

MINUTES OF THE STATE FISCAL ACCOUNTABILITY AUTHORITY MEETING

March 30, 2021 – 9:30 A. M.

The State Fiscal Accountability Authority (Authority) met at 9:30 a.m. on Tuesday, March 30, 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. Senator Leatherman was also present in the meeting room. Mr. Loftis, Mr. Eckstrom, 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; Comptroller General's Chief of Staff Eddie Gunn; Joint Bond Review Committee Director of Research Rick Harmon (on-site); Ways and Means Chief of Staff Daniel Boan; Authority Secretary Delbert H. Singleton, Jr. (on-site); and other State Fiscal Accountability Authority staff.

Adoption of Agenda for State Fiscal Accountability Authority

Upon a motion by Senator Leatherman¹, seconded by Mr. Eckstrom², the Authority adopted the agenda as presented.

Minutes of Previous Meetings

Upon a motion by Mr. Eckstrom, seconded by Senator Leatherman, the Authority approved the minutes of the February 2, 2021, State Fiscal Accountability Authority meeting;

¹ Senator Leatherman stated that the JBRC is looking at the length of leases agencies are requesting and the cost of the leases.

² Mr. Eckstrom asked to correct #9 from "125 Fishburne" to "Fishburne" to correct a scrivener's error on the agenda and the item.

Minutes of State Fiscal Accountability Authority
March 30, 2021 – Page 2

and, acting as the Tobacco Settlement Revenue Management Authority, approved the minutes of the February 2, 2021, Tobacco Settlement Revenue Management Authority.

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

Upon a motion by Senator Leatherman, seconded by Mr. Eckstrom, 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
\$29,500,000; South Carolina Jobs-Economic Development Authority, Economic Development Revenue Bonds; Alligator Rural Sewer & Water, Inc.; Series 2021 (South Carolina Jobs-Economic Development Authority – “SC JEDA”)	Alligator Rural Sewer & Water Company, Inc. Conduit: SC JEDA	Howell Linkous & Nettles – Sam Howell, Alan Linkous	Haynsworth Sinkler Boyd – Kathy McKinney, Kimberly Witherspoon
\$19,000,000; South Carolina Jobs-Economic Development Authority, Retirement Community Revenue Notes; Kiawah Life Plan Village; Series 2021	Kiawah Life Plan Village, Inc. Conduit: SC JEDA	Haynsworth Sinkler Boyd – Kathy McKinney, Kimberly Witherspoon	Howell Linkous & Nettles – Sam Howell, Alan Linkous
\$6,500,000; South Carolina Jobs-Economic Development Authority, Educational Facilities Revenue Bonds; Gates School; Series 2021	Gates School Conduit: SC JEDA	Howell Linkous & Nettles – Sam Howell, Alan Linkous	Haynsworth Sinkler Boyd – Kathy McKinney, Kimberly Witherspoon
\$1,500,000; South Carolina Jobs-Economic Development Authority, Economic Development Refunding Revenue Bonds; Foundation for Affordable Housing – Rosewood Townhouse; Series 2021	Foundation for Affordable Housing – Rosewood Townhomes Conduit: SC JEDA	Parker Poe – Ray Jones, Emily Luther	Nexsen Pruet – Laurie Becker
\$3,000,000; South Carolina Jobs-Economic Development Authority, Economic Development Refunding Revenue Bonds; Foundation for Affordable Housing – South Pointe Apartment & Townhomes; Series 2021	Foundation for Affordable Housing – South Pointe Apartment & Townhomes Conduit: SC JEDA	Parker Poe – Ray Jones, Emily Luther	Nexsen Pruet – Laurie Becker

Minutes of State Fiscal Accountability Authority
March 30, 2021 – Page 3

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

Dept. of Administration, Executive Budget Office: Permanent Improvement Projects (R#2)

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).

Summary Background Information:

- (a) Project: JBRC Item 2. University of South Carolina - Columbia
H27.6132: Intramural Recreation Fields Land Acquisition
- Request: Final Land Acquisition to purchase approximately 300 acres of land adjacent to Congaree River at the end of National Guard Road in Richland County.
- Included in CPIP: Yes – 2020 CPIP Priority 5 of 11 in FY21 (estimated at \$3,240,000)
Phase I Approval: August 2019 (estimated at \$3,300,000) (SFAA)
CHE Approval: 3/4/21

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	<u>20,000</u>		<u>20,000</u>	<u>3,220,000</u>	<u>3,240,000</u>

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 development will respond to this need. Per the university, the cost of this land per acre is to be significantly less than land in the central business district adjacent to campus.

Characteristics: The parcel is located at the west end of National Guard Road between Gamecock Park and the Congaree River. The land is generally flat and is therefore ideal for recreation field development. Natural turf will be used for the fields. There are no buildings located on the property.

Financial Impact: The property is offered by USC Development Foundation for \$3,220,000. The acquisition will be funded from Other, Wellness Fee Reserve Funds (uncommitted balance \$4.255 million at February 9, 2021) and Other,

Institutional Funds (uncommitted balance \$14.89 million at February 9, 2021). Revenue to the Wellness Fee Reserve fund is a component of full-time student tuition. The Student Wellness Fee is \$105 per semester. \$36 of the fee is dedicated to debt service for the state institution bonds previously issued to build the Strom Thurmond Fitness and Wellness Center. The remaining \$69 supports operations and a maintenance reserve. Revenue to the Institutional Fund are internal Institutional Operating Reserves that are used for internal projects in lieu of debt issuance on smaller projects. If acquired, the site will be developed in phases as funding becomes available, and as a separate project. The first phase is anticipated to be approximately \$4.7 million, will begin in 2021 and be completed by fall of 2023, and will come from Student Wellness Fees and other auxiliary sources including Athletics. The timing of the second phase of development will occur at some point in the future, but the timing will be linked with student demand and availability of funds. A timeline and budget have not been established for the second phase at this time. Acquisition of the property and development of the fields will enable USC to terminate a recreation field lease with the National Guard after the development of the new recreation fields on the property being acquired. The current annual cost of the lease is \$215,000 and is set to expire on 4/30/2023 and the university will make every effort to complete the first phase of the new recreation fields before the fall semester of 2023 to avoid renewing the lease. Funds being spent on the lease can be reallocated for maintenance and operation of the new development which will provide many more fields following site improvements. The project is expected to result in an increase of \$77,500 (year 1), and \$70,000 (years 2 thru 3) in annual operating expenses before the property is developed. An appraisal was completed by Carter Commercial Appraisal Group in February 2021 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) in connection with the property. A Building Condition Assessment is not required since no buildings are located on the property. Letters of support are also not required since the property is currently owned by the USC Development Foundation and is therefore not included on the tax rolls.

Mr. Loftis said his understanding is that foundations and other nonprofits are excluded from the tax roll if the property is their primary or a principal place where they conduct business. He asked Mr. Gillespie to have the University respond in writing with their justification for having vacant land that is excluded from the tax roll. Craig Parks with USC responded that they would provide Mr. Loftis with an answer in writing.

- (b) Project: JBRC Item 4. Department of Administration
D50.6069: Blatt Building – Replace Domestic Water Lines
- Request: Establish Phase I Predesign Budget for the replacement of the domestic hot and cold-water lines in the Solomon Blatt building located at the SC State Capital Complex.

Minutes of State Fiscal Accountability Authority
March 30, 2021 – Page 5

Included in CPIP: Yes – 2020 CPIP Priority 8 of 33 in FY21 (estimated at \$1,380,000)
 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, Depreciation Reserve				18,850	18,850
All Sources				<u>18,850</u>	<u>18,850</u>

Summary of Work: The project will replace the domestic hot and cold-water lines. The scope of the project will also include replacing the current ceiling system and lights in the main corridor on floors 1-4. The new ceiling and lights installed on the 5th floor as part of another project will be repaired and replaced as needed.

Rationale: The existing plumbing system is original to the building, frequently requires repairs, and has experienced multiple leaks.

Facility Characteristics: The building is 155,162 gross square feet and was constructed in 1978 (43 years old). The building is occupied by the SC House of Representatives and includes offices and conference rooms. Approximately 80-100 staff are housed year-round, and from January to July each year the number increases to approximately 330.

Financial Impact: The project will be funded from Depreciation Reserve Funds (uncommitted balance \$474K at January 21, 2021). 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: \$1,256,690 (internal) funded by Depreciation Reserve Funds and FY20 Appropriated State Act Phase IA Section 93 II.C.2 Capital Complex & Mansion Funds as transfers from other projects.

(c) **Project:** JBRC Item 5. Department of Administration
 D50.6052: Elevators Modernization & Controls Replacement

Request: Establish Phase II Full Construction Budget to modernize the passenger elevators in the Calhoun Building, DSS North Towers and Sims/Aycock Building.

Included in CPIP: Yes – 2020 CPIP Priority 2 of 33 in FY21 (Sims Aycock estimated at \$2,254,000),
 2020 CPIP Priority 12 of 33 in FY21 (Calhoun Building estimated at \$677,600)
 &
 2020 CPIP Priority 14 of 33 in FY21 (North Towers estimated at \$1,322,537)

Phase I Approval: October 2020 (estimated at \$4,450,000) (SFAA)
CHE Approval: N/A

Minutes of State Fiscal Accountability Authority
March 30, 2021 – Page 6

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY20 Capital Reserve				1,422,537	1,422,537
FY20 Appropriated State, Part 1A Section 93 I.C.2. Permanent Improvements				2,254,000	2,254,000
Other, Depreciation Reserve	120,000			312,041	432,041
All Sources	<u>120,000</u>		<u>120,000</u>	<u>3,988,578</u>	<u>4,108,578</u>

Summary of Work: The scope of work will include the replacement/upgrade of the elevator controls and modernization of the elevator cabs.

Rationale: The elevators and control systems are passed their life expectancy and need modernization in order to bring them into compliance with current governing codes and regulations. The elevators experience frequent interruption of service due to their age and repair parts are difficult to find and often must be fabricated, thus extending the periods when the elevator(s) are off-line and out of service. The elevators are critical to the operation of the agencies and are necessary to maintain safe operating conditions.

Facility Characteristics: The Calhoun Building is approximately 85,150 square feet and was constructed in 1926 (95 years old), and the controls were last modernized in 1993 (28 years old). The North Towers total approximately 135,000 square feet and were constructed in 1974 (47 years old), and the elevators and controls are original to the building. The Sims/Aycock Buildings total approximately 253,596 square feet and were constructed in 1965 (56 years old), and the elevators and controls are original to the building. The elevators are operated and maintained by the SC Department of Administration. The passenger elevators are utilized by approximately 190 Judicial Branch personnel in the Calhoun Building, 500 SCDHEC personnel for the Department of Health and Environmental Control in the Sims/Aycock Building, and 560 DSS personnel for the Department of Social Services in the North Towers, as well as visitors to each agency.

Financial Impact: The project will be funded from FY20 Capital Reserve Funds (uncommitted balance \$1.7 million at January 21, 2021), FY20 Appropriated State Funds (uncommitted balance \$3.3 million at January 21, 2021), and Depreciation Reserve Funds (uncommitted balance \$474K at January 21, 2021). 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: \$4,108,578 (internal) funded by Capital Reserve Funds, Appropriated State Funds and Depreciation Reserve Funds. Contract execution is expected in October 2021 with construction completion in March 2023.

Minutes of State Fiscal Accountability Authority
March 30, 2021 – Page 7

(d) Project: JBRC Item 9. Office of the Adjutant General
E24.9821: Joint Base Charleston Readiness Center

Request: Establish Phase II Full Construction Budget for a new National Guard Readiness Center in Charleston.

Included in CPIP: Yes – 2020 CPIP Priority 2 of 26 in FY21 (estimated at \$19,284,000)
Phase I Approval: December 2019 (estimated at \$19,202,000) (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, FY20 Proviso 118.16 (nonrecurring)	22,466		22,466	1,977,534	2,000,000
Federal, National Guard Bureau	265,564		265,564	17,557,296	17,822,860
All Sources	<u>288,030</u>		<u>288,030</u>	<u>19,534,830</u>	<u>19,822,860</u>

Summary of Work: The new National Guard Readiness Center will be built on federal land at Joint Base Charleston (13.1 acres licensed from USAF).

Rationale: A training facility that accommodates the modernization and transformation of equipment and performance of their mission to support the Strategic Depth of the Army and unit training in the Army Modular Force configuration is required. Due to a funding shortfall, 2 units were displaced when that National Guard Bureau was unable to fund the entire lease in 2016 on a 61,500 square foot facility at a cost of \$738K per year. The units were relocated to existing readiness centers nearby in Walterboro and Charleston. These facilities do not provide sufficient authorized square-footage, and do not meet Anti-terrorism/Force Protection standards. No other SCARNG facilities are suitable and available nearby to house the new units.

Facility Characteristics: The new facility will be 59,933 square feet and constructed on 13.1 acres of property. It will support the training, administrative, and logistical requirements for two SCARNG Units (1223 EN CO & I CO/237 SPT BN). It will house the 2 units consisting of 10 authorized full-time employees and 230 M-Day soldiers that currently do not have a permanent facility.

Financial Impact: The project will be funded from Appropriated State, FY20 Proviso 118.16 (nonrecurring) Funds (uncommitted balance \$2 million at January 14, 2021), and Federal, National Guard Bureau Funds (uncommitted balance \$13 million at January 14, 2021). Revenue to this fund is received from the Construction and Facilities Management Office’s Master Cooperative Agreement funds. The project will be constructed to meet LEED Silver certification standards with an anticipated energy savings of \$1,981,924 over a 30-year period. The project is expected to result in an increase of \$72,000 (year 1), \$76,000 (year 2), and \$80,000 (year 3) in annual operating expenses.

Minutes of State Fiscal Accountability Authority
March 30, 2021 – Page 8

Full Project Estimate: \$19,822,860 (internal) funded by Appropriated State and National Guard Bureau Funds. Contract execution is expected in September 2021 with construction completion in October 2023.

Mr. Eckstrom noted that the major source of funding for the projects for items 2(d)-(g) is federal funding through the National Guard Bureau. He said that the items indicate there is \$13 million in uncommitted funds available. He commented that the projects greatly exceed \$13 million. He asked what the likelihood is of having money to fully fund the projects if the federal funds are not available.

Colonel Brigham Dobson with the Adjutant General’s Office appeared before the Authority on this matter. Colonel Dobson said they have received funding from the federal government for the balance of the funds that are needed to complete the projects. Mr. Eckstrom asked that that kind of information be included on future requests to which Colonel Dobson said that would be done.

- (e) Project: JBRC Item 10. Office of the Adjutant General
E24.9785: Multi-Purpose Machine Gun Range
- Request: Establish Phase II Full Construction Budget and Revise Project Scope to construct a multi-purpose machine gun range.
- Included in CPIP: Yes – 2020 CPIP Priority 13 of 26 in FY21 (estimated at \$7,876,000)
- Phase I Approval: October 2013 (estimated at \$6,196,120) (B&CB)
- Phase I Increase
- Approval: August 2016 (estimated at \$6,196,120) (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
Federal, National Guard Bureau	92,942	272,694	365,636	6,153,364	6,519,000
All Sources	<u>92,942</u>	<u>272,694</u>	<u>365,636</u>	<u>6,153,364</u>	<u>6,519,000</u>

Summary of Work: The new facilities to be constructed will consist of 6 firing points with automated target system. The supporting facilities include the range control tower, operations/storage building, covered mess, ammo breakdown building, covered bleachers, classroom, and utilities. The scope revision includes decreasing the size of the range tower and latrines, minimizing the bleacher enclosure, adding a vehicle firing pad, sniper pad added, vehicle parking, security fencing, and the walkways improved.

Minutes of State Fiscal Accountability Authority
March 30, 2021 – Page 9

Rationale: There are currently no machine gun firing ranges in the state of South Carolina available to the SC Army National Guard for Qualification.

Facility Characteristics: The supporting facilities to be constructed will include a 289 square foot range control tower, 800 square foot operations/storage building, 800 square foot covered mess, 185 square foot ammo breakdown building, 726 square foot covered bleachers, and an 800 square foot classroom. Approximately 150 soldiers will utilize the range at a time, and it will be utilized by approximately 5,400 soldiers each year.

Financial Impact: The project will be funded from Federal, National Guard Bureau Funds (uncommitted balance \$13 million at January 14, 2021). Revenue to this fund is received from the Construction and Facilities Management Office’s Master Cooperative Agreement funds. The project is expected to result in an increase of \$10,000 (year 1), \$12,500 (year 2), and \$15,000 (year 3) in annual operating expenses.

Full Project Estimate: \$6,519,000 (internal) funded by National Guard Bureau Funds. Contract execution is expected in June 2022 with construction completion in December 2023.

(f) **Project:** JBRC Item 11. Office of the Adjutant General
 E24.9793, Armory Revitalization (Annualized)

Request: Increase the Phase II Full Construction Budget to allow the agency to true up some of the project costs, including contingencies.

Included in CPIP: Yes - 2020 CPIP Priority 3 of 26 in FY21 (estimated at \$24,490,000)

Phase II Approval: November 2016 (estimated at \$10,500,000) (SFAA)

Phase II Increase Approval: September 2018 (estimated at \$13,500,000) (Admin.)

CSOF Approval: September 2018 (estimated at \$13,500,000) (JBRC Staff)

Phase II Increase Approval: December 2019 (estimated at \$19,600,000) (SFAA)

CSOF Approval: April 2020 (estimated at \$20,000,000) (Admin.)

Phase II Increase Approval: June 2020 (estimated at \$21,000,000) (SFAA)

Phase II Increase Approval: October 2020 (estimated at \$23,100,000) (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
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)		3,050,000	3,050,000		3,050,000

Minutes of State Fiscal Accountability Authority
March 30, 2021 – Page 10

Federal, National Guard Bureau	5,500,000	6,050,000	11,550,000	2,824,600	14,374,600
Other, FY20 Armory Maintenance		500,000	500,000		500,000
All Sources	<u>10,500,000</u>	<u>12,600,000</u>	<u>23,100,000</u>	<u>2,824,600</u>	<u>25,924,600</u>

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 if there is a federally recognized unit assigned to the facilities.

Facility Characteristics: Each armory is 45,000 to 65,000 square feet and was 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 Capital Reserve, Appropriated State, Armory Maintenance and Federal, National Guard Bureau Funds (uncommitted balance \$13 million at January 14, 2021). Revenue to this fund is received from the Construction and Facilities Management Office's Master Cooperative Agreement funds. The (Easley Armory), is expected to result in an increase of \$750 (years 1 thru 3) in annual operating expenses.

Full Project Estimate: \$45,524,000 (internal) funded by Capital Reserve, Appropriated State, National Guard Bureau and Armory Maintenance Funds. Construction completion for Sumter is expected in August/September 2021. Contract execution for Easley is expected in September 2021 with construction completion in August 2022.

Other: 3 of 10 facilities (Greenwood/Lancaster/Greenville) have been completed. 2 of 10 (Florence/Sumter) are presently under renovation and will be completed by

Minutes of State Fiscal Accountability Authority
March 30, 2021 – Page 11

the end of 2021. 1 of 10 (Easley) is in the final stages of design and will be bid and awarded by September 2021.

- (g) Project: JBRC Item 12. Office of the Adjutant General
E24.9812: Statewide Readiness Center Female Latrines
- Request: Increase the Phase II Full Construction Budget to for the construction of the Kingstree and Newberry female latrines, and for the design of West Columbia and Walterboro.
- Included in CPIP: Yes – 2020 CPIP Priority 4 of 26 in FY21
(this portion estimated at \$850,000 & estimated at \$3,850,000 for all 12 facilities)
- Phase I Approval: August 2018 (estimated at \$2,233,435 for all 12 facilities) (SFAA)
Phase II Approval: April 2019 (estimated at \$2,450,000 for all 12 facilities) (SFAA)
Phase II Increase Approval: February 2020 (estimated at \$2,650,000 for all 12 facilities) (SFAA)
Phase II Increase Approval: December 2020 (estimated at \$2,650,000 for all 12 facilities) (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	12,500	449,750	462,250	36,600	498,850
Federal, National Guard Bureau	37,500	749,250	786,750	271,200	1,057,950
All Sources	<u>50,000</u>	<u>1,199,000</u>	<u>1,249,000</u>	<u>307,800</u>	<u>1,556,800</u>

Summary of Work: The project was established to renovate and expand existing female latrines in various readiness centers across the state. The initial group of readiness centers include North Charleston, Walterboro, Edgefield, Mt. Pleasant, Marion, Saluda, Mullins, Batesburg, Dillon, Seneca, Conway, and Rock Hill. The North Charleston and Edgefield facilities have been completed. The Saluda and Rock Hill facilities are under construction. The Kingstree and Newberry facilities are ready to be constructed. The funds in this request will be used for construction of Kingstree and Newberry, and for design of West Columbia and Walterboro. The scope of work includes renovating existing female latrine and constructing additional authorized space to include new utilities and fixtures, along with any required mechanical, electrical and plumbing work.

Rationale: Due to the rising number of female soldier’s adequate latrine space is needed. Per NG Pam 415-12, the assigned unit(s) are authorized 2,000 square feet of latrine space. This project will allow the female soldiers to have the required number of facilities (toilets, showers, changing areas) they need to conduct training.

Facility Characteristics: Each female latrine is 72 square feet to 339 square feet and was constructed from 1958 to 1989 (62 years to 31 years old).

Financial Impact: The project will be funded with Appropriated State Funds (uncommitted balance \$600K million at January 14, 2021) and Federal, National Guard Bureau Funds

Minutes of State Fiscal Accountability Authority
March 30, 2021 – Page 12

(uncommitted balance \$13 million at January 14, 2021). Revenue to this fund is received from the Construction and Facilities Management Office’s Master Cooperative Agreement funds. The project is expected to result in an increase of \$3,000 (years 1 thru 3) in annual operating expenses.

Full Project Estimate: \$3,850,000 (internal) (for all 12 facilities) funded by Appropriated State and National Guard Bureau Funds. The cost estimate has significantly increased due to the cost of labor and construction supplies. Their A/E firm recently provided them with an estimated cost of \$548,500 for Kingtree and \$329,125 for Newberry construction which they estimated in the beginning \$200,000 per facility. Contract execution is expected in December 2020 for Kingtree and Newberry with construction completion in August 2021. Construction completion for Kingtree and Newberry is expected in December 2021. Contract completion for design for West Columbia and Walterboro is expected in August 2021.

(h) Project: JBRC Item 16. Department of Mental Health
 J12.9783: Bryan/Morris Village Cooling Tower Piping Replacement

Request: Increase the Phase II Full Construction Budget and Revise Project Scope to add the replacement of a tower in addition to replacing the underground piping from the chillers to the 2 cooling towers located at the Bryan/Morris Village Energy Facility.

Included in CPIP: No – This project was not included in the 2020 CPIP because the agency was not anticipating the additional increase to the project or replacing the cooling tower until January 2021.

Phase I Approval: December 2019 (estimated at \$475,000) (JBRC)

Phase II Approval: June 2020 (estimated at \$635,000) (JBRC)

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, Capital Improvement & Maintenance	7,125	627,875	635,000	880,700	1,515,700
All Sources	<u>7,125</u>	<u>627,875</u>	<u>635,000</u>	<u>880,700</u>	<u>1,515,700</u>

Summary of Work: The project will replace four 12” underground supply and return underground condenser water piping with overhead piping from 2 chillers to 2 cooling towers and replacing a tower with valves, etc. at the Bryan/Morris Village Energy Facility. The new piping will be able to control what tower is being used independent from what chiller is operating. Currently each chiller uses a specific cooling tower.

Rationale: The underground piping is in poor shape and is in a bad location under a loading dock and drive. Abandoning the pipe and running the pipe above ground is the best way to resolve this problem. Debris and flakes of the metal pipe interior

Minutes of State Fiscal Accountability Authority
March 30, 2021 – Page 13

accumulate in the strainers reducing flow and the efficiency of the equipment. The chillers are only 5 years old and this debris could shorten the life of the equipment. When the bids came in, they were \$200K over the budget estimate. Because the second tower is 18 years old and the water treatment throughout the life of the tower was not kept up with the tower has suffered some damage. Although the damage can be repaired, it would be a 1/3 of the cost of a new tower so it was determined to add the replacement of the tower to the project so ensure that it is reliable.

Facility Characteristics: The Energy Facility is 6,919 square feet and was built in 1975 (46 years old). It supports buildings mostly constructed from 1975-1977. The Bryan Psychiatric Hospital has over 200 patients and 519 staff. The Morris Village has 100 patients and 120 staff.

Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$4.2 million at December 31, 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. The project is expected to result in a decrease of \$4,000 (years 1 thru 3) in annual operating expenses.

Full Project Estimate: \$1,515,700 (internal) funded by Capital Improvement & Maintenance Funds. Contract execution is expected in August 2021 with construction completion in December 2021

(i) **Project:** JBRC Item 20. Department of Parks, Recreation & Tourism
P28.9790: Kings Mountain Camp York Recreational Building Donation

Request: Establish Phase I Predesign Budget to construct a new recreational building at Kings Mountain State Park.

Included in CPIP: No – This project was unknown at the time the 2020 CPIP was submitted. The YMCA only recently approached the agency.

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, Donation (construction related gift)				19,500	19,500
All Sources				<u>19,500</u>	<u>19,500</u>

Summary of Work: The project will allow the Upper Palmetto YMCA to construct a new recreational building on an area in Camp York that is currently a vacant field. The YMCA will be responsible for all costs, from construction through facility upkeep, repairs, utilities, etc.

Rationale: The agency currently has a long-term contract with the Upper Palmetto YMCA

Minutes of State Fiscal Accountability Authority
March 30, 2021 – Page 14

to manage camps at Kings Mountain State Park. The YMCA needs a facility to conduct their programs in an enclosed area. They currently use the mess hall for this, and it is not large enough nor is it convenient.

Facility Characteristics: The building will be mainly a wood structure with a shingled roof, approximately 5,000 square feet, and will include a classroom and activity hall for games. The YMCA will conduct their recreational and educational programs in this facility. It is anticipated that approximately 10,000 children will use the facility each year.

Financial Impact: The project will be funded from YMCA Donations (as a construction related gift). The project is not expected to result in any change in annual operating expenditures for the agency. The YMCA will be responsible for maintenance and upkeep.

Full Project Estimate: \$1,300,000 (internal) funded by a YMCA construction related gift.

Upon a motion by Representative Smith, seconded, by Senator Leatherman, the Authority approved permanent improvement project establishment requests and budget revisions as requested by the Department of Administration, Executive Budget Office.

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

Department of Administration, Facilities Management and Property Services: Easements (Regular Session #3)

Upon a motion by Senator Leatherman, seconded by Representative Smith, the Authority, as requested by the Department of Administration, approved of the following easements in accordance with SC Code of Laws:

- (a) **County Location:** Orangeburg
- From:** Department of Administration
- To:** City of Orangeburg, Department of Public Utilities
- Consideration:** \$700
- Description/Purpose:** To grant a 0.22± acre easement for the installation, operation and maintenance of a gas line under the North Fork of the Edisto River to accommodate SCDOT's Highway 301 Bridge Replacement Project. The existing gas line is attached to the bridge and must be relocated before SCDOT can demolish the existing bridge. The easement will contain the State's standard reverter language that if the City discontinues usage of the gas line, 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: Richland
From: Department of Administration
To: Central Midlands Regional Transit Authority (COMET)
Consideration: \$1
Description/Purpose: To grant a 0.007± acre easement for the purpose of constructing, installing, maintaining, operating, repairing, altering and replacing a public transportation system stop, including a bus shelter, bench, bike rack, garbage can and any other improvements reasonably related to the operation of a public transportation system stop. COMET will erect a bus shelter at the Department of Juvenile Justice's Broad River Road Complex near the intersection of Broad River Road and Shivers Road. The easement will contain the State's standard reverter language that if COMET discontinues usage of the public transportation system stop, the easement will terminate. The term of the easement will be fifty (50) years. The easement will be of mutual benefit to DJJ and COMET. The Division of Facilities Management and Property Services has determined that DJJ has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it.
- (c) County Location: Oconee
From: Department of Natural Resources
To: Battle Valley Farm, LLC
Consideration: \$1,300
Description/Purpose: To grant a 1.54± acre access easement along an existing dirt road situated between Bull Sluice Road and Grantee's property for the purpose of vehicular ingress and egress over property under the control of the Department of Natural Resources known as Brasstown Creek Heritage Preserve. The term of the easement will be fifty (50) years. Consideration is the appraised value plus \$500 administrative fee. The Division of Facilities Management and Property Services has determined that SCDNR has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it.

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

Department of Administration, Clemson University Lease of 1 Research Drive, Greenville (Regular Session #4)

Clemson University (Clemson) requested approval to lease 12,845 rentable square feet of space at 1 Research Drive in Greenville, SC for Clemson’s College of Engineering, Computing and Applied Sciences (CECAS) from LICAR, LLC, (Landlord) a South Carolina limited liability company, whose sole member is Clemson University Land Stewardship Foundation, Inc. The lease will provide for faculty offices, classrooms, and student and research spaces. Clemson has leased space at this location for CECAS since July 1, 2016.

After contacting state agencies to verify no adequate State space was available, the Department of Administration solicited for commercial space. Four proposals were received with the selected location submitting the second lowest, responsive bid and best option overall as the space is already upfit to meet Clemson’s needs, the space provides synergy with Clemson students and faculty, and moving to another location would result in loss of productivity associated with drive time .

The space meets the state standard of 210 SF/person with a density of 205 RSF/person. The lease also provides for free parking in the 1,200 space parking garage.

The lease term will be three years commencing on April 1, 2021. The basic rental rate for the first year of the term will be \$16.00 per square foot (which is a reduction from their current rate of \$17.17 per square foot). 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 3-year term will be \$629,019.65.

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>RENT PER SF ROUNDED</u>
YEAR 1	\$205,520.00	\$16.00
YEAR 2	\$209,630.40	\$16.32
YEAR 3	\$213,869.25	\$16.65

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

The following chart represents comparable lease rates of similar space:

Tenant	Location	Rate /SF
Clemson	1 Research Dr. 2 nd Floor	\$22.50
Vacant	101 N. Main St.	\$26.50
Vacant	200 E. Broad St.	\$28.50
Vacant	1061 Holland Rd.	\$24.00

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

Clemson has adequate funds for the lease according to a Budget Approval Form submitted January 20, 2021, 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. No option to purchase the property is included in the lease. The lease was approved by Clemson University Board of Trustees on October 23, 2020, by the Commission on Higher Education on February 9, 2021 and by JBRC on March 17, 2021.

Mr. Loftis asked if LICAR is excluded from the tax rolls of Greenville County. He asked that Clemson commit to put in writing their justification for excluding the property from the tax rolls. He said that he also wanted Clemson and USC to give a value of the respective properties excluded from the tax rolls for the various foundations. Rick Petillo with Clemson said that they would follow up with Mr. Loftis concerning the tax status of the property and the estimated value of the property. Mr. Loftis said that he wants to know how much property has been excluded from the tax rolls for Clemson and USC. He asked that Mr. Gillespie assist in getting the information.

Upon a motion by Senator Leatherman, seconded by Mr. Eckstrom, the Authority, as requested by Clemson University, through the Department of Administration, Facilities Management Property Services, approved the lease of 12,845 rentable square feet of space at 1 Research Drive in Greenville, SC for Clemson's College of Engineering, Computing and Applied Sciences (CECAS) from LICAR, LLC, a South Carolina limited liability company, whose sole member is Clemson University Land Stewardship Foundation, Inc.

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

Department of Administration, Facilities Management and Property Services: Department of Education, SC First Steps to School Readiness at 636 Rosewood Drive, Columbia Sublease (Regular Session #5)

The South Carolina Department of Education, First Steps to School Readiness (“First Steps”) requested approval to enter into a sublease of 15,950 square feet (SF) of office space at 636 Rosewood Drive, Columbia from SC from Precoat Metals Corporation (the “Sub-Landlord”). First Steps’ current lease at 1300 Sumter Street expires on June 30, 2021.

After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for commercial space for five, seven, or ten-year terms. Eight (8) proposals were received. First Steps eliminated the least expensive option (at Browning Road) due to upcoming road work at I-20 and I-26 and lack of windows in the space. First Steps requires storage areas that can be accessible with a pallet mover as they often receive pallets of materials that must be stored and the second least expensive option (St. Julian Place) cannot accommodate this need. The selected location, 636 Rosewood Dr., can provide the space required by First Steps, including a storage area that is accessible with a pallet mover.

The space meets the state standard of 210 RSF/person with a density of 207 RSF/person. The lease provides free parking spaces for staff and visitors in the adjacent parking lot.

The lease term will be a maximum of five years and three months with the lease commencing upon completion of renovations and terminating October 31, 2026. The rental rate is \$15.24/SF which equates to \$243,078 annually or \$1,276,161 for the entire term (based on five years and three months). 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
Vacant	8906 Two Notch Rd.	17.75
Vacant	2012 Harden Street	\$20.38
Vacant	500 Taylor St.	\$20.75
Vacant	607 Bush River Road	\$18.38
Vacant	200 Arbor Lake Dr.	\$16.50

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

Agency has adequate funds for the lease according to a Budget Approval Form submitted February 26, 2021, which also includes a multi-year plan. Lease payments will be funded through state appropriations. No option to purchase the property is included in the lease. The lease was approved by JBRC on March 17, 2021.

Upon a motion by Senator Leatherman, seconded by Mr. Eckstrom, the Authority, as requested by the SC Department of Education, First Steps to School Readiness, through the Department of Administration, Facilities Management Property Services, approved a five-year sublease of 15,950 square feet of office space at 636 Rosewood Drive, Columbia from SC Precoat Metals Corporation to the SC Department of Education, First Steps to School Readiness.

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: SC Department of Social Services Lease of 1628 Browning Road, Columbia (Regular Session #6)

SC Department of Social Services (“DSS”) requested approval to enter into a lease for 38,500 rentable square feet of office space at 1628 Browning Road, Columbia, SC from Browning Office Investments, LLC. Agency has leased space at this location since November 2013, which houses its Information Technology team and Child Family Services division. The current lease for 38,500 rentable square feet will expire on April 30, 2021

After contacting state agencies to verify no adequate State space was available, the Department of Administration solicited for commercial space for a two-year term. DSS requested this short term to allow DSS time to review its staffing requirements. The current landlord submitted the only proposal.

The space meets the state standard of 210 RSF/person with a density of 116 SF/person. The lease provides free parking spaces for staff and visitors in the adjacent parking lot.

The lease term will be two (2) years commencing May 1, 2021. The rental rate for the first year of the term will be \$14.60 per square foot for an annual aggregate amount of \$562,100.00. The rental rate in year two will increase by 3%. The total rent to be paid over the 2-year term will be \$1,141,063.00. This is a full gross lease and includes all operating expenses.

The following chart represents comparable lease rates of similar space:

Minutes of State Fiscal Accountability Authority
March 30, 2021 – Page 20

Tenant	Location	Rate /SF
Vacant	3400 Forest Drive	\$16.25
Vacant	8911 Farrow Road	\$15.50
Lottery Commission	1333 Main Street	\$18.05
Office of Regulatory Staff	1401 Main Street	\$15.60
Health and Human Services	300 Arbor Lake Dr.	\$15.81

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

DSS has adequate funds for the lease according to a Budget Approval Form submitted February 18, 2021, which also includes a multi-year plan. Lease payments will be funded through state appropriations, federal funding, and Medicaid. No option to purchase the property is included in the lease. The lease was approved by JBRC on March 17, 2021.

Upon a motion by Senator Leatherman, seconded by Mr. Eckstrom, the Authority, as recommended by the Department of Administration, Facilities Management Property Services, approved the Department of Social Services' request for the proposed two-year lease of 38,500 rentable square feet of office space at 1628 Browning Road, Columbia, SC from Browning Office Investments, LLC.

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: Medical University of South Carolina Lease at 125 Doughty Street, Charleston (Regular Session #7)

The Medical University of South Carolina ("MUSC") requested approval to continue to lease 11,494 usable square feet of office and research space at 125 Doughty Street from Roper MOB, LLC (the "Landlord") for its Department of Psychiatry, Clinical Neuroscience Division (CNS), Drug Abuse Research Training program (DART), and the Southeastern Clinical and Translational Research Institute (SECTR). MUSC's current lease at this location expires on June 24, 2021. MUSC has been at this location since 1990 and occupies 5 suites.

After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for office and research space for a five-year term. Four proposals were received. Two were eliminated as they did not provide sufficient space. Of the

Minutes of State Fiscal Accountability Authority
March 30, 2021 – Page 21

remaining two proposals, when considering required renovations at tenant’s expense, the proposed lease at 125 Doughty Street is the least expensive option and overall best value to MUSC.

The proposed lease is for a five (5) year term commencing June 25, 2021. The rental rate for the first year of the term will be \$365,854.02 which is \$31.83 per usable square foot and includes \$17.10 base rent and \$14.73 base operating expenses per usable square foot. This rate is a reduction from the current rate of \$34.45 per usable square foot. As more specifically set forth in the chart below the base rent will increase three (3) percent annually and the Tenant will be responsible for operating expenses that exceed the base operating expenses with a cap of five (5) percent annually for controllable operating expenses. Landlord is also providing a tenant improvement allowance of up to \$86,205.00, to be used in the first twelve months of the term. Four (4) parking spaces are included. The maximum total rent (except for uncontrollable operating expenses such as real property taxes) to be paid over the five-year term will be \$ 1,979,022.80. Since 1990, operating expenses have not exceeded the five (5) percent cap and as such no expenses for uncontrollable operating expenses have been incurred.

TERM	RENT/sq. ft.	MONTHLY RENT (ROUNDED)	ANNUAL RENT
YEAR 1	\$31.83	\$30,487.84	\$365,854.02
YEAR 2	\$33.08	\$31,684.65	\$380,215.77
YEAR 3	\$34.38	\$32,931.47	\$395,177.69
YEAR 4	\$35.74	\$34,230.52	\$410,766.23
YEAR 5	\$37.15	\$35,584.09	\$427,009.09

The following chart represents comparable lease rates of similar space:

Tenant	Location	Rate/ RSF
College of Charleston	360 Concord St.	\$34.00
Clemson University	701 E. Bay St.	\$38.29
MUSC	22 WestEdge	\$36.00

*Above rates are per rentable square foot and are subject to operating expense and base rent escalations.

MUSC has adequate funds for the lease according to a Budget Approval Form submitted February 25, 2021, which also includes a multi-year plan. Lease payments will be funded through

Institutional Commitment Funds from SCTR, grant funds through Clinical Neurosciences, DART and the Department of Psychiatry. MUSC 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 the MUSC Board of Trustees on February 12, 2021, the Commission on Higher Education on March 4, 2021, and JBRC on March 17, 2021.

Upon a motion by Senator Leatherman, seconded by Representative Smith, the Authority, as requested by the Medical University of South Carolina, through the Department of Administration, Facilities Management Property Services, approved the Medical University of South Carolina's request to continue to lease 11,494 usable square feet of office and research space at 125 Doughty Street from Roper MOB, LLC, for its Department of Psychiatry, Clinical Neuroscience Division (CNS), Drug Abuse Research Training program (DART), and the Southeastern Clinical and Translational Research Institute (SECTR) for a five (5) year term commencing June 25, 2021.

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

Department of Administration, Facilities Management and Property Services: Medical University of South Carolina Lease-out to the US Department of Veterans Affairs at 112-116 Doughty Street in Charleston (Regular Session #8)

The Medical University of South Carolina ("MUSC") requested approval to continue to lease 46,857 rentable square feet of hospital and medical office space in the Strom Thurmond Building at 112-116 Doughty Street, Charleston, SC to the US Department of Veterans Affairs (VA). The VA has leased this space from MUSC since January 14, 1997 and their current lease, as amended, expired January 14, 2020. There were two optional six-month extensions in the lease, which were exercised via a Standstill Agreement. The VA is now requesting to enter into an official amendment to the expired lease to extend it for two years to encompass the time from January 15, 2020 to January 14, 2022, with two optional (2) additional terms of one (1) year each.

MUSC and the VA jointly occupy the 150,000 square foot facility and have a long history of collaboration. Most of the VA attending physicians are MUSC faculty and all of the doctors-in-training are MUSC residents. The two organizations also share extensive research information.

Rent for the term and the extensions, if exercised, will be at a rate of \$33.55 per square foot

(\$25.74 base rent and \$7.81 Operating Costs/CAM) for a total of \$1,572,154.44 (rounded) per year, which is the same as their current rate. Operating costs are subject to annual CPI increases.

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

The following chart represents comparable lease rates of similar space:

Tenant	Location	Rate /SF
MUSC	125 Doughty St.	\$32.50
MUSC	22 WestEdge	\$36.00
MUSC	261 Calhoun	\$34.68

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

The amendment was presented for information to the MUSC Board of Trustees on February 12, 2021 and reviewed favorably by JBRC on March 17, 2021. CHE approval is not required as this is a lease-out.

Upon a motion by Senator Leatherman, seconded by Mr. Eckstrom, the Authority, as recommended by the Department of Administration, Facilities Management Property Services, approved the continued lease-out of 46,857 rentable square feet of hospital and medical office space in the Strom Thurmond Building at 112-116 Doughty Street, Charleston, SC to the US Department of Veterans Affairs (VA) as requested by the Medical University of South Carolina.

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

Department of Administration, Facilities Management and Property Services: Medical University of South Carolina Lease at Fishburne Street and Hagood Avenue in Charleston (Regular Session #9)

The Medical University of South Carolina (“MUSC”) requested approval to lease 1,143 parking spaces and a covered bus shelter at the southeast corner of Fishburne Street and Hagood Avenue and known as the Fishburne Ballpark Parking Lot from the City of Charleston (“Landlord”). MUSC’s current lease at this location expires on May 31, 2021.

After contacting state agencies to verify no adequate state space was available, the Department of Administration solicited for reserved parking space for three- or five-year terms. Two proposals were received. The selected location, which is the current location, was the lowest

priced option. The other location, in addition to being unavailable until December 31, 2022 and offering less than half the number of requested spaces, was more than four times the rate of the selected location (at \$230 per space per month).

The lease term will be three (3) years commencing June 1, 2021. Rent for the first year is \$45.02 per parking space per month, which is an annual rate of \$617,494.32. After the first year, the rent will increase per the U.S. Consumer Price Index for all Urban Consumers (CPI-U) with a cap of three (3) percent annually. The maximum rental rate for the entire term will be \$1,946,849.04.

The following chart represents comparable lease rates of similar space:

Tenant	Location	Rate/ Space/Month
MUSC	165 Cannon St.	\$99.80
MUSC	Hagood and Line Streets	\$118.00
Vacant	62 Gadsden St.	\$150.00
Vacant	221 Spring St.	\$125.00
Vacant	246 Spring St.	\$125.00

MUSC has adequate funds for the lease according to a Budget Approval Form submitted February 25, 2021, which also includes a multi-year plan. Lease payments will be funded through parking revenue. No option to purchase the property is included in the lease. The lease was approved by the MUSC Board of Trustees on February 12, 2021, the Commission on Higher Education on March 4, 2021 and JBRC on March 24, 2021.

Upon a motion by Senator Leatherman, seconded by Mr. Eckstrom, the Authority, as recommended by the Department of Administration, Facilities Management Property Services, approved the three year lease of 1,143 parking spaces and a covered bus shelter at the southeast corner of Fishburne Street and Hagood Avenue and known as the Fishburne Ballpark Parking Lot from the City of Charleston as requested by the Medical University of South Carolina.

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

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

Department of Social Services: service provider contracts³, \$2,000,000* per contract per year; supplies and services⁴, \$100,000* per commitment; information technology⁵, \$100,000 per commitment.

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

The internal controls of the South Carolina Department of Social Services' procurement system are adequate to ensure compliance with the South Carolina Consolidated Procurement Code and ensuing regulations as described in the audit report. The Division recommended the State Fiscal Accountability Authority approve procurement certification for the South Carolina Department of Social Services (DSS) at the limits noted above for a period of three years.

Mr. Eckstrom commented that five years is too long to go between procurement audits for an agency the size of DSS, especially given the findings of the audit. He asked if there is a three-year audit rotation policy for agency audits and if so, why is that not being observed. John White with the Division of Procurement Services stated that the rotation is supposed to be three years but that there has been major turn over in the audit section with retirements of long-term employees. He stated that the auditing staff is largely new and inexperienced which has contributed to the auditing section falling behind on audits. Mr. White also stated that social distancing because of COVID-19 will have an impact on the audits. Mr. Eckstrom asked if the Division has been able to replace long-time retired employees. Mr. White said they have been able to replace those retired employees and noted that one replacement employee was onboarded while the Division was working remotely. Mr. Eckstrom inquired if the Division needs

³ Provider being a Provider of Services directly to a client. Limit four one-year extension options.

⁴ Supplies and Services includes non-IT Consulting, and Printing Services

⁵ Information Technology includes consultant assistance for any aspect of information technology, systems and networks

additional funding to observe the three-year audit rotation. Mr. White responded that the main issue is lack of staff experience. Mr. Eckstrom commended the Division for the work the auditing staff does.

Upon a motion by Senator Leatherman, seconded by Mr. Eckstrom, the Authority granted procurement certification, in accord with Section 11-35-1210, for the following agency within the parameters described in the audit report for the following limits (total potential purchase commitment whether single-or multi- year contracts are used):

Department of Social Services: service provider contracts, \$2,000,000* per contract per year; supplies and services, \$100,000* per commitment; information technology, \$100,000 per commitment.

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

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) is designated as the state pool and \$344,390,640 (60% of the total) is designated as the local pool. There is presently a state ceiling balance of \$556,384,400 remaining for 2021. Allocation requests for 2021 totaling \$72,600,000 have been received thus far.

The recommendation from the Department of Commerce for allocations for this cycle totals \$55,000,000. The Department of Commerce makes the following recommendation for allocation from the local pool:

Approve the request to allocate ceiling allocation to **JEDA, Last Step Recycling** project (Chester County) in the amount of \$55,000,000 (63 jobs direct and 100 jobs indirect within 12 months).

Given that the allocation request is for more than \$10 million, bond counsel for the project has indicated that the project should be granted ceiling allocation prior to July 1, because the project “is of such significance that approval of the allocation is

warranted” prior to July 1. Bond counsel’s memo supporting the allocation is attached. (See also SC Code Section 1-11-54).

Authority approval of the recommended request will leave an unexpended state ceiling balance of \$501,864,400 (state pool - \$229,593,760; local pool - \$272,270,640) to be allocated later in the calendar year.

Upon a motion by Senator Leatherman, seconded by Representative Smith, the Authority, 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:

JEDA, Last Step Recycling project (Chester County) in the amount of \$55,000,000.

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

Executive Director: Palmetto Terrace Apartments Project Ceiling Allocation Extension Request (Regular Session #12)

On February 2, 2021, the State Fiscal Accountability Authority granted a tentative ceiling allocation to the Housing Authority of the City of Columbia for the Palmetto Terrace Apartments project in the amount of \$7,600,000 with an expiration date of May 3, 2021. Bond counsel for the transaction has indicated that the Department of Revenue “has issued a series of revenue rulings concerning details of [implementation] of the new State low income housing tax credit...[that] may delay the commitment of State tax credit investors for the Project.”

In accord with S.C. Code of Laws Section 1-11-560(C), bond counsel on behalf of the Housing Authority of the City of Columbia requested an extension of the volume cap allocation for the Palmetto Terrace Apartments project through June 3, 2021, which is not more than 31 consecutive calendar days and which is a total of not more than 121 days from the date of the allocation.

Upon a motion by Senator Leatherman, seconded by Representative Smith, and in accord with Code Section 1-11-560(C), the Authority granted the Housing Authority of the City of Columbia’s request for an extension of the volume cap allocation to Palmetto Terrace Apartments project in the amount of \$7,600,000 to June 3, 2021.

Information relating to this matter has been retained in these files and is identified as Exhibit 12.

State Fiscal Accountability Authority: Future Meeting (Regular Session Item #13)

Upon a motion by Senator Leatherman, seconded by Representative Smith, the Authority agreed to meet at 10:00 a.m. on Tuesday, May 18, 2021, in Room 252, Edgar A. Brown Building.

Adjournment

The meeting was adjourned at 10:00 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, May 26, 2021.]