

Capital Improvements
Joint Bond Review Committee

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JOINT BOND REVIEW COMMITTEE MEETING

DATE: Tuesday, August 7, 2018
TIME: 10:30 a.m.
LOCATION: Room 105, Gressette Building

AGENDA

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AGENCY: Office of the Adjutant General

PROJECT/SUBJECT: JBRC Policy Regarding Requests to Change Source of Funds

Background: Prior to December 2015, JBRC policy allowed requests for changes in source of funding for permanent improvement projects to be reviewed and approved by the Capital Budget Office (of BCB or DOA). However, in December 2015, JBRC amended the policy regarding requests for changes in source of funding to the following:

<u>Threshold</u>	<u>Review/Approval</u>
<u>For Higher Education:</u>	
Less than \$100,000	Capital Budget Office
\$100,000-\$499,999	JBRC staff
\$500,000 or more	Full JBRC
Any request that results in an increase in student tuition or fees requires review of the Full JBRC.	
<u>For State Agencies:</u>	
Less than \$100,000	Capital Budget Office
\$100,000-\$249,999	JBRC staff
\$250,000 or more	Full JBRC

Request: The Office of the Adjutant General (OTAG) has requested an exemption from the policy when federal funds become available to replace state funding on an existing, approved project.

The OTAG has reported that end-of-year federal funds from the National Guard Bureau (that can be used for construction or renovations) are generally offered in July through September; however, the funds must be executed prior to September 30 (end of federal fiscal year). In order to take advantage of the federal funding, the OTAG must quickly realign funding sources for projects--a process that can take 2 to 3 months under the current permanent improvement process.

The OTAG has reported that they were not able to accept \$5 million in federal funding which was offered in September 2017 due to the short notice and the time constraints of the existing process.

Recommendation: Amend the JBRC policy to allow JBRC staff to review/approve requests for source of funding changes for an existing, approved project of \$500,000 or more for higher education institutions and \$250,000 or more for other state agencies when all of the following criteria are met:

- (a) State funding previously approved by JBRC would be replaced with federal or other funds that have become available since the project was approved by JBRC,
- (b) There is no change in project scope,
- (c) There is no change in the total funding for the project,
- (d) The project does not include any tuition or fees collected by a higher education institution, and
- (e) The request has been electronically distributed to JBRC members for comment, and no objections are received within three days of distribution.

The policy revision would apply to all state agencies and higher education institutions--not just the OTAG. JBRC staff would retain the ability to refer any proposed change in source of funds to the full JBRC as circumstances dictate.

COMMITTEE ACTION:

Review and approve revision to JBRC policy related to review of source of funds change requests.

ATTACHMENTS:

June 20, 2018, letter from Major General Robert E. Livingston, Jr., The Adjutant General

The State of South Carolina
Military Department



OFFICE OF THE ADJUTANT GENERAL

1 NATIONAL GUARD ROAD
COLUMBIA, S.C. 29201-4752

ROBERT E. LIVINGSTON, JR.
MAJOR GENERAL
THE ADJUTANT GENERAL

June 20, 2018

The Honorable Hugh K. Leatherman, Sr.
Chairman, Joint Bond Review Committee
ATTN: Ms. Dianne Carraway
111 Gressette Building
Columbia, SC 29201

Dear Chairman Leatherman:

The Office of the Adjutant General requests either an exception to the A-1 process or an abbreviated A-1 process that would allow the Agency to quickly realign funding streams (sources of funds) on existing, approved construction projects when (a) the Agency is offered the opportunity to replace State funds with Federal funds (up to the allowable percentage) on approved construction projects, and (b) there is not an increase in cost (either State or Federal) to the project.

The Office of the Adjutant General conducts the review, approval and execution of its construction projects in accordance with State policies and procedures to include the A-1 process. The Agency does this for all construction and renovations to include those funded with 100% Federal dollars. For non-major construction projects (i.e., renovation projects), the A-1s are currently being processed at 100% State funded because the Agency is not scheduled to receive Federal monies to fund the projects.

The Agency has the potential to receive end-of-year Federal monies (one-year monies) from the National Guard Bureau for construction (can be used for renovations). These monies are generally offered in the July through September timeframe with most being offered at the end of August through September. These Federal funds must be executed prior to the end of the Federal Fiscal Year (30 Sep), and cannot be carried forward. For renovation projects, the Agency could utilize these Federal monies to fund up to 50% of each project.

In order to take advantage of the Federal monies for projects already approved through the A-1 process, the Agency would have to quickly realign the funding streams (sources of funds). This would allow the Agency to move the State monies, which can

be carried forward, to other currently unfunded projects. However, based on the current A-1 process, in order to realign funding streams the Agency has to go through the entire A-1 process which normally requires 2-3 months. The time required for the process would prevent or greatly hinder the Agency's ability to utilize these end-of-year Federal monies.

Of note, during the last Federal Fiscal Year the Agency was offered up to \$5M in September in Federal, end-of-year construction monies but was not able to accept them due to the short notice and the time constraints.

Please contact me or the Agency Point of Contact if you have any questions. The Point of Contact for the Agency is Mr. Ken Braddock, Chief of Staff for State Operations, at (803) 299-4445 or braddockk@tag.scmd.state.sc.us.

I am forwarding a copy of this letter to Vice Chairman W. Brian White, Joint Bond Review Committee, and Ms. Erlinda Doherty, Senate Finance Committee Budget Analyst.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert E. Livingston, Jr.", with a stylized flourish at the end.

ROBERT E. LIVINGSTON, JR
Major General, SCARNG
The Adjutant General

cc:
Vice Chairman, Joint Bond Review Committee
Senate Finance Committee Budget Analyst

JOINT BOND REVIEW COMMITTEE

Item Number 2

Meeting of August 7, 2018

AGENCY: Department of Administration, Facilities Management and Property Services

PROJECT/SUBJECT: Department of Health and Human Services Proposed Lease, 300 Arbor Lake Drive, Columbia

The Department of Health and Human Services is requesting approval to lease 27,500 square feet of space at 300 Arbor Lake Drive in Columbia from DRV Fontaine, LLC. The agency currently leases 10,424 square feet at 1628 Browning Road, which houses 85 employees as well as training and conference space. The existing lease expires February 5, 2019. Additional space is required to implement the new Medicaid Eligibility Determination System that will require a significant increase in eligibility application processors and staff retraining. The new space will house 330 employees as well as training and conference space.

A solicitation was conducted, and seven responses were received. Five responses were eliminated due to insufficient square footage, security concerns, space configuration, or long-term construction at the site. Of the two remaining proposals, the selected location was the lowest bid.

The term of the proposed lease is ten years beginning February 6, 2019, at a rate of \$15.50 per square foot for the first year with increases of two percent annually, for a total payout of \$4,667,300. The rate includes all maintenance and operating expenses as well as sufficient parking. The Landlord will upfit the space to the agency's specifications.

The Department of Administration's Facilities Management and Property Services reports that the agency has sufficient funds for the lease and that comparable rates for similar space in the area range from \$15.75 to \$18.00 per square foot.

COMMITTEE ACTION:

Review and make recommendation regarding the proposed lease agreement for the Department of Health and Human Services.

ATTACHMENTS:

- 1) Department of Administration, Facilities Management and Property Services Summary dated August 7, 2018
- 2) Letter from DHHS, dated July 18, 2018
- 3) Sections 1-11-55 and 1-11-56 of the South Carolina Code of Laws

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 7, 2018

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 Health and Human Services Lease- 300 Arbor Lake Drive in Columbia

3. Summary Background Information:

The SC Department of Health and Human Services (SCDHHS) is requesting approval to lease 27,500 SF of space located at 300 Arbor Lake Drive in Columbia from DRV Fontaine, LLC. The agency currently leases 10,424 SF at 1628 Browning Road, where it houses approximately 85 employees as well as training and conference room space. That lease expires February 5, 2019.

SCDHHS is in the process of implementing a new Medicaid Eligibility Determination System that will require a significant increase in eligibility application processors and staff retraining. To provide the statewide infrastructure to accommodate this increase, SCDHHS is creating regional processing sites. As such, a solicitation was conducted for approximately 26,000 SF in the Columbia area to house approximately 330 employees along with training and meeting space.

Seven (7) proposals were received in response to the solicitation. One (1) location was eliminated due to long-term planned future construction at the site, one (1) based on insufficient square footage, one (1) due to security concerns and two (2) based on space configuration. Of the remaining two (2) proposals, the selected location represents the lowest bid. The term will be for ten (10) years beginning on February 6, 2019 at a rate of \$15.50/SF for the first year. Thereafter, the rent increases by two (2) percent annually as follows:

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>RENT PER SF</u>
YEAR 1	\$ 426,250	\$ 15.50
YEAR 2	\$ 434,775	\$ 15.81
YEAR 3	\$ 443,575	\$ 16.13
YEAR 4	\$ 452,375	\$ 16.45
YEAR 5	\$ 461,450	\$ 16.78
YEAR 6	\$ 470,525	\$ 17.11
YEAR 7	\$ 480,150	\$ 17.46
YEAR 8	\$ 489,500	\$ 17.80
YEAR 9	\$ 499,400	\$ 18.16

YEAR 10	\$ 509,300	\$ 18.52
TOTAL	\$4,667,300	

The rent includes all maintenance and operations costs as well as full access and free use of the surrounding parking lot which has adequate parking for staff and visitors. The Landlord will up fit the space to the agency's specifications. The lease meets the state space standards with a density of 78 SF/person.

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

Tenant	Location	Rate
Vacant	1813 Main Street	\$18.00/SF*
Vacant	1410 Colonial Village	\$15.75/SF*
Adjutant General	810 Dutch Square Blvd.	\$17.43/SF

*Above rates are subject to base rent and operating expense escalations over the term.

The agency has sufficient funds for the lease according to the Budget Approval Form.

4. What is JBRC asked to do? Approve the proposed lease for the Department of Health and Human Services at 300 Arbor Lake Drive in Columbia.

5. What is recommendation of the Department of Administration? Approve the proposed lease for the Department of Health and Human Services at 300 Arbor Lake Drive in Columbia.

6. List of Supporting Documents:

- SC Code of Laws Section 1-11-55 and 1-11-56
- SCDHHS Letter Dated July 18, 2018

July 18, 2018

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

RE: Lease for 300 Arbor Lake, Columbia

Dear Ms. Lancaster:

The South Carolina Department of Health and Human Services (SCDHHS) is the single state agency in South Carolina responsible for the administration of the Medicaid Program under Title XIX of the Social Security Act and makes final decisions and determinations about eligibility for individuals' applying for Medicaid services. SCDHHS receives approximately 1,200 Medicaid applications per day. In addition to processing applications, SCDHHS' Medicaid eligibility staff must maintain and annually review all beneficiary information.

SCDHHS is also in the next phase of the complex Medicaid Eligibility Determination System replacement that will impact both work volume and productivity and require a significant increase in staff to maintain state and federal timeliness and accuracy standards for processing and reviewing Medicaid applications. Further, this system implementation will require statewide staff retraining and rigorous quality assurance during system transition. To provide the statewide infrastructure necessary to house additional eligibility application processors, training, and support staff in a manner that affords the state both flexibility and timeliness, SCDHHS has opted to procure several regional processing sites, the first and largest of which is to be located at 300 Arbor Lake in Columbia, SC.

Therefore, SCDHHS requests approval by the Joint Bond Review Committee of a 10-year lease with DRV Fontaine, LLC, for approximately 26,000 square feet of office space located at 300 Arbor Lake Drive in Columbia. This location will be the Medicaid application processing center for the Midlands region to house approximately 330 employees and provide training and conference room space. SCDHHS' current Midlands application processing center is in leased space at 1628 Browning Road in Columbia and houses approximately 85 employees, plus training and conference room space. However, this lease will expire on December 7, 2018 and is not sufficient space to house the significantly increased staff SCDHHS will hire to process Medicaid applications for the Midlands region. The current leased space is 10,424 square feet.

Ms. Ashlie Lancaster

July 18, 2018

Page Two

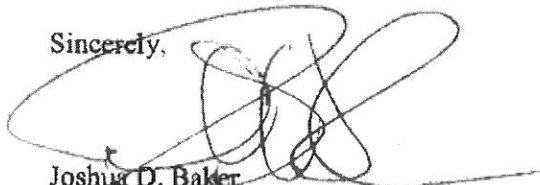
The new space requested will replace the Browning Road lease and meet SCDHHS' space needs for housing its' additional staff and future growth. This space will also allow SCDHHS to eliminate other leased space as those leases expire, particularly at 7499 Parklane Drive, and move staff to the 300 Arbor Lake Drive location.

We received seven proposals in response to our solicitation and conducted site visits to five of the locations. After evaluations, we concluded the 300 Arbor Lake Drive property best meets our needs. We considered the following in our decision-making: security, cost, parking availability, and proximity to other SCDHHS office locations (SCDHHS is currently leasing space at 200 Arbor Lake Drive and 400 Arbor Lake Drive).

We request the maximum lease of 10 years to provide consistent location for staff and minimize relocation costs.

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

Sincerely,



Joshua D. Baker
Director

c: Caroline Hulett

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.

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.

AGENCY: Department of Administration, Facilities Management and Property Services

PROJECT/SUBJECT: Department of Health and Human Services Proposed Lease, 101 North Pine Street, Spartanburg

The Department of Health and Human Services is requesting approval to lease 19,667 square feet of space at 101 North Pine Street in Spartanburg from Johnson Development Associates, Inc. The space is needed to implement the new Medicaid Eligibility Determination System that will require a significant increase in eligibility application processors and staff retraining. The new space will house 180 employees as well as training and conference space.

A solicitation was conducted, and four responses were received. The selected location was the lowest bid.

The term of the proposed lease is ten years beginning upon completion of renovations by the Landlord, at a rate of \$12.50 per square foot for the first two years with increases of two to three percent annually, for a total payout of \$2,712,079. The rate includes all maintenance and operating expenses as well as sufficient parking. The Landlord will upfit the space to the agency's specifications.

The Department of Administration's Facilities Management and Property Services reports that the agency has sufficient funds for the lease and that comparable rates for similar space in the area range from \$13.75 to \$27.00 per square foot.

COMMITTEE ACTION:

Review and make recommendation regarding the proposed lease agreement for the Department of Health and Human Services.

ATTACHMENTS:

- 1) Department of Administration, Facilities Management and Property Services Summary dated August 7, 2018
- 2) Letter from DHHS, dated July 19, 2018
- 3) Sections 1-11-55 and 1-11-56 of the South Carolina Code of Laws

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 7, 2018

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 Health and Human Services Lease- 101 North Pine Street in Spartanburg

3. Summary Background Information:

The SC Department of Health and Human Services (SCDHHS) is requesting approval to lease 19,667 SF of space located at 101 North Pine Street in Spartanburg from Johnson Development Associates, Inc.

SCDHHS is in the process of implementing a new Medicaid Eligibility Determination System that will require a significant increase in eligibility application processors and staff retraining. To provide the statewide infrastructure to accommodate this increase, SCDHHS is creating regional processing sites. As such, a solicitation was conducted for approximately 19,450 SF in the Spartanburg area to create a new regional processing center to house approximately 180 employees along with training and meeting space.

Four (4) proposals were received in response to the solicitation, and the selected location represents the lowest bid. The term will be for ten (10) years beginning upon completion of the renovations by the Landlord at a rate of \$12.50/SF for the first year. Thereafter, the rent increases annually as follows:

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>RENT PER SF</u>
YEAR 1	\$ 245,837.50	\$ 12.50
YEAR 2	\$ 245,837.50	\$ 12.50
YEAR 3	\$ 251,737.60	\$ 12.80
YEAR 4	\$ 257,637.70	\$ 13.10
YEAR 5	\$ 265,504.50	\$ 13.50
YEAR 6	\$ 273,371.30	\$ 13.90
YEAR 7	\$ 281,238.10	\$ 14.30
YEAR 8	\$ 289,104.90	\$ 14.70
YEAR 9	\$ 296,971.70	\$ 15.10
YEAR 10	\$ 304,838.50	\$ 15.50
TOTAL	\$2,712,079.30	

The rent includes all maintenance and operations costs as well as full access and free use of the surrounding parking lot which has adequate space for staff and visitors. The Landlord will up fit the space to the agency's specifications. The lease meets the state space standards with a density of 102 SF/person.

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

Tenant	Location	Rate
Vacant	1000 N. Pine Street	\$13.75/SF*
Vacant	1650 Skylyn Drive	\$27.00/SF*
Vacant	141 Fernwood Drive	\$14.00/SF*

*Above rates are subject to base rent and operating expense escalations over the term.

The agency has sufficient funds for the lease according to the Budget Approval Form.

4. What is JBRC asked to do? Approve the proposed lease for the Department of Health and Human Services at 101 North Pine Street in Spartanburg.

5. What is recommendation of the Department of Administration? Approve the proposed lease for the Department of Health and Human Services at 101 North Pine Street in Spartanburg.

6. List of Supporting Documents:

- SC Code of Laws Section 1-11-55 and 1-11-56
- SCDHHS Letter Dated July 19, 2018

July 19, 2018

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

RE: Lease for 101 North Pine Street, Spartanburg

Dear Ms. Lancaster:

The South Carolina Department of Health and Human Services (SCDHHS) is the single state agency in South Carolina responsible for the administration of the Medicaid Program under Title XIX of the Social Security Act and makes final decisions and determinations about eligibility for individuals' applying for Medicaid services. SCDHHS receives approximately 1,200 Medicaid applications per day. In addition to processing applications, SCDHHS' Medicaid eligibility staff must maintain and annually review all beneficiary information.

SCDHHS is also in the next phase of the complex Medicaid Eligibility Determination System replacement that will impact both work volume and productivity and require a significant increase in staff to maintain state and federal timeliness and accuracy standards for processing and reviewing Medicaid applications. Further, this system implementation will require statewide staff retraining and rigorous quality assurance during system transition. To provide the statewide infrastructure necessary to house additional eligibility application processors, training, and support staff in a manner that affords the state both flexibility and timeliness, SCDHHS has opted to procure several regional processing sites, the first and largest of which is to be located at 300 Arbor Lake Drive in Columbia, SC. This second regional processing center will be located in the Upstate.

Therefore, SCDHHS requests approval by the Joint Bond Review Committee of a 10-year lease with Johnson Development Associates, Inc. for 19,667 square feet of office space located at 101 North Pine Street in Spartanburg. This location will be the Medicaid application processing center for the Upstate region to house approximately 180 employees and provide training and conference room space. This will be a new application processing center for this region as SCDHHS currently does not have an application processing center in the Upstate. The new space requested meets SCDHHS' space needs for housing its' additional staff and future growth. This space will also allow SCDHHS to eliminate other leased space in the Upstate area, particularly

Ms. Lancaster
July 19, 2018
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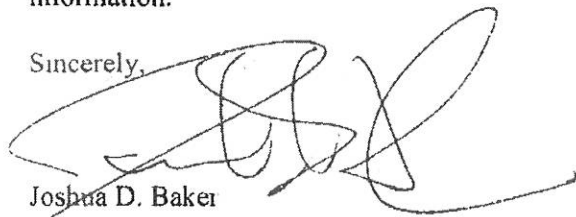
the leased space at 945 East Main Street, Suite 3, in Spartanburg, and move this staff to the 101 North Pine Street location.

We received two proposals in response to our solicitation and conducted site visits of both locations. After evaluations, we concluded the 101 North Pine Street property best meets our needs. We considered the following in our decision-making: security, new HVAC, minimal up fit needed, and cost.

We request the maximum lease of 10 years to provide consistent location for staff and minimize relocation costs.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Joshua D. Baker', written over a horizontal line.

Joshua D. Baker
Director

c: Caroline Hulett

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.

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.

JOINT BOND REVIEW COMMITTEE

Item Number 4

Meeting of August 7, 2018

AGENCY: Department of Administration, Facilities Management and Property Services

PROJECT/SUBJECT: Department of Revenue Proposed Lease, 2070 Northbrook Boulevard, North Charleston

The Department of Revenue is requesting approval to lease 11,336 square feet of space at 2070 Northbrook Boulevard, in North Charleston from Northbrook, LTD. The agency currently leases 10,791 square feet at 2 South Park Circle. The existing lease expires December 31, 2018. The additional space is needed to implement DOR's new security protocols for an on-site security officer, cameras, metal detectors, and screening equipment in the lobby of each location.

A solicitation was conducted, and ten responses were received. Five responses were eliminated due to insufficient square footage and location. Of the five remaining proposals, the selected location was the lowest bid.

The term of the proposed lease is ten years beginning January 1, 2019, at a rate of \$20.36 per square foot for the entire term, which includes an allocation of \$2.40 per square foot for maintenance and operating expenses. At the conclusion of the second year, DOR will be responsible for its pro rata share of any operating expenses that exceed the allocation, subject to a three percent cap. The maximum payout over the ten-year term for rent and operating expenses is \$2,347,482. The lease includes sufficient parking for employees and visitors. The Landlord will upfit the space to the agency's specifications and will reimburse DOR up to \$50,000 for moving expenses.

Lease payments will be paid from state appropriated funds. The Department of Administration's Facilities Management and Property Services reports that comparable lease rates for similar space to range from \$24.00 to \$29.75 per square foot.

COMMITTEE ACTION:

Review and make recommendation regarding the proposed lease agreement for the Department of Revenue.

ATTACHMENTS:

- 1) Department of Administration, Facilities Management and Property Services Summary dated August 7, 2018
- 2) Letter from DOR, dated July 9, 2018
- 3) Sections 1-11-55 and 1-11-56 of the South Carolina Code of Laws

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 7, 2018

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 Revenue Lease- 2070 Northbrook Boulevard in North Charleston

3. Summary Background Information:

The SC Department of Revenue (DOR) is requesting approval to lease 11,336 SF of space located at 2070 Northbrook Boulevard in North Charleston from Northbrook, LTD, a Florida Limited Partnership. The agency currently leases 10,791 SF at 2 South Park Circle. That lease expires December 31, 2018.

A solicitation was conducted and ten (10) proposals were received. Three (3) proposals were deemed non-responsive to the solicitation based on location and two (2) based on insufficient square footage. Of the remaining five (5) proposals, the selected location represents the lowest bid and will accommodate new DOR security protocols for an on-site security officer in each office lobby, security cameras, metal detectors, and security equipment to screen all visitors. The term will be for ten (10) years beginning on January 1, 2019 at a rate of \$20.36/SF for a total of \$230,800.92 annually as follows:

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR 1	\$ 230,800.92	\$ 19,223.41	\$ 20.36
YEAR 2	\$ 230,800.92	\$ 19,223.41	\$ 20.36
YEAR 3	\$ 230,800.92	\$ 19,223.41	\$ 20.36
YEAR 4	\$ 230,800.92	\$ 19,223.41	\$ 20.36
YEAR 5	\$ 230,800.92	\$ 19,223.41	\$ 20.36
YEAR 6	\$ 230,800.92	\$ 19,223.41	\$ 20.36
YEAR 7	\$ 230,800.92	\$ 19,223.41	\$ 20.36
YEAR 8	\$ 230,800.92	\$ 19,223.41	\$ 20.36
YEAR 9	\$ 230,800.92	\$ 19,223.41	\$ 20.36
YEAR 10	\$ 230,800.92	\$ 19,223.41	\$ 20.36
TOTAL	\$2,308,009.20		

The rent includes an allocation of \$2.40/SF for maintenance and operations costs. At the conclusion of the second year of the term, DOR will be responsible for its pro rata share of any operating costs exceeding the allocation subject to a three (3) percent cap annually. As such, the maximum payable by DOR over the term for rent and maintenance and operations costs is \$2,347,482. The lease includes full access and free use of the surrounding parking lot which has adequate spaces for visitors and staff. The Landlord will up fit the space to the agency's specifications and will reimburse DOR up to \$50,000 for moving costs. The lease meets the state space standards with a density of 130 SF/person.

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

Tenant	Location	Rate
Vacant	4400 Leeds Avenue	\$29.75/SF
Vacant	5895 Core Road	\$24.50/SF
Vacant	4390 Belle Oaks	\$24.00/SF

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

The agency has sufficient funds for the lease according to the Budget Approval Form.

4. What is JBRC asked to do? Approve the proposed lease for the Department of Revenue at 2070 Northbrook Boulevard in North Charleston.

5. What is recommendation of the Department of Administration? Approve the proposed lease for the Department of Revenue at 2070 Northbrook Boulevard in North Charleston.

6. List of Supporting Documents:

- SC Code of Laws Section 1-11-55 and 1-11-56
- DOR Letter Dated July 9, 2018

State of South Carolina
Department of Revenue



HENRY D. MCMASTER
Governor

W. HARTLEY POWELL
Director

300A OUTLET POINTE BOULEVARD
POST OFFICE BOX 125
COLUMBIA, SOUTH CAROLINA 29214
Telephone: (803) 898-5040
Facsimile : (803) 896-0023
Director@dor.sc.gov

July 9, 2018

Ms. Ashlie Lancaster
South Carolina Department of Administration
Real Property Services
1200 Senate Street, Suite 460
Columbia, SC 292201

RE: Lease for 2070 Northbrook Boulevard, North Charleston

Dear Ms. Lancaster:

The South Carolina Department of Revenue requests approval by the Joint Bond Review committee of a 10-year lease with Northbrook LTD, a Florida Limited Partnership for approximately 11,400 square feet of office space at 2070 Northbrook Boulevard, North Charleston, SC. This space is required as our current lease at 2 South Park Circle expires on December 1, 2018. The current office design prohibits the required level of security mandated for all DOR locations; therefore, we considered other properties that best meet our requirements.

DOR's security program requires an on-site security officer in each office lobby, security cameras, metal detectors, and other security equipment to screen all visitors of DOR and ensure that taxpayers and DOR employees are protected and safe. In addition, DOR protects highly sensitive State and Federal Taxpayer Information with a sophisticated badge access and camera surveillance system, and an intruder detection system to achieve maximum-security protection and cyber-attack prevention.

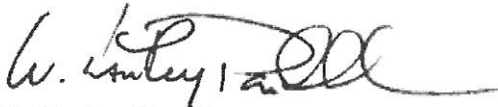
We received ten proposals in response to our solicitation and conducted site visits to six locations. After evaluations, we concluded the 2070 Northbrook Boulevard property best meets our requirements. We considered the following in our decision-making: security, cost, proximity to the interstate, interior office design, and building accessibility for the taxpayers.

Ms. Lancaster
July 9, 2018
Page Two

We request the maximum lease of 10-years to build and maintain a secure site to protect taxpayers, employees, and sensitive taxpayer information from intruders and fraudsters. Moving the DOR highly sophisticated security systems is a significant cost. A longer lease provides a consistent location for taxpayers and minimizes office re-location costs.

Thank you for your assistance in this process and for your consideration of our request.

Yours very truly,

A handwritten signature in black ink, appearing to read "W. Hartley Powell", with a long horizontal flourish extending to the right.

W. Hartley Powell
Director

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.

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.

AGENCY: Department of Administration, Facilities Management and Property Services

PROJECT/SUBJECT: Department of Motor Vehicles Proposed Lease, 946 Orleans Road, Charleston

The Department of Motor Vehicles is requesting approval to lease 5,040 square feet of space at 946 Orleans Road in Charleston from Continental Realty Corporation. The agency currently leases 3,000 square feet at 1757 Ashley River Road. The existing lease expired on June 30, and the Landlord has indicated that they can no longer accommodate DMV as a tenant. The additional space is needed to serve the significant growth of customers in the Charleston area.

Two solicitations were conducted, and four responses were received. One response was eliminated due to location. Of the three remaining proposals, the selected location was the lowest bid.

The term of the proposed lease is ten years beginning upon completion of renovations by the Landlord (estimated to be four months after execution of lease agreement) at a rate of \$28.00 per square foot for the first year; thereafter, the rate will increase annually by three percent, for a total payout of \$1,617,783. The rent includes sufficient parking and all maintenance and operating costs except utilities which are estimated to be \$6,300 annually.

Lease payments will be paid from state appropriated funds. The Department of Administration's Facilities Management and Property Services reports that comparable lease rates for similar space to range from \$21.50 to \$35.00 per square foot.

COMMITTEE ACTION:

Review and make recommendation regarding the proposed lease agreement for the Department of Motor Vehicles.

ATTACHMENTS:

- 1) Department of Administration, Facilities Management and Property Services Summary dated August 7, 2018
- 2) Letter from DMV, dated June 25, 2018
- 3) Sections 1-11-55 and 1-11-56 of the South Carolina Code of Laws

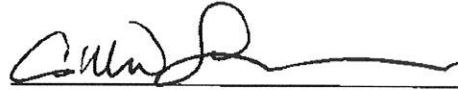
JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: August 7, 2018

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 Motor Vehicles Lease- 946 Orleans Road in Charleston

3. Summary Background Information:

The SC Department of Motor Vehicles (DMV) is requesting approval to lease 5,040 SF of space located at 946 Orleans Road in Charleston from Continental Realty Corporation. The agency currently leases 3,000 SF at 1757 Ashley River Road. That lease expired on June 30, 2018 and the landlord has indicated they can no longer accommodate the DMV as a tenant. The additional space at the new location is necessary to serve the significant growth of customers in the Charleston area.

Two solicitations were conducted and four (4) proposals were received. Two additional locations were also identified and reviewed but the Landlords at those locations were unwilling to submit a proposal. One (1) proposal was eliminated based on location. Of the remaining three (3) proposals, the selected location represents the lowest bid. The term will be for ten (10) years beginning upon completion of the renovations by the Landlord at a rate of \$28.00/SF for the first year. Thereafter, the rent increases by three (3) percent annually as follows:

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR 1	\$ 141,120	\$ 11,760	\$ 28.00
YEAR 2	\$ 145,354	\$ 12,113	\$ 28.84
YEAR 3	\$ 149,714	\$ 12,476	\$ 29.71
YEAR 4	\$ 154,206	\$ 12,850	\$ 30.60
YEAR 5	\$ 158,832	\$ 13,236	\$ 31.51
YEAR 6	\$ 163,597	\$ 13,633	\$ 32.46
YEAR 7	\$ 168,505	\$ 14,042	\$ 33.43
YEAR 8	\$ 173,560	\$ 14,463	\$ 34.44
YEAR 9	\$ 178,767	\$ 14,897	\$ 35.47
YEAR 10	\$ 184,130	\$ 15,344	\$ 36.53
TOTAL	\$1,617,783		

The rent includes all maintenance and operations costs with the exception of utilities which are estimated to be \$6,300 annually. The lease includes full access and free use of the surrounding parking lot which has adequate spaces for visitors and staff. The Landlord will up fit the space to the agency's specifications. The lease meets the state space standards with a density of 119 SF/person.

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

Tenant	Location	Rate
Vacant	176 Croghan Spur Road	\$35.00/SF
Vacant	1014 St. Andrews Blvd.	\$27.00/SF
Vacant	2000 Sam Rittenberg Blvd.	\$21.50/SF

Above rates are subject to base rent and operating expense escalations over the term and do not include tenant upfit costs.

The agency has sufficient funds for the lease according to the Budget Approval Form.

4. What is JBRC asked to do? Approve the proposed lease for the Department of Motor Vehicles at 946 Orleans Road in Charleston.

5. What is recommendation of the Department of Administration? Approve the proposed lease for the Department of Motor Vehicles at 946 Orleans Road in Charleston.

6. List of Supporting Documents:

- SC Code of Laws Section 1-11-55 and 1-11-56
- DMV Letter Dated July 25, 2018

Henry McMaster
Governor



Kevin A. Shwedo
Executive Director

State of South Carolina
Department of Motor Vehicles

June 25, 2018

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

RE: Lease for West Ashley Shoppes, 946 Orleans Road

Dear Ms. Lancaster:

The South Carolina Department of Motor Vehicles (DMV) requests approval by the Joint Bond Review Committee to enter into a 10-year lease with Continental Realty Corporation for approximately 5,040 square feet of space at West Ashley Shoppes, 946 Orleans Road, Charleston, South Carolina 29407. New space is required as the property owner did not renew DMV's current lease located at 1119 Wappoo Road in Charleston (our Ashley Oaks location).

DMV, in conjunction with the SC Department of Administration, reviewed an estimated six locations in response to our multiple solicitations and conducted site visits to each location. After evaluations, DMV concluded that the West Ashley Shoppes property best meets the Agency's requirements. We considered building accessibility for our citizens, security, office design, parking and costs in our decision-making process.

DMV requests the maximum lease period of 10 years to buildout and maintain a secure site to protect citizens, employees, and sensitive customer data. A longer lease period will provide a consistent location for constituents and minimized office relocation costs in the future, especially given that locations are becoming much more difficult to procure in the Charleston area. The cost of the lease in its entirety is \$1,617,783.00.

Thank you for your assistance and for your consideration of SCDMV's request.

Sincerely,

Kevin A. Shwedo,
SC Department of Motor Vehicles, Executive Director

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.

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.

AGENCY: Department of Administration, Capital Budgeting Office

PROJECT/SUBJECT: Permanent Improvement Project Requests

There are 20 Permanent Improvement projects pending as follows:

- 7 Establish Phase I, Pre-Design Budget
- 6 Establish Phase II, Construction Budget
- 1 Establish Phase II, Construction Budget & Revise Scope
- 4 Increase Phase II, Construction Budget
- 1 Change Source of Funds
- 2 Preliminary Land Acquisition

COMMITTEE ACTION:

Review and make recommendation of permanent improvement projects for transmittal to State Fiscal Accountability Authority or Department of Administration.

ATTACHMENTS:

Project Requests Worksheet - Summary 1-2019

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Capital Budget Office

SUMMARY 1-2019

Summary of Permanent Improvement
Project Actions Proposed by Agencies
May 10, 2018 through June 29, 2018

Forwarded to JBRC 7/31/2018

Permanent Improvement Projects

Summary Background Information:

Establish Project for A&E Design

- (a) Summary 1-2019: JBRC Item 1. (H27) University of South Carolina - Columbia
Project: 6126, LeConte College Maintenance Renovation
Included in Annual CPIP: Yes – 2017 CPIP Priority 6 of 9 in FY18 (estimated at \$15,000,000)
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 6/7/18

Ref: Supporting document pages 1-7

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
Other, Institutional Capital Project	0.00	0.00	0.00	225,000.00	225,000.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>225,000.00</u>	<u>225,000.00</u>

Funding Source: \$225,000 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 projects.

Request: Establish project and budget for \$225,000 (Other, Institutional Capital Project Funds) for the comprehensive building renovation of the LeConte College facility. This 77,103 square foot 66 year old building is a contributing structure to the old campus district which is on the National Historic Registry. The last comprehensive renovation was completed in 1979. Since that renovation, only limited capital project work has been done. This comprehensive building renovation will include, but not limited to, a new HVAC system with fresh air intake, partial plumbing replacement, an entirely new electrical system, upgraded restrooms for ADA accessibility, an elevator replacement and life safety improvements. Hazardous material abatement on areas affected by renovations will also be accomplished. This project responds to maintenance needs identified in a building condition assessment. This building is utilized by the Department of Mathematics and Statistics which has a population of 500 students. The building has classrooms, faculty offices, and administration space. The building serves a larger population of other undergraduate majors who take math in their curriculum. The agency estimates total project costs at \$15,000,000 with no additional annual operating costs.

- (b) Summary 1-2019: JBRC Item 2. (H29) University of South Carolina - Aiken
 Project: 9555, USC Aiken Scholars Academy Renovation
 Included in Annual CPIP: Yes – 2017 CPIP Priority 2 of 2 in FY21 (estimated at \$2,500,000)
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 6/7/18

Ref: Supporting document pages 8-14

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, USC Aiken Institutional	0.00	0.00	0.00	37,500.00	37,500.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>37,500.00</u>	<u>37,500.00</u>

Funding Source: \$37,500 Other, USC Aiken Institutional Funds, which are received from a variety of sources including tuition and fees and sales and services activities.

Request: Establish project and budget for \$37,500 (Other, USC Aiken Institutional Funds) to repurpose the existing 40 year old single-story Supply Maintenance Building to serve an academic mission for the Aiken campus. This renovation project continues a strategic planning effort to relocate maintenance activities to the campus periphery. Specifically, the 12,520 gross square foot building, constructed in 1978, will be internally reconfigured to accommodate the Aiken Scholars Academy and provide general academic space for the campus. No other space exists on the campus to permanently accommodate the Scholars Academy. The building is expected to accommodate up to 200 students and approximately 20 faculty members will use the space. The agency estimates total project costs at \$2,500,000 with no additional annual operating costs.

- (c) Summary 1-2019: JBRC Item 3. (D10) South Carolina Law Enforcement Division
 Project: 9527, Bush River Road Space Study & Remodel
 Included in Annual CPIP: Yes – 2018 CPIP Priority 3 of 3 in FY19 (estimated at \$250,000)
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages 15-19

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Agency Cash Balance	0.00	0.00	0.00	15,000.00	15,000.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>15,000.00</u>	<u>15,000.00</u>

Funding Source: \$15,000 Other, Agency Cash Balance Funds, which is revenue generated from Record Search Fees.

Request: Establish project and budget for \$15,000 (Other, Agency Cash Balance Funds) to begin Phase I to conduct a space study and look at alternative uses for approximately 1,000 square foot of space located in the first floor of a SLED facility located at 1731 Bush River Road. The first floor of this facility houses the Central Case Files, Midlands District, Alcohol Unit, Narcotics Unit and Regulatory files relating to concealed weapons permitting and security licensing. A digitization program has eliminated the physical concealed weapons and security files freeing up approximately 1,000 square foot of space. This space is needed by the rest of the units in that area and this project will analyze and reconfigure the space to best meet those needs. This facility is 47 years old, is 43,800 square feet and houses 116 agents and employees. The agency estimates total project costs at \$250,000 with no additional annual operating costs.

- (d) Summary 1-2019: JBRC Item 4. (H59) Northeastern Technical College
 Project: 6142, NETC – Cheraw Campus Renovation
 Included in Annual CPIP: Yes – 2017 CPIP Priority 1 of 1 in FY21 (estimated at \$4,000,000)
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: Pending CHE Board Approval on 8/2/18

Ref: Supporting document pages 20-29

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, NETC Reserves	0.00	0.00	0.00	160,000.00	160,000.00
Other, NETC Capital Fees	0.00	0.00	0.00	25,147.29	25,147.29
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>185,147.29</u>	<u>185,147.29</u>

Funding Source: \$160,000 Other, NETC Reserves and \$25,147.29 Other, NETC Capital Fees.
 Request: Establish project and budget for \$185,147.29 (Other, NETC Reserves and Other, NETC Capital Fee Funds) to fulfill critical industry training needs. NETC will relocate departments, construct a new maintenance facility, and renovate existing space for critical industry training. The maintenance department is located in Academic Building 600; A 5,000 square foot pre-engineered building would be constructed for maintenance, allowing them to relocate from Academic Building 600. Upon relocation of the maintenance department, Building 600 would be remodeled and expanded to create an industrial training center. Also, auxiliary services and the student lounge would vacate Academic Building 200, thereby, freeing up this space for industrial training. Auxiliary services would relocate to the current library space, in Academic Building 500. Renovations are required in this building to house auxiliary services and the student lounge. Renovations to Buildings 300, 400, 700 and/or 800 are also possible, if funds permit. The agency estimates total project costs at \$3,685,147.29 with additional annual operating costs of \$12,000 in years 1 thru 3.

- (e) Summary 1-2019: JBRC Item 5. (E24) Office of the Adjutant General
 Project: 9812, Statewide Readiness Center Female Latrines
 Included in Annual CPIP: Yes – 2017 CPIP Priority 8 of 21 in FY18 (estimated at \$900,000)
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages 30-36

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Appropriated State	0.00	0.00	0.00	12,500.00	12,500.00
Federal, National Guard Bureau	0.00	0.00	0.00	37,500.00	37,500.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>50,000.00</u>	<u>50,000.00</u>

Funding Source: \$12,500 Appropriated State. \$37,500 Federal, National Guard Bureau, which is funding identified as part of the Construction and Facilities Management Office’s Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau

Request: Establish project and budget for \$50,000 (Appropriated State & Federal, National Guard Bureau Funds) to renovate and expand existing female latrines in various readiness centers across the state. The initial group of readiness centers include North Charleston, Walterboro, Edgefield, Mt. Pleasant, Marion, Saluda, Mullins, Batesburg, Dillon, Seneca, Conway and Rock Hill. The Phase I pre-design budget is requested at 2.23% of the estimated project cost due to the age of the armories and the level of detail needed in the mechanical, electrical, and plumbing systems for additional latrine space for the female soldiers. The scope of work includes renovating existing female latrine and constructing additional authorized space to include new utilities and fixtures, along with any required mechanical, electrical and plumbing work. When these armories were constructed the amount of female soldiers was significantly lower than it is now. Therefore, due to the rising number of female soldiers, due in part to all branches now allowing females, adequate latrine space is needed. Per NG Pam 415-12, the assigned unit(s) are authorized 2,000 square feet of latrine space. This project will allow the female soldiers to have the required number of facilities (toilets, showers, changing areas) they need to conduct training. Over 50 female soldiers assigned to each of the 12 armories, will utilize the space. The facilities will also be used by females when the armory is rented or when it is being used for other public functions. The facilities range in age from 31 years to 62 years old and vary in size from 72 square feet to 339 square feet. The agency estimates total project costs at \$159,077 per facility for a total of \$2,233,435 for all 12 facilities with additional annual operating costs of \$36,000 in years 1 thru 3.

- (f) Summary 1-2019: JBRC Item 6. (J12) Department of Mental Health
 Project: 9761, CCS Dialysis Room Conversion at McLendon
 Included in Annual CPIP: No
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages 37-41

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Tenant Funds	0.00	0.00	0.00	0.00	0.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

Funding Source: Tenant Funds. Correct Care Recovery Solutions shall be funding this project.

Request: Establish a Phase I project to renovate the decommissioned dialysis unit next to the McLendon Building located at the Crafts-Farrow State Hospital Campus in Columbia. The building, constructed in 1985, is approximately 2,100 square feet and is a standalone building attached to the existing McLendon facility by one wall. The construction is steel with open web bar joists, EPDM roof, masonry walls, building mechanicals are 1 single packaged gas/electric roof top unit with general exhaust, electrical, sanitary and domestic water are supplied by the facility. The renovated space shall have 10 single patient rooms with common and ancillary spaces. The building is leased to Correct Care to operate for SC DMH and SC DOC. These new units will be occupied by SCDOC patients in accordance with an agreement that was structured at the end of 2017 without exceeding the licensed bed count. The renovated space shall be of noncombustible construction with windows added for new patient rooms and the backdoor of the space relocated to facilitate the new construction. Roof, building structure, plumbing, mechanical and electrical systems will be reused as much as possible while updating the space usage requirements. All work shall be in accordance with state and local codes. The agency estimates total project costs to be incurred by Correct Care at \$400,000 with no additional annual operating costs to be incurred by the state.

- (g) Summary 1-2019: JBRC Item 7. (N04) Department of Corrections
 Project: 9747, Wateree River CI – Boiler Replacement
 Included in Annual CPIP: Yes – 2017 CPIP Priority 1 of 6 in FY18 (est. at \$900,000 for this project)
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages 42-47

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Insurance Reserve	0.00	0.00	0.00	13,500.00	13,500.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>13,500.00</u>	<u>13,500.00</u>

Funding Source: \$13,500 Other, Insurance Reserve Fund.

Request: Establish project and budget for \$13,500 (Other, Insurance Reserve Funds) to replace the existing 60+ year old boiler and associated piping for the Wateree River Correctional Institution. The boiler is obsolete, doesn't meet inspection requirements by the state's Insurance Reserve Fund, is in poor condition, not energy efficient, and has exceeded the anticipated useful service life. The boiler serves the administrative area, food service and 6 open dormitory areas. It does not serve the entire institution but the affected area is approximately 54,700 square feet. This facility was constructed in the early 1900's and is 100+ years old. It holds 750 inmates and an average of 190 staff. The agency estimates total project costs at \$900,000 and additional annual operating costs/savings have not yet been determined.

Establish Construction Budget

- (h) Summary 1-2019: JBRC Item 8. (H59) Greenville Technical College
 Project: 6136, Greenville – Benson Campus Amphitheater and Student Plaza
 Included in Annual CPIP: Yes – 2017 CPIP Priority 3 of 3 in FY20 (estimated at \$1,326,335)
 JBRC/SFAA Phase I Approval: January 2018 (estimated at \$2,500,000)

CHE Recommended Approval: Pending CHE Board Approval on 8/2/18

Ref: Supporting document pages 48-61

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u> <u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Private Citizen Donation	37,500.00	0.00	37,500.00	2,864,201.00	2,901,701.00
All Sources	<u>37,500.00</u>	<u>0.00</u>	<u>37,500.00</u>	<u>2,864,201.00</u>	<u>2,901,701.00</u>

Funding Source: \$2,901,701 Other, Private Citizen Donation Funds, which have been received specifically for the development and construction of this project.

Request: Increase budget to \$2,901,701 (add \$2,864,201 Other, Private Citizen Donation Funds) to establish Phase II, design development, construction documents and bidding to construct an amphitheater and student plaza on approximately 4 acres, in an outside lawn area between buildings 301 and 302, alongside Building 301 and the main entrance drive on Benson Campus. The total estimated cost of the project in the Phase II request is \$401,701 higher than the Phase I amount due to the construction bid pricing climate. It is anticipated that the project will be bid around the November to December timeframe and the architects and cost estimators firmly believe the cost for the project will be in the \$2.9 million range. The facility will include tiered natural and bench seating, a stage, audio/visual, wireless internet, stage lighting, electrical panel service, band-shell pavilion, restroom facilities, native plant landscaping, and canopy trees. Nature trails, landscaping, and a small parking area along the main driveway into campus will also be a part of the project. The college states that an aesthetically pleasing outdoor learning environment without walls or a ceiling in the fresh air, sunshine and relaxed setting will foster an environment to enhance creative thought processes by students. The college further states that the outdoor learning experience will be valuable to artists, theatrics, language arts, humanities, and various science programs, and community activities. A small art pavilion structure of approximately 3,000 square feet will be constructed. The amphitheater and terraced seating will provide approximately 185 seats for performances and a large lawn beyond the tiered seating for blanket seating. The area will be utilized by an estimated 900 students, 50 faculty, 30 staff and 1,000 outside visitors. The project contingency exceeds 10% of the total project budget due to anticipated construction cost escalation, based on consultation with OSE of recent state bid projects and consultation by A&E with general contractors. The agency estimates total project costs at \$2,901,701 with additional annual operating costs of \$3,000 in years 1 thru 3. The agency anticipates execution of the construction contract in November 2018 and completion of construction in August 2019.

- (i) Summary 1-2019: JBRC Item 9. (J12) Department of Mental Health
 Project: 9737, State Veterans' Nursing Home Construction Central Region
 Included in Annual CPIP: Yes – 2017 CPIP Priority 10 of 12 in FY20 (estimated at \$40,296,165)
 JBRC/SFAA Phase I Approval: January 2015 (estimated at \$58,000,000)
 JBRC/SFAA Revise Scope Approval: March 2015 (estimated at \$37,000,000)
 JBRC/SFAA Phase I Budget Increase Approval: May 2018 (estimated at \$40,300,000)

CHE Recommended Approval: N/A

Ref: Supporting document pages 62-79

<u>Source of Funding</u> <u>Detail</u>	<u>Original</u> <u>Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u> <u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Federal, VA State Home Construction Grant Program	0.00	0.00	0.00	28,811,758.00	28,811,758.00
Other, Capital Improv. & Maint.	500,000.00	500,000.00	1,000,000.00	13,103,658.00	14,103,658.00
Additional funding to be requested from General Assembly by DMH*	0.00	0.00	0.00	11,184,584.00	11,184,584.00
All Sources	<u>500,000.00</u>	<u>500,000.00</u>	<u>1,000,000.00</u>	<u>53,100,000.00</u>	<u>54,100,000.00</u>

*Per the Department of Mental Health, should the construction cost reach \$54,100,000, the state's share would be \$25,288,242. Should the state share requirement exceed the current funds which DMH reserved, DMH will seek funding from the General Assembly.

Funding Source: \$28,811,758 Federal, VA State Home Construction Grant Program. \$14,103,658 Other, Capital Improvement & Maintenance Funds, authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. Up to \$11,184,584 in additional funding may be requested by DMH to address the remaining costs of the project.

Request: Increase budget to \$54,100,000 (add \$28,811,758 Federal, VA State Home Construction Grant Program and \$13,103,658 Other, Capital Improvement & Maintenance Funds and up to \$11,184,584 to be requested) to establish the full Phase II design and construction budget in order to complete all requirements necessary to receive a federal funding grant from VA in early 2019 for the construction of a veterans nursing home in the central South Carolina region. The FY18 Veterans Affairs Appropriations Bill contained funding for the construction of three South Carolina projects, based on community living center designs. The department has been informed that in order to receive a conditional funding letter in September 2018 from VA, the state will need to demonstrate the following; design development drawings and specifications (35%), Phase I & Phase II environmental assessments (draft complete), and a letter of approval from the state historical preservation officer (complete). OSE and DHEC have reviewed and approved the schematic design drawings. If a conditional funding letter is received, the state would then have an additional 180 days to complete the design and bid the project. The architect who is designing the prototype facility will adapt the design to the northeast and northwest South Carolina region sites. The design on which the

cost estimate is based calls for steel framing, pitched roof and full emergency generators. The facility will be constructed to meet LEED Silver certification standards with anticipated energy savings of \$1,800,000 over a 30 year period. The new facility will be all private rooms and include all support functions required for a complete operation. The construction will include kitchen and dining facilities, treatment and therapy spaces, and a facility for mechanical and electrical equipment. The facility will be approximately 147,000 gross square feet and house 104 veterans and 100+ contract management staff. Under the existing contract model for Veterans Victory House and Campbell, the day to day maintenance will be handled by an outside contractor with assistance and oversight as needed by SCDMH Physical Plant Services staff. Preliminary estimates now indicate the completed project will cost approximately \$54,100,000 with additional annual operating costs of \$12,129,955 in year 1, \$12,493,854 in year 2, and \$12,868,669 in year 3. The agency anticipates execution of the construction contract in April 2019 and completion of construction in June 2021.

- (j) Summary 1-2019: JBRC Item 10. (J12) Department of Mental Health
 Project: 9739, State Veterans' Nursing Home Construction Northeast Region
 Included in Annual CPIP: Yes – 2017 CPIP Priority 8 of 12 in FY20 (estimated at \$39,914,915)
 JBRC/SFAA Phase I Approval: March 2015 (estimated at \$37,000,000)
 JBRC/SFAA Phase I Budget Increase Approval: May 2018 (estimated at \$39,900,000)

CHE Recommended Approval: N/A

Ref: Supporting document pages 80-93

<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, VA State Home Construction Grant Program	0.00	0.00	0.00	28,539,164.00	28,539,164.00
Other, Capital Improv. & Maint.	250,000.00	1,000,000.00	1,250,000.00	12,720,220.00	13,970,220.00
Additional funding to be requested from General Assembly by DMH*	0.00	0.00	0.00	12,790,616.00	12,790,616.00
All Sources	<u>250,000.00</u>	<u>1,000,000.00</u>	<u>1,250,000.00</u>	<u>54,050,000.00</u>	<u>55,300,000.00</u>

*Per the Department of Mental Health, should the construction cost reach \$55,300,000, the state's share would be \$26,760,836. Should the state share requirement exceed the current funds which DMH reserved, DMH will seek funding from the General Assembly.

Funding Source: \$28,539,164 Federal, VA State Home Construction Grant Program. \$13,970,220 Other, Capital Improvement & Maintenance Funds, authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. Up to \$12,790,616 in additional funding may be requested by DMH to address the remaining costs of the project.

Request: Increase budget to \$55,300,000 (add \$28,539,164 Federal, VA State Home Construction Grant Program and \$12,720,220 Other, Capital Improvement & Maintenance Funds and up to \$12,790,616 to be requested) to establish the full Phase II design and construction budget in order to complete all requirements necessary to receive a federal funding grant from VA in early 2019 for the construction of a veterans nursing home in the northeast South Carolina region. The FY18 Veterans Affairs Appropriations Bill contained funding for the construction of three South Carolina projects, based on community living center designs. The department has been informed that in order to receive a conditional funding letter in September 2018 from VA, the state will need to demonstrate the following; design development drawings and specifications (35%), Phase I & Phase II environmental assessments (draft complete), and a letter of approval from the state historical preservation officer (complete). OSE and DHEC have reviewed and approved the schematic design drawings. If a conditional funding letter is received, the state would then have an additional 180 days to complete the design and bid the project. The architect who is designing the prototype facility for the central region will adapt the design to the northeast and northwest South Carolina region sites. The design on which the cost estimate is based calls for steel framing, pitched roof

and full emergency generators. The facility will be constructed to meet LEED Silver certification standards with anticipated energy savings of \$1,800,000 over a 30 year period. The new facility will be all private rooms and include all support functions required for a complete operation. The construction will include kitchen and dining facilities, treatment and therapy spaces, and a facility for mechanical and electrical equipment. The facility will be approximately 147,000 gross square feet and house 104 veterans and 100+ contract management staff. Under the existing contract model for Veterans Victory House and Campbell, the day to day maintenance will be handled by an outside contractor with assistance and oversight as needed by SCDMH Physical Plant Services staff. Preliminary estimates now indicate the completed project will cost approximately \$55,300,000 with additional annual operating costs of \$12,129,955 in year 1, \$12,493,854 in year 2, and \$12,868,669 in year 3. The agency anticipates execution of the construction contract in April 2019 and completion of construction in June 2021.

- (k) Summary 1-2019: JBRC Item 11. (J12) Department of Mental Health
 Project: 9740, State Veterans' Nursing Home Construction Northwest Region
 Included in Annual CPIP: Yes – 2017 CPIP Priority 9 of 12 in FY20 (estimated at \$41,135,915)
 JBRC/SFAA Phase I Approval: March 2015 (estimated at \$37,000,000)
 JBRC/SFAA Phase I Budget Increase Approval: May 2018 (estimated at \$41,100,000)

CHE Recommended Approval: N/A

Ref: Supporting document pages 94-107

<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, VA State Home Construction Grant Program	0.00	0.00	0.00	29,412,179.00	29,412,179.00
Other, Capital Improv. & Maint.	250,000.00	1,000,000.00	1,250,000.00	13,147,571.00	14,397,571.00
Additional funding to be requested from General Assembly by DMH*	0.00	0.00	0.00	12,990,250.00	12,990,250.00
All Sources	<u>250,000.00</u>	<u>1,000,000.00</u>	<u>1,250,000.00</u>	<u>55,550,000.00</u>	<u>56,800,000.00</u>

*Per the Department of Mental Health, should the construction cost reach \$56,800,000, the state's share would be \$27,387,821. Should the state share requirement exceed the current funds which DMH reserved, DMH will seek funding from the General Assembly.

Funding Source: \$29,412,179 Federal, VA State Home Construction Grant Program. \$14,397,571 Other, Capital Improvement & Maintenance Funds, authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. Up to \$12,990,250 in additional funding may be requested by DMH to address the remaining costs of the project.

Request: Increase budget to \$56,800,000 (add \$29,412,179 Federal, VA State Home Construction Grant Program and \$13,147,571 Other, Capital Improvement & Maintenance Funds and up to \$12,990,250 to be requested) to establish the full Phase II design and construction budget in order to complete all requirements necessary to receive a federal funding grant from VA in early 2019 for the construction of a veterans nursing home in the northwest South Carolina region. The FY18 Veterans Affairs Appropriations Bill contained sufficient to provide federal grant funding for the construction of three South Carolina projects, based on community living center designs. The department has been informed that in order to receive a conditional funding letter in September 2018 from VA, the state will need to demonstrate the following; design development drawings and specifications (35%), Phase I & Phase II environmental assessments (draft complete), and a letter of approval from the state historical preservation officer (complete). OSE and DHEC have reviewed and approved the schematic design drawings. If a conditional funding letter is received, the state would then have an additional 180 days to complete the design and bid the project. The architect who is designing the prototype facility for the central region will adapt the design to the Northeast and Northwest South Carolina region sites. The design on which the cost

estimate is based calls for steel framing, pitched roof and full emergency generators. The facility will be constructed to meet LEED Silver certification standards with anticipated energy savings of \$1,800,000 over a 30 year period. The new facility will be all private rooms and include all support functions required for a complete operation. The construction will include kitchen and dining facilities, treatment and therapy spaces, and a facility for mechanical and electrical equipment. The facility will be approximately 147,000 gross square feet and house 104 veterans and 100+ contract management staff. Under the existing contract model for Veterans Victory House and Campbell, the day to day maintenance will be handled by an outside contractor with assistance and oversight as needed by SCDMH Physical Plant Services staff. Preliminary estimates now indicate the completed project will cost approximately \$56,800,000 with additional annual operating costs of \$12,129,955 in year 1, \$12,493,854 in year 2, and \$12,868,669 in year 3 are expected. The agency anticipates execution of the construction contract in April 2019 and completion of construction in June 2021.

- (I) Summary 1-2019: JBRC Item 12. (N12) Department of Juvenile Justice
 Project: 9606, Coastal Regional Center
 Included in Annual CPIP: Yes – 2018 CPIP Priority 3 of 4 in FY19 (estimated at \$3,676,286)
 JBRC/SFAA Phase I Approval: December 2017 (estimated at \$3,676,286)
 JBRC/SFAA Phase I Budget Increase Approval: June 2018 (estimated at \$3,676,286)

CHE Recommended Approval: N/A

Ref: Supporting document pages 108-121

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u> <u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Appropriated State, FY18 Carryforward	142,500.00	171,712.50	314,212.50	3,362,073.50	3,676,286.00
All Sources	<u>142,500.00</u>	<u>171,712.50</u>	<u>314,212.50</u>	<u>3,362,073.50</u>	<u>3,676,286.00</u>

Funding Source: \$3,676,286 Appropriated State, FY18 Carryforward Funds.

Request: Increase budget to \$3,676,286 (add \$3,362,073.50 Appropriated State, FY18 Carryforward Funds) to proceed with Phase II to implement regionalization across the state. This project will address the needs at the Coastal Regional Center located in Ridgeville, which will accommodate the programs needed for juveniles in the coastal area of SC. Regionalization represents a fundamental shift in how committed youth will be served by the juvenile justice system. It will allow youth to be housed closer to their home communities instead of committing them to distant state facilities. Regionalization brings neighboring counties together to share resources and services to better serve youth close to their homes. Other advantages of regionalization include increased family engagement, transitional programming and contact with other providers, community resources, and parole and probation proficiency. A smaller population of youth in each center may also reduce gang issues and behavior issues. This project will include the construction of a multi-purpose building for clinical, program and security staff, vocational classrooms for the juveniles; security upgrades to include the expansion/new construction of perimeter fencing; and expanding the footprint of the property by creating new recreational space. Even though this project request is for the Coastal Center, all 3 current evaluation centers will eventually be included in this reorganization as separate projects. The new regional center building to be constructed will be an 11,000 square foot pre-engineered building and will house the programmatic activities. The existing housing already on-site accommodates 175 juveniles. The project will be designed for maximum energy efficiency for its intended use. However, under the 2018 edition of the OSE Manual, Chapter 5, section 5.10, lines 5.10.3, exemptions are listed on B for any public school building K-12, and on line C, any correctional facility constructed. This building will have a masonry base and metal wall panels with a standing-seam sloped metal roof. The recreation space will include indoor and outdoor space to include a soccer field with running track and basketball courts. There is an existing Coastal Evaluation Center, constructed in 2002, located on the 11 acre property that will also continue to be used as part of the Coastal Regional Center but it will not be renovated in this project. The agency estimates total project costs at \$3,676,286 and additional annual operating costs have not yet been determined. The agency anticipates execution of the construction contract is September 2018 and completion of construction in September 2021.

- (m) Summary 1-2019: JBRC Item 13. (N12) Department of Juvenile Justice
 Project: 9607, Upstate Regional Center
 Included in Annual CPIP: Yes – 2018 CPIP Priority 4 of 4 in FY19 (estimated at \$3,676,286)
 JBRC/SFAA Phase I Approval: December 2017 (estimated at \$3,676,286)
 JBRC/SFAA Phase I Budget Increase Approval: June 2018 (estimated at \$3,676,286)

CHE Recommended Approval: N/A

Ref: Supporting document pages 122-135

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u> <u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Appropriated State, FY18 Carryforward	142,500.00	171,712.50	314,212.50	3,362,073.50	3,676,286.00
All Sources	<u>142,500.00</u>	<u>171,712.50</u>	<u>314,212.50</u>	<u>3,362,073.50</u>	<u>3,676,286.00</u>

Funding Source: \$3,676,286 Appropriated State, FY18 Carryforward Funds.

Request: Increase budget to \$3,676,286 (add \$3,362,073.50 Appropriated State, FY18 Carryforward Funds) to proceed with Phase II to implement regionalization across the state. This project will address the needs at the Upstate Regional Center located in Union, which will accommodate the programs needed for juveniles in the upstate area of SC. Regionalization represents a fundamental shift in how committed youth will be served by the juvenile justice system. It will allow youth to be housed closer to their home communities instead of committing them to distant state facilities. Regionalization brings neighboring counties together to share resources and services to better serve youth close to their homes. Other advantages of regionalization include increased family engagement, transitional programming and contact with other providers, community resources, and parole and probation proficiency. A smaller population of youth in each center may also reduce gang issues and behavior issues. This project will include the construction of a multi-purpose building for clinical, program and security staff, vocational classrooms for the juveniles; security upgrades to include the expansion/new construction of perimeter fencing; and expanding the footprint of the property by creating new recreational space. Even though this project request is for the Upstate Center, all 3 current evaluation centers will eventually be included in this reorganization as separate projects. The new regional center building to be constructed will be an 11,000 square foot pre-engineered building and will house the programmatic activities. The existing housing on-site accommodates 190 juveniles. The project will be designed for maximum energy efficiency for its intended use. However, under the 2018 edition of the OSE Manual, Chapter 5, section 5.10, lines 5.10.3, exemptions are listed on B for any public school building K-12, and on line C, any correctional facility constructed. This building will have a masonry base and metal wall panels with a standing-seam sloped metal roof. The recreation space will include indoor and outdoor space to include a soccer field with running track and basketball courts. There is an existing Upstate Evaluation Center, constructed in 1997, located on the 17 acre property that will also continue to be used as part of the Upstate Regional Center but it will not be renovated in this project. The agency estimates total project costs at \$3,676,286 and additional annual operating costs have not yet been determined. The agency anticipates execution of the construction contract is September 2018 and completion of construction in September 2021.

Establish Construction Budget & Revise Scope

- (n) Summary 1-2019: JBRC Item 14. (H73) Vocational Rehabilitation Department
 Project: 9614, Oconee Pickens VR Center Expansion & Roof Replacement
 Included in Annual CPIP: Yes – 2017 CPIP Priority 2 of 5 in FY19 (estimated at \$1,900,000) &
 2018 CPIP Priority 1 of 2 in FY19 (estimated at \$3,069,358)
 Admin. Phase I Approval: October 2017

CHE Recommended Approval: N/A

Ref: Supporting document pages 136-147

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
FY16-17 Capital Reserve	28,500.00	0.00	28,500.00	771,500.00	800,000.00
Federal, State Vocational Rehabilitation Grant	0.00	0.00	0.00	2,269,358.00	2,269,358.00
All Sources	<u>28,500.00</u>	<u>0.00</u>	<u>28,500.00</u>	<u>3,040,858.00</u>	<u>3,069,358.00</u>

Funding Source: \$28,500 FY16-17 Capital Reserve Funds. \$2,269,358 Federal, State Vocational Rehabilitation Funds, which are grant funds received to be used in the provision of VR services.

Request: Revise the scope of work and increase budget to \$3,069,358 (add \$771,500 FY16-17 Capital Reserve Funds and \$2,269,358 Federal, State Vocational Rehabilitation Grant Funds) for the design and construction of a 8,200 square foot addition and a 1,407 square foot renovation to the existing VR Center with production area space, offices, classrooms, and a renovated conference room. The Phase I scope of work included the design and construction of an 8,100 square foot addition to the existing Work Training Center with production area space, clean work room, offices, and storage. The Phase II request includes an additional 100 square feet for the addition, and renovations to 1,407 square feet of the existing VR Center. Additional offices and classroom spaces are now also needed to expand their services under WIOA (Workforce Innovation and Opportunity Act), which is their new federal regulation. One of the existing classrooms is presently being used as offices. It is now necessary to renovate a portion of the existing area office and to add the needed offices and classrooms in addition to the production space increase. Adequate space does not presently exist to perform the increase in contract work and to provide the required training. The addition is needed to increase capacity to serve the growing client population in this region, as well as, to increase the types of subcontract work necessary to train clients for competitive employment. The Job Readiness Training Center has experienced significant growth over the last 10 years and several contracts with local companies had to be turned down due to the limited floor space available to stage and perform contract work. Average client daily attendance has gone from just over 38 clients to 55 clients a day. The number of clients served has gone from 191 to 253. Limited office space has resulted in sharing offices for the 26 staff, and the center needs classroom spaces for adult education and job preparedness instruction. A total roof replacement of the existing 29 year old 20,000 square foot built up roof and application of roof insulation and styrene-butadiene-styrene (SBS) smooth granular surfaced

modified bitumen roofing system with associated flashings and metal work remains part of this project. Removal of asbestos roofing and flashing materials may be required. The new roofing system will include a 20 year warranty. The agency estimates total project costs at \$3,069,358 with additional annual operating costs of \$8,000 in year 1 and \$12,000 in years 2 and 3. The agency anticipates execution of the construction contract in January 2019 and completion of construction in November 2019.

Phase II Increase

- (o) Summary 1-2019: JBRC Item 15. (H09) The Citadel
 Project: 9612, Bastin Hall – School of Business
 Included in Annual CPIP: Yes – 2018 CPIP Priority 1 of 4 in FY19 (estimated at \$25,840,000)
 JBRC/SFAA Phase I Approval: October 2014 (estimated at \$17,000,000)
 JBRC/SFAA Phase II Approval: August 2016 (estimated at \$20,200,000)

 CHE Recommended Approval: Pending CHE Board Approval on 8/2/18

 Ref: Supporting document pages 148-156

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u> <u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Citadel Foundation Gift	250,000.00	19,950,000.00	20,200,000.00	5,640,000.00	25,840,000.00
All Sources	<u>250,000.00</u>	<u>19,950,000.00</u>	<u>20,200,000.00</u>	<u>5,640,000.00</u>	<u>25,840,000.00</u>

Funding Source: \$25,840,000 Other, Citadel Foundation Gift Funds, which are a combination of donations and bonds issued by The Citadel Foundation. The source of repayment for the bonds will be donations received by The Citadel Foundation.

Request: Increase budget to \$25,840,000 (Other, Citadel Foundation Gift Funds) to cover higher than expected market costs in Charleston to complete the project. This market condition produced three (3) contractor bids that exceeded the project budget, and also exceeded the 10% which would have allowed The Citadel to negotiate with the lowest responsible bidder. The project will construct a new 45,320 square foot facility to house the Tommy & Victoria Baker School of Business, which is currently housed in Bond Hall. The new building will be located to the south of Bond Hall and The Citadel’s Human Resources building. The project has been designed to meet Two Green Globes Certification with anticipated energy savings of \$610,263.95 over a 30 year period. The facility will be a three-story steel frame building constructed on Citadel property along Haygood Avenue as you approach Haygood Gate. The facility will include 6 flat classrooms, 2 tiered classrooms, group study rooms, financial services lab, innovation technology lab, 40 administration and faculty offices, and a 2,100 square foot common area to support collaboration among students, faculty, and visitors. The building is the first completely new academic facility to be constructed on the campus since 1974 and will comply with all standards for a 21st century academic facility. The School of Business houses the largest undergraduate major and a graduate program with an approximate 668 day and 69 evening undergraduate students, 210 MBA students, and 40 faculty and staff. Once the School of Business currently housed in Bond Hall relocates to the new building, it is planned for the Zucker School of Education to move out of Capers Hall and backfill the vacated space in Bond Hall. The agency estimates total project costs at \$25,840,000 with additional annual operating costs of \$135,520 in year 1, \$150,870 in year 2, and \$170,000 in year 3. The agency anticipates execution of the construction contract in November 2018 and completion of construction in June 2020.

- (p) Summary 1-2019: JBRC Item 16. (P24) Department of Natural Resources
 Project: 9966, Richland-Wateree Range Improvements
 Included in Annual CPIP: Yes – 2018 CPIP Priority 3 of 15 in FY19 (estimated at \$1,522,274)
 JBRC/SFAA Phase I Approval: April 2017 (estimated at \$900,000)
 JBRC/SFAA Phase II Approval: August 2017 (estimated at \$957,829)

CHE Recommended Approval: N/A

Ref: Supporting document pages 157-164

<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	13,500.00	944,329.00	957,289.00	564,445.00	1,522,274.00
All Sources	<u>13,500.00</u>	<u>944,329.00</u>	<u>957,289.00</u>	<u>564,445.00</u>	<u>1,522,274.00</u>

Funding Source: \$1,552,284 Federal Grant Funds from the US Fish Wildlife Service – Wildlife Restoration funds as provided for through the Pittman Robertson Act

Request: Increase the project budget by \$564,445 to \$1,552,274. The agency originally completed pre-design and design work based on estimates from a similar project constructed in Charleston County (Twin Ponds Rifle Range) in fiscal year 2016-17. Bids for the project were higher than originally estimated: \$106,385 versus original estimate of \$63,500 in professional services fees; \$1,326,158 versus original estimate of \$774,040 in site development costs; and \$132,616 versus original estimate of \$77,404 as a contingency. The agency attributes the increase in costs to a business climate with significant demand for construction services, along with an abundance of work that has resulted from natural disasters in recent years. The project is designed to provide a safe area for constituents to participate in recreational shooting or to practice shooting prior to hunting, an area that the agency can utilize for training for hunter education students, and recruitment for hunters and recreational shooters. The project involves the renovation of the existing 100-yard rifle range; 25-yard pistol range that includes construction of impact and containment berms; covered firing line sheds; range office; road and parking lot improvements; trap bunkers; and ADA access to each range and skeet/trap fields. All components are designed to bring the facility into compliance with ADA requirements and safety standards of the National Rifle Association and the South Carolina Department of Natural Resources. The agency expects to begin construction in October, 2018 with completion in March, 2019, and estimates total project costs at \$1,522,274 with no additional annual operating costs.

- (q) Summary 1-2019: JBRC Item 17. (P28) Department of Parks, Recreation & Tourism
 Project: 9762, Welcome Center Rebuild - Dillon
 Included in Annual CPIP: Yes – 2016 CPIP Priority 2 of 10 in FY18 (estimated at \$4,500,000)
 Admin. Phase II Approval: February 2017 (estimated at \$4,000,000)
 Admin. Phase II Budget Increase (Transfer from Projects 9669 & 9741) Approval:
 June 2017 (estimated at \$4,138,498.34)

CHE Recommended Approval: N/A

Ref: Supporting document pages 165-174

<u>Source of Funding Detail</u>	<u>Original Budget Amount</u>	<u>Cumulative Changes Since Original Budget</u>	<u>Current Budget</u>	<u>Current Budget Adjustment Requested</u>	<u>Total Budget After Current Adjustment</u>
FY16 Capital Reserve	4,000,000.00	0.00	4,000,000.00	0.00	4,000,000.00
Appropriated State, Tourism Sales	0.00	96,305.60	96,305.60	0.00	96,305.60
Other, Motion Picture Incentive	0.00	42,192.74	42,192.74	1,038,045.00	1,080,237.74
All Sources	<u>4,000,000.00</u>	<u>138,498.34</u>	<u>4,138,498.34</u>	<u>1,038,045.00</u>	<u>5,176,543.34</u>

Funding Source: \$4,000,000 FY16 Capital Reserve. \$96,305.60 Appropriated State, Tourism Sales. \$1,080,237.74 Other, Motion Picture Incentive, which are funds provided by Proviso 49.8 from FY14, and can be used by the department for capital improvements to the state's Welcome Centers, for deferred maintenance and capital projects at state parks, and for marketing/advertising.

Request: Increase budget to \$5,176,543.34 (FY16 Capital Reserve, Appropriated State, Tourism Sales and Other-Motion Picture Incentive Funds) to cover the lowest bid plus three alternates provided in the original bid, with allowances for IT infrastructure and furnishings. The scope of work for this project is to replace the existing Welcome Center in Dillon County along with associated site work. The Dillon center was built in 1971 and is 5,000 square feet. It is one of the busiest centers in the state. In 2003 a new section of restrooms were added to accommodate the visitors; work and storage areas were reconfigured and enlarged and the reception area was remodeled. SCPRT hopes to keep the center open during the construction process, however that will have to be determined during the planning, development and construction process. The new facility will be 8,323 square feet. This center was selected due to the visitation numbers and evaluation by staff for much needed changes in the reception area. New facilities will better meet the needs of the travelers and staff assisting with information and reservation services. The agency estimates total project costs at \$5,176,543.34 with additional annual operating cost savings of \$18,000 in years 1 thru 3. The agency anticipates execution of the construction contract in October 2018 and completion of construction in August 2019.

- (r) Summary 1-2019: JBRC Item 18. (P28) Department of Parks, Recreation & Tourism
 Project: 9764, State Park Piers Repair
 Included in Annual CIP: Yes – 2016 CIP Priority 3 of 10 in FY18 (estimated at \$2,200,000)
 Admin. Phase II Approval: May 2017 (estimated at \$2,200,000)

CHE Recommended Approval: N/A

Ref: Supporting document pages 175-184

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
FY17 Appropriated State, Proviso 118.16 nonrecurring	2,200,000.00	0.00	2,200,000.00	0.00	2,200,000.00
Other, Insurance Reserve	0.00	0.00	0.00	890,525.88	890,525.88
All Sources	<u>2,200,000.00</u>	<u>0.00</u>	<u>2,200,000.00</u>	<u>890,525.88</u>	<u>3,090,525.88</u>

Funding Source: \$2,200,000 FY16-17 Appropriated State, Proviso 118.16 (nonrecurring).
 \$890,525.88 Other, Insurance Reserve, which are funds received for facility
 damages.

Request: Increase budget to \$3,090,525.88 (FY17 Appropriated State & Other, Insurance
 Reserve Funds) to add insurance proceeds due to damage incurred to the
 facilities from hurricane impact. The pier project repairs are also now projected
 to cost more due to damages sustained during the storm events. What was
 initially a repair of the dock at Edisto Beach is now completely replacing the
 entire structure that has been damaged beyond repair due to storm damage. Also,
 upon beginning the project, it was discovered that pilings at Myrtle Beach that
 had previously appeared to be adequate, have now been found to be infected with
 sea worms upon inspection, and will have to be replaced, as well as, the need to
 replace more hardware than originally believed. As this project progresses, there
 will also be future budget increases requested for this project as project repairs
 are completed that are eligible for approximately \$700,000 to \$800,000 in
 FEMA reimbursements. Age and usage have deteriorated these facilities making
 repairs necessary for continued operation and visitor safety. The agency
 estimates total project costs at \$3,090,525.88 with no additional annual operating
 costs. The agency anticipates execution of the construction contract in August
 2018 and completion of construction in June 2019.

Change Source of Funds

- (s) Summary 1-2019: JBRC Item 19. (H59) Piedmont Technical College
 Project: 9886, Piedmont Upstate Center for Manufacturing Excellence
 Included in Annual CPIP: Yes – 2016 CPIP Priority 1 of 1 in FY18 (estimated at \$12,305,000)
 JBRC/SFAA Phase I Approval: June 2004 (estimated at \$5,647,500)
 Admin. Phase I Increase Approval: March 2017 (estimated at \$3,981,305)
 JBRC/SFAA Phase II Approval: June 2017 (estimated at \$14,800,000)

CHE Recommended Approval: 5/25/18

Ref: Supporting document pages 185-196

<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, FY17 Proviso 118.16	0.00	3,750,000.00	3,750,000.00	0.00	3,750,000.00
Federal, EDA Grant	0.00	0.00	0.00	1,500,000.00	1,500,000.00
Other, PTC Local Funds	250,000.00	4,700,304.00	4,950,304.00	(1,500,000.00)	3,450,304.00
Other, Greenwood Local Sales Tax	0.00	6,099,696.00	6,099,696.00	0.00	6,099,696.00
All Sources	<u>250,000.00</u>	<u>14,550,000.00</u>	<u>14,800,000.00</u>	<u>0.00</u>	<u>14,800,000.00</u>

Funding Source: \$3,750,000 Appropriated State, FY17 Proviso 118.16 (nonrecurring).
 \$1,500,000 Federal, EDA Grant. \$3,450,304 Other, PTC Local Funds, which are a combination of a dedicated capital fee (\$150 per fulltime student) included in their tuition, and residual balance transfers that have been approved by their Area Commission. \$6,099,696 Other, Greenwood Local Option Sales Tax, which are funds to be received quarterly starting in January 2018 from the 2016 Greenwood County local option sales tax appropriation.

Request: To change the funding source for \$1,500,000 from PTC Local Funds to EDA Grant Funds. This project is for the construction of a new facility that will be used to house several industrial programs at the college such as CNC Technology, Welding and Mechatronics. A section of the building will also allow for specialized training programs. The current facilities used by the programs are undersized and outdated. The 45 year old labs and classrooms continue to be a safety, code and deferred maintenance concern. Existing space requirements needed for an ideal teaching environment is inadequate. The new 45,500 square foot Industrial Training Center is being constructed on an 8 acre property located adjacent to the Greenwood Campus as described in the College Vision 2020 plan. The facility will include new classrooms, machine tool and CNC labs, a welding lab with 45 stations, administrative offices and 5,000 square foot of flexible lab space for Ready SC Industrial Training. It will also provide the programs with updated safety equipment to better support new and evolving local, state, and federal requirements. The new facility will meet the two Green Globes sustainability design process and construction requirement with a potential \$121,100 in operating costs savings over a 30 year period. The college expects to serve approximately 441 students, instructors, and administrative personnel throughout the day, afternoon, and evening classes. The Economic

Development Division trains 750 students in customized training programs a year that are located off campus due to the lack of current facility space on campus. These students, plus additional students will be able to use this centralized space for training. The agency estimates total project costs at \$14,800,000 with additional annual operating costs of \$180,750 in year 1, \$189,787 in year 2, and \$199,276 in year 3. The agency anticipates completion of construction in December 2019.

Preliminary Land Acquisition

- (t) Summary 1-2019: JBRC Item 20. (H34) University of South Carolina - Upstate
 Project: 9547, Hall Parcel Land Acquisition
 Included in Annual CPIP: Yes – 2017 CPIP Priority 1 of 1 in FY18 (estimated at \$270,000)
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 05/11/18

Ref: Supporting document pages 197-203

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Institutional	0.00	0.00	0.00	20,000.00	20,000.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>20,000.00</u>	<u>20,000.00</u>

Funding Source: \$20,000 Other, Institutional Funds, which are funds available to the university from a variety of sources including tuition and fees and sales and services activities.

Request: Establish project and budget for \$20,000 (Other, Institutional Funds) to procure investigative studies required to adequately evaluate property prior to purchase. The college is considering the acquisition of approximately 5.64 acres of private property that is within the campus realm. There is a small residential structure on the property that was constructed in 1953. However, there is no plan to occupy the structure and it is expected to be demolished when the land is developed. The acreage will enable the future realignment of the curvilinear drive accessing the west side of the campus from Valley Falls Road. The effect of realigning the road would provide a more direct and safer entrance to the west side of the campus and, more importantly, enable the creation of a running track and parking adjacent to existing recreation fields. The property is currently being offered for sale by Roy Hall. Once the property is purchased, it is planned that a Track and Field Facility (included in the CPIP for FY19-20) will be constructed on this property, which is expected to be funded by private funds and contributions. The agency estimates the land acquisition will cost approximately \$270,000 to \$350,000 with additional annual operating costs of \$15,000 in years 1 thru 3.

AGENCY: Jobs-Economic Development Authority

PROJECT/SUBJECT: Annual Report

In 1983, the Jobs-Economic Development Authority (JEDA) was established to assist businesses with funding opportunities needed to advance economic growth. JEDA assists in the financing of eligible projects by serving as a conduit issuer of special obligation revenue bonds (entities borrow money through JEDA).

Act 80 of 2017, which became effective on June 1, 2017, amended JEDA's enabling legislation to require JEDA to report its activities with regard to the issuance of bonds to the Joint Bond Review Committee by July 31 each year.

JEDA has submitted three reports:

- 1) JEDA's bond closings for Fiscal Year 2017-18
- 2) FY 2017-18 Approvals of the Coordinating Council Enterprise Committee
- 3) JEDA's 2017 Annual Report

The reports are provided as information to the Committee.

COMMITTEE ACTION:

Receive as information the three reports submitted by the Jobs-Economic Development Authority.

ATTACHMENTS:

- 1) Bond Closings, July 1, 2017 to June 30, 2018
- 2) Coordinating Council Enterprise Committee Approvals for FY 2017-18
- 3) JEDA's 2017 Annual Report
- 4) Section 2, Act 80 of 2017

SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY
BOND CLOSING REPORT- FISCAL YEAR 2018
JULY 1, 2017 - JUNE 30, 2018



COMPANY	COUNTY	FINAL BOND AMOUNT	DATE CLOSED	JOBS CREATED	JOBS RETAINED	NOTES
CareAlliance/Roper St. Francis 2017B	Charleston/Berkeley	\$22,000,000	7/18/2017	0	5600	New Capital Expenditures
Care Alliance/Roper St. Francis 2017C	Charleston/Berkeley	\$21,105,000	8/2/2017	0	see above	Refunds Series 2014D
Pinewood Preparatory School	Summerville	\$4,905,000	8/29/2017	0	116	Refunds Series 2008
Regional Medical Center 2017A	Orange/Calhoun	\$6,680,000	9/12/2017	0	1200	Refunds Series 2009 & 2012
Regional Medical Center 2017B	Orange/Calhoun	\$24,205,000	9/12/2017	see above	see above	Refunds Series 2009 & 2012
SC Episcopal Home Still Hopes	Lexington	\$39,325,000	9/20/2017	10	297	Construction of Skilled Nursing & Residential Care Facility
Burroughs & Chapin 2017A	Horry	\$28,030,000	10/5/2017	0	8229	Refund Series 2007 A & B
Burroughs & Chapin 2017B	Horry	\$3,155,000	10/5/2017	see above	see above	Refund Series 2007 A & B
MUSC Strategic Ventures 2017	Charleston	\$46,000,000	10/31/2017	25	107	Construction of Medical Office Building
CR River Park 2017C	Horry	\$3,750,000	10/31/2017	see below	see below	Construction of Assisted Living Facility [see below]
Georgetown Hospital 2017	Horry	\$45,295,000	11/1/2017	50	1800	Construction of Tidelands Medical Park Market Commons
Bon Secours/St.Francis Hospital	Greenville	\$69,925,000	11/1/2017	0	3400	Refund Series 2008A
Lutheran Homes of South Carolina	Aiken/Chas/Lex/Rich/Spart	\$12,855,000	11/21/2017	0	1179	Refunding Series 2007
CR River Park 2017A	Horry	\$10,845,000	11/29/2017	65	0	Construction of Assisted Living Facility
CR River Park 2017B	Horry	\$3,500,000	11/29/2017	see above	see above	As Above
Hampton Regional Medical Center	Hampton	\$33,570,000	12/20/2017	0	175	Refund Series 2006/capital improvements to Medical Ctr
RePowerSouth	Berkeley	\$43,850,000	12/21/2017	100	4	Construction of Solid Waste Recycling & Recovery Facility
Presbyterian Communities of SC 2017A	Lexington	\$4,705,000	12/28/2017	0	100	Aquisition of Laurel Crest Retirement Center
Presbyterian Communities of SC 2017B	Lexington	\$2,175,000	12/28/2017	see above	see above	As Above
Presbyterian Communities of SC 2017C	Lexington	\$1,990,000	12/28/2017	see above	see above	As Above
Presbyterian Communities of SC 2017D	Lexington	\$12,390,000	12/28/2017	see above	see above	As Above
CR Lakeside Place 2018A	Lexington	\$11,175,000	3/28/2018	55	0	Construction of Assisted Living Facility
CR Lakeside Place 2018B	Lexington	\$750,000	3/28/2018	see above	see above	As Above
City of Rock Hill 2018A	York	\$20,810,000	4/18/2018	11	0	Acquisition of Indoor Athletic Facility
City of Rock Hill-2018B	York	\$485,000	4/18/2018	see above	see above	As Above
Aiken Memory Care 2018A	Aiken	\$9,335,000	4/20/2018	66	0	Construction of Assisted Living/Memory Care Facility
Aiken Memory Care 2018B	Aiken	\$1,075,000	4/20/2018	see above	see above	As Above
Aiken Memory Care 2018C	Aiken	\$590,000	4/20/2018	see above	see above	As Above
165 Cannon Street Associates [MUSC]	Aiken	\$15,755,000	5/9/2018	10	0	Refinance parking facilities for MUSC
Royal Live Oaks Academy Ridgeland 2018A	Jasper	\$17,225,000	5/30/2018	10	85	Construction of K-12 Charter School
Royal Live Oaks Academy Ridgeland 2018B	Jasper	\$600,000	5/30/2018	10	85	As Above
McLeod Health	Florence & Horry	\$144,275,000	6/28/2018	0	8418	Capital Improvements and refinance prior debt
Park Pointe Village 2018C (ACTS Retirement)	York	\$21,540,000	6/28/2018	5	183	Refund Series 2012 and Capital Improvements
Columbia International University	Richland & Lexington	\$9,487,085	6/28/2018	0	229	Energy Efficiency upgrades at CIU and Ben Lippen Schools
Columbia International University (Taxable)	Richland & Lexington	\$254,340	6/28/2018	see above	see above	As Above

\$693,611,425

Total Bonds Issued YTD FY 2018 >>>>

PROJECT NAME	COUNTY	ASSOCIATED JOB #	INDUCEMENT AMOUNT	JEDA INDUCEMENT DATE	COORDINATING COUNCIL ENTERPRISE COMMITTEE APPROVAL DATE
The Regional Medical Center of Orangeburg & Calhoun Counties	Orangeburg	1,200	\$3MM	6/21/17	7/6/17
Pinewood Preparatory School	Dorchester	116	\$5.3MM	6/21/17	7/6/17
Swiss Krono SC, LLC	Barnwell	249	\$75MM	4/26/17	7/6/17
165 Cannon Street Associates [MUSC]	Charleston	10	\$57MM	8/16/17	9/7/17
Bon Secours Health – St. Francis Hospital	Greenville	3,400	\$69.925MM	8/16/17	9/7/17
MUSC Strategic Ventures	Charleston	132	\$46MM	8/16/17	9/7/17
Royal Live Oaks Academy	Jasper	95	\$23MM	9/17/17	10/5/17
Hampton Regional Medical Center	Hampton	170	\$38MM	10/18/17	11/2/17
Lutheran Homes of South Carolina	Aiken, Charleston, Lex. Rich., Spartanbg	1,170	\$14.5MM	10/18/17	11/2/17
Presbyterian Communities of South Carolina	Lexington	815	\$35MM	9/20/17	11/2/17
C.R. Senior Living- Island Park	Beaufort	75	\$25MM	11/15/17	12/7/17
C.R. Senior Living- Lakewood	Spartanburg	25	\$10MM	11/15/17	12/7/17
SC Health Company	Greenville, Sumter Oconee, Richland	28,000	\$1.5 BN	11/15/17	12/7/17
University Center Facilities Corp (City of Rock Hill)	York	11	\$30MM	9/20/17	12/7/17
C.R. Senior Living- River Park	Horry	35	\$17MM	11/30/17	12/7/17
Aiken Memory Care	Aiken	66	\$11MM	1/17/18	2/1/18
Ridgeland Pellets	Jasper	10-12	\$10.5MM	1/17/18	2/1/18
C.R. Lakeside Place	Lexington	55	\$15MM	2/14/18	3/8/18
Lexington Memory Care	Lexington	66	\$13MM	3/21/18	4/5/18
Presbyterian College Real Estate Foundation	Laurens	361	\$60MM	3/21/18	4/5/18
Probitas Ventures	Marlboro	32	\$10MM	3/21/18	4/5/18
ACT Retirement Life- Park Pointe	York	188	\$30MM	4/18/18	5/3/18
Benedict College	Richland	457	\$25MM	4/18/18	5/3/18
McLeod Health	Florence, Horry	4,865	\$171MM	4/18/18	5/3/18
Columbia International University	Richland, Lexington	229	\$10MM	5/16/18	6/7/18

2017 ANNUAL REPORT





Since its creation in 1983, JEDA has facilitated the issuance of **510 bonds** for over **\$10.1 billion** resulting in the creation and retention of more than **238,931 jobs.**

Helping South Carolina Thrive

Committed to South Carolina's Growth

Since its inception in 1983, the South Carolina Jobs-Economic Development Authority (JEDA) has been at the forefront of economic progress in the Palmetto State by connecting businesses and non-profits with funding opportunities needed to advance economic growth in healthcare, education, manufacturing, non-profit and solid waste sectors.

Bonds Issued July 1, 2016 through June 30, 2017

During this past fiscal year, which ended on June 30, 2017, JEDA served as conduit issuer in 21 financings totaling more than \$852 million, benefitting 19 different borrowers in 11 counties. In addition to benefitting the various local communities by creating temporary construction jobs, these financings contributed to the creation and retention of 12,871 jobs.

Investing in the Future of the Palmetto State

JEDA, a conduit issuer of tax-exempt and taxable special obligation revenue bonds, is completely self-supporting, generating most of our revenues through bond-issuing activities and without cost to the taxpayers. Entities borrow money through, not from, JEDA, bringing together financial markets and entrepreneurs in public-private partnerships that help maximize South Carolina's potential as a place to grow a business and raise a family.

Building on our three decades of progress, we look forward to continuing our work to keep "Helping South Carolina Thrive."

— Harry A. Huntley, CPA
Executive Director, JEDA



Michael W. Nix, CFA
Chairman, JEDA Board of Directors



Harry A. Huntley, CPA
Executive Director, JEDA

The Citadel Real Estate Foundation \$17.5 Million

51 JOBS
RETAINED

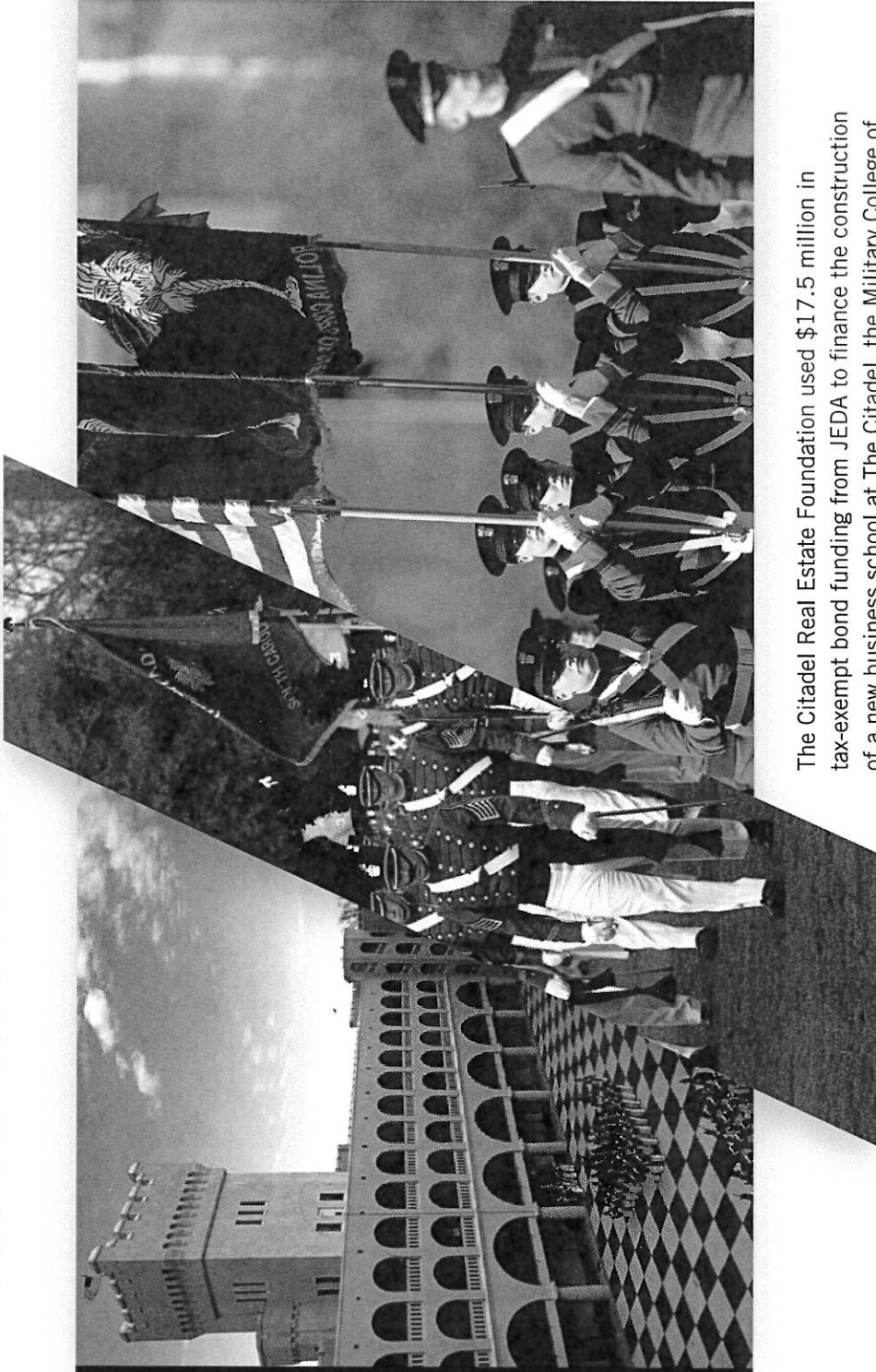
SC JEDA TAX-EXEMPT
ECONOMIC DEVELOPMENT REVENUE BOND

FUNDS USED TO FINANCE THE
CONSTRUCTION OF THE NEW

TOMMY AND VICTORIA BAKER
SCHOOL OF BUSINESS

CHARLESTON, SC
CHARLESTON COUNTY

BOND COUNSEL
BEN ZEIGLER
HAYNSWORTH SINKLER BOYD, P.A.
FLORENCE, SC



“JEDA bond financing makes it possible for us to take an important step in our ability to educate the next generation of business leaders for South Carolina and beyond.”

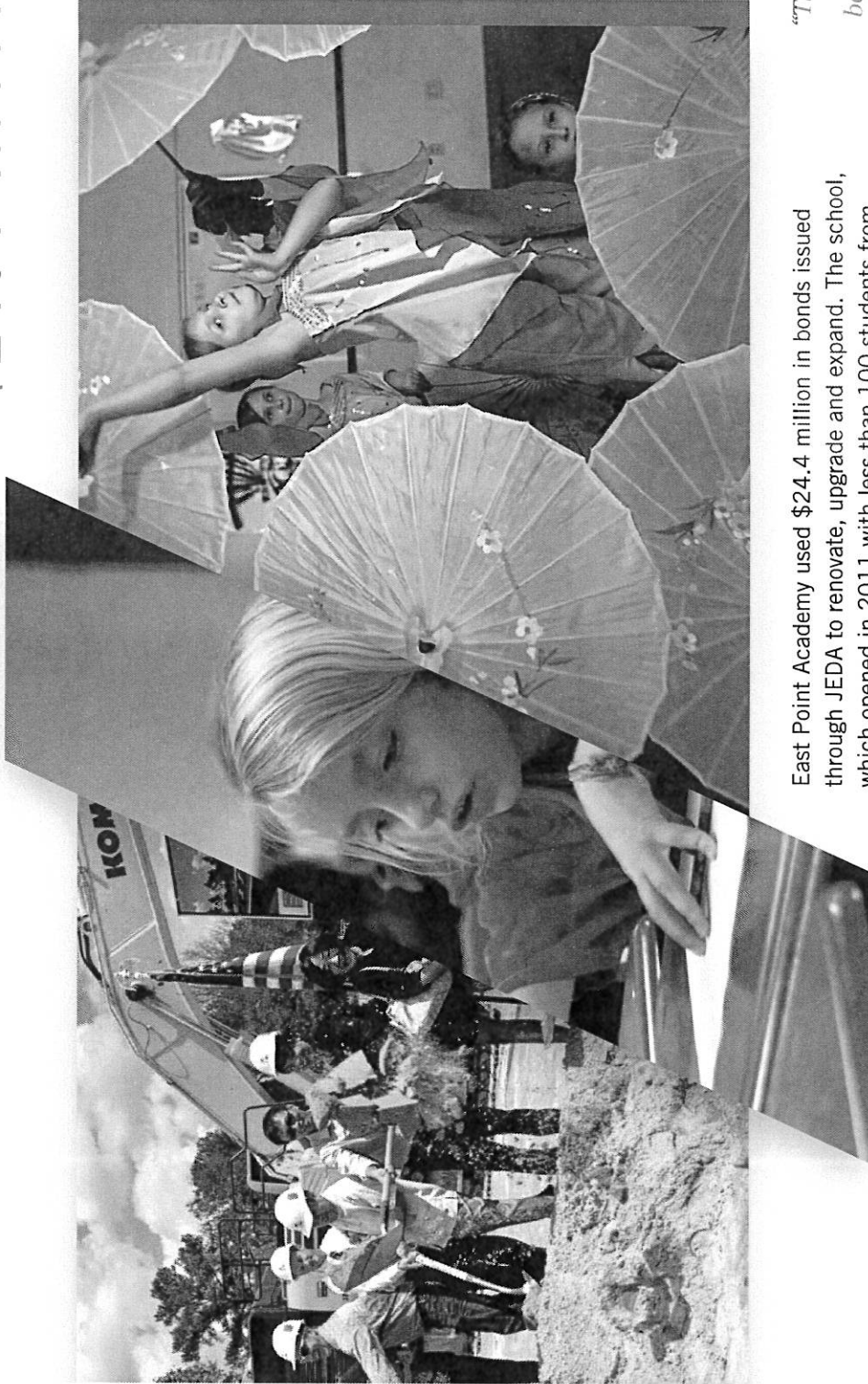
— Jay Dowd
Acting Executive Director
The Citadel Real Estate Foundation

The Citadel Real Estate Foundation used \$17.5 million in tax-exempt bond funding from JEDA to finance the construction of a new business school at The Citadel, the Military College of South Carolina.

The Economic Development Revenue Bond issue helped pay for construction, acquisition and equipping of Bastin Hall, a 43,950-square-foot facility consisting of classroom and administrative space which will house the Tommy and Victoria Baker School of Business at The Citadel.

East Point Academy

\$24.4 Million



7 NEW JOBS CREATED

71 JOBS
RETAINED

SC JEDA TAX-EXEMPT
AND TAXABLE

ECONOMIC DEVELOPMENT REVENUE BOND

FUNDS USED TO FINANCE
AN EXPANSION PLUS FACILITY
RENOVATIONS AND UPGRADES

WEST COLUMBIA, SC
LEXINGTON COUNTY

BOND COUNSEL

JOE LUCAS

POPE FLYNN, LLC, COLUMBIA, SC

East Point Academy used \$24.4 million in bonds issued through JEDA to renovate, upgrade and expand. The school, which opened in 2011 with less than 100 students from 4-year-old pre-kindergarten through second grade, now has over 500 students through eighth grade. It's the only operating Chinese immersion public charter school in South Carolina.

The school used \$23.9 million in tax-exempt bonds and \$525,000 in taxable bonds to upgrade its current facilities on Leaphart Street and to build a new facility on Chris Drive, both in West Columbia. Seven new jobs were created and 71 retained as a result of the projects.

"Thanks to the JEDA bond, we will be able to expand our enrollment, improve our course offerings and provide a state-of-the-art learning environment for our students."

— Mark Bounds
Head of School
East Point Academy

GREEN Midlands, LLC \$5.845 Million

**30 JOBS
RETAINED**
60 INDIRECT CONSTRUCTION
JOBS CREATED

SC JEDA TAX-EXEMPT
AND TAXABLE ECONOMIC DEVELOPMENT
REVENUE BONDS

FUNDS USED TO FINANCE THE
CONSTRUCTION OF A NEW
K5-12 PUBLIC CHARTER SCHOOL

IRMO, SC — RICHLAND COUNTY

BOND COUNSEL
JEREMY COOK
HAYNSWORTH SINKLER BOYD, P.A.
CHARLESTON, SC

"Bonds issued through JEDA enable us to expand this exciting educational initiative into the Midlands, where we prepare students for exciting careers that contribute to a better world for all of us."

— Adem Dokmeci
Principal
GREEN Charter School of the Midlands

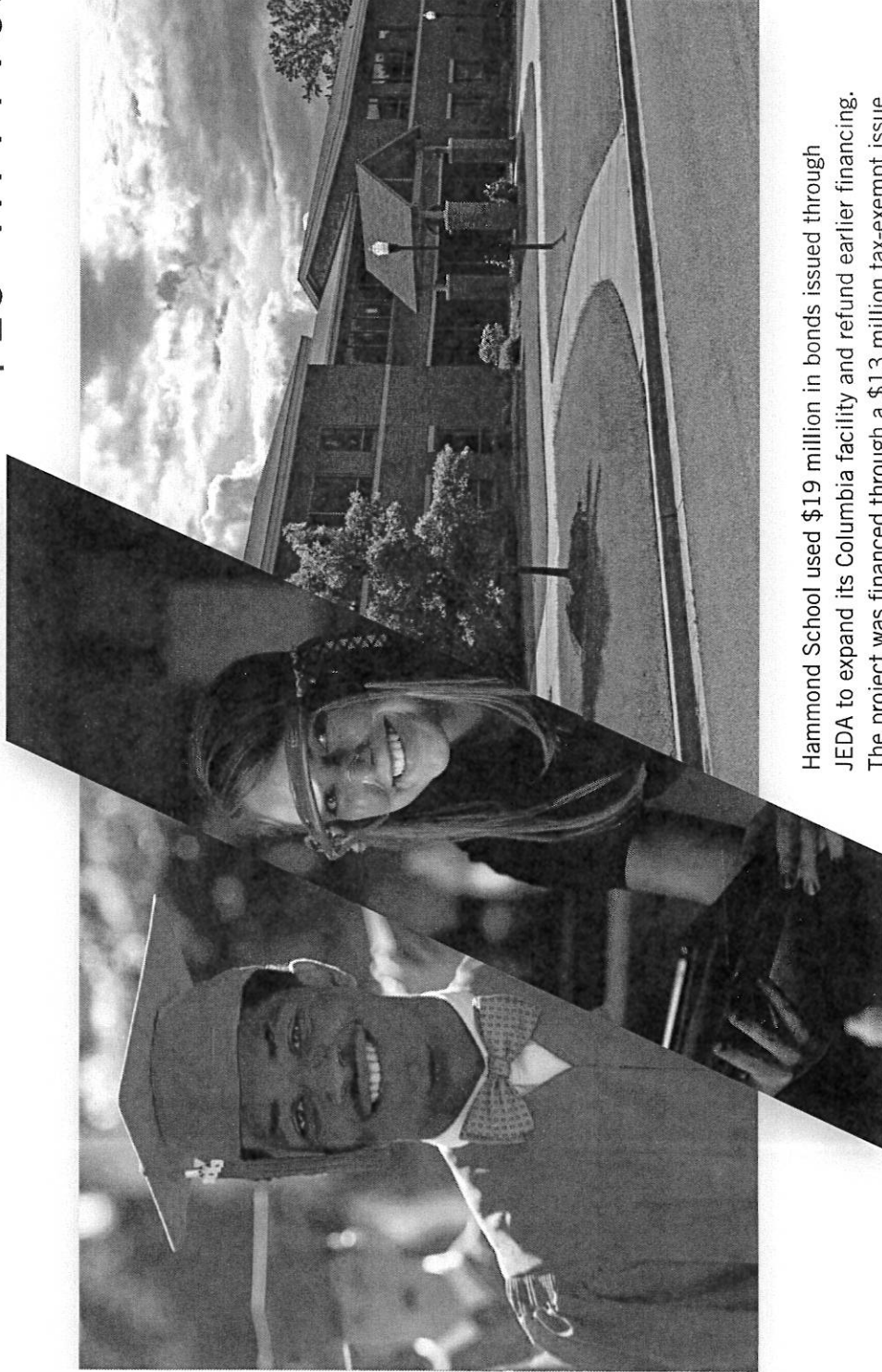


GREEN Midlands, LLC used \$5,845,000 in bonds issued through JEDA to finance the construction of a new charter school on Broad River Road in Irmo. The Series 2016 financing for the GREEN Midlands school includes a \$5,655,000 tax-exempt bond issue and an \$190,000 taxable bond issue.

The GREEN Charter School of the Midlands will be a South Carolina K5-12 public charter school that combines a math and science focus with an emphasis on environmental sustainability, renewable energy and technology. It will be a sister school to Greenville Renewable Energy Education (GREEN) Charter School that opened in 2013.

Hammond School

\$19 Million



1 NEW JOB CREATED

111 JOBS
RETAINED

SC JEDA TAX-EXEMPT

ECONOMIC DEVELOPMENT REVENUE BONDS

FUNDS USED TO FINANCE THE
SCHOOL'S

50 FORWARD CAMPAIGN

COLUMBIA, SC
RICHLAND COUNTY

BOND COUNSEL

ALAN LIPSITZ

NEXSEN PRUET LLC, COLUMBIA, SC

Hammond School used \$19 million in bonds issued through JEDA to expand its Columbia facility and refund earlier financing. The project was financed through a \$13 million tax-exempt issue and a \$6 million tax-exempt issue.

The pre-K through Grade 12 college preparatory school was founded in 1966 and currently enrolls more than 900 students. The bonds financed the school's 50 Forward Campaign, which includes a \$15 million commitment to new science, engineering, technology and math (STEM) facilities, a new playground, and a gym renovation. In addition, the borrower's Series 2005 JEDA bonds used to pay for earlier projects were refunded.

"JEDA bond funding enables Hammond to provide a brick-and-mortar home to the kind of creative, innovative teaching environment necessary to prepare today's learners for the years ahead."

— Candace Leaphart
Chief Financial Officer
Hammond School

Mason Preparatory School \$6.93 Million

53 JOBS
RETAINED

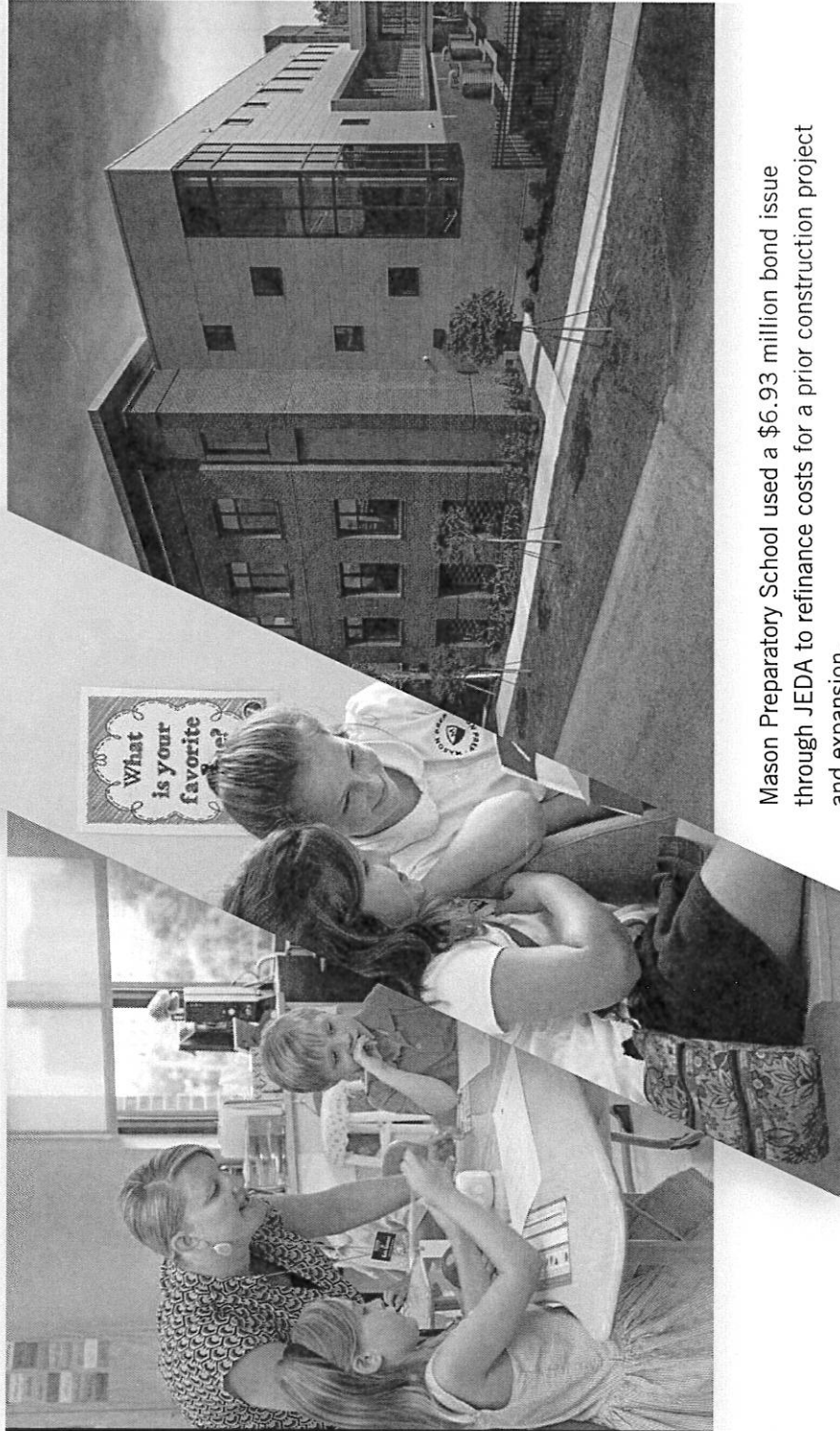
SC JEDA TAX-EXEMPT
ECONOMIC DEVELOPMENT REVENUE BOND

FUNDS USED TO FINANCE
PREVIOUS CONSTRUCTION AND
EXPANSION PROJECTS

CHARLESTON, SC
CHARLESTON COUNTY

BOND COUNSEL
JEREMY COOK

HAYNSWORTH SINKLER BOYD, P.A.
CHARLESTON, SC



“Mason Preparatory School has been serving Charleston’s families for more than 50 years. Being able to lower our costs by refinancing debt at today’s favorable tax-exempt rates helps us focus on our mission.”

— Erik Kreutner
Head of School
Mason Preparatory School

Mason Preparatory School used a \$6.93 million bond issue through JEDA to refinance costs for a prior construction project and expansion.

The Series 2016 Revenue Bonds were used to refinance the costs of building a Lower School building and adding a kindergarten program at the K-8 independent school on Halsey Boulevard in downtown Charleston.

Oceanside Collegiate Academy \$11 Million



35 NEW JOBS
CREATED

SC JEDA TAX-EXEMPT
AND TAXABLE AGGREGATE EDUCATION
FACILITIES REVENUE BONDS

FUNDS USED TO BUILD A
NEW SCHOOL FACILITY INCLUDING
CLASSROOM SPACE AND A GYM

MT. PLEASANT, SC
CHARLESTON COUNTY

BOND COUNSEL

BRANDON LEWISOHN
PARKER POE ADAMS &
BERNSTEIN LLP, CHARLOTTE, NC

Oceanside Collegiate Academy will build its new facility using an \$11 million bond issue through JEDA. The financing is comprised of \$10.39 million in a tax-exempt Education Facilities Revenue Bond issue and a \$610,000 taxable bond issue.

The school opened with a statewide charter in August 2016 in the former McClellanville Middle School. The new facility will be on a 20-acre site at Carolina Park on Faison Road in Mount Pleasant. The project includes 31,252 square feet of classroom space for grades 9-12 and a 12,735 square-foot gym.

"We're excited to be building a home of its own for Oceanside Collegiate Academy. JEDA bond financing was critical to making this happen."

— Dr. Marvin Arnsdorff
Board Chairman
Oceanside Collegiate Academy

Wofford College

\$24.36 Million

454 JOBS
RETAINED

SC JEDA TAX-EXEMPT

ECONOMIC DEVELOPMENT REVENUE
REFUNDING BONDS

FUNDS USED TO REFINANCE

PRIOR EXPANSIONS AND RENOVATIONS

SPARTANBURG, SC
SPARTANBURG COUNTY

BOND COUNSEL

KATHY MCKINNEY

HAYNSWORTH SINKLER BOYD, P.A.
GREENVILLE, SC



"The new residential facilities marked a new era in expanding our ability to serve our student body.

Refinancing that work now helps us do more going forward."

— Barbie Jefferson
Chief Financial Officer
Wofford College

Wofford College used a \$24.36 million tax-exempt bond issue through JEDA to refinance expansions at the college's Spartanburg campus, which currently has 1,690 students and employs 454 people.

The Series 2016 Economic Development Revenue Refunding Bonds will refund bonds issued in 2007 and 2008, the proceeds of which were used to build the college's 424-bed student residential village, renovate its Main Building and installation of a new HVAC loop. This financing follows last year's \$50 million JEDA bond issue for the Rosalind Sallenger Richardson Center for the Arts and the Jerry Richardson Indoor Stadium at Wofford.

AnMed Health \$102.825 Million



3,966

JOBS RETAINED

SC JEDA TAX-EXEMPT

HOSPITAL REFUNDING REVENUE BONDS

FUNDS USED TO REFINANCE

PRIOR EXPANSIONS

ANDERSON, SC

ANDERSON COUNTY

BOND COUNSEL

BILL MUSSER

MCNAIR LAW FIRM, COLUMBIA, SC*

For AnMed Health, JEDA issued \$102.825 million in tax-exempt refunding bonds. The Hospital Refunding Revenue Bonds refunded a 2009 bond issue which refunded prior debt used to help finance the healthcare system's years-long expansion in the Upstate and helped retain 3,966 jobs.

AnMed Health provides a full range of inpatient acute care services, as well as specialized care in its intensive care and coronary care units. Since 2001, AnMed Health has added multiple facilities, including a rehab center, women's and children's hospital, cancer treatment center, and a cardiac diagnostic and rehabilitation facility.

*Bill Musser now practices law at Pope Flynn LLC in Columbia, SC

"We've been able to keep up with the medical needs of our fast-growing region because of the ability to take advantage of favorable interest rates and terms available through a JEDA bond issue."

— Christine Pearson
Chief Financial Officer
AnMed Health

Bishop Gadsden Episcopal Retirement Community

\$23.177 Million

402 JOBS
RETAINED

SC JEDA TAX-EXEMPT
REFUNDING REVENUE BONDS

FUNDS USED TO REFINANCE
**PRIOR IMPROVEMENTS
AND EXPANSIONS**

CHARLESTON, SC
CHARLESTON COUNTY

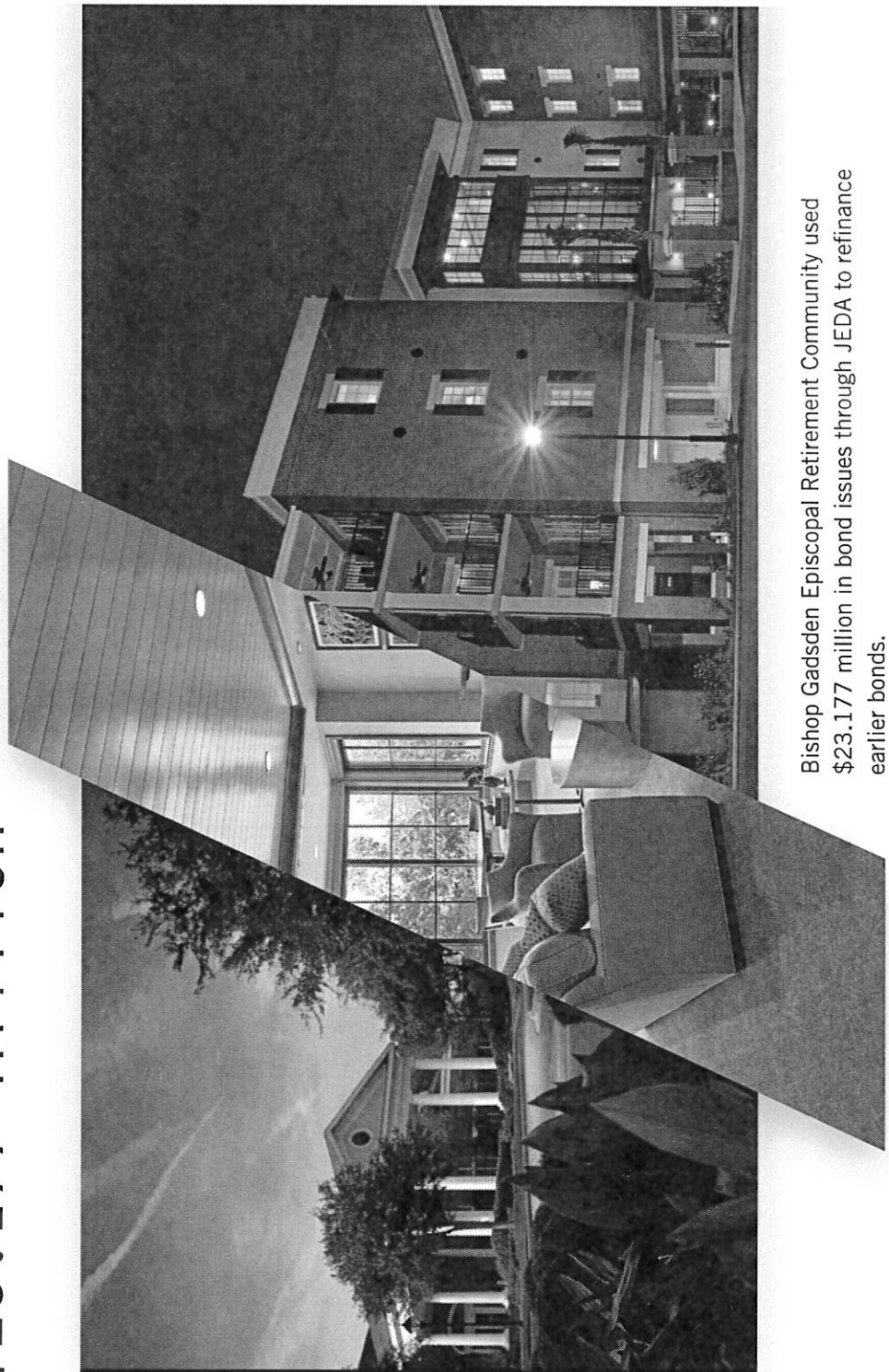
BOND COUNSEL
MITCHELL JOHNSON
HAYNSWORTH SINKLER BOYD, P.A.
CHARLESTON, SC

“JEDA bond financing has been a critical component of our financing strategies over the years, helping us to sustain and grow our ability to serve.”

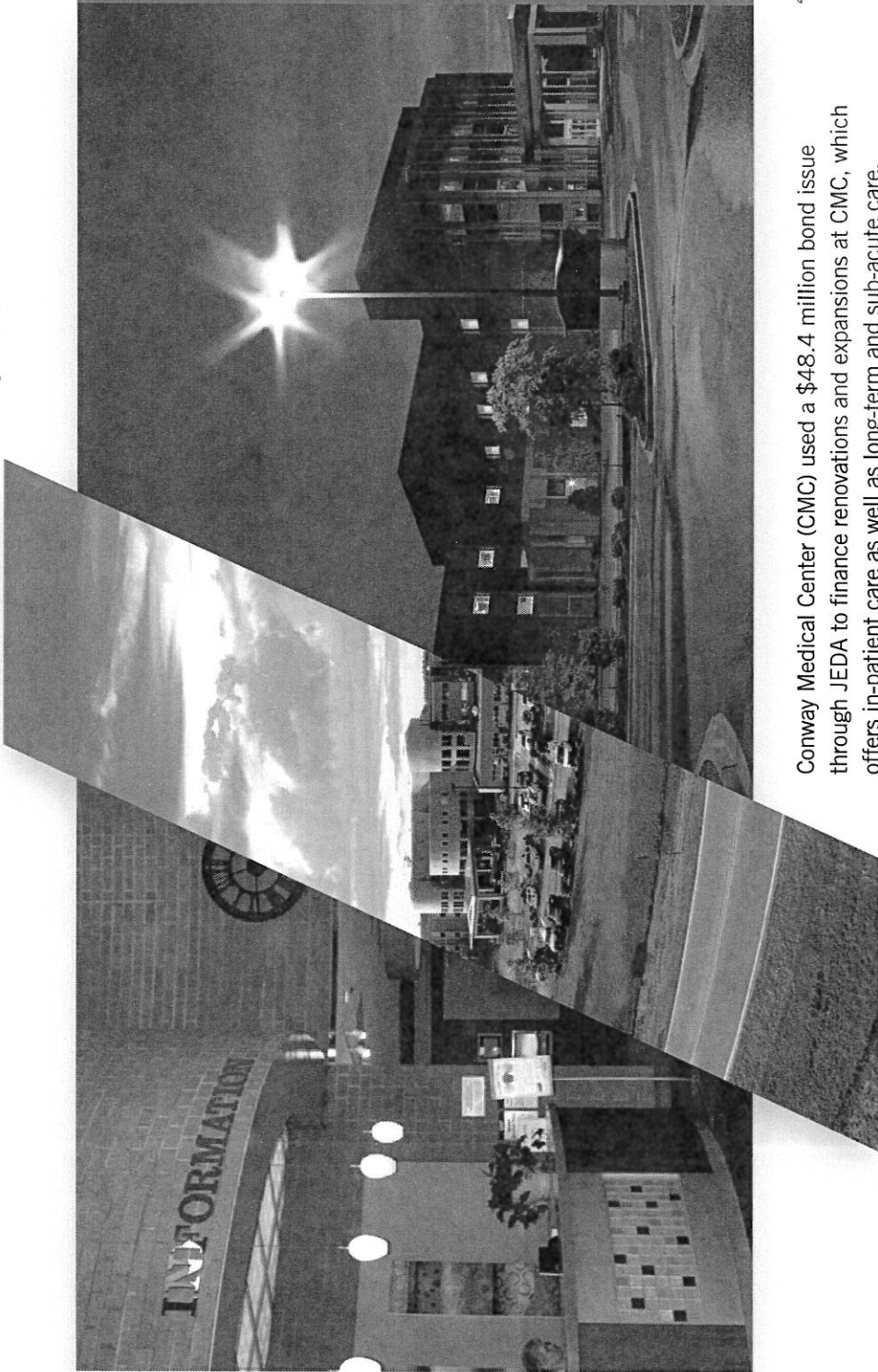
— Lynne Kerrison
Chief Financial Officer
Bishop Gadsden Episcopal Retirement Community

Bishop Gadsden Episcopal Retirement Community used \$23.177 million in bond issues through JEDA to refinance earlier bonds.

The tax-exempt bonds were used to refund the Series 2002 and 2007 bonds which helped pay for improvements and expansions at the 100-acre continuing care retirement community on James Island. More than 450 people live at Bishop Gadsden and more than 400 are employed there.



Conway Medical Center \$48.4 Million



20 NEW JOBS
CREATED

1,442 JOBS RETAINED

60 INDIRECT CONSTRUCTION
JOBS CREATED

SC JEDA TAX-EXEMPT

ECONOMIC DEVELOPMENT REVENUE BOND

FUNDS USED TO FINANCE
RENOVATIONS AND EXPANSIONS

CONWAY, SC — Horry County

BOND COUNSEL

CHAD DOOBAY

KATTEN MUCHIN ROSENMAN LLP
CHICAGO, IL

Conway Medical Center (CMC) used a \$48.4 million bond issue through JEDA to finance renovations and expansions at CMC, which offers in-patient care as well as long-term and sub-acute care.

The tax-exempt Series 2016 bonds helped pay for renovations and additions that are expected to result in the addition of an estimated 20 new permanent positions to the current workforce of 1,442. Additionally, this project anticipates the creation of approximately 60 construction jobs.

“With the help of this JEDA bond issue, we’re able to continue upgrading our physical presence and growing our ability to serve the Grand Strand.”

— Bret Barr
Chief Financial Officer
Conway Medical Center

Lakewood Senior Living \$10.93 Million

55 NEW JOBS
CREATED

60 INDIRECT
CONSTRUCTION JOBS CREATED

SC JEDA TAX-EXEMPT
AND TAXABLE ECONOMIC DEVELOPMENT
REVENUE BONDS

FUNDS USED TO FINANCE
A NEW ASSISTED LIVING
AND MEMORY CARE FACILITY

BOILING SPRINGS, SC
SPARTANBURG COUNTY

BOND COUNSEL

JEFF POLEY

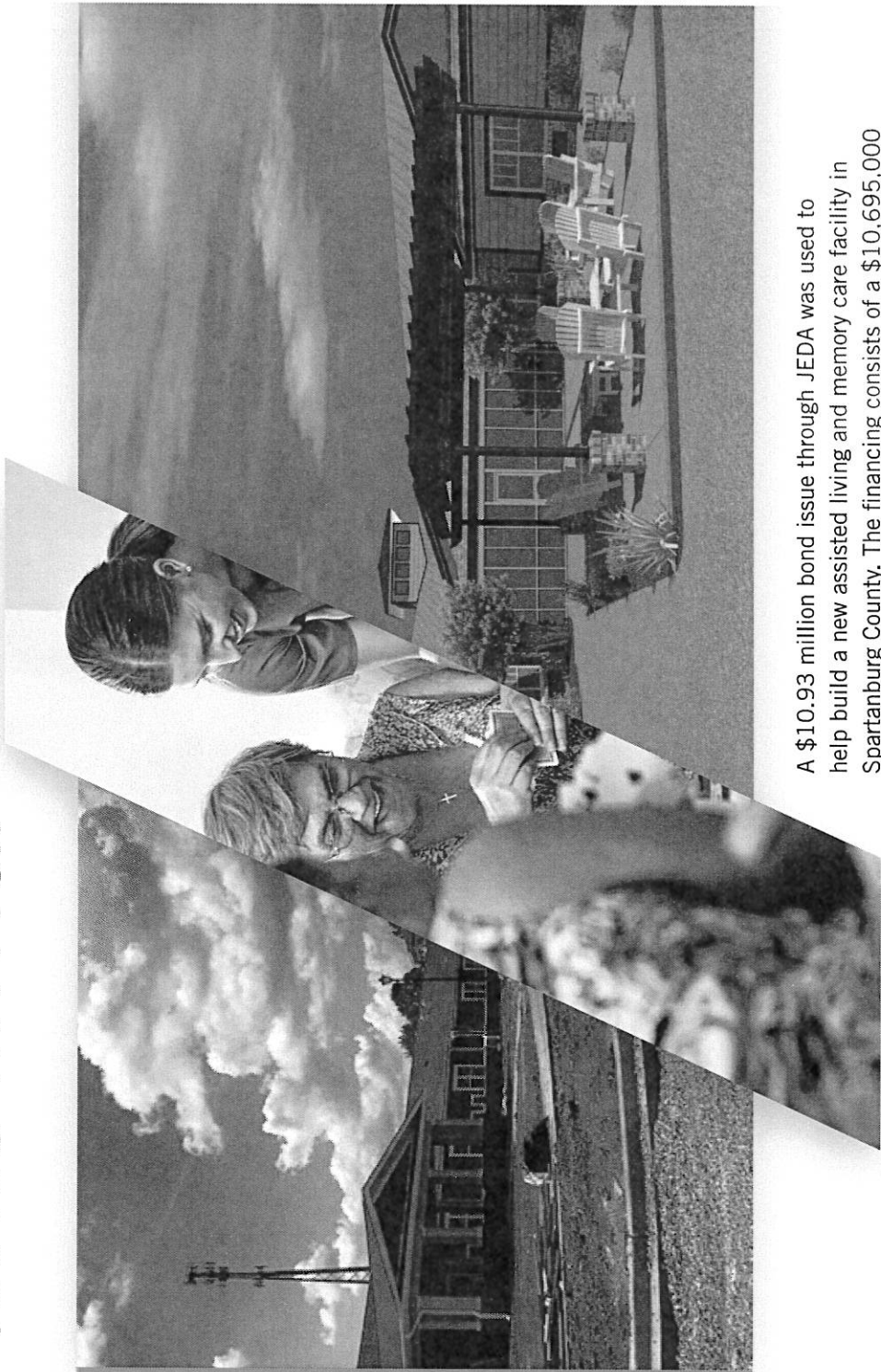
PARKER POE ADAMS & BERNSTEIN LLP
RALEIGH, NC

EMILY LUTHER

PARKER POE ADAMS & BERNSTEIN LLP
COLUMBIA, SC

"The ability to utilize JEDA bond financing to build this center has been crucial to making this much-needed facility a 'go' for us."

— Ryan Lambert
Managing Member
CR Senior Living



A \$10.93 million bond issue through JEDA was used to help build a new assisted living and memory care facility in Spartanburg County. The financing consists of a \$10,695,000 tax-exempt economic development revenue bond and a \$235,000 taxable bond.

Lakewood Senior Living will be a 60,000-square-foot, 66-room, 80-bed facility located off S.C. Highway 9 in Boiling Springs. Additionally, the project will create 55 new jobs and is expected to create approximately 60 construction jobs.

Lutheran Homes of South Carolina

\$19.68 Million



1,179

JOBS RETAINED

SC JEDA TAX-EXEMPT

HEALTHCARE FACILITIES
REVENUE REFUNDING BOND

FUNDS USED TO REFINANCE

FIVE RETIREMENT
COMMUNITY PROJECTS

IRMO, SC
RICHLAND COUNTY

BOND COUNSEL

KATHY MCKINNEY

HAYNSWORTH SINKLER BOYD, P.A.
GREENVILLE, SC

Lutheran Homes of South Carolina used a \$19.68 million bond issue through JEDA to refinance various projects. Lutheran Homes, a not-for-profit ministry, provides independent living, Alzheimer's care, assisted living hospice and home services, skilled nursing and inpatient and outpatient rehabilitation services for people of all faiths and beliefs.

The Series 2017 bonds partially refunded 2007 issues that were used to finance and refinance expansions and improvements at Franke at Seaside, Mount Pleasant; Rice Estate, Columbia; RoseCrest, Inman; Trinity on Laurens, Aiken; and the Heritage at Lowman in White Rock near Irmo.

"We are indeed blessed and fortunate to have responsive partners such as JEDA that help facilitate the provision of high quality senior care and programming through our ministry to the citizens of our great State."

— Frank Shepke
Chief Executive Officer
Lutheran Homes of South Carolina

Medical Society of South Carolina

\$84.235 Million

5,600

JOBS RETAINED

**SC JEDA TAX-EXEMPT
AND TAXABLE LEASE REVENUE BONDS**

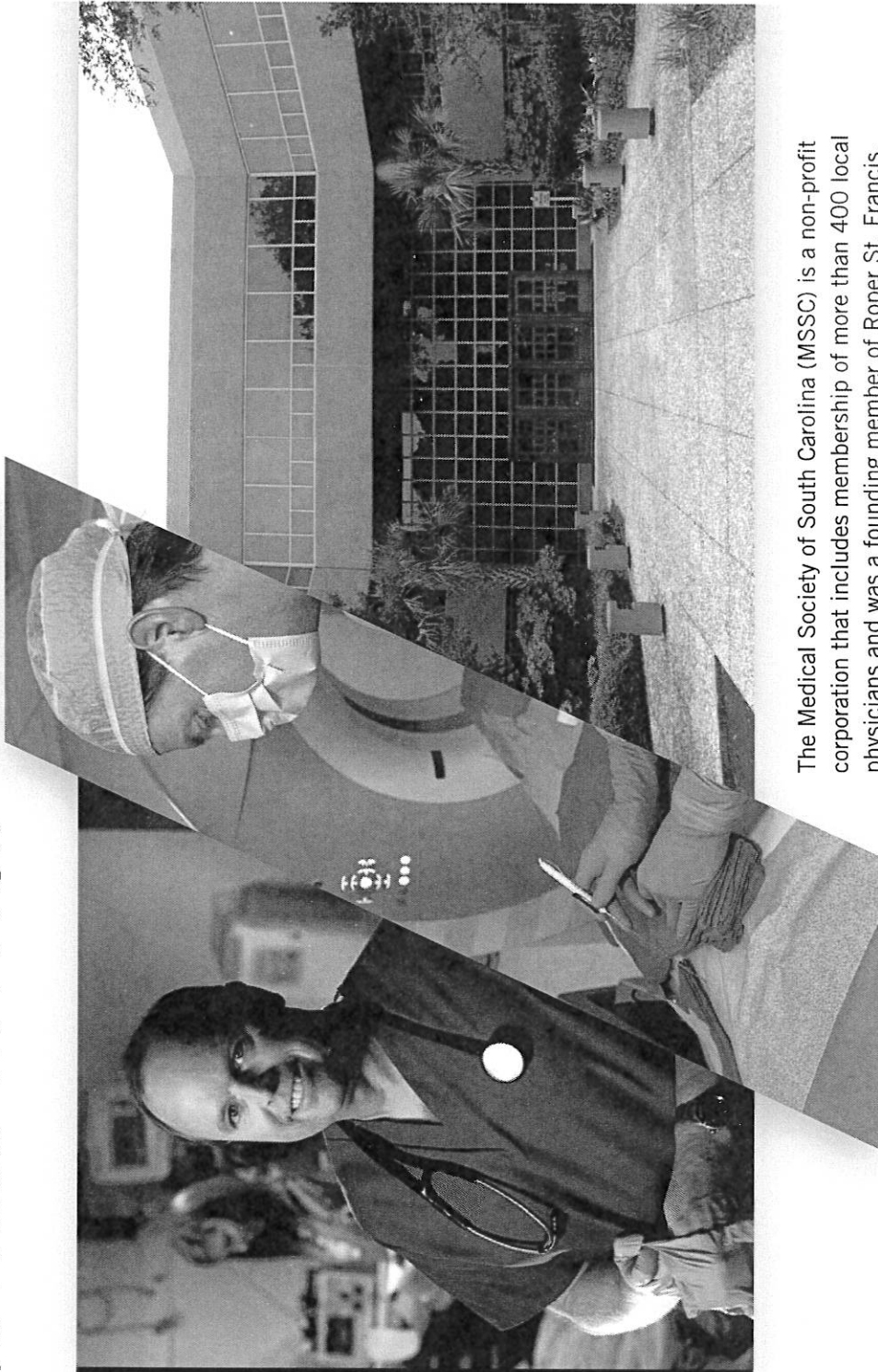
**FUNDS USED TO FINANCE
NEW FACILITIES AND
REFINANCE EXISTING DEBT**

**BERKELEY AND
CHARLESTON COUNTIES**

BOND COUNSEL

JEREMY COOK

HAYNSWORTH SINKLER BOYD, P.A.
CHARLESTON, SC



*“Financings through JEDA helped
MSSC support the efforts of Roper
St. Francis to serve fast-growing
areas, including Mt. Pleasant and
Goose Creek.”*

*— John Holloway
Chief Executive Officer
Medical Society of South Carolina*

The Medical Society of South Carolina (MSSC) is a non-profit corporation that includes membership of more than 400 local physicians and was a founding member of Roper St. Francis. The JEDA bonds issued for SPE Fayssoux Properties, LLC, a special purpose entity of MSSC, were used for the acquisition, construction and equipping of a new medical office building on the Roper St. Francis Hospital-Berkeley campus in Berkeley County. In addition, the bonds refinanced existing debt on a medical office building on the Roper St. Francis Mount Pleasant Hospital campus as well as a data center and corporate office park located on Palmetto Commerce Parkway, all in Charleston County.

Presbyterian Communities of South Carolina

\$66 Million



7 NEW JOBS
CREATED

729 JOBS RETAINED

SC JEDA TAX-EXEMPT

AND TAXABLE AGGREGATE TOTAL
ECONOMIC DEVELOPMENT REVENUE BONDS

FUNDS USED TO FINANCE
**NEW FACILITIES AND
RETIRE PREVIOUS BONDS**

DORCHESTER, FLORENCE,
LAURENS, LEXINGTON AND
PICKENS COUNTIES

BOND COUNSEL

MITCHELL JOHNSON

HAYNSWORTH SINKLER BOYD, P.A.
CHARLESTON, SC

Presbyterian Homes of South Carolina used a \$66 million tax-exempt bond issue through JEDA to build new facilities and retire previous bonds for expansion at its continuing care retirement communities across the Palmetto State.

The four separate issues of Series 2016 Economic Development Revenue Bonds were used to build a new replacement 88-bed skilled nursing center and 18 independent living apartments and related amenities at The Village at Summerville, 12 independent living apartments and related amenities at The Foothills Community in Easley, and retire debt for capital improvements at its facilities in Lexington, Clinton and Florence.

“Flexible, tax-exempt financings through JEDA have once again helped us expand our ability to provide the best continuing retirement care communities we can to the people who need them.”

— Ashley Taylor
Chief Financial Officer
Presbyterian Communities of South Carolina

Roper St. Francis \$166.77 Million

5,600

JOBS RETAINED

**SC JEDA TAX-EXEMPT
REVENUE BONDS**

**FUNDS USED TO FINANCE
IMPROVEMENTS AND EXPANSIONS
AND REFINANCE PRIOR BONDS**

**BERKELEY AND
CHARLESTON COUNTIES**

BOND COUNSEL

JEREMY COOK

HAYNSWORTH SINKLER BOYD, P.A.
CHARLESTON, SC



"We're pleased to be able to count on financing through JEDA to assist our diverse healthcare enterprise as we grow along with the Lowcountry communities we serve."

—Bret Johnson
Chief Financial Officer
Roper St. Francis

Roper St. Francis Healthcare used \$166.77 million in bonds issued through JEDA to finance the system's expansion across Charleston and Berkeley counties and to refinance a previous bond issuance. Roper St. Francis currently offers more than 650 hospital beds, 90 facilities and diverse healthcare services in seven counties.

The financing includes tax-exempt bond issues for constructing, expanding and equipping healthcare facilities throughout the Charleston area, including the new Roper St. Francis Berkeley 50-bed hospital in the Carnes Crossroads Community in Goose Creek.

Tidelands Health \$122.94 Million



**15 NEW JOBS
CREATED**

1,800 JOBS RETAINED

SC JEDA TAX-EXEMPT
HOSPITAL REVENUE AND REVENUE
REFINANCING BONDS

FUNDS USED TO FINANCE
NEW FACILITIES AND REFUND
PREVIOUS EXPANSION BONDS

GEORGETOWN, SC
GEORGETOWN COUNTY

BOND COUNSEL

KATHY MCKINNEY

HAYNSWORTH SINKLER BOYD, P.A.
GREENVILLE, SC

Tidelands Health used a \$122.94 million bond issue through JEDA to finance new facilities and refund bonds used for previous expansion.

A bond issue of \$62.5 million financed a new 42,415-square-foot surgical pavilion at Tidelands Georgetown Memorial Hospital, new medical equipment, furnishings and business and telecommunication equipment at Tidelands Georgetown Memorial Hospital, Tidelands Waccamaw Community Hospital and offices located in Georgetown, Murrells Inlet, Andrews and Pawleys Island.

The additional bond issues of \$25.39 million and \$35.05 million bonds were used to retire prior JEDA bonds which paid for several expansions at Tidelands Health's facilities.

"JEDA bonds have been used for over 30 years to finance and refinance, at more favorable terms, our growth and ability to serve the diverse and expanding medical needs of a dynamic community."

— Terry Kiser
Chief Financial Officer
Tidelands Health, which operates the
Tidelands Community Care Network

Upstate Senior Living | The Woodlands at Furman \$57.455 Million

225 JOBS
RETAINED

SC JEDA TAX-EXEMPT

ECONOMIC DEVELOPMENT
REFUNDING AND REVENUE BONDS

FUNDS USED TO REFINANCE

PREVIOUS CAPITAL

PROJECT INVESTMENTS

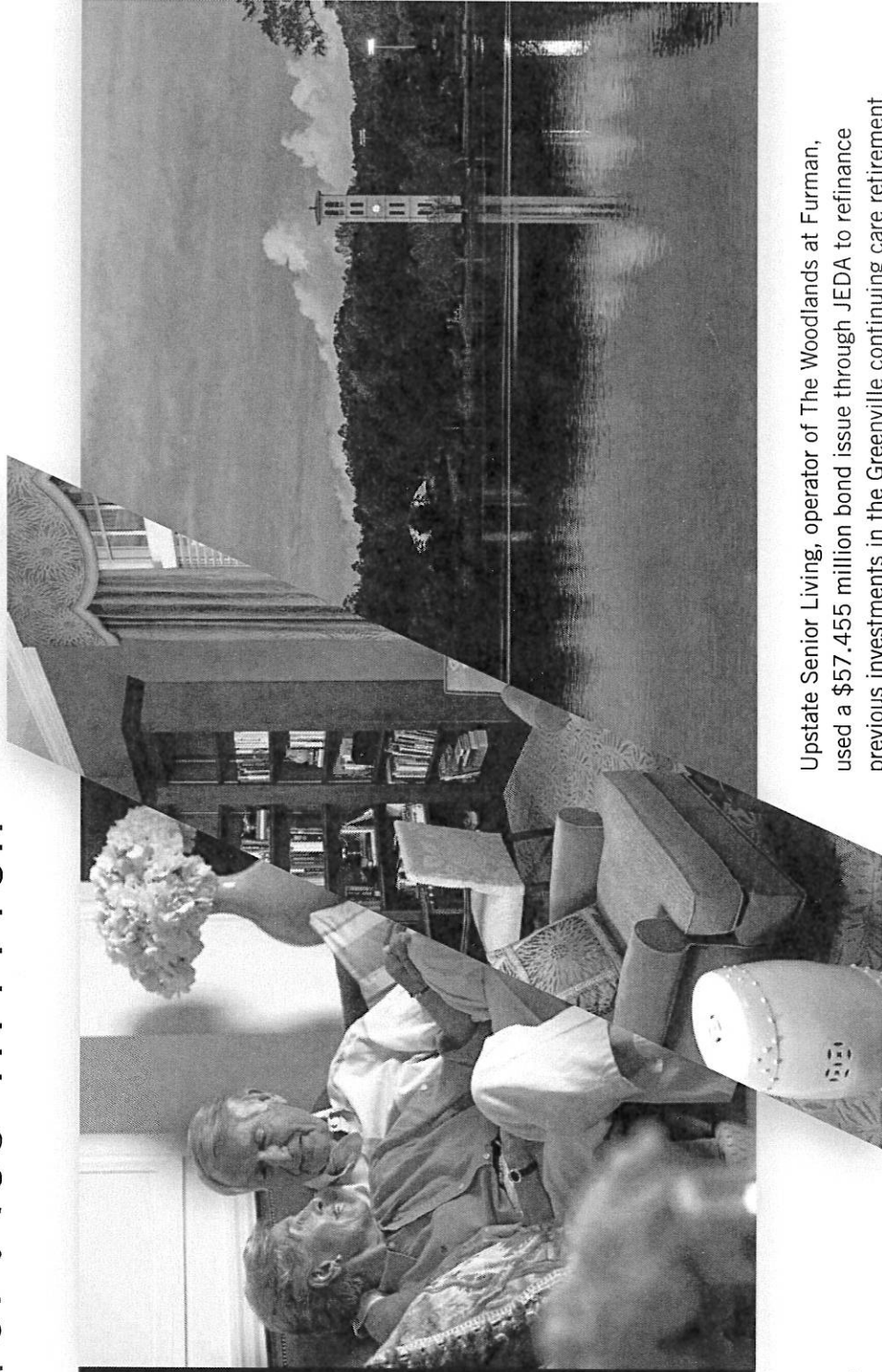
GREENVILLE, SC
GREENVILLE COUNTY

BOND COUNSEL

MITCHELL JOHNSON

HAYNSWORTH SINKLER BOYD, P.A.

CHARLESTON, SC



“Being able to refinance our debt obligations at today’s favorable terms goes a long way toward providing the financial stability that helps ensure our overall ability to provide our residents the best in facilities and personal service.”

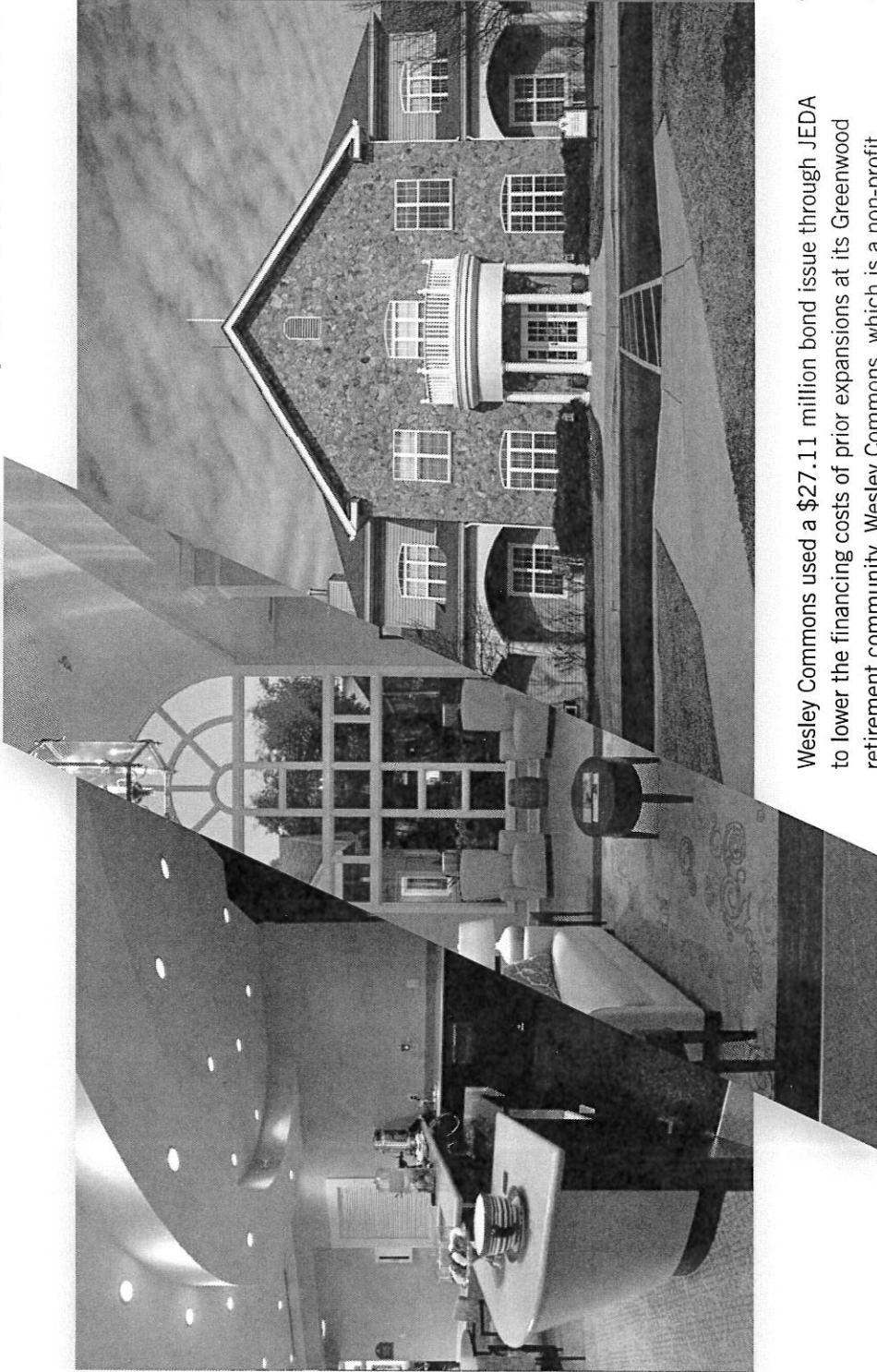
— Kevin Parker
Executive Director
The Woodlands at Furman

Upstate Senior Living, operator of The Woodlands at Furman, used a \$57.455 million bond issue through JEDA to refinance previous investments in the Greenville continuing care retirement community. The only locally owned, not-for-profit lifecare senior living community in the Upstate, The Woodlands at Furman currently employs 225 people and offers residents services from independent living through skilled nursing.

The tax-exempt bond issue was used to retire 2007 and 2012 bonds used to finance capital projects at the retirement facility, a 22-acre site adjacent to Furman University.

Wesley Commons

\$27.11 Million



300 JOBS
RETAINED

SC JEDA TAX-EXEMPT

HEALTHCARE FACILITIES
REVENUE REFUNDING BOND

FUNDS USED TO REFINANCE
PREVIOUS EXPANSION BONDS

GREENWOOD, SC
GREENWOOD COUNTY

BOND COUNSEL

KATHY MCKINNEY

HAYNSWORTH SINKLER BOYD, P.A.
GREENVILLE, SC

Wesley Commons used a \$27.11 million bond issue through JEDA to lower the financing costs of prior expansions at its Greenwood retirement community. Wesley Commons, which is a non-profit United Methodist-affiliated organization, is home to more than 400 residents served by approximately 300 employees.

The Series 2016 Health Facilities Revenue Refunding Bond allowed Wesley Commons to refund the Series 2006 bonds used to finance and refinance facilities at its Greenwood campus.

“The ability to leverage more-favorable financing is something we’re grateful for as we work to provide the best possible continuum of care here at Wesley Commons.”

— Susan Cribbs
Chief Financial Officer
Wesley Commons

Westminster Presbyterian Center

\$13.688 Million

289

JOBS RETAINED

SC JEDA TAX-EXEMPT
RESIDENTIAL CARE FIRST MORTGAGE
REVENUE REFUNDING BOND

FUNDS USED TO REFINANCE
PREVIOUS EXPANSION BONDS

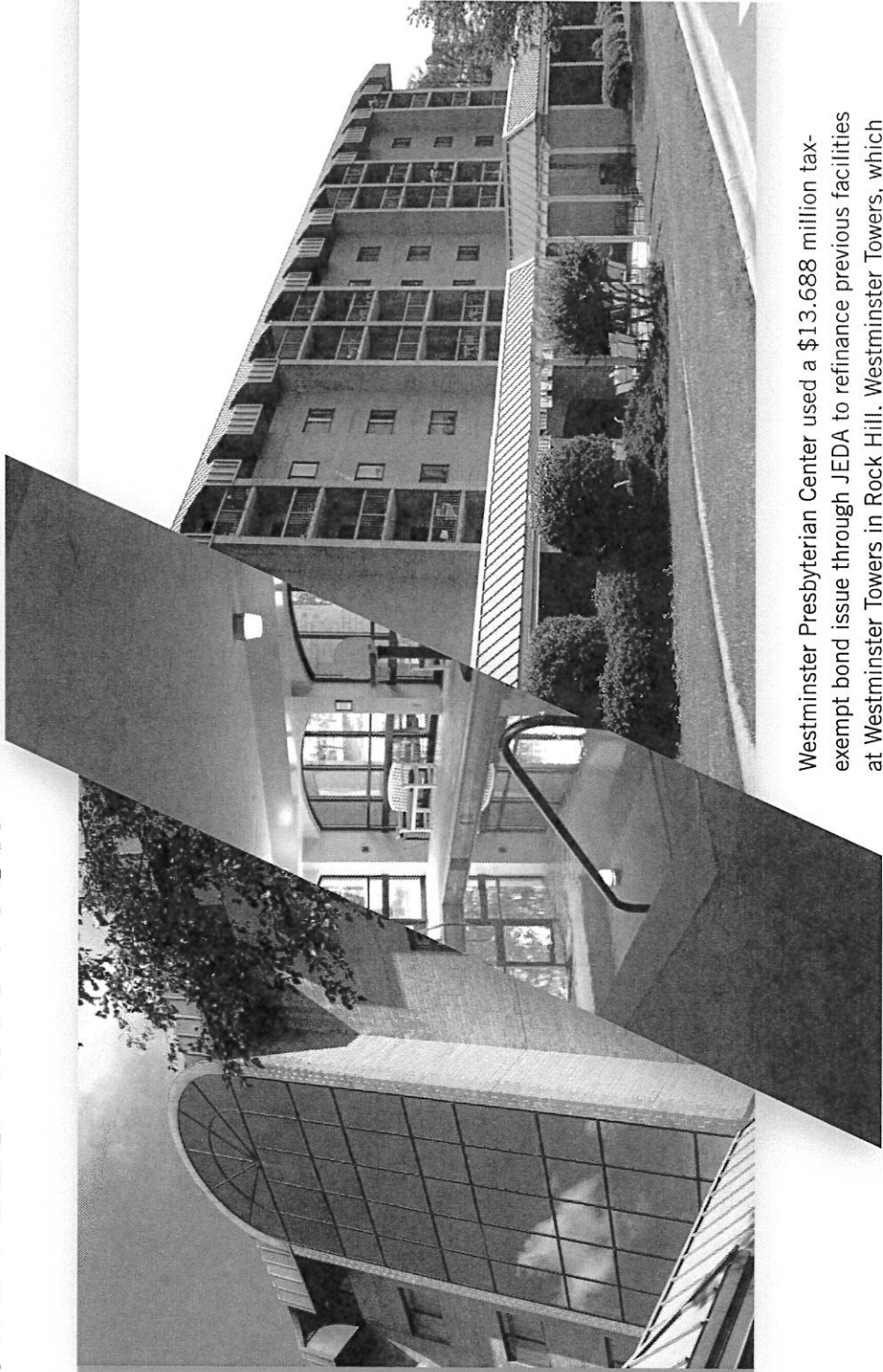
ROCK HILL, SC — YORK COUNTY

BOND COUNSEL

KATHY MCKINNEY
HAYNSWORTH SINKLER BOYD, P.A.
GREENVILLE, SC

"JEDA bond issues have helped us meet the growing needs of our aging community for more than 25 years. Through these innovative financing options, we are able to meet these challenges and opportunities."

— Kevin Johnson
Chief Financial Officer
Westminster Presbyterian Center



Westminster Presbyterian Center used a \$13.688 million tax-exempt bond issue through JEDA to refinance previous facilities at Westminster Towers in Rock Hill. Westminster Towers, which employs 289 people, opened in 1989 and was the first retirement campus in South Carolina to earn accreditation from the national Continuing Care Accreditation Commission, a distinction still held by only 14 percent of its peer facilities nationally.

The bond will retire Series 2005 bonds which were used to refund Series 1998 and Series 2000 bonds for the construction of a continuing care facility located on Indian Hook Road, which offers services from independent living through long-term skilled nursing.

State Small Business Credit Initiative SSBCI Program



IMPACT OF SSBCI CAP & LOAN PARTICIPATIONS IN SOUTH CAROLINA
(AS OF 6.30.17)

TOTAL NEW LOANS CLOSED WITH SSBCI SUPPORT: 229

TOTAL AMOUNT OF LOANS ENROLLED (BANK AND SSBCI FUNDS COMBINED):

\$173,077,109

Total amount of SSBCI funds utilized:

\$28,030,351

TOTAL PRIVATE TO PUBLIC

LEVERAGE RATIO: 8.33:1

- » 63% in low-to-moderate income areas
- » 13% directly to veterans
- » 33% to women-owned businesses

NEW JOBS CREATED: 697

JOBS RETAINED: 2,913

Over the past six years, the State Small Business Credit Initiative (SSBCI) program, which supports state-level, small-business lending programs, has helped create and retain jobs in South Carolina and has spurred millions of dollars in additional lending to small businesses. The SSBCI Program, an important component of the Small Business Jobs Act, enables small businesses in South Carolina to obtain short to long-term financing to help businesses grow and expand.

This program is managed and administered by Business Development Corporation of SC (BDC) by contract with JEDA.

2017 Bonds Issued

JEDA

HAS ISSUED MORE THAN

\$10.1 BILLION

IN ECONOMIC

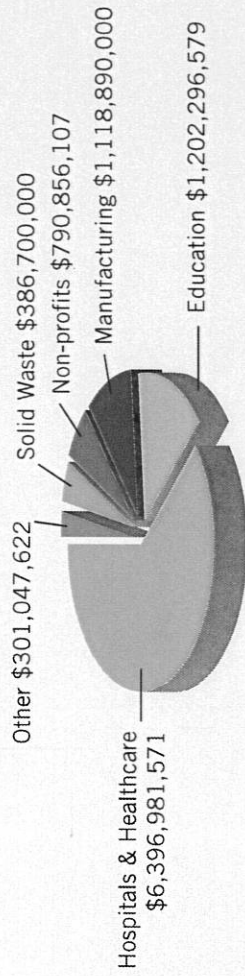
DEVELOPMENT

INDUSTRIAL

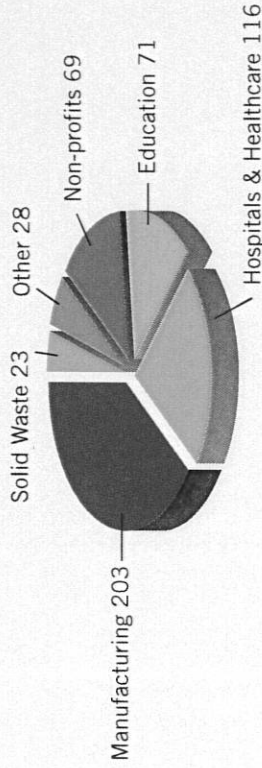
REVENUE BONDS

(1985-2017)

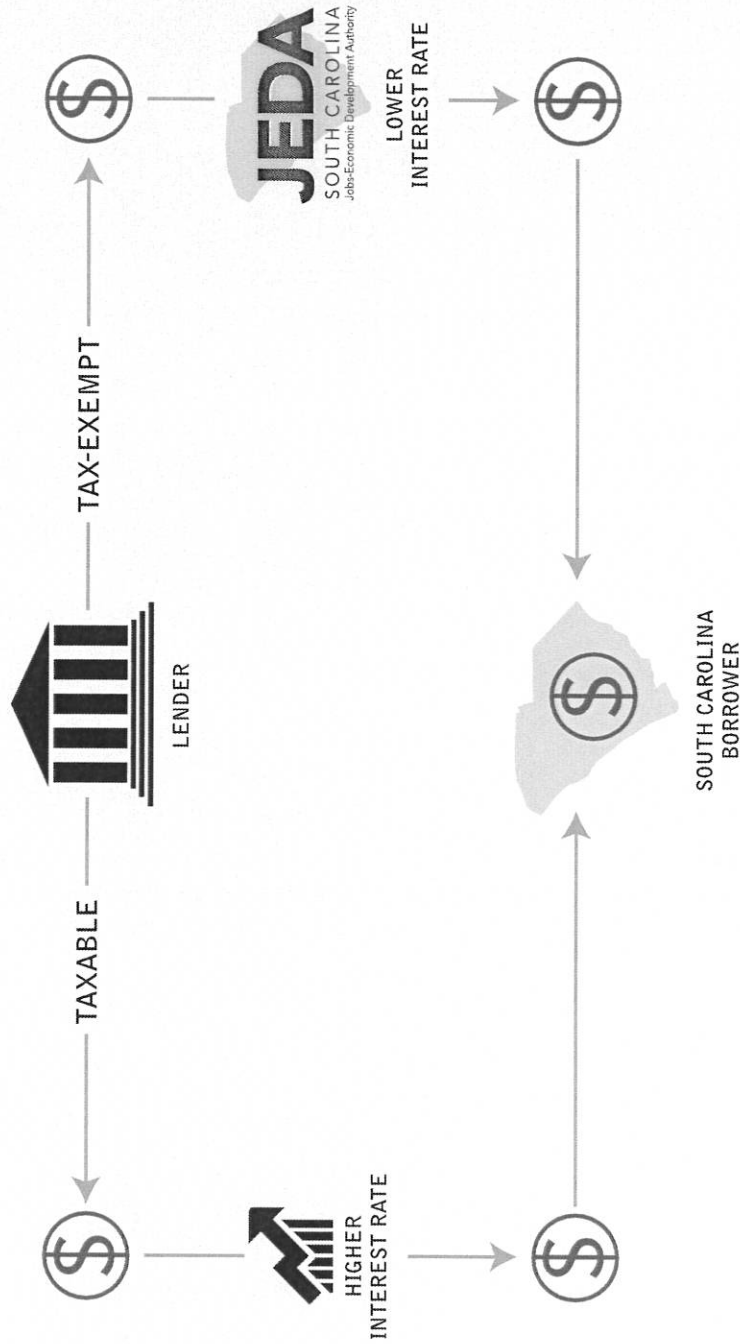
Bonds Issued by Dollar Amount | \$10,196,771,879



Total Number of Bonds Issued | 510



JEDA Diagram of Lending Practices



JEDA

ASSISTS IN THE FINANCING OF
ELIGIBLE PROJECTS BY SERVING
AS A CONDUIT ISSUER OF
SPECIAL OBLIGATION REVENUE
BONDS. QUALIFYING ENTITIES
BORROW MONEY THROUGH,
NOT FROM, JEDA.

**THIS ALLOWS THE ENTITY TO
REDUCE ITS BORROWING COSTS
USING TAX-EXEMPT BONDS.**

JEDA Board of Directors and Staff

BOARD OF DIRECTORS

- Michael W. Nix
Chairman
- William W. Peacock
1st Congressional District, Bluffton, SC
- William R. Drake
2nd Congressional District, Columbia, SC
- Joseph R. Millender
3rd Congressional District, Greenwood, SC
- Vacant
4th Congressional District, Greenville, SC
- Gregory A. Thompson
5th Congressional District, Sumter, SC
- Curtis B. Carter
6th Congressional District, Orangeburg, SC
- Henry M. Swink
7th Congressional District, Effingham, SC
- Robert "Bobby" M. Hitt, III
Secretary of Commerce, Columbia, SC
- Felton A. Lowrey
Governor Designee, Columbia, SC



*Left to right: Andy Lowrey, Curtis Carter, Bobby Hitt, Michael Nix, Harry Huntley, Claudia Miller, Bucky Drake and Warner Peacock.
Not pictured: Greg Thompson, Henry Swink and Ron Millender.*

Bonds Issued by County

COUNTY	NUMBER OF BONDS	BOND AMOUNT	TOTAL JOBS CREATED/RETAINED
Abbeville	2	\$8,200,000	1,862
Aiken	6	\$41,185,000	485
Anderson	38	\$863,386,240	23,294
Bamberg	1	\$650,000	51
Barnwell	1	\$8,000,000	133
Beaufort	4	\$12,817,500	272
Berkeley	8	\$84,700,000	5,264
Charleston	60	\$1,478,071,120	36,236
Cherokee	7	\$28,585,000	1,218
Chester	2	\$17,000,000	63
Chesterfield	3	\$7,765,000	104
Clarendon	3	\$7,500,000	260
Colleton	5	\$12,300,000	731
Darlington	6	\$37,251,742	1,967
Dillon	1	\$7,500,000	75
Dorchester	12	\$141,092,434	1,783
Fairfield	1	\$54,215,000	651
Florence	16	\$129,595,000	1,376
Georgetown	10	\$428,430,000	9,279
Greenville	62	\$1,670,785,591	24,505
Greenwood	11	\$138,950,000	1,739

COUNTY	NUMBER OF BONDS	BOND AMOUNT	TOTAL JOBS CREATED/RETAINED
Hampton	2	\$40,580,000	316
Horry	16	\$449,950,000	9,693
Kershaw	2	\$24,595,000	1,064
Lancaster	6	\$30,100,000	801
Laurens	18	\$134,503,000	2,939
Lee	2	\$9,200,000	169
Lexington	10	\$148,355,127	3,148
Marion	2	\$19,500,000	313
Marlboro	4	\$22,445,000	495
McCormick	1	\$600,000	43
Newberry	2	\$9,000,000	130
Oconee	9	\$171,465,000	4,466
Orangeburg	10	\$130,995,000	4,613
Pickens	9	\$47,664,000	1,989
Richland	66	\$2,652,150,000	75,188
Saluda	1	\$9,000,000	55
Spartanburg	46	\$460,340,000	7,767
Sumter	15	\$344,697,000	10,030
Union	1	\$20,750,000	623
York	29	\$292,903,125	3,741
TOTAL	510	\$10,196,771,879	238,931

Act 80 of 2017

SECTION 2. Section 41-43-110(A) of the 1976 Code, as last amended by Act 121 of 2014, is further amended to read:

“(A) The authority may issue bonds to provide funds for any program authorized by this chapter. The bonds authorized by this chapter are limited obligations of the authority. The principal and interest are payable solely out of the revenues derived by the authority. The bonds issued do not constitute an indebtedness of the State or the authority within the meaning of any state constitutional provision or statutory limitation. They are an indebtedness payable solely from a revenue producing source or from a special source that does not include revenues from any tax or license. The bonds do not constitute nor give rise to a pecuniary liability of the State or the authority or a charge against the general credit of the authority or the State or taxing powers of the State and this fact must be plainly stated on the face of each bond. The bonds may be executed and delivered at any time as a single issue or from time to time as several issues, may be in such form and denominations, may be of such tenor, may be in coupon or registered form, may be payable in such installments and at such time, may be subject to terms of redemption, may be payable at such place, may bear interest at such rate payable at such place and evidenced in such manner, and may contain such provisions not inconsistent herewith, all of which are provided in the resolution of the authority authorizing the bonds. Subject to approval by the South Carolina Coordinating Council for Economic Development as to their issuance and sale, any bonds issued under this section may be sold at public or private sale as may be determined to be most advantageous. The bonds may be sold at public or private sale and, if by private sale, the authority shall designate the syndicate manager or managers. The authority may pay all expenses, premiums, insurance premiums, and commissions which it considers necessary from proceeds of the bonds or program funds in connection with the sale of bonds. The interest rate of bonds issued pursuant to this section is not subject to approval by the South Carolina Coordinating Council for Economic Development. The authority shall report its activities undertaken pursuant to this subsection to the Joint Bond Review Committee. The report shall be due annually on July thirty-first. The authority also shall publish on its website a complete list of bonds authorized by the authority pursuant to this subsection. The list shall include information concerning the authorized bonds that the authority deems relevant.”

JOINT BOND REVIEW COMMITTEE

Item Number 8

Meeting of August 7, 2018

AGENCY: Department of Administration, Capital Budget Office

PROJECT/SUBJECT: Questionnaires Regarding Higher Education Institution Projects Utilizing Tuition or Fees

Several times in the past, members of the Joint Bond Review Committee have requested additional information regarding tuition and fees being collected by the state's colleges and universities and whether those fees are being increased to support permanent improvement projects. The Capital Budget Office and JBRC staff have worked together to develop a uniform format to gather this additional information.

In summary, the questionnaires that accompany the A1 forms will be revised to include a section to be completed for higher education proposals only. For each permanent improvement project, colleges and universities will be required to provide a five-year history and projection for the upcoming academic year (and any future years in which an increase is projected) of tuition or fee components designated or utilized for permanent improvement projects. The amount per student/per semester, total revenue collected, amount expended for permanent improvements, and the year-end balance will be reported.

The Phase I questionnaire is provided as an example of the information that will be required in the future.

COMMITTEE ACTION:

Receive as information the revised Phase I questionnaire.

ATTACHMENTS:

- 1) Letter of July 31, 2018, from F. Richard Harmon, Jr., Director, Capital Budget Office, Department of Administration
- 2) Department of Administration Questionnaire: Required Information for Phase I A&E Pre-Design Proposals

July 31, 2018

Mrs. Dianne Carraway
Director of Research, SFAA Liaison
Capital Improvements Joint Bond Review Committee
Gressette Building
Capitol Complex
Columbia, South Carolina 29201

Dear Mrs. Carraway:

The Capital Budget Office has revised the enclosed document entitled "Required Information for Phase I A&E Pre-Design Proposals" responsive to a request by members of the Joint Bond Review Committee for additional information about tuition and fees supporting permanent improvement projects.

We are presenting this revision as information and respectfully request its inclusion on the agenda of a future meeting of the committee, if appropriate.

Very truly yours,



F. Richard Harmon, Jr.
Director, Capital Budget Office



SECTION 1: GENERAL – TO BE PROVIDED FOR ALL PROPOSALS

1. Provide the internal projected cost of the project.
2. Identify the sources of funds to be used for A&E pre-design.
3. Describe and define each fund source to be used for A&E pre-design, with specificity. Cite any statutory authority, including the code section or other provision of law for use of the funds for permanent improvement projects. If the source includes any fee, provide the name of the fee, the fee amount, the frequency of collection and when the fee was first implemented.
4. Provide the current uncommitted balance of funds for each source described above.
5. Identify the sources of funds for construction.
6. Describe and define each fund source to be used for construction, with specificity. Cite any statutory authority, including the code section or other provision of law for use of the funds for permanent improvement projects. If the source includes any fee, provide the name of the fee, the fee amount, the frequency of collection and when the fee was first implemented.
7. Provide the current uncommitted balance of funds for each source described above.
8. Provide the total square footage of the building to be renovated or constructed.
9. If any portion of the building is to be renovated, provide the square footage of the portion that will be included in the renovation.
10. Describe the programs that will use the constructed or renovated space.

11. Provide the current age of the building and building systems to be renovated or replaced.
12. If any new space is being added to the facility, provide demand and usage data to support the need.
13. If the A&E pre-design request exceeds 1.5% of the internal estimated cost of the project, provide the reason the amount exceeds 1.5%.
14. Provide an estimate of the numbers of students, faculty, staff and clients that are expected to utilize the space associated with the project or building.
15. Indicate whether or not the project has been included in a previous year's CPIP. If so, provide the last year the project was included and year for which it was proposed.
16. Provide the economic impact of the project or project request, including job creation and retention. If there is no economic impact, provide an explanation.
17. Discuss how maintenance of this facility construction/renovation will be addressed and funded.
18. Provide the name of any account from which costs of deferred maintenance are addressed and its current uncommitted balance. Indicate the sources used to fund the account.
19. If funding for maintenance of this facility construction/renovation has not yet been determined, discuss the steps that have been taken to address and fund maintenance of this and other facilities owned or managed by the agency or institution.

SECTION 2 – TO BE PROVIDED FOR HIGHER EDUCATION PROPOSALS

20. Indicate whether or not the use of any funds for construction will require an increase in any student fee or tuition. Describe any increase in student fees effected in prior years that has contributed to the availability of these funds.

21. If the use of any funds for construction includes any student fee, provide the name of the fee, the fee amount, the frequency of collection and when the fee was first implemented.

22. Provide a five-year history of each component within the institution’s tuition and fee structure designated or utilized for permanent improvements. Identify the tuition or fee component per student, per semester; the total revenue collected during the academic year; and the fund balance at fiscal year end, all delineated by academic year. Include a projection for the ensuing academic year, and any future academic years in which the fee is projected to increase. Use the following format in responding to this question and provide as many tables as are necessary to promote a clear understanding of the relationship of tuition and fee revenue designated by the institution for permanent improvements, maintenance and other facility-related expense, including debt service.

<u>Academic Year</u>	<u>Amount per student, per semester</u>	<u>Total revenue collected during academic year</u>	<u>Amount expended for permanent improvements</u>	<u>Fund balance at fiscal year end</u>
2014-15				
2015-16				
2016-17				
2017-18				
2018-19				
2019-20*				

*Projection

23. Identify any other funds not specifically designated that may be utilized or redirected for permanent improvements, maintenance and other facility-related expense, including debt service. Provide a five-year history of total collections, by fund; amounts applied to or for permanent improvements, maintenance and other facility-related expense, including debt service; and the fund balance at fiscal year end, delineated by academic year. Include a projection for the ensuing academic year, and any future academic years in which the revenue is projected to increase. Describe any portion of the source that originates from any tuition or fee component. Include all permanent improvements without regard to Joint Bond Review Committee or State Fiscal Accountability approval requirements. Use the following format in responding to this question and provide as many tables as are necessary to provide a complete and comprehensive response for each fund.

Fund Source or Name:

Description:

<u>Academic Year</u>	<u>Total revenue collected during academic year</u>	<u>Portion collected from tuition or fee revenues</u>	Amount	<u>Fund balance at fiscal year end</u>
			<u>expended for permanent improvements</u>	
2014-15				
2015-16				
2016-17				
2017-18				
2018-19				
2019-20*				

*Projection

24. Describe the fund sources reflected above that will be utilized to support the project that is the subject of this Phase I proposal.

AGENCY: Department of Administration, Capital Budget Office

PROJECT/SUBJECT: Update of Permanent Improvement Project Procedural Guidelines

The Department of Administration’s Capital Budget Office has recently updated the procedural guidelines for the permanent improvement project process. “Policies and Guidance for Establishment and Maintenance of Permanent Improvement Projects” incorporates provisions of Act 121 of 2014 (Restructuring Act) as well as new and revised JBRC policies which have been adopted by the Committee since the previous Manual was published.

The document is provided as information to the Committee.

COMMITTEE ACTION:

Receive as information the “Policies and Guidance for Establishment and Maintenance of Permanent Improvement Projects.

ATTACHMENTS:

Letter of June 29, 2018, from F. Richard Harmon, Jr., Director, Capital Budget Office, Department of Administration

UNDER SEPARATE COVER:

“Policies and Guidance for Establishment and Maintenance of Permanent Improvement Projects”

June 29, 2018

Mrs. Dianne Carraway
Director of Research, SFAA Liaison
Capital Improvements Joint Bond Review Committee
Gressette Building
Capitol Complex
Columbia, South Carolina 29201

Dear Mrs. Carraway:

We are respectfully submitting the enclosed document entitled "Policies and Guidance for Establishment and Maintenance of Permanent Improvement Projects" which replaces the document formerly entitled "Manual for Planning and Execution of State Permanent Improvements (Part 1)," last revised in September 2012.

This document incorporates revisions dictated by the South Carolina Restructuring Act (Act 121 of 2014), new and revised policies adopted by the Joint Bond Review Committee, and refines the narrative of the former publication to provide additional information and promote greater clarity. While these updates are pervasive, no revised or new policies are proposed in this submission; accordingly, we are presenting this revision and respectfully request its inclusion as information on the agenda of a future meeting of the Committee, if appropriate.

We appreciate your assistance in making these revisions, and hope that this document will be of benefit to the state agencies in the development and the Committee in the review of permanent improvements that are the subject of this guidance.

Very truly yours,



Richard Harmon, Jr.
Director, Capital Budget Office



JOINT BOND REVIEW COMMITTEE
Meeting of August 7, 2018

Item Number 10

AGENCY: Joint Bond Review Committee

PROJECT/SUBJECT: Future Meeting Schedule

The next tentatively-scheduled meeting of the State Fiscal Accountability Authority is October 23, 2018.

2018

January

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

February

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

March

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

April

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

May

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

June

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

July

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

August

Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

September

Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

October

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

November

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

December

Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Designed by Amy, amystudio.com

COMMITTEE ACTION:

Schedule next meeting.

ATTACHMENTS:

None