

## **MINUTES OF THE STATE FISCAL ACCOUNTABILITY AUTHORITY MEETING**

**February 2, 2021 – 9:30 A. M.**

The State Fiscal Accountability Authority (Authority) met at 9:30 a.m. on Tuesday, February 2, 2021, via videoconference. The meeting originated from Room 252 in the Edgar A. Brown Building, with the following members participating in the videoconference:

Governor Henry McMaster, Chair;  
Mr. Curtis M. Loftis, Jr., State Treasurer;  
Mr. Richard Eckstrom, Comptroller General;  
Senator Hugh K. Leatherman, Sr., Chairman, Senate Finance Committee; and  
Representative G. Murrell Smith, Chairman, Ways and Means Committee.

Governor McMaster chaired the meeting on-site. Mr. Loftis was also present in the meeting room. Mr. Eckstrom, Senator Leatherman, and Representative Smith participated in the meeting via videoconference.

Also participating in the meeting were State Fiscal Accountability Authority Executive Director Grant Gillespie (on-site); Authority General Counsel Keith McCook (on-site); State Auditor George Kennedy; Governor's Deputy Chief of Staff Mark Plowden (on-site); Treasurer's Chief of Staff Clarissa Adams (on-site); Comptroller General's Chief of Staff Eddie Gunn; Senate Finance Committee Budget Director Mike Shealy; Ways and Means Chief of Staff Daniel Boan; Authority Secretary Delbert H. Singleton, Jr. (on-site); and other State Fiscal Accountability Authority staff.

[Secretary's Note: The Authority met immediately following a meeting of the Tobacco Settlement Revenue Management Authority, the members of which are the State Fiscal Accountability Authority members, ex officio.]

### ***Adoption of Agenda for State Fiscal Accountability Authority***

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

### ***Minutes of Previous Meeting***

Upon a motion by Senator Leatherman, seconded by Mr. Loftis, the Authority approved the minutes of the December 17, 2020, State Fiscal Accountability Authority meeting.

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

Upon a motion by Representative Smith, seconded by Senator Leatherman the Authority received the State Treasurer’s Office report on the assignment of bond counsel as information in accord with Authority policy:

**CONDUIT ISSUES:**

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer’s Counsel
\$27,000,000; South Carolina Jobs-Economic Development Authority, Economic Development Revenue Bonds; Foundation for Affordable Housing – Culpepper Landing; Series 2021 (South Carolina Jobs-Economic Development Authority – “SC JEDA”)	Foundation for Affordable Housing – Culpepper Landing Conduit: SC JEDA	Parker Poe – Ray Jones, Emily Luther	Pope Flynn – Joe Lucas
\$25,000,000; South Carolina Jobs-Economic Development Authority, Economic Development Revenue Bonds; Foundation for Affordable Housing – The Park at Toscana; Series 2021	Foundation for Affordable Housing – The Park at Toscana Conduit: SC JEDA	Parker Poe – Ray Jones, Emily Luther	Burr Forman McNair – Michael Seezen
\$36,000,000; South Carolina Jobs-Economic Development Authority, Economic Development Revenue Bonds; Foundation for Affordable Housing – The Park at Sorrento; Series 2021	Foundation for Affordable Housing – The Park at Sorrento Conduit: SC JEDA	Parker Poe – Ray Jones, Emily Luther	Burr Forman McNair – Michael Seezen
\$5,500,000 Special Source Revenue Bond; Mid-Carolina Commerce Park Expansion; Series 2021	Mid-Carolina Commerce Park Expansion Conduit: Newberry County	Haynsworth Sinkler Boyd – Theodore DuBose	Newberry County, General Counsel – Jay Tothacer
\$10,000,000; Multifamily Housing Revenue Notes; Filbin Creek Apartments Project; Series 2021 (SC Housing Authority of the City of North Charleston)	Aedis Filbin Creek, LLC (Filbin Creek Apartments Project) Conduit: Housing Authority of the City of North Charleston	Howell Linkous & Nettles – Sam Howell, Alan Linkous	General Counsel to Housing Authority of the City of North Charleston – Banks Law Firm
\$7,600,000; Multifamily Housing Revenue Bonds; Palmetto Terrace Apartments Project; Series 2020 (Housing Authority of the City of Columbia)	Palmetto Terrace Development, LLC (Palmetto Terrace Aptmts Project) Conduit: Housing Authority of the City of Columbia	Haynsworth Sinkler Boyd – John Van Duys	General Counsel to Housing Authority of the City of Columbia – Horton Law Firm – Bruce B. Campbell

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**GENERAL OBLIGATION / REVENUE ISSUES:**

Description of Issue	Agency/Institution	Approved Bond Counsel
\$27,000,000; Academic and Administrative Facilities Revenue Refunding Bonds; Series 2021A	College of Charleston	Burr Forman McNair – Rion Foley, Bill Youngblood

Information relating to this matter has been retained in these files and is identified as Exhibit 1.

***Office of the State Auditor: Auditors’ Communications with Those Charged with Governance – 2020 Statewide Audit (Regular Session #2)***

Auditing standards require that at the conclusion of an audit of financial statement, the auditor communicate certain matters to those charged with governance. A communication was attached to this agenda item that addressed all matters required to be communicated related to the audit of statewide financial statements for the year ended June 30, 2019. The financial statements were issued with a report date of November 13, 2020 and are available on the Office of the State Audit website at [osa.sc.gov/reports](http://osa.sc.gov/reports).

Upon a motion by Senator Leatherman, seconded by Mr. Eckstrom, the Authority received the communication from the Office of the State Auditor related to the audit of the State with financial statements as information.

Information relating to this matter has been retained in these files and is identified as Exhibit 2.

***Department of Administration, Executive Budget Office: 2020 Comprehensive Permanent Improvement Projects (Regular Session #3)***

Section 2-47-55 of the 1976 South Carolina Code of Laws provides that all state agencies responsible for providing and maintaining physical facilities are required to submit a Comprehensive Permanent Improvement Plan to the Joint Bond Review Committee (JBRC) and the State Fiscal Accountability Authority. The Comprehensive Permanent Improvement Plan (CPIP) is a planning tool that informs decisionmakers of the permanent improvement projects state agencies and institutions of higher education plan to undertake during the next five fiscal years. Each project included in the plan must subsequently be brought forward for consideration individually. The Executive Budget Office of the South Carolina Department of Administration has 1) compiled a

statewide report entitled “State of South Carolina 2020 Comprehensive Permanent Improvement Plan, Fiscal Years 2020-21 through 2024-25” from agency submissions; 2) provided the information to the Joint Bond Review Committee and the State Fiscal Accountability Authority pursuant to the statute; and 3) made accessible complete and full details of agency submissions on the Department’s website at: <https://www.admin.sc.gov/budget/cpip>.

Mr. Eckstrom stated that the statute that requires the annual permanent improvement plan not only requires that the plan be received as information but that the plan be approved. He said the statute also requires CHE (Commission on Higher Education) review the plan and make recommendations about the plan to the Authority. He said that rather than a vote to receive the item as information the Authority needs to have an affirmative vote to approve the item. Senator Leatherman said he agreed with Mr. Eckstrom, however, the plan changes over a five-year period. He said the Authority may need to revisit the matter if the plan is changed. He said he is fine with adopting the plan as presented. Mr. Eckstrom further stated that the Authority has an obligation to approve the plan for at least the coming year. Mr. Gillespie stated that in accordance with Senator Leatherman’s and Mr. Eckstrom’s comments the 2020 plan can be adopted. Mr. Eckstrom commented that Code Section 2-47-55 requires the Authority to approve the CPIP after submission. He said the statute requires approval of the submission rather than to receive it as information. Senator Leatherman said the Authority should adopt the CPIP as presented and make changes as needed annually.

Upon a motion by Mr. Loftis, seconded by seconded by Senator Leatherman, the State Fiscal Accountability Authority approved the 2020 Comprehensive Permanent Improvement Plan.

Information relating to this matter has been retained in these files and is identified as Exhibit 3.

***Dept. of Administration, Executive Budget Office: Permanent Improvement Projects (R#4)***

The Authority approved the following permanent improvement project establishment requests and budget revisions as requested by the Department of Administration, Executive Budget Office as noted herein. All items were reviewed favorably by the Joint Bond Review Committee (JBRC).

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**Establish Project for A&E Design**

- (a) Project: JBRC Item 1. College of Charleston  
H15.9672: 2021 Guaranteed Energy Savings Contract
- Request: To establish Phase I design for building automation/monitoring, electrical, lighting, weatherization, and water conservation measures that will benefit all college owned campus buildings.
- Included in CPIP: No – The project team at the college was not aware this initiative should be included in the CPIP.
- CHE Approval: 12/3/20

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Renovation Reserve				1,000	1,000
All Sources				<u>1,000</u>	<u>1,000</u>

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

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

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

academic, and auxiliary programs and departments.

**Financial Impact:** The project will be funded from Renovation Reserve Funds (uncommitted balance \$1.3 million at October 30, 2020). Revenue to this fund is financed by College Fees. College Fees is that portion of the student bill not specifically earmarked/dedicated for debt service, auxiliary enterprises, or student clubs and activities. It is generated through charges for course credit as well as ancillary charges for labs, transcripts, and other misc. items. The project is expected to result in a decrease of \$242,998 (year 1), \$265,662 (year 2), and \$313,762 (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 \$906 per student per semester, and has increased from \$781 in academic year 2015-2016.

**Full Project Estimate:** \$23,350,000 (internal) funded by the State Treasurer's Office Master Lease Program. The Program provides cost-effective financing arrangements to South Carolina's state agencies, colleges, and universities for the purpose of acquiring equipment needed to effectively improve and execute services on behalf of the State. The Program provides accepted applicants with financial assistance in obtaining office,

Senator Leatherman commented that he wants a guarantee that if the savings for the project is not realized at the levels represented by the company, the company would take responsibility and take care of the deficit. He noted that this type of issue came up previously with a project involving Johnson Controls for a central energy system that almost led to a lawsuit. He said that he needs to know what is behind the guarantee that is being proposed.

Paul Patrick with the College of Charleston appeared before the Authority on this matter. He said he has committed to the JBRC and he is committing to the Authority that the College will not bring back Phase II of the project until everyone is comfortable with the guarantee. He said the guarantee will be offered through a performance bond offered by the vendor. He stated they will not come back before the Authority until the JBRC and the Authority are comfortable with the guarantee. Senator Leatherman said he was okay with Mr. Patrick's representation.

Governor McMaster asked if there was not such a representation for the central energy system. Mr. Patrick said the Johnson Controls issue was not a capital project for the College. Governor McMaster said it was for a project at USC and those kinds of guarantees apparently were not given back then. Representative Smith said those kinds of guarantees were not being given back then and there was no performance bond when the Johnson Controls issue came up.

Mr. Eckstrom said it is wise to insist on a performance bond rather than just a guarantee

because a company's guarantee is only as good as its financial strength. He commented that the State has very little control over the financial strength of the vendor going forward. He noted that the project will be paid off over time through the Master Lease Program by way of savings that occur over the term of the project. Mr. Eckstrom commented that at the proposed yearly rate of savings to repay \$24 million of borrowing, it could take 80 years to amortize the debt. He said the State will need to have 80 years of assurance that the savings will continue. He stated he does not know how to measure savings from such a project. Mr. Eckstrom also noted that this project does not seem to fit within the parameters of the Master Lease Program. He said that program is one that finances equipment purchases that can be used long term. He said this is an equipment in service contract and that the State may be better protected if there was a more traditional borrowing arrangement made. He stated that although this is a project for the College the State is ultimately responsible for the debt because it is being borrowed through the Master Lease Program and it is like general obligation debt. Mr. Eckstrom said he does not know how much capacity for borrowing is left under the Master Lease Program. Senator Leatherman commented that this is a Phase I project which will come back to the Authority and that the Authority can consider his and Mr. Eckstrom's concerns at that time.

Mr. Eckstrom noted that the project is being pursued based upon a 2016 report the College received from a vendor. He said, not having seen the report, he hopes that it will demonstrate that savings can be expected in amounts necessary to amortize the \$24 million of debt which is the cost of the project. He asked if it is wise for the College to rely on a report that is five years old and if the report has been refreshed since 2016.

In further discussion, Mr. Eckstrom asked if the College is in the process of issuing an RFP (Request for Proposal) or if a vendor has already been selected. Mr. Patrick said the 2016 report is what started the project. He said the College recently issued an RFQ (Request for Qualifications) to an RFP and five or six vendors responded. He said an RFP will be developed. He further stated three vendors have done a full-scale comprehensive energy audit of the campus. He said those vendors are the ones who came up with the projected savings and he said the 2016 numbers have been updated. Mr. Patrick said he will provide that information. He also said that an intent to award has not been issued because they are still going through the process and are awaiting Phase I approval.

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**Phase I Increase & Revise Scope**

(b) Project: JBRC Item 2. Coastal Carolina University  
H17.9616: Kimbel Library Renovation

Request: Increase the Phase I budget and revise the scope for the renovation of Kimbel Library to include a broader project scope to redesign and reconfigure the interior.

Included in CPIP: Yes – 2020 CPIP Priority 2 of 3 in FY21 (estimated at \$10,000,000)  
Phase I Approval: October 2018 (estimated at \$4,000,000) (JBRC/SFAA)  
CHE Approval: 12/3/20

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Institutional Capital Project	60,000		60,000	90,000	150,000
All Sources	<u>60,000</u>		<u>60,000</u>	<u>90,000</u>	<u>150,000</u>

Summary of Work: The redesign and reconfiguration of the interior will include a designated space for archives and special collections, overflow group study space, multi-function instruction areas, reading and conference rooms as well as the purchase of new compact shelving for book stacks. The interior will be repainted, re-carpeted and new lighting installed. To bring the building up to current code, the project will also include restroom upgrades to adhere to ADA standards and electrical upgrades. Also, the current elevator will be evaluated for possible replacement. In addition, the existing 4 ply roof system with gravel membrane will be under design for repair or replacement. Preliminary drawings per the mechanical engineer note replacement of the existing exhaust fans on the roof. If final drawings show exhaust fans at different locations, then patch or repair to the roof and roof system will need to be completed. The original project scope, which will still be completed, is to renovate Kimbel Library’s HVAC system to include demolition of the entire existing system and installation of a new chilled and hot water system to include air handlers, VAV boxes, boiler, piping, valves, electrical and controls. The removal of the existing HVAC system will require the demolition of the existing ceiling and installation of a new suspended ceiling and associated lighting. In addition, the existing electrical system will need to be upgraded to accommodate the new HVAC and additional lighting.

Rationale: The existing HVAC system has expired its anticipated life expectancy and it will not maintain proper humidity levels for the library. Addressing the roofing, electrical upgrades and interior refurbishment will meet the current needs of the university.

Facility Characteristics: The building is 46,674 square feet and was constructed in 1976 (44 years old). The existing roof was installed in 2002 and is still under its 20-year warranty. Because the roof has a gravel surface the roof is not eligible for an elastomeric coating to extend the warranty. The library serves approximately 10,484 students and 690 full and part-time instructional faculty, with 32 staff members employed

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within the library.

- Financial Impact:** The project will be funded from Institutional Capital Project Funds (uncommitted balance \$6.4 million at September 30, 2020). Revenue received which are also referred to as debt service. These funds are set aside by law and restricted to be spent on capital projects only. Tuition allocation for institution bonds debt service is currently \$315 per full time student per semester, which is a \$90 decrease from prior academic years. The project is expected to result in a decrease of \$10,000 (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 \$505 per student per semester, and has decreased from \$595 to \$505 for the academic years 2014-2015 to 2019-2020 respectively.
- Full Project Estimate:** \$10,000,000 (internal) funded by \$4,000,000 Institutional Capital Project, \$1,575,000 Penny Sales Tax and \$4,425,000 Donor Gift Funds.
- Other:** The current systems are 44 years old. Advantages of a new HVAC system include energy efficiency, air velocity and quality control, independent and precise temperature control to each zone, and humidity and pressure control.

**Establish Construction Budget, Revise Scope & Change Project Name**

- (c) **Project:** JBRC Item 3. Coastal Carolina University  
H17.9615: Library Learning Complex
- Request:** Establish Phase II, revise the scope, and change the project name to now construct a new Library Learning Complex, which will be a 65,860 square foot academic building.
- Included in CPIP:** Yes – 2020 CPIP Priority 1 of 3 in FY21 (estimated at \$29,800,001)
- Phase I Approval:** October 2018 (estimated at \$28,500,000) (JBRC/SFAA)
- CHE Approval:** 12/3/20

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY19 Capital Reserve				5,000,000	5,000,000
FY20 Capital Reserve				3,000,000	3,000,000
Other, Penny Sales Tax	427,500		427,500	21,372,500	21,800,000
All Sources	<u>427,500</u>		<u>427,500</u>	<u>29,372,500</u>	<u>29,800,000</u>

- Summary of Work:** The academic building to be constructed will contain classrooms, offices, a computer lab, maker space, virtual reality and visualization labs, designated space for academic tutoring, and an area designated for food service. An open two-story learning commons will occupy the center of the complex and provide open seating and grouped seating for study and team collaboration.
- Rationale:** The university currently reports 62.93 square feet of academic/support facilities per FTE student and the average square footage reported by SC comprehensive

universities is 107.02 square feet per FTE. The addition of this building will add approximately 6.63 square feet per FTE of space designated for academic support.

**Facility Characteristics:** The new facility will be 65,860 square feet and constructed to meet Green Globes certification standards with anticipated energy savings of \$1,174,332 over a 30-year period. The building will contain 4 classrooms, 1 large computer lab, 6 labs designated to experiential learning, 5 tutoring/academic coaching bullpens, 4 conference/meeting spaces, 42 offices for faculty and staff, ample square footage dedicated in individual and group study, and food service space. The building will benefit their entire student body, as well as many faculty and staff.

**Financial Impact:** The project will be funded from FY19 & FY20 Capital Reserve Funds (uncommitted balance \$8 million at September 30, 2020) and Penny Sales Tax Funds (uncommitted balance \$32.2 million at September 30, 2020). Revenue received was approved in November 2008, started March 1, 2009 and runs for 15 years. This funding can be utilized for construction, renovation, land acquisition, or to offset debt service payment. The project is expected to result in an increase of \$240,965 (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 \$505 per student per semester, and has decreased from \$595 to \$505 for the academic years 2015-2016 to 2020-2021 respectively.

**Full Project Estimate:** \$29,800,000 (internal) funded by Capital Reserve and Penny Sales Tax Funds. Contract execution is expected in March 2021 with construction completion in August 2023.

**Other:** When this project was established it was titled Academic Enrichment Center & Auditorium. It was intended to be constructed as a 40,500+ square foot building, plus a 17,000+ square foot auditorium with seating capacity for approximately 1,000 people. During the Phase I design, the programming committee determined that there is more immediate need for academic coaching and tutoring space, as well as areas that provide students with experiential learning, such as maker space, studios and labs.

### **Establish Project for A&E Design**

(d) **Project:** JBRC Item 4. SC State University PSA  
H24.9656: SC State PSA Midlands Cluster (Cayce Facility) Renovations

**Request:** To establish Phase I design to begin renovating the building to meet the programmatic and administrative needs of SC State PSA.

**Included in CPIP:** No - The university did not include this project in the 2020 CPIP because they considered the purchase and renovation as one project in the acquisition (H24-9756), which was approved in July 2020.

**CHE Approval:** N/A

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Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, USDA Evans Allen Program				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

**Summary of Work:** The project will upgrade or replace the windows, doors, HVAC, electrical, plumbing, roof, flooring, paint, and up-fitting for research and other scientific space requirements.

**Rationale:** This project was one of several reviewed, approved and funded by USDA in 2019, but the funds are time sensitive and the university must demonstrate timely and consistent progress toward completion of each project to ensure the continued availability of the funds.

**Facility Characteristics:** The building is 43,646 square feet, located on 4 acres of land and was constructed in 1976 (44 years old). The building will house PSA activities of research and extension activities in 4-H and youth development, family, nutrition and health, sustainable agriculture, natural resources, community development, education innovation, and other lifelong learning opportunities. The building will house 15 faculty, 20 staff and will serve 6,000 clients annually.

**Financial Impact:** The project will be funded from USDA Evans Allen Funds (uncommitted balance \$3.6 million at September 2019). Revenue to this fund is received for agricultural research activities at 1890 Land-Grant Institutions, including Tuskegee University, West Virginia State University and Central State University. The project is expected to result in an increase of \$191,037 (years 1 thru 3) in annual operating expenses.

**Full Project Estimate:** \$3,500,000 (internal) funded by USDA Evans Allen Program Funds.

Mr. Eckstrom commented that he cannot support capital projects for South Carolina State University until the University gets its financial reporting responsibilities up to par. He noted that the University continues to be one of the few entities in the State that does not timely submit its financial statements. He said if every State agency had the same cavalier attitude about financial reporting as does the University, the State would be in trouble. He said that he is uneasy about the project because the University has not done a good job of estimating the cost of the project noting that the University first estimated the cost to upfit the building to be \$1.1 million and now they estimate the cost to be \$3.5 million. He said given the University's inability to timely submit its financial statements and to properly estimate costs, he has to vote against the project.

Delbert Foster with SC University PSA appeared before the Authority on this matter.

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Mr. Foster said that the estimate was done internally and that their facility management firm C&W does not have an architect on staff. He said that C&W did the best they could in preparing the estimate. He said they secured additional services of a licensed architect to help develop the programmatic aspect of the building and adding research laboratories to the facility. He said approval was given by the USDA and JBRC to upgrade and renovate the facility.

**Establish Project for A&E Design**

- (e) Project: JBRC Item 7. Orangeburg Calhoun Technical College  
H59.6164: OC Tech Health Science Building Mechanical/Electrical Upgrades
- Request: To establish Phase I design for mechanical/electrical upgrades to the college’s existing health science building.
- Included in CPIP: Yes – 2020 CPIP Priority 1 of 1 in FY21 (estimated at \$2,000,000)
- CHE Approval: 12/3/20

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, College				30,000	30,000
All Sources				<u>30,000</u>	<u>30,000</u>

**Summary of Work:** HVAC replacement is the major component of this project. The project also includes some small-scale renovation work in the building. These items will include paint, carpet, adding additional insulation in certain areas, possibly moving a wall or a door, re-purpose space for an additional electrical room, etc.

**Rationale:** The mechanical renovation will improve indoor air quality and energy efficiency. The building has had no major HVAC upgrades since inception.

**Facility Characteristics:** The Health Science Building is approximately 33,000 square feet and was constructed in 1987 (33 years old). No upgrades to the facility or its mechanical/electrical systems have been done since construction. The building currently houses biology labs and all health-related programs except nursing. This includes Radiologic Technology, EMT, Physical Therapy Assistant, Electrocardiography, Certified Nursing Assistant, Medical Assisting, and Phlebotomy. The building is utilized by 297 students and 20 faculty members each semester.

**Financial Impact:** The project will be funded from College Funds (uncommitted balance \$4.3 million at 12/16/20). Revenue to this fund comes from annual operating fund excesses over the years. The excess each year gets transferred to this fund to be used for capital projects. The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a

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consequence of the project. The college does not charge a capital fee.

Full Project Estimate: \$2,000,000 (internal) funded by College Fee Funds.

**Establish Construction Budget**

- (f) Project: JBRC Item 10. Department of Mental Health  
 J12.9788: COVID-19 Renovation of Fewell Pavilion
- Request: Establish Phase II construction, (and a future change source of funds once the federal grant funds are received), to renovate the Fewell Pavilion, part of the E. Roy Stone Veterans Nursing Homes in Columbia.
- Included in CPIP: Yes – 2020 CPIP Priority 3 of 17 in FY22 (estimated at \$14,928,105)  
 Phase I Approval: July 2020 (estimated at \$10,500,000) (JBRC/SFAA)  
 CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, COVID-19 Response Reserve Account	157,500		157,500	4,748,450	4,905,950
Federal, CARES Act				9,022,155	9,022,155
Other, Capital Improvement & Maintenance				1,000,000	1,000,000
All Sources	<u>157,500</u>		<u>157,500</u>	<u>14,770,605</u>	<u>14,928,105</u>

Summary of Work: The renovation will renew the aging mechanical, electrical and plumbing systems which were last renovated 27 years ago and are well past their service life, create isolation (up to 18 residents) and quarantine areas for residents exposed to COVID-19 (up to 27 residents), provide an area to store medical supplies related to controlling the spread of COVID-19, and provide an administrative support area. The existing shingle roof, supporting wooden decking, flashings and accessories and center EPDM section on the facility is anticipated to be replaced with a metal roof.

Rationale: The FY20 Coronavirus Aid, Relief, and Economic Security (CARES) Act provided \$150 Million in federal grant funding from the Veterans Administration (VA) for coronavirus related renovations to existing State Veterans Nursing Homes. The Department submitted a grant application on April 15th which was accepted, but in mid-October the VA reopened the window for COVID related budget adjustments, due to not having enough projects to use the money available. The eligible projects will utilize less than 50% of the available federal funding and the State is almost certain to receive a conditional funding approval in early 2021. The additional dollars will be used to increase the total capacity of the isolation and quarantine areas from 34 to 45 residents. The existing roof is failing and will need to be replaced in order to support residents.

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**Facility Characteristics:** Fewell Pavilion is a single-story structure totaling approximately 45,000 gross square feet and was constructed in 1970 (50 years old). The roof area is approximately 60,000 square feet and is approximately 30 years old. The facility is licensed for a total of 132 residents (nursing beds) but is currently vacant. The facility will be utilized by approximately 10-20 staff unless the quarantine wards are activated. The number of staff would vary by the number of residents in quarantine.

**Financial Impact:** The project will be funded from Appropriated State, COVID-19 Response Reserve Account created via Act 135 of 2020, Federal, CARES Act, and Other, Capital Improvement & Maintenance Funds (uncommitted balance \$3.2 million at December 21, 2020). Revenue to this fund is authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance.

**Full Project Estimate:** \$14,928,105 (internal) funded by Federal, VA Grant CARES Act, State Appropriation COVID-19 Response Reserve Account funds and Capital Improvement & Maintenance Funds. Once the federal funds are received the \$1 million in agency funds will be replaced with federal grant funds. The project will be funded with 65% federal and 35% state funds.

Mr. Eckstrom noted that the Department came to the Authority six months before now and the cost of the project was about \$10 million at that time and now it is \$15 million. He asked once the building is rehabbed if there is going to be an alternate use for the building once Covid-19 is beaten. He noted that the project came about because of the need for quarantine space due to the Covid-19 epidemic. He asked if the space would become vacant after the Covid-19 threat is over or does the Department have plans to use the space after the Covid-19 threat is over.

Ken Roey with the Department appeared before the Authority on this matter. He stated that the space will not be completely vacant and that administrative staff will be stationed there on a permanent basis and part of it will be used as warehouse space for the campus. He said that it is possible to use the space in the future to assist them in modernizing other facilities on their campus.

**Establish Project for A&E Design**

(g) **Project:** JBRC Item 12. Department of Disabilities & Special Needs  
J16.9930: Coastal Center - Electrical Power Grid Conversion

**Request:** Establish Phase I pre-design for a high voltage electrical power distribution grid conversion at Coastal Center.

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Included in CPIP: Yes - 2020 CPIP Priority 2 of 9 in FY2023 (estimated at \$1,500,000)  
 CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Excess Debt Service				22,500	22,500
All Sources				<u>22,500</u>	<u>22,500</u>

**Summary of Work:** Dominion Energy will rebuild overhead facilities and replace the underground primary and all three phase transformers feeding the facility and turn over ownership to Dominion Energy.

**Rationale:** The agency currently owns the Coastal Center electrical power distribution grid but has no staff with this expertise to maintain the system. The overhead facilities and underground cable are far beyond their useful life and must be converted to Dominion Energy for safety and reliability reasons. Partial failures have occurred due to storms and therefore the agency wants to convert ownership to Dominion Energy and be proactive in ensuring the health and safety of their consumers. Per the agency, the system needs a major upgrade to avert catastrophic failure.

**Facility Characteristics:** The project’s square footage encompasses the entire campus wide electrical power grid system which sits on 142.66 acres and includes 6,214,269.60 square feet. The existing system was installed in 1966 (54 years old). The estimated number to utilize Coastal Center campus is 142 residents plus 313 staff.

**Financial Impact:** The project will be funded from Excess Debt Service funds (uncommitted balance \$2.2 million at September 30, 2020). 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:** \$1,500,000 (internal) funded by Excess Debt Service Funds.

**Phase II Budget Increase & Revise Scope**

(h) **Project:** JBRC Item 14. Department of Corrections  
 N04.9769: Statewide HVAC Air Ionizers

**Request:** This request increase the budget and revise the project scope to add additional facilities to install air ionizing devices in all agency correctional facilities and

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support buildings that have HVAC systems.

Included in CPIP: No  
 Phase II Approval: October 2020 (estimated at \$926,662)  
 CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY20 Carryforward				181,654	181,654
Other, Canteen	926,662		926,662	589,821	1,516,483
All Sources	<u>926,662</u>		<u>926,662</u>	<u>771,475</u>	<u>1,698,137</u>

**Summary of Work:** This request will add Level 1 institutions, SCDC’s support buildings on Broad River complex and all other buildings not included in the original established project. The project will include all HVAC systems across 21 agency institutions. The work will install three (3) different models of Packaged PHI Units for a total of 687 units. Additionally, three (3) different models of I-Wave Residential/Commercial Air Cleaner Units for a total of 1,843 units will also be installed. This project also includes shipping and labor for each institution.

**Rationale:** The design of agency correctional facilities makes it impossible to maintain the necessary social distancing guidelines for COVID-19, creating an imminent threat to the health and safety of the inmate population and correctional office staff. These air ionizing devices remove viruses such as COVID-19, as well as other viruses and mold within inmate living, recreational and working areas through the removal of the hydrogen molecules which eliminates the ability for air-borne transmission and are consistent with CDC COVID-19 recommendations for air cleaning and filtration. There is an approximate 4-week lead time for the equipment and materials and one-week installation time per institution. As such, the Agency needed to move forward immediately with ordering and installation to quickly combat the spread of Covid-19 and protect the health and welfare of both the inmate population and the correctional officers working in the facilities.

**Facility Characteristics:** The project includes 21 institutions and effects approximately 20,000 inmates and 5,700 employees.

**Financial Impact:** The project will be funded from Appropriated State, FY20 Carryforward Funds (uncommitted balance \$386K at November 19, 2020) and Canteen Funds (uncommitted balance \$4.7 million at November 19, 2020). Revenue to the Canteen 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 not expected to result in any change in annual operating expenses.

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Full Project Estimate: \$1,698,137 (internal) funded by Carryforward and Canteen Funds. Construction completion for the original scope is expected in December 2020 with the additional scope expected in May 2021.

**Preliminary Land Acquisition**

- (i) Project: JBRC Item 15. Department of Natural Resources  
P24.6027: Chester-Landsford Canal WMA Land Acquisition (OSI-A)
- Request: Establish authorization to evaluate the acquisition of approximately 358 acres of land located in eastern Chester County.
- Included in CPIP: Yes – 2020 CPIP Priority 34 of 42 in FY21 (estimated at \$1,020,000)
- CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Fish & Wildlife Protection - Timber				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

Rationale: Acquisition of the property would protect additional habitat beside the agency’s Landsford Canal Wildlife Management Area. Acquisition of the site will aid in protecting water quality, expand the existing WMA, offer additional outdoor recreational opportunities to the public, and make management of the pending donation more efficient to manage. After the land is acquired, it will be managed as part of the Landsford Canal Forest Legacy WMA.

Characteristics: No buildings are located on the property. The property is located approximately six miles north of the Town of Fort Lawn. The tract is bounded by DNR’s 1,049-acre Landsford Canal Forest Legacy Wildlife Management Area (WMA) and Landsford Canal State Park to the south, Landsford Road to the west and the Catawba River to the east. A pending 109-acre land donation (P24-6020), a result of a SC Department of Commerce mitigation project, is interwoven across this tract. The property primarily consists of forested uplands that provide habitat for deer, turkey and small game species. The Catawba River, which is designated as a State Scenic River, contains 31 fish species and four priority mussel species, including the federally endangered Carolina heelsplitter.

Financial Impact: The property is offered by Open Space Institute Land Trust, Inc. for \$1,000,000. The due diligence activities will be funded from Other, Fish & Wildlife Protection Timber Funds (uncommitted balance \$2.0 million at November 1, 2020). Revenue to this fund is derived from timber harvests on DNR lands and provides for timber revenue to be placed in the Fish and Wildlife Protection Fund. Revenue from this source must be expended by DNR for the protection, promotion, propagation, and management of freshwater fisheries and wildlife, the enforcement of related laws, the administration of the department, and the dissemination of information, facts, and findings the department considers necessary. The purchase of the property will be funded by \$370,000 in Fish and

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Wildlife Protection Timber Funds, \$200,000 in Comprehensive Relicensing Agreements – Catawba Wateree Basin Funds, \$400,000 in SC Conservation Bank Funds, and \$50,000 in Catawba-Wateree Habitat Enhancement Program Funds. The project is expected to result in an increase of \$2,500 (year 1), and \$500 (years 2 thru 3), in annual operating expenses.

Upon a motion by Mr. Loftis, seconded by Representative Smith, the Authority approved permanent improvement project establishment requests and budget revisions as requested by the Department of Administration, Executive Budget Office. Governor McMaster, Senator Leatherman, and Representative Smith voted for the items. Mr. Eckstrom voted for all the items with exception of item 4(d) which he voted against. Mr. Loftis voted against the item.

Information relating to this matter has been retained in these files and is identified as Exhibit 4.

***Department of Administration, Executive Budget Office: Department of Natural Resources – Dike Renovation Projects (Regular Session #5)***

**Establish Project and Budget at Phase II**

1. Project: South Carolina Department of Natural Resources  
P24.6014, Georgetown-Samworth - Lower Middleton Dike Renovation
- Request: To receive as information, the established project and budget to repair and restore the dike system of the Santee Coastal Reserve Wildlife Management Area in Georgetown County.
- Included in CPIP: Yes – 2020 CPIP Priority 23 of 42 in FY21 (estimated at \$1,417,879)
- CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY17 Appropriated State, Proviso 118.16 (B) (38) (b) nonrecurring (transferred from 9960, 9962, and 9963)				232,225	232,225
Federal, US Fish & Wildlife Award SC-C-F20AP0085				1,000,000	1,000,000
Other, SC Conservation Bank				178,654	178,654
Other, In-Kind Match (3 NGO Entities)				7,000	7,000
All Sources	=	=	=	<u>1,417,879</u>	<u>1,417,879</u>

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- Summary of Work:** This project will repair and restore the existing dike system in the Santee Coastal Reserve Wildlife Area in Georgetown County. The project will provide for the installation/replacement of four rice field trunks, and one internal wooden spillway box, re-topping of the dike to a top width of 14 feet with slope to remain within the existing footprint, construct /replace 214 linear feet of bulkhead, and enhance or re-establish 3,650 linear feet of berm on the inside of the dike.
- Rationale:** The renovation project will control water flow through the dike and prevent over-topping during high tide. It also will allow staff to effectively manage habitat within the impoundments primarily for migratory waterfowl utilizing the Atlantic Flyway. In addition, numerous wading birds, reptiles and amphibians benefit from this management. The DNR also provides opportunity for the public to participate in public lottery waterfowl hunts on the Cape.
- Facility Characteristics:** The 10,590 linear feet of dike system is for 3,308 acres of managed predominately palustrine emergent wetlands on the Cape which is part of the Santee Coastal Reserve Wildlife Management Area. The benefit is to natural resources and wildlife species that will utilize the area.
- Financial Impact:** The project will be funded with State Appropriated Funds nonrecurring (uncommitted balance \$232,225) transferred from projects 9960, 9962, and 9963, Federal Funds (uncommitted balance \$1,000,000), Other Funds, SC Conservation Bank (uncommitted balance \$3,123,918), and Other Funds, In-kind match (uncommitted balance \$7,000). The project is not expected to result in any change in annual operating expenditures.
- Full Project Estimate:** \$1,417,879 (internal) funded by State Appropriated Funds nonrecurring, Federal Funds and Other Funds. Contract execution is expected in July 2020 with construction completion in March 2023.
- Other:** Material for refurbishing the dikes and berms will come from the existing canal located inside the impoundment. To repair the dikes and install the trunks, earth moving equipment such as a track-hoe must be mobilized.

**Establish Project and Budget at Phase II**

2. **Project:** South Carolina Department of Natural Resources  
P24.6017, Georgetown-Samworth - Upper Middleton Dike Renovation
- Request:** To receive as information, the established project and budget to repair and restore the dike system of the Santee Coastal Reserve Wildlife Management Area in Georgetown County.
- Included in CPIP:** Yes – 2020 CPIP priority 24 of 42 FY21 (estimated at \$1,310,000)
- CHE Approval:** N/A

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Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State	-	-	-	37,950	37,950
FY17 Appropriated State, Proviso 118.16 (B) (38) (b) nonrecurring	-	-	-	50,205	50,205
Federal, US Fish & Wildlife Protection Fund	-	-	-	367,076	367,076
Other, SC Conservation Bank	-	-	-	854,779	854,779
All Sources	=	=	=	<u>1,310,010</u>	<u>1,310,010</u>

**Summary of Work:** This project will repair and restore the existing dike system on Upper Middleton which is part of the Samworth Wildlife Management Area (WMA) in Georgetown County. The project will provide for the installation/replacement of four rice field trunks to control water flow through the dike, 6,010 linear feet of interior dike re-topping, re-topping 8,690 linear feet of perimeter dike to a top width of 14 feet with slope to remain within the existing footprint so as to prevent over-topping during high tides, and construct 2,060 linear feet of interior setback dike.

**Rationale:** The renovation project will allow staff to effectively manage habitat within the impoundments primarily for migratory waterfowl utilizing the Atlantic Flyway. In addition, numerous wading birds, reptiles and amphibians benefit from this management. The DNR also provides opportunity for the public to participate in public lottery waterfowl hunts on Samworth WMA.

**Facility Characteristics:** The dike system is for 165 acres of managed predominately palustrine emergent wetlands on Upper Middleton which is part of the Samworth Wildlife Management Area (WMA) in Georgetown County. The benefit is to natural resources and wildlife species that will utilize the area.

**Financial Impact:** The project will be funded with State Appropriated Funds recurring (uncommitted balance \$1,671,539), State Appropriated Funds nonrecurring (uncommitted balance \$50,205), Other Funds, SC Conservation Bank (uncommitted balance \$854,779), and Other Funds, Fish & Wildlife Protection Fund -Alligator (uncommitted balance \$662,672). The project is not expected to result in any change in annual operating expenditures.

**Full Project Estimate:** \$1,310,000 (internal) funded by State Appropriated Funds recurring and nonrecurring, and Other Funds. Contract execution is expected in September 2020 with construction completion in August 2021.

**Other:** Material for refurbishing the dikes and berms will come from the existing canal located inside the impoundment. To repair the dikes and install the trunks, earth moving equipment such as a track-hoe must be mobilized and transported by barge.

Upon a motion by Mr. Eckstrom, seconded by Mr. Loftis, the Authority received as information the Department of Natural Resource's Georgetown-Samworth - Lower Middleton Dike Renovation, and Georgetown-Samworth - Upper Middleton Dike Renovation projects in accordance with JBRC.

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

***Department of Administration, Facilities Management and Property Services: Easements (Regular Session #6)***

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

- (a) County Location: Charleston  
From: Department of Administration  
To: Kiawah Island Utility, Inc.  
Consideration: \$700  
Description/Purpose: To grant a 0.994 acre easement for the installation, operation and maintenance of a water main beneath Bass Creek between Summer Islands Lane and Ocean Course Drive on Kiawah Island. The easement is needed to provide water system enhancements to improve the capacity, water pressure and water quality as well as provide resiliency and redundancy within the system. The easement will contain the State's standard reverter language that if Kiawah Island Utility discontinues usage of the water main, the easement will terminate. The term of the easement will be fifty (50) years. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.
  
- (b) County Location: Charleston  
From: Department of Administration  
To: Kiawah Island Utility, Inc.  
Consideration: \$700  
Description/Purpose: To grant a 0.250 acre easement for the installation, operation and maintenance of a water main beneath Cinder Creek along Governors Drive on Kiawah Island. The easement is needed to provide water system enhancements to improve the capacity, water pressure and water quality as well as provide resiliency and redundancy within the system. The easement will contain the State's standard reverter language that if Kiawah Island

Utility discontinues usage of the water main, the easement will terminate. The term of the easement will be fifty (50) years. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.

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

***Department of Administration, Facilities Management and Property Services: SC  
Commission on Indigent Defense Lease of 1330 Lady Street, Columbia (Regular Session #7)***

The SC Commission on Indigent Defense (Commission) requested approval to lease 12,984 rentable square feet of office space at 1330 Lady Street, Suite 401, Columbia, SC from Lady Street Office Complex, LLC, a South Carolina limited liability company. The Commission has leased space at this location since December 1994. The current lease will expire on July 31, 2021.

After contacting state agencies to verify no adequate State space was available, the Department of Administration conducted a solicitation for commercial space in Richland County for a 10-year term for which six proposals were received. The proposed lease represents the lowest price to Agency.

The lease term will be ten years. The rental rate for the first year of the term will be \$14.72 per square foot and rent for the first five months of the term will be abated. Thereafter, rent will be abated the first month of the next five years of the term for a total rental abatement amount equal to 10 months. The Landlord did offer a two-year lease option at \$15.40 per square foot and no rent abatement. The total rent to be paid over the 10-year term will be \$1,928,582, as more specifically set forth in the chart below. This is a full gross lease and includes all operating expenses.

	Rent per SF	Total Rent for Period	Monthly Rent
Months 1-5	\$0	\$0	\$0
Months 6-12	\$14.72	\$111,489.28	\$15,927
Month 13	\$0	\$0	\$0
Months 14-24	\$15.01	\$178,701.39	\$16,246
Month 25	\$0	\$0	\$0
Months 26-36	\$15.31	\$182,275.42	\$16,570
Month 37	\$0	\$0	\$0

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Months 38 - 48	\$15.62	\$185,920.92	\$16,902
Month 49	\$0	\$0	\$0
Months 50-60	\$15.93	\$189,639.34	\$17,240
Month 61	\$0	\$0	\$0
Months 62-72	\$16.25	\$193,432.13	\$17,585
Months 73-84	\$16.58	\$215,237.21	\$17,936
Months 85-96	\$16.91	\$219,541.95	\$18,295
Months 97-108	\$17.25	\$223,932.79	\$18,661
Months 109-120	\$17.59	\$228,411.45	\$19,034

A provision will be included in the lease to allow the tenant to renegotiate the rental rate after the end of the third lease year if the tenant’s rent is greater than the market rate for the building by five (5)% or more.

The lease provides forty (40) free parking spaces in the adjacent garage.

The following chart represents comparable lease rates of similar space:

<b>Tenant</b>	<b>Location</b>	<b>Rate /SF</b>
Vacant	500 Taylor Street*	\$18.50
Vacant	1501 Main St.	\$21.00
Vacant	1022 Calhoun St.*	\$17.50
Vacant	200 Arbor Lake Dr.*	\$15.75
Vacant	7900 Parklane Rd.*	\$17.00
Vacant	1800 Julian Place *	\$14.35
SC Election Commission	1122 Lady St.	\$15.60

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

\*Bid received in response to solicitation for 10-year term.

The Commission has adequate funds for the lease according to a Budget Approval Form dated January 4, 2021, which also includes a multi-year plan. Lease payments will be funded through Court Fine Collections, Conviction Surcharge, and Death Penalty Fund. No option to purchase the property is included in the lease. The lease was approved by JBRC on January 27, 2021.

Mr. Eckstrom asked how many square feet are currently being leased by the Commission. Ashlie Lancaster, Director of the Department of Administration, Facilities Management and Property Services, appeared before the Authority on this matter. Ms. Lancaster said the Commission is currently in the same square footage. Mr. Eckstrom further asked how many

staff occupy the space. Ms. Lancaster responded that the Commission has 38 employees and six interns. Mr. Eckstrom asked if the square footage per employee met the space standards. Ms. Lancaster said the space standard is 210 square feet per employee and in this case the average is 233 square feet per employee. She noted the Commission has a lot of special use type spaces for hearings and other court type proceedings that take place in the facility. Mr. Eckstrom further asked what the Commission was currently paying per square foot of space. Ms. Lancaster said they are paying \$18.45 per square foot.

Mr. Eckstrom further asked Ms. Lancaster if there have been any discussions with the Commission on how remote working has affected their need for permanent office space. He also noted that the term of the lease was for 10 years. Ms. Lancaster said they spoke with the Commission about their future need for remote working and the Commission does not anticipate the need for doing so. Ms. Lancaster further stated that because of the concerns raised by the Authority and the JBRC related to longer term leases they were able to negotiate a provision into the lease to allow the Commission to renegotiate the rental rate at the end of the third lease year if the tenant's rate is greater than the market rate for the building by 5% or more. She also noted that their standard lease provision is included in the lease that allows for reduction in square footage if needed.

Upon a motion by Representative Smith, seconded by Mr. Loftis, the Authority, as recommended by the Department of Administration, Facilities Management Property Services, approved the proposed 10-year lease of 12,984 rentable square feet of office space for the SC Commission on Indigent Defense at 1330 Lady Street, Suite 401, Columbia, SC from Lady Street Office Complex, LLC, a South Carolina limited liability company. Governor McMaster, Mr. Loftis, Senator Leatherman, and Representative Smith voted for the item. Mr. Eckstrom voted against the item.

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

SC Vocational Rehabilitation Department (SCVRD) requested approval to enter a short-term (fifteen months) lease for 51,788 rentable square feet of space at 1244 Boston Avenue, Cayce, SC from Efron Family, LLC, a South Carolina limited liability company. Agency has leased space at this location since October 1986. The current lease for 51,788 rentable square feet will expire on March 31, 2021.

SCVRD had previously expected to seek a new lease for a longer term, and, after contacting state agencies to verify no adequate State space was available, the Department of Administration conducted a solicitation for commercial space in Lexington and Richland counties for 7 and 10-year terms for which 6 proposals were received; however, SCVRD was subsequently advised by the Social Security Administration that they could expect changes in their hiring needs in the Federal Fiscal Year 2021 which would impact SCVRD's space needs in this area. As such, a solicitation for this shorter lease was conducted to provide sufficient time for the Agency to determine its long-term space needs.

The current landlord submitted the only bid in response to the short-term lease solicitation. The Department of Administration followed up with the bidders from the prior solicitation and none could accommodate the shorter term.

The space will meet the state standard of 210 SF/person with a density of 183 SF/person. The lease also provides for free parking and has a total of 280 parking spaces available.

The lease term will be fifteen months. The rental rate will be \$14.75 per square foot (which is a reduction from their current rate of \$14.91 per square foot), for an annual aggregate amount of \$763,873. The total rent to be paid over the 15-month term will be \$954,842. This is a full gross lease and includes all operating expenses.

The following chart represents comparable lease rates of similar space:

Tenant	Location	Rate /SF
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*Vacant	300 Arbor Lake, Columbia (Richland County)	\$16.43
*Vacant	7909 Parklane Dr., Columbia (Richland County)	\$19.42
*Vacant	500 Taylor St., Columbia (Richland County)	\$19.75
*Vacant	8911 Farrow Rd., Columbia (Richland County)	\$16.65
*Vacant	3400 Forest Dr., Columbia (Richland County)	\$15.50
Vacant	121 Executive Center Dr., Columbia, (Lexington County)	\$17.50
Vacant	400 Otarre Parkway, Cayce (Lexington County)	\$23.00
Department of Juvenile Justice	201 Executive Center Drive, Columbia (Lexington County)	\$15.97
Department of Labor, Licensing and Regulation	121 Executive Center Dr., Columbia (Lexington County)	\$16.00

Above rates subject to operating expenses and base rent escalations.

\*Bid received in response to solicitation for 10-year term.

SCVRD has adequate funds for the lease according to a Budget Approval Form submitted January 6, 2021, which also includes a multi-year plan. Lease payments will be funded through Federal funding. No option to purchase the property is included in the lease. The lease was approved by JBRC on January 27, 2021.

Mr. Eckstrom commended the Department for entering a 15-month lease given the uncertainty that is currently being faced.

Upon a motion by Representative Smith, seconded by Mr. Loftis, the Authority, as recommended by the Department of Administration, Facilities Management Property Services, approved the Vocational Rehabilitation Department's request to enter into a short-term (fifteen months) lease for 51,788 rentable square feet of space at 1244 Boston Avenue, Cayce.

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

***College of Charleston: Not Exceeding \$27,000,000 College of Charleston Academic and***

***Administrative Facilities Revenue Refunding Bonds, Series 2021A (Regular Session #9)***

The Authority was asked to adopt a resolution making provision for the issuance and sale of not exceeding \$27,000,000 College of Charleston Academic and Administrative Facilities Revenue Refunding Bonds, Series 2021A.

The College of Charleston proposed to current refund all outstanding maturities (2021-2037) of its Series 2011A Academic and Administrative Facilities Revenue Bonds.

Upon a motion by Representative Smith, seconded by Mr. Eckstrom, the Authority adopted a resolution making provision for the issuance and sale of not exceeding \$27,000,000 College of Charleston Academic and Administrative Facilities Revenue Refunding Bonds, Series 2021A.

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

***Executive Director: Revenue Bonds (Regular Session #10)***

The required reviews on the following proposal to issue revenue bonds has been completed with satisfactory results. The projects required approval under State law. Requests for volume cap ceiling allocation were handled in a separate agenda item.

- a. Issuing Authority: Housing Authority of the City of Columbia  
Amount of Issue: N/E \$7,600,000 Multifamily Housing Revenue Bonds  
Allocation Needed: \$7,600,000  
Name of Project: Palmetto Terrace Apartment  
Employment Impact: n/a  
Project Description: the acquisition, rehabilitation, furnishing and equipping of Palmetto Terrace Apartments, a 112-unit affordable rental housing facility (consisting of 24 one bedrooms, 48 two bedrooms, and 40 three bedrooms) located at 3021 Howell Court, Columbia,  
Bond Counsel: John Van Duys, Haynsworth Sinkler Boyd, P.A.
  
- b. Issuing Authority: Housing Authority of the City of North Charleston  
Amount of Issue: N/E \$10,000,000 Housing Authority of the City of North Charleston Multifamily Housing Revenue Notes  
Allocation Needed: \$10,000,000  
Name of Project: Filbin Creek Apartments  
Employment Impact: n/a

Project Description: to provide construction and permanent financing for a portion of the costs of acquisition and construction (substantial rehabilitation) of an existing 64-unit affordable multifamily rental housing facility (4 two story apartment buildings with 56 two-bedroom units and 1 two story townhome style building with 8 one-bedroom units) and related facilities located in the City of North Charleston, Charleston County

Bond Counsel: Samuel W. Howell, IV, Howell Linkous & Nettles, LLC

- c. Issuing Authority: Newberry County  
Amount of Issue: N/E \$5,500,000 Special Source Revenue Bonds  
Allocation Needed: -0-  
Name of Project: Mid-Carolina Commerce Park Expansion  
Employment Impact: will depend on ultimate use of the undeveloped real estate by prospective industries  
Project Description: the project includes the acquisition and preparation of approximately 213.3 acres of unimproved real estate near the existing Mid-Carolina Commerce Park on Highway 773 to promote the economic development of the County, and to refund \$2,105,000 of the County's outstanding Series 2006 Special Source Revenue Bond  
Bond Counsel: Theodore B. DuBose, Haynsworth Sinkler Boyd P.A.

Upon a motion by Representative Smith, seconded by Mr. Loftis, the Authority adopted the resolutions approving the above-referenced proposals to issue revenue bonds.

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

***Executive Director: 2021 Ceiling Allocations (Regular Session #11)***

The initial balance of the 2021 state ceiling allocation was \$573,984,400. In accord with Code Section 1-11-520, \$229,593,760 (40% of the total) was designated as the state pool and \$344,390,640 (60% of the total) was designated as the local pool. There is presently a state ceiling balance of \$573,984,400 remaining for 2021. Allocation requests for 2021 totaling \$17,600,000 have been received thus far.

The recommendation from the Department of Commerce for allocations for this cycle totaled \$17,600,000. The Department of Commerce made the following recommendation for allocation from the local pool:

- A. Housing Authority City of Columbia—Palmetto Terrace Apartments (Richland County) \$7,600,000—the acquisition, rehabilitation, furnishing and equipping of Palmetto Terrace Apartments, a 112-unit affordable rental housing facility (consisting of 24 one bedrooms, 48 two bedrooms, and 40 three bedrooms) located at 3021 Howell Court, Columbia.
- B. Housing Authority City of North Charleston—Filbin Creek Apartments (Charleston County) \$10,000,000—to provide construction and permanent financing for a portion of the costs of acquisition and construction (substantial rehabilitation) of an existing 64-unit affordable multifamily rental housing facility (4 two story apartment buildings with 56 two-bedroom units and 1 two story townhome style building with 8 one-bedroom units) and related facilities located in the City of North Charleston.

Authority approval of the recommended requests will leave an unexpended state ceiling balance of \$556,384,400 (state pool - \$229,593,760; local pool - \$326,790,640) to be allocated later in the calendar year.

Further, relating to requests for calendar year 2021 ceiling allocations, the Authority was also asked to authorize shifts as necessary between the state pool and the local pool for the remainder of the calendar year.

Upon a motion by Mr. Loftis, seconded by Mr. Eckstrom, the Authority

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

- A. Housing Authority City of Columbia—Palmetto Terrace Apartments (Richland County) \$7,600,000; and
- B. Housing Authority City of North Charleston—Filbin Creek Apartments (Charleston County) \$10,000,000

2) Authorized shifts as necessary between the state pool and the local pool for the remainder of the calendar year.

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

***State Fiscal Accountability Authority: Future Meeting (Regular Session Item #12)***

Upon a motion by Mr. Loftis, seconded by Representative Smith, the Authority agreed to meet at 9:30 a.m. on Tuesday, March 30, 2021, in Room 252, Edgar A. Brown Building.

*Adjournment*

The meeting was adjourned at 10:10 a.m.

[Secretary's Note: In compliance with Code Section 30-4-80, public notice of and the agenda for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary and near the Board Secretary's office in the Wade Hampton Building, and in the lobbies of the Wade Hampton Building and the Edgar A. Brown Building at 2:45 p.m. on Friday, January 29, 2021.]