIT IS OF A UTILITY EASEMENT FROM POWER POLE #610988 OWNED BY SCE&G TO AND AROUND A CONCRETE PAD USED TO SUPPORT TRANSFORMERS THAT SUPPLY ELECTRIC POWER TO THE NEWLY ERECTED BUILDING AT TRIDENT TECHNICAL COLLEGE. THIS EXHIBIT IS NOT A BOUNDARY SURVEY OF THE BURDENED PARCEL # 4780000011.
- EASEMENT DETERMINED BY LOCATING PAINTED LINE MARKS ON THE GROUND SURFACE. MARKS MADE BY OTHERS.

**SURVEY REFERENCES**

- REFERENCE PLAT DATED JANUARY 18, 2002, AND RECORDED IN PLAT BOOK "D" PAGE 447, AT THE CHARLESTON COUNTY REC OFFICE.
- CHARLESTON COUNTY PARCEL # 4780000011.
- DEED: BOOK 14336, PAGE 778.



**CERTIFICATION NOTE**

I HEREBY STATE TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF THE EXHIBIT SHOWN HEREON WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE MINIMUM STANDARDS MANUAL FOR THE PRACTICE OF LAND SURVEYING IN SOUTH CAROLINA, AND MEETS OR EXCEEDS THE REQUIREMENTS FOR A CLASS "A" SURVEY AS SPECIFIED THEREIN.

GARREN B. MULLINAX  
342 Rousharon Way, Lexington, SC 29072

S.C. REG. # 27456  
(843) 798-7378



**SCE&G UTILITY EASEMENT**  
OVER LANDS CURRENTLY TITLED TO  
**AREA COMMISSION FOR BERKELEY - CHARLESTON - DORCHESTER TECHNICAL CENTER**  
LOCATED AT 1800 MABELINE ROAD, NORTH CHARLESTON, SC 29406

DATE SURVEYED 12/21/2018	DRAWING FILENAME SCEG EASEMENT.dwg	PROJECT NUMBER TUCC00117
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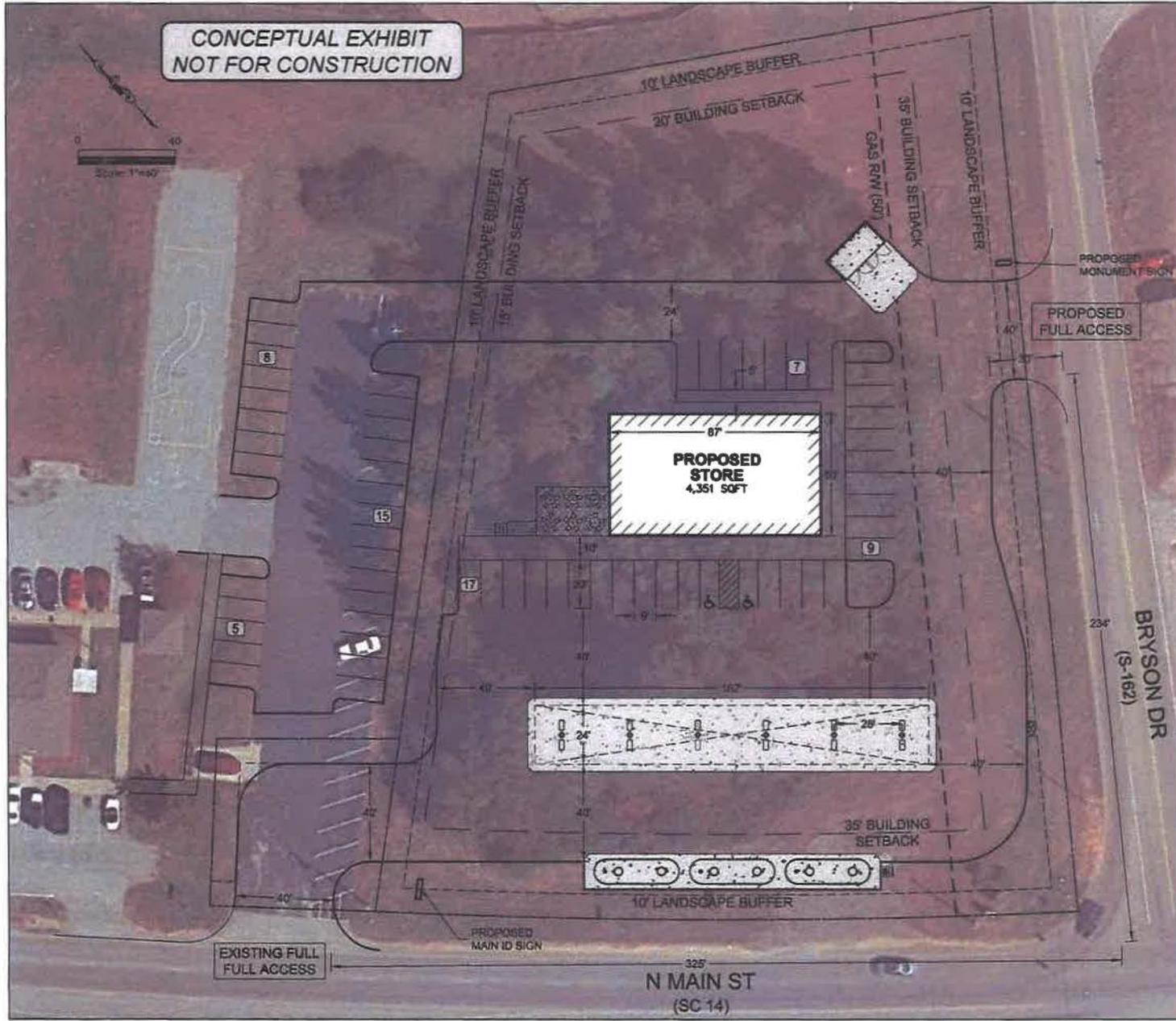
**GEL Engineering LLC**  
a member of THE GEL GROUP INC  
ENVIRONMENTAL • ENGINEERING • SURVEYING

342 Rousharon Way  
Lexington, South Carolina, 29072  
Telephone: 803.588.4734  
www.gel.com

THIS IS NOT A VALID, TRUE COPY OF THIS DOCUMENT UNLESS IT BEARING AN ORIGINAL SIGNATURE AND A RAMPED, ENGRAVED SEAL OF THE SURVEYOR.



**CONCEPTUAL EXHIBIT  
NOT FOR CONSTRUCTION**



**SITE DATA TABLE**

**SITE NAME:** FOUNTAIN INN (BRYSON DR), SC  
**ADDRESS:**  
**PARCEL NUMBER:** 0326000100706  
**JURISDICTION:** CITY OF FOUNTAIN INN, SC  
**ZONING DESIGNATION:** C-2 (COMMERCIAL DISTRICT)  
**PARCEL SIZE:** 42.27 ACRES

**PARKING:**  
**REQUIRED:** 1 SPACE FOR EVERY 500 SF FLOOR AREA + 1 FOR EVERY TWO EMPLOYEES (PER RETAIL CATEGORY REQUIREMENTS) = 11 SPACES  
**PROPOSED:**

STANDARD (8'X20')	= 31
ADA SPACE (8'X20')	= 2
<b>TOTAL</b>	<b>= 33</b>

SETBACKS:	BUILDING	BUFFER
ROW (N MAIN ST)	35'	10'
ROW (BRYSON DR)	35'	10'
ADJACENT PROPERTY	15'	10'
SIDE	20'	10'
REAR		

**CONCEPTUAL PLAN NOTES:**

CONDITIONS MAY EXIST THAT COULD RESTRICT THE DEVELOPMENT OF THIS SITE AS SHOWN. THIS DRAWING IS INTENDED TO BE CONCEPTUAL ONLY AND ADDITIONAL RESEARCH AND DESIGN WOULD BE REQUIRED FOR THE PREPARATION OF A SITE PLAN THAT MEETS LOCAL JURISDICTIONAL CODES.

BCG DOES NOT PURPORT THAT THIS SITE CAN BE DEVELOPED AS SHOWN. THE PURCHASE OF THIS SITE SHALL BE AT THE OWNER/DEVELOPER'S SOLE EXPENSE.

NO SITE VISITS HAVE BEEN PERFORMED TO ENSURE THE ACCURACY OF THE AERIAL IMAGE SHOWN HEREON.

THIS EXHIBIT IS NOT INTENDED TO BE USED AS A CONSTRUCTION DOCUMENT, AND SHOULD NOT BE CONSTRUED IN ANYWAY TO BE USED FOR CONSTRUCTION PURPOSES.

PROPERTY LINES SHOWN ARE FROM COUNTY GIS AND ARE FOR CONCEPTUAL PURPOSES ONLY.

**PROPOSED LEGEND**

- PROPERTY LINE
- BUILDING SETBACK LINE
- BUFFER
- PARKING COUNT
- PROPOSED BUILDING
- PROPOSED SIDEWALK
- HEAVY DUTY CONCRETE
- PATIO

**CONCEPTUAL EXHIBIT**

Cirda K Stores Inc.  
 2550 W. Tyvola Road  
 Suite 200  
 Charlotte, NC 28217



Bowman Consulting Group, LLC  
 850 North First Ferry  
 Suite 200  
 Alpharetta, GA 30005  
 Phone: (478) 394-4000  
 www.bowmanconsulting.com  
 © Bowman Consulting Group, LLC

CONCEPTUAL DESIGN  
 FOUNTAIN INN (BRYSON DR), SC  
 GAS STATION  
 N CORNER OF N MAIN ST AND  
 BRYSON DR



IND	IND	PL
SCALE	1" = 40'	
VERSION	3.5	

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: SC Department of Employment and Workforce Office Lease – 3955 Faber Place Drive in North Charleston

The SC Department of Employment and Workforce (DEW) requests approval to lease 6,831 SF of space located at 3955 Faber Place Drive in North Charleston from Faber Charleston Limited Partnership (Landlord) for their Unemployment Insurance Call Center and Field Office. The agency currently leases 6,571 SF at 7410 Northside Drive and has been at that location since December 1, 2014. The current lease expires November 30, 2019.

A solicitation was conducted and six (6) proposals were received, with the selected location representing the lowest overall cost to the agency. The current landlord did not provide a proposal. The space selected accommodates all the needs of the DEW and meets the state space standards with a density of approximately 191 SF/person.

The lease term will be seven (7) years and five (5) months and is expected to commence November 1, 2019. The agency requires a month overlap period with their current lease to coordinate set-up and moving. Rent will be \$26.00 per square foot for the first year of the lease, with three (3) percent annual escalations thereafter as shown on the chart below:

YEAR	ABATED RENT MONTHS	RATE/SF	MONTHLY RENT	ANNUAL RENT
1		\$26.00	\$14,800.50	\$177,606.00
2		\$26.78	\$15,244.52	\$182,934.24
3		\$27.58	\$15,699.92	\$188,399.04
4		\$28.41	\$16,172.39	\$194,068.68
5		\$29.26	\$16,656.26	\$199,875.12
6		\$30.14	\$17,157.20	\$205,886.40
7		\$31.05	\$17,675.21	\$212,102.52
8 (5 months)	\$91,023.08	\$31.98		
<b>Total</b>				<b>\$1,360,872.00</b>

The rent includes five (5) months free rent, all operating costs, as well as forty (40) parking spaces for staff and visitors. The Landlord will provide an allowance of \$170,775 for tenant improvements. Lease payments will be made from Federal Funds, and there are adequate funds for the lease according to the Budget Approval Form and multi-year plan submitted by the Agency.

---

**AGENCY:** Department of Administration, Facilities Management and Property Services

---

**SUBJECT:** SC Department of Employment and Workforce Office Lease – 3955 Faber Place Drive in North Charleston

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

<b>Location</b>	<b>Rate/SF</b>
176 Croghan Spur Road	\$35.00
210 Sigma Drive	\$31.20
2265 Clements Ferry Road	\$26.75

Above rates are subject to base rent and operating expense escalations.

The lease was approved by the Joint Bond Review Committee at its February 20, 2019 meeting.

---

**AUTHORITY ACTION REQUESTED:**

Approve the proposed lease for the SC Department of Employment and Workforce at 3955 Faber Place Drive in North Charleston, as recommended by the Department of Administration, Facilities Management and Property Services.

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**ATTACHMENTS:**

Agenda item worksheet; SC Code of Laws Section 1-11-55 and 1-11-56; SC Department of Employment and Workforce Letter Dated February 7, 2019

# STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: March 5, 2019

Regular Agenda

**1. Submitted by:**

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

  
Ashlie Lancaster, Director  
Facilities Management and Property Services

**2. Subject:** SC Department of Employment and Workforce Office Lease - 3955 Faber Place Drive in North Charleston

**3. Summary Background Information:**

The SC Department of Employment and Workforce (DEW) requests approval to lease 6,831 SF of space located at 3955 Faber Place Drive in North Charleston from Faber Charleston Limited Partnership (Landlord) for their Unemployment Insurance Call Center and Field Office. The agency currently leases 6,571 SF at 7410 Northside Drive and has been at that location since December 1, 2014. The current lease expires November 30, 2019.

A solicitation was conducted and six (6) proposals were received, with the selected location representing the lowest overall cost to the agency. The current landlord did not provide a proposal. The space selected accommodates all the needs of the DEW and meets the state space standards with a density of approximately 191 SF/person.

The lease term will be seven (7) years and five (5) months and is expected to commence November 1, 2019. The agency requires a month overlap period with their current lease to coordinate set-up and moving. Rent will be \$26.00 per square foot for the first year of the lease, with three (3) percent annual escalations thereafter as shown on the chart below:

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<b>Total</b>				<b>\$1,360,872.00</b>

The rent includes five (5) months free rent, all operating costs, as well as forty (40) parking spaces for staff and visitors. The Landlord will provide an allowance of \$170,775 for tenant

improvements. Lease payments will be made from Federal Funds, and there are adequate funds for the lease according to the Budget Approval Form and multi-year plan submitted by the Agency.

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

<b>Location</b>	<b>Rate/SF</b>
176 Croghan Spur Road	\$35.00
210 Sigma Drive	\$31.20
2265 Clements Ferry Road	\$26.75

Above rates are subject to base rent and operating expense escalations.

The lease was approved by the Joint Bond Review Committee at its February 20, 2019 meeting.

---

**4. What is the Authority asked to do?** Approve the proposed lease for the SC Department of Employment and Workforce at 3955 Faber Place Drive in North Charleston.

---

**5. What is recommendation of the Department of Administration?** Approve the proposed lease for the SC Department of Employment and Workforce at 3955 Faber Place Drive in North Charleston.

---

**6. List of Supporting Documents:**

- SC Code of Laws Section 1-11-55 and 1-11-56
- SC Department of Employment and Workforce Letter Dated February 7, 2019

**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.

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) .



SOUTH CAROLINA

Department of Employment and Workforce

**DATE:** February 7, 2019

**TO:** Ashlie Lancaster, Director  
Facilities Management and Property Services  
Department of Administration

**FROM:** Jamie Suber  
Acting Executive Director  
Department of Employment and Workforce

**SUBJECT:** Proposed Lease  
SC Department of Employment and Workforce  
1550 Gadsden Street

The SC Department of Employment and Workforce requests review of its proposal to lease 6,831 rentable square feet at 3955 Faber Place, N. Charleston, from Faber Charleston Limited Partnership. The Charleston Unemployment Insurance (UI) call center and the UI Field Service offices have been in their current lease since November, 2014, and it expires in November, 2019.

The SC Department of Administration conducted a solicitation and received 6 proposals. The selected location represents the location and facilities that best fit our agency specific needs.

The term of the proposed lease is 7 years and five months beginning October 1, 2019 at a rate of \$26.00 per square foot for the first year, with increases of 3 percent annually thereafter, considering five free months of rental the total payout will be \$1,360,872 over the term. The landlord includes an allowance of \$170,775.00 for tenant improvements. Maintenance and operating costs and sufficient parking for staff and visitors are included in the lease.

The lease payments will be made from 100% federal funds.

Please accept this letter as a formal request to present this matter to the Joint Bond Review Committee (JBRC) and the State Fiscal Accountability Authority (SFAA) for approval.

Thank you for your consideration.

Jamie Suber  
Acting Executive Director  
SC Dept. of Employment & Workforce

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AGENCY: Medical University Hospital Authority

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SUBJECT: Not Exceeding \$120,000,000 Revenue Anticipation Notes

The Authority is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$120,000,000 Revenue Anticipation Notes of the Medical University Hospital Authority (MUHA).

The proceeds of the notes will be used to defray (i) the payment of a portion of certain expenses and expenditures to be made in connection with the ownership and operation of certain hospital facilities in Florence, Marion, Lancaster, and Chester Counties, South Carolina, and (ii) to the extent available, to defray the costs associated with the issuance of the obligations.

Pursuant to S.C. Code Ann. Section 59-123-60, as amended, the Board of Trustees of the Medical University of South Carolina (Board of Trustees) became the governing body of the Medical University hospitals, clinics, and other healthcare and related facilities as shall be determined from time to time by resolution of the Board of Trustees. Section 59-123-60 further provides that whenever the Board of Trustees functions in its capacity as the governing body of such facilities, it is constituted and designated as the MUHA, an agency of the State of South Carolina.

MUHA, pursuant to Section 59-123-60(E)(3)(d), is authorized to issue revenue anticipation notes; provided that such notes have a maturity of not exceeding six months from date of issuance and do not exceed, in the aggregate, ten percent of the net patient service revenue for the fiscal year of MUHA preceding the fiscal year in which such obligations are issued. The issuance of the notes is subject to approval of the State Fiscal Accountability Authority (SFAA).

The Medical University of South Carolina (MUSC) advises that audited financial statements reflect that for fiscal year ended June 30, 2018, net patient service revenues were \$1,425,364,000.

MUHA requests that the SFAA authorize the State Treasurer to negotiate the terms of the Short Term Operating Indebtedness which shall be issued in one or more tranches, shall be issued in an aggregate principal amount not exceeding \$120,000,000 (which is less than ten percent (10%) of the net patient service revenue of MUSC for the fiscal year ended June 30, 2018), and each tranche of which shall have a maturity of not exceeding six (6) months from the date of its issuance. MUHA also requests that the SFAA authorize the Treasurer to negotiate other terms and conditions of the revenue anticipation notes and to approve all documents related thereto to which MUHA is a party and to negotiate the terms and conditions of up to three (3) renewals of each tranche of the Short Term Operating Indebtedness, for terms not exceeding six (6) months.

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AGENCY: Medical University Hospital Authority

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SUBJECT: Not Exceeding \$120,000,000 Revenue Anticipation Notes

---

AUTHORITY ACTION REQUESTED:

Adopt a resolution (1) authorizing the State Treasurer to negotiate the terms of Short Term Operating Indebtedness which shall be issued in one or more tranches, shall be issued in an aggregate principal amount not exceeding \$120,000,000 and each tranche of which shall have a maturity of not exceeding six (6) months from the date of its issuance; (2) authorizing the Treasurer to negotiate other terms and conditions of the revenue anticipation notes and to approve all documents related thereto to which the Medical University Hospital Authority is a party; and (3) authorizing the Treasurer to negotiate the terms and conditions of up to three (3) renewals of each tranche of Short Term Operating Indebtedness, for terms not exceeding six (6) months

---

ATTACHMENTS:

Johnson 2/11/19 letter; MUHA Board of Trustees Meeting Minutes for December 13-14, 2018; NDIF

**HAYNSWORTH  
SINKLER BOYD**

HAYNSWORTH SINKLER BOYD, P.A.  
134 MEETING STREET, 3<sup>RD</sup> FLOOR  
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CHARLESTON, SOUTH CAROLINA 29401  
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FAX 843.722.2266  
www.hsblawfirm.com

F. MITCHELL JOHNSON, JR.  
DIRECT 843.720.4444  
mjohnson@hsblawfirm.com

February 11, 2019

Delbert H. Singleton, Jr.  
South Carolina State Fiscal Accountability Authority  
Wade Hampton Office Building, 6<sup>th</sup> Floor  
Columbia, South Carolina 29201

Re: Not Exceeding \$120,000,000 Revenue Anticipation Note Indebtedness of the Medical University Hospital Authority (an Agency of the State of South Carolina), Series 2019

Dear Delbert:

The Medical University Hospital Authority requests that the captioned borrowings be considered at the March 5, 2019, meeting of the State Fiscal Accountability Authority.

The Medical University Hospital Authority intends to purchase four hospitals in Florence, Marion, Lancaster, and Chester. The purpose of the above-captioned indebtedness is to defray the payment of a portion of certain initial expenses and expenditures to be made in connection with the ownership and operation of such hospitals

The purchase of the hospitals does not require a separate CON from DHEC.

Accompanying this letter are the Transmittal Form, the SFAA Resolution and a draft bond counsel opinion for the proposed financing.

Please let me know if you have any questions or if I may provide any additional information.

Very truly yours,



F. Mitchell Johnson, Jr.

Enclosures

cc: Lisa Goodlett, CFO  
Annette Drachman, General Counsel



## RESOLUTION

**APPROVING THE INCURRENCE OR ISSUANCE BY THE MEDICAL UNIVERSITY HOSPITAL AUTHORITY OF SHORT-TERM OPERATING INDEBTEDNESS IN ONE OR MORE TRANCHES AND IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$120,000,000 TO DEFRAY THE PAYMENT OF A PORTION OF CERTAIN EXPENSES AND EXPENDITURES TO BE MADE IN CONNECTION WITH THE OWNERSHIP AND OPERATION OF CERTAIN HOSPITAL FACILITIES IN FLORENCE COUNTY, MARION COUNTY, LANCASTER COUNTY, AND CHESTER COUNTY, SOUTH CAROLINA, PURSUANT TO THE PROVISIONS OF TITLE 59, CHAPTER 123 OF THE CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED, AND OTHER MATTERS RELATED THERETO.**

WHEREAS, the Board of Trustees of the Medical University Hospital Authority (the "*Authority*") is authorized at §59-123-60(E)(3)(d) of the Code of Laws of South Carolina, 1976 as amended (the "*Enabling Legislation*"), to "issue revenue anticipation notes and such notes shall have a maturity of not exceeding six months from the date of issuance and shall not exceed, in the aggregate, ten percent of the net patient service revenue for the fiscal year of the [A]uthority preceding the fiscal year in which such obligations are issued;" and

WHEREAS, the audited financial statements of The Medical University of South Carolina for the fiscal year ended June 30, 2018, reflect net patient service revenues of \$1,425,364,000; and

WHEREAS, the Board of Trustees determined, in a meeting held on November 19, 2018, that the purchase of substantially all of the assets of certain affiliates of Community Health Systems, Inc. that are associated with or used in connection with the ownership and/or operation of Carolinas Hospital System – Florence in Florence, South Carolina; Carolinas Hospital System – Marion in Mullins, South Carolina; Springs Memorial Hospital in Lancaster, South Carolina; and Chester Regional Medical Center in Chester, South Carolina, and associated clinical sites and services (collectively, the "*Hospitals*") is in the best interest of the Authority; and

WHEREAS, the Board of Trustees has also determined, in a meeting held on February 8, 2019, that the issuance of revenue anticipation notes in one or more tranches and in an aggregate principal amount not to exceed \$120,000,000, bearing interest at rates not to exceed five percent (5%) per annum, and with each tranche having a maturity of not exceeding six (6) months from date of issuance thereof (the "*Short Term Operating Indebtedness*") to defray the payment of a portion of certain initial expenses and expenditures to be made in connection with the ownership and operation of the Hospitals (the "*Initial Operating Costs*") is in the best interest of the Authority,

WHEREAS, the Authority, under and pursuant to the provisions of the Enabling Legislation, has requested that the State Fiscal Accountability Authority approve the incurrence or issuance by the Authority of the Short-Term Operating Indebtedness in one or more tranches and in an aggregate principal amount not to exceed \$120,000,000 at interest rates not to exceed five percent (5%) per annum and for terms of six (6) months, the proceeds of which Indebtedness will defray the Initial Operating Costs; and

**NOW, THEREFORE, BE IT RESOLVED**, by the State Fiscal Accountability Authority of the State of South Carolina as follows:

**Section 1.** The State Treasurer of South Carolina is hereby authorized to negotiate the terms of the foregoing Short-Term Operating Indebtedness which shall be issued in one or more tranches, shall be issued in an aggregate principal amount not exceeding \$120,000,000 (which is less than ten percent (10%) of the net patient service revenue of The Medical University of South Carolina for the fiscal year ended June 30, 2018), and each tranche of which shall have a maturity of not exceeding six (6) months from the date of its issuance.

**Section 2.** The State Treasurer of South Carolina is hereby authorized to negotiate other terms and conditions of such Short-Term Operating Indebtedness and to approve the form of all documents related thereto to which the Authority shall be a party.

**Section 3.** The State Treasurer of South Carolina is further authorized to negotiate the terms and conditions of up to three (3) renewals of each tranche of such Short-Term Operating Indebtedness, for terms not exceeding six (6) months.

**Section 4.** This Resolution shall take effect immediately.

[Closing Date], 2019

Board of Trustees of Medical University Hospital Authority  
Charleston, South Carolina

Re: \$ \_\_\_\_\_ Medical University Hospital Authority Revenue Anticipation Notes  
Series 2019B (the "**Obligations**")

Ladies and Gentlemen:

We have acted as bond counsel to the Medical University Hospital Authority ("**MUHA**"), an agency of the State of South Carolina (the "**State**") established by Act 116 of the 1999 Acts and Joint Resolutions of the General Assembly of South Carolina, codified as §59-123-60 of the Code of Laws of South Carolina 1976, as amended (the "**Enabling Act**"), in connection with the issuance by MUHA of the Obligations. The Obligations have been issued to finance the payment of a portion of certain expenses and expenditures to be made in connection with the ownership and operation of certain hospital facilities in Florence, Marion, Lancaster, and Chester, South Carolina. The Obligations evidence loans from \_\_\_\_\_ (the "**Lender**") to MUHA in a maximum principal amount equal to the face amount of the Obligations made under and pursuant to the provisions of a [Loan/Credit] Agreement (the "**[Loan/Credit] Agreement**") of even date herewith by and between MUHA and the Lender. The payment of the Obligations is unsecured.

In our capacity as bond counsel to MUHA, we have prepared or reviewed the following:

1. The Enabling Act.
2. A certified copy of the Bylaws (the "**Bylaws**" and, together with the Enabling Act, the "**Organizational Documents**") of the Board of Trustees of MUHA.
3. A certified copy of the resolution of the Board of Trustees of MUHA adopted on February 8, 2019, authorizing the issuance or incurrence of the Obligations.
4. A Certificate of the Chief Executive Officer and Executive Director of MUHA and the Chief Financial Officer of MUHA of even date herewith.
5. Resolution of the State Fiscal Accountability Authority adopted on March 5, 2019, authorizing the issuance of the Obligations subject to the approval of the State Treasurer of South Carolina (the "**State Treasurer**") as to the final terms of the Obligations.
6. A Certificate of the State Treasurer of even date herewith.
7. The Obligation, the [Loan/Credit] Agreement, the \_\_\_\_\_, and the \_\_\_\_\_ (collectively, the "**Loan Documents**").

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings, and court decisions. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. As to questions of fact material to our opinion, we have relied upon representations of MUHA, the certified proceedings and other certifications of public officials furnished to us, and certifications furnished by or on behalf of MUHA without undertaking to verify the same by independent investigation.

In preparation for the issuance of these opinions, we have examined the Constitution and laws of the State including, particularly, the Enabling Act and such other papers, instruments, and documents in this matter as we have deemed necessary or advisable.

Based on the foregoing, we are of the opinion that:

(i) MUHA is duly created and validly existing as a public body corporate and politic and an agency of the State with the corporate power to enter into and perform the Loan Documents.

(ii) The Loan Documents have been duly authorized, executed, and delivered by MUHA and each constitutes a valid and binding agreement of MUHA, enforceable in accordance with its terms.

(iii) The Organizational Documents are in full force and effect.

(iv) The Mortgages are in proper form for filing in the office of the [Register of Mesne Conveyances/Register of Deeds for [Florence, Marion, Lancaster, and Chester] Counties, South Carolina (the "**Local Filing Offices**")], and, when recorded in the Local Filing Offices, will be effective to create valid liens on the interests of MUHA in the real property interests described therein.

(v) No state or local mortgage tax, stamp tax or other fee or tax (other than customary per-page or document filing and recording fees imposed by law) is required to be paid in the State in connection with the delivery, filing or recording of the Mortgages with the Local Filing offices.

It is to be understood that the rights of the parties under the Loan Documents are subject to general principles of equity which may permit the exercise of judicial discretion, the exercise of the sovereign police powers of the State and the constitutional powers of the United States of America and to applicable bankruptcy, insolvency, reorganization, moratorium, and other similar laws relating to or affecting creditors' rights generally. In addition, we express no opinion as to the validity of any indemnification obligation upon MUHA or any provisions of the Loan Documents that purport to excuse a party from liability for its own acts or that authorize a party to act in its sole discretion.

§36-9-109(b)(14) of the Uniform Commercial Code – Secured Transactions, as adopted in the State (§§36-9-101 et seq.) provides that the South Carolina UCC – Secured Transactions does not apply to "a transfer by a government or governmental unit." Accordingly, we express no opinion as to the perfection or priority of the pledge of the Project Fund referred to in paragraph (ii) above.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

March 5, 2019

South Carolina State Fiscal Accountability Authority  
Columbia, South Carolina

Re: Not Exceeding \$120,000,000 Revenue Anticipation Notes issued by the Medical University Hospital Authority ("**MUHA**")

Ladies and Gentlemen:

We are acting as bond counsel in connection with the proposed incurrence or issuance by MUHA of the above-captioned indebtedness (the "**Revenue Anticipation Note Indebtedness**"). At your request, we are delivering this opinion in connection with the consideration by the South Carolina State Fiscal Accountability Authority ("**SFAA**") of the approval of the issuance of the Revenue Anticipation Note Indebtedness pursuant to §59-123-60, Code of Laws of South Carolina, 1976, as amended (the "**Enabling Act**"), which established MUHA.

In that capacity, we have examined originals or copies of the Minutes of the December 14, 2018, Meeting of the Board of Trustees of MUHA, the form of a proposed Resolution, which we have prepared for SFAA's consideration and which, if adopted by SFAA, permits the incurrence of the Revenue Anticipation Note Indebtedness, the form of a certificate to be executed by the Executive Director and Chief Financial Officer of MUHA, and the forms of certificates to be executed by State Treasurer of South Carolina (collectively, the "**Authorization Documents**").

In rendering the opinions expressed below, we have relied only upon our examination of the Authorization Documents and such other documents, certificates and correspondence referenced above. We have not made or undertaken to make any investigation as to factual matters or as to the accuracy or completeness of any representation, warranty, data, or any other information, whether written or oral, that may have been made or may hereafter may be made by or on behalf of MUHA, SFAA, or the parties to the any of the documents related to the Revenue Anticipation Note Indebtedness. Further, in rendering the opinions expressed below, we do not purport to be experts in, generally familiar with, or qualified to express legal opinions based on, the laws of any jurisdiction other than the federal laws of the United States of America and the laws of the State of South Carolina (the "**State**"), and the opinions are limited to the federal laws of the United States of America and the laws of the State.

Based upon the stated examination and assumptions, and subject to the stated qualifications and limitations, we are of the opinion, under existing law, that the Authorization Documents comply with all requirements of the Enabling Act and are legally sufficient and contain all facts, information, and findings by the respective authorities legally required to authorize SFAA to approve the incurrence of the Revenue Anticipation Note Indebtedness.

Except as set forth above, we express no opinion in connection with the incurrence of the Revenue Anticipation Note Indebtedness. The opinions expressed above are rendered solely for your benefit in considering the approval of the incurrence of the Revenue Anticipation Note Indebtedness under the Enabling Act. The opinions expressed above may neither be relied on by you for any other purpose nor be used, circulated, quoted, or relied on by any other person or entity for any other purpose, without, in each instance, our prior written consent. We disclaim any obligation to update the opinion expressed above for events occurring or coming to our attention after the date of this letter.

Very truly yours,

*Haynsworth Sinkler Boyd, P.A.*

**MINUTES  
MEDICAL UNIVERSITY HOSPITAL AUTHORITY (MUHA)  
BOARD OF TRUSTEES MEETING  
DECEMBER 13-14, 2018**

The Board of Trustees of the Medical University Hospital Authority convened Friday, December 14, 2018, with the following members present: Mr. Charles Schulze, Chair; Dr. James Lemon, Vice-Chair, Mr. Bill Baker; Ms. Terri Barnes; Mr. Jim Battle; Mr. Bill Bingham; Dr. Melvin Brown; Dr. Guy Castles; Dr. Richard Christian; Dr. Paul Davis; Dr. Don Johnson; Ms. Barbara Johnson-Williams; Dr. Murrell Smith; and Mr. Tom Stephenson.

MUSC administrative officials were present: Dr. David Cole, Dr. Pat Cawley; Ms. Annette Drachman; Dr. Ray DuBois; Dr. Lisa Saladin; and Mr. Mark Sweatman.

**Item 1.**            **Call to Order.**

There being a quorum present, Chairman Schulze called the meeting to order.

**Item 2.**            **Roll Call for the MUHA and MUSC Board of Trustees.**

Ms. Scutt called the roll and made the following announcement, *"In compliance with the Freedom of Information Act, notice of meetings and agendas were furnished to all news media and persons requesting notification."*

**Item 3.**            **Secretary to Report Date of Next Meeting of the MUHA and MUSC Board of Trustees.**

Ms. Scutt reported that the date of the next regular Board meeting is Friday, February 8, 2019.

**Item 4.**            **Approval of the Minutes of the Regular Meeting of the MUSC Board of Trustees of October 12, 2018, the Facilities Subcommittee Meeting of November 13, 2018 and the Special Called Meeting of the MUHA/MUSC Board of Trustees of November 19, 2018.**

**Board Action:** Mr. Schulze called for a motion for the approval of the minutes. A motion was made by Dr. Lemon, the motion was seconded, voted on and unanimously carried.

**RECOMMENDATIONS AND INFORMATIONAL REPORTS FROM THE OFFICE OF THE PRESIDENT**

**OLD BUSINESS:** None.

**NEW BUSINESS:** None.

**Item 5.**            **General Informational Report of the President.**

**Statement:** Dr. David Cole gave an update to the Board on Thursday and highlighted some of the current initiatives and recognition across the MUSC Enterprise. Some of the highlights included:

- **Academics:** New Geriatric Fellowship Program received initial accreditation and is seeking applicants to begin in July 2019; College of Medicine has launched searches for the following department chair positions: Neurology; Neuroscience; Orthopedics; Public Health Sciences and Radiation Oncology.

- Faculty Awards: Dr. Gary Gilkeson and Dr. Deanna Baker-Frost were honored with American College of Rheumatology (ACR) awards. Dr. Michael Yost has been elected as a Fellow of the National Academic of Inventors.
- MUSC Health: Siemens Healthineers joint oversight structure has been established and the commercial agreement is in definitive stage. Children's Health and Stroke research projects are moving along and are expected to launch this fiscal year.
- Finance and Administration: MUSC Enterprise Employee Scholarships Fund was established and a total of 25 individuals were selected. The 2<sup>nd</sup> Annual Inclusion to Innovation Summit was held in November with more than 80 participants.
- Legislative: Meetings held with SFAA on Pharmacy/Innovation renovations, ERP and new hospitals. Invited by SC Governor McMaster to the inaugural ceremonies on January 9.

Dr. Cole called on Dr. Cawley who introduced Dr. Christine Holmstedt, Associate Professor of Neurology & Emergency Medicine and Medical Director of MUSC's Comprehensive Stroke and Teleneuroscience Programs. Dr. Holmstedt began her presentation sharing background and need around telestroke and teleneurology. Data from the CDC in 2016 showed that stroke is the 5<sup>th</sup> leading cause of death in the U.S. and the 3<sup>rd</sup> leading cause of death in SC. Dr. Holmstedt also reported that the demand for neurologists continues to increase and is there is a projected shortfall of 19% by 2025. She also said that in South Carolina, based on the population of 4.9M and the number of neurologists in SC (157), the ratio of neurologist to patient is one neurologist for every 31K patients.

Dr. Holmstedt reported on the growth of the telestroke program from 2008 to 2018. The program has grown from 4 hospitals and 5 providers in 2008 to 28 partners; 14 primary stroke centers and 21 providers in 2018. As of December 2018, the telestroke program had completed 17K consults. The Teleneurology program has grown rapidly with 15 partners and over 2,500 consults in 2018 compared to 5 partners and 64 consults in 2015.

Dr. Holmstedt shared information on the pilot project that started in early 2017 in rural Georgetown using EMS initiated consults. The program began with 1 equipped EMS unit and since January 2018, coverage has expanded to 24/7 with all Georgetown EMS trucks equipped to handle EMS initiated consults. She concluded her presentation with information on the Teleneuroscience Clinics and plans for expansion across the state.

Dr. Cole and the Board thanked Dr. Holmstedt for her leadership and work with the telestroke program. Dr. Cole stated that this concluded his report.

Recommendation of Administration: That this be received as information.

Board Action: Received as information.

#### Item 6.

Naming Request for North Charleston Children's Ambulatory Center.

**Statement:** Chairman Schulze called on Dr. Don Johnson. Dr. Johnson presented a resolution, on behalf of MUSC, honoring North Charleston Mayor Keith Summey for his commitment to MUSC Children's Health, business development and public service. The resolution noted that "Mayor Summey made it his priority to increase access and improve infrastructure to allow for better health care for all citizens of the Lowcountry. Mayor Summey's vision included leading the charge for North Charleston to generously donate the land that made it possible for MUSC to build a world-class pediatric outpatient care facility to serve the children and the families of

the Lowcountry and the state.” Dr. Johnson concluded the reading of the resolution and announced that the new North Charleston MUSC pediatric facility would be named “The MUSC Children’s Health R. Keith Summey Medical Pavilion.”

Mayor Summey thanked the Board for this honor and applauded the work of the Board and MUSC leadership. Mayor Summey stated that he is proud to be associated with MUSC and to have played a part in the new pediatric ambulatory facility. Mayor Summey commented that this new world class facility being built in North Charleston will help families in the City of North Charleston and other areas get access to the outstanding medical care provided by MUSC.

Recommendation of Administration: That this naming request be approved.

Board Action: The Board unanimously approved the naming of the new North Charleston MUSC pediatric facility as the “The MUSC Children’s Health R. Keith Summey Medical Pavilion.”

**Item 6.1**      **Other Business.**

None.

**AUTHORITY OPERATIONS, QUALITY & FINANCE COMMITTEE. CHAIR: DR. G. MURRELL SMITH, SR. (Detailed committee minutes attached.)**

**OLD BUSINESS:** None.

**NEW BUSINESS:**

**Item 7.**      **Medical University Hospital Authority (MUHA) Status Report.**

Statement: Dr. Smith reported that Dr. Patrick Cawley, CEO MUSC Health, gave an update centered on organizational wins; 2019 goal performance year-to-date; and an update on the CHS acquisition.

Recommendation of Administration: That the report be received as information.

Recommendation of Committee: That the report be received as information.

Board Action: Received as information.

**Item 8.**      **Certificates of Need (CON) for Free-Standing Emergency Rooms.**

Statement: Dr. Smith, on behalf of the committee, requested approval for the Medical University Hospital Authority to seek Certificates of Need for freestanding emergency rooms.

Recommendation of Administration: That this request to seek Certificates of Need for free-standing emergency rooms be approved.

Recommendation of Committee: That this request to seek Certificates of Need for free-standing emergency rooms be approved.

Board Action: The committee moved for approval; the motion was voted on and unanimously carried.

Item 9. Certificate of Need (CON) for Rehabilitation Facility.

Statement: Dr. Smith, on behalf of the committee, requested approval for the Medical University Hospital Authority to seek a Certificate of Need for a rehabilitation facility.

Recommendation of Administration: That this request to seek a Certificate of Need for a rehabilitation facility be approved.

Recommendation of Committee: That this request to seek a Certificate of Need for a rehabilitation facility be approved.

Board Action: The committee moved for approval; the motion was voted on and unanimously carried.

Item 10. MUHA Financial Status Report.

Statement: Dr. Smith stated that Ms. Lisa Goodlett, Chief Financial Officer, presented to committee MUHA's financial status report through December 2018 and shared with the committee favorable operating results through December.

Recommendation of Administration: That the report be received as information.

Recommendation of Committee: That the report be received as information.

Board Action: Received as information.

Item 11. Resolutions Authorizing MUHA to Petition the State Fiscal Accountability Authority (SFAA) for Approval of Debt.

Statement: Dr. Smith, on behalf of the committee, requested approval of the following resolutions for obtaining financing inclusive of authorizing MUHA to petition the State Fiscal Accountability Authority.

- SFAA required resolution for bridge loan necessary to be in place due to timing of HUD enhanced financing up to \$ 137 M
- SFAA required resolution for HUD enhanced financing up to \$ 137 M
- Authorization to move forward with obtaining HUD financing
- Authorization to issue up to \$120 M in Revenue Anticipation Notes functioning as a line of credit for the Authority

Recommendation of Administration: That these resolutions be approved.

Recommendation of Committee: That these resolutions be approved.

Board Action: The committee moved for approval; the motion was voted on and unanimously carried.

Item 12.      Quality and Patient Safety Report.

Statement: Dr. Smith stated that Dr. Danielle Scheurer presented the quality and patient safety report and provided the annual update on Peer Review cases for 2017-2018.

Recommendation of Administration: That this report be received as information.

Recommendation of Committee: That this report be received as information.

Board Action: Received as information.

Item 13.      Update on MUSC Physicians and Approval of Capital Purchase Exceeding \$50,000.

Statement: Dr. Smith requested approval of a capital expenditure of \$134,000 for the additional renovations needed for the MUSC Physicians medical office building space on Daniel Island.

Recommendation of Administration: That this capital expenditure be approved.

Recommendation of Committee: That this capital expenditure be approved.

Board Action: Dr. Smith moved for approval, the motion was seconded and unanimously voted to approve the capital expenditure of \$134,000 for the additional renovations needed for the MUSC Physicians medical office building space on Daniel Island.

Item 14.      Legislative Update.

Statement: Dr. Smith reported that Mark Sweatman gave an update to the committee on legislative activities.

Recommendation of Administration: That this report be received as information.

Recommendation of Committee:

Board Action:

Item 15.      Other Committee Business.

None.

Item 16.      Appointments, Reappointments and Delineation of Privileges (Consent Item).

Statement: The list of appointments, reappointments and delineation of privileges for September and October 2018 were presented for approval.

Recommendation of Administration: That the appointments, reappointments, and delineation of privileges be approved.

Recommendation of Committee: That the appointments, reappointments, and delineation of privileges be approved.

Board Action: Dr. Smith made a motion to approve; the motion was seconded, voted on and unanimously carried.

Item 17. Medical Executive Committee Minutes (Consent item).

Statement: Medical Executive Committee minutes for June and July 2018 were presented for information.

Recommendation of Administration: That the minutes be received as information.  
Board Action: Received as information.

Recommendation of Committee: That the minutes be received as information.  
Board Action: Received as information.

Board Action: Received as information.

Item 18. Contracts and Agreements (Consent item).

Statement: A report of contracts and agreements signed since the last board meeting, were presented for information.

Recommendation of Administration: That the report be received as information.

Recommendation of Committee: That the report be received as information.

Board Action: Received as information.

**MUHA AND MUSC PHYSICAL FACILITIES COMMITTEE. CHAIR: MR. WILLIAM H. BINGHAM, SR.**

**OLD BUSINESS:**

**NEW BUSINESS:**

Item 19. Major Projects Status Report.

Statement: Mr. Bingham stated that Mr. Matt Wain, MUHA Chief Operating Officer, gave a status report on major projects including the MUSC Shawn Jenkins Children's Hospital and Women's Pavilion; Children's Ambulatory Campus; MUSC Health West Campus; and the Consolidated Service Center.

Recommendation of Administration: That this report be received as information.

Recommendation of Committee: That this report be received as information.

Board Action: Received as information.

Item 20.      MUHA Facilities Procurement/Contract Proposed.

Statement: Mr. Bingham requested approval of the following:

- Lease amendment for approximately 8,600 additional square feet of clinical space at Nexton of Summerville resulting in new total square footage of 24,500. This is for added space for Specialty Clinics and to extend the lease term from 5 to 7 years. Cost per square foot is \$24.00; resulting in an annual lease of \$588,000.00.

Recommendation of Administration: That this procurement/contract be approved.

Recommendation of Committee: That this procurement/contract be approved.

Board Action: Mr. Bingham moved for approval. The motion was seconded, voted on and unanimously carried.

Item 21.      MUSC Facilities Procurements/Contracts Proposed.

Statement: Mr. Bingham requested approval of the following:

- Two separate lease agreements for suites 430 and 520 in the Roper Medical Office Building a total of 3,010 square feet of office space. This space is for pediatric physicians for the new Children’s Hospital. Cost per square foot is \$30.00, resulting in a total initial annual lease amount of \$90,300.00.
- Lease for 2,475 square feet of office space in the Roper Medical Office Building, Suite 690. This space is for the Office of Clinical Research. Cost per square foot is \$30.00 resulting in an annual lease amount of \$74,250.00.

Recommendation of Administration: That these procurements/contracts be approved.

Recommendation of Committee: That these procurements/contracts be approved.

Board Action: Mr. Bingham moved for approval. The motion was seconded, voted on and unanimously carried.

Item 22.      Other Committee Business.

None.

**CONSENT AGENDA FOR INFORMATION**

Item 23.      MUSC Facilities Contracts Awarded.

MUSC facilities contracts awarded since the last board meeting were presented.

Recommendation of Administration: That this report be received as information.

Recommendation of Committee: That this report be received as information.

Board Action: Received as information.

**MUSC SHAWN JENKINS CHILDREN'S HOSPITAL COMMITTEE. CHAIR: MR. MICHAEL E. STAVRINAKIS**

**OLD BUSINESS:**

**NEW BUSINESS:**

**Item 24.      Children's Health Clinical Overview.**

Statement: Mr. Stavrinakis reported that Dr. Krishna Patel gave a presentation to the committee on pediatric craniofacial anomalies and the Cleft Lip and Palate team.

Recommendation of Administration: That this report be received as information.

Recommendation of Committee: That this report be received as information.

Board Action: Received as information

**Item 25.      Shawn Jenkins Children's Hospital Development Activity Report.**

Statement: Mr. Stavrinakis reported that Terry Stanley announced that as of December 10, approximately \$138 million has been raised for the Children's Hospital Building Campaign.

Recommendation of Administration: That this report be received as information.

Recommendation of Committee: That this report be received as information.

Board Action: Received as information.

**Item 26.      Other Committee Business.**

None.

**MUHA AND MUSC AUDIT COMMITTEE. CHAIR: THOMAS L. STEPHENSON, ESQ.**

**OLD BUSINESS:**

**NEW BUSINESS:**

**Item 27.      KPMG Exit Conference.**

Statement: Mr. Stephenson stated that Ms. Jennifer Hall, Partner with KPMG presented to the committee the results of the FY2018 external audit.

Recommendation of Administration: That this report be received as information.

Recommendation of Committee: That this report be received as information.

Board Action: Received as information.

Item 28.      Compliance Update.

Statement: Mr. Stephenson stated that Ms. Julie Acker, Senior Director of Compliance, gave an update to committee.

Recommendation of Administration: That this report be received as information.

Recommendation of Committee: That this report be received as information.

Board Action: Received as information.

Item 29.      Report of the Office of Internal Audit.

Statement: Ms. Susan Barnhart, Director of Internal Audit, reported on the activities of the Office of Internal Audit.

Recommendation of Administration: That this report be received as information.

Recommendation of Committee: That this report be received as information.

Board Action: Received as information.

Item 30.      Other Committee Business.

None.

**OTHER BUSINESS FOR THE BOARD OF TRUSTEES:**

Item 31.      Approval of Consent Agenda.

Statement: Approval of the consent agenda was requested.

Recommendation of Administration: That the consent agenda be approved.

Board Action: Mr. Schulze made a motion for the approval of the consent agenda in its entirety. The motion was seconded, voted on and unanimously carried.

Item 32.      Executive Session.

Statement: A motion was made by Mr. Battle to move into closed session to discuss the following items pursuant to sections 30-4-70(a) of the South Carolina Code:

- Discussion of employment, appointment or compensation of an employee, a student, or a person regulated by a public body or the appointment of a person to a public body, including honorary degree recipients;
- Discussion of information related to negotiation of contractual arrangements and proposed sale or purchase of property related to the expansion of clinical and educational services or other value-based services.
- Discussion of information related to negotiation of contractual arrangements related to naming opportunities.

Board Action: The motion was seconded, voted on and unanimously carried.

**Item 33.** New Business for the Board of Trustees.

None.

**Item 34.** Report from the Chairman.

None.

There being no further business, the meeting of the MUHA Board of Trustees was adjourned.

Respectfully submitted,



Mark C. Sweatman, Secretary

**Hospital Operations, Finance and Quality Committee  
Minutes  
December 13, 2018**

***Board Members Attending:***

Dr. Murrell Smith, Chair  
Mr. William Bingham  
Dr. Melvin Brown

Dr. Richard Christian  
Dr. Paul Davis  
Dr. Donald Johnson

Dr. Guy Castles  
Dr. James Lemon

**Item 7. Medical University Hospital Authority Status Report.**

Dr. Cawley gave an update on organizational wins; 2019 goals year to date performance; and the CHS acquisition. Wins included the CHS acquisition; Leapfrog Safety Score of "A"; Level 1 Trauma Center reverification; Named 2018 Most Wired Hospitals and Health Systems; MUSC's BMT program received Press Ganey's national Team of the Year Award; and, MUSC partnership with USGA Women's Championship. MUSC Health 2019 Goals weighted heavy on Finance and Growth at 50% and overall performance is 3.62. Service and people goals are in yellow but quality & safety, finance, growth and innovation are all hitting goals. Cawley explained how scores are equated and a request was made to start presenting issues to the board that may help improve scores. Cawley gave an update on CHS including financing, SFAA resolutions, internal and external communications, and the overall integration plan.

*Recommendation of Committee: Report received as information.*

**Item 8. Certificates of Need for Free-Standing Emergency Rooms.**

Committee action was deferred to Friday following discussion in executive session.

*On Friday, December 14, 2018, Dr. Smith, on behalf of the committee, requested Board approval for MUHA to seek Certificates of Need for freestanding emergency rooms.*

*Board Action: The committee moved for approval; the motion was voted on and unanimously carried.*

**Item 9. Certificate of Need for Rehabilitation Facility.**

Committee action was deferred to Friday following discussion in executive session.

*On Friday, December 14, 2018, Dr. Smith, on behalf of the committee, requested Board approval for MUHA to seek a Certificate of Need for a rehabilitation facility.*

*Board Action: The committee moved for approval; the motion was voted on and unanimously carried.*

**Item 10. Medical University Hospital Authority (MUHA) Financial and Statistical Report.**

Lisa Goodlett, CFO, gave an update on MUHA's financial status through October 2018. Ms. Goodlett shared with the committee the favorable operating results. YTD performance improved to an operating margin of 2.30% compared to budget expectations of 1.92%. Revenue is trending favorable and the hospital appears to have recovered from the impacts of the storm. Some expenses are trending unfavorably compared to volumes inclusive of supplies, labor and professional support.

*Recommendation of Committee: Report received as information.*

**Item 11. Resolutions Authorizing MUHA to Petition the State Fiscal Accountability Authority (SFAA) for Approval of Debt.**

Committee action was deferred to Friday following discussion in executive session.

*On Friday, December 14, 2018, Dr. Smith, on behalf of the committee, requested Board approval of the following resolutions for obtaining financing inclusive of authorizing MUHA to petition the State Fiscal Accountability Authority.*

- 1 – SFAA required resolution for bridge loan necessary to be in place due to timing of HUD enhanced financing up to \$ 137 M
- 2 – SFAA required resolution for HUD enhanced financing – up to \$ 137 M
- 3 – Authorization to move forward with obtaining HUD financing
- 4 - Authorization to issue up to \$120 M in Revenue Anticipation Notes functioning as a line of credit for the Authority

*Board Action: The committee moved for approval; the motion was voted on and unanimously carried.*

**Item 12. Report on Quality and Patient Safety.**

Dr. Danielle Scheurer gave an update on quality and safety. Wins include Joint Commission Survey with no significant findings; Leapfrog "A"; and goals all tracking well. Quality scorecard performance are all in the green. Baldrige award process – plan to resubmit in February, submitting applications for 5 federal and 1 state examiner, goal is state site visit Summer 2019 and Governors Award. Dr. Scheurer provided the annual update to the board for Peer Review for 2017-2018.

*Recommendation of Committee: Report received as information.*

**Item 13. Update on MUSC Physicians and Approval of Capital Purchase Exceeding \$50,000.**

Dr. Terry Steyer requested approval for additional capital expenditures of \$134,000 in the renovations of medical office building space by MUSC Physicians on Daniel Island. Increase in costs were due to apartments above office which requires additional life safety requirements, HVAC and electrical issues as well as tariffs cost increases.

Recommendation of Committee: Recommend approval.

**Item 14. Legislative Update.**

Mr. Mark Sweatman gave an update on legislative activities.

Recommendation of Committee: Report received as information.

**Item 15. Other Committee Business.**

None.

**CONSENT AGENDA ITEMS**

**Item 16. Appointments, Reappointments and Delineation of Privileges**

The appointments, reappointments and delineation of privileges requests for the months of September and October 2018 were presented for approval.

Recommendation of Committee: Recommend approval.

**Item 17. Medical Executive Committee Minutes.**

Medical Executive Committee minutes from August, September, and October 2018 were presented for information.

Recommendation of Committee: Received as information.

**Item 18. Contracts and Agreements.**

Contracts and agreements since the last board meeting were presented for information.

Recommendation of Committee: Received as information.

There being no further business, the committee adjourned.

Respectfully Submitted

*Angie Baldwin*

**MUSC and MUHA Physical Facilities Committee Minutes  
December 13, 2018**

***Committee Members in attendance:***

Mr. Bill Bingham, Chair  
Mr. Jim Battles  
Dr. James Lemon

Mr. Charles Schulze  
Mr. Tom Stephenson  
Mr. Michael Stavrinakis

**Item 19. Major Projects Status Report.**

Mr. Matt Wain, Chief Operating Officer, presented a status report on the following major projects:

- MUSC Shawn Jenkins Children's Hospital and Women's Pavilion
- Children's Ambulatory Campus
- MUSC Health West Campus
- Consolidated Service Center

*Recommendation of Committee: Report received as information.*

**Item 20. MUHA Facilities Procurements/Contracts for Approval.**

Dr. Gene Hong, Chief Physician Executive and Mr. Greg Weigle, Chief Facilities Officer, presented the following for approval:

- Lease amendment for approximately 8,600 additional square feet of clinical space at Nexton of Summerville resulting in new total square footage of 24,500. This is for added space for Specialty Clinics and to extend the lease term from 5 to 7 years. Cost per square foot is \$24.00; resulting in annual lease amount of \$588,000.00.

*Recommendation of Committee: Recommend approval.*

**Item 21. MUSC Facilities Procurements/Contracts for Approval.**

Mr. Greg Weigle, Chief Facilities Officer, presented the following for approval:

- Two separate lease agreements for suites 430 and 520 in the Roper Medical Office Building a total of 3,010 square feet of office space. This space is for pediatric physicians for the new Children's Hospital. Cost per square foot is \$30.00, resulting in a total initial annual lease amount of \$90,300.00.
- Lease for 2,475 square feet of office space in the Roper Medical Office Building, Suite 690. This space is for the Office of Clinical Research. Cost per square foot is \$30.00 resulting in an annual lease amount of \$74,250.00.

*Recommendation of Committee: Recommend approval.*

**Item 22.      Other Committee Business.**

None.

**CONSENT AGENDA**

**Item 23.      Facilities Contracts Awarded.**

Facilities contracts awarded since the last board meeting were presented.

*Recommendation of Committee: Received as information.*

There being no other business, the meeting was adjourned.

*Jane L. South*



# New Debt Information Form (NDIF) - Initial Form

SFAA Approval Date: 03/05/19

Final Version Date: 00/00/00

## 1. AGENCY/ISSUER & FINANCING INFORMATION

Agency #: \_\_\_\_\_ Issuer: Medical University Hospital Authority Series: 2019  
 Borrower (if not Issuer): \_\_\_\_\_  
 Bond Caption: Taxable Revenue Anticipation Notes  
 Bond Resolution Amount: \$120,000,000.00 Est. Production/Par Amt: \$120,000,000.00

(\* Used to calculate initial COI percentages; STO bond issues must use Par Amt \*)

### Submitted By:

ENTITY: Medical University Hospital Authority  
 BY: Lisa M. Goodlett  
 ITS: Chief Financial Officer  
 Tel: 843.792.4775  
 Email: goodlett@musc.edu

Final Production/Par Amt: \$0.00

### Transaction Type/Method of Sale:

Public Offering: Competitive: \_\_\_\_\_ Negotiated: \_\_\_\_\_  
 Direct Placement: Competitive:  Negotiated: \_\_\_\_\_  
 Governmental Loan/Governmental Purchaser  
 Other: \_\_\_\_\_

MSRB (EMMA) Continuing Disclosure Requirement (Y/N): No  
 MSRB (EMMA) Continuing Disclosure Responsible Party: N/A

## 2. FINANCING (NEW PORTION)

Project #: \_\_\_\_\_ Project Name: MUSC - CHS  
 Project Address/Location: Various Amount: \$120,000,000/ no more than 3 renewals  
 Project Type: Revenue Anticipation Notes County: Varies  
 Projected Avg Interest Rate: 3.00-3.50% fixed; 7% default rate Final Maturity: 6 months from issuance of each tranche

## 3. FINANCING (REFUNDED PORTION)

Series to be Refunded	Refunded Maturities	Principal Refunded	IR of Refunded Bids	Est. Yield of Refunding Bids	Est NPV Svc (\$)	Est NPV Svc (% of Ref. Bids)
		\$			\$	
		\$			\$	
		\$			\$	
Total		\$	*****	*****	\$	

## 4. FINANCING WORKING GROUP

Financial Advisor: <u>Kaufman Hall</u>	Disclosure Counsel: <u>Howell Linkous &amp; Nettles</u>
Bond Counsel: <u>Haynsworth Sinkler Boyd</u>	Issuer's Counsel: <u>Annette Drachman (MUHA Corp. Counsel)</u>
Bank Counsel: <u>Kutak</u>	Bank: <u>Wells Fargo</u>
FHA Advisor: <u>Armada Capital Inc.</u>	FHA Counsel: <u>Harris Beach PLLC</u>

## 5. FINANCING/PROJECT DESCRIPTION

(Briefly, explain the financing/project, the anticipated costs, & the basis for these cost estimates. Use an attachment if needed)

**\*\* Please see the supplemental NDIF attachment which describes this transaction \*\***

## 6. FINANCING/PROJECT APPROVAL DATES

Financing Approvals		Notes:
Issuer/Borrower Approval:	<u>02/08/19</u>	<u>MUHA BoT</u>
JBRC Approval:	<u>00/00/00</u>	<u>N/A</u>
SFAA Approval:	<u>03/05/19</u>	

Project Approvals - Phase II (State Limits Only)		Notes:
Issuer/Borrower Approval:	<u>00/00/00</u>	<u>N/A</u>
JBRC Approval:	<u>00/00/00</u>	<u>N/A</u>
SFAA Approval:	<u>00/00/00</u>	<u>N/A</u>

## 7. TAX AND ARBITRAGE MATTERS & SPEND DOWN SCHEDULE

- a. Is any portion of the project, once completed, to be managed by a third-party pursuant to a management contract? (if yes, please attach copy)
- b. Will any third-party payments (from support organizations, private entities or the federal government) related to the facility, however indirectly, be used to pay debt service on the bonds?
- c. If yes to any of the above, please provide a square footage and cost estimate of the portion affected.

	Yes	No
a.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c.	Sq. Footage - <u>Not Applicable</u> Cost Estimate - <u>\$0</u>	





**South Carolina Office of State Treasurer**  
**New Debt Information Form Attachment**  
*03.05.2019 – Medical University Hospital Authority*  
*Taxable Revenue Anticipation Notes - \$120,000,000*

**Supplemental Response to Section 5:**

*\$120,000,000 Taxable Revenue Anticipation Notes (RANs)*

The Medical University Hospital Authority (“MUHA”) has executed a definitive agreement to acquire four hospitals from Community Health Systems (“CHS”) on or about February 28, 2019 to further improve the quality and efficiency of care for the area’s population, and provide a solid operational foundation for the implementation of MUHA’s strategic plan and vision for healthcare in the region.

CHS currently owns and operates these hospitals, urgent care/free-standing emergency departments, inpatient and outpatient rehabilitation, surgery centers, imaging centers, wellness center, nursing homes, and 300-member physician practice in the Pee Dee/Upstate region.

<b>HOSPITAL</b>	<b>BEDS</b>	<b>LOCATION</b>
Carolinas Hospital System – Florence	396 beds	Florence, South Carolina
Carolinas Hospital System – Marion	124 beds	Mullins, South Carolina
Chester Regional Medical Center	82 beds	Chester, South Carolina
Springs Memorial Hospital	225 beds	Lancaster, South Carolina

**Carolinas Hospital Health System – Florence** – is a regional acute care facility comprised of 396 beds, with 300 physicians and 1,800 healthcare professionals. Florence provides all major specialties dedicated to serving the healthcare needs of the citizens of Northeastern South Carolina including acute care, women’s health, orthopedic services, cancer care, cardiac services, specialized rehabilitation programs, and an accredited Chest Pain Center.

**Carolinas Hospital System – Marion** – is a 124-bed, acute care facility in Mullins, South Carolina. This acute care facility provides complete inpatient, outpatient, diagnostic, medical, surgical and emergency care, as well as the 92-bed Mullins Nursing Center and hospital-owned physician practices.

**Chester Regional Medical Center** consists of 82 acute care hospital beds and 100 nursing home beds, four medical office buildings and four ancillary buildings located in Chester, South Carolina. This is the only hospital in all of Chester County.

**Springs Memorial Hospital** is a 225-bed, all-private room acute care facility located in Lancaster, South Carolina. Springs has a medical staff in excess of 200 providers.



**South Carolina Office of State Treasurer**  
**New Debt Information Form Attachment**  
*03.05.2019 – Medical University Hospital Authority*  
*Taxable Revenue Anticipation Notes - \$120,000,000*

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Financing Plans

In conjunction with its acquisition of the CHS hospitals, MUHA will not purchase the existing working capital of the four existing hospitals. MUHA has instead arranged for bank capacity totaling \$120 million provided by Wells Fargo to issue a series of taxable fixed rate revenue anticipation notes (RANs) to fund working capital needs related to the acquisition of the four hospitals. The working capital need is primarily driven by the time lag created by waiting for MUHA to begin collecting Medicaid receipts from the four hospitals. It is contemplated that the taxable fixed rate RANs will be issued in a series of three tranches, none outstanding for more than six months at a time.

To obtain bank capacity for the RANs, an RFP was issued by the South Carolina Office of State Treasurer. The parameters of MUHA's existing HUD financing structure influenced the design of this financing structure by limiting the collateral options and covenants available. Twelve banks were approached with two responding back with a proposal. The lack of response was largely driven by the restrictions in the structure due to the complexities of a HUD financing.

The preferred plan is to close on a bank facility for up to \$120 million at rates that will be locked by the date of the SFAA meeting in the range of 3.00-3.50% for each tranche. The taxable fixed rate tranches are likely to be callable at any point before the six-month maturity of each tranche without penalty. Taxable RANs were selected because they provide MUHA with the flexibility to fund working capital needs on a timely and efficient basis.

FHA's regulatory agreement with MUHA stipulates that short-term borrowings must be paid off for at least 20 consecutive days annually. MUHA intends to issue each of three initial tranches under a credit facility with Wells Fargo as a separate note with a maturity of not more than six months for each note to comply with requisite state statutory authorizations and FHA's regulatory agreement. MUHA also intends to request no more than three renewals of its RAN credit facility with Wells Fargo

Upon the unlikely occurrence and during the continuance of an Event of Default under the financing documents, the RANs and all other amounts owing to Wells Fargo will bear interest at a rate equal to the sum of the interest rate applicable to each RAN, as applicable, plus 7.00%.

FHA's existing agreements with MUHA require that MUHA receives approval from HUD for amounts issued in excess of approximately \$90 million. MUHA is in the process of securing the necessary approval from HUD to issue the full \$120 million of RANs if necessary.



**South Carolina Office of State Treasurer**  
**New Debt Information Form Attachment**  
*03.05.2019 – Medical University Hospital Authority*  
*Taxable Revenue Anticipation Notes - \$120,000,000*

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Related to the cost of issuance, the HUD dynamic drives the need for additional financial and legal advisors. Overall, the cost of issuance for the placement are low and in line with expectations of the Treasurer's Office. MUHA intends to fund the costs of issuance with its own cash. Additional verification of the rate offered was performed and also in line with the STO's expectations.

MUHA expects to close on the Wells Fargo facility for RANs on or about March 12, 2019 following receipt of the necessary approvals from SFAA and FHA.

**Shawn Jenkins Children's Hospital Committee  
Minutes  
December 13, 2018**

***Committee Members in attendance:***

Michael Stavrinakis, Chair	Richard Christian
Melvin Brown	Paul Davis
Guy Castles	Tom Stephenson
Terri Barnes	

**Item 24. Children's Health Clinical Overview**

Dr. Krishna Patel gave a presentation on pediatric craniofacial anomalies and the Cleft Lip and Palate team. She discussed their multidisciplinary team approach; current challenges; education requirements of their team and future plans including expanding to two clinics each month; increased specialists; telemedicine clinic; and a possible upstate monthly clinic.

*Recommendation of Committee: Report received as information.*

**Item 25. Shawn Jenkins Children's Hospital Development Activity Report**

Terry Stanley reported that as of December 10, approximately \$138 million has been raised for the Children's Hospital Building Campaign. Mr. Stanley also gave an update on naming opportunities for the Children's Hospital.

*Recommendation of Committee: Report received as information.*

**Item 26. Other Committee Business**

None.

With no further business, the meeting was adjourned.

Respectfully submitted,



Jane L. Scutt

**MUHA and MUSC Audit Committee Minutes  
December 13, 2018**

**Board Members Attending:**

Mr. Tom Stephenson, Chair  
Ms. Terri Barnes  
Mr. Jim Battle

Mr. Bill Baker  
Mr. Charles Schulze  
Mr. Michael Stavrinakis

**Item 27.      KPMG Exit Conference.**

Ms. Jennifer Hall, Partner with KPMG, presented the results of the Fiscal Year 2018 external audit. Ms. Hall provided an overview of the results and discussed significant audit areas or estimates and high volume transactions. She reported on the uncorrected and corrected misstatements for each entity. Ms. Hall stated that there were no control deficiencies this year and gave an update on the EPIC control deficiency from FY2017. She reviewed the required communications to the committee and responsibilities and shared some of the recently issued accounting standards.

*Recommendation of Committee: That this be received as information.*

**Item 28.      Compliance Update.**

Ms. Julie Acker, Senior Director of Compliance, MUSC Physicians, gave a summary on fiscal year compliance activities for MUSC, MUHA and MUSC Physicians. A top focus continues to be education on importance of information security and a total of 1,178 education sessions were held. Audits were conducted to validate billing accuracy of clinical and research services and to review compliance with policies and procedures. Three Compliance Offices worked a total of 1,278 calls and inquiries in FY18. 117 calls were made to the third-party Hotline and remaining were reported internally by email or phone. Acker also announced that Angela Wertz is the new University Director of Compliance and Privacy Officer.

*Recommendation of Committee: That this be received as information.*

**Item 29.      Report of the Office of Internal Audit**

Ms. Susan Barnhart, Director of Internal Audit, stated that audit results were previously sent to the board and if there were questions, she would be happy to address them.

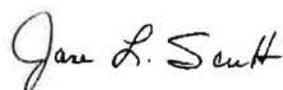
*Recommendation of Committee: That this be received as information.*

**Item 30.      Other Committee Business.**

None.

With no further business, the meeting was adjourned.

Respectfully submitted,





ALAN WILSON  
ATTORNEY GENERAL

February 19, 2019

Delbert H. Singleton, Jr., Esquire  
South Carolina State Fiscal Accountability Authority  
612 Wade Hampton Office Building  
P. O. Box 12444  
Columbia, South Carolina 29211

Re: Medical University Hospital Authority  
Not Exceeding \$120,000,000 Revenue Anticipation Notes  
Short-term operating indebtedness project

Dear Mr. Singleton:

Regarding the above-referenced obligation, we have reviewed the Petition and other documents forwarded to us by the South Carolina State Fiscal Accountability Authority (Authority). The documents appear to comply with the requirements of the referenced Code sections in the submitted material that certain specific information be addressed in these documents and, also, when validly executed as required and delivered, should be legally adequate.

This opinion addresses only the fact that the documents appear to meet the conditions imposed by State law that certain specific matters be included in the documentation. No opinion is expressed as to any other matters, including whether the Petition should be approved as a matter of policy.

Office of the Attorney General

By: 

T. Parkin Hunter  
Senior Assistant Attorney General

TPH/shb

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AGENCY: Department of Administration, Facilities Management and Property Services

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SUBJECT: Patriots Point Development Authority (PPDA) Eighth Amendment to Lease out To BH Golf Properties, LLC

In August of 1980, PPDA and Kemper Sports Management (Kemper) entered into a Lease wherein PPDA leased out of 197 acres of land for use as a golf course and related amenities. In December of 1996, Kemper assigned the Lease to Charleston Harbor Gold Partners Limited Partnership (CHGP). From 1996 to 2002, the Lease was amended six (6) times. In August of 2004, CHGP, assigned the Lease to LRA Charleston PP Golf, LLC. The Lease was then subsequently amended for a seventh (7<sup>th</sup>) time in August of 2018. The attached document provides the details of each Lease Amendment. On January 1, 2019, LRA Charleston PP Golf, LLC assigned the Lease to BH Golf Properties, LLC (BHGP).

The Lease, as previously amended, currently expires on December 31, 2021 and contains two (2) ten (10) year renewal options for final expiration on December 31, 2041. PPDA is now requesting approval to execute an Eighth Amendment to the Lease to:

- **Add an additional renewal option of eight (8) years such that the remaining term could run just over 30 years and expire on December 31, 2049.**
- **Provide that neither party will take action to remove the Land and Water Conservation Fund Restrictions associated with the leased premises and if they attempt to do so the document will be void and if any such document is recorded in the Office of the Register of Deeds the Lease will be terminated.**

PPDA has indicated that BHGP intends to negotiate further amendments to the Lease to provide for substantial redevelopment of the golf course property to the benefit of both PPDA and BHGP.

The Eight Amendment was approved by the PPDA Board on January 18, 2019 and by JBRC on February 28, 2019.

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AUTHORITY ACTION REQUESTED:

Approve the proposed Eighth Amendment to the lease out to BH Golf Properties, LLC from Patriots Point Development Authority (PPDA), as requested by PPDA through the Department of Administration, Facilities Management and Property Services.

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ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Sections 1-11-55 and 1-11-56; PPDA Letter Dated January 6, 2019; Department of Administration Summary of Amendments; Copy of 8<sup>th</sup> Amendment to Lease Agreement for Golf Course; JBRC letter dated 2/28/2019

# STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

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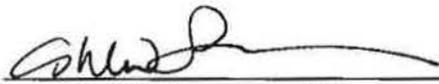
Meeting Scheduled for: March 5, 2019

Regular Agenda

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**1. Submitted by:**

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

  
Ashlie Lancaster, Director  
Facilities Management and Property Services

**2. Subject:** Patriots Point Development Authority (PPDA) Eighth Amendment to Lease out to BH Golf Properties, LLC

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**3. Summary Background Information:**

In August of 1980, PPDA and Kemper Sports Management (Kemper) entered into a Lease wherein PPDA leased out of 197 acres of land for use as a golf course and related amenities. In December of 1996, Kemper assigned the Lease to Charleston Harbor Gold Partners Limited Partnership (CHGP). From 1996 to 2002, the Lease was amended six (6) times. In August of 2004, CHGP, assigned the Lease to LRA Charleston PP Golf, LLC. The Lease was then subsequently amended for a seventh (7<sup>th</sup>) time in August of 2018. The attached document provides the details of each Lease Amendment. On January 1, 2019, LRA Charleston PP Golf, LLC assigned the Lease to BH Golf Properties, LLC (BHGP).

The Lease, as previously amended, currently expires on December 31, 2021 and contains two (2) ten (10) year renewal options for final expiration on December 31, 2041. PPDA is now requesting approval to execute an Eighth Amendment to the Lease to:

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- **Provide that neither party will take action to remove the Land and Water Conservation Fund Restrictions associated with the leased premises and if they attempt to do so the document will be void and if any such document is recorded in the Office of the Register of Deeds the Lease will be terminated.**

PPDA has indicated that BHGP intends to negotiate further amendments to the Lease to provide for substantial redevelopment of the golf course property to the benefit of both PPDA and BHGP.

The Eight Amendment was approved by the PPDA Board on January 18, 2019 and by JBRC on February 28, 2019.

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**4. What is SFAA asked to do?** Consider approval of the proposed Eighth Amendment to the Lease out to BH Golf Properties, LLC from PPDA.

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**5. What is recommendation of the Department of Administration?** Consider approval of the proposed Eighth Amendment to the Lease out to BH Golf Properties, LLC from PPDA.

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**6. List of Supporting Documents:**

- SC Code of Laws Sections 1-11-55 and 1-11-56
- PPDA Letter Dated January 6, 2019
- Department of Administration Summary of Amendments

**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) .

# PATRIOTS POINT

★ HOME OF THE USS YORKTOWN ★

January 6, 2019

**Via Email:**

Ashlie Lancaster, Director  
SC Department of Administration  
Wade Hampton Building, Suite 460  
1200 Senate Street  
Columbia, SC 29201  
ashlie.lancaster@admin.sc.gov

**Rc: Submission of Request for Approvals – Eighth Amendment to Lease Agreement for Golf Course between Patriots Point Development Authority as Landlord and BH Golf Properties, LLC as Tenant**

Dear Ms. Lancaster:

I am writing this letter to request approval by the South Carolina Joint Bond Review Committee (“JBRC”) and the South Carolina State Fiscal Accountability Authority (“SFAA”) of the Eighth Amendment to Lease Agreement for Golf Course (the “Amendment”) between Patriots Point Development Authority (“Patriots Point”) as Landlord and BH Golf Properties, LLC as Tenant at JBRC’s meeting on February 20, 2019, and at SFAA’s meeting on March 5, 2019.

The premises covered by the lease are encumbered by Federal Land Water Conservation Fund grant restrictions (the “LWCF Restrictions”) recorded with the Charleston County Register of Deeds. The Amendment extends the term of the lease by eight years, and also provides for termination of the lease if the LWCF Restrictions are removed from the premises.

Enclosed with this letter are (i) a copy of the Amendment, (ii) a copy of the lease, and (iii) a copy of the Patriots Point resolution approving the Amendment.

# **PATRIOTS POINT**

★ HOME OF THE USS YORKTOWN ★

## **Patriots Point Development Authority**

Ashlie Lancaster

January 6, 2019

Page 2

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We look forward to working with you in obtaining the necessary approvals. Please do not hesitate to contact me or our attorneys if you have any questions or need any additional information.

Sincerely,



**R. Mac Burdette, Executive Director  
Patriots Point Development Authority**

cc: **Grant Gillespie, Executive Director, SFAA (by e-mail)**  
**Ray E. Chandler, Chairman, Patriots Point Development Authority (by e-mail)**  
**Wayne Adams, Vice Chairman, Patriots Point Development Authority (by e-mail)**  
**Bob Howard, Property Manager, Patriots Point Development Authority (by e-mail)**  
**William E. Craver, III, Esquire (by e-mail)**  
**Philip G. Wagoner, Esquire (by e-mail)**  
**Brandon Dermody, Southern Strategy Group (by e-mail)**

#### **1/1/1997 1<sup>st</sup> Lease Amendment to amend**

- §32 to provide 4 separate options to extend term of Lease from 12/31/2001 for successive 10 year periods. Extension is automatic unless lessee elects to terminate
- §9(a) amended lease payments (17.5% of gross income during renewal term)
- Lessee to make improvements (including among other things water well)
- §5 green fee charges amended
- §14(d) (which required performance bond) deleted
- Added notice information

#### **1/1/1997 2nd Lease Amendment**

- Amended Legal Description
- Amended definition of Gross Income
- Amended Percentage of Rent on Excluded Gross Income
- Defined Gross Receipts or Gross Sales and Gross Rentals
- Provided that Percentage Rent to be paid quarterly

#### **6/23/1997 3rd Lease Amendment**

- Amended Legal Description
- Lessee not to cut or remove trees from certain portion of Premises without approval of Low Country Trust.

#### **4/30/1998 4th Lease Amendment**

- Amendment to First Amendment regarding water well

#### **11/16/1998 5th Lease Amendment**

- Amended Sections of first and second amendments and provided new terms regarding Rent and Payment of Rent
- Added New Section 42 Encumbrances by Lessee
- Deleted Section 2 from Third Amendment and replaced regarding tree cutting and removal (approval by Lessor required)

#### **1/1/2002 6th Lease Amendment**

- Amended 5th Amendment amendments and provided new terms regarding Percentage Gross Income Rent

#### **8/17/2018 7th Lease Amendment**

- Deleted §20 of Lease (regarding capital repairs or improvements due to damage caused by nature, removed abatement of Rent until Lessor makes repairs...)

1 STATE OF SOUTH CAROLINA ) EIGHTH AMENDMENT TO  
2 ) LEASE AGREEMENT FOR  
3 COUNTY OF CHARLESTON ) GOLF COURSE  
4  
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6 THIS EIGHTH AMENDMENT TO LEASE AGREEMENT FOR GOLF COURSE (the  
7 "Eighth Amendment") is made to be effective \_\_\_\_\_, 2019 by and between  
8 PATRIOTS POINT DEVELOPMENT AUTHORITY, a public body corporate and agency of  
9 the State of South Carolina (hereinafter referred to as "Landlord"), and BH GOLF  
10 PROPERTIES, LLC, a South Carolina limited liability company (hereinafter referred to as  
11 "Tenant").  
12

13 1. Recitals

14 1.1. Landlord and Kemper Sports Management, Inc. ("Kemper") entered into that  
15 certain Lease Agreement (as amended by the amendments discussed below, the  
16 "Lease") by and between Landlord and Kemper dated August 1, 1980, and  
17 recorded in Book Y-123, Page 4 in the Register of Deeds Office for Charleston  
18 County, leasing from Landlord to Kemper approximately 197 acres for use as a golf  
19 course and related amenities (the "Premises").

20 1.2. Kemper assigned the Lease to Charleston Harbor Golf Partners Limited Partnership  
21 ("CHGP") by the Assignment of Lease made on December 6, 1996, and recorded  
22 in Book T-278, Page 213 in said Register of Deeds Office.

23 1.3. The Lease was amended by the First Amendment to Lease Agreement (Golf  
24 Course) by and between Landlord and CHGP made as of January 1, 1997, and  
25 recorded January 8, 1997, in Book T-278, Page 225 in said Register of Deeds  
26 Office.

27 1.4. The Lease was further amended by the Second Amendment to Lease Agreement  
28 (Golf Course) by and between Landlord and CHGP made as of January 1, 1997,  
29 and recorded November 12, 1997, in Book A-293, Page 120 in the said Register of  
30 Deeds Office.

31 1.5. The Lease was further amended by the Third Amendment to Lease Agreement  
32 (Golf Course) by and between Landlord and CHGP made as of June 23, 1997, and  
33 recorded November 12, 1997, in Book A-293, Page 132 in the said Register of  
34 Deeds Office.

35 1.6. The Lease was further amended by the Fourth Amendment to Lease Agreement  
36 (Golf Course) by and between Landlord and CHGP made as of April 30, 1998, and  
37 recorded June 29, 1998, in Book U-305, Page 778 in the said Register of Deeds  
38 Office.

39 1.7. The Lease was further amended by the Fifth Amendment to Lease Agreement For  
40 Golf Course by and between Landlord and CHGP made as of November 16, 1998,

- 41 and recorded December 11, 1998, in Book L-316, Page 37 in said Register of Deeds  
42 Office.
- 43 1.8. The Lease was further amended by the Sixth Amendment to Lease Agreement For  
44 Golf Course by and between Landlord and CHGP made as of January 1, 2002, and  
45 recorded May 16, 2002, in Book M-406, Page 760 in said Register of Deeds Office.
- 46 1.9. CHGP subsequently assigned the Lease to LRA Charleston PP Golf, LLC (formerly  
47 known as Ginn-LA Fund IV Charleston PP Golf, LLC) ("LRA") by the Assignment  
48 of Lease made on August 26, 2004, and recorded on August 26, 2004 in Book G-  
49 507, Page 615 in said Register of Deeds Office.
- 50 1.10. The Lease was further amended by the Seventh Amendment to Lease Agreement  
51 For Golf Course by and between Landlord and LRA made as of August 17, 2018.
- 52 1.11. LRA subsequently assigned the Lease to Tenant by the Assignment of Lease made  
53 as of January 1, 2019, and recorded on January 2, 2019 in Book 0769, Page 732 in  
54 said Register of Deeds Office.
- 55 1.12. As of January 1, 2019, the remaining term of the Lease with available renewal  
56 options expires December 31, 2041. In connection with Tenant's purchase of the  
57 leasehold interest from LRA, Tenant requested a ten (10) year extension of the  
58 existing term of the Lease to achieve a remaining lease term in excess of 30 years.  
59 Landlord desires to accommodate Tenant's request for an extension of the term of  
60 the Lease. To that end, Landlord desires to amend the Lease to provide for an  
61 additional eight (8) years to be added to the term so that the remaining term will  
62 run for just over 30 years. Landlord's reasons for wanting to accommodate Tenant's  
63 request are as follows:
- 64 1.12.1. Tenant's principal Michael R. Bennett has made a substantial investment in  
65 developing property contiguous to and at Patriots Point, and has invested in  
66 a long term relationship with Landlord.
- 67 1.12.2. Tenant's affiliate previously acquired from an affiliate of LRA,  
68 subsequently improved, and continues to operate the Cottages at Patriots  
69 Point providing Landlord significantly more rent than Landlord received  
70 from the LRA affiliate.
- 71 1.12.3. Another Tenant affiliate previously acquired from another affiliate of LRA  
72 the lease for Parcel E at Patriots Point and is working on the plans to develop  
73 a high-end resort on Parcel E.
- 74 1.12.4. Tenant's affiliate Patriots Annex, LLC has leased from Landlord  
75 approximately 60 acres which Patriots Annex, LLC is in the process of  
76 developing.

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1.12.5. Tenant's long-term plan is to negotiate another set of amendments to the Lease to provide for a substantial redevelopment of the golf course property which will benefit both Landlord and Tenant; however, nothing set forth in this Eighth Amendment creates any obligation for Landlord with respect to any elements of any future proposed amendment. Any future proposed amendment will have to be approved by Landlord and South Carolina state government oversight authorities as required by applicable law.

1.13. Landlord and Tenant desire to further amend the Lease as set forth below.

NOW, THEREFORE, for and in consideration of the promises and covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

- 2. The foregoing recitals are incorporated herein and made a part of this Eighth Amendment.
- 3. Unless the context clearly indicates otherwise, each capitalized term in this Eighth Amendment which is defined in the Lease shall have the meaning given to such term in the Lease.
- 4. Landlord and Tenant agree that the Lease shall be amended as follows:

4.1. Section 32 of the Lease is deleted in its entirety and the following is inserted in lieu thereof:

The term of this Lease may be extended (i) for four (4) separate options from and after December 31, 2001, for successive additional periods of ten (10) years each, and (ii) for a fifth (5<sup>th</sup>) option from and after December 31, 2041, for a successive additional period of eight (8) years to expire on December 31, 2049 (each such option period is a "Renewal Term" and collectively, "Renewal Terms") on the same terms that are contained in this Lease. The Lease term shall be automatically extended for each successive Renewal Term unless Lessee elects to terminate this Lease as of the termination date of the then current Renewal Term by giving written notice to Lessor at least one hundred twenty (120) days prior to the termination date of the then-current Renewal Term.

4.2. The following is inserted as Section 42 of the Lease:

The leased premises are subject to the limitations of a Land and Water Conservation Fund Project Agreement dated April 3, 1978, through the Simultaneous Declaration and Release of Restrictive Covenants recorded with the Charleston County Register of Deeds on June 30, 2014 at Book 0414 at Page 129 (the "LWCF Restrictions"). Lessor and Lessee agree that (i) neither Lessor nor Lessee will remove the LWCF Restrictions, (ii) any document executed by Lessor and/or Lessee that purports to remove the LWCF Restrictions will be void *ab initio* and without force or effect, and (iii) the execution and recording in the Office of the Register of Deeds of

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Charleston County by Lessee or by Lessor and Lessee of a document purporting to remove the LWCF Restrictions terminates this Lease.

5. Except as expressly modified hereby, the Lease remains unmodified and in full force and effect. Each and every term, covenant and condition of the Lease is incorporated herein such that the Lease and this Eighth Amendment shall be read and construed as one instrument.
6. This Eighth Amendment shall be effective as of the date set forth above upon the complete execution thereof by Landlord, Tenant, and the South Carolina State Fiscal Accountability Authority.
7. Counterparts; Copies as Originals; Execution by Electronic Transmission. It is the parties' intent and the parties direct, with regard to this document, any amendment of this document, and any notice, document or instrument executed pursuant to or in connection with this document, (A) that a copy of the document, signed and delivered by hand, US mail or transmitted electronically by facsimile, telecopier, e-mail, or otherwise shall be treated for all purposes as an original document; (B) that the copied signature of a party or of a witness shall be considered an original signature, and the copy of the document delivered or transmitted shall be considered to have the same binding legal effect as an original signature on an original document; and (C) that no person may raise the fact that any signature was a copy or transmitted through the use of electronic transmission (by facsimile, telecopier, e-mail or otherwise) as a defense to the enforcement of the document. Further, the document may be executed in any number of counterparts which together shall constitute the agreement of the parties. It shall not be necessary that the signatures of all of the parties appear on each counterpart hereof. All counterparts hereof shall collectively constitute a single document. A party's properly executed signature page is sufficient as the party's counterpart of the document.

**IN WITNESS WHEREOF**, the parties hereto have set their hands and seals as of the date and year first above written.

**[The balance of this page is intentionally left blank.]**

**[Individual Signature Pages are attached.]**







**SIGNATURE PAGE  
FOR CONSENT BY:**

**The South Carolina Division of General Services**

This Eighth Amendment is approved in accordance with the South Carolina Code of Laws §1-11-56 and the South Carolina Code of Regulations §19-447.1000 by the South Carolina Department of Administration, Real Property Services, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

By: \_\_\_\_\_  
Signature of authorized person

\_\_\_\_\_  
Print name and title of person signing

**Capital Improvements  
Joint Bond Review Committee**

**HUGH K. LEATHERMAN, SR.**  
SENATE  
CHAIRMAN



**G. MURRELL SMITH, JR.**  
HOUSE OF REPRESENTATIVES  
VICE CHAIRMAN

**SENATE MEMBERS**

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GLENN G. REESE

**F. RICHARD HARMON, JR.**  
DIRECTOR OF RESEARCH  
SFAA LIAISON  
803-212-6682

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J. GARY SIMRILL

**JESSA WIGINGTON**  
ADMINISTRATIVE ASSISTANT  
803-212-6677  
FAX: 803-212-6690

February 28, 2019

Ms. Jennifer LoPresti  
Capital Budgeting Manager  
South Carolina Department of Administration  
Capital Budget Office  
Suite 529, Brown Building  
Columbia, SC 29201

Re: Patriot's Point Development Authority  
Eighth Amendment to Lease Out to BH Golf Properties, LLC

Dear Ms. LoPresti:

At its meeting today, the Committee reviewed and recommended approval of the request made by Patriot's Point to execute an Eighth Amendment to the lease out of 197 acres used as a golf course and related amenities. The proposal as submitted includes an additional renewal option of eight years, thereby extending the term to expire on December 31, 2049, and provides that neither party to the lease will remove the Land and Water Conservation Fund Restrictions associated with the leased premises. The lease further provides that if an attempt is made to remove the conservation fund restrictions, the document will be void, and if any such document is recorded in the Office of the Register of Deeds, the Lease will be terminated.

Patriot's Point has indicated that BH Golf Properties intends to negotiate further amendments to the Lease to provide for redevelopment of the golf course property to the benefit of both Patriot's Point and BH Golf Properties. Both parties have provided acknowledgement and assurance that such further amendments are subject to and will be submitted for review and comment by the Joint Bond Review Committee and approval of the State Fiscal Accountability Authority.

Please advise us if you need any further information.

Very truly yours,

A handwritten signature in black ink, appearing to read "H. K. Leatherman, Sr.", written over a horizontal line.

Hugh K. Leatherman, Sr.  
Chairman

STATE FISCAL ACCOUNTABILITY AUTHORITY  
MEETING OF March 5, 2019

REGULAR SESSION  
ITEM NUMBER 7

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AGENCY: State Fiscal Accountability Authority

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SUBJECT: Future Meeting

The next regular meeting of the State Fiscal Accountability Authority will be held at 9:30 a.m. on Tuesday, May 14, 2019, in Room 252, Edgar A. Brown Building.

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AUTHORITY ACTION REQUESTED:

Agree to meet at 9:30 a.m. on Tuesday, May 14, 2019, in Room 252, Edgar A. Brown Building.

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ATTACHMENTS: