Capital Improvements Joint Bond Review Committee

JOINT BOND REVIEW COMMITTEE MEETING

Wednesday, May 6, 2020 10:30 a.m.

In observance of COVID-19 social distancing guidelines, this meeting will be conducted solely via videoconference. Members of the public and media are invited to access the meeting via live streaming at www.scstatehouse.gov using the broadcast links available under the Senate or House meeting schedules located on the right side of the web page.

AGENDA

PAGE

AGENCY: South Carolina Transportation Infrastructure Bank

SUBJECT: Issuance of Not Exceeding $11,000,000 General Obligation State Transportation Infrastructure Refunding Bonds, Series 2020A

Chapter 43 of Title 11 of the South Carolina Code of Laws provides that upon a request of the Board of Directors of the State Transportation Infrastructure Bank, and following review and approval of the Joint Bond Review Committee, the State Fiscal Accountability Authority is authorized to make provision for the issuance of General Obligation State Transportation Infrastructure Bonds and General Obligation State Transportation Infrastructure Refunding Bonds.

On April 1, 2004, at the request of the Transportation Infrastructure Bank, the State Budget and Control Board, the predecessor of the State Fiscal Accountability Authority, issued $60,000,000 General Obligation State Transportation Infrastructure Bonds, Series 2004A, the proceeds of which were used to provide funds for a portion of the costs of construction of the Cooper River Bridge in Charleston.

The bond enabling act requires that the Transportation Infrastructure Bank provide a source of revenues to reimburse the general fund of the state for the principal and interest on general obligation bonds. Principal and interest on the Series 2004A bonds is reimbursed to the state general fund by a series of annual payments of Charleston County and the South Carolina State Ports Authority over a 25 year term, under the terms of intergovernmental agreements with each.

A portion of the Series 2004A bonds was refinanced on May 3, 2012. On April 2, 2020, the Bank Board approved a request to refinance all or a portion of the remaining Series 2004A bonds, following identification by the Office of State Treasurer of potential savings in debt service over their remaining term. Accordingly, the Bank Board requests review and approval of the Joint Bond Review Committee for the issuance of General Obligation State Transportation Infrastructure Refunding Bonds in an amount not exceeding $11,000,000 to achieve an estimated net present value savings of $814,000 or 8% over the remaining term of the Series 2004A Bonds.

The Series 2020A Refunding Bonds are subject to the approval of the State Fiscal Accountability Authority, and will be secured by the full faith and credit of the state. Annual debt service of the Series 2020A bonds, together with annual debt service on certain other state general obligation indebtedness, is constitutionally and statutorily limited to a maximum of 5% of the general revenues of the state. As a condition of issuance of the bonds, the state auditor must certify the amount of general revenues of the state then applicable for determination of compliance with, and the State Fiscal Accountability Authority must determine that the Series 2020A bonds may be issued within, the constitutional and statutory limitation on annual debt service.

COMMITTEE ACTION:

Review and approve the request of the South Carolina Transportation Infrastructure Bank for issuance of not exceeding $11,000,000 General Obligation State Transportation Infrastructure Refunding Bonds.

ATTACHMENTS:

1. Letter dated April 13, 2020, from John B. White, Jr., Chairman, South Carolina Transportation Infrastructure Bank.
2. Resolution dated April 2, 2020, adopted by the Board of Directors of the South Carolina Transportation Infrastructure Bank.

South Carolina Transportation Infrastructure Bank

955 Park Street
Room 120 B
Columbia, SC 29201
P: (803) 737-2875
Fax: (803) 737-2014

April 13, 2020

The Honorable Hugh K. Leatherman, Sr., Chairman
Joint Bond Review Committee
109 Gressette Building
Columbia, South Carolina 29201

RE: SCTIB GO Bond Refunding

Dear Chairman Leatherman:

The South Carolina Transportation Infrastructure Bank (SCTIB) requests approval for the issuance of refunding general obligation bonds in an amount sufficient to refund up to $11 million principal value of existing general obligation bonds subject to final approval by the SCTIB Board.

Per the terms of the South Carolina Transportation Infrastructure Bank Act (South Carolina Code Sections 11-43-110 to 11-43-630), the SCTIB is required to obtain Joint Bond Review Committee (JBRC) approval of financial assistance provided by the Bank for a qualified project, the issuance of bonds by the Bank in providing the financial assistance to qualified projects, and the issuance by the Bank of revenue refunding bonds.

As background for its request, the SCTIB issued $60 million of General Obligation bonds in 2004. The Office of State Treasurer has been reviewing the State's GO debt portfolio and has identified a potential savings of $814 thousand (at current market rates) by refinancing a portion of the outstanding GO bonds, in an amount not to exceed $11 million, issued on behalf of the SCTIB. Thus, pursuant to the request from the State Treasurer's Office, the SCTIB Board approved this refinancing at their April 2, 2020 meeting, and is requesting JBRC approval of this refunding. Payments from Charleston County and State Ports Authority related to the Ravenel Bridge are pledged by the SCTIB to debt service on these GO Bonds of the SCTIB.

Approve the issuance of refunding general obligation bonds in an amount not to exceed $11 million principal value subject to final approval by the Bank Board.

Thank you for your consideration of this request. Should you have any questions, please contact Tami Reed at (803) 737-2875.

Sincerely,

John B. White, Jr.
Chairman, SCTIB

Enclosures

cc: Bank Board
Hon. Curtis Loftis, State Treasurer

RESOLUTION

REQUESTING THE SOUTH CAROLINA STATE FISCAL ACCOUNTABILITY AUTHORITY TO ISSUE NOT EXCEEDING ELEVEN MILLION DOLLARS ($11,000,000) GENERAL OBLIGATION STATE TRANSPORTATION INFRASTRUCTURE REFUNDING BONDS PURSUANT TO TITLE 11, CHAPTER 43, ARTICLE 5, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED.

Adopted By

BOARD OF DIRECTORS
OF THE
SOUTH CAROLINA
TRANSPORTATION INFRASTRUCTURE BANK

April 2, 2020

A RESOLUTION

REQUESTING THE SOUTH CAROLINA STATE FISCAL ACCOUNTABILITY AUTHORITY TO ISSUE NOT EXCEEDING ELEVEN MILLION DOLLARS ($11,000,000) GENERAL OBLIGATION STATE TRANSPORTATION INFRASTRUCTURE REFUNDING BONDS PURSUANT TO TITLE 11, CHAPTER 43, ARTICLE 5, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SOUTH CAROLINA TRANSPORTATION INFRASTRUCTURE BANK IN MEETING DULY ASSEMBLED:

Section 1. Findings of Fact.

As an incident to the adoption of this Resolution, the Board of Directors (the “Board”) of the South Carolina Transportation Infrastructure Bank (the “SCTIB”) hereby finds:

(a) The SCTIB and the South Carolina Department of Transportation (the “SCDOT”) entered into an Intergovernmental Agreement, dated July 2, 2001, relating to the construction of a new bridge over the Cooper River in Charleston, South Carolina (the “Cooper River Bridge Project”) whereby the SCDOT administered the Cooper River Bridge Project, which had a total cost of approximately $650,000,000.

(b) The SCTIB and Charleston County, South Carolina (“Charleston County”) entered into an Intergovernmental Agreement, dated July 2, 2001 (as amended), whereby Charleston County agreed to provide funding in the amount of $75,000,000, payable $3,000,000 per year for twenty-five (25) years (the “Charleston County Contribution”), to reimburse the SCTIB for part of its financial commitment to the Cooper River Bridge Project.

(c) The South Carolina State Ports Authority adopted a resolution, dated June 18, 2002, obligating it to contribute $45,000,000, payable, (1) $5,000,000 by June 30, 2002, (2) $15,000,000 by June 30, 2003, and (3) $1,000,000 per year for twenty-five (25) years commencing June 30, 2003 (the “Ports Authority Contribution”), to reimburse the SCTIB for part of its financial commitment to the Cooper River Bridge Project.

(d) On April 1, 2004, at the request of the SCTIB, the South Carolina State Fiscal Accountability Authority (f/k/a South Carolina State Budget Control Board) issued $60,000,000 General Obligation State Transportation Infrastructure Bonds, Series 2004A (the “Series 2004A Bonds”), the proceeds of which were used to provide funds for expenditures authorized by Title 11, Chapter 43 of the Code of Laws of South Carolina 1976, as amended (the “Bond Enabling Act”), including the Cooper River Bridge Project.

(e) On May 3, 2012, at the request of the SCTIB, the South Carolina State Fiscal Accountability Authority (f/k/a South Carolina State Budget Control Board) issued $28,745,000 General Obligation State Transportation Infrastructure Refunding Bonds, Series 2012A, the proceeds of which were used to refund and defease a part of the then outstanding Series 2004A Bonds.

(f) Pursuant to the provisions of the Bond Enabling Act, the SCTIB has determined, because of the current low interest rates, that it is in the interest of the SCTIB to request the South Carolina State Fiscal Accountability Authority to issue not exceeding $11,000,000 General Obligation State Transportation Infrastructure Refunding Bonds, the proceeds of which will be used to pay all or a part of the remaining outstanding Series 2004A Bonds.

(f) The Bond Enabling Act requires, as a condition precedent to the issuance of general obligation bonds, that the SCTIB provide a source of revenues to reimburse the general fund of the State for the principal and interest on the bonds.

(g) The proceeds of the refunding bonds will be expended not later than April 1, 2021.

Section 2. Request for the Issuance of General Obligation State Transportation Infrastructure Bonds.

The Board, pursuant to the provisions of the Bond Enabling Act and this Resolution, hereby formally requests the South Carolina State Fiscal Accountability Authority to issue not exceeding $11,000,000 General Obligation State Transportation Infrastructure Refunding Bonds. The Secretary of the Board is hereby directed to deliver a certified copy of this Resolution to South Carolina State Fiscal Accountability Authority and the Joint Bond Review Committee.

Section 3. Source of funds to Reimburse the General Fund of the State.

As required by the provisions of the Bond Enabling Act, the SCTIB hereby confirms its existing pledge of the Charleston County Contribution and the Ports Authority Contribution to reimburse the general fund of the State for the payment of the principal and interest on the not to exceed $11,000,000 General Obligation State Transportation Infrastructure Refunding Bonds.

Section 4. Debt Service Schedules.

Debt service schedules for (a) annual principal and interest requirements of the currently outstanding General Obligation State Transportation Infrastructure Refunding Bonds, (b) the proposed not exceeding $11,000,000 General Obligation State Transportation Infrastructure Refunding Bonds at prevailing rates, and (c) the annual principal and interest requirements for all General Obligation State Transportation Infrastructure Bonds currently outstanding including the proposed issue of not exceeding $11,000,000 at prevailing rates after giving effect to the defeasance of refunded bonds, are attached hereto as Exhibit A.

Section 5. Execution of Closing Documents and Certificates.

The Chairman and Secretary of the Board, and all other officers of the SCTIB, are fully authorized and empowered to take such action and to execute and deliver such closing documents as may be necessary and proper in order to complete the borrowing herein authorized and the action of such officers or any one or more of them in executing and delivering any of such documents, in such form as he or they shall approve, is hereby fully authorized.

Section 6. Law and Place of Enforcement of the Resolution.

This Resolution shall be construed and interpreted in accordance with the laws of the State of South Carolina and all suits and actions arising out of this Resolution shall be instituted in a court of competent jurisdiction in this State.

Section 7. Effect of Section Headings and Table of Contents.

The heading or titles of the several Sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Resolution.

Section 8. Repeal of Inconsistent Resolutions.

All resolutions of the Board, and any part of any resolution, inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

Section 9. Effectiveness of this Resolution.

This Resolution shall become effective upon its adoption.

Done in meeting duly assembled this 2nd day of April, 2020.

SOUTH CAROLINA TRANSPORTATION
INFRASTRUCTURE BANK

(SEAL)

Chairman

ATTEST:

Secretary

[Signature Page to Resolution of the SIB]

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EXHIBIT A

DEBT SERVICE TABLE SHOWING
THE ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS FOR THE
CURRENTLY OUTSTANDING
STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE TRANSPORTATION INFRASTRUCTURE BONDS
(PRE-REFUNDING)

	Existing Debt Service		
Fiscal Year Ending	Principal	Interest	Total Debt Service
June 30, 2020	$ 2,595,000	$ 543,413	$ 3,138,413
June 30, 2021	2,695,000	957,075	3,652,075
June 30, 2022	2,805,000	822,325	3,627,325
June 30, 2023	2,915,000	682,075	3,597,075
June 30, 2024	3,035,000	536,325	3,571,325
June 30, 2025	3,155,000	384,575	3,539,575
June 30, 2026	3,580,000	305,700	3,885,700
June 30, 2027	3,730,000	198,300	3,928,300
June 30, 2028	2,880,000	86,400	2,966,400
Total	$ 27,390,000	$ 4,516,188	$ 31,906,188

PRO-FORMA DEBT SERVICE REQUIREMENTS OF
NOT EXCEEDING ELEVEN MILLION DOLLARS ($11,000,000)
STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE TRANSPORTATION INFRASTRUCTURE
REFUNDING BONDS,
COMPUTED AT PREVAILING RATES OF INTEREST

	New Issue Debt Service*		
Fiscal Year Ending	Principal	Interest	Total Debt Service
June 30, 2021	$ -	$ 107,651	$ 107,651
June 30, 2022	-	136,460	136,460
June 30, 2023	-	136,460	136,460
June 30, 2024	-	136,460	136,460
June 30, 2025	-	136,460	136,460
June 30, 2026	3,625,000	136,460	3,761,460
June 30, 2027	3,665,000	94,047	3,759,047
June 30, 2028	3,710,000	48,601	3,758,601
Total	$ 11,000,000	$ 932,597	$ 11,932,597

*Preliminary, subject to change.

DEBT SERVICE TABLE SHOWING
THE ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS FOR ALL
STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE TRANSPORTATION INFRASTRUCTURE BONDS
CURRENTLY OUTSTANDING
INCLUDING THE PROPOSED ISSUE OF ELEVEN MILLION DOLLARS ($11,000,000) OF
STATE OF SOUTH CAROLINA
GENERAL OBLIGATION STATE TRANSPORTATION INFRASTRUCTURE
REFUNDING BONDS,
COMPUTED AT PREVAILING RATES OF INTEREST
AFTER GIVING EFFECT TO THE DEFEASANCE OF THE REFUNDED BONDS

	Combined Debt Service*		
Fiscal Year Ending	Principal	Interest	Total Debt Service
June 30, 2020	$ 2,595,000	$ 543,413	$ 3,138,413
June 30, 2021	2,695,000	759,026	3,454,026
June 30, 2022	2,805,000	653,085	3,458,085
June 30, 2023	2,915,000	512,835	3,427,835
June 30, 2024	3,035,000	367,085	3,402,085
June 30, 2025	3,155,000	215,335	3,370,335
June 30, 2026	3,625,000	136,460	3,761,460
June 30, 2027	3,665,000	94,047	3,759,047
June 30, 2028	3,710,000	48,601	3,758,601
Total	$ 28,200,000	$ 3,329,884	$ 31,529,884

*Preliminary, subject to change.

AGENCY: Department of Administration
Facilities Management and Property Services

SUBJECT: Proposed Lease
Clemson University
934 Old Clemson Highway, Seneca

Clemson University requests review of its proposal to lease 13,970 square feet of office space located at 934 Old Clemson Highway from Eagle Landing Properties I, LLC. The University has been leasing space at this location since 1999, and the current lease for 17,558 square feet expires on May 1, 2020. The leased space is used by Clemson's Computing and Information Technology Department to accommodate its Medicaid IT Services staff, which provides applications programming support under its contract with the SC Department of Health and Human Services for the DHHS Medicaid Information Technology project.

The SC Department of Administration conducted a solicitation following a determination that other state space was not available. The proposed landlord was the sole respondent.

The term of the proposed lease is 3 years beginning on May 2, 2020. Rent equates to $16.25 per square foot, and total rent over the term is $681,038. Rent includes all operating costs with the exception of card access systems and janitorial services which are collectively estimated at $14,317 annually. No option to purchase the property is included in the lease.

The Department of Administration reports that lease payments will be funded by the DHHS contract, and the agency's submission represents that funding for payments will be sufficient throughout the lease term. No student fees are associated with the lease. The Department of Administration reports that comparable rates for similar commercial space in the area range from $16.73 to $19.00 per square foot.

COMMITTEE ACTION:

Review and make recommendation regarding the proposed 3-year lease.

ATTACHMENTS:

1. Department of Administration, Facilities Management and Property Services Agenda Item Worksheet.
2. Clemson University letter.
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: May 6, 2020 **Regular Agenda**

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1. **Submitted by:**

   (a) Agency: Department of Administration
   (b) Authorized Official Signature: Ashlie Lancaster, Director

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2. **Subject:** Clemson University Lease of 934 Old Clemson Highway

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3. **Summary Background Information:**

Clemson University (Clemson) requests approval to lease 13,970 square feet of office space at 934 Old Clemson Highway in Seneca, SC from Eagle Landing Properties I, LLC. Clemson has leased space at this location since 1999. Clemson Computing and Information Technology leases office space off-campus to accommodate much of its Medicaid IT Services staff which provide applications programming support for university systems and support for the contract with the SC Department of Health and Human Services (DHHS) for the DHHS Medicaid Information Technology project. The current lease for 17,558 square feet expires on May 1, 2020.

After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for commercial space. The proposed landlord was the only respondent.

The lease term will be three years commencing on May 2, 2020. The rental rate for the term will be $16.25 per square foot for an annual aggregate amount of $227,012.50. The total rent to be paid over the 3-year term will be $681,037.50.

The rate includes all operating costs with the exception of card access systems and janitorial services which are collectively estimated at $14,317.00 annually.

The following chart represents comparable lease rates of similar space:

Tenant	Location	Rate /SF
SC Department of Public Safety	201 Church Street, Pickens	$16.73
Vacant	872 S. Pleasantburg Drive, Greenville	$16.60
Vacant	501 Forest Lane, Clemson	$19.00

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

Clemson has adequate funds for the lease according to a Budget Approval Form submitted January 23, 2020, which also includes a multi-year plan. Lease payments will be funded through the DHHS contract. Clemson has indicated that no student fee increase will be associated with this lease. No option to purchase the property is included in the lease. The lease was approved by CHE on February 5, 2020 and the Clemson Board of Trustees on October 11, 2019.

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4. **What is the JBRC asked to do?** Approve the proposed three-year lease.

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

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6. **List of Supporting Documents:**
   (a) Letter from Clemson University dated January 24, 2020
   (b) SC Code of Laws Sections 1-11-55 and 1-11-56

CLEMSON UNIVERSITY

January 24, 2020

Ms. Ashlie Lancaster
Assistant Director
Division of General Services
Department of Administration
1200 Senate Street, Suite 408
Columbia, SC 29201

SUBJECT: Clemson University Lease for Space in Seneca, SC
934 Old Clemson Highway

Finance and Operations

Clemson University
G06 Sikes Hall
Box 345302
Clemson, SC
29634-5302

P 864-656-2421
F 864-656-2008

Dear Ms. Lancaster:

Clemson University requests approval by the Joint Bond Review Committee and the State Fiscal Accountability Authority (SFAA) at their meetings on March 18 and March 24, 2019, respectively, for the attached lease renewal between Eagles Landing Properties I, LLC and Clemson University for space located at 934 Old Clemson Highway in Seneca, South Carolina. The enclosed lease was approved by the Clemson University Board of Trustees on October 11, 2019.

Clemson University requests approval to renew the current lease of office space consisting of 13,970 square feet at 934 Old Clemson Highway Eagles Landing Professional Park for a three-year term beginning on May 2, 2020. The University is seeking a three-year lease due to the nature of the underlying contractual work supporting this request.

Necessity continues to require that Clemson Computing and Information Technology (CCIT) lease office space off-campus to accommodate much of its Medicaid IT Services staff. This group provides applications programming support for university systems and support for the contract with the SC Department of Health and Humans Services (DHHS) for the DHHS Medicaid Information Technology (MIT) project.

A solicitation was conducted and the Eagles Landing Property response was the only one received. Additionally, the data network required by the programmers is beyond standard needs due to the large volume of data to be processed for DHHS and moving to another facility would likely require AT&T or other service providers to lay additional cables to increase bandwidth to the building. This addition could cause a delay in the building being serviceable to the programmers, and not having the higher bandwidth would cause processing delays and increased costs to DHHS as it pertains to this project.

The terms of the lease are listed below:

Location:	934 Old Clemson Highway Seneca, SC

CLEMSON
UNIVERSITY

Finance and Operations

Clemson University
G06 Sikes Hall
Box 345302
Clemson, SC
29634-5302

P 864-656-2421
F 864-656-2008

Square footage:	13,970
Lease term:	May 2, 2020 – May 1, 2023
Annual lease amounts*:	See chart below
Total lease cost for initial term:	$681,037.50
Source of funds:	Revenue generated from DHHS contract for services.
Renewal Options:	None

Initial Term	Monthly Lease Rate	Rent Per Square Foot	Total Annual Lease Rate
Year 1	$18,917.71	$16.25	$227,012.50
Year 2	$18,917.71	$16.25	$227,012.50
Year 3	$18,917.71	$16.25	$227,012.50

**Annual lease cost includes operating expenses of: taxes, insurance, utilities (electricity, water, and sewer); maintenance and repairs of the grounds and buildings, electrical systems, HVAC systems and plumbing, and other services necessary to maintain and operate the buildings and site. CCIT is only responsible for costs associated with the card access systems and janitorial services.*

Once approved, please send two of the originals back to my office for distribution. If you should have any questions or need any further documentation, please do not hesitate to contact me or Laura Stoner at (864) 283-7107.

Thank you,

Anthony E. Wagner

Anthony E. Wagner
Executive Vice President, Finance & Operations

Enclosure

Cc: Carol Routh
Laura Stoner

www.clemson.edu

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

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

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

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

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

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

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

Code Commissioner's Note

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

Effect of Amendment

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

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

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

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

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

(1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;

(2) establishing standards for the quality and quantity of space to be leased by a requesting agency;

(3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:

(a) a nonappropriation for the renting agency;

(b) a dissolution of the agency; and

(c) the availability of public space in substitution for private space being leased by the agency;

(4) rejecting an agency's request for additional space or space at a specific location, or both;

(5) directing agencies to be located in public space, when available, before private space can be leased;

(6) requiring the agency to submit a multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and

(7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.

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

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

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

Effect of Amendment

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

AGENCY: Department of Administration
Facilities Management and Property Services

SUBJECT: Proposed Lease
Clemson University
1 Research Drive, Greenville

Clemson University requests review of its proposal to add space and extend the term of an existing lease for a total of 24,000 square feet of office space located at 1 Research Drive from LICAR, LLC.[1] The University currently leases 11,300 square feet of space at this location on the CU-ICAR Campus. The additional space will support growth in Clemson's College of Engineering, Computing and Applied Sciences.

The SC Department of Administration conducted a solicitation following a determination that other state space was not available. Three proposals were received with the selected location submitting the lowest bid with best value in consideration of such factors as among others immediacy of available space, costs of relocation and construction, and synergies and productivity.

The term of the proposed lease is 5 years beginning on June 1, 2020, with an option to extend the lease for 1 additional term of 5 years. Rent equates to $16.00 per square foot and will increase by 2% each year. Total rent over the term is $1,998,480 and includes all operating costs. No option to purchase the property is included in the lease.

The Department of Administration reports that lease payments will be funded through grant overhead recoveries, and the agency's submission represents that funding for payments will be sufficient throughout the lease term. No student fees are associated with the lease. The Department of Administration reports that comparable rates for similar commercial space in the area range from $16.50 to $21.00 per square foot.

COMMITTEE ACTION:

Review and make recommendation regarding the proposed lease.

ATTACHMENTS:

1. Department of Administration, Facilities Management and Property Services Agenda Item Worksheet.
2. Clemson University letter.
3. Sections 1-11-55 and 1-11-56 of the South Carolina Code of Laws.

[1] A South Carolina Limited Liability Company whose sole member is Clemson University Land Stewardship Foundation, Inc.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: May 6, 2020 **Regular Agenda**

1. **Submitted by:**

   (a) Agency: Department of Administration

   (b) Authorized Official Signature: Ashlie Lancaster, Director

2. **Subject:** Clemson University Lease of 1 Research Drive, Greenville, SC

3. **Summary Background Information:**

Clemson University's College of Engineering, Computing and Applied Sciences (CECAS) currently leases approximately 11,300 square feet of space in Greenville on the CU-ICAR Campus. The CECAS has experienced dramatic, unanticipated growth and is need of additional space to support this growth. Therefore, Clemson University (Clemson) requests approval to extend the existing term by three years and add 12,700 square feet to their current lease for a total of 24,000 square feet of office space at 1 Research Drive in Greenville, SC from LICAR, LLC, a South Carolina limited liability company, whose sole member is Clemson University Land Stewardship Foundation, Inc.

After contacting state agencies to verify no adequate State space was available, the Department of Administration solicited for commercial space. Three proposals were received with the selected location submitting the lowest bid. Additionally, the other two proposals do not have space immediately available and include construction renovation fees. These proposals would entail extensive costs for relocation and construction, and since they are not located in close proximity to existing facilities at CU-ICAR, travel time and loss of synergy would reduce productivity. The proposal for 1 Research Drive is immediately adjacent to the current rented space and already upfitted, which saves moving and construction costs, and the space is accordingly selected as the optimum site.

The lease term will be five years commencing on June 1, 2020, with the option to extend the term for up to one additional term of five years. The basic rental rate for the first year of the term will be $16.00 per square foot (which is the same as their current lease rate), for an annual aggregate amount of $384,000.00. The basic rent will increase annually by two percent (2%) as shown in the chart below. The total basic rent to be paid over the 5-year term will be $1,998,480.00.

TERM	ANNUAL RENT	RENT PER SF ROUNDED
YEAR 1	$384,000.00	$16.00
YEAR 2	$391,680.00	$16.32
YEAR 3	$399,600.00	$16.65
YEAR 4	$407,520.00	$16.98

YEAR 5 $415,680.00 $17.32

Clemson will be responsible for all operating costs which are estimated at $6.50 per square foot.

The following chart represents comparable lease rates of similar space:

Tenant	Location	Rate /SF
Vacant	2000 Wade Hampton Blvd., Greenville	$16.50
Vacant	200 Executive Center Drive, Greenville	$21.00

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

Clemson has adequate funds for the lease according to a Budget Approval Form submitted April 8, 2020, which also includes a multi-year plan. Lease payments will be funded through grant overhead recoveries. Clemson has indicated that no student fee increase will be associated with this lease. The lease was approved by Clemson University Board of Trustees on February 7, 2020 and was originally on the agenda for review by the Commission on Higher Education (CHE) at its April meeting which was canceled. It will now be reviewed by CHE at its May 7, 2020 meeting, and CHE has provided the attached letter indicating that they do not object to consideration by the JBRC prior to full Commission review.

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4. **What is the JBRC asked to do?** Approve the proposed five-year lease.

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

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6. **List of Supporting Documents:**
   (a) Letter from Clemson University dated March 17, 2020
   (b) SC Code of Laws Sections 1-11-55 and 1-11-56
   (c) Letter from Commission on Higher Education dated ___________

CLEMSON
UNIVERSITY

March 17, 2020

Ms. Ashlie Lancaster
Assistant Director
Division of General Services
Department of Administration
1200 Senate Street, Suite 408
Columbia, SC 29201

SUBJECT: Clemson University Lease for Space in Greenville, SC
One Research Drive

Finance and Operations

Clemson University
G06 Sikes Hall
Box 345302
Clemson, SC
29634-5302

P 864-656-2421
F 864-656-2008

Dear Ms. Lancaster,

Clemson University requests approval by the Joint Bond Review Committee and the State Fiscal Accountability Authority (SFAA) at their meetings on May 6 and May 12, 2020, respectively, for the attached lease between LICAR, LLC and Clemson University for space located at 1 Research Drive on the CU-ICAR Campus in Greenville, South Carolina. The enclosed lease was approved by the Clemson University Board of Trustees on February 7, 2020.

Clemson University's College of Engineering, Computing, and Applied Sciences (CECAS) currently leases approximately 11,300 square feet of space in Greenville on the CU-ICAR Campus. The space is utilized for programming and student enrichment opportunities which are interdisciplinary and include areas such as advanced manufacturing, computer science, mechanical engineering, and automotive engineering. The CECAS programs have grown more quickly than anticipated resulting in the need of additional space to support such growth. The new lease, for approximately 24,000 square feet, will provide for additional faculty offices, classrooms, and student and research spaces and will continue to promote synergistic programming with the programs already occurring in the Clemson University Campbell Graduate Education Center and Greenville Technical College's Center for Manufacturing Innovation.

A solicitation was conducted by the Real Property Services Section of the Department of Administration, and three responses were received. The LICAR, LLC response was selected due to the immediately adjacent space which can accommodate CECAS expansion needs, resulting in lower costs to expand given the space is already upfitted, as well as cost savings related to moving to another location and savings associated with loss of productivity associated with drive time between a separate location and the CU-ICAR campus. In addition, the LICAR space provides synergy with other CU students and faculty already located at CU-ICAR, the student service programs located on the Campus, and access to the Clemson network and the bus route to Clemson's main campus.

www.clemson.edu

CLEMSON
UNIVERSITY

The terms of the lease are listed below:

Location:	1 Research Drive Greenville, SC
Square footage:	24,000
Lease term:	June 1, 2020 – May 31, 2025
Annual lease amounts:	See chart below
Annual rental rate escalation:	2%
Total lease cost for the term:	$2,778,480
Source of Funds:	Grant overhead recoveries
Renewal Options:	One (1), five (5) year term

Finance and Operations

Clemson University
G06 Sikes Hall
Box 345302
Clemson, SC
29634-5302

P 864-656-2421
F 864-656-2008

Initial Term	Monthly Base Lease Rate	Annual Base Lease Rate	Rent Per Square Foot	Annual Operating Expenses*	Total Monthly Lease Rate	Total Annual Lease Rate
Year 1	$32,000	$384,000	$16.00	$156,000	$45,000	$540,000
Year 2	$32,640	$391,680	$16.32	$156,000	$45,640	$547,680
Year 3	$33,300	$399,600	$16.65	$156,000	$46,300	$555,600
Year 4	$33,960	$407,520	$16.98	$156,000	$46,960	$563,520
Year 5	$34,640	$415,680	$17.32	$156,000	$47,640	$571,680

**Operating expenses will be paid by Clemson as a pass through and are estimated at $6.50 per rentable square foot.*

Once approved, please send two of the originals of the lease back to my office for distribution. If you should have any questions or need any further documentation, please do not hesitate to contact me or Laura Stoner at (864) 283-7107.

Kindest regards,

Anthony E. Wagner

Anthony E. Wagner
Executive Vice President, Finance & Operations

Enclosure

Cc: Carol Routh
Laura Stoner

www.clemson.edu

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

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

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

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

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

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

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

Code Commissioner's Note

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

Effect of Amendment

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

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

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

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

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

(1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;

(2) establishing standards for the quality and quantity of space to be leased by a requesting agency;

(3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:

(a) a nonappropriation for the renting agency;

(b) a dissolution of the agency; and

(c) the availability of public space in substitution for private space being leased by the agency;

(4) rejecting an agency's request for additional space or space at a specific location, or both;

(5) directing agencies to be located in public space, when available, before private space can be leased;

(6) requiring the agency to submit a multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and

(7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.

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

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

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

Effect of Amendment

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

AGENCY: Department of Administration
Facilities Management and Property Services

SUBJECT: Proposed Lease
South Carolina Commission on Higher Education
1122 Lady Street, Columbia

The South Carolina Commission on Higher Education requests review of its proposal to lease 17,528 square feet of office space located at 1122 Lady Street from 1122 Lady Novel Coworking, LLC. The Commission currently leases 23,461 square feet at this same location at a rate of $11.93 per square foot and the current lease expires on June 30, 2020.

The SC Department of Administration conducted a solicitation following a determination that other state space was not available. Ten responses were received and seven locations were eliminated for a variety of reasons, including price, location, space configuration and parking concerns. Of the two remaining proposals, the Commission originally proposed selecting alternative space; however, due to a number of factors including uncertainty surrounding COVID-19 and a revised offer from the proposed landlord, the selected location was determined to be the least expensive and best alternative.

The term of the proposed lease is 10 years beginning on July 1, 2020. Rent equates to $17.50 per square foot and will increase $0.50 per square foot annually after the first year. Total rent over the term is $3,461,780. Rent includes all operating costs and includes a guarantee of up to 24 parking spaces in the building's basement garage at half of the landlord's current monthly rate. Additional parking at market rates is available in the basement garage and an adjacent City of Columbia garage. No option to purchase the property is included in the lease.

The Department of Administration reports that lease payments will be funded by a combination of state appropriations, Federal funds, and revenue generated by its licensing functions and PASCAL[1] subscription fees. The agency's submission represents that funding for payments will be sufficient throughout the lease term. The Department of Administration reports that comparable rates for similar commercial space in the Columbia area range from $19.06 to $19.50 per square foot.

COMMITTEE ACTION:

Review and make recommendation regarding the proposed lease.

ATTACHMENTS:

1. Department of Administration, Facilities Management and Property Services Agenda Item Worksheet.
2. SC Commission on Higher Education letter.
3. Sections 1-11-55 and 1-11-56 of the South Carolina Code of Laws.

[1] Partnership Among South Carolina Academic Libraries.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: May 6, 2020 **Regular Agenda**

1. **Submitted by:**

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

   Ashlie Lancaster, Director

2. **Subject:** SC Commission on Higher Education Lease at 1122 Lady Street, Columbia, SC

3. **Summary Background Information:**

The SC Commission on Higher Education (CHE) requests approval to lease no more than 17,528 square feet of office space at 1122 Lady Street in Columbia, SC from 1122 Lady Novel Coworking, LLC. CHE currently leases 23,461 square feet at 1122 Lady Street at a rate of $11.93/SF. The current lease expires on June 30, 2020.

After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for commercial space. Ten responses were received. Seven locations were eliminated based on price and one based on location, space configuration, and parking concerns. Of the remaining two proposals, CHE originally proposed selecting the alternative space, however, due to a myriad of factors, including uncertainty around COVID-19 and a revised offer from the proposed Landlord, the selected location, which will include 32 workstations at no additional cost, is less expensive per square foot, and will save the agency from paying higher moving costs, is overall the best option.

The lease term will be ten years commencing on July 1, 2020. The monthly rental rate for the first year will be $17.50 per square foot, for a maximum annual aggregate amount of $306,740.00. Thereafter, the rate increases by $.50 per square foot annually. The maximum total rent to be paid over the 10-year term will be $3,461,780 as shown in the chart below.

TERM	PERIOD: FROM - TO	ANNUAL RENT	MONTHLY RENT	RENT PER SF
YEAR 1	7/1/2020 - 6/30/2021	$306,740	$25,562	$17.50
YEAR 2	7/1/2021 – 6/30/2022	$315,504	$26,292	$18.00
YEAR 3	7/1/2022 - 6/30/2023	$324,268	$27,022	$18.50
YEAR 4	7/1/2023 - 6/30/2024	$333,032	$27,753	$19.00
YEAR 5	7/1/2024 - 6/30/2025	$341,796	$28,483	$19.50
YEAR 6	7/1/2025 – 6/30/2026	$350,560	$29,213	$20.00
YEAR 7	7/1/2026 – 6/30/2027	$359,324	$29,944	$20.50
YEAR 8	7/1/2027 - 6/30/2028	$368,088	$30,674	$21.00
YEAR 9	7/1/2028 - 6/30/2029	$376,852	$31,404	$21.50
YEAR 10	7/1/2029 – 6/30/2030	$385,616	$32,135	$22.00

Tenant will be guaranteed up to twenty-four (24) parking spaces in the Building's basement garage for the Term of the Lease ("Parking Allotment") at $45.00 per space per month, half the cost of the Landlord's current monthly rate. Additional parking spaces at market rates are also available in the basement garage and the City of Columbia parking garage located adjacent to the building.

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

Tenant	Location	Rate /SF
SC Department of Natural Resources	2025 Barnwell Street	$19.11
Office of the Attorney General	1201 Main Street	$19.06
Vacant	1600 Williams St	$19.50

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

CHE has adequate funds for the lease according to a Budget Approval Form submitted April 10, 2020. Lease payments will be made from a combination of state appropriations, Federal funds, and revenue generated from PASCAL subscriptions and licensing.

No option to purchase the property is included in the lease.

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4. **What is the JBRC asked to do?** Approve the proposed ten-year lease.

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

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6. **List of Supporting Documents:**
   (a) Letter from CHE dated April 10, 2020
   (b) SC Code of Laws Sections 1-11-55 and 1-11-56

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

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

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

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

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

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

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

Code Commissioner's Note

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

Effect of Amendment

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

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

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

(1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;

(2) establishing standards for the quality and quantity of space to be leased by a requesting agency;

(3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:

(a) a nonappropriation for the renting agency;

(b) a dissolution of the agency; and

(c) the availability of public space in substitution for private space being leased by the agency;

(4) rejecting an agency's request for additional space or space at a specific location, or both;

(5) directing agencies to be located in public space, when available, before private space can be leased;

(6) requiring the agency to submit a multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and

(7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.

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

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

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

Effect of Amendment

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

AGENCY:	Department of Administration Executive Budget Office
SUBJECT:	Permanent Improvement Project with Financing Component Francis Marion University Griffin Athletic Complex Fieldhouse and Smith University Center Renovations and Improvements

Francis Marion University requests Phase II review to establish full design and construction of an addition to the Griffin Athletic Complex and renovations to the Smith University Center. The project will be funded with proceeds from the issuance of Athletic Facilities Revenue Bonds.

Permanent Improvement Project. The project was established in October 2019 with a Phase I budget of $48 thousand, funded with university maintenance reserve funds. This request will increase the project budget to $3.2 million, funded by proceeds from the issuance of Athletic Facilities Revenue Bonds.

The project provides for construction of an approximately 8,500 square foot addition to the existing field house for an athletic training and therapy room, fitness and weight facility, offices, and a locker room. The existing fieldhouse is an approximately 7,600 square foot building and is 7 years old. The fieldhouse addition will be constructed to achieve LEED certification with anticipated energy savings of $159 thousand over a 30-year period.

The Smith University Center will be renovated to include locker rooms for men and women, showers, athletic training facilities and offices. The university center is an approximately 115,000 square foot building and is 45 years old.

The facilities are expected to support 250 student athletes, and provide renovated locker room amenities for use by the general student population, faculty, and staff members, as well as additional support space for athletic administration.

Execution of the construction contract is expected in June 2020, with completion of construction in February 2021.

Athletic Facilities Revenue Bonds of Francis Marion University. Francis Marion proposes funding the $3.2 million of permanent improvements with not exceeding $8,865,000 Athletic Facilities Revenue Bonds of the University, which includes the refinancing of $5,285,000 in existing Athletic Facilities Revenue Bonds, and expenses associated with issuance of the bonds. Francis Marion expects to achieve savings of approximately $618,000 over the remaining life of the refinanced debt.

The University is authorized pursuant to Section 59-133-240 of the SC Code of Laws to issue bonds to acquire, construct, and equip additional athletic facilities, and to improve, renovate and equip existing athletic facilities. The University projects that, following issuance of these Bonds, the outstanding principal amount of all Athletic Facilities Revenue Bonds of the University will not exceed $8,865,000.

The Bonds will be payable from and secured by a pledge of Net Revenues of the Athletic Department and the gross receipts from the imposition of any Special Student Fee and any Admissions Fee, as those terms are defined in the Bond Resolutions. Francis Marion currently imposes a student activity fee of $312 annually per full time student, of which fee $267 supports debt service for the bonds. The University does not impose an Admissions Fee.

The University states that no increases in student fees or tuition are needed to support the project.

The term of the proposed bonds is anticipated to be 15 years. Exhibit B included in the supporting documentation reflects the debt service requirements for all of the University's existing and proposed Athletic Facilities Revenue Bonds, with maximum composite debt service projected at $750,313. Based on current collections, revenue coverage of debt service following issuance of the bonds is projected to range from 1.19 to 1.20 times through FY2033-34.

The full faith and credit of neither the University nor the state will be pledged to the payment of the proposed bonds. Furthermore, no mortgage or lien will be given on any real property of the University.

COMMITTEE ACTION:

1. Review and make recommendation regarding the request of Francis Marion University to establish full design and construction of an addition to the Griffin Athletic Complex and renovations to the Smith University Center, to be funded by proceeds from the issuance of Athletic Facilities Revenue Bonds.
2. Review and make recommendation regarding the University's request for issuance of not exceeding $8,865,000 Athletic Facilities Revenue Bonds of the University.

ATTACHMENTS:

1. Department of Administration, Executive Budget Office Agenda Item Worksheet.
2. Bond Information Report and Exhibits.

AVAILABLE UPON REQUEST:

1. Title 59, Chapter 133 of the SC Code of Laws.
2. Bond Resolution adopted by Board of Trustees of Francis Marion University on March 5, 2020, providing for the issuance of Athletic Facilities Revenue Bonds of Francis Marion University.
3. Series Resolution adopted by the Board of Trustees on March 5, 2020, authorizing the issuance of the Bonds, subject to review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: **May 6, 2020** **Regular Agenda**

1. **Submitted By:**
   (a) Agency: Department of Administration
   (b) Authorized Official Signature: Brian J. Gaines Director, Executive Budget Office

2. **Subject:**

   Francis Marion University – Athletics Renovations/Improvements – GAC Fieldhouse & Smith Univ. Ctr.

3. **Summary Background Information:**

Establish Construction Budget & Change Source of Funds

Project: Francis Marion University
H18.9580: Athletics Renovations/Improvements – GAC Fieldhouse & Smith Univ. Ctr.

Request: Establish Phase II for renovations and improvements to Griffin Athletic Complex field house and the Smith University Center buildings.

Included in CPIP: Yes – 2019 CPIP Priority 3 of 3 in FY20 (estimated at $3,200,000)
Phase I Approval: October 2019 (estimated at $3,200,000) (JBRC/SFAA)
CHE Approval: 2/6/20
Supporting Details: Pages 1-12

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Revenue Bonds				3,200,000	3,200,000
Other, FMU Maintenance Reserve	48,000		48,000	(48,000)	
All Sources	48,000		48,000	3,152,000	3,200,000

Summary of Work: The Smith University Center renovations include locker rooms for men and women, showers, athletic training facilities, and offices. The field house additions include a one-story 8,500 square foot expansion of the existing field house to include an athletic training/therapy room, fitness/weight facility, offices, and locker room. The Griffin Athletic Complex Fieldhouse addition will be designed to meet LEED certification standards with anticipated energy savings of $159,375 over a 30-year period.

Rationale: The Smith University Center facility fails to meet the needs of the programs. The current training room does not meet the minimum National Athletic Trainers' Association requirements. The field house currently has no established training/therapy facilities. Locker space does not accommodate student athletes. The university does not have a fitness/weight facility for dedicated use by student-athletes.

Facility Characteristics: The Griffin Athletic Complex Fieldhouse is 7,563 square feet and was constructed in 2013 (7 years old). The locker and training/therapy space will serve 150 individuals daily. The Smith University Center is 115,366 square feet and was constructed in 1974 (45 years old). The renovated space will serve approximately 200 individuals daily.

Financial Impact: The project will be funded from Revenue Bonds ($3.2 million). The project is expected to result in an increase of $6,000 (years 1 thru 3), in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently $200 per student per semester, and has increased from $100 to $200 for the academic years 2014-2015 to 2019-2020 respectively.

Full Project Estimate: $3,200,000 (internal) funded by Revenue Bonds. Contract execution is expected in June 2020 with construction completion in February 2021.

Project Details: In the Smith University Center, the current locker rooms and showers haven't had many improvements since the building was constructed. The functionality of the facility fails to meet the needs of the programs and these renovations will bring the facilities to modern standards. This renovation will double the square footage and will provide increased rehabilitation facilities. Currently, staff members are using closet space for offices, and this renovation will afford improved and increased office space. In the field house, the current weight room is shared between the student-athletes and the student body which creates hardships on both groups with the shared scheduling. With the growth in athletic programs, current locker room space does not accommodate the additional student athletes. This expansion allows for a locker room to be used by the FMU baseball team, visiting baseball and softball teams as well as the men's and women's soccer teams.

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4. What is JBRC asked to do?

Consider approval of the Permanent Improvement Project Phase II.

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5. What is the recommendation of the Department of Administration?

The item is complete and ready for JBRC review.

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6. List of Supporting Documents:

1. Permanent Improvement Project Phase II
2. Bond Documents

POPE FLYNN
GROUP

Pope Flynn, LLC
1411 Gervais Street, Suite 300
Post Office Box 11509 (29211)
Columbia, SC 29201

MAIN 803.354.4900
FAX 803.354.4899
www.popeflynn.com

February 13, 2020

Mr. F. Richard Harmon, Jr.
Senate Finance
111 Gressette Building
Columbia, South Carolina 29202

Re: Not Exceeding $8,865,000 of Athletic Facilities Revenue Bonds, Series 2020 of Francis Marion University (the "Bonds")

Dear Rick:

On behalf of Francis Marion University, we respectfully request that the Joint Bond Review Committee review the proposed issuance of the Bonds pursuant to Section 59-133-240 of the Code of Laws of South Carolina 1976, as amended, at its meeting currently scheduled for March 18, 2020. In furtherance of such review, please find enclosed each of the follow items:

1. Information detailing the proposed financing in accordance with the policy adopted by the Joint Bond Review Committee on October 7, 2014, and amended on September 13, 2016;

2. A copy of a bond resolution proposed to be adopted by the Board of Trustees of Francis Marion University (the "Board of Trustees") on March 5, 2020 providing for the issuance of Athletic Facilities Revenue Bonds of Francis Marion University; and

3. A copy of a series resolution proposed to be adopted by the Board of Trustees on March 5, 2020, authorizing the issuance of the Bonds, subject to review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.

Please let us know should you require anything further or if you have any questions regarding the enclosed.

Very truly yours,

Gary T. Pope, Jr.

c: Darryl L. Bridges, Vice President of Finance & Facilities, Francis Marion University
Kevin Kibler, Senior Assistant State Treasurer, Office of State Treasurer
Jennifer LoPresti, Capital Budgeting Manager, South Carolina Department of Administration

Enclosures

Francis Marion University Bond Information Report

Prepared in Connection with the Proposed Authorization of

Not Exceeding $8,865,000 of Francis Marion University
Athletics Facilities Revenue Bonds, Series 2020

February 13, 2020

Revenues Pledged to Pay the Bonds. Francis Marion University's Athletic Facilities Revenue Bonds are payable from, and are secured by a pledge of, the Net Revenues of the Athletic Department and the gross receipts from the imposition of any Special Student Fee and any Admissions Fee ("Pledged Revenues"). The University does impose a Special Student Fee, but does not impose an Admissions Fee, under Section 59-133-330(1)(a) of the Code of Laws of South Carolina 1976, as amended. Such Pledged Revenues available for debt service for the fiscal year ended June 30, 2019, totaled $877,934. The estimated debt service requirements on all existing, authorized, and proposed Athletic Facilities Revenue Bonds are attached as Exhibit A. Exhibit B reflects estimated maximum annual debt service of $750,313 in the fiscal year ending June 30, 2032, and anticipated debt service coverage ranging from 1.19 to 39.23 times annual debt service on a pro forma basis.

New Revenue Generation. The primary purpose of this project is to provide funds for improvements and renovations to the Griffin Athletic Complex field house and the Smith University Center building. The Smith University Center has not been renovated since construction in 1974 and is marginally functional for its intended purpose. The renovation will double the square footage of the facility and substantially enhance its usability. The Griffin Athletic Complex additions will allow for increased usage of athletic facilities by students and student athletes by reducing scheduling pressure on athletic facilities. These projects described above are vital to the University's efforts to enhance student life and manage enrollment by increasing student athlete matriculation. Current student-athlete headcount for academic year 2019-20 is approximately 250, compared to 190 to 205 in recent years. The Special Student Fee described above currently comprises all of the available Pledged Revenues. Any additional matriculation generated by or supported by the improvements will result in additional Special Student Fees, which are charged on a per capita basis.

Other Funds Available to Pay Bonds. Purchasers of the Athletic Facilities Revenue Bonds are limited in recourse to the Pledged Revenues. Student tuition would not be used to pay debt service on the Athletic Facilities Revenue Bonds.

Special Student Fees. No Credit of the State. No Mortgage. The primary intended payment source for the Athletic Facilities Revenue Bonds are Special Student Fees imposed pursuant to Section 59-133-330(1)(a) of the Code of Laws of South Carolina 1976, as amended; no Admissions Fee is currently imposed under that authorization. Neither the full faith and credit of Francis Marion University nor the State of South Carolina has been pledged to the payment of the Athletic Facilities Revenue Bonds. Further, no mortgage or lien has been or will be given on any real property of Francis Marion University.

Exhibit A

Athletic Facilities Revenue Bonds - Debt Service

			Debt Service on Proposed Bond Issue			
			Refunding	New Money		
Fiscal Year	Existing Debt Service	Debt Service On Authorized but Unissued Bonds	Refunding Savings	Principal	Interest	Total Composite Debt Service
6/30/2020	$ 131,597	$ -	$ (117,765)	$ -	$ 8,985	$ 22,817
6/30/2021	672,735	-	(57,575)	50,000	84,500	749,660
6/30/2022	671,321	-	(58,041)	50,000	83,250	746,530
6/30/2023	668,911	-	(52,811)	50,000	82,000	748,100
6/30/2024	670,381	-	(56,761)	55,000	80,688	749,308
6/30/2025	670,605	-	(54,765)	55,000	79,313	750,153
6/30/2026	669,585	-	(56,825)	55,000	77,938	745,698
6/30/2027	672,195	-	(57,815)	55,000	76,563	745,943
6/30/2028	668,435	-	(52,795)	55,000	75,188	745,828
6/30/2029	673,182	-	(61,582)	65,000	73,688	750,288
6/30/2030	671,310	-	(59,050)	65,000	72,063	749,323
6/30/2031	-	-	-	685,000	62,688	747,688
6/30/2032	-	-	-	705,000	45,313	750,313
6/30/2033	-	-	-	720,000	27,500	747,500
6/30/2034	-	-	-	740,000	9,250	749,250
Totals	$ 6,840,254	$ -	$ (685,782)	$ 3,405,000	$ 938,923	$ 10,498,395

Exhibit B

Athletic Facilities Revenue Bonds - Coverage

Fiscal Year	Composite Debt Service	FY19 Pledged Revenues	Coverage Ratio Based on FY19 Pledged Revenues	Pro Forma Pledged Revenues*	Total Pro Forma Pledged Revenues	Pro Forma Coverage Ratio
6/30/2020	$ 22,817	$ 877,934	38.48	$ 895,129	$ 895,129	39.23
6/30/2021	749,660	877,934	1.17	895,129	895,129	1.19
6/30/2022	746,530	877,934	1.18	895,129	895,129	1.20
6/30/2023	748,100	877,934	1.17	895,129	895,129	1.20
6/30/2024	749,308	877,934	1.17	895,129	895,129	1.19
6/30/2025	750,153	877,934	1.17	895,129	895,129	1.19
6/30/2026	745,698	877,934	1.18	895,129	895,129	1.20
6/30/2027	745,943	877,934	1.18	895,129	895,129	1.20
6/30/2028	745,828	877,934	1.18	895,129	895,129	1.20
6/30/2029	750,288	877,934	1.17	895,129	895,129	1.19
6/30/2030	749,323	877,934	1.17	895,129	895,129	1.19
6/30/2031	747,688	877,934	1.17	895,129	895,129	1.20
6/30/2032	750,313	877,934	1.17	895,129	895,129	1.19
6/30/2033	747,500	877,934	1.17	895,129	895,129	1.20
6/30/2034	749,250	877,934	1.17	895,129	895,129	1.19

* Such amount represents actual, unaudited receipts to date in Fiscal Year ending June 30, 2020

02-20
RESOLUTION
for
Issuance of Athletic Facilities Revenue Bonds, Series 2020

Whereas, pursuant to SECTION 59-133-210 through 59-133-350, of the Code of Laws of South Carolina 1976, as amended, the South Carolina General Assembly has provided continuing and general statutory authority for Francis Marion University to issue Athletic Facilities Revenue Bonds for the purpose of acquiring, constructing, improving, renovating and equipping certain athletic facilities, which bonds are secured by, inter alia, Special Student Fees, and to refund the same;

Whereas, by Resolution 03-19, the Board of Trustees of the University has previously approved the issuance of Athletic Facilities Revenue Bonds to (a) effect a current refunding of its $8,500,000 original principal amount Athletic Facilities Revenue Bond, Series 2009, presently outstanding in the principal amount of $5,285,000 in order to obtain debt service savings, (b) defray the costs of certain athletic projects estimated to cost $3,200,000, and (c) provide for the costs of issuance of such bonds, in an aggregate principal amount not exceeding $8,865,000 (the "Financing"); and

Whereas, the Board of Trustees has been advised that certain advantages may be realized through the adoption of new bond documents in order to effect the Financing and is so minded to proceed.

Be it therefore resolved, that the Bond Resolution attached hereto as "Exhibit A" and the Series Resolution attached hereto as "Exhibit B" are approved, ratified, and adopted in their entirety.

APPROVED: ______________________________

Secretary,
Board of Trustees for Francis Marion University

DATE: 3-5-20

Presented by the Finance and Facilities Committee
March 2020

AGENCY: Department of Administration
Executive Budget Office

SUBJECT: Permanent Improvement Project with Financing Component
Lander University
Field House II Development and Intramural Field Renovation

Lander University requests Phase II review to establish full design and construction for renovation to the interior of a vacant warehouse building located on the Lander Athletic Complex and conversion to a field house, and for renovation of the existing campus intramural field by conversion from natural grass to artificial turf. The projects will be funded with a gift of the Lander Foundation and proceeds from the issuance of SC JEDA Bonds on behalf of Lander RWS Properties, LLC, of which the Lander Foundation is the sole member.

Permanent Improvement Project. The projects were established in January 2020 with Phase I budgets of $23,850 and $18,750 for the field house and intramural field renovation projects, respectively, each funded with Lander Foundation funds. This request will increase the field house project budget to $1,590,000, and will increase the intramural renovation project to $1,250,000, each funded by proceeds from the issuance of JEDA bonds, which bonds will be secured by rental payments made by the University to Lander RWS Properties in connection with modifications to an existing lease.

The field house development project will upgrade HVAC, lighting, fire alarm and protection, and plumbing systems, including restroom expansions, and will include work on interior walls, floors and ceilings. The existing facility is a 17,800 square foot former public gymnasium constructed in the 1960s. The field house will support the lacrosse and wrestling programs, and will be used by more than 100 student athletes and 8 coaching staff.

The intramural field renovation project will include replacement of natural grass with artificial turf and installation of new drainage, lighting and scoreboard systems, and limited perimeter fencing. The existing natural grass intramural field was constructed in 1980, and is expected to support all 3,200 students who attend the university.

Execution of the construction contract is expected in May 2020, with completion of construction in November 2020.

SC JEDA Economic Development Revenue Bonds. Lander proposes funding the permanent improvements with not exceeding $3,825,000 SC Jobs-Economic Development Authority Economic Development Revenue Bonds (Lander RWS Properties, LLC Project), which bonds will be secured by rental payments made pursuant to an existing lease between the University and Lander RWS Properties.

The existing lease will be modified to adjust rental payments from $691,000 to $867,000 per year for the remaining term ending October 30, 2039, to defray the costs of renovation to the fieldhouse and intramural field that are the subject of the permanent improvement projects described herein, and to refinance an existing note on another, existing fieldhouse. The modifications to the existing lease will coincide with the termination of a lease approved by the South Carolina Budget and Control Board and effective as of September 5, 2012, pursuant to which rent is paid in an amount of $176,000 for a second fieldhouse, with a term through December 31, 2030. The lease modification adds the second fieldhouse to the leased premises, and bond proceeds are proposed to be used to refinance a borrowing on the second fieldhouse.

The University states that no increases in student fees or tuition are needed to support the project.

The term of the proposed bonds is anticipated to be 15 years. Exhibit B included in the supporting documentation reflects the debt service requirements on the bonds, with maximum composite debt service excluding the final year projected at $842,843. The final year of debt service reflects a total payment of $4,764,793, which the University and the Foundation expect to refinance for a term that will not extend beyond the December 31, 2039, termination date of the modified lease. Revenue coverage of debt service following issuance of the bonds is projected dollar for dollar through FY2033-34.

The full faith and credit of neither the University nor the state will be pledged to the payment of the proposed bonds. Lander RWS Properties will grant a mortgage on the premises subject to the modified lease. Payments under the modified lease are the sole source of funds available for debt service, as both Lander RWS Properties and the Foundation have limited resources and such resources are not available to provide further support to the bonds.

COMMITTEE ACTION:

1. Review and make recommendation regarding the request of Lander University for Phase II review to establish full design and construction for renovation to the interior of a vacant warehouse building located on the Lander Athletic Complex and conversion to a field house, and for renovation of the existing campus intramural field by conversion from natural grass to artificial turf.
2. Review and make recommendation regarding the University's request for modification of the existing lease, rental payments for which will be used to secure and make payments of debt service on not exceeding $3,825,000 SC Jobs-Economic Development Authority Economic Development Revenue Bonds (Lander RWS Properties, LLC Project).

ATTACHMENTS:

1. Department of Administration, Executive Budget Office Agenda Item Worksheet.
2. Bond Information Report and Exhibits.
3. Department of Administration, Facilities Management and Property Services Agenda Item Worksheet.

AVAILABLE UPON REQUEST:

1. Lease Modification Agreement.
2. Loan Agreement.
3. Other financing documents and agreements to be executed in connection with the bond financing.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: May 6, 2020 **Regular Agenda**

1. Submitted By:
(a) Agency: Department of Administration
(b) Authorized Official Signature: Brian J. Gaines Director, Executive Budget Office

2. Subject:

Lander University – Field House II Development
Lander University – Intramural Field Renovation

3. Summary Background Information:

Establish Construction Budget

1. Project: Lander University
H21.9541: Field House II Development

Request: Establish Phase II to renovate the interior of a vacant 17,800 square foot warehouse building located on the Lander Athletic Complex, and owned by the Lander Foundation RWS, LLC, to convert it to a field house.

Included in CPIP: No – Construction cost was unknown but anticipated to be below the permanent improvement project threshold at the time of the 2019 CPIP submission.
Phase I Approval: January 2020 (estimated at $1,590,000) (JBRC/SFAA)
CHE Approval: 3/5/20
Supporting Details: Pages 13-28

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Lander Foundation (JEDA Bonds, Series 2020A)	23,850		23,850	866,150	890,000
Other, Lander Foundation (Gift)				700,000	700,000
All Sources	23,850		23,850	1,566,150	1,590,000

Summary of Work: The renovation will consist of an HVAC upgrade, plumbing upgrades to include restroom expansions, lighting upgrades, fire alarm system, fire protection sprinkler system modifications, floor space division, interior wall finishing, flooring, and ceilings.

Rationale: There is currently not a field house for the wrestling team and the men's and women's lacrosse teams. These sports are currently operating in previously reserved student recreation areas and out of portable sheds.

Facility Characteristics: The facility is 17,800 square feet and was constructed in the 1960's (actual age unknown). The field house will be utilized by the men's and women's lacrosse teams (65 total) and the wrestling team (46) will train (practice) in the facility.

	The building will be occupied by the respective team members and the supporting coaching staff (8).
Financial Impact:	The project will be funded from Lander Foundation, Gift Funds and Lander Foundation, RWS (Recreation, Wellness & Sports) Funds (uncommitted balance $157K at January 24, 2020). Revenue will be from JEDA Bonds, Series 2020A to be issued with a lease by the university securing the transaction. Modification of an existing lease will be requested for consolidation and transparency purposes. The project is expected to result in an increase of $11,520 (year 1), $25,206 (year 2), and $26,300 (year 3), in annual operating expenses. No student fees or tuition will be increased as a consequence of the project.
Full Project Estimate:	$1,590,000 (internal) funded by Other, Lander Foundation Funds. Contract execution is expected in May 2020 with construction completion in October 2020.
Other:	The building was once a public gym. The renovation will convert the interior into a field house and include coach's offices, weight room, training area for the wrestling team, locker rooms, restroom/shower facilities, while reserving three spaces for team meeting rooms or locker rooms. This permanent improvement project was referenced in the University's lease request approved by the State Fiscal Accountability Authority at its October 15, 2019 meeting.

2. Project: Lander University
H09.9542: Intramural Field Renovation

Request: Establish Phase II to renovate the existing campus intramural field by transitioning the natural grass surface to artificial turf.

Included in CPIP: No – At the time of the 2019 CPIP submission it was unknown that the project would exceed $1 million.
Phase I Approval: January 2020 (estimated at $1,250,000) (JBRC/SFAA)
CHE Approval: 3/5/20
Supporting Details: Pages 29-38

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Lander Foundation (JEDA Bonds, Series 2020A)	18,750		18,750	1,231,250	1,250,000
All Sources	18,750		18,750	1,231,250	1,250,000

Summary of Work: The field renovation will include a synthetic re-surfacing, drainage system, new lighting system, scoreboard system and limited perimeter fencing.

Rationale: The natural turf field cannot handle the water and wear and tear needed on a daily basis, and therefore a synthetic turf field is the best option. The improved field will allow for increased usage during all weather conditions and during expanded hours, which will improve the utilization of the field by the students.

Facility Characteristics: The existing 251 x 389 foot natural grass intramural field was constructed in 1980 (40 years old). The field can be utilized by all 3,200 students who attend the university while 780 students currently participate in intramural programs.

Financial Impact: The project will be funded from Lander Foundation, RWS (Recreation, Wellness & Sports) Funds (uncommitted balance $157K at January 24, 2020). Revenue will be from JEDA Bonds, Series 2020A to be issued with a lease by the university securing the transaction. Modification of an existing lease will be requested for consolidation and transparency purposes. The project is expected to result in an increase of $4,750 (year 1), $7,500 (year 2), and $9,750 (year 3), in annual operating expenses. No student fees or tuition will be increased as a consequence of the project.

Full Project Estimate: $1,250,000 (internal) funded by Other, Lander Foundation Funds. Contract execution is expected in May 2020 with construction completion in November 2020.

Other: This project will allow for increased usage of the field by intramural sports, club sports, academic classes, collegiate athletics practice for Men's and Women's Lacrosse and an occasional competition. The student intramural program will utilize this field throughout the year. The construction of the newest student-housing complex used this field for a lay-down area disturbing the field surface and irrigation. The former lighting system is inoperative with half of the fixtures removed to allow for the construction. This permanent improvement project was referenced in the University's lease request approved by the State Fiscal Accountability Authority at its October 15, 2019 meeting.

4. What is JBRC asked to do?

Consider approval of the Permanent Improvement Projects Phase II.

---

5. What is the recommendation of the Department of Administration?

The item is complete and ready for JBRC review.

---

6. List of Supporting Documents:

1. Permanent Improvement Project Field House II Development Phase II
2. Permanent Improvement Project Intramural Field Renovation Phase II
3. Lander University Bond Information Report

Lander University Bond Information Report

Prepared in Connection with the Proposed Authorization of
a Modified Lease to be Used as Security for the

$3,825,000*
South Carolina Jobs-Economic Development Authority
Economic Development Revenue Bonds
(Lander RWS Properties, LLC Project)
Series 2020

February 13, 2020

* Preliminary, subject to adjustment as described herein.

I. Introduction

This Information Report has been prepared by Lander University (the "University") in connection with a proposed lease modification of an existing lease agreement (the "Modification") between the University and Lander RWS Properties, LLC (the "Borrower"). The Lander Foundation (the "Foundation") is the sole member of the Borrower.

The existing lease agreement between the University and the Borrower, approved by the State Fiscal Accountability Authority and effective as of October 15, 2019 (the "Existing Lease"), replaced a prior lease and allowed for the Borrower to restructure a prior borrowing on more advantageous terms through the issuance of refunding bonds (the "2019 Bonds"). Rent may not exceed $691,000 under the terms of the Existing Lease, and the Existing Lease term ends on October 30, 2039. No new money projects were undertaken in connection with the refinancing associated with the Existing Lease.

The Modification adds two fieldhouses (referred to herein as "Fieldhouse #1" and "Fieldhouse #2, and together as the "Fieldhouses") to the Existing Lease and increases the not to exceed rent thereunder from $691,000 to $867,000[1] per year for the remaining term ending October 30, 2039 (the Existing Lease, upon the Modification, the "Modified Lease"). The University currently leases Fieldhouse #1 from the Borrower pursuant to a lease agreement approved by the South Carolina Budget and Control Board and effective as of September 5, 2012 (the "Field House #1 Lease"), pursuant to which rent is paid in an amount of $176,000. The Field House #1 Lease terminates on December 31, 2030. Should the Modification be approved, the University and the Borrower will terminate the Field House #1 Lease.

Through authorizing the additional annual payment of $176,000 for the full term of the Existing Lease, the Foundation will be able to secure financing in an amount of approximately $3,825,000 in order to refinance an existing note on Fieldhouse #1, and defray all or a portion of the costs necessary to undertake an interior renovation of Fieldhouse #2, and add a synthetic turf playing surface and lighting to the existing intramural fields on the main campus of the University. The refinancing of the note on Fieldhouse #1 will require approximately $1,100,000 of refinancing proceeds. The Fieldhouse #2 project and the intramural field project have been submitted through the permanent improvement project process at not to exceed amounts of $1,590,000 and $1,250,000, respectively.

In connection with the 2019 Bonds, a competitive procurement of loans was undertaken by Stephens Inc., financial advisor to the Borrower, and Regions Capital Advantage, Inc. proposed the most advantageous terms. Stephens Inc. has advised the University and the Borrower that, given discussions with lenders and prevailing interest rates, the borrowing contemplated in connection with the Modification (the "2020 Bonds") may be executed on materially similar terms.

[1] The annual rent payments under the Existing Lease of $691,000 plus the current annual rent payments under the Fieldhouse #1 Lease of $176,000 equal the proposed consolidated annual payment under the Modified Lease of $867,000.

II. Lander University Bond Information Report Responsive to October 7, 2014 and September 13, 2016 Joint Bond Review Committee Policies

$3,825,000*
South Carolina Jobs-Economic Development Authority
Economic Development Revenue Bonds
(Lander RWS Properties, LLC Project)
Series 2020

Revenues Pledged to Pay the Bonds. The above-referenced bonds (the "2020 Bonds") will be secured by an assignment to the lender (the "Lender") by the South Carolina Jobs-Economic Development Authority (the "Authority") and the Borrower of a variety of documents, but the primary document will be an existing lease between the University and the Borrower, as modified to include the Fieldhouses (the "Modified Lease") that will provide for annual payments from the University to the Borrower. The payments under the Modified Lease (the "Modified Lease Payments") will total not exceeding $867,000 annually and will be used to pay debt service on the 2020 Bonds in addition to the 2019 Bonds (together, the "Bonds"). The University will not impose any special fees in connection with the Bonds. The estimated debt service requirements on the 2020 Bonds are shown in Table 1 below. Table 2 below reflects estimated maximum annual debt service of $842,843 in the fiscal year ending June 30, 2027, and debt service coverage equal to annual debt service per the terms of the New Lease, excepting the bullet maturity in Fiscal Year ending June 30, 2035. The University and the Foundation anticipate and expect to refinance the bullet maturity in Fiscal Year ending June 30, 2035, for a term consistent with the December 31, 2039 term of the Modified Lease.

New Revenue Generation. No new revenues will be directly generated as a result of the projects financed with the 2020 Bonds, however the University expects to be able to accommodate a larger student body due to the continued and expanded use of the Athletic Complex by student athletes.

Other Funds Available to Pay Bonds. The Modified Lease will provide all funds necessary to pay debt service on the Bonds. No other funds are pledged to the payment of the Bonds and the Borrower has no other resources available for such payments. The Foundation, which is the sole member of the Borrower, has very limited resources and the Foundation's resources are necessary for the Foundation to perform its function.

No Special Student Fees. No Credit of the State. Mortgage. No Special Student Fee is currently imposed or contemplated to pay the 2020 Bonds. Neither the full faith and credit of the University nor the State of South Carolina has been pledged to the payment of the 2020 Bonds. The Borrower will grant a mortgage on the premises subject to the Modified Lease to the lender

* Preliminary, subject to change.

to secure the Bonds; however, such mortgage shall be on property of the Borrower and not the State or the University. The obligations of the University under the Modified Lease will be subject to cancellation as set forth at Section 1-11-56(3) of the Code of Laws of South Carolina 1976, as amended, as required by State law.

Table 1

Lander RWS, LLC - Debt Service						
				Debt Service on Proposed Bond Issue		
Fiscal Year	2019 Bonds	Existing Field House #1 Note	Less Field House #1 Note	Principal	Interest	Total Composite Debt Service
6/30/2020	$ 67,505	$ 29,326	$ (29,326)	$ -	$ -	$ 67,505
6/30/2021	601,611	175,954	(175,954)	150,000	72,149	823,759
6/30/2022	597,574	175,954	(175,954)	145,000	90,423	832,997
6/30/2023	598,036	175,954	(175,954)	155,000	86,658	839,694
6/30/2024	598,247	175,954	(175,954)	160,000	82,705	840,952
6/30/2025	598,207	175,954	(175,954)	160,000	78,689	836,896
6/30/2026	597,916	175,954	(175,954)	160,000	74,673	832,589
6/30/2027	597,374	175,954	(175,954)	175,000	70,468	842,843
6/30/2028	601,519	29,326	(29,326)	175,000	66,076	842,594
6/30/2029	600,349	-	-	175,000	61,683	837,032
6/30/2030	598,929	-	-	185,000	57,165	841,094
6/30/2031	602,194	-	-	185,000	52,522	839,716
6/30/2032	600,146	-	-	190,000	47,816	837,962
6/30/2033	597,847	-	-	195,000	42,984	835,831
6/30/2034	600,235	-	-	200,000	38,027	838,261
6/30/2035	3,381,917	-	-	1,415,000	17,758	4,814,675
Totals	$ 11,839,606	$ 1,290,327	$ (1,290,327)	$ 3,825,000	$ 939,793	$ 16,604,400

Note: Estimated debt service is calculated at a per annum rate of 2.5% given current market conditions, but could be higher or lower depending on market rates at the closing of the transaction.

Table 2

Lander RWS, LLC - Coverage

Fiscal Year	Composite Debt Service	New Lease Payments	Coverage Ratio Based on New Lease Payments	Pro Forma Pledged Revenues	Total Pro Forma Pledged Revenues	Pro Forma Coverage Ratio
6/30/2020	$ 67,505	$ 67,505	1.00	$ -	$ 67,505	1.00
6/30/2021	823,759	823,759	1.00	-	823,759	1.00
6/30/2022	832,997	832,997	1.00	-	832,997	1.00
6/30/2023	839,694	839,694	1.00	-	839,694	1.00
6/30/2024	840,952	840,952	1.00	-	840,952	1.00
6/30/2025	836,896	836,896	1.00	-	836,896	1.00
6/30/2026	832,589	832,589	1.00	-	832,589	1.00
6/30/2027	842,843	842,843	1.00	-	842,843	1.00
6/30/2028	842,594	842,594	1.00	-	842,594	1.00
6/30/2029	837,032	837,032	1.00	-	837,032	1.00
6/30/2030	841,094	841,094	1.00	-	841,094	1.00
6/30/2031	839,716	839,716	1.00	-	839,716	1.00
6/30/2032	837,962	837,962	1.00	-	837,962	1.00
6/30/2033	835,831	835,831	1.00	-	835,831	1.00
6/30/2034	838,261	838,261	1.00	-	838,261	1.00
6/30/2035	4,814,675	867,000	0.18	-	867,000	0.18

III. Executive Summary

1. Identification of each principal to the transaction and their role therein.

   a. Lander RWS, LLC – the Borrower, owner of the Athletic Complex, and lessor of the Athletic Complex

   b. Lander Foundation – sole member of Lander RWS, LLC

   c. Lander University – lessee and user of the Athletic Complex

   d. South Carolina Jobs-Economic Development Authority – conduit issuer of the Bonds

   e. Regions Capital Advantage, Inc. – anticipated purchaser of the Bonds

2. All consultants and advisors, their roles therein, and the process by which their services were procured and engaged.

   a. Bacot & Padgett, LC – counsel to the Lander Foundation – regularly serves as outside general counsel to Lander Foundation – services procured subject to engagement letter

   b. Pope Flynn, LLC – bond counsel – services procured based on prior services to principals to the transaction and their officers, experience with governmental bond financing transactions which include both University processes and JEDA, inclusion on the Office of State Treasurer approved bond counsel list, and subject to engagement letter

   c. Stephens, Inc. – financial advisor – services procured based on prior services to principals to the transaction and their officers, experience with governmental bond financing transactions which include both University processes and JEDA, inclusion on the Office of State Treasurer approved financial advisor list, and subject to engagement letter

   d. Haynsworth Sinkler Boyd, P.A. – counsel to conduit issuer – services procured by issuer pursuant to issuer policies

   e. Parker Poe Adams and Bernstein – counsel to Regions – services procured by Regions Bank

3. The purpose of each lease, contract, trust indenture, resolution and agreement, and a summary of its provisions.

The proceedings and agreements that document the issuance of the 2020 Bonds will in large measure consist of supplements to the transaction documents that memorialized the issuance of the 2019 Bonds. References to documents below include references to any supplements thereto in order to effect the issuance of the 2020 Bonds.

a. Loan Agreement

The Loan Agreement is the principal document pursuant to which the 2020 Bonds are issued by the Authority and sold to the purchaser thereof (the "Purchaser"), the proceeds of the 2020 Bonds will be loaned to the Borrower and the Borrower will agree to repay the 2020 Bonds (the Borrower's repayment obligation is evidenced by a Promissory Note executed in favor of the Authority and assigned to the Purchaser). The Loan Agreement establishes a fund into which there will be deposited and invested the 2020 Bond proceeds.

The terms of the 2020 Bonds will be set forth in the Loan Agreement, including the maturity dates and the interest rates. Each of the Authority and the Borrower will make standard representations and warranties in the Loan Agreement, and the Purchaser will make standard representations as to its sophistication and due diligence.

The Loan Agreement contains stated events of default and remedies, including events of default relating to the nonpayment by the Borrower of the Bonds, the failure to comply with covenants (following notice and an opportunity to cure), bankruptcy events by the Borrower and events of default under the New Lease and the Credit Agreement with the Purchaser. The Purchaser can exercise multiple remedies following an event of default, including acceleration of the 2020 Bonds or specific performance against the Borrower or the Authority to enforce their obligations.

b. Credit Agreement

The Credit Agreement governs the basic agreement between the Borrower and the Purchaser relating to the loan. The amortization of the principal of the 2020 Bonds will be stated in the Credit Agreement (to provide approximately level debt service for the term). While the principal amortization is based upon twenty-year amortization, the Credit Agreement will require that the unpaid principal amount of the Bonds be purchased by the Borrower at the end of fifteen years.

The Credit Agreement contains various covenants on the part of the Borrower to the Purchaser which are typical for transactions of this nature. These covenants include:

- A covenant on the part of Borrower not to incur debt for the purpose of acquiring fixed assets in an aggregate amount exceeding $100,000 in any single fiscal year, and not to incur any additional liens or encumbrances with respect to the New Lease or other collateral other than liens expressly permitted under the Credit Agreement.
- A covenant to maintain (i) a ratio of net revenues plus unrestricted cash balances to debt service of at least 1.2 to 1, and (ii) annual rentals under the New Lease in excess of annual debt service.

The Credit Agreement also sets forth events of default and the remedies which the Purchaser will have upon the occurrence of an event of default which are typical for transactions of this nature. These remedies include acceleration of the principal of the Bonds, foreclosure of the Mortgage and other security documents and other remedies.

c. Assignment of Issuer's Rights

Pursuant to the Assignment of Issuer's Rights, the Authority will assign all of its right, title and interest (with certain exceptions which allow the Authority to administer certain aspects of the loan) in and to the Loan Agreement and the Promissory Note to the Purchaser. As a result of this assignment, the Loan Agreement functions much like a loan agreement in a commercial loan transaction.

d. Mortgage, Security Agreement, Assignment of Leases, Rents and Profits

As the fee owner of the land and premises, the Borrower will supplement its existing mortgage on the Sports Complex in favor of the Purchaser to add its interest in the Fieldhouses to secure payments of the 2020 Bonds and the Promissory Note pursuant to the Mortgage, Security Agreement, Assignment of Leases, Rents and Profits (the "Mortgage"). The Mortgage contains covenants, defaults and remedies which are typical for transactions of this nature.

e. Assignment of Lease

This will be a collateral assignment by the Borrower of its interest in the New Lease to the Purchaser. The terms of this document are typical for transactions of this nature.

f. Subordination, Non-Disturbance and Attornment Agreement

By this document the University agrees to continue to be bound by the Modified Lease in the event of a foreclosure by Purchaser under the Mortgage, and it also states Purchaser's agreement to honor the New Lease after foreclosure. The terms of this document are typical for transactions of this nature.

g. Lease Modification Agreement between Lander RWS, LLC and Lander University

The Modified Lease will be the principal document that sets forth the arrangements and respective duties and obligations between the Borrower and the University with respect to the leased premises, and the payment of Basic Rent and other amounts, subject to annual appropriation.

Pursuant to the Modified Lease, the Borrower will lease the Athletic Complex and the Fieldhouses to the University and the University will agree to pay Basic Rent to the Borrower annually. The term of the Modified Lease will extend through the final maturity of the Bonds.

The University will be entitled to operate and use the Athletic Complex for so long as it performs or otherwise complies with its obligations under the Modified Lease. The Borrower agrees not to interfere with the quiet use and enjoyment of the Athletic Complex or the Fieldhouses by the University during the term of the Modified Lease.

The events of default under the Modified Lease include the failure by the parties to perform their obligations thereunder, following notice and an opportunity to cure, or certain bankruptcy events by the University. Upon such an event of default, the Borrower may, and as directed by the Purchaser shall, terminate the Modified Lease and evict the University from the leased premises.

The Modified Lease will provide that, at the option of the University, the University will have the option to purchase fee simple title to the Athletic Complex and the Fieldhouses for $1 at any time after the last lease payment has been made and the Bonds have been paid and discharged. Any purchase option will be subject to approval by the Joint Bond Review Committee and the State Fiscal Accountability Authority.

4. Financial Obligations

Under the Modified Lease between the Borrower and the University, the University will be obligated to make payments on either an annual or monthly basis in order to continue to use the Athletic Complex and Fieldhouses. The financial obligation of the University to make lease payments will be subject to the cancellation provisions of Section 1-11-56 of the Code of Laws of South Carolina 1976, as amended. Those provisions allow for 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 renting agency.

5. Financial Resources

Payments under the New Lease will be a current expense of the University. The financial statements of the University for the Fiscal Year ended June 30, 2019 are available here: https://www.lander.edu/sites/lander/files/Documents/Budget_Office/2019FinancialStatement.pdf

6. Summaries of Covenants, Events of Default and Remedies

See document summaries under Section III(3) above for a discussion of the covenants.

7. Summary of Alternatives Considered

The University considered every available financing option in connection with the 2019 Bonds and the refinancing of the prior debt through that transaction as detailed in its Bond Information Report dated September 10, 2019. During the issuance process for the 2019 Bonds, the University planned for and included document flexibility to allow for a new money transaction on a cost and resource efficient basis. Given the substantial investment of time and resources in documenting the 2019 Bonds and the advantageous terms obtained in that transaction, the University has been advised that financing alternatives are not cost efficient given the higher costs of issuance associated with starting a new financing process, particularly in light of the relatively small principal amount of the proposed 2020 Bonds and the compression of interest rate spreads associated with the current historically low interest rates.

IV. Specific Action or Review Requested

The University respectfully requests review of the plan of finance, and the Modification pursuant to Sections 1-11-55 and 1-11-56 of the Code of Laws of South Carolina 1976, as amended, and the regulations implementing the same.

V. Enclosures

Enclosed herewith are full copies of "all leases, contracts, trust indentures, resolutions and agreements to be executed among the parties to the transaction, regardless of cost or value." Those documents include the below list and are summarized above.

A. New Documents Created in Connection with the 2020 Bonds

1. Lease Modification Agreement
2. Loan Agreement
3. Assignment of Issuer's Rights

B. Existing Documents to be Amended in Connection with the 2020 Bonds

1. Credit Agreement
2. Mortgage, Security Agreement, Assignment of Leases, Rents and Profits

3. Assignment of Lease

4. Subordination, Non-Disturbance and Attornment Agreement

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: May 6, 2020 **Regular Agenda**

1. **Submitted by:**

   (a) Agency: Department of Administration
   (b) Authorized Official Signature: Ashlie Lancaster, Director

2. **Subject:** Lander University Jeff May Athletic Complex Lease Modification

3. **Summary Background Information:**

In October 2019, Lander University (Lander) sought and received approval from JBRC and the State Fiscal Accountability Authority (SFAA) to lease approximately 25 acres of land and improvements located approximately one-tenth of a mile from the Lander campus, more commonly known as the Jeff May Athletic Complex, in Greenwood County from Lander RWS Properties, LLC ("Landlord") for a term of 20 years beginning November 1, 2019.

In 2008, Lander sought and received approval from JBRC and the State Budget and Control Board to lease the above-referenced property for a term of 22 years (the "2009 Lease"), which lease served as partial security for the $14,000,000 South Carolina Jobs-Economic Development Authority Economic Development Revenue Bonds (Lander RWS Properties, LLC Project), Series 2009A (the "2009 Bonds"). The 2009 Bonds were used by the Landlord to construct a Recreation, Wellness and Sports Complex. RWS Properties was organized specifically for the development of the new complex and is wholly owned by the Lander Foundation.

The 2009 Bonds were subject to a repurchase on November 1, 2019 and a derivative transaction providing for fixed payments on the 2009 Bonds expired on the same day. As such, Lander and the Landlord terminated the 2009 Lease upon commencement of the new lease (the "2019 Lease") and issuance by the South Carolina Jobs-Economic Development Authority of its revenue bonds (the "Series 2019A &B Bonds") to effect the refinancing and restructuring of the 2009 Bonds.

There is also a current lease between Lander University and Lander RWS Properties, LLC effective September 5, 2012, known as the "2012 Lease" relating to Fieldhouse I and ancillary improvements, pursuant to which rent is paid in the amount of $176,000 per year. Following the herein requested approval of the Lease Modification Agreement, the 2012 Lease will be terminated and the Fieldhouse incorporated into the Lease Modification Agreement.

The 2019 Lease contains provisions to accommodate amendment for a subsequent permanent approval project and associated borrowing through a Lease Modification Agreement, for which Lander is now seeking approval. The scope of this request is to amend the 2019 Lease to allow for follow-on financing (the "Series 2020A & B Bonds) to refinance a 4.5% taxable note on Fieldhouse I, to defray costs associated with renovation of Fieldhouse II, and to defray costs associated with the installation of synthetic field turf and lighting on the existing campus intramural field. The 2019 Lease, as modified, will secure both the Series 2019A &B Bonds and the Series 2020A &B Bonds.

Under the 2019 Lease, Lander's annual rent payment is equal to the annual aggregate debt service on the Series 2019A & B Bonds but not exceeding $691,000. Under the 2019 Lease, as modified, Lander's annual rent payment will equal the annual aggregate debt service on the Series 2019A & B Bonds and Series 2020A & B Bonds but not exceeding $867,000. Lander is responsible for all utilities and operating expenses.

Lander has adequate funds for the lease according to a Budget Approval Form submitted February 12, 2020, which also includes a multi-year plan. The lease was approved by CHE on March 5, 2020 and by the Lander University Board of Trustees on March 10, 2020.

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4. **What is the JBRC asked to do?** Approve the proposed Lease Modification.

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5. **What is recommendation of the Division of Facilities Management and Property Services?** Consider approval of the proposed Lease Modification.

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6. **List of Supporting Documents:**
   (a) Letter from Lander dated February 13, 2020
   (b) SC Code of Laws Sections 1-11-55 and 1-11-56

LANDER UNIVERSITY

OFFICE FOR VP OF FINANCE AND ADMINISTRATION

February 13, 2020

Ms. Ashlie Lancaster, Director
Department of Administration
Division of Facilities Management
and Real Property Services
1200 Senate Street, Suite 460
Columbia, SC 29201

Re: Proposed Lease Modification between Lander University and Lander RWS, LLC

Dear Ashlie:

Lander University (the "University") respectfully requests a review of the plan of finance and a proposed lease modification agreement (the "Lease Modification") between the University and Lander RWS, LLC at the March 2020 Joint Bond Review Committee and State Fiscal Accountability Authority meetings. The Lease Modification is contemplated to amend an existing lease dated October 15, 2019, between the University and Lander RWS, LLC (the "Existing Lease"), which Existing Lease serves as the primary security for the $9,425,000 original principal amount South Carolina Jobs-Economic Development Authority Economic Development Revenue Bonds (Lander RWS Properties, LLC Project), Series 2019A & B. As referenced in connection with the consideration of the Series 2019 financing, the University now respectfully seeks consideration of the Lease Modification in order to allow for a follow-on financing (the "Series 2020A & B Bonds") to refinance a 4.5% taxable note on Fieldhouse I, to defray certain costs associated with the renovation of Fieldhouse II (project NTE $1,590,000), and to defray costs associated with the installation of synthetic field turf and lighting on the campus intramural field (project NTE $1,250,000). The Lease, as modified, will secure both the Series 2019A & B Bonds and the Series 2020A & B Bonds.

In accordance with the Joint Bond Review Committee policy regarding third-party financing arrangements adopted on October 7, 2014, as amended on September 13, 2016, please find enclosed the following documents:

1. A Lease Modification Agreement and accompanying approving resolution of the University's Board of Trustees, anticipated to be adopted on March 10, 2020;

2. A Bond Information Report responsive to the information required in the 2014 and 2016 JBRC Policies; and

3. Copies of the various financing documents to be executed among the parties to the proposed transaction.

The University respectfully requests that the Joint Bond Review Committee and the State Fiscal Accountability Authority consider the request for approval of the Lease Modification at the meetings currently scheduled for March 18, 2020, and March 24, respectively.

Please let us know should you require anything further or if you have any questions regarding the enclosed.

Very truly yours,

Stacie A. Bowie

c: Rick Harmon, Director of Research, Joint Bond Review Committee
Jennifer LoPresti, Capital Budget Manager, Department of Administration
Enclosures

CPO 6003 • 320 Stanley Avenue • Greenwood, SC 29649 • (864) 388-8088 • Fax (864) 388-8133 • www.lander.edu

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

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

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

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

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

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

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

Code Commissioner's Note

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

Effect of Amendment

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

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

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

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

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

(1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;

(2) establishing standards for the quality and quantity of space to be leased by a requesting agency;

(3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:

(a) a nonappropriation for the renting agency;

(b) a dissolution of the agency; and

(c) the availability of public space in substitution for private space being leased by the agency;

(4) rejecting an agency's request for additional space or space at a specific location, or both;

(5) directing agencies to be located in public space, when available, before private space can be leased;

(6) requiring the agency to submit a multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and

(7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.

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

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

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

Effect of Amendment

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

AGENCY: Department of Administration
Capital Budget Office

SUBJECT: Proposed Permanent Improvement Projects

The Department of Administration has submitted 48 proposals for Permanent Improvement Projects on behalf of agencies, as follows:

	Items	Existing Budget	Proposed Budget Change	Estimated Total Project Cost
Higher Education				
H12 - Clemson University	1	-	75,000	5,000,000
H24 - South Carolina State University	5	40,000	1,825,000	4,490,000
H27 - University of South Carolina - Columbia	2	20,000	3,250,000	6,090,000
H47 - Winthrop University	1	30,000	1,801,517	1,831,517
H59 - Aiken Technical College	1	15,000	985,000	1,000,000
H59 - Central Carolina Technical College	1	-	24,750	1,650,000
H59 - Greenville Technical College	2	40,675	3,717,585	68,768,260
H59 - Horry Georgetown Technical College	1	-	56,250	3,750,000
H59 - Technical College of the Lowcountry	1	-	56,250	3,750,000
Higher Education Total	15	145,675	11,791,352	96,329,777
Agencies				
D50 - Department of Administration	10	254,386	6,143,110	7,269,552
E24 - Office of the Adjutant General	4	21,412,396	2,360,000	44,103,496
H63 - Governor's School for the Arts and Humanities	1	480,000	5,000	485,000
J04 - Department of Health & Environmental Control	2	3,750	256,750	1,000,000
J12 - Department of Mental Health	1	701,000	252,012	953,012
J16 - Department of Disabilities & Special Needs	1	-	7,500	500,000
L12 - John de la Howe School	1	299,554	218,539	518,093
N04 - Department of Corrections	5	-	54,792	3,653,481
N12 - Department of Juvenile Justice	2	-	65,377	4,358,436
P16 - Department of Agriculture	1	351,691	30,000	381,691
P24 - Department of Natural Resources	2	4,600	408,885	1,299,000
U12 - Department of Transportation	3	-	288,750	20,850,000
Agencies Total	33	23,507,377	10,090,715	85,371,761
Grand Total	48	23,653,052	21,882,067	181,701,538

COMMITTEE ACTION:

Review and make recommendation of proposed permanent improvement projects for transmittal to the State Fiscal Accountability Authority or Department of Administration, as applicable.

ATTACHMENTS:

1. Department of Administration, Capital Budget Office, Agenda Item Worksheet - Summary 6-2020.

Establish Project for A&E Design

1. Project: Clemson University
H12.9947: CU-ICAR Campbell Graduate Engineering Center Propulsion Lab Upfit

Request: Establish Phase I pre-design to upfit approximately 1,500 square feet of laboratory space in the Campbell Graduate Engineering Center to create an Advanced Propulsion System Lab.

Included in CPIP: No – The project was not anticipated to be completed at the time of the 2019 CPIP submission because the grant funding did not become available until early 2020.
CHE Approval: 3/5/20
Supporting Details: Pages 39-48

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Facilities and Administrative Cost Recoveries				75,000	75,000
All Sources				75,000	75,000

Summary of Work: To upfit laboratory space by removing or replacing existing concrete flooring and installing a new in-floor trenching system for utilities, equipment foundations, fire-rated interior partition walls, blast doors, lighting, power circuitry, HVAC, fire alarm and protection systems, and related work.

Rationale: To create a lab that will support research efforts in the area of vehicular propulsion systems, electrification and entry for transportation.

Facility Characteristics: The Campbell Graduate Engineering Center at the CU-ICAR campus in Greenville is 89,778 square feet and was completed in 2007. (13 years old) The 1,500 square feet to be upfitted for the new Advanced Propulsion System Lab will be utilized by 14 faculty, 4 staff, 20 students and 10 clients.

Financial Impact: The project will be funded from Facilities and Administrative Cost Recoveries, or indirect cost recoveries (uncommitted balance $8.2 million at January 22, 2020). Revenue to the fund is generated from costs charged to sponsored research activities to cover the overhead, infrastructure and facilities expenses associated with externally funded grants. The primary sources of grant revenues are federally and privately funded research grants. The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently $1,005 per student per semester, and has increased from $738 to $1,005 for the academic years 2014-2015 to 2019-2020 respectively.

Full Project Estimate: $5,000,000 (internal) funded by Facilities and Administrative Cost Recovery funds.

Other:	The lab upfit and associated test cell systems are critical to pursuing a major grant that, if awarded, will make Clemson the largest university-run research center of this kind in the country, focusing on alternative energy and propulsion systems for off-road, autonomy-enabled vehicles. The lab will be located in close proximity to existing infrastructure to take advantage of existing power, compressed air, and cooling tower water systems. Extension of these systems into the lab are part of this project.

Preliminary Land Acquisition

2. Project: SC State University PSA
H24.9657: Building Acquisition (Orangeburg Cluster)

Request: Establish authorization to evaluate the acquisition of a 199-acre farm located at 1678 Alligator Road in Olar, South Carolina.

Included in CPIP: No – The opportunity to acquire the facility did not become available until February 2020.
CHE Approval: N/A
Supporting Details: Pages 49-60

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, USDA Facilities Grant				20,000	20,000
All Sources				20,000	20,000

Rationale: The property will provide an opportunity for the SC State PSA Program to obtain a location where cutting-edge research can be conducted in real life, real-world and re-time environment. It will also enhance the university’s ability to partner with other universities and private researchers in securing grants to address the latest cutting-edge problem-solving initiatives in farm safety, farm security, food and fiber, and health and nutrition.

Characteristics: The property to be acquired is a 199-acre farm with a 2,090 square foot building that was constructed in 1990 (30 Years old). The facility will house 10 staff and serve 5,000 clients. This property will provide farm land for demonstration sites and research opportunities to be used by 1890 Research and Extension Professional and Para-Professional staff, community and university partners.

Financial Impact: The property is offered by David Freohlich of Loxahatchee, Florida for a proposed purchase price of $725,000. If acquired, the facility will require some minor retrofitting to accommodate offices and instructional spaces, which is estimated to cost $75,000 to $100,000. The acquisition will be funded from Federal, USDA Facilities Grant Funds (uncommitted balance $6.1 million at March 9, 2020). The project is expected to result in an increase of $24,900 (years 1 thru 3) in annual operating expenses.

3. Project: SC State University PSA
H24.9658: Building Acquisition (Pee Dee Cluster)

Request: Establish authorization to evaluate the acquisition of an 10,534 square foot office building on .50 acres, located at 315 West Pine Street in Florence, South Carolina.

Included in CPIP: No – The opportunity to acquire the facility did not become available until January 2020.
CHE Approval: N/A
Supporting Details: Pages 61-72

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, USDA Facilities Grant				20,000	20,000
All Sources				20,000	20,000

Rationale: The facility will allow the 1890 Program to increase their program delivery and community engagement in the Pee-Dee region. This acquisition will provide the opportunity for the university to obtain a permanent home in the Pee Dee region of the state. It will provide the program with the visibility and facility required to enhance the life-long program offerings to the residents of the Pee Dee. It will provide administrative, programmatic, and research space for programs, activities, and services in the areas of 4-H and youth development, family, nutrition and health, sustainable agriculture, and natural resources, community development, education innovation, and other informal learning opportunities.

Characteristics: The property to be acquired is .50 acres with a 10,534 square foot office building that was constructed in 1996 (14 years old). The facility will house 6 staff and serve 3,000 clients. The building will provide classroom and laboratory spaces.

Financial Impact: The property is offered by Donna F. Calcutt of Florence, SC for a proposed purchase price of $1,250,000. If acquired, the facility will require some renovations to accommodate classroom and laboratory spaces, which is estimated to cost between $300,000 to $425,000. The acquisition will be funded from Federal, USDA Facilities Grant Funds (uncommitted balance $6.1 million at March 9, 2020). The project is expected to result in an increase of $30,211 (years 1 thru 3) in annual operating expenses.

4. Project: SC State University PSA
H24.9659: Building Acquisition (Santee Wateree Cluster)

Request: Establish authorization to evaluate the acquisition of an 10,668 square foot office building on .34 acres, located at 21-23 W. Calhoun Street in Sumter, South Carolina.

Included in CPIP: No – The opportunity to acquire the facility did not become available until January 2020.
CHE Approval: N/A
Supporting Details: Pages 73-84

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, USDA Facilities Grant				20,000	20,000
All Sources				20,000	20,000

Rationale: The building will provide an opportunity to obtain a location for the Santee-Wateree region of the state. The program has delivered programs and activities in the area for many years, but the employees would commute from Orangeburg or another office within the state. The SC State 1890 Program has adopted a regional model of program delivery and accountability. Therefore, the closer they are to their participants, the better they can assess their needs and, in cooperation with them, develop, implement and evaluate the programs, services, and activities provided to ensure they are meeting the needs of the residents of South Carolina.

Characteristics: The property to be acquired is .34 acres with a 10,668 square foot office building that was constructed in 1987 (33 years old). The facility will house 6 staff and serve 3,000 clients. The building will provide classroom and laboratory spaces.

Financial Impact: The property is offered by Robert Dubois, Jr. of Sumter, SC for a proposed purchase price of $650,000. If acquired, the facility will require some renovations to accommodate classroom and laboratory spaces, which is estimated to cost between $200,000 to $375,000. The acquisition will be funded from Federal, USDA Facilities Grant Funds (uncommitted balance $6.1 million at March 9, 2020). The project is expected to result in an increase of $50,243 (years 1 thru 3) in annual operating expenses.

Final Land Acquisition

5. Project: SC State University
H24.9655: SC State PSA Building Acquisition (Anderson Cluster)

Request: To purchase a building and property located at 309 W. Whitner St. in Anderson SC.

Included in CPIP: No – The opportunity to acquire the facility did not become available until May 2019.
Phase I Approval: July 2019 (estimated at $345,000) (JBRC)
CHE Approval: N/A
Supporting Details: Pages 85-98

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, USDA Facilities Grant	20,000		20,000	345,000	365,000
All Sources	20,000		20,000	345,000	365,000

Rationale: The building will replace current rental space where the Anderson Cluster Public Service Activity Center is located and has outgrown. This acquisition will provide the opportunity for the university to obtain additional space at a reasonable cost. It will provide an opportunity for the university to increase program offerings and services to the residents of the upstate of South Carolina. It will also provide administrative and programmatic space required to deliver PSA activities in the area of 4-H and youth development, family life and nutrition, small farm and natural resources, community development and other lifelong learning opportunities.

Characteristics: The property to be acquired is a 57-year-old, 9,461 square foot office building located on 1.13 acres of land. The facility will house 8 staff and serve 3,000 clients.

Financial Impact: The property is offered by the Department of Employment and Workforce through the Department of Administration, Real Property Services for $345,000. If acquired, the facility will require upgrades/replacement to the HVAC, flooring, and paint, which is estimated to cost $200,000. An appraisal was completed by Robert Elliot in July 2019 and valued the property at $380,000. A Phase I Environmental Site Assessment was completed by Bunnell Lammons Engineering in December 2019 and revealed no evidence of recognized environmental conditions (RECs) except for the following: 1) The potential for an undocumented release associated with the historical filling station located on the immediately adjoining property to the east. 2) The potential for an undocumented release associated with the historical dry cleaner operations at 220 W Whitner Street, located approximately 400 feet east-northeast of the site. In addition, no controlled recognized environmental conditions (CRECs) were identified. A Building Condition Assessment was completed by Bunnell Lammons Engineering in December 2019 and they recommended repair or replacing interior finishes, further investigating step cracks, installing a TPO roof over the Built-Up roof, replacing packaged rooftop HVAC system, repairing rear parking area gate, trim overgrown vegetation and cleanup around building, seal exterior walls/windows/doors, repaving parking areas and adding applicable ADA compliant signage. The acquisition will be funded from Federal, USDA Facilities Grant Funds (uncommitted balance $3.5 million at February 19, 2020). The project is expected to result in an increase of $31,191 (year 1) and $62,382 (years 2 and 3), in annual operating expenses.

6. Project: SC State University PSA
H24.9756: Building Acquisition (Midlands Cluster)

Request: To purchase an office building and property located on 4.16 acres of land at 1801 Charleston Highway in Cayce, South Carolina.

Included in CPIP: No – The opportunity to acquire the facility did not become available until August 2019.
Phase I Approval: December 2019 (estimated at $1,420,000) (JBRC/SFAA)
CHE Approval: N/A
Supporting Details: Pages 99-110

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, USDA Facilities Grant	20,000		20,000	1,420,000	1,440,000
All Sources	20,000		20,000	1,420,000	1,440,000

Rationale: The property will allow program expansion of current statewide programming and provide laboratories for research projects, and will provide administrative, programmatic and research space for activities in the areas of 4-H and youth development, family, nutrition and health, sustainable agriculture and natural resources, community development, education innovation and other lifelong learning opportunities. The agency believes that this purchase and associated upfit will be more cost-effective than new construction of a facility built to its specifications.

Characteristics: The building is approximately 43,000 square feet and was constructed in 1976 (44 years old) and the agency anticipates required upgrades or replacement of windows and doors, HVAC, electrical, roof, flooring and paint, along with upfit for research and other unique space requirements (estimated at $ 1.1 million). The facility will house 20 staff and serve 6,000 clients annually.

Financial Impact: The property is offered by Moustafa A. Moustafa of Mt. Pleasant, SC for $1,420,000. The acquisition will be funded from USDA Facilities Grant Funds (uncommitted balance $6.1 million at March 9, 2020). The acquisition is expected to result in an increase of $191,037 in annual operating expenses. An appraisal was completed by Elliot Valuation & Consulting Services in March 2020 and valued the property at $1,450,000. A Phase I Environmental Site Assessment was completed by Bunnell Lammons Engineering in February 2020 and revealed no evidence of recognized environmental conditions (RECs), Historical Recognized Environmental Condition (HRECs), or controlled recognized environmental conditions (CRECs) in connection with the property. A Building Condition Assessment was completed by Bunnell Lammons Engineering in February 2020 and did find some immediate needs and hazards that should be address immediately. Letters of support are pending submission late next week from the local county and school district. The acquisition will be funded from USDA Facilities Grant funds (uncommitted balance $6.1 million at March 9, 2020). The acquisition is expected to result in an increase of $191,037 in annual operating expenses.

Establish Project for A&E Design

7. Project: University of South Carolina - Columbia
H27.6135: Colonial Life Arena Roof Replacement and Envelope Maintenance

Request: Establish Phase I pre-design to replace the entire roof membrane, the moisture-damaged portions of the rigid insulation substrate and investigate and repair moisture intrusion that is occurring in the envelope.

Included in CPIP: Yes – 2019 CPIP Priority 14 of 14 in FY20 (estimated at $2,850,000)
CHE Approval: 3/5/20
Supporting Details: Pages 111-120

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

Summary of Work: To replace the entire original 18-year-old thermoplastic polyolefin membrane (TPO) roof on the Colonial Life Arena with a white TPO membrane roof and all associated flashing and coping, which will come with a 20-year warranty. The project will also replace the moisture-damaged portions of the rigid insulation substrate and address moisture intrusion occurring in the envelope at the high clerestory window glazing in the building exterior wall around the concourse.

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

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

Financial Impact: The project will be funded from Athletic Operating Funds. (uncommitted balance $8.2 million at June 30, 2019). Revenue to the fund is generated from Athletic revenues which consist of ticket sales, SEC Conference Distributions, Gamecock Club contributions, seat premiums, corporate sponsorships, gifts and other donations. The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently $81 per student per semester, and has increased from $34.50 to $81 for the academic years 2014-2015 to 2019-2020 respectively.

Full Project Estimate: $2,850,000 (internal) funded by Facilities and Athletic Operating funds.

Other:	The existing roof came with a 15-year warranty (November 2002 to November 2017). Leaks have been a concern since 2017 as the roof warranty was expiring. Roof warranties are backed by the manufacturer of the roof systems. In this case, the roof warranty has expired. Nevertheless, the university has been negotiating with the roof manufacturer (Firestone) who purchased the company that manufactured the membrane installed in 2002. Firestone has agreed to provide a replacement TPO membrane at no cost to the university. They anticipate a signed agreement to confirm this offer.

Final Land Acquisition

8. Project: University of South Carolina - Columbia
H27.6132: Intramural Recreation Fields

Request: To purchase 299.6 acres of property adjacent to the Congaree River.

Included in CPIP: Yes – 2019 CPIP Priority 4 of 14 in FY20 (estimated at $3,300,000)
Phase I Approval: August 2019 (estimated at $3,300,000) (JBRC/SFAA)
CHE Approval: Pending CHE Board Approval on May 5, 2020.
Supporting Details: Pages 121-136

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Wellness Fee Reserves	20,000		20,000	1,600,000	1,620,000
Other, Institutional				1,620,000	1,620,000
All Sources	20,000		20,000	3,220,000	3,240,000

Rationale: The university has a significant shortage of intramural recreation fields. The 2018 university master plan designates this property as an appropriate site for Intramural Recreation Fields and a golf team practice facility. The Master Plan calculated the current and future deficiency of recreation fields and this land with future site future development will respond to this need

Characteristics: The land is at the west end of National Guard Road between Gamecock Park and the Congaree River. The land is generally flat and therefore ideal for recreation field development.

Financial Impact: The property is offered by USC Development Foundation for $3,220,000. The acquisition will be funded from Wellness Fee Reserve Fund (uncommitted balance $8.9 million at June 30, 2019). Revenue to the fund is generated from a student recreation fee. The acquisition will also be funded from Institutional Funds (uncommitted balance $25.4 million at December 31, 2019). Revenue to the fund is generated from the portion of tuition and fees designated for State Institution Bonds. These funds pay debt service first and the remainder is used for capital improvements. The project is expected to result in an increase of $77,500 (year 1) and $70,000 (years 2 and 3), in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently $319.50 per student per semester, and has increased from $301.50 to $319.50 for the academic years 2014-2015 to 2019-2020 respectively. An appraisal was completed by Carter Commercial Appraisal Group in January 2020 and valued the property at $3,220,000. A Phase I Environmental Site Assessment was completed by S&ME, Inc. in November 2019 and revealed no evidence of recognized environmental conditions (RECs), Historical Recognized Environmental Condition (HRECs), or controlled recognized environmental conditions (CRECs) in connection with the property. There are not buildings located on the property and therefore a Building Condition Assessment is not required. The pre-purchase tax status is non-taxable and letters of local support are not required since the property is held by a non-profit corporation.

Other: Phase I for the development of this property is pending JBRC approval this agenda cycle for $50,000.

Establish Construction Budget

9. Project: Winthrop University
H47.9582: High-Voltage Electrical Substation & System Upgrade

Request: Establish Phase II to replace the electric distribution system.

Included in CPIP: Yes – 2019 CPIP Priority 1 of 5 in FY20 (estimated at $2,000,000)
Phase I Approval: December 2019 (estimated at $2,000,000) (Admin.)
CHE Approval: Pending CHE Board Approval on May 5, 2020.
Supporting Details: Pages 137-146

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY19 Capital Reserve	30,000		30,000	593,642	623,642
Federal, EDA Grant				1,207,875	1,207,875
All Sources	30,000		30,000	1,801,517	1,831,517

Summary of Work: The project will replace the main substation with a more reliable substation that will include five 4,160-volt circuit breakers and new wiring. This infrastructure project is a component of the Winthrop Strategic Risk Management Plan which will affect all programs from instruction to institutional support.

Rationale: Currently, only four of five circuit breakers continue to function, and the connecting wiring is at the end of its useful life. Despite regular maintenance, ongoing issues with cracks and leakages have created a potential for system failure.

Facility Characteristics: The high voltage infrastructure is 50 years old. Annually, more than 40,000 students, faculty, staff, and community members will be affected by this project. Daily, 6,500 students, faculty, and staff are served.

Financial Impact: The project will be funded from FY19 Capital Reserve Funds (uncommitted balance $7.5 at March 18, 2020) and Federal, EDA Grant Fund (uncommitted balance $1.2 million at March 18, 2020). Revenue to this fund is received from a grant applied for by the university for the specific purpose of upgrading the university's outdated electrical distribution system. The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently $523 per student per semester, and has decreased from $593 to $523 for the academic years 2014-2015 to 2019-2020 respectively.

Full Project Estimate: $1,831,517 (internal) funded by Capital Reserve and EDA Grant Funds. Contract execution is expected in August 2020 with construction completion in August 2021.

Establish Construction Budget

10. Project: Aiken Technical College
H59.6149: Aiken-CEAM Expansion and Renovation for Welding Area

Request: Establish Phase II to expand and renovate the welding area contained in the Center for Energy & Advanced Manufacturing.

Included in CPIP: No – The college thought that the project would be below the threshold. After reviewing with an engineering firm under an IDC, it was determined that the project would qualify as a PIP
Phase I Approval: June 2019 (estimated at $1,000,000) (JBRC/SFAA)
CHE Approval: Pending CHE Board Approval on May 5, 2020.
Supporting Details: Pages 147-174

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Local College	15,000		15,000	985,000	1,000,000
All Sources	15,000		15,000	985,000	1,000,000

Summary of Work: The expansion and renovation will require the college to upgrade the existing duct and dust collection system, possibly add more electrical, controls, plumbing and piping to each booth and peripheral equipment in the welding and conceivably the grinding and machine tool areas.

Rationale: During initial construction in 2015, the budget allowed for the necessary floor space to expand the program and for a small amount of additional infrastructure for the future (mainly electrical). Unfortunately, the demand for welding in the area has out distanced their current capacity. The welding area has the floor space (5,661 square feet), needed for the college to bring the capacity from around 36 welding booths to a capacity of 60.

Facility Characteristics: The CEAM building is 30,112 square feet and was constructed in 2015 (5 years old). The welding and grinding area affected by this project is 6,612 square feet. 120 students per semester are expected to utilize the space.

Financial Impact: The project will be funded from Local College Funds (uncommitted balance $22.8 million at March 7, 2020). Revenue to this fund is from the remaining amounts from all prior years, not otherwise restricted or previously invested in capital assets. The project is expected to result in an increase of $6,340 (years 1 thru 3) in annual operating expenses. No student fees or tuition will be increased as a consequence of the project.

Full Project Estimate: $1,000,000 (internal) funded by Local College Funds. Contract execution is expected in May 2020 with construction completion in September 2020.

Establish Project for A&E Design

11. Project: Central Carolina Technical College
H59.6165: CCTC Main Campus Green Space Project

Request: Establish Phase I pre-design for a greenspace development project on the main campus.

Included in CPIP: No – The college only recently completed an Academic and Facilities Master Plan which identified the need for this project.
CHE Approval: Pending CHE Board Approval on May 5, 2020.
Supporting Details: Pages 175-184

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, College Capital Projects				24,750	24,750
All Sources				24,750	24,750

Summary of Work: This project undertakes constructing a greenspace that will better connect buildings M100, M400 and M500 and provide a greenspace for the campus community which will be an outdoor space to gather. It will be located in an area that is currently a parking lot. This will reduce parking by 71 spaces, which will not cause a problem for the main campus.

Rationale: A pedestrian green space will re-center the main campus and enhance the collegiate sense of place. The project is expected to help the college with retention and recruitment of students.

Facility Characteristics: This is a greenspace outside of the buildings, where a current parking lot is located. It is anticipated that approximately 2,500 students will use the space each semester.

Financial Impact: The project will be funded from College Capital Project funds (uncommitted balance $1.6 million at February 21, 2020). Revenue to the fund is received from a capital fee, which is a portion of tuition that is allocated to capital projects fund. In addition to the capital fee, any year-end surplus funds from operations are moved to this account. The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently $9.70 per student per semester, and has increased from $5.25 to $9.70 for the academic years 2014-2015 to 2019-2020 respectively.

Full Project Estimate: $1,650,000 (internal) funded by College Capital Projects funds.

Establish Project for A&E Design

12. Project: Greenville Technical College
H59.6166: Greenville – New Arts & Sciences Building Construction

Request: Establish Phase I pre-design to construct a new multi-story classroom building, approximately 125,000 square feet on the Barton Campus.

Included in CPIP: Yes – 2019 CPIP Priority 2 of 3 in FY21 (estimated at $37,900,000)
CHE Approval: Pending CHE Board Approval on May 5, 2020.
Supporting Details: Pages 185-194

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Local Plant				990,000	990,000
All Sources				990,000	990,000

Summary of Work: The project will construct a new facility to house the Art & Sciences programs, with modern science labs with state-of-the-art safety features, and new instructional technology for chemistry, physics, biology, etc. programs. The building will also have a theater and music center for development of the arts. The project will be designed and constructed to meet two Green Globes certification standards.

Rationale: Two of the oldest buildings on the Barton Campus are in poor condition with outdated and inefficient mechanical systems, the electrical systems are at maximum capacity, and space limitations affect the demand for occupancy in classrooms. Additionally, an Academic Master Plan study completed in 2012 identified growth needs and evaluated facility conditions.

Facility Characteristics: The new 3 story building will be approximately 125,000 square feet and will be occupied by Academic Advancement, Arts & Science programs, the entire Health Sciences Division, Economic Development and Corporate Training and serve 10,000 students, visitors, faculty and staff.

Financial Impact: The project will be funded from the College’s Plant Maintenance funds (uncommitted balance $12.8 million at February 20, 2020). Revenue to the fund is an accumulation of appropriated funds from Greenville County, which are used to perform maintenance and renovations to physical facilities of the college. The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently $100 per student per semester, and has not increased for the academic years 2014-2015 to 2019-2020 respectively.

Full Project Estimate: $66,000,000 (internal) funded by Greenville County Bonds ($50 million), Greenville Technical College’s Plant Maintenance Account ($10 million) and Greenville Technical College Foundation ($6,000,000). The estimated cost to complete the project increased from the 2019 CPIP because the size of the building increased by an additional story in

	height, and the amount of science labs doubled in numbers. Also, the college decided to include a theatre for their students to preform music and theatrical performances.
Other:	This new facility will allow the college to maintain an acceptable and productive learning environment with a maximum of 30 students in a standard classroom, 40 students maximum in an expanded classroom, a maximum of 24 students in science labs, and no more than 30 students in a computer lab. The building will be situated adjacent to the Student Center, Engineering Technology Building and the Current University Transfer Building.

Establish Construction Budget

13. Project: Greenville Technical College
H59.6160: Parking Lot R Construction – Barton Campus

Request: Establish Phase II to construct a new parking lot (Parking Lot R) for students and visitors in a vacant area adjacent to Building 102, Student Success Center currently under renovation.

Included in CPIP: Yes – 2019 CPIP Priority 3 of 3 in FY20 (estimated at $1,320,000)
Phase I Approval: February 2020 (estimated at $2,711,663) (JBRC/SFAA)
CHE Approval: Pending CHE Board Approval on May 5, 2020.
Supporting Details: Pages 195-206

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, College Plant Maintenance	40,675		40,675	2,727,585	2,768,260
All Sources	40,675		40,675	2,727,585	2,768,260

Summary of Work: The scope will include site development, storm water systems, sidewalks, new LED lighting and a new asphalt parking lot. The project will also rehab Parking Lot O and bring it up to relevant ADA and local code. This lot is adjacent to the new Parking Lot R. This lot is in need of repairs and repaving. This parking lot serves Building 106, Industrial Complex and Building 112, Dental Technology.

Rationale: The vacant area where Parking Lot R will be constructed is the closest vacant area to Building 102. Regarding Parking Lot O, local ordinances require an existing parking lot to be brought up to comply with new ordinances when repairs are made to the pavement and or additions to the parking lot. Since a new parking area will be developed adjacent to this lot, some overlap is anticipated. Costs to provide the new drainage system for Parking Lot R will impact Parking Lot O which is why the decision was made to rehabilitate Parking Lot O at the same time.

Facility Characteristics: Parking Lot R will add approximately 428 spaces and Parking Lot O currently has 180 spaces. These parking lots will be utilized by 94 staff and 12,000+ students and visitors.

Financial Impact: The project will be funded from College Plant Maintenance Funds (uncommitted balance $12.8 million at February 20, 2020). Revenue is an accumulation of appropriated funds from Greenville County and used to perform maintenance and renovations to physical facilities of Greenville Technical College. The project is expected to result in an increase of $7,500 (years 1 thru 3) in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently $100 per student per semester, and has not changed for the academic years 2014-2015 to 2019-2020 respectively.

Full Project Estimate: $2,768,260 (internal) funded by College Plant Maintenance Funds. Contract execution is expected in July 2020 with construction completion in December 2020.

Establish Project for A&E Design

14. Project: Horry Georgetown Technical College
H59.6161: Expansion of Diesel Engineer Training Facility

Request: Establish Phase I pre-design to expand the college's Diesel Engine Technician Training facility on its Conway Campus by 7,500 square feet.

Included in CPIP: Yes - 2019 CPIP Priority 3 of 3 in FY2020 (estimated at $2,000,000)
CHE Approval: 3/5/20
Supporting Details: Pages 207-220

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, College				56,250	56,250
All Sources				56,250	56,250

Summary of Work: To expand the existing 5,000 square foot training facility by 7,500 square feet to include additional costs unique to the diesel program. Renovations to the existing structure may include improvements to the roof system and building/garage entrances and the costs for re-designing and expanding parking. The project will be constructed to meet Green Globes certification standards.

Rationale: The college desires to expand the facility in response to workforce needs, state-wide labor shortages and increased student demand. The current facility cannot accommodate additional student enrollment.

Facility Characteristics: The existing training facility is 5,000 square feet and was constructed in 1990 (29 years old) and serves the college Diesel Program. The current day program capacity is 20 students with a waiting list of 20 students. Completion of this expansion will increase the capacity to 55 students. The building will be occupied by 6 full and part-time instructors and utilized by 196 students annually.

Financial Impact: The project will be funded from the College's Plant Fund (uncommitted balance $61 million at June 30, 2019). Revenue to the fund is generated from the cumulative excess of revenues over expenses accumulated over time for the purpose of funding capital projects and for meeting local matching requirements. The project is expected to result in an increase of $22,500 (years 1 thru 3), in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. The college does not impose any fee relative to its Plant Fund or for capital projects.

Full Project Estimate: $3,750,000 (internal) funded by College Plant funds. The estimated cost to complete the project has increased from the 2019 CPIP because the CPIP did not acknowledge changes in DHEC requirements, as well as specific construction requirements for certain aspects of the project.

Other: The requested facility expansion will include engine diagnostic equipment, commercial grade air/diesel exhaust handling systems, heavier flooring systems to support overhead cranes and larger diesel engines, and various classroom and lab equipment to support expanding the program. Through expanding the training facility the college states that they can more than double enrollment in the Diesel Program and also use the added space to better support the vehicle maintenance and equipment storage needs of its Electrical Lineman and Golf Course Management training programs. The building and approximately 2.5 acres of land were acquired by the college in 2018. The building was retrofitted for use by the college as its Diesel Engine Technician Training facility through a project that did not meet PIP requirements.

Establish Project for A&E Design

15. Project: Technical College of the Lowcountry
H59.6162: Interior Renovations for Advancement of Health Sciences and Student Services

Request: Establish Phase I pre-design to make interior renovations to Moor Hall, Coleman Hall, Radiology Laboratory and the Student Services building in order to relocate and accommodate academic programs to support the Beaufort Campus Health Science Initiative.

Included in CPIP: Yes - 2019 CPIP Priority 1 of 1 in FY2021 (estimated at $5,000,000)
CHE Approval: 3/5/20
Supporting Details: Pages 221-230

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, Title III Grant				56,250	56,250
All Sources				56,250	56,250

Summary of Work: The project will include reclaiming space and relocating administrative offices and programs through making interior renovations in four buildings located on the Beaufort Campus.

Rationale: To meet the needs of the community the college needs to provide increased capacity for Health Science programs. The HUB will assist students in advising for programs of study and providing additional services to students.

Facility Characteristics: Building #6 is 6,600 square feet and was constructed in 1973 (46 years old) and will house the Health Science programs. Building #8 is 8,816 square feet and was constructed in 1939 (80 years old) and will house Student Services. Building #4 only includes 895 square feet of space to be renovated, and the building was constructed in 2000 (19 years old) and will house the Radiology Laboratory. Building #2 is 4,750 square feet and was constructed in 1951 (68 years old) and will house administrative offices. The entire student population of 2,400 students will benefit from the renovations.

Financial Impact: The project will be funded from Federal, Title III Grant funds (uncommitted balance $150,000 at October 1, 2019). Revenue to the fund is received from a grant awarded called Pathways to the Future: Increasing Persistence and Retention to Graduation. The project is expected to result in an increase of $76,000 (year 1), $77,000 (year 2) and $78,000 (year 3), in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently $26 per student per semester, and has decreased from $27 to $26 for the academic years 2014-2015 to 2019-2020 respectively.

Full Project Estimate: $3,750,000 (internal) funded by Capital Reserve, Federal Title II Grant, and Other, Local Funds.

Other:	The project will include reclaiming all space in Student Services (building #6), for the expansion of the Health Sciences programs for the Beaufort Campus Health Science Initiative. Interior renovations to the vacant Moor Hall (building #8), will be made to reclaim the space for Student Services. The structure is sound, and the exterior was renovated in 2011. The building interior is in disrepair and needs a complete renovation to include the addition of an elevator to comply with ADA standards. A HUB will be created for student admissions, registration, enrollment and financial aid. The college has received a Title III grant to assist with the reorganization of this area to serve and retain students. Interior renovations to the Radiology Laboratory (building #4), will create an “Energized Lab” which is a live radiological laboratory. The lab will contain real x-ray equipment and therefore it is called energized. The college’s accrediting body, the Joint Review Committee on Education in Radiologic Technology, put forth recommendations which state “the sponsoring institution must provide the program with access to a fully energized laboratory.” This space will allow for the upgraded Rad Lab and will include an upgrade to the equipment. Interior renovations to Coleman Hall (building #2), will be to accommodate administrative offices from building #6 to move to the second floor of this building and to renovate the space vacated by Student Services as they move to building #8.

Establish Project for A&E Design

16. Project: Department of Administration
D50.6048: PPP – Columbia Annex Renovation Project

Request: Establish Phase I pre-design for repairs and renovations to 510 Beckman Road for the expansion of Parole Board operations.

Included in CPIP: No – The need for the space had not been identified before the submission of the 2019 CPIP.

CHE Approval: N/A

Supporting Details: Pages 231-240

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, PPP FY19 Carryforward				13,280	13,280
All Sources				13,280	13,280

Summary of Work: The dorm space is not currently setup to be used for office space. In order to use the space efficiently, the concrete sections need to be removed, bathrooms need to be remodeled and the restrooms must be easily accessible to all individuals utilizing the space.

Rationale: The Parole Examiners and the Investigators will need offices in this new location. The new Investigators will enhance the Parole process by increasing consistency in investigations and centralized the operations of the Parole, Pardons and Release Services.

Facility Characteristics: The Columbia Annex Dorm is 8,000 square feet and was constructed in 1984 (36 years old). The facility has not been used for at least two years but once renovated it will be utilized by approximately 50-100 staff plus visitors.

Financial Impact: The project will be funded from Carryforward funds (uncommitted balance $1.5 million at April 7, 2020).

Full Project Estimate: $885,336 (internal) funded by Carryforward Funds.

Other: The Parole Examiner positions will be used to add additional parole hearing videoconferencing sites to include operations at every institution at SCDC.

Establish Construction Budget

17. Project: Department of Administration
D50.6021: Dennis Bldg. – 6th Floor AG Office Renovations

Request: Establish Phase II to reconfigure existing offices and establish a new large file storage area.

Included in CPIP: Yes – 2019 CPIP Priority 30 of 31 in FY20 (estimated at $575,000)
Phase I Approval: July 2019 (estimated at $574,633) (JBRC)
CHE Approval: N/A
Supporting Details: Pages 241-252

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Attorney General, Unrestricted Revenue for Agency Operations (Statute 1-7-85)	8,620		8,620	641,204	649,824
All Sources	8,620		8,620	641,204	649,824

Summary of Work: The work will include demolition and new construction, which includes architectural work, painting, flooring replacement, limited HVAC work, and electrical work to include new devices for power/data and fire alarm re-work as required.

Rationale: This renovation work will allow the accommodation of additional staff.

Facility Characteristics: The Dennis Building is 247,543 gross square feet with only 13,107 square feet affected by this project and was constructed in 1982 (38 years old). This space will house all 80 agency personnel, primarily for the Criminal Division.

Financial Impact: The project will be funded from Attorney General Unrestricted Revenue for Agency Operation Funds (uncommitted balance $650,000 at April 2, 2020). Revenue is from other legal penalties and cost recovery. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $649,824 (internal) funded by Attorney General Unrestricted Revenue for Agency Operation Funds. Contract execution is expected in July 2020 with construction completion in January 2021.

18. Project: Department of Administration
D50.6025: Brown Building Replace VAV Terminal Reheat

Request: Establish Phase II to replace the 58 terminal hot water reheat VAV mechanical units to include associated duct work on the 5th floor of the Edgar Brown Building located at 1205 Pendleton Street in Columbia.

Included in CPIP: Yes – 2019 CPIP Priority 25 of 31 in FY20 (estimated at $440,000)
Phase I Approval: October 2019 (estimated at $409,612) (JBRC)
CHE Approval: N/A
Supporting Details: Pages 253-264

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve	21,904		21,904	624,467	646,371
All Sources	21,904		21,904	624,467	646,371

Summary of Work: The work includes the replacement of the original mechanical systems serving approximately 32,000 gross square feet on the 5th floor.

Rationale: The equipment and ductwork is past its useful life, leading to periodic failures and disruption of service.

Facility Characteristics: The building is 156,182 square feet and was constructed in 1972 (48 years old). The 5th floor is utilized by 150 occupants of the Department of Parks, Recreation & Tourism, Education Oversight Committee, Secretary of State, Executive Budget Office, and SC State Senate Offices.

Financial Impact: The project will be funded from Depreciation Reserve Funds (uncommitted balance $2.5 million at February 21, 2020). Revenue received is derived from the rent account which receives rent charged to agencies. The project is expected to result in a decrease of $54,600 (years 1 thru 3), in annual operating expenses.

Full Project Estimate: $646,371 (internal) funded by Other, Depreciation Reserve Funds. Contract execution is expected in August 2020 with construction completion in December 2021. The estimated cost to complete the project has increased from the Phase I estimate due to escalating construction costs, an increase in the number of VAV terminal units, and the replacement of the existing ceiling system and lighting.

Other: The majority of this work will be performed above the ceiling in the 5th floor corridor and will include the replacement of the existing ceiling system and lighting in the main corridors which will be disrupted during VAV installation.

19. Project: Department of Administration
D50.6027: FM Energy Plant – Roof Replacement

Request: Establish Phase II to replace the FM Energy Facility built-up roof with a fully adhered TPO roof membrane system

Included in CPIP: Yes – 2019 CPIP Priority 5 of 31 in FY20 (estimated at $676,300)
Phase I Approval: October 2019 (estimated at $676,300) (JBRC)
CHE Approval: N/A
Supporting Details: Pages 265-276

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve	10,000		10,000	836,810	846,810
All Sources	10,000		10,000	836,810	846,810

Summary of Work: The work includes the replacement of the roof, which will come with a 20 year warranty, and relocating some of the piping located on the roof for access and roof protection, as well as new insulation on the piping that serves cooling towers 1 and 3 as the current piping insulation must be removed to facilitate the replacement of the roofing material underneath.

Rationale: The existing 20+ year old roof has exceeded its life expectancy and leaks in multiple locations. It has been repaired over the years, but the repairs are not sustainable.

Facility Characteristics: The building is 18,572 square feet with a 6,191 square foot roof area and was constructed in 1978 (42 years old). The facility provides steam and chilled water for the conditioning of the buildings on and around the State House Complex.

Financial Impact: The project will be funded from Depreciation Reserve Funds (uncommitted balance $2.5 million at February 21, 2020). Revenue received is derived from the rent account which receives rent charged to agencies. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $846,810 (internal) funded by Other, Depreciation Reserve Funds. Contract execution is expected in September 2020 with construction completion in February 2021. The estimated cost to complete the project has increased from the Phase I estimate due to asbestos abatement and the need to completely remove the existing room down to the concrete deck below.

Other: The existing roof is a built-up roof composed of alternating layers of reinforcing fabric and bitumen (asphalt) and is finished with a top layer of aggregate. There is asbestos containing materials discovered in the existing roof system that will require remediation and abatement. The existing roof system will have to be completely removed to the concrete deck below in order to allow enough clearance for the new roof system to be installed under existing piping above the roof surface.

20. Project: Department of Administration
D50.6028: Hayne Laboratory Bldg. – Replace/Upgrade Elevator Controls - Modernization

Request: Establish Phase II for the modernization of the freight elevator in the Hayne Building.

Included in CPIP: Yes – 2019 CPIP Priority 7 of 31 in FY20 (estimated at $330,000)
Phase I Approval: October 2019 (estimated at $528,099) (JBRC)
CHE Approval: N/A
Supporting Details: Pages 277-290

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve	28,500		28,500	581,691	610,191
All Sources	28,500		28,500	581,691	610,191

Summary of Work: The work includes removal and replacement of the major existing elevator components with non-proprietary machines and related components.

Rationale: The freight elevator is original and is experiencing frequent interruptions of service due to its age. Additionally, parts needed for repairs are difficult to find and often must be fabricated, thus extending the periods when the elevator is offline and out of service.

Facility Characteristics: The building is 87,879 square feet and was constructed in 1975 (44 years old). The Hayne Laboratory is occupied by the SC Department of Health and Environmental Control and is utilized by 165 staff and visitors daily.

Financial Impact: The project will be funded from Depreciation Reserve Funds (uncommitted balance $2.5 million at February 21, 2020). Revenue received is derived from the rent account which receives rent charged to agencies. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $610,191 (internal) funded by Other, Depreciation Reserve Funds. Contract execution is expected in July 2020 with construction completion in May 2021. The estimated cost to complete the project has increased from the Phase I estimate because construction costs are higher than initially anticipated.

Other: The project includes the removal and replacement of AC hoist motor and coupling or gearless machine, isolation, rope gripper or sheave brake, hoist ropes and shackles, compensation and related sway less components, non-proprietary controls, regen AC drives, landing system, wiring, duct, conduit, limit switches, main COP, hall push button fixtures, lanterns, position indicators, safety governor, tail and rope, load weigher, toe guard, car door operator, car door and related equipment, inspection station, door detectors, HW pick-up rollers, interlocks, closers, door rollers, gibs, safeties, car and CWT spring guide rollers assemblies, pit switch, pit ladder, card reader provisions, fire command CTR, intercom, as required per code, possible security CPU/monitor as per owner, earthquake requirements, refurbish all required retained equipment, professional painting, testing, adjusting and state inspection.

21. Project: Department of Administration
D50.6031: SC Data Center Building – Targeted Roof Repairs

Request: Establish Phase II for a partial roof replacement and targeted roof repairs of the low slope roof system at the SC Data Center located on Broad River Road in Columbia.

Included in CPIP: Yes – 2019 CPIP Priority 9 of 31 in FY20 (estimated at $250,000)
Phase I Approval: October 2019 (estimated at $266,132) (JBRC)
CHE Approval: N/A
Supporting Details: Pages 291-300

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State	18,889		18,889	261,925	280,814
All Sources	18,889		18,889	261,925	280,814

Summary of Work: The work includes a partial roof replacement of the BUR and ballasted ETDM roof system with a TPO roof that will come with a minimum 20-year warranty.

Rationale: The existing roof is original to the building and the manufacturer's warranty expired in April 2019. The project will extend the useful life of the majority of the existing roof.

Facility Characteristics: The building is 76,021 square feet with a 32,965 square foot roof area and was constructed in 1999 (20 years old). The Data Center Building is occupied by the Division of Technology (DTO) and is utilized by approximately 205 staff plus varying numbers of customers and visitors daily.

Financial Impact: The project will be funded from Appropriated State Funds (uncommitted balance $3 million at November 25, 2019). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $280,814 (internal) funded by Appropriated State Funds. Contract execution is expected in June 2020 with construction completion in October 2020. The estimated cost to complete the project has increased from the Phase I estimate due to rising construction costs and the identification of more extensive repairs than originally anticipated.

Other: The current roof system which is composed of BUR and ballasted EPDM (rubber roofing membrane) roof system that utilizes gravel on the surface, making the surface rough and inconsistent and ineligible for elastomeric coating which requires a smooth roof surface without gravel. Approximately 8,453 square feet of roof area will be replaced with the TPO roof system.

22. Project: Department of Administration
D50.6035: Sumter Street Building – Replace 2 Air Handling Units

Request: Establish Phase II to remove and replace two Air Handling Units at the Sumter Street Building in Columbia.

Included in CPIP: Yes – 2019 CPIP Priority 26 of 31 in FY20 (estimated at $495,000)
Phase I Approval: October 2019 (estimated at $430,500) (JBRC)
CHE Approval: N/A
Supporting Details: Pages 301-312

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve	23,695		23,695	440,485	464,180
All Sources	23,695		23,695	440,485	464,180

Summary of Work: The work includes removal and replacement of two (units #4 and #6) Air Handling Units with rooftop Packaged Dx units with hot gas reheat and associated piping and ductwork. Asbestos abatement will be required.

Rationale: The two units that need replacing are frequently off-line or out of commission and beyond their useful life. These units are essential to proper cooling and humidity control for the building.

Facility Characteristics: The building is 37,501 square feet and was constructed in 1915 (105 years old). The Air Handling Units being replaced are 24 years old and located on the second floor and serve the Human Affairs Commission with approximately 43 staff and daily visitors and the Arts Commission with approximately 23 staff and 100 daily visitors.

Financial Impact: The project will be funded from Depreciation Reserve Funds (uncommitted balance $2.5 million at February 21, 2020). Revenue received is derived from the rent account which receives rent charged to agencies. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $464,180 (internal) funded by Other, Depreciation Reserve Funds. Contract execution is expected in June 2020 with construction completion in February 2021. The estimated cost to complete the project has increased from the Phase I estimate because temporary spot coolers were added during construction, and cost for the temporary relocation of equipment during construction.

Other: These units will sit on a new structural steel frame on the roof. The units are each controlled by a programmable thermostat. They utilize the mechanical room as a return plenum pulling return air from above the ceiling of the adjacent spaces.

23. Project: Department of Administration
D50.6036: Wade Hampton Building – Roof Replacement and Parapet Wall Reinforcement

Request: Establish Phase II for the replacement of the roof and installation of parapet seismic structural reinforcement at the Wade Hampton Building located at the SC State Capitol Complex in Columbia.

Included in CPIP: Yes – 2019 CPIP Priority 10 of 31 in FY20 (estimated at $1,600,000)
Phase I Approval: October 2019 (estimated at $1,360,000) (JBRC/SFAA)
CHE Approval: N/A
Supporting Details: Pages 313-324

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State	69,650		69,650	1,079,869	1,149,519
All Sources	69,650		69,650	1,079,869	1,149,519

Summary of Work: The work includes replacement of the built-up roof system with an aggregate surface and installation of a new thermoplastic polyolefin (TPO) single-ply roofing membrane system. The new roof will come with a minimum 20-year warranty.

Rationale: Since the existing roof system is a built-up system with an aggregate surface it is not eligible for elastomeric coating. There are multiple leaks and the existing roof parapet exceeds the height allowable by current building code seismic regulation for parapets that are not laterally braced and requires structural seismic reinforcement.

Facility Characteristics: The building is 121,141 gross square feet and was constructed in 1938 (82 years old). The roof area is 19,560 gross square feet and was installed in 1978 (42 years old). The building is occupied by the Office of the Ombudsman, State Treasurer's Office, Prosecution Commission, Comptroller General's Office, Department of Administration, Department of Agriculture and State Fiscal Accountability Authority and is utilized by 275 occupants plus visitors daily.

Financial Impact: The project will be funded from Appropriated State Funds (uncommitted balance $3 million at January 21, 2020). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $1,149,519 (internal) funded by Appropriated State Funds. Contract execution is expected in January 2021 with construction completion in August 2021.

Other: The project includes replacing all roof insulation with new R24-R30 insulation and installing a new thermoplastic polyolefin (TPO) single-ply roofing membrane system with all new roof drains, flashing and lightning protection system. The project also includes addressing additional leaks that appear to be related water intrusion within the exterior wall veneer.

Establish Construction Budget & Revise Scope

24. Project: Department of Administration
D50.6026: Dennis Building – Replace Air Handlers 1 & 2

Request: Establish Phase II and revise the scope to replace AHU # 1 and AHU # 2 at the Rembert Dennis Building. The additional scope of work will include replacing a large portion of the ceiling as well.

Included in CPIP: Yes – 2019 CPIP Priority 27 of 31 in FY20 (estimated at $1,100,000)
Phase I Approval: October 2019 (estimated at $651,375) (JBRC)
CHE Approval: N/A
Supporting Details: Pages 325-336

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve	30,420		30,420	733,660	764,080
All Sources	30,420		30,420	733,660	764,080

Summary of Work: The work includes the replacement of both air handlers, adding new ductwork, HVAC controls, and lighting in the area currently served by AHU # 2.

Rationale: The two air handling units frequently require repair, are beyond their useful life and need replacement. Providing adequate maintenance to these units is getting more difficult because parts are becoming obsolete.

Facility Characteristics: The building is 248,950 square feet, 12,500 square feet affected by this project, and was constructed in 1950 (70 years old) and was renovated in 1978 (42 years ago). The facility is utilized by approximately 750 staff and visitors of the Office of the Attorney General, Department of Natural Resources, Legislative Council, and the Revenue and Fiscal Affairs Office.

Financial Impact: The project will be funded from Depreciation Reserve Funds (uncommitted balance $2.7 million at March 17, 2020). Revenue received is derived from the rent account which receives rent charged to agencies. The project is expected to result in a decrease of $5,000 (years 1 thru 3), in annual operating expenses.

Full Project Estimate: $764,080 (internal) funded by Other, Depreciation Reserve Funds. Contract execution is expected in August 2020 with construction completion in February 2021. The estimated cost to complete the project has increased from the Phase I estimate due the increased scope of replacing a large portion of the ceiling, and higher estimated contractor markup due to the current climate of the construction industry.

25. Project: Department of Administration
D50.6029: Harden Street DSS – Air Distribution, Heating and Cooling

Request: Establish Phase II and revise the scope for the removal and replacement of the heating, cooling and air distribution systems in the Department of Social Services Harden Street building, and to add the replacement of the Harden Street HVAC Control System.

Included in CPIP: Yes – 2019 CPIP Priority 11 of 31 in FY20 (estimated at $573,781)
Phase I Approval: October 2019 (estimated at $745,839) (JBRC)
CHE Approval: N/A
Supporting Details: Pages 337-352

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State	42,708		42,708	703,131	745,839
Other, Depreciation Reserve (transfer from D50-9817)				301,779	301,779
All Sources	42,708		42,708	1,004,910	1,047,618

Summary of Work: The project will remove and replace the original antiquated and unreliable heating, cooling and air distribution systems in the Department of Social Services – Harden Street Building.

Rationale: The existing systems are original to the building and experience frequent outages and do not properly provide balanced heating and cooling.

Facility Characteristics: The building is 64,311 square feet and was constructed in 1989 (31 years old). There are approximately 300 staff members and a various number of visitors who utilize the building.

Financial Impact: The project will be funded from Appropriated State Funds (uncommitted balance $2 million at March 10, 2020) and Depreciation Reserve Funds as a transfer from D50-9517 (uncommitted balance $561,536.15 at March 31, 2020). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $1,047,618 (internal) funded by Appropriated State Funds and Depreciation Reserve Funds. Contract execution is expected in October 2020 with construction completion in October 2021. The estimated cost to complete the project has increased from the Phase I estimate due to the additional scope, increased costs of VAV boxes, design fees for added scope and larger contingency.

Other: Replacement of the Harden Street HVAC Control System was included as a portion of another permanent improvement project, D50-9817 (Energy Facilities Control Systems Upgrade). However, in consultation with OSE, it was determined in order to realize a cost savings and minimize the disruption to the building occupants, the Harden Street HVAC Controls should be included as part of this project.

Establish Project for A&E Design

26. Project: Office of the Adjutant General
E24.9824: 3800 Water Heater Replacement

Request: Establish Phase I pre-design to demolish the 7-existing gas-fire water heaters at McCrady Training Center serving Wings 100, 300, 600, 700 and the Kitchen.

Included in CPIP: No – It was anticipated that these heaters would not need to be replaced for another five years at the time of the 2019 CPIP submission.
CHE Approval: N/A
Supporting Details: Pages 353-362

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, National Guard Bureau				10,000	10,000
All Sources				10,000	10,000

Summary of Work: The project will replace the original existing gas-fire water heaters with staged gas-fired instantaneous water heaters with new piping for integration into the existing hot water supply systems running throughout the facility.

Rationale: Multiple failures of three separate water heaters occurred during the summer and fall of 2019, and during attempts to repair the individual heaters, the equipment supplier advised that parts for these units are no longer produced and many parts are no longer available.

Facility Characteristics: The 218th Regional Training Institute at the McCrady Training center is 160,342 square feet and was constructed in 1998 (21 years old) and serves students, soldiers and staff of the National Guard.

Financial Impact: The project will be funded from Federal, National Guard Bureau funds (uncommitted balance $13.7 million at January 23, 2020). Revenue to the fund is 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. The project is expected to result in a decrease of $6,050 (year 1), $6,150 (year 2) and $6,250 (year 3), in annual operating expenses.

Full Project Estimate: $341,100 (internal) funded by Federal National Guard Bureau Funds.

Other: The project will include replacement of 2 – 600-gallon heaters serving Wings 600 and 700, 2 – 250-gallon heaters serving the Kitchen, 1 – 250-gallon heater serving Wing 100, and 2 – 250-gallon heaters serving Wing 300 with staged gas-fired instantaneous water heaters with new piping for integration into the existing hot water supply systems running through the facility.

Phase II Increase

27. Project: Office of the Adjutant General
E24.9793: Armory Revitalization (Annualized)

Request: Increase the Phase II budget to continue with the design and construction of the Easley and Sumter armories.

Included in CPIP: Yes – 2019 CPIP Priority 3 of 18 in FY20 (estimated at $23,346,000)
Phase II Approval: November 2016 (estimated at $10,500,000) (JBRC/SFAA)
Phase II Incr. Approval: September 2018 (estimated at $13,500,000) (Admin.)
CSOF Approval: September 2018 (estimated at $13,500,000) (JBRC Staff)
Phase II Incr. Approval: December 2018 (estimated at $19,600,000) (JBRC/SFAA)
CHE Approval: N/A
Supporting Details: Pages 363-370

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY16 Capital Reserve	5,000,000		5,000,000		5,000,000
FY19 Capital Reserve		3,000,000	3,000,000		3,000,000
Appropriated State, FY20 Proviso 118.16 (nonrecurring)			2,000,000		2,000,000
Federal, National Guard Bureau	5,500,000	2,500,000	10,000,000	500,000	10,500,000
Other, FY20 Armory Maintenance				500,000	500,000
All Sources	10,500,000	5,500,000	20,000,000	1,000,000	21,000,000

Summary of Work: The project was established to complete significant repairs at ten (10) Readiness Centers (aka; Armories) that are in the worst conditions of disrepair of the 63 RCs and are chosen based on the A/E’s assessment/design. The centers include Greenwood, Lancaster, Greenville, Florence, Sumter, Clemson, Laurens, Union, Hartsville, and Easley. Each of these facilities have varying issues that need to be repaired or renovated, but the major cost items include; 1) Roof replacement or repairs. Roofs will be replaced at Florence, Sumter, Easley, Laurens, Clemson, Union and Hartsville because each roof is approximately 40+ years old. Five armories have built-up bituminous roofing systems and two have standing seam metal roofs and all will be replaced with the same roofing material. All roofs will come with a minimum 20-year warranty. 2) HVAC systems maintenance and/or repairs. 3) Replacing existing exterior windows, doors and storefront systems. 4) Interior renovations of latrines, kitchen, lighting, fire suppression, carpeting/flooring, painting of interior & exterior walls. 5) Electrical system upgrades. 6) Site improvements and repairs of parking lots, stormwater systems, security fencing, security lighting. 7) Foundation, structure and exterior wall repairs.

Rationale: In most cases, items require replacement since they have exceeded their service life. In accordance with Federal law, the State of South Carolina is obligated to the National Guard Bureau to provide operation and maintenance funding for those facilities as long as there is a federally recognized unit assigned to the facilities.

Facility Characteristics: Each armory is 45,000 to 65,000 square feet and were constructed in 1970 (50 years old). The agency has relocated and/or consolidated force structure to other RCs and closed the sub-standard RCs that could be closed. Each armory will be utilized by 300+ National Guardsman statewide.

Financial Impact: The project will be funded with Federal, National Guard Bureau Funds (uncommitted balance $13,000,000 at March 17, 2020). Revenue to this fund is received from the Construction and Facilities Management Office's Master Cooperative Agreement funds. The project will also be funded with Other, FY20 Armory Maintenance Funds (uncommitted balance $1,200,000 at March 17, 2020). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $41,000,000 (internal) funded by Capital Reserve, Appropriated State and National Guard Bureau Funds. Contract execution is expected in August 2020 for Easley with construction completion in August 2021.

Other: 3 of 10 facilities (Greenwood/Lancaster/Greenville) have been completed. 1 of 10 (Florence) is presently under renovation and will be completed by the end of 2020. 2 of 10 (Easley & Sumter) are being designed with this funding being added to the project.

28. Project: Office of the Adjutant General
E24.9814: Hodges Readiness Center Erosion Repairs

Request: Increase Phase II budget to cover the cost of design fees that were not included in the project, and to increase the contingency amount for the Hodges Readiness Center Erosion Repairs.

Included in CPIP: Yes – 2019 CPIP Priority 15 of 18 in FY20 (estimated at $409,500)
Phase I Approval: December 2018 (estimated at $345,100) (JBRC)
Phase II Approval: May 2019 (estimated at $345,100) (JBRC)
CHE Approval: N/A
Supporting Details: Pages 371-378

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State	2,550	342,550	345,100	50,000	395,100
All Sources	2,550	342,550	345,100	50,000	395,100

Summary of Work: The work includes all labor, materials and equipment to replace the existing inadequately sized Storm Water System Outfall with new stormwater pipes and boxes with backfill to repair the erosion at the existing stormwater outfall channel.

Rationale: Stormwater has eroded the existing channel along the South side of the property and cut a 25’ deep gully at the stormwater outfall that extends for approximately 100’. These repairs are required to correct existing problems and prevent any future erosion on the site.

Facility Characteristics: The existing system is original to the armory constructed in 1999 (21 years old). The armory is occupied by approximately 150 soldiers with Company B of the 151st Signal Battalion.

Financial Impact: The project will be funded from Appropriated State Funds (uncommitted balance $984K at January 15, 2020). The project is expected to result in an increase of $1,000 (years 1 thru 3), in annual operating expenses.

Full Project Estimate: $395,100 (internal) funded by Appropriated State Funds. Contract execution is expected in March 2020 with construction completion in December 2020.

Phase II Increase, Revise Scope & Change Source of Funds

29. Project: Office of the Adjutant General
E24.9817: Statewide Act of Nature Repairs

Request: Increase Phase II budget, change the source of funds and revise the scope to support the Manning Readiness Center roof replacement.

Included in CPIP: Yes – 2019 CPIP Priority 12 of 18 in FY20 (estimated at $1,067,296)
Phase I Approval: January 2019 (estimated at $816,850) (JBRC)
CSOF Approval: May 2019 (estimated at $816,850) (Admin.)
Revise Scope
& Phase II Approval: August 2019 (estimated at $1,067,296) (JBRC/SFAA)
CHE Approval: N/A
Supporting Details: Pages 379-388

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State	3,750	1,063,546	1,067,296	(475,472)	591,824
Federal, National Guard Bureau	11,250	(11,250)		1,775,472	1,775,472
All Sources	15,000	1,052,296	1,067,296	1,300,000	2,367,296

Summary of Work: The replacement of the Manning Center roof is being added to the project. The existing standing seam metal roof system is original to the building and will be replaced with a standing seam metal roof and come with a minimum 20-year warranty.

Rationale: The Pee Dee Region Readiness Centers suffered significant damage which is impacting SC National Guard mission readiness and soldier morale. This project was established for the restoration of the readiness centers in Marion, Mullins and Manning that were impacted by Hurricane Florence on September 12, 2018.

Facility Characteristics: The 17,271 square foot Marion center was constructed in 1981 (39 years old. The 25,520 square foot Mullins center was constructed in 1989 (31 years old). The 25,960 square foot Manning center was constructed in 1997 (23 years old). Each readiness center is utilized by approximately 100 soldiers. They are also rentable to the public with approved requests.

Financial Impact: The project will be funded from Appropriated State and Federal, National Guard Bureau Funds (uncommitted balance $2.2 million at January 15, 2020). Revenue to the fund is 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. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $2,367,296 (internal) funded by Appropriated State and Federal, National Guard Bureau Funds. Contract execution is expected in July 2020 with construction completion in December 2020.

Other: A TPO system was not selected because it would require the construction of an underlying solid roof deck and would significantly increase the cost for replacing the roofing system. Thus, a TPO system was not considered as a viable option for a replacement system. The Marion center repairs include replacing the caulking and sealing around windows in the readiness center and other minor repairs. The Mullins center repairs include replacing mortar (re-grouted) on the drill hall wall, water proofing wall, removing mold from walls, painting of walls, replacing floor tiles and other minor repairs. The Manning center repairs include replacing the roof, covering window sills with metal, water proofing walls, clean and paint interior walls, replace damaged ceiling tiles, and replace carpet/floor tiles and other minor repairs.

Phase II Increase

30. Project: Governor's School for the Arts and Humanities
H63.9518: Fire Protection Component Upgrade

Request: Increase Phase II budget to add additional strobe equipment and the related labor to the project.

Included in CPIP: Yes – 2018 CPIP Priority 1 of 1 in FY19 (estimated at $480,000)
Phase II Approval: October 2018 (estimated at $480,000) (Admin.)
CHE Approval: N/A
Supporting Details: Pages 389-396

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY19 Appropriated State, Proviso 118.15 (nonrecurring)	480,000		480,000		480,000
Other, Operating Revenue				5,000	5,000
All Sources	480,000		480,000	5,000	485,000

Summary of Work: The project is bringing the entire fire system up to code in 8 campus buildings.

Rationale: The original project included adding a voice evacuation system, replacing all horns, strobes, audio network controllers, smoke detectors, heat detectors, pull stations, relay modules, and completely re-wiring all devices to meet code. Following the Office of the State Engineer inspection, it was determined that additional equipment needed to be added to the project. The original fire panel parts are no longer available.

Facility Characteristics: The Governor's School for the Arts and Humanities fire alarm system consists of two main panels that are integrated with one another. They have approximately 800 other fire devices – horns, strobes, smoke and heat detectors, etc. There are 240 students, 85 full and part time faculty, and approximately 50 staff.

Financial Impact: The project will be funded from FY19 Appropriated State, Proviso 118.15 (nonrecurring) Funds and Other, Operating Revenue Funds (uncommitted balance $1 million at February 13, 2020). Revenue to this fund is generated through application and program fees collected. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $485,000 (internal) funded by Appropriated State, FY19 Proviso 118.15 (nonrecurring) and Other, Operating Revenue Funds. Completed of construction is expected in March 2020.

Establish Project for A&E Design

31. Project: Department of Health and Environmental Control
J04.9534: Statewide Security Project

Request: Establish Phase I pre-design to address security upgrades in DHEC locations statewide to include both owned and occupied offices.

Included in CPIP: No – A few incidents have occurred in the fall and winter of 2019 and subsequent to the 2019 CPIP submission that had the agency focus on the safety of their employees throughout the state.
CHE Approval: N/A
Supporting Details: Pages 397-406

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY19 Carryforward				10,500	10,500
All Sources				10,500	10,500

Summary of Work: The project will include the installation of an access control system, building out doors to close off access to restricted areas of DHEC County Offices, installation of interior and exterior video cameras and upgrading exterior lighting as needed.

Rationale: Due to incidences that have occurred in the fall and winter of 2019, the agency has decided that there is a need to focus on employee safety statewide.

Facility Characteristics: The buildings ranged from 3,100 square feet to 50,000 square feet and were constructed between 1960 and 2015 (5 to 60 years old). The agency has 1,760 staff in the county offices and serves approximately 480,000 clients a year.

Financial Impact: The project will be funded from FY19 Carryforward Funds (uncommitted balance $2.5 million at March 17, 2020). The project is expected to result in an increase in additional annual operating cost, but those costs have not yet been determined.

Full Project Estimate: $750,000 (internal) funded by Carryforward Funds.

Establish Construction Budget

32. Project: Department of Health and Environmental Control
J04.9532: Florence Health Department Parking Lot Repaving

Request: Establish Phase II to repave the parking lot, repair and replace the curbing at the Florence Health Department that serves the Pee Dee region.

Included in CPIP: Yes – 2019 CPIP Priority 4 of 4 in FY20 (estimated at $270,000)
Phase I Approval: October 2019 (estimated at $270,000) (JBRC)
CHE Approval: N/A
Supporting Details: Pages 407-416

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY19 Carryforward	3,750		3,750		3,750
Other, DHEC Special				246,250	246,250
All Sources	3,750		3,750	246,250	250,000

Summary of Work: The work includes asphalt resurfacing of the entire lot, milling along the curbs, and restriping.

Rationale: The lot is in poor condition and customers have tripped and fallen due to the uneven surfaces of the parking lot, curbs and sidewalk. DHEC has tried to have the curbing repaired but the results were unsatisfactory.

Facility Characteristics: The lot is 14,000 square yards and was constructed in 1992 when the building was constructed (28 years old). The parking lot is shared with the Department of Mental Health and serves the public of Florence County. This office receives 17,500 visitors each year.

Financial Impact: The project will be funded from FY19 Carryforward Funds and DHEC Special Funds (uncommitted balance $17.7 million at March 31, 2020). Revenue is from earned funds from private pay for services such as insurance reimbursements, co-pay, state reimbursement of expenditures, etc. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $250,000 (internal) funded by Carryforward and DHEC Special Funds. Contract execution is expected in August/September 2020 with construction completion in November 2020.

Phase II Increase

33. Project: Department of Mental Health
J12.9764: SCDMH Harris Sewer Line Repair

Request: Increase Phase II budget to cover the award of Alternates 1 and 2 and additional contingency funds. By awarding the Base Bid, the contingency is at 2% from a requested and approved 20%.

Included in CPIP: No – It was unknown at the time of the 2019 CPIP submission that the additional funds would be needed.
Phase I Approval: September 2018 (estimated at $220,000) (JBRC Staff)
Phase II Approval: May 2019 (estimated at $701,000) (JBRC)
CHE Approval: N/A
Supporting Details: Pages 417-426

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	3,300	697,700	701,000	252,012	953,012
All Sources	3,300	697,700	701,000	252,012	953,012

Summary of Work: The project is replacing the entire 162,301 feet of terracotta sewer line at the Patrick B. Harris Psychiatric Hospital in Anderson County.

Rationale: The project was originally established as an emergency procurement and work began to replace 180’ of sewer line. Upon inspection it was determined that the existing terracotta system was going to continue to fail in multiple locations over time. The sewer system is failing in areas allowing soil and debris in the sewer line at the joints. It was determined that funds were available to replace the entire system in one project which would save money over time and reduce the potential of having to close a wing until the problem is resolved.

Facility Characteristics: The existing/original sewer line at Patrick B. Harris Psychiatric Hospital, which is 162, 301 square feet was constructed in 1987 (33 years old). The hospital has 125 long term nursing home patients and 150 staff and support personnel.

Financial Impact: The project will be funded from Other, Capital Improvement & Maintenance Funds (uncommitted balance $1 million at December 31, 2019). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $953,012 (internal) funded by Other, Capital Improvement & Maintenance Funds. Completed of construction is expected in October 2020.

Other: The existing sewer line has created sinkholes in several locations outside the building. Initially, the emergency portion of the project was to fix 180’ of sewer line. Then an additional section of the drain was discovered to have a problem. Ultimately the project was expanded to replace the entire sewer line. The project will involve a lot of digging which could affect water lines, communication lines, etc.

Establish Project for A&E Design

34. Project: Department of Disabilities & Special Needs
J16.9926: Regional Centers – Replacement of HVAC Equipment with R-22 Refrigerant

Request: Establish Phase I pre-design to prioritize the replacement of HVAC equipment at each regional center, based on age and maintenance issues to advance removal of old HVAC systems with R-22 refrigerant.

Included in CPIP: Yes - 2019 CPIP Priority 2 of 4 in FY2020 (estimated at $500,000)
CHE Approval: N/A
Supporting Details: Pages 427-436

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Excess Debt Service				7,500	7,500
All Sources				7,500	7,500

Summary of Work: The project will replace failed or failing HVAC equipment that has reached its useful life expectancy at Whitten, Midlands, Coastal and Pee Dee/Saleeby Regional Centers.

Rationale: The U.S. EPA, in cooperation with other agencies and groups around the world, initiated a phase out of many ozone-depleting agents as part of an international agreement known as the Montreal Protocol. The production/import of R22 will be continually reduced by law and all production/import will be eliminated. Only recycled R22 refrigerant will be available to service existing air conditioners after 2020.

Facility Characteristics: The facilities range from 43,221 square feet to 175,791 square feet, totaling 529,437 square feet and were constructed between 1935 and 2011 (85 to 9 years old). The HVAC equipment ranges in age from 10 to 25 years old. The regional centers serve approximately 654 customers and house approximately 1,660 staff daily.

Financial Impact: The project will be funded from Excess Debt Service funds (uncommitted balance $2.5 million at October 31, 2019). Revenue to the fund is invested and held by the State Treasurer's Office on behalf of SCDDSN and are comprised of revenues of the commission that exceeds the payment due or to become due during the then current fiscal year and an additional sum equal to the maximum annual debt service requirement of the obligations for a succeeding fiscal year. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $500,000 (internal) funded by Excess Debt Service Funds.

Phase II Increase

35. Project: John de la Howe
L12.9519: JDLH School Entrance/Security Gate

Request: Increase the Phase II budget to cover additional costs that were determined by the A&E firm when they re-visited the original estimate prior to bidding.

Included in CPIP: Yes – 2019 CPIP Priority 2 of 13 in FY20 (estimated at $140,000)
Phase I Approval: August 2019 (estimated at $200,000) (JBRC Staff)
Phase II Approval: December 2019 (estimated at $299,554) (JBRC)
CHE Approval: N/A
Supporting Details: Pages 437-450

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY19 Carryforward	3,000	296,554	299,554	218,539	518,093
All Sources	3,000	296,554	299,554	218,539	518,093

Summary of Work: The project was established to enhance facility security by constructing a guard facility and gate at the main entrance of the school. The actual costs associated with general conditions, remote location, and site work has increased the original estimated project costs.

Rationale: With the school re-opening in August 2021, these security updates are needed for the campus.

Facility Characteristics: The new facility will be 248 heated square feet and 352 non-heated square feet plus parking, gates and fences and will be used by security personnel. Approximately 300 students and faculty will use this entrance daily.

Financial Impact: The project will be funded from Appropriated State FY19 Carryforward Funds (uncommitted balance $1 million at July 2019). The project is expected to result in an increase of $3,500 (years 1 thru 3), in annual operating expenses.

Full Project Estimate: $518,093 (internal) funded by Carryforward Funds. Contract execution is expected in May 2020 with construction completion in August 2020.

Establish Project for A&E Design

36. Project: Department of Corrections
N04.9764: Tyger River CI – Multipurpose Building

Request: Establish Phase I pre-design to construct a Multipurpose Building at Tyger River Correctional Institution.

Included in CPIP: No – It was unknown when the Tyger River Chapel committee would be able to acquire the necessary funds.
CHE Approval: N/A
Supporting Details: Pages 451-460

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Tyger River Chapel Foundation				10,192	10,192
All Sources				10,192	10,192

Summary of Work: The project will construct a 3,500 square foot metal building that will provide space to hold multi-faith services and program services for the inmate population as well as provide needed office space for staff.

Rationale: Currently Tyger River Correctional Institution does not have a dedicated space to provide multi-faith programs and counseling services to the institutions lower yard inmate population.

Facility Characteristics: The new multipurpose building to be constructed will be 3,500 square feet and will serve 568 inmates and an average of 100 staff members assigned to the institutions lower yard.

Financial Impact: The project will be funded from Other, Tyger River Chapel Foundation funds through a construction related gift. The project is expected to result in an increase in additional annual operating cost, but those costs have not yet been determined.

Full Project Estimate: $679,531 (internal) funded by the Tyger River Chapel Foundation.

Other: The project will be managed and funded directly by the Tyger River Chapel Foundation at no cost to the agency. A general contractor will construct the building on state property and upon completion, the building will be donated to the agency.

37. Project: Department of Corrections
N04.9765: Walden – Renovate Building One for Police Services

Request: Establish Phase I pre-design to renovate Building One at Walden Correctional Institution from housing units to Office Space to accommodate SCDC's Police Services.

Included in CPIP: No – The agency did not decide what to use the facility for until after the 2019 CPIP submission.

CHE Approval: N/A

Supporting Details: Pages 461-470

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, FY19 Proviso 65.25 Cell Phone Interdiction				10,850	10,850
All Sources				10,850	10,850

Summary of Work: The project will renovate 8,267 square feet of the building to include demolishing a 1,986 square foot wood framed portion of the building.

Rationale: The housing unit is no longer being utilized to house inmates. This facility would serve to centralize Police Services office space into one central location from its current locations spread throughout the Broad River Complex.

Facility Characteristics: The building is 12,576 square feet and was constructed in 1949 (70 years old) and has been vacant since 2016, when the Walden Correctional Institution was closed. The building will house 54 office personnel and agents assigned to the building.

Financial Impact: The project will be funded from Other, FY19 Proviso 65.25 Cell Phone Interdiction Funds (uncommitted balance $2.5 million at January 26, 2020). Revenue to the fund is authorized through an annual proviso implemented in FY17 granting the right to add a surcharge to all inmate pay phone calls to offset the cost of equipment and operations of cell phone interdiction measures. The project is expected to result in an increase in additional annual operating cost, but those costs have not yet been determined.

Full Project Estimate: $723,950 (internal) funded by FY19 Proviso 65.25 Cell Phone Interdiction Funds.

Other: The project includes a total renovation of 8,267 square feet of the building to include removing and adding walls to the interior, replacing windows and doors, new HVAC system and duct work, replacing existing electrical wiring, adding data connections throughout the building, new fire alarm system, sprinkler improvements, converting a single bathroom into separate men's and women's bathrooms, new roof, new floor tile, acoustical tile ceiling and painting interior. The 1,986 square foot wood framed portion of the building being demolished would be more expensive to repair than to replace and rebuild. The work will be accomplished by SCDC inmate in-house work forces. The remaining 4,309 square feet of the building has already been remodeled into office space and is not part of this project.

38. Project: Department of Corrections
N04.9766: Camille Graham CI – Construct Program Building

Request: Establish Phase I pre-design to construct an approximately 3,600 square foot wood framed metal siding building to be used for Reentry and other Institutional Programming Classes.

Included in CPIP: No – This project was not anticipated needing attention and therefore was not included in the 2019 CPIP.

CHE Approval: N/A

Supporting Details: Pages 471-478

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Canteen				7,500	7,500
All Sources				7,500	7,500

Summary of Work: The project will prepare the site, construct the building and the applicable materials including fill material, concrete, framing material, doors, windows, plumbing, mechanical, electrical and other building materials as required.

Rationale: The current spaces being utilized for these programs are being shared between multiple groups including Mental Health, Substance Abuse, Religion, Recreation, and Visitation. These programs require a dedicated space to allow for a full day of classes without interruption due to scheduling conflicts.

Facility Characteristics: The new 3,600 square foot facility will be utilized by 4 employees, 1 officer and 50 to 70 students each day.

Financial Impact: The project will be funded from Canteen Funds (uncommitted balance $6.5 million at March 13, 2020). Revenue to this fund is derived wholly from the canteen operations within the Department of Corrections on behalf of the inmate population, which may be retained and expended by the department for the continuation of the operation of said canteens and the welfare of the inmate population or, at the discretion of the Director, used to supplement costs of operations. The project is expected to result in an increase in additional annual operating cost, but those costs have not yet been determined.

Full Project Estimate: $500,000 (internal) funded by Canteen Funds.

39. Project: Department of Corrections
N04.9767: Headquarters – Water Intrusion Remediation

Request: Establish Phase I pre-design for the remediation of water intrusion in the Headquarters 300 Building.

Included in CPIP: No – This project was not anticipated needing attention and therefore was not included in the 2019 CPIP.
CHE Approval: N/A
Supporting Details: Pages 479-486

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Canteen				11,250	11,250
All Sources				11,250	11,250

Summary of Work: The project scope of work will include sealing masonry joints, sealing all exterior and courtyard windows, weather stripping exterior and courtyard doors, and sealing the concrete slab to include removing and replacing all flooring and portions of the partition walls.

Rationale: Testing has shown that the relative humidity to be above the acceptable limit of 75%.

Facility Characteristics: The Headquarters 300 Building is 15,120 square feet and was constructed in 1970 (50 years old). The facility houses approximately 60 of the departments executive staff.

Financial Impact: The project will be funded from Canteen Funds (uncommitted balance $6.5 million at March 13, 2020). Revenue to this fund is derived wholly from the canteen operations within the Department of Corrections on behalf of the inmate population, which may be retained and expended by the department for the continuation of the operation of said canteens and the welfare of the inmate population or, at the discretion of the Director, used to supplement costs of operations. The project is expected to result in an increase in additional annual operating cost, but those costs have not yet been determined.

Full Project Estimate: $750,000 (internal) funded by Canteen Funds.

40. Project: Department of Corrections
N04.9768: Kirkland CI – Remodel Storage Space into Housing Unit

Request: Establish Phase I pre-design to remodel a portion of the building "D" at Kirkland CI to a Housing Unit.

Included in CPIP: No – This project was not anticipated needing attention and therefore was not included in the 2019 CPIP.
CHE Approval: N/A
Supporting Details: Pages 487-494

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Canteen				15,000	15,000
All Sources				15,000	15,000

Summary of Work: The project scope of work will convert approximately 10,446 square feet, which is the portion of the building used for storage space, into a Housing Unit. Portions of this building where remodeled into a housing unit in 2000. Currently Kirkland CI houses R&E, the State's MSU and special needs inmates which puts bed space at a premium.

Rationale: The Housing Unit will provide space for Kirkland CI's inmate cadre to be moved from the Special Needs Unit to a separate unit freeing up bed space for additional special needs inmates.

Facility Characteristics: The "D" Building is 51,860 square feet and was constructed in 1973 (47 years old). The 10,446 square feet of remodeled space will house 100 inmates and 1 staff.

Financial Impact: The project will be funded from Canteen Funds (uncommitted balance $6.5 million at March 13, 2020). Revenue to this fund is derived wholly from the canteen operations within the Department of Corrections on behalf of the inmate population, which may be retained and expended by the department for the continuation of the operation of said canteens and the welfare of the inmate population or, at the discretion of the Director, used to supplement costs of operations. The project is expected to result in an increase in additional annual operating cost, but those costs have not yet been determined.

Full Project Estimate: $1,000,000 (internal) funded by Canteen Funds.

Establish Project for A&E Design

41. Project: Department of Juvenile Justice
N12.9610: New Fence Detection System

Request: Establish Phase I pre-design to obtain a fence mounted perimeter intrusion detection system.

Included in CPIP: No – In compliance with the Department of Justice's report, it became imperative that they design and execute this project.
CHE Approval: N/A
Supporting Details: Pages 495-518

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY19 Carryforward				3,852	3,852
All Sources				3,852	3,852

Summary of Work: The project will provide protection for approximately 4,000 feet of perimeter chain link fence at the Broad River Road Complex, Juvenile Detention Center and the Midlands Evaluation Center, Upstate Evaluation Center and Coastal Evaluation Center.

Rationale: The system will increase the awareness of their frontline security in these facilities.

Facility Characteristics: There is not a current system in place at these facilities. This will be a new system.

Financial Impact: The project will be funded from Appropriated State, FY19 Carryforward funds (uncommitted balance $5.1 million at February 13, 2020). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $256,785 (internal) funded by Appropriated State, Carryforward Funds.

Other: This system will be a continuous computer monitoring system that will tie into the entire chain link of the perimeter fence. The set up allows for gate openings and general areas. Should the fence move much within an area, it would send an alarm to dispatch, who then would notify perimeter security to check the area.

42. Project: Department of Juvenile Justice
N12.9611: Security Upgrade for Maple, Holly, Poplar, Cypress and Laurel Units

Request: Establish Phase I pre-design to install secure cell fronts, door controls, intercoms and central control units to the 4 newer units of the main campus.

Included in CPIP: Yes – 2019 CPIP Priority 3 of 6 in FY23 (estimated at $4,101,651)
CHE Approval: N/A
Supporting Details: Pages 519-526

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY19 Carryforward				61,525	61,525
All Sources				61,525	61,525

Summary of Work: The project will upgrade the lock and control systems from the original designs to meet current life safety codes as well as provide a controlled and safe environment for the staff and youth. This work will also include the intercom system, control station(s), and computer switchgear renovation needs. The area impacted is 2,300 square feet.

Rationale: Currently, the youth, many of whom have traumatic pasts, are housed in open rooms with no barriers, so many youths feel less secure and have difficulty sleeping. Cell doors and other included security upgrades will provide a safer environment and allow them to focus more on their rehabilitation. Additionally, having doors will provide privacy and more safety for youth that are displaying aggressive behaviors and for those who feel unsafe in their environments.

Facility Characteristics: The building is 115,060 square feet and was constructed in 2001 (19 years old). There are 10 youth and 2 staff who utilize the 2,300 square feet of space impacted by the project.

Financial Impact: The project will be funded from Appropriated State, FY19 Carryforward Funds (uncommitted balance $5.1 million at February 13, 2020).

Full Project Estimate: $4,101,651 (internal) funded by Appropriated State, Carryforward Funds.

Phase II Increase

43. Project: Department of Agriculture
P16.9517: Peanut Inspections Training Building

Request: Increase the Phase II budget to increase the contingency budget in the project.

Included in CPIP: Yes – 2018 CPIP Priority 3 of 3 in FY19 (estimated at $245,000)
Phase I Approval: August 2018 (estimated at $245,000) (JBRC Staff)
Phase II Approval: May 2019 (estimated at $344,045) (JBRC)
Phase II Incr. Approval: March 2020 (estimated at $351,691) (Amin.)
CHE Approval: N/A
Supporting Details: Pages 527-534

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Inspection Fees	3,683	340,362	344,045	30,000	374,045
Other, Surplus Property Sale (transfer from P16-9516)		7,646	7,646		7,646
All Sources	3,683	340,362	351,691	30,000	381,691

Summary of Work: The project is constructing a pole and wood climate-controlled building. This facility includes a classroom, a grading room, and a bathroom. Minimal site work or pavement additions will be necessary.

Rationale: The agency needs a climate-controlled and spacious area to conduct employee, grower, and industry training, store equipment, and conduct repairs. This facility will improve training and inspection efficiency, be a better learning environment, and improve employee retention. Peanut acreage and tonnage have increased demand for the agency services, for which farmers pay a fee.

Facility Characteristics: The new facility will be approximately 4,450 square feet of covered space (61' x 73'). Centrally located in Columbia, it will be utilized by 16 full-time employees and 7 time-limited employees along with a possible 300 farmers, growers, and producers for training.

Financial Impact: The project will be funded from Inspections Fees (uncommitted balance $828K at February 29, 2020). Revenue to this fund is generated from grain inspection revenue. The project is expected to result in an increase of $1,200 (year 1) and $6,460 (years 2 and 3), in annual operating expenses.

Full Project Estimate: $438,691(internal) funded by Inspection Fees and Surplus Property Sale Funds. Construction completion expected in August 2020.

Other: The Department of Agriculture grades 250,000 tons (120,000 acres) of peanuts for 500 farmers at 12 buying points across South Carolina and employs up to 140 temporary employees and 5 full time employees. SCDA Grading and Inspections program has cooperative agreements with USDA for peanuts, poultry and egg, fruit and vegetables, and grain. These are fee for service activities conducted statewide, mostly on-location in privately-owned, customer facilities to ensure the quality is accurately represented to the consumer and the appropriate price is paid to the producer.

Establish Project for A&E Design

44. Project: Department of Natural Resources
P24.6007: Greenville-Poinsett Bridge Restoration

Request: Establish Phase I pre-design to rehabilitate the Poinsett Bridge, located in northern Greenville County.

Included in CPIP: Yes - 2019 CPIP Priority 13 of 26 in FY2020 (estimated at $1,000,000)
CHE Approval: N/A
Supporting Details: Pages 535-544

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Heritage Land Trust				13,485	13,485
All Sources				13,485	13,485

Summary of Work: The project will restore the masonry gothic arch granite bridge, as well as include the installation of safety railings.

Rationale: A 2016 survey of the bridge identified issues that would require certain degrees of restoration work. This work will help stabilize the historic structure and provide future generations access to a unique piece of South Carolina's history.

Facility Characteristics: The 102' long bridge is part of the Saluda Mountain Road connecting upland South Carolina with Charleston, has an arch span of 7'-4 1/2 "and a height of 14' and was constructed in 1820 (200 years old) and will be utilized by persons visiting the Heritage Preserve Site. It was listed in the National Register of Historic Places in 1970 and is the oldest surviving bridge in the southeastern United States. It was protected as a Heritage Preserve in 2003.

Financial Impact: The project will be funded from Other, Heritage Land Trust funds (uncommitted balance $3.4 million at January 8, 2020). Revenue to the fund is received to acquire in fee simple or lesser interest in priority areas, legal fees, appraisals, surveys, or other costs involved in the acquisition of priority areas, and for the development of minimal facilities and management necessary for the protection of priority areas. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $899,000 (internal) funded by Other, Heritage Land Trust Funds.

Other: The bridge crosses the Callahan Branch of Little Gap Creek and is located near Travelers Rest in Greenville County adjacent to County Road 42. The project includes removing the heavyweight fill between spandrels and replacing with a lighter weight fill to relieve the pressure on spandrels and retaining walls, repoint all mortar joints, replace parapet stones as needed and regrade approaches to the bridge that minimizes unwanted water runoff from crossing the bridge. Safety railings will also be installed for visitor safety and to protect the bridge.

Establish Construction Budget

45. Project: Department of Natural Resources
P24.6005: Charleston – Santee Coastal Reserve Dock Replacement

Request: Establish Phase II for the construction of a new dock on Santee Coastal Reserve WMA that will replace an existing structure on the South Santee River.

Included in CPIP: Yes – 2019 CPIP Priority 8 of 26 in FY20 (estimated at $234,800)
Phase I Approval: December 2019 (estimated at $315,420) (JBRC)
CHE Approval: N/A
Supporting Details: Pages 545-554

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Fish & Wildlife Protection (Timber)	4,600		4,600	395,400	400,000
All Sources	4,600		4,600	395,400	400,000

Summary of Work: The work includes replacement of the existing structure with a fixed pier and floating dock.

Rationale: Minor repairs had become more frequent due to age but the recent succession of storms, and in particular Hurricane Michael, have rendered portions of the dock unusable.

Facility Characteristics: The existing dock has been in place for at least 30 years. The dock is utilized by approximately 100 public users and staff for waterfowl hunting. Staff regularly use the dock to access other parcels that encompass the reserve.

Financial Impact: The project will be funded from Other, Fish & Wildlife Timber Funds (uncommitted balance $3 million at January 15, 2020). Revenue that may be expended by the department for the protection, propagation, and management of freshwater fisheries and wildlife, the enforcement of related laws, the administration of the department, and the dissemination of information, facts, and findings the department considers necessary. Revenue may be expended on permanent improvement or deferred maintenance projects consistent with the purposes of the fund. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $400,000 (internal) funded by Other, Fish & Wildlife Timber Funds. Contract execution is expected in March 2020 with construction completion in June 2020.

Other: Staff must access portions of the WMA by boat for property management activities. A dock provides a stable platform to load and unload equipment and provides safe access for staff for embarking and disembarking boats and barges.

Establish Project for A&E Design

46. Project: Department of Transportation
U12.9744: I-26 EB Rest Area Reconstruction, Charleston Co.

Request: Establish Phase I pre-design to replace the existing rest area facilities at the I-26 East Bound Rest Area in Charleston County.

Included in CPIP: No – A 2019 CPIP was not submitted by the agency
CHE Approval: N/A
Supporting Details: Pages 555-564

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY20 Proviso 118.16 (nonrecurring) (7)				138,000	138,000
All Sources				138,000	138,000

Summary of Work: The project will demolish the existing facilities, construct new facilities, install additional truck parking, and add an emergency backup power generator.

Rationale: The existing facilities are outdated, in poor condition, and non-ADA accessible. The current amount of available truck parking is not sufficient.

Facility Characteristics: The current facilities to be demolished (multiple buildings), total approximately 2,000 square feet, accommodate approximately 15 people, were constructed in 1974 (45 years old) and are frequently utilized by 3,000 travelers and truck/freight haulers throughout the state daily. The proposed new single facility will be approximately 5,000 square feet and accommodate approximately 40 people.

Financial Impact: The project will be funded from Appropriated State, FY20 Proviso 118.16 (nonrecurring) funds (uncommitted balance $4 million at September 18, 2019). The project is expected to result in an increase of $55,200 (year 1), $55,400 (year 2) and $55,600 (year 3), in annual operating expenses.

Full Project Estimate: $10,000,000 (internal) funded by Appropriated State, FY20 Proviso 118.16 (nonrecurring) and Federal, State Highway Funds.

Other: The project will also include a Family Assistance restroom, an indoor vending area and storage, and replacement of existing picnic shelters.

47. Project: Department of Transportation
U12.9745: Sumter I-95 NB Rest Area Replacement

Request: Establish Phase I pre-design to replace the existing rest area facilities at the I-95 North Bound Rest Area in Sumter County.

Included in CPIP: No – A 2019 CPIP was not submitted by the agency
CHE Approval: N/A
Supporting Details: Pages 565-574

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY20 Proviso 118.16 (nonrecurring) (7)				138,000	138,000
All Sources				138,000	138,000

Summary of Work: The project will demolish the existing facilities, construct new facilities, install additional truck parking, and add an emergency backup power generator.

Rationale: The existing facilities are too small to accommodate the current number of visitors and is not an ADA compliant facility. The current amount of available truck parking is not sufficient.

Facility Characteristics: The current facilities to be demolished (multiple buildings), total approximately 2,000 square feet, accommodate approximately 20 people, were constructed in 1970 (36 years old) and are frequently utilized by 4,000 travelers and truck/freight haulers throughout the state daily. The proposed new single facility will be approximately 5,000 square feet and accommodate approximately 40 people.

Financial Impact: The project will be funded from Appropriated State, FY20 Proviso 118.16 (nonrecurring) funds (uncommitted balance $4 million at September 18, 2019). The project is expected to result in an increase of $35,200 (year 1), $35,600 (year 2) and $36,000 (year 3), in annual operating expenses.

Full Project Estimate: $10,000,000 (internal) funded by Appropriated State, FY20 Proviso 118.16 (nonrecurring) and Federal, State Highway Funds.

Other: The project will also include a Family Assistance restroom, an indoor vending area and storage, and replacement of existing picnic shelters.

48. Project: Department of Transportation
U12.9746: SCDOT HQ Building Elevator Modernization

Request: Establish Phase I pre-design to upgrade the existing four elevators in the SCDOT Headquarters Building in Columbia.

Included in CPIP: No – A 2019 CPIP was not submitted by the agency
CHE Approval: N/A
Supporting Details: Pages 575-582

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, State Highway				12,750	12,750
All Sources				12,750	12,750

Summary of Work: The project will modernize three passenger and one freight elevator through the replacement of the motors, bearings, controls, and various other parts required to keep the elevators in sufficient working order.

Rationale: The existing elevators are original to the building and due to their age are outdated and in need of upgrading. Replacement parts for the elevators are no longer being produced and are becoming increasingly difficult to find.

Facility Characteristics: The building is 228,000 square feet and was constructed in 1977 (43 years old). There are approximately 900 employees working in the building.

Financial Impact: The project will be funded from Other, State Highway funds (uncommitted balance $309 million at January 23, 2020). Revenue to the fund is received through partial collections from the motor fuel user fee tax. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: $850,000 (internal) funded by Other, State Highway Funds.

Other: Per the agency, the average amount of annual breakdowns for elevators this age would be 12-16; at 35 breakdowns last year, these elevators had over double what would be considered acceptable. The three passenger elevators and one freight elevator serve all six floors of the building.

AGENCY: Patriots Point Development Authority

SUBJECT: Annual Report Regarding Lease to Patriots Annex, LLC

At its meetings on June 6, 2017, and August 15, 2017, the Joint Bond Review Committee approved a request by Patriots Point Development Authority to lease out 61.75 acres to Patriots Annex, LLC, and directed Patriots Point to submit a report prior to March 31 each year regarding the status of the proposed lease. Patriots Point submitted the 2020 report on March 19, 2020. Following timely submission, Patriots Point provided an updated report dated April 20, 2020, incorporating subsequent developments and actions incidental to the declaration of a state of emergency by South Carolina in connection with the COVID-19 pandemic.

On April 6, 2020, following government-directed closing of non-essential businesses, the Patriots Point board met to consider a request by Patriots Annex, LLC to defer rent payments and deadlines related to the commencement of construction, in order to give Patriots Annex an opportunity to recover from economic impact associated with the state of emergency, including among others business closings, job losses and tourism declines.

The Patriots Point board unanimously enacted a resolution to provide a Relief Plan to Patriots Annex, LLC without reducing rent due to Patriots Point. The Relief Plan provides for 1) a delay in payment of rent due by Patriots Annex, LLC for up to 1 year, granted in increments of 3 months at a time, for the period March 2020 through February 2021; 2) delay under the same time structure of the deadline for commencement of construction under the Patriots Annex lease; and 3) delay until 90 days after termination of the state of emergency any rent due on any lease for any period prior to March 2020. The Patriots Point board will evaluate the terms of the resolution each quarter and determine whether or not to extend the Relief Period for an additional 3 months, up to a maximum of 1 year.

Patriots Point observes that no rent contemplated by the lease is being forgiven, and all terms of the existing leases, and particularly provisions related to interest on past due payments, will be enforced during the period contemplated by the Relief Plan. Accordingly, Patriots Point believes that the Relief Plan does not constitute an amendment to the lease.

Patriots Point reports that the Inspection Period under the lease has ended and lease payments will begin to accrue on October 5, 2020, the first day of the fourth year of the lease.[1] Rent over the next 12 months is projected to accrue for a total of approximately $121,000 as determined at 30% of Fair Market Rent prescribed by the terms of the lease, plus interest in accordance with the Relief Plan. The timing of actual payments of rent and interest will be determined by the rate of business recovery following expiration of the state of emergency.

[1] The lease provides for the end of the Inspection Period on the date three requirements are met: zoning is obtained; a fee-in-lieu of taxes agreement is executed; and a development agreement is executed. The lease is subject to termination by either party if these three requirements have not been met or waived by Patriots Annex by October 5, 2019. Patriots Annex is required to begin construction within three years of the end of the Inspection Period. Minimum Rent begins the earlier of (i) one year after the end of the Inspection Period, or (ii) October 5, 2020 (three years after the Lease Commencement Date) if the Inspection Period has ended on or before October 5, 2020. If the Inspection Period ends after October 5, 2020, Minimum Rent begins as of the date the Inspection Period ends.

No revenue-producing investments have been completed that would generate sales or hospitality taxes; however, a total of $13,575 has been paid in property taxes and storm water fees.

Construction has not yet begun but extensive work is underway on infrastructure design. On March 15, 2019, the Patriots Point board unanimously approved Patriots Annex's Conceptual Master plan, which includes 3 hotels, a convention and conference facility, 3 office buildings, 3 parking garages, an amphitheater, retail buildings with residential apartments above the retail spaces, and a public boardwalk. The development is expected to be undertaken in phases over a period of about 10-15 years. A graphic of the conceptual plan is included with the annual report.

Patriots Point further reports that the tenant has received approval from the Town of Mt. Pleasant for Waterfront Gateway District zoning. The Town has also approved the impact assessment, building heights within the premises, a development agreement, and a fee-in-lieu-of-taxes agreement for certain elements of the Conceptual Master Plan, including 2 of the 3 hotels; 170,000 square feet of office space; significant to complete portions of restaurant, retail, apartment and garage spaces; the amphitheater; and museum space for the Authority.

The fee-in-lieu-of-taxes agreement with Charleston County was finalized in December 2019, and the tenant has received all approvals necessary to proceed with the Town's design review process. Notably, this administrative process has been suspended under the state of emergency; Patriots Point expects that these final efforts will be resumed by Patriots Annex, LLC whenever the Town resumes receiving applications, and the business sector has recovered from the effects of the state of emergency. Patriots Point now expects construction on infrastructure improvements to begin in 2022.

The annual report contains updates concerning various deadlines for the Authority to vacate or relocate its improvements affected by the lease, none of which were imminent at the time of the report. The report contains an overview of a tenant equity interest transfer within the prior 12 months involving notice of a transfer of membership interests undertaken in connection with estate planning of the principal member of Patriots Annex, LLC. Notwithstanding, the sole controlling and majority owner of Patriots Annex, LLC has not changed.

COMMITTEE ACTION:

Receive as information the Annual Report of Patriots Point Development Authority regarding its lease with Patriots Annex, LLC.

ATTACHMENTS:

1. Annual Report of Patriots Point Development Authority as of March 2020; as updated on April 20, 2020.
2. Resolution of Patriots Point Development Authority: Approval of Relief Plan for Tenants Relating to the COVID-19 Pandemic; enacted April 6, 2020.
3. Graphics of Components of the Conceptual Master Plan.

Annual Report to JBRC and SFAA
Lease Between Patriots Point Development Authority and Patriots Annex, LLC
(as of March 2020)
(updated April 20, 2020 to reflect the impacts of the ongoing State of Emergency related to the COVID-19 virus)

I. Financial Information

A. A report concerning the amount of Rent generated by the Lease in the prior 12 months, including:

(1) The amount of Minimum Rent received; and

(2) The amount of Percentage Rent received, broken down into the various categories of Percentage Rent. The Percentage Rent will be further broken down to show how much Percentage Rent is being generated by each improvement on the property.

(3) PPDA's use/expenditure of the revenue received in the prior 12 months, including carry-forward balances.

PPDA Response: No rent has been received. In accordance with the lease, rent payments will begin one year after the due diligence period (Inspection Period) ends, or at the beginning of the fourth year of the lease if the Inspection Period has ended, whichever comes first. The Inspection Period allowed by the lease has ended. Lease payments will begin to accrue on October 5, 2020 - the first day of the fourth year of the lease. Prior to the South Carolina State of Emergency, declared for the COVID-19 virus, extensive work was underway on infrastructure design. The negative economic impact (business closings, job losses, tourism cessation, etc.) caused by the COVID-19 virus (the "Virus Economic Impacts") will affect the timing of both the rent payments and the commencement of construction related to the Patriots Annex project. These Virus Economic Impacts will not alter the amount of rent ultimately received. On April 6th, following the government-directed closing of non-essential businesses, the PPDA Board met to consider a request from the Lessee, Patriots Annex LLC, to defer rent payments and deadlines related to the commencement of construction, in order to give the Lessee the opportunity to recover from the Virus Economic Impacts. The PPDA Board unanimously passed a resolution that provides a Relief Plan to the Lessee without reducing any rent due to PPDA. A copy of this resolution is attached. The approved Relief Plan provides (1) a delay in payment of rent due by the Lessee of up to one year (granted by PPDA in increments of three months at a time) for the period March, 2020 through February, 2021, (2) delay (under the same time structure) of the deadline for the commencement of construction on the Patriots Annex lease, and (3) delay until 90 days after the South Carolina State of Emergency is lifted by the Governor any rent due on any lease for any period prior to March, 2020. It should be noted that, in this resolution, PPDA has not forgiven any rent due to PPDA and all terms of the existing leases, especially those related to interest on past due payments, are being enforced. PPDA will receive all of the rent it is due under the leases with the interest required by the leases for payments not made at the time required by the leases.

B. A projection of the Rent PPDA expects the Lease to generate in the next 12 months.

<u>PPDA response:</u> Rent will begin to accrue on October 5, 2020. Per the lease terms, rent will be paid at 30% of Fair Market Rent (FMR) for the year Oct 5, 2020 thru Oct 4, 2021. FMR was pre-determined through formal appraisals and is adjusted annually with CPI increases. Over the next 12 months, during the period Oct 5, 2020 – Mar 30, 2021, we expect rent to accrue at approximately $20,625/month for a total of $121,088 plus interest for any payments deferred due to the resolution passed by the PPDA Board. The timing of the actual payments of this rent and interest will be determined by the rate of business recovery following the lifting of the State of Emergency. The PPDA Board will evaluate the terms of this resolution each quarter and determine whether to extend the Relief Period for an additional three months, up to a maximum of a total of one year.

C. An estimate of the local and state tax revenue generated by the activity on the Premises during the prior 12 months.

<u>PPDA Response</u>: No revenue-producing improvements have been completed that would generate sales or hospitality taxes. Property taxes have been paid in the amount of $9,976, along with Storm Water Fees of $3,599.

D. An estimate of the number of people employed by the businesses operating on the Premises.

PPDA Response: None. No businesses have been constructed.

II. Development

A. An overview of the current Master Plan (or Conceptual Master Plan if no Master Plan is in place yet), including any subdivision of the Premises approved by PPDA in the prior 12 months.

PPDA Response: Tenant has developed a Conceptual Master Plan per the terms of the lease approved by JBRC/SFAA. This Conceptual Master Plan was unanimously approved by the PPDA Board on March 15, 2019. The plan includes three hotels, a convention/conference facility, three office buildings, three parking garages, an amphitheater, retail buildings with residential apartments above the retail spaces, and a public boardwalk. The development will be constructed over a period of 10 – 15 years in multiple phases. A copy of the approved Conceptual Master Plan is attached.

B. The status of each project shown on the Master Plan (or Conceptual Master Plan), including:

(1) The status of Mt. Pleasant and/or Charleston County approvals required to commence construction.

PPDA Response: The tenant has received approval from the Town of Mount Pleasant for Waterfront Gateway District zoning. The Town has also approved the impact assessment, the building heights within the premises, a Development Agreement, and a fee-in-lieu-of-taxes agreement for the following elements of the Conceptual Master Plan: two (of three) hotels with 500 rooms (covers the total rooms in the CMP); 170,000 sf (out of 405,000 proposed in CMP) of office space; 18,000 sf (total in the plan) of restaurant space; 60,000 sf (of the 75,000 proposed in the CMP) of retail space; 130 apartments (covers total proposed in the CMP); two of the three parking garages (1,200 of the garage spaces and 440 surface spaces covers 1,640 of the 2,800 proposed parking spaces leaving 1,160 to be covered); the amphitheater; and 20,000 sf of museum space for PPDA. In December, 2019, the tenant finalized the payment-in-lieu-of-taxes agreement with Charleston County. At this point, the tenant has all of the approvals necessary to proceed with the Town of Mount Pleasant's design review process. These administrative processes have come to a halt under the State of Emergency. We expect the Lessee will reenergize these efforts after the State of Emergency is lifted, the Town is open to receiving applications, and the business community has recovered from the shutdown.

(2) The status of any improvements currently under construction.

PPDA Response: None under construction at this time. Design work is now being done for the infrastructure to support the entire development.

(3) The status of any improvements completed and operational within the prior 12 months.

PPDA Response: None.

(4) Any change in the status of operating improvements.

PPDA Response: None.

(5) The status of any major repairs or renovations to improvements that required PPDA's approval in the prior 12 months.

PPDA Response: None.

C. An update concerning the Lease's various development-related deadlines.

PPDA Response:
The "Lease Commencement Date" is October 5, 2017, when SFAA approved and signed the agreement.

The "Inspection Period" ended on January 17, 2020, when the final negotiated agreement with Charleston County was fully-executed.

The "Minimum Rent Commencement Date" is October 5, 2020.

D. Milestones expected in the upcoming 12 months.

PPDA Response: Minimum rent will begin to accrue on Oct 5, 2020. As a result of the State of Emergency, we now expect the tenant to begin construction on infrastructure improvements in 2022, and to commence the design review process for Phase 1 of the construction with the Town of Mount Pleasant in that same timeframe.

E. An update concerning the PPDA improvements affected by the Lease, including:

(1) Any improvements vacated by PPDA in the prior 12 months.

PPDA Response: None.

(2) The status of any improvements currently being relocated or constructed.

PPDA Response: None.

(3) The status of any improvements, the relocation or construction of which was completed in the prior 12 months.

PPDA Response: None.

(4) An update concerning the various deadlines for PPDA to vacate or relocate its improvements affected by the Lease.

PPDA Response:

PPDA is currently using a portion of the Premises for the operation of its museums. The Lease involves coordinating the development of the Premises with PPDA's continuing operation of its museums so as to present a visitor with the appearance of one seamless development. PPDA's operations are generally categorized as follows: (i) PPDA's primary facility which houses the gift shop, ticket office, snack bar, restroom and photo concession, (ii) PPDA's pier facility, (iii) PPDA's storage and maintenance facility, (iv) PPDA's Vietnam Support Base exhibit, (v) PPDA's personnel parking, and (iv) PPDA's visitor parking. As of the commencement of the Lease, the portions of the property used by PPDA for its operations were excluded from the Premises and Tenant is not responsible for paying rent with regard to that land. As Tenant is prepared to develop different portions of the Premises, any obstructing PPDA facilities and/or uses will be relocated. Some of these will be relocated at Tenant's cost and others will be relocated at PPDA's cost. When a PPDA facility and/or use is relocated, the land vacated by PPDA will be added to the Premises, and the land to which such facility and/or use has been relocated will be removed from the Premises. If PPDA has not relocated a particular facility and/or use prior to the deadline for vacating such facility and/or use set forth in the Lease, then PPDA will be required to relocate such facility and/or use to a temporary location to allow the Tenant to move forward with its development. The Tenant will be responsible for the demolition of any improvements left by PPDA on land that PPDA vacates.

Current Primary Landlord Facility. The Tenant must give PPDA 12 months prior notice of the anticipated date for commencement of construction and update this estimate quarterly. PPDA must vacate its current primary facility ***no sooner than*** 3 years after the commencement of the Lease (October 5, 2020), but ***no later than*** 3 months after Tenant actually commences construction of the first improvements on the Premises. PPDA has not received the 12 months prior notice of the anticipated date for commencement of construction.

Pier Facility. PPDA's current pier facility is located at the head of the pier leading to the Yorktown. PPDA's new pier facility will be located in approximately the same location and also will include some of the land between the head of the pier and PPDA's new primary facility. The Landlord Pier Boardwalk is the only new element of PPDA's pier facilities. If the Conceptual Master Plan and the Master Plan include the Tenant Pier Boardwalk and the Landlord Pier Boardwalk, PPDA has 30 days from receipt of the notice of the anticipated date for Commencement of Construction of the first phase of improvements to be constructed on the Premises to commence the process required by South Carolina law for PPDA to obtain approval from the applicable State authorities for PPDA to construct the Landlord Pier Boardwalk. PPDA shall have constructed the Landlord Pier Boardwalk as of the later of (i) six (6) months after the Current Primary Landlord Facility Vacancy Deadline, (ii) twelve (12) months after PPDA receives approval for construction from the South Carolina Joint Bond Review Committee for construction of the Landlord Pier Boardwalk, or (iii) a later date agreed to by PPDA and Tenant to coordinate Landlord's construction of the Landlord Pier Boardwalk with Tenant's construction schedule. PPDA has not received the 12 months prior notice of the anticipated date for commencement of construction.

PPDA's storage and maintenance facility and PPDA's Vietnam Support Base exhibit. These two facilities are going to be relocated onto Parcel 2A which is currently subject to a conservation easement that lasts until at least June 1, 2023.

PPDA's personnel parking and PPDA's visitor parking. Relocation of these parking facilities has not yet commenced.

III. Legal/Miscellaneous.

A. An overview of any Sublease or Subparcel Sublease transfers that have occurred in the prior 12 months.

PPDA Response: None

B. An overview of any tenant equity interest transfers that have occurred in the prior 12 months.

PPDA Response:

Patriots Annex, LLC provided PPDA, as Landlord, notice of the transfer of membership interests in Patriots Annex, LLC to a trust that had been undertaken as part of estate planning purposes. The three Members of Patriots Annex, LLC are (i) Patriots Annex Management, Inc., which is the Manager and owns 1%, and of which Mike Bennett is the sole shareholder, (ii) Hospitality Expeditions, LLC, which owns 51%, and of which Mike Bennett is the sole Member, and (iii) The Patriots Annex Irrevocable Trust, which owns 48%, and which is for the benefit of Mike's son Jack Bennett. Under the Master Lease, Permitted Equity Interest Transfers include Equity Interest Transfers to any Family Member of the transferor or to an entity wholly-owned and Controlled by the transferor or transferor's Family Members. Family Member includes any child or spouse and any trust for the benefit of a child or spouse. Permitted Equity Interest Transfers do not require approval and are expressly exempt from the Transfer Fee of 1% (and there was no Assignment Consideration for the gift to the Trust). Mike Bennett remains the sole controlling and majority owner of Patriots Annex, LLC.

C. Any changes in the status of the Conservation Easement or the Federal Land Water Conservation Fund restrictions.

PPDA Response: None.

D. An update concerning all loans secured by the leasehold estate.

PPDA Response: No loans have been secured at this time.

RESOLUTION OF THE
PATRIOTS POINT DEVELOPMENT AUTHORITY
Approval of Relief Plan for Tenants Relating to the COVID-19 Pandemic
Mt. Pleasant, South Carolina

WHEREAS, Patriots Point Development Authority ("Patriots Point") has received requests from Michael R. Bennett on behalf of the tenants ("Tenants") for relief concerning the leases (the "Lease(s)") for the Patriots Annex Parcels, Parcel A-1 (the Cottages), Parcel E, and the Golf Course, in light of economic repercussions from the COVID-19 pandemic.

WHEREAS, the Patriots Point Board acknowledges the current economic effects impacting Patriots Point from the COVID-19 pandemic given that Patriots Point is a tourism-based business.

WHEREAS, the Patriots Point Board is willing to provide relief to the Tenants requesting the same to the extent Patriots Point responsibly can do so within the structure of the Leases.

WHEREAS, the relief the Patriots Point Board will provide generally (the "Relief Plan") is (1) to delay for up to one year (granted by Patriots Point in increments of three months at a time) the payment under the Leases of rent due from March, 2020 through February, 2021, (2) to delay (under the same time structure) the deadline for the commencement of construction on the Patriots Annex Lease, and (3) to delay until 90 days after the South Carolina state of emergency is lifted by the Governor any rent due on any Lease for any period prior to March, 2020.

WHEREAS, to expedite the process of implementing this Relief Plan, the Patriots Point Board desires to outline in more detail the Relief Plan and to authorize, empower and direct the Chairman, the Vice Chairman, and the Secretary to negotiate, finalize and execute the contemplated documents for each Lease to implement the Relief Plan on behalf of Patriots Point.

The motion, properly seconded, is as follows:

RESOLVED: Patriots Point approves the following further details of the "Relief Plan" to be provided to each of the Tenants pursuant to a separate document specific to each Lease addressing that Lease using the following guidelines:

1. Designation of a "Proposed Relief Period" of March 2020 through February 2021 in four increments of three months each: March through May, 2020; June through August, 2020; September through November, 2020 and December 2020 through February 2021;

2. Granting each Lease an actual "Relief Period" consisting of the Initial Relief Period and any Extended Relief Periods added by the Board in its discretion on a Lease by Lease basis;

3. Granting each Lease an "Initial Relief Period" of March 2020 through May 2020;

4. Providing for the Board to consider extending the Relief Period for each Lease by each of the following proposed "Extended Relief Periods" or with respect to any such extension for a shorter extended relief period (for example one or two calendar months) at the following meetings:

   a. the Board will consider the June through August, 2020 Extended Relief Period at its April, 2020 meeting;

   b. the Board will consider the September through November, 2020 Extended Relief Period at its July, 2020 meeting; and

   c. the Board will consider the December, 2020 through February, 2021 Extended Relief Period at its October, 2020 meeting;

5. Providing for the "Relief" with respect to each Lease to be a delay in Patriots Point enforcing paying rent for each month in the Relief Period granted;

6. Providing for the Relief for the Patriots Annex Lease to include a delay in the required date for Commencement of Construction for the Relief Period;

7. Specifying that the rent Relief would be implemented by Patriots Point agreeing to forebear enforcing the Tenant's payment of rent for each such month for one year with the rent for such month along with interest required under the applicable Lease being payable on the first day of the corresponding month in the following calendar year (for example, the March, 2020 rent and applicable interest will be due and payable March 1, 2021; the April, 2020 rent and applicable interest will be due and payable April 1, 2021; and

8. Specifying that any rent due on any Lease for any period prior to March, 2020 along with applicable interest be paid within 90 days after the Governor of South Carolina terminates the current State of Emergency in the State.

RESOLVED FURTHER: the Chairman or Vice Chairman, and the Secretary are authorized, empowered and directed to negotiate, finalize and execute these contemplated documents for each Lease to implement the Relief Plan on behalf of Patriots Point in such form as shall be approved by the Chairman or Vice Chairman, the Chairman's or Vice Chairman's and Secretary's execution thereof to constitute conclusive evidence of approval of such documents and any and all changes or revisions therein.

RESOLVED FURTHER: the Chairman or Vice Chairman, and the Secretary of the Board are fully empowered and authorized to take such further action (including the expenditure of funds) and to execute and deliver such documents and instruments as they deem necessary or appropriate on behalf of Patriots Point to effect the actions contemplated hereby, and the action of the Chairman of the Board (or the Vice Chairman of the Board) and Secretary of the Board in executing and delivering any of such documents and instruments and in taking any such action is hereby fully authorized.

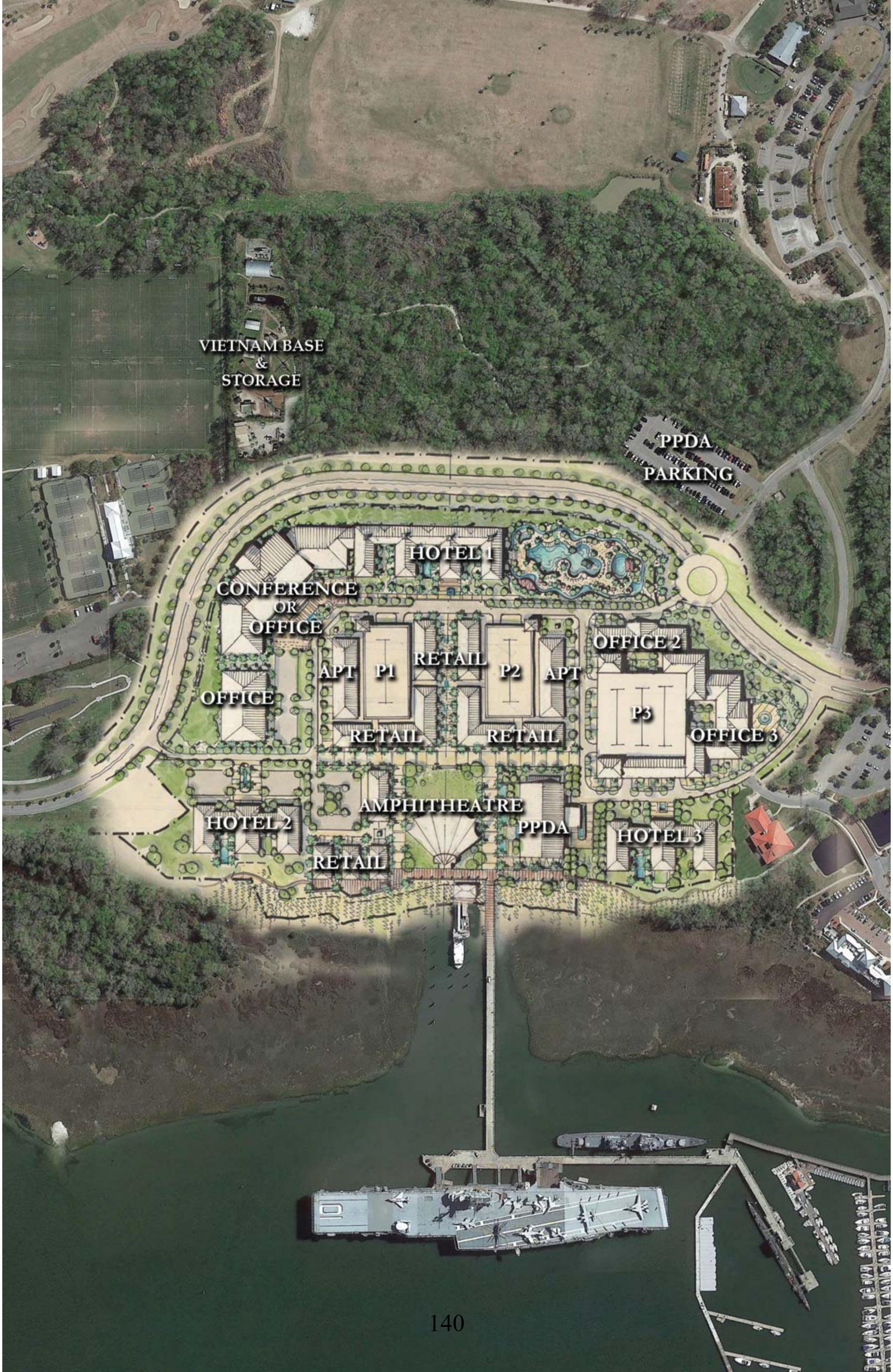
This Resolution shall be filed with Authority's resolutions.

THE PATRIOTS POINT DEVELOPMENT AUTHORITY

BY: William A. Hall
William A. Hall, Chairman

ATTEST: Larry G. Murray, Secretary

Enacted 4/6, 2020.


VIETNAM BASE
&
STORAGE
PPDA
PARKING
HOTEL 1
CONFERENCE
OR
OFFICE
OFFICE 2
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P1
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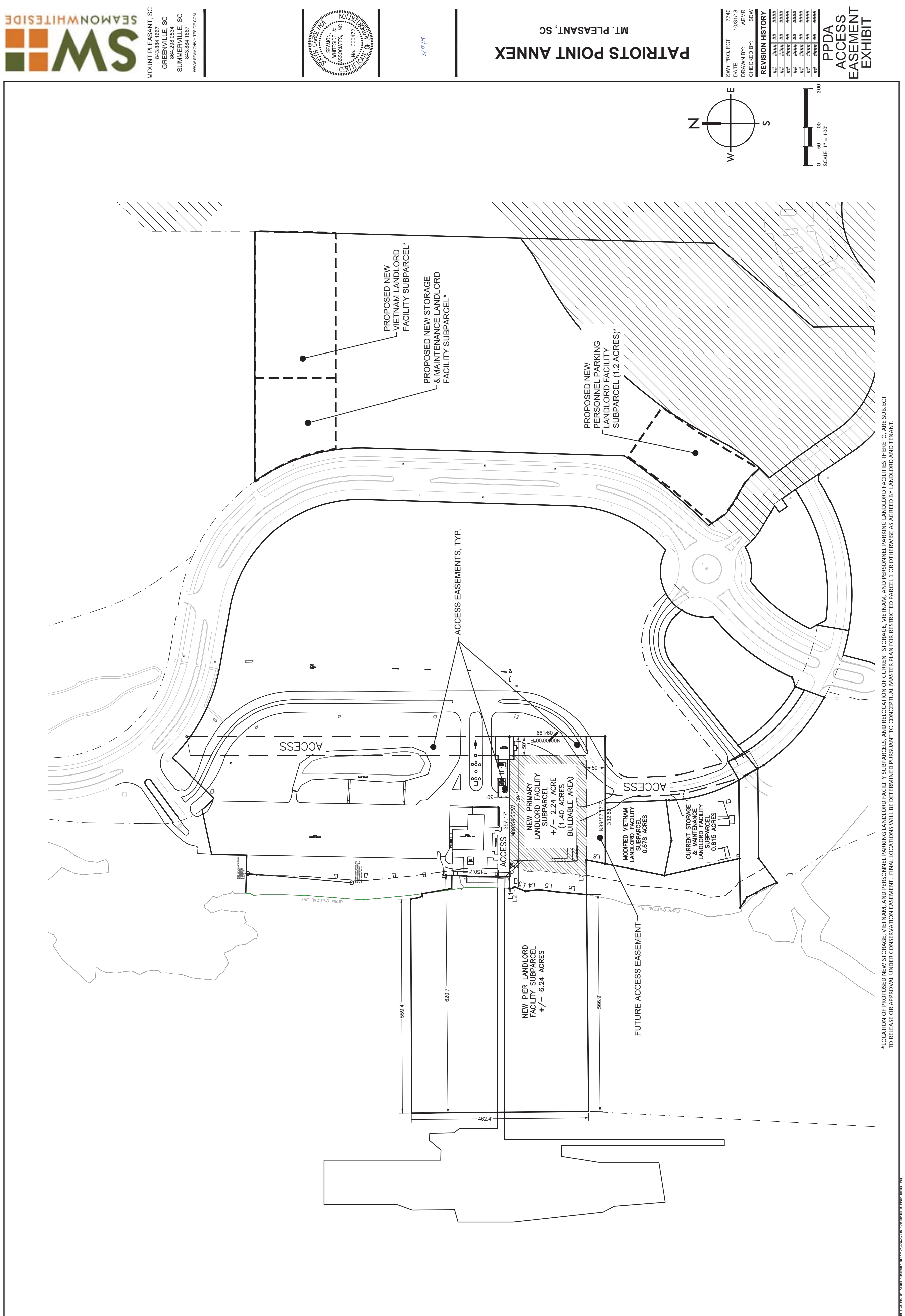
OFFICE 3
AMPHITHEATRE
HOTEL 2
PPDA
HOTEL 3
RETAIL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No. C00472
PATRIOTS POINT ANNEX
MT. PLEASANT, SC
SW+ PROJECT: 7740
DATE: 10/31/18
DRAWN BY: AEMR
CHECKED BY: SDW
REVISION HISTORY
PPDA ACCESS EASEMENT EXHIBIT
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SCALE: 1" = 100'
PROPOSED NEW VIETNAM LANDLORD FACILITY SUBPARCEL*
PROPOSED NEW STORAGE & MAINTENANCE LANDLORD FACILITY SUBPARCEL*
PROPOSED NEW PERSONNEL PARKING LANDLORD FACILITY SUBPARCEL (1.2 ACRES)*
ACCESS EASEMENTS, TYP.
ACCESS
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ACCESS
NEW PRIMARY LANDLORD FACILITY SUBPARCEL +/- 2.24 ACRE (1.40 ACRES BUILDABLE AREA)
MODIFIED VIETNAM LANDLORD FACILITY SUBPARCEL 0.678 ACRES
CURRENT STORAGE & MAINTENANCE LANDLORD FACILITY SUBPARCEL 0.815 ACRES
NEW PIER LANDLORD FACILITY SUBPARCEL +/- 6.24 ACRES
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50'
50'
30'
397.17'
332.59'
150.7'
559.4'
620.7'
566.9'
462.4'
L1 L2 L3 L4 L5 L6 L7 L8
OCRM CRITICAL LINE
*LOCATION OF PROPOSED NEW STORAGE, VIETNAM, AND PERSONNEL PARKING LANDLORD FACILITY SUBPARCELS, AND RELOCATION OF CURRENT STORAGE, VIETNAM, AND PERSONNEL PARKING LANDLORD FACILITIES THERETO, ARE SUBJECT TO RELEASE OR APPROVAL UNDER CONSERVATION EASEMENT. FINAL LOCATIONS WILL BE DETERMINED PURSUANT TO CONCEPTUAL MASTER PLAN FOR RESTRICTED PARCEL 1 OR OTHERWISE AS AGREED BY LANDLORD AND TENANT.
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No. C00472
CERTIFICATE OF AUTHORIZATION

12/6/18

PATRIOTS POINT ANNEX
MT. PLEASANT, SC

SW+ PROJECT: 7740
DATE: 10/31/18
DRAWN BY: AEMR
CHECKED BY: SDW

REVISION HISTORY

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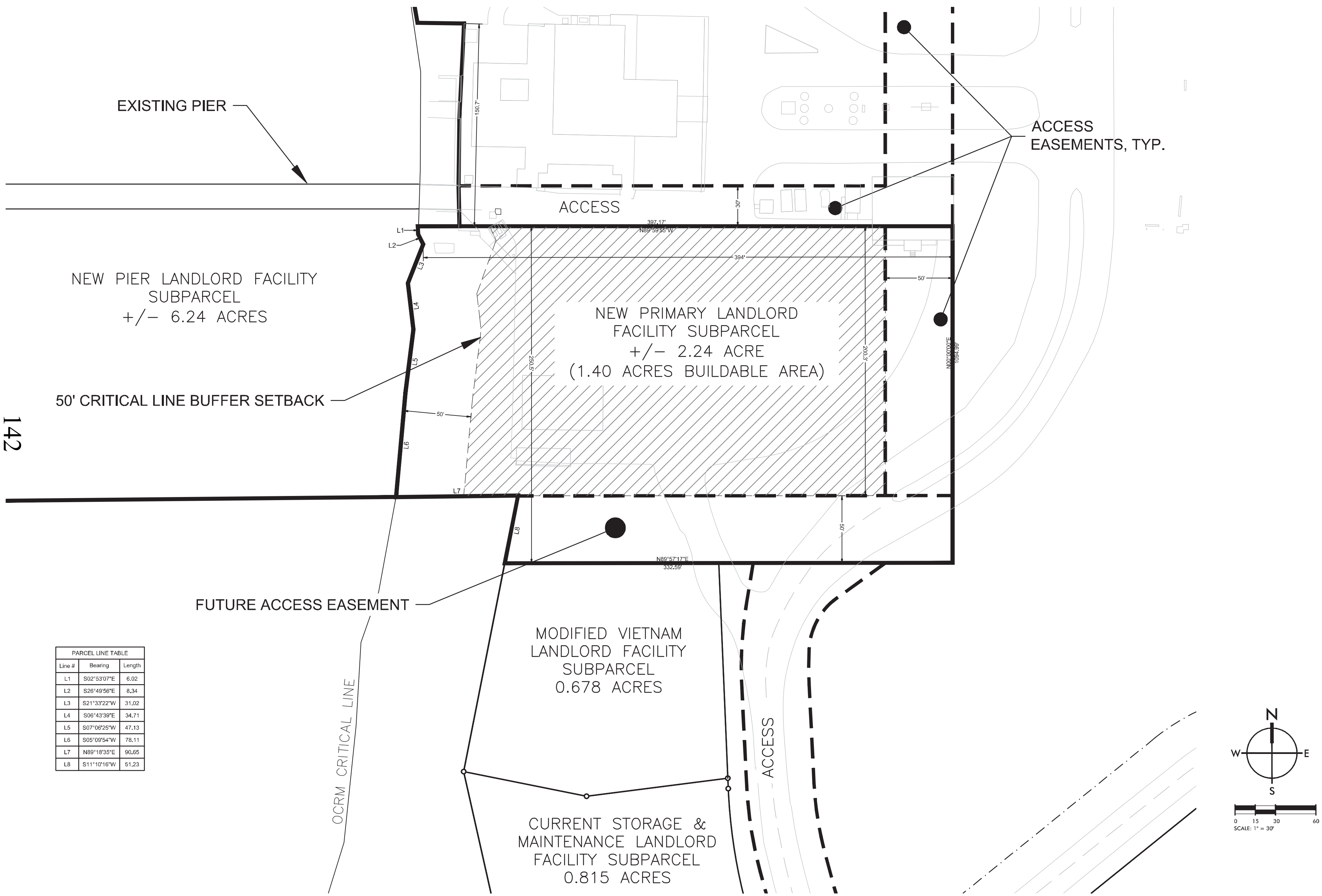
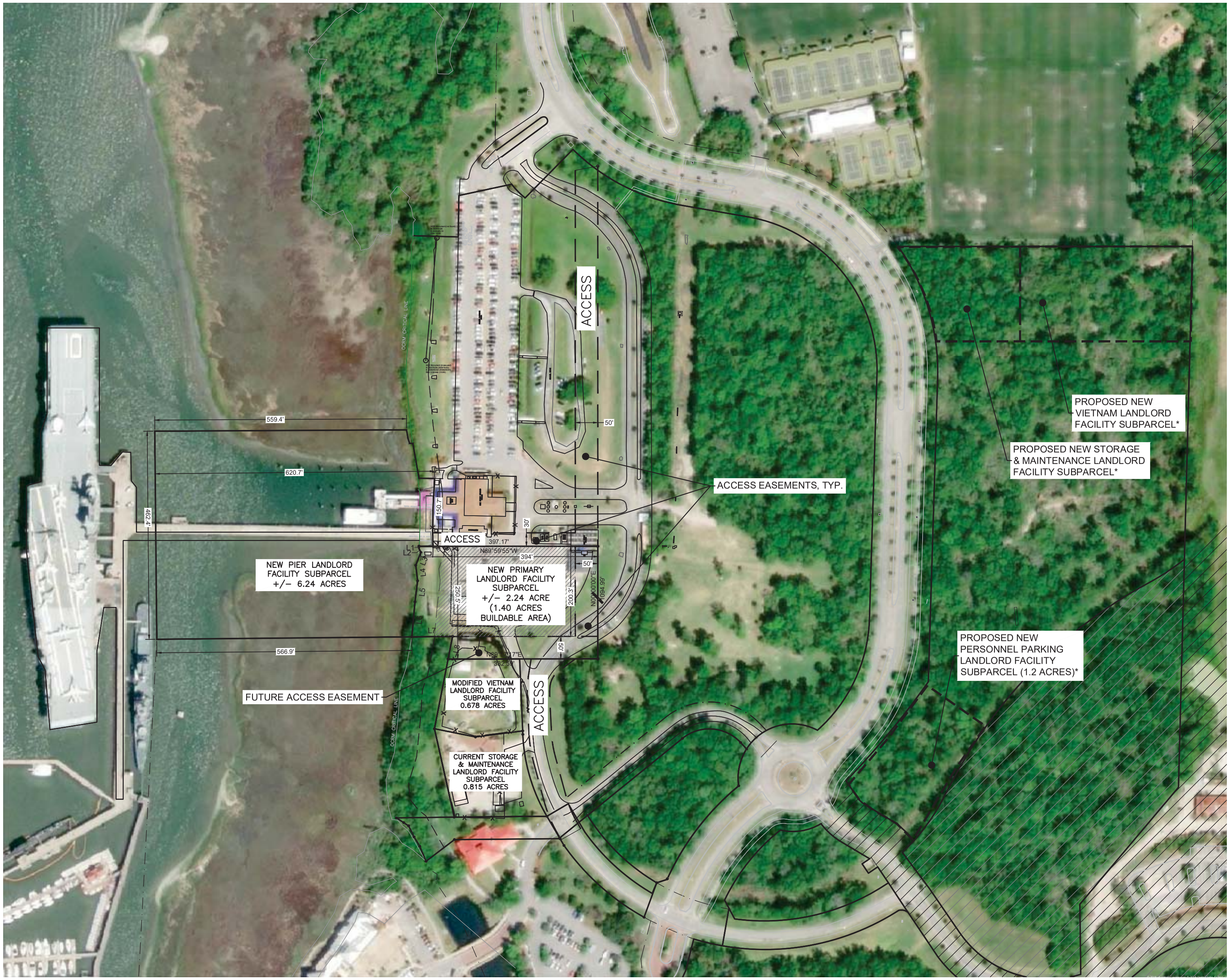
(PRELIMINARY)

NEW PRIMARY LANDLORD SUBPARCEL PLAT



PARCEL LINE TABLE

Line #	Bearing	Length
L1	S02°53'07"E	6.02
L2	S26°49'56"E	8.34
L3	S21°33'22"W	31.02
L4	S06°43'39"E	34.71
L5	S07°06'25"W	47.13
L6	S05°09'54"W	78.11
L7	N89°18'35"E	90.65
L8	S11°10'16"W	51.23



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3/13/19

PATRIOTS POINT ANNEX

MT. PLEASANT, SC

SW+ PROJECT:	7740
DATE:	10/31/18
DRAWN BY:	AEMR
CHECKED BY:	SDW

REVISION HISTORY

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PPDA ACCESS EASEMENT EXHIBIT

*LOCATION OF PROPOSED NEW STORAGE, VIETNAM, AND PERSONNEL PARKING LANDLORD FACILITY SUBPARCELS, AND RELOCATION OF CURRENT STORAGE, VIETNAM, AND PERSONNEL PARKING LANDLORD FACILITIES THERETO, ARE SUBJECT TO RELEASE OR APPROVAL UNDER CONSERVATION EASEMENT. FINAL LOCATIONS WILL BE DETERMINED PURSUANT TO CONCEPTUAL MASTER PLAN FOR RESTRICTED PARCEL 1 OR OTHERWISE AS AGREED BY LANDLORD AND TENANT.

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No. C00472
CERTIFICATE OF AUTHORIZATION

3/13/19

PATRIOTS POINT ANNEX
MT. PLEASANT, SC

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SW+ PROJECT:	7740
DATE:	10/31/18
DRAWN BY:	AEMR
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REVISION HISTORY

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PPDA ACCESS EASEMENT EXHIBIT

Patriots Point Revenue Summary

Development Components

Hotels	Area sq.ft	Guest Rooms	ADR	Occupancy	Gross Revenue	% Ground Rent	Ground Rent
Hotel One	225,000						
Rooms Revenue		250	$ 200.00	75%	$ 13,687,500	3.5%	$ 479,063
Conference Facility OR Office 1*	120,000				$ 4,600,000	5.0%	$ 230,000
Hotel Two	115,000						
Rooms Revenue		150	$ 150.00	75%	$ 6,159,375	3.5%	$ 215,578
F&B/Conference					$ 5,000,000	5.0%	$ 250,000
Hotel Three	70,000						
Rooms Revenue		100	$ 130.00	75%	$ 3,558,750	3.5%	$ 124,556
Totals	**530,000**	**500**			**$ 33,005,625**		**$ 1,299,197**

Offices	Area	NNN Rent psf			Gross Revenue	% Ground Rent	Ground Rent
Office Building One	-	-			-	-	
Office Building Two	135,000	24.00			$ 3,240,000	7.0%	$ 226,800
Office Building Three	135,000	24.00			$ 3,240,000	7.0%	$ 226,800
Office Building Four	135,000	24.00			$ 3,240,000	7.0%	$ 226,800
Totals	**405,000**				**$ 9,720,000**		**$ 680,400**

Restaurants	Area				Gross Revenue	% Ground Rent	Ground Rent
Restaurant One	6,000				$ 2,000,000	3.5%	$ 70,000
Restaurant Two	6,000				$ 3,000,000	3.5%	$ 105,000
Restaurant Three	6,000				$ 4,000,000	3.5%	$ 140,000
Totals	**18,000**				**$ 9,000,000**		**$ 315,000**

Retail	Area	NNN Rent psf			Gross Revenue	% Ground Rent	Ground Rent
Retail Buildings 3, 4, 5, 6, 7	44,300	30.00			$ 1,329,000	12.5%	$ 166,125
Retail Buildings 1, 2	15,700	30.00			$ 471,000	12.5%	$ 58,875
Retail/Commercial 8, 9	15,000	30.00			$ 450,000	12.5%	$ 56,250
Totals	**75,000**				**$ 2,250,000**		**$ 281,250**

Apartments	Area	No of Apts	NNN Rent/mth		Gross Revenue	% Ground Rent	Ground Rent
Building One	70,000	65	2,000		$ 1,560,000	8.0%	$ 124,800
Building Two	70,000	65	2,000		$ 1,560,000	8.0%	$ 124,800
Totals	**140,000**				**$ 3,120,000**		**$ 249,600**

Parking Garages							Ground Rent
Garage One	180,000	700	5.00		$ 1,277,500	10.0%	$ 127,750
Garage Two	180,000	700	5.00		$ 1,277,500	10.0%	$ 127,750
Garage Three	345,000	1,400	5.00		$ 2,555,000	10.0%	$ 255,500
Totals	**705,000**				**$ 5,110,000**		**$ 511,000**

Amphitheatre							Ground Rent
Amphitheatre	60,000		TBD		TBD		
Totals	**60,000**				**$ -**		**$ -**
Grand Totals	**1,873,000**				**$ 59,085,625**		**$ 3,336,447**

Future Land Phase							Ground Rent
Land Currently Under Easement	22 Acres	Projected Ground Rent Potential from future development					$ 1,000,000
Final Grand Totals	-				$ -		**$ 4,336,447**

* - The conference facility would take the place of Office 1 and is calculated based on the projected revenue and rent of conference.

AGENCY: Joint Bond Review Committee

SUBJECT: COVID-19 Response and Considerations

House Bill 3485 as passed by the House and House Bill 3411 as passed by the Senate contain among other things provisions for revenue and appropriations to meet the ordinary expenses of state government for the fiscal year beginning July 1, 2020, in the event that the General Appropriations Act has not been enacted by that date. Both bills contain identical provisions for receipt, establishment and expenditure of funds designated for the Coronavirus Relief Fund and the COVID-19 Response Reserve Account.

The legislation provides that the Governor is authorized to receive on behalf of the State and direct expenditure of federal funds designated for the Coronavirus Relief Fund as follows.

> Prior to the General Assembly reconvening pursuant to a Sine Die resolution, the Governor may direct the expenditure of funds from the account if the expenditure of those funds is (1) necessary and appropriate for the health, safety, and welfare of the public in response to the COVID-19 pandemic and (2) in accordance with federal law. Prior to directing the expenditure of funds, the Governor must submit a plan for the use of the funds to the Joint Bond Review Committee. After review and comment by the Joint Bond Review Committee, the Governor may then direct the Executive Budget Office to release the funds for the purposes identified in the Governor's plan. If an exigent circumstance exists that requires the Governor to direct the expenditure of funds immediately, the Governor must notify the Joint Bond Review Committee of the exigencies involved and the nature and amount of the expenditure. As soon as practicable thereafter the Governor shall provide the Joint Bond Review Committee with an accounting of the expenditures made under exigent circumstances.

The legislation further provides that the Governor may direct the expenditure of funds from the COVID-19 Response Reserve account for expenditures necessary and appropriate for the health, safety, and welfare of the public in response to the COVID-19 pandemic as follows.

> The Governor may direct reimbursement to local governmental entities and hospitals for expenses related to the state's COVID-19 response, to include, but not limited to, emergency needs for hospitals to prevent closure or violation of bond covenants. Priority should be given to expenses related to the participation of first responders. The Governor may also direct the expenditure of up to $15,000,000 from the COVID-19 Response Reserve account to underwrite the cost for protection of the health and safety of voters, poll workers, and employees of a county election commission related to conducting the 2020 primary, runoff, and general elections.
>
> The Governor must submit to the Joint Bond Review Committee, for its review and comment, a plan for the use of the funds. The Governor may then direct the Executive Budget Office to release the funds for the purposes identified in the

> Governor's plan. If an exigent circumstance exists that requires the Governor to direct the expenditure of funds immediately, the Governor must notify the Joint Bond Review Committee of the exigencies involved and the nature and amount of the expenditure. As soon as practicable thereafter the Governor shall provide the Joint Bond Review Committee with an accounting of the expenditures made under exigent circumstances.

This information is provided in the event that circumstances dictated by COVID-19 preparedness and response require timely action of the committee as contemplated by this legislation.

COMMITTEE ACTION:

Receive as information.

ATTACHMENTS:

None.

AGENCY: Joint Bond Review Committee

SUBJECT: Future Meeting

The next meeting of the State Fiscal Accountability Authority is tentatively scheduled for Tuesday, June 30, 2020.

2020

January

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August

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December

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COMMITTEE ACTION:

Schedule next meeting.

ATTACHMENTS:

None.