

Capital Improvements Joint Bond Review Committee

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SFAA LIAISON
803-212-6682

MARY KATHERINE ROGERS
ADMINISTRATIVE ASSISTANT
803-212-6677
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JOINT BOND REVIEW COMMITTEE MEETING

Tuesday, June 23, 2020 10:00 a.m.
105 Gressette Building

AGENDA

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AGENCY: South Carolina Transportation Infrastructure Bank

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

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

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

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

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

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

COMMITTEE ACTION:

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

ATTACHMENTS:

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

BOARD OF DIRECTORS

John B. White, Jr., *Chairman*

Ernest Duncan, *Vice Chairman*

Tony K. Cox

Senator Hugh K. Leatherman, Sr.

H.B. "Chip" Limehouse, III

David B. Shehan

Representative J. Gary Simrill

South Carolina Transportation Infrastructure Bank



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

April 13, 2020

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

RE: SCTIB GO Bond Refunding

Dear Chairman Leatherman:

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

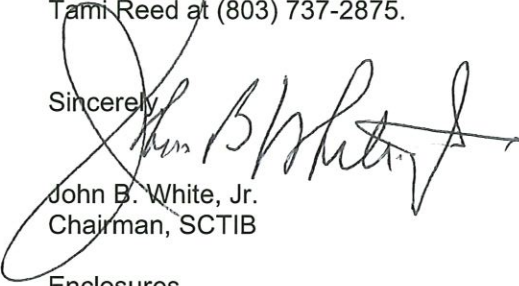
Per the terms of the South Carolina Transportation Infrastructure Bank Act (South Carolina Code Sections 11-43-110 to 11-43-630), the SCTIB is required to obtain Joint Bond Review Committee (JBRC) approval of financial assistance provided by the Bank for a qualified project, the issuance of bonds by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

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

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

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

Sincerely,


John B. White, Jr.
Chairman, SCTIB

Enclosures

cc: Bank Board
Hon. Curtis Loftis, State Treasurer

RESOLUTION

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

Adopted By

**BOARD OF DIRECTORS
OF THE
SOUTH CAROLINA
TRANSPORTATION INFRASTRUCTURE BANK**

April 2, 2020

A RESOLUTION

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

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

Section 1. Findings of Fact.

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 4. Debt Service Schedules.

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

Section 5. Execution of Closing Documents and Certificates.

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

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

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

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

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

Section 8. Repeal of Inconsistent Resolutions.

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

Section 9. Effectiveness of this Resolution.

This Resolution shall become effective upon its adoption.

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


SOUTH CAROLINA TRANSPORTATION
INFRASTRUCTURE BANK

(SEAL)



Chairman

ATTEST:



Secretary

[Signature Page to Resolution of the SIB]

EXHIBIT A

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

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

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

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

*Preliminary, subject to change.

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

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

*Preliminary, subject to change.

AGENCY: Department of Administration
Facilities Management and Property Services

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

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

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

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

The Department of Administration reports that lease payments will be funded by the DHHS contract, and the agency's submission represents that funding for payments will be sufficient throughout the lease term. No student fees are associated with the lease. The Department of Administration reports that comparable rates for similar commercial space in the area range from \$16.60 to \$19.00 per square foot.

COMMITTEE ACTION:

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

ATTACHMENTS:

1. Department of Administration, Facilities Management and Property Services Agenda Item Worksheet.
2. Clemson University letter.

AVAILABLE:

1. Sections 1-11-55 and 1-11-56 of the South Carolina Code of Laws.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: June 23, 2020

Regular Agenda

1. Submitted by:

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


Ashlie Lancaster, Director

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

3. Summary Background Information:

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

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

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

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

The following chart represents comparable lease rates of similar space:

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

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

Clemson has adequate funds for the lease according to a Budget Approval Form submitted January 23, 2020, which also includes a multi-year plan. Lease payments will be funded through the DHHS contract. Clemson has indicated that no student fee increase will be associated with

this lease. No option to purchase the property is included in the lease. The lease was approved by CHE on February 5, 2020 and the Clemson Board of Trustees on October 11, 2019.

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

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

6. List of Supporting Documents:

- (a) Letter from Clemson University dated January 24, 2020
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56



January 24, 2020

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

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

Finance and Operations

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

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

Dear Ms. Lancaster:

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

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

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

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

The terms of the lease are listed below:

Location: 934 Old Clemson Highway
Seneca, SC

CLEMSON UNIVERSITY

Square footage: 13,970

Lease term: May 2, 2020 – May 1, 2023

Annual lease amounts*: See chart below

Total lease cost for initial term: \$681,037.50

Source of funds: Revenue generated from DHHS contract for services.

Renewal Options: None

Finance and Operations

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

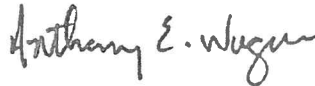
P 864-656-2421
F 864-656-2008

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

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

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

Thank you,



Anthony E. Wagner
Executive Vice President, Finance & Operations

Enclosure

Cc: Carol Routh
Laura Stoner

AGENCY: Department of Administration
Facilities Management and Property Services

SUBJECT: Proposed Lease
Clemson University
1 Research Drive, Greenville

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

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

The term of the proposed lease is 5 years beginning on June 1, 2020, with an option to extend the lease for 1 additional term of 5 years. Rent equates to \$16.00 per square foot and will increase by 2% each year. Total rent over the term is \$1,998,480. Clemson will be responsible for all operating costs, estimated at \$6.50 per square foot. No option to purchase the property is included in the lease.

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

COMMITTEE ACTION:

Review and make recommendation regarding the proposed lease.

ATTACHMENTS:

1. Department of Administration, Facilities Management and Property Services Agenda Item Worksheet.
2. Clemson University letter.

AVAILABLE:

1. Sections 1-11-55 and 1-11-56 of the South Carolina Code of Laws.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: June 23, 2020

Regular Agenda

1. Submitted by:

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


Ashlie Lancaster, Director

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

3. Summary Background Information:

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

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

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

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

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

The following chart represents comparable lease rates of similar space:

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

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

Clemson has adequate funds for the lease according to a Budget Approval Form submitted April 8, 2020, which also includes a multi-year plan. Lease payments will be funded through grant overhead recoveries. Clemson has indicated that no student fee increase will be associated with this lease. No option to purchase the property is included in the lease. The lease was approved by Clemson University Board of Trustees on February 7, 2020 and by the Commission on Higher Education on _____.

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

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

6. List of Supporting Documents:

- (a) Letter from Clemson University dated March 17, 2020
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56



March 17, 2020

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

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

Finance and Operations

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

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

Dear Ms. Lancaster,

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

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

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



The terms of the lease are listed below:

Location: 1 Research Drive
Greenville, SC

Square footage: 24,000

Lease term: June 1, 2020 – May 31, 2025

Annual lease amounts: See chart below

Annual rental rate escalation: 2%

Total lease cost for the term: \$2,778,480

Source of Funds: Grant overhead recoveries

Renewal Options: One (1), five (5) year term

Finance and Operations

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

P 864-656-2421
F 864-655-2008

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

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

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

Kindest regards,

Anthony E. Wagner
Executive Vice President, Finance & Operations

Enclosure

Cc: Carol Routh
Laura Stoner

AGENCY: Department of Administration
Facilities Management and Property Services

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

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

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

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

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

COMMITTEE ACTION:

Review and make recommendation regarding the proposed lease.

ATTACHMENTS:

1. Department of Administration, Facilities Management and Property Services Agenda Item Worksheet.
2. SC Commission on Higher Education letter.

AVAILABLE:

1. Sections 1-11-55 and 1-11-56 of the South Carolina Code of Laws.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: June 23, 2020

Regular Agenda

1. Submitted by:

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



Ashlie Lancaster, Director

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

3. Summary Background Information:

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

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

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

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

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

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

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

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

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

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

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

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

6. List of Supporting Documents:

- (a) Letter from CHE dated April 10, 2020
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56



SOUTH CAROLINA
COMMISSION ON HIGHER EDUCATION

RUSTY MONHOLLON, Ph.D.
PRESIDENT & EXECUTIVE DIRECTOR

April 10, 2020

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

RE: Lease for 1122 Lady Street, Columbia

Dear Ms. Lancaster,

The South Carolina Commission on Higher Education (CHE) respectfully requests that the Department of Administration present for approval a proposed lease to rent no more than 17,528 square feet of space at 1122 Lady Street in Columbia to the Joint Bond Review Committee and the State Fiscal Accountability Authority. Both the CHE and PASCAL, the Partnership Among South Carolina Academic Libraries, staff will use the space. Our current lease at 1122 Lady Street expires on June 30, 2020, and, based on the state space standards, is larger than the agency needs to conduct its business. The CHE received and reviewed ten proposals to the Department of Administration's solicitation.

Originally, the CHE negotiated with and sought space at 500 Taylor Street for review by JBRC at its March 18, 2020 meeting. However, due to myriad factors, including uncertainty around COVID-19, and a follow-up offer from 1122 Lady Street, the CHE broke off negotiations and now seeks space at 1122 Lady Street.

The CHE's current lease at 1122 Lady Street is a sublease that expires on June 30, 2020, with no holdover provisions. By staying in the same building with the same landlord, the uncertainty surrounding state approval, time to complete renovations, and potential move date is mitigated compared with seeking space at another building. While the annual price at 500 Taylor Street is less than 1122 Lady Street, that is because the rentable square footage is less. The 1122 Lady Street proposal has a lower price per square foot. Further, most of the additional square footage at 1122 Lady Street will be utilized by PASCAL as a training facility and paid for by PASCAL subscription fees, which was not part of the lease proposal at 500 Taylor Street due to that proposed space being cost prohibitive for PASCAL. In addition, the 1122 Lady Street location has the added benefit of being walking distance to the Capitol Grounds compared with the space at 500 Taylor Street.

The CHE requests the maximum lease of 10 years and intends to pay through a combination of state appropriations, federal funds, and revenue generating from its licensing functions and PASCAL subscription fees. Monthly rent in year one, not adjusted for any potential abated rent, is no more than \$25,562, which will increase by no more than \$730 each fiscal year.

Thank you for your assistance throughout the process and for consideration of this request.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rusty Monhollon".

Rusty Monhollon, Ph.D.
President & Executive Director

AGENCY: Department of Administration
Facilities Management and Property Services

SUBJECT: Proposed Lease
Medical University of South Carolina
to U.S. Department of Veterans Affairs
112-116 Doughty Street, Charleston

The Medical University of South Carolina requests review of its proposal to continue leasing 46,857 square feet of hospital and medical office space located at 112-116 Doughty Street in the Strom Thurmond Building in Charleston to the U.S. Department of Veterans Affairs. The continuation is proposed as an amendment to extend the term of the existing lease through January 14, 2024. The current lease, as amended, expired on January 14, 2020.

The Medical University and the Department jointly occupy the facility and have a long history of collaboration, with the two organizations sharing extensive research information. Most of the Department's attending physicians are University faculty and all of the doctors-in-training are University residents.

Rent equates to \$33.55 per square foot and total rent over the term is \$1,572,154, and is the same as the current rate. Operating costs are included in the rental rate, and are subject to annual increases in the CPI. No option to purchase the property is included in the lease.

No student fees are associated with the lease. The Department of Administration reports that comparable rates for similar commercial space in the area range from \$30.00 to \$39.50 per square foot.

COMMITTEE ACTION:

Review and make recommendation regarding the proposed lease.

ATTACHMENTS:

1. Department of Administration, Facilities Management and Property Services Agenda Item Worksheet.
2. Medical University of South Carolina letter.

AVAILABLE:

1. Sections 1-11-55 and 1-11-56 of the South Carolina Code of Laws.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: **June 23, 2020**

Regular Agenda

1. Submitted by:

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



Ashlie Lancaster, Director

2. Subject: MUSC Lease-Out to the US Department of Veteran Affairs at 112-116 Doughty Street, Charleston, SC

3. Summary Background Information:

The Medical University of South Carolina (MUSC) is requesting approval to continue leasing 46,857 square feet (SF) of hospital and medical office space located at 112-116 Doughty Street in the Strom Thurmond Building in Charleston to the US Department of Veterans Affairs (VA) through a four year amendment to extend the term of their existing lease through January 14, 2024. 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, but the VA would prefer a formal amendment as opposed to exercising the extension options.

MUSC and the VA jointly occupy the 150,000 SF 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 will be at a rate of \$33.55/SF (\$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 in the greater Charleston area:

Tenant	Location	Rate /SF
Vacant	22 Westedge St.	\$39.50 /SF
MUSC	261 Calhoun St.	\$33.67 /SF
Vacant	174 Meeting St.	\$30.00 /SF

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

MUSC has advised that neither the one-year Standstill Agreement nor the four-year amendment require approval by the MUSC Board of Trustees.

4. What is the JBRC asked to do? Approve the proposed lease-out from MUSC to the VA.

5. What is recommendation of the division of Facilities Management and Property Services? Approve the proposed lease-out from MUSC to the VA.

6. List of Supporting Documents:

- (a) Letter from MUSC dated May 5, 2020
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56



MUSC Real Estate Group
1180 Sam Rittenberg Blvd., Suite 200
Charleston, SC 29407

May 5, 2020

Ashlie Lancaster
Innovations Director
Office of the Executive Director
Department of Administration
1200 Senate Street, Suite 460
Columbia, SC 29201

RE: Request for Veterans Affairs Lease Extension

Dear Ms. Lancaster:

The Medical University of South Carolina (MUSC) requests approval from the SC State Fiscal Accountability Authority and the Joint Bond Review Committee for the four year lease extension between MUSC and the U.S. Department of Veterans Affairs (VA). The VA leases space from MUSC in the Strom Thurmond building located at 112-116 Doughty Street, Charleston, South Carolina effective January 15, 2020.

This extension is exempt from the MUSC Board of Trustees and SC Commission on Higher Education. Please submit this request for the June 23, 2020 JBRC meeting and the June 30, 2020 SFAA meeting.

Requested Lease Term:

Lease Term:	4 Years [1/15/2020 – 1/14/2024]
Square Footage:	46,857
Lease Type:	Full Service
Rent per SF:	\$33.55
	\$25.74 Base Rent
	\$7.81 Operating Costs/CAM
Annual Rent:	\$1,572,154.44

Operating costs are subject to a CPI increase but since the CPI is unknown this is not included in the total amount listed above.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Rachel Jones".

Rachel Jones
Medical University of South Carolina
Leasing Manager

AGENCY: Department of Administration
Facilities Management and Property Services

SUBJECT: Proposed Lease
Medical University of South Carolina
to Green and Healthy, Inc.
Specific Acreage Located on Charleston Peninsula

The Medical University of South Carolina requests review of its proposal to lease 0.343393 acres located on the peninsula of Charleston, generally bounded by Lockwood Drive, Alberta Long Lake, Bee Street, Rutledge Avenue, and Calhoun Street, described as the Medical District, to Green and Healthy, Inc., a South Carolina non-profit corporation, to foster collegial development, make infrastructure improvements to facilitate mobility and service delivery, and promote development of a pedestrian campus setting described as the Medical District Greenway.

The University has determined that development of the Medical District Greenway will benefit its mission to preserve and optimize human life in South Carolina and beyond by promoting a healthier, more livable and workable atmosphere that is integral to the enrichment of the University's students, patients, visitors and employees.

In recognition of the benefit of the Medical District Greenway, the University has proposed nominal rent at \$1.00 per year for a 25 year term, at the termination of which, the tenant will be required to return the property to the University in its original condition, changes in topography excepted. The Medical District Greenway will be constructed, developed, operated, managed and maintained by Green and Healthy, Inc. with its funds. If at any time the property ceases to function as the Medical District Greenway, the lease will be immediately terminated and the property will be returned to the University in its original condition, changes in topography excepted. No option to purchase the property is included in the lease.

No student fees are associated with the lease.

COMMITTEE ACTION:

Review and make recommendation regarding the proposed lease.

ATTACHMENTS:

1. Department of Administration, Facilities Management and Property Services Agenda Item Worksheet.
2. Medical University of South Carolina letter.
3. Location Map

AVAILABLE:

1. Sections 1-11-55 and 1-11-56 of the South Carolina Code of Laws.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: June 23, 2020

Regular Agenda

1. Submitted by:

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


Ashlie Lancaster, Director

2. Subject: MUSC Lease-Out to Green and Healthy, Inc., 0.343393 acres, a portion of peninsula of Charleston, SC generally bounded by Lockwood Drive, Alberta Long Lake, Bee Street, Rutledge Avenue and Calhoun Street

3. Summary Background Information:

The Medical University of South Carolina (MUSC) desires to lease 0.343393 acres in Charleston, SC (the “Premises”) to Green and Healthy, Inc., a South Carolina nonprofit corporation, in furtherance of a desire among owners and affiliates of the owners that own portions of facilities or land comprising a portion of the peninsula of Charleston, SC, generally bounded by Lockwood Drive, Alberta Long Lake, Bee Street, Rutledge Avenue and Calhoun Street (such area, the “Medical District”) to foster collegial development patterns and make certain infrastructure improvements to facilitate mobility and service delivery by and among medical providers and more particularly to be developed into a pedestrian campus-like setting (the “Medical District Greenway”).

MUSC has advised that the installation of the Medical District Greenway will benefit the mission of MUSC to preserve and optimize human life in South Carolina and beyond by promoting a healthier, more livable and workable atmosphere which is critical to the enrichment and preservation of MUSC students, patients, visitors and employees.

The lease term will be twenty-five (25) years (the “Term”). As the Medical District Greenway will benefit MUSC, nominal rental will be paid to MUSC in the amount of \$1.00 per year.

Generally, at the end of the Term, the Tenant will be required to return the Premises to MUSC in its original condition, changes in topography (as opposed to structures) excepted.

The Medical District Greenway will be constructed, developed, operated, managed and maintained by Green and Healthy, Inc. with their funds. If at any time during the Term, the Premises cease to function as the Medical District Greenway, then this Lease shall be immediately terminated and the Premises shall be returned to MUSC in its original condition, changes in topography (as opposed to structures) excepted.

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

MUSC has advised that this Lease does not require approval by the MUSC Board of Trustees or CHE.

4. What is the JBRC asked to do? Approve the proposed lease-out from MUSC.

5. What is recommendation of the division of Facilities Management and Property Services? Consider approval of the proposed lease-out.

6. List of Supporting Documents:

- (a) Letter from MUSC dated April 29, 2020
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56
- (c) Location Map



MUSC Real Estate Group
1180 Sam Rittenberg Blvd., Suite 200
Charleston, SC 29407

April 29, 2020

Ashlie Lancaster
Innovations Director
Office of the Executive Director
Department of Administration
1200 Senate Street, Suite 460
Columbia, SC 29201

RE: Request for Leaseout – MUSC Greenway

Dear Ms. Lancaster:

The Medical University of South Carolina (MUSC) requests approval from the SC State Fiscal Accountability Authority and the Joint Bond Review Committee for the leaseout of green space to Green and Healthy Inc., a not for profit corporation, as part of the Charleston Greenway Project which utilizes a parking lot and sidewalk along the areas described in the attached lease draft. The Greenway Project is a philanthropic project designed to create more public space for patients, visitors and staff at MUSC and surrounding communities. This leaseout supports the MUSC Mission to preserve and optimize human life in South Carolina and beyond by promoting a healthier, more livable and workable atmosphere which is critical to the enrichment and preservation of our students, patients, visitors and employees.

This leaseout is exempt from the MUSC Board of Trustees and SC Commission on Higher Education. Please submit this request for the June 23, 2020 JBRC meeting and the June 30, 2020 SFAA meeting.

Requested Lease Term:

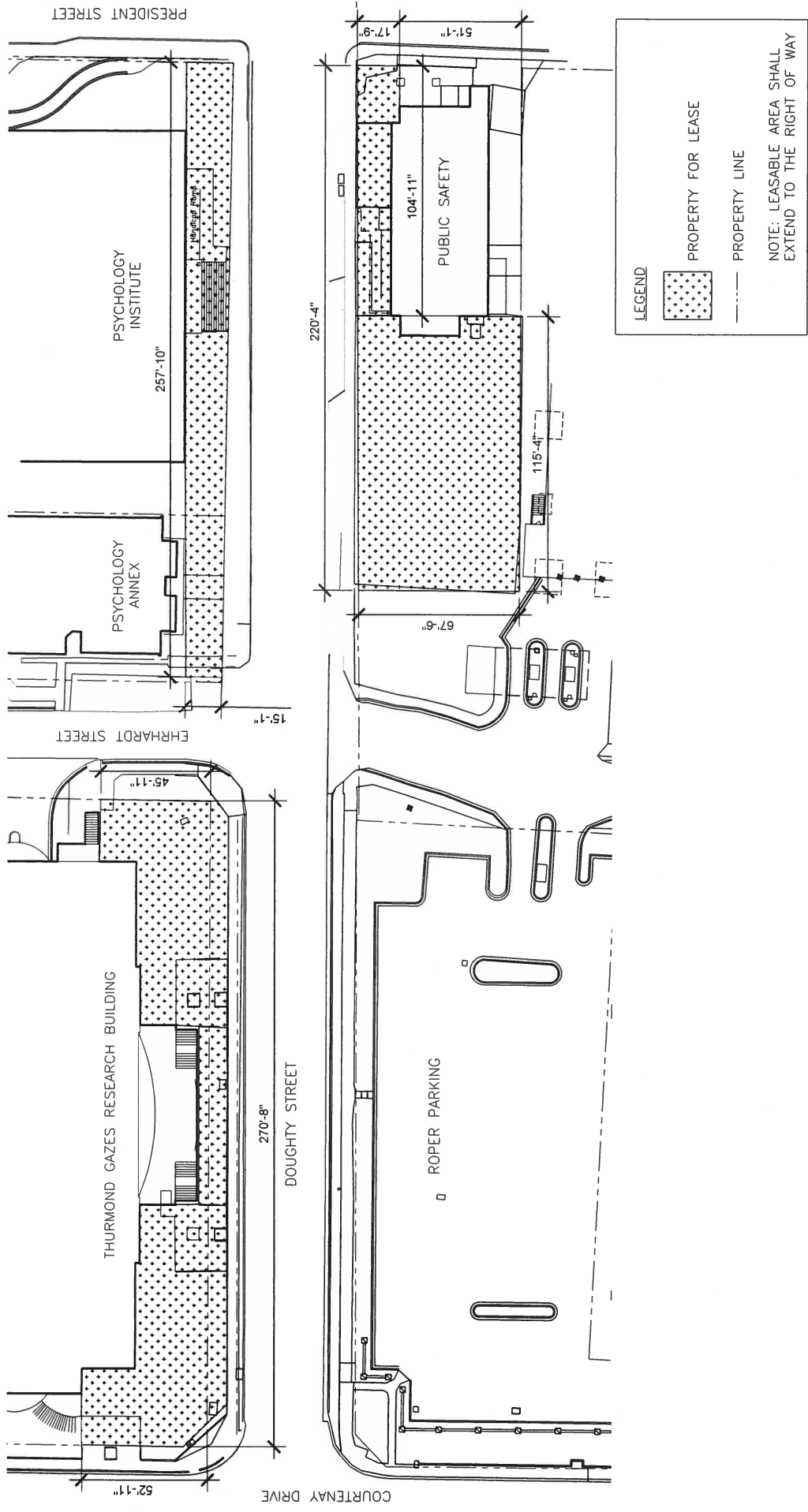
Lease Term: 25 Years [7/1/2020 – 6/30/2045]
Lease Type: NNN
Total Term Rent: \$25.00 / \$1.00 per year

Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Rachel Jones".

Rachel Jones
Medical University of South Carolina
Leasing Manager



AGENCY: Department of Administration
Capital Budget Office

SUBJECT: Proposed Permanent Improvement Projects

The Department of Administration has submitted 61 proposals for Permanent Improvement Projects on behalf of agencies, as follows:

	Items	Existing Budget	Proposed Budget Change	Estimated Total Project Cost
Higher Education				
H12 - Clemson University	1	-	5,000,000	5,000,000
H21 - Lander University	2	42,600	2,797,400	2,840,000
H24 - South Carolina State University	5	40,000	1,825,000	4,490,000
H27 - University of South Carolina - Columbia	2	20,000	3,250,000	6,090,000
H47 - Winthrop University	1	30,000	1,801,517	1,831,517
H51 - Medical University of South Carolina	1	-	1,500,000	39,000,000
H59 - Aiken Technical College	1	15,000	985,000	1,000,000
H59 - Greenville Technical College	2	40,675	3,717,585	68,768,260
H59 - Horry Georgetown Technical College	1	-	56,250	3,750,000
Higher Education Total	16	188,275	20,932,752	132,769,777
Agencies				
D50 - Department of Administration	13	303,376	9,873,795	12,851,377
E24 - Office of the Adjutant General	6	24,325,752	3,364,259	48,081,120
J04 - Department of Health & Environmental Control	2	3,750	256,750	1,000,000
J12 - Department of Mental Health	6	64,420,725	4,974,787	79,738,012
J16 - Department of Disabilities & Special Needs	1	-	7,500	500,000
L12 - John de la Howe School	1	299,554	218,539	518,093
N04 - Department of Corrections	5	-	54,792	3,653,481
N12 - Department of Juvenile Justice	2	-	65,377	4,358,436
P16 - Department of Agriculture	1	351,691	30,000	381,691
P24 - Department of Natural Resources	3	4,600	428,885	2,249,000
R60 - Department of Employment & Workforce	2	-	8,562	730,540
U12 - Department of Transportation	3	-	288,750	20,850,000
Agencies Total	45	89,709,448	19,571,996	174,911,750
Grand Total	61	89,897,723	40,504,748	307,681,527

COMMITTEE ACTION:

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

ATTACHMENTS:

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

AGENCY: Department of Administration
Executive Budget Office

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

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

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

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

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

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

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

The existing lease will be modified to adjust rental payments from \$691,000 to \$867,000 per year for the remaining term ending October 30, 2039, to defray the costs of renovation to the fieldhouse and intramural field that are the subject of the permanent improvement projects described herein, and to refinance an existing note on another, existing fieldhouse. The

modifications to the existing lease will coincide with the termination of a lease approved by the South Carolina Budget and Control Board and effective as of September 5, 2012, pursuant to which rent is paid in an amount of \$176,000 for a second fieldhouse, with a term through December 31, 2030. The lease modification adds the second fieldhouse to the leased premises, and bond proceeds are proposed to be used to refinance a borrowing on the second fieldhouse.

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

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

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

COMMITTEE ACTION:

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

ATTACHMENTS:

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

AVAILABLE UPON REQUEST:

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

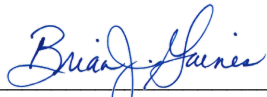
JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: June 23, 2020

Regular Agenda

1. Submitted By:

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


 Brian J. Gaines Director, Executive Budget Office

2. Subject:

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

3. Summary Background Information:

Establish Construction Budget

- 1. Project: Lander University
H21.9541: Field House II Development
- Request: Establish Phase II to renovate the interior of a vacant 17,800 square foot warehouse building located on the Lander Athletic Complex, and owned by the Lander Foundation RWS, LLC, to convert it to a field house.
- Included in CPIP: No – Construction cost was unknown but anticipated to be below the permanent improvement project threshold at the time of the 2019 CPIP submission.
- Phase I Approval: January 2020 (estimated at \$1,590,000) (JBRC/SFAA)
- CHE Approval: 3/5/20
- Supporting Details: Pages

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

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

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

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

The building will be occupied by the respective team members and the supporting coaching staff (8).

Financial Impact: The project will be funded from Lander Foundation, Gift Funds and Lander Foundation, RWS (Recreation, Wellness & Sports) Funds (uncommitted balance \$157K at January 24, 2020). Revenue will be from JEDA Bonds, Series 2020A to be issued with a lease by the university securing the transaction. Modification of an existing lease will be requested for consolidation and transparency purposes. The project is expected to result in an increase of \$11,520 (year 1), \$25,206 (year 2), and \$26,300 (year 3), in annual operating expenses. No student fees or tuition will be increased as a consequence of the project.

Full Project Estimate: \$1,590,000 (internal) funded by Other, Lander Foundation Funds. Contract execution is expected in May 2020 with construction completion in October 2020.

Other: The building was once a public gym. The renovation will convert the interior into a field house and include coach's offices, weight room, training area for the wrestling team, locker rooms, restroom/shower facilities, while reserving three spaces for team meeting rooms or locker rooms. This permanent improvement project was referenced in the University's lease request approved by the State Fiscal Accountability Authority at its October 15, 2019 meeting.

2. Project: Lander University
H09.9542: Intramural Field Renovation
- Request: Establish Phase II to renovate the existing campus intramural field by transitioning the natural grass surface to artificial turf.
- Included in CPIP: No – At the time of the 2019 CPIP submission it was unknown that the project would exceed \$1 million.
- Phase I Approval: January 2020 (estimated at \$1,250,000) (JBRC/SFAA)
- CHE Approval: 3/5/20
- Supporting Details: Pages

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

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

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

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

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

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

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

4. What is JBRC asked to do?

Consider approval of the Permanent Improvement Projects Phase II.

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

The item is complete and ready for JBRC review.

6. List of Supporting Documents:

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

Lander University Bond Information Report

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

\$3,825,000*

South Carolina Jobs-Economic Development Authority
Economic Development Revenue Bonds
(Lander RWS Properties, LLC Project)
Series 2020

February 13, 2020

* Preliminary, subject to adjustment as described herein.

I. Introduction

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

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

The Modification adds two fieldhouses (referred to herein as “Fieldhouse #1” and “Fieldhouse #2, and together as the “Fieldhouses”) to the Existing Lease and increases the not to exceed rent thereunder from \$691,000 to \$867,000¹ per year for the remaining term ending October 30, 2039 (the Existing Lease, upon the Modification, the “Modified Lease”). The University currently leases Fieldhouse #1 from the Borrower pursuant to a lease agreement approved by the South Carolina Budget and Control Board and effective as of September 5, 2012 (the “Field House #1 Lease”), pursuant to which rent is paid in an amount of \$176,000. The Field House #1 Lease terminates on December 31, 2030. Should the Modification be approved, the University and the Borrower will terminate the Field House #1 Lease.

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

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

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

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

\$3,825,000*

South Carolina Jobs-Economic Development Authority
Economic Development Revenue Bonds
(Lander RWS Properties, LLC Project)
Series 2020

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

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

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

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

* Preliminary, subject to change.

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

Table 1

Lander RWS, LLC - Debt Service

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

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

Table 2

Lander RWS, LLC - Coverage

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

III. Executive Summary

1. Identification of each principal to the transaction and their role therein.
 - a. Lander RWS, LLC – the Borrower, owner of the Athletic Complex, and lessor of the Athletic Complex
 - b. Lander Foundation – sole member of Lander RWS, LLC
 - c. Lander University – lessee and user of the Athletic Complex
 - d. South Carolina Jobs-Economic Development Authority – conduit issuer of the Bonds
 - e. Regions Capital Advantage, Inc. – anticipated purchaser of the Bonds
2. All consultants and advisors, their roles therein, and the process by which their services were procured and engaged.
 - a. Bacot & Padgett, LC – counsel to the Lander Foundation – regularly serves as outside general counsel to Lander Foundation – services procured subject to engagement letter
 - b. Pope Flynn, LLC – bond counsel – services procured based on prior services to principals to the transaction and their officers, experience with governmental bond financing transactions which include both University processes and JEDA, inclusion on the Office of State Treasurer approved bond counsel list, and subject to engagement letter
 - c. Stephens, Inc. – financial advisor – services procured based on prior services to principals to the transaction and their officers, experience with governmental bond financing transactions which include both University processes and JEDA, inclusion on the Office of State Treasurer approved financial advisor list, and subject to engagement letter
 - d. Haynsworth Sinkler Boyd, P.A. – counsel to conduit issuer – services procured by issuer pursuant to issuer policies
 - e. Parker Poe Adams and Bernstein – counsel to Regions – services procured by Regions Bank

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

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

a. Loan Agreement

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

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

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

b. Credit Agreement

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

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

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

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

c. Assignment of Issuer's Rights

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

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

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

e. Assignment of Lease

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

f. Subordination, Non-Disturbance and Attornment Agreement

By this document the University agrees to continue to be bound by the Modified Lease in the event of a foreclosure by Purchaser under the Mortgage,

and it also states Purchaser's agreement to honor the New Lease after foreclosure.
The terms of this document are typical for transactions of this nature.

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

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

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

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

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

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

4. Financial Obligations

Under the Modified Lease between the Borrower and the University, the University will be obligated to make payments on either an annual or monthly basis in order to continue to use the Athletic Complex and Fieldhouses. The financial obligation of the University to make lease payments will be subject to the cancellation provisions of Section 1-11-56 of the Code of Laws of South Carolina 1976, as amended. Those provisions allow for cancellation in the event of (a) a nonappropriation for the renting agency; (b) a dissolution of the agency; and (c) the availability of public space in substitution for private space being leased by the renting agency.

5. Financial Resources

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

6. Summaries of Covenants, Events of Default and Remedies

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

7. Summary of Alternatives Considered

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

IV. Specific Action or Review Requested

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

V. Enclosures

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

A. New Documents Created in Connection with the 2020 Bonds

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

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

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

3. Assignment of Lease
4. Subordination, Non-Disturbance and Attornment Agreement

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: June 23, 2020

Regular Agenda

1. Submitted by:

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


Ashlie Lancaster, Director

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

3. Summary Background Information:

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

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

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

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

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

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

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

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

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

6. List of Supporting Documents:

- (a) Letter from Lander dated February 13, 2020
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56



February 13, 2020

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

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

Dear Ashlie:

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

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

1. A Lease Modification Agreement and accompanying approving resolution of the University's Board of Trustees, anticipated to be adopted on March 10, 2020;
2. A Bond Information Report responsive to the information required in the 2014 and 2016 JBRC Policies; and
3. Copies of the various financing documents to be executed among the parties to the proposed transaction.

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

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

Very truly yours,

Stacie A. Bowie

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

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

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

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

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

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

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

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

Code Commissioner's Note

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

Effect of Amendment

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

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

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

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

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

- (1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;
- (2) establishing standards for the quality and quantity of space to be leased by a requesting agency;
- (3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:
 - (a) a nonappropriation for the renting agency;
 - (b) a dissolution of the agency; and

- (c) the availability of public space in substitution for private space being leased by the agency;
 - (4) rejecting an agency's request for additional space or space at a specific location, or both;
 - (5) directing agencies to be located in public space, when available, before private space can be leased;
 - (6) requiring the agency to submit a multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and
 - (7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.
- (B) Leases or rental agreements involving amounts below the thresholds provided in subsection (A)(7) may be executed by the Department of Administration without this prior review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.
- (C) The threshold requirements requiring review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority as contained in subsection (A)(7) also apply to leases or rental agreements with nonstate entities whether or not the state or its agencies or departments is the lessee or lessor.

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

Effect of Amendment

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

AGENCY: Department of Administration
Capital Budget Office

SUBJECT: Proposed Permanent Improvement Projects - Full Review

The Department of Administration has submitted 61 proposals for Permanent Improvement Projects on behalf of agencies. Staff proposes full review for 8 projects, summarized as follows:

	Items	Existing Budget	Proposed Budget Change	Estimated Total Project Cost
Higher Education				
H12 - Clemson University	1	-	5,000,000	5,000,000
H24 - South Carolina State University	2	40,000	1,765,000	1,805,000
H27 - University of South Carolina - Columbia	1	20,000	3,220,000	3,240,000
H51 - Medical University of South Carolina	1	-	1,500,000	39,000,000
H59 - Greenville Technical College	1	-	990,000	66,000,000
Higher Education Total	6	60,000	12,475,000	115,045,000
Agencies				
J12 - Department of Mental Health	2	63,700,000	3,157,500	77,200,000
Agencies Total	2	63,700,000	3,157,500	77,200,000
Grand Total	8	63,760,000	15,632,500	192,245,000

COMMITTEE ACTION:

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

ATTACHMENTS:

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

Establish Construction Budget

1. Project: Clemson University
 H12.9947: CU-ICAR Campbell Graduate Engineering Center Propulsion Lab Upfit
- Request: Establish Phase II construction budget to upfit approximately 1,500 square feet of laboratory space in the Campbell Graduate Engineering Center to create an Advanced Propulsion System Lab.
- Included in CPIP: No – The project was not anticipated to be completed at the time of the 2019 CPIP submission because the grant funding did not become available until early 2020.
- Phase I Approval: Pending approval due to postponement of JBRC (estimated at \$5,000,000) (JBRC/SFAA)
- CHE Approval: Pending CHE Board Approval
- Supporting Details: Pages 33-42

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Facilities and Administrative Cost Recoveries				5,000,000	5,000,000
All Sources				<u>5,000,000</u>	<u>5,000,000</u>

- Summary of Work: To upfit laboratory space by removing or replacing existing concrete flooring and installing a new in-floor trenching system for utilities, equipment foundations, fire-rated interior partition walls, blast doors, lighting, power circuitry, HVAC, fire alarm and protection systems, and related work.
- Rationale: To create a lab that will support research efforts in the area of vehicular propulsion systems, electrification and entry for transportation.
- Facility Characteristics: The Campbell Graduate Engineering Center at the CU-ICAR campus in Greenville is 89,778 square feet and was completed in 2007. (13 years old) The 1,500 square feet to be upfitted for the new Advanced Propulsion System Lab will be utilized by 14 faculty, 4 staff, 20 students and 10 clients.
- Financial Impact: The project will be funded from Facilities and Administrative Cost Recoveries, or indirect cost recoveries (uncommitted balance \$8.2 million at May 1, 2020). Revenue to the fund is generated from costs charged to sponsored research activities to cover the overhead, infrastructure and facilities expenses associated with externally funded grants. The primary sources of grant revenues are federally and privately funded research grants. The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$1,005 per student per semester, and has increased from \$738 to \$1,005 for the academic years 2014-2015 to 2019-2020 respectively.
- Full Project Estimate: \$5,000,000 (internal) funded by Facilities and Administrative Cost Recovery funds. Contract execution is expected in January 2021 with construction completion in September 2021.

Final Land Acquisition

2. Project: SC State University
 H24.9655: SC State PSA Building Acquisition (Anderson Cluster)
- Request: To purchase a building and property located at 309 W. Whitner St. in Anderson SC.
- Included in CPIP: No – The opportunity to acquire the facility did not become available until May 2019.
 Phase I Approval: July 2019 (estimated at \$345,000) (JBRC)
 CHE Approval: N/A
 Supporting Details: Pages 79-92

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

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

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

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

applicable ADA compliant signage. The acquisition will be funded from Federal, USDA Facilities Grant Funds (uncommitted balance \$3.5 million at February 19, 2020). The project is expected to result in an increase of \$31,191 (year 1) and \$62,382 (years 2 and 3), in annual operating expenses.

3. Project: SC State University PSA
 H24.9756: Building Acquisition (Midlands Cluster)
- Request: To purchase an office building and property located on 4.16 acres of land at 1801 Charleston Highway in Cayce, South Carolina.
- Included in CPIP: No – The opportunity to acquire the facility did not become available until August 2019.
 Phase I Approval: December 2019 (estimated at \$1,420,000) (JBRC/SFAA)
 CHE Approval: N/A
 Supporting Details: Pages 93-106

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

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

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

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

Final Land Acquisition

4. Project: University of South Carolina - Columbia
 H27.6132: Intramural Recreation Fields
- Request: To purchase 299.6 acres of property adjacent to the Congaree River.
- Included in CPIP: Yes – 2019 CPIP Priority 4 of 14 in FY20 (estimated at \$3,300,000)
 Phase I Approval: August 2019 (estimated at \$3,300,000) (JBRC/SFAA)
 CHE Approval: Pending CHE Board Approval
 Supporting Details: Pages 117-130

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 future development will respond to this need

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

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

the property and therefore a Building Condition Assessment is not required. The pre-purchase tax status is non-taxable, and letters of local support are not required since the property is held by a non-profit corporation.

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

Establish Project for A&E Design

5. Project: Medical University of South Carolina
 H51.9852: MUSC Combined Heat and Power Facility
- Request: Establish Phase I pre-design to the point where a guaranteed maximum price can be obtained to affirm the value for the university to self-generate electricity.
- Included in CPIP: No – At the time of the 2019 CPIP submission it was believed that the Energy Conservation Measure would not be viable, and the final report came post CPIP submission.
- CHE Approval: Pending CHE Board Approval
- Supporting Details: Pages 141-158

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Institutional Capital Project				1,500,000	1,500,000
All Sources				<u>1,500,000</u>	<u>1,500,000</u>

- Summary of Work: As part of its energy conservation program, MUSC has studied the potential benefit of a combined heat and power (or electrical cogeneration) facility for its campus. The facility will have space for expansion to meet campus growth and be built to current hurricane and seismic code.
- Rationale: Self generating electricity will lessen their dependence on the utility company. Per the university, this will save them energy dollars. Additionally, having a source of electricity during hurricanes and flooding allows the ability to sustain from a risk management standpoint.
- Facility Characteristics: The new utility building facility to support MUSC campus will be approximately 15,000 square feet. All students, faculty, staff and patients utilize the space that is impacted by the new facility.
- Financial Impact: The project will be funded from Institutional Capital Project Funds (uncommitted balance \$7 million at April 27, 2020). Revenue to the fund is generated from excess debt service funds and remaining balances from closed projects. The project is expected to result in a decrease of \$1,746,488 (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 \$423 per student per semester, and has decreased from \$459 to \$423 for the academic years 2014-2015 to 2019-2020 respectively.
- Full Project Estimate: \$39,000,000 (internal) funded by Institutional Capital Project and State Master Lease Program Funds.

Establish Project for A&E Design

6. Project: Greenville Technical College
 H59.6166: Greenville – New Arts & Sciences Building Construction
- Request: Establish Phase I pre-design to construct a new multi-story classroom building, approximately 125,000 square feet on the Barton Campus.
- Included in CPIP: Yes – 2019 CPIP Priority 2 of 3 in FY21 (estimated at \$37,900,000)
 CHE Approval: Pending CHE Board Approval
 Supporting Details: Pages 187-198

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

- Summary of Work: The project will construct a new facility to house the Art & Sciences programs, with modern science labs with state-of-the-art safety features, and new instructional technology for chemistry, physics, biology, etc. programs. The building will also have a theater and music center for development of the arts. The project will be designed and constructed to meet two Green Globes certification standards.
- Rationale: Two of the oldest buildings on the Barton Campus are in poor condition with outdated and inefficient mechanical systems, the electrical systems are at maximum capacity, and space limitations affect the demand for occupancy in classrooms. Additionally, an Academic Master Plan study completed in 2012 identified growth needs and evaluated facility conditions.
- Facility Characteristics: The new 3 story building will be approximately 125,000 square feet and will be occupied by Academic Advancement, Arts & Science programs, the entire Health Sciences Division, Economic Development and Corporate Training and serve 10,000 students, visitors, faculty and staff.
- Financial Impact: The project will be funded from the College’s Plant Maintenance funds (uncommitted balance \$12.8 million at February 20, 2020). Revenue to the fund is an accumulation of appropriated funds from Greenville County, which are used to perform maintenance and renovations to physical facilities of the college. The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$100 per student per semester, and has not increased for the academic years 2014-2015 to 2019-2020 respectively.
- Full Project Estimate: \$66,000,000 (internal) funded by Greenville County Bonds (\$50 million), Greenville Technical College’s Plant Maintenance Account (\$10 million) and Greenville Technical College Foundation (\$6,000,000). The estimated cost to complete the project increased from the 2019 CPIP because the size of the building increased by an additional story in

height, and the amount of science labs doubled in numbers. Also, the college decided to include a theatre for their students to preform music and theatrical performances.

Other:

This new facility will allow the college to maintain an acceptable and productive learning environment with a maximum of 30 students in a standard classroom, 40 students maximum in an expanded classroom, a maximum of 24 students in science labs, and no more than 30 students in a computer lab. The building will be situated adjacent to the Student Center, Engineering Technology Building and the Current University Transfer Building.

Establish Project for A&E Design

7. Project: Department of Mental Health
 J12.9788: COVID-19 Renovation of Fewell Pavilion
- Request: Establish Phase I pre-design to renovate the Fewell Pavilion, part of the E. Roy Stone Veterans Nursing Homes in Columbia.
- Included in CPIP: No – This project is in response to the 2020 Coronavirus Pandemic.
 CHE Approval: N/A
 Supporting Details: Pages 465-488

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
All Sources				<u>157,500</u>	<u>157,500</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. Isolation areas for up to 14 residents, and quarantine areas for up to 20 residents exposed to COVID-19 will be created. It will also 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 for coronavirus related renovations to existing State Veterans Nursing Homes. The agency submitted a grant application on April 15th. The agency submission was one of only 11 grants received by the grant deadline and is likely to receive a conditional funding approval in early 2021. The existing roof is failing and does not meet code and will need to be replaced in order to support residents.

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 is approximately 44,000 square feet and is approximately 30 years old. The facility is licensed for a total of 90 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.

Full Project Estimate: \$10,500,000 (internal) funded by Federal, VA Grant CARES Act funds. State Appropriations will be used to fund Phase I of the project until the Federal Grant funds

are received next fiscal year. The project will be funded with 65% federal and 35% state funds.

Other: The renovation will not add new beds or increase resident capacity and is only designed to be a quarantine area.

Phase II Increase

8. Project: Department of Mental Health
 J12.9737: State Veterans’ Nursing Home Construction Central Region
- Request: Increase the Phase II budget to cover the estimated construction costs for the new design, plus that of the land acquisition.
- Included in CPIP: Yes – 2019 CPIP 1 of 9 in FY22 (estimated at \$54,100,000)
 Phase I Approval: January 2015 (estimated at \$58,000,000) (JBRC/SFAA)
 Revise Scope Approval: March 2015 (estimated at \$37,000,000) (JBRC/SFAA)
 Phase I Budget Increase Approval: May 2018 (estimated at \$40,300,000) (JBRC/SFAA)
 Phase II Approval: August 2018 (estimated at \$54,100,000) (JBRC/SFAA)
 Phase II Increase & CSOF: January 2020 (estimated at \$63,700,000) (JBRC/SFAA)
 CHE Approval: N/A
 Supporting Details: Pages 735-742

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State		14,888,242	14,888,242	3,000,000	17,888,242
Federal, VA State Home Construction Grant Program		28,811,758	28,811,758		28,811,758
Other, Capital Improvement & Maintenance	500,000	19,500,000	20,000,000		20,000,000
All Sources	<u>500,000</u>	<u>63,200,000</u>	<u>63,700,000</u>	<u>3,000,000</u>	<u>66,700,000</u>

Summary of Work: A preliminary site has been identified in Sumter with a design replicable in one or more locations based on the state’s strategy to develop additional State Veterans’ nursing homes. The design on which the cost estimate is based calls for steel framing, pitched roof and full emergency generators. The facility will be constructed to meet LEED Silver certification standards with anticipated energy savings of \$1,800,000 over a 30-year period. The new facility will be all private rooms and include all support functions required for a complete operation.

Rationale: The project was established to complete all requirements necessary to receive a federal funding grant from VA in early 2019 (now delayed to April 2023), for the construction of a veterans nursing home in the central South Carolina region. The FY18 Veterans Affairs Appropriations Bill contained funding for the construction of homes in the Northeast and Northwest regions of the state, based on the community living center design. Based on budget limitations and on the department’s recommendations, on March 19, 2019, JBRC Staff directed deferral of the Central region project with revised plans for the Central project to be submitted by the department to the committee at an appropriate future date.

- Facility Characteristics: The facility to be constructed will be approximately 125,000 gross square feet. It will house 104 veterans and 100+ contract management staff. Under the existing contract model for Veterans Victory House and Campbell, the day to day maintenance will be handled by an outside contractor with assistance and oversight as needed by SCDMH Physical Plant Services staff.
- Financial Impact: The project will be funded from Appropriated State, VA State Home Construction Grant Program, and Capital Improvement and Maintenance Funds. The project is expected to result in an increase of \$12,868,669 (year 1), \$13,254,730 (year 2), and \$13,652,370 (year 3) in annual operating expenses.
- Full Project Estimate: \$66,700,000 (internal) funded by Appropriated State, VA State Home Construction Grant Program, and Capital Improvement and Maintenance Funds. Contract execution is expected in April 2023 with construction completion in December 2024.

AGENCY: Department of Administration
Capital Budget Office

SUBJECT: Proposed Permanent Improvement Projects - Summary Review

The Department of Administration has submitted 61 proposals for Permanent Improvement Projects on behalf of agencies. Staff proposes summary review for 51 projects, summarized as follows:

	Items	Existing Budget	Proposed Budget Change	Estimated Total Project Cost
Higher Education				
H24 - South Carolina State University	3	-	60,000	2,685,000
H27 - University of South Carolina - Columbia	1	-	30,000	2,850,000
H47 - Winthrop University	1	30,000	1,801,517	1,831,517
H59 - Aiken Technical College	1	15,000	985,000	1,000,000
H59 - Greenville Technical College	1	40,675	2,727,585	2,768,260
H59 - Horry Georgetown Technical College	1	-	56,250	3,750,000
Higher Education Total	8	85,675	5,660,352	14,884,777
Agencies				
D50 - Department of Administration	13	303,376	9,873,795	12,851,377
E24 - Office of the Adjutant General	6	24,325,752	3,364,259	48,081,120
J04 - Department of Health & Environmental Control	2	3,750	256,750	1,000,000
J12 - Department of Mental Health	4	720,725	1,817,287	2,538,012
J16 - Department of Disabilities & Special Needs	1	-	7,500	500,000
L12 - John de la Howe School	1	299,554	218,539	518,093
N04 - Department of Corrections	5	-	54,792	3,653,481
N12 - Department of Juvenile Justice	2	-	65,377	4,358,436
P16 - Department of Agriculture	1	351,691	30,000	381,691
P24 - Department of Natural Resources	3	4,600	428,885	2,249,000
R60 - Department of Employment & Workforce	2	-	8,562	730,540
U12 - Department of Transportation	3	-	288,750	20,850,000
Agencies Total	43	26,009,448	16,414,496	97,711,750
Grand Total	51	26,095,123	22,074,848	112,596,527

COMMITTEE ACTION:

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

ATTACHMENTS:

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

Preliminary Land Acquisition

1. Project: SC State University PSA
 H24.9657: Building Acquisition (Orangeburg Cluster)
- Request: Establish authorization to evaluate the acquisition of a 199-acre farm located at 1678 Alligator Road in Olar, South Carolina.
- Included in CPIP: No – The opportunity to acquire the facility did not become available until February 2020
 CHE Approval: N/A
 Supporting Details: Pages 43-54

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

- Rationale: The property will provide an opportunity for the SC State PSA Program to obtain a location where cutting-edge research can be conducted in real life, real-world and re-time environment. It will also enhance the university’s ability to partner with other universities and private researchers in securing grants to address the latest cutting-edge problem-solving initiatives in farm safety, farm security, food and fiber, and health and nutrition.
- Characteristics: The property to be acquired is a 199-acre farm with a 2,090 square foot building that was constructed in 1990 (30 Years old). The facility will house 10 staff and serve 5,000 clients. This property will provide farm land for demonstration sites and research opportunities to be used by 1890 Research and Extension Professional and Para-Professional staff, community and university partners.
- Financial Impact: The property is offered by David Freohlich of Loxahatchee, Florida for a proposed purchase price of \$725,000. If acquired, the facility will require some minor retrofitting to accommodate offices and instructional spaces, which is estimated to cost \$75,000 to \$100,000. The acquisition will be funded from Federal, USDA Facilities Grant Funds (uncommitted balance \$6.1 million at March 9, 2020). The project is expected to result in an increase of \$24,900 (years 1 thru 3) in annual operating expenses.

2. Project: SC State University PSA
 H24.9658: Building Acquisition (Pee Dee Cluster)
- Request: Establish authorization to evaluate the acquisition of a 10,534 square foot office building on .50 acres, located at 315 West Pine Street in Florence, South Carolina.
- Included in CPIP: No – The opportunity to acquire the facility did not become available until January 2020.
 CHE Approval: N/A
 Supporting Details: Pages 55-66

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

- Rationale: The facility will allow the 1890 Program to increase their program delivery and community engagement in the Pee-Dee region. This acquisition will provide the opportunity for the university to obtain a permanent home in the Pee Dee region of the state. It will provide the program with the visibility and facility required to enhance the life-long program offerings to the residents of the Pee Dee. It will provide administrative, programmatic, and research space for programs, activities, and services in the areas of 4-H and youth development, family, nutrition and health, sustainable agriculture, and natural resources, community development, education innovation, and other informal learning opportunities.
- Characteristics: The property to be acquired is .50 acres with a 10,534 square foot office building that was constructed in 1996 (14 years old). The facility will house 6 staff and serve 3,000 clients. The building will provide classroom and laboratory spaces.
- Financial Impact: The property is offered by Donna F. Calcutt of Florence, SC for a proposed purchase price of \$1,250,000. If acquired, the facility will require some renovations to accommodate classroom and laboratory spaces, which is estimated to cost between \$300,000 and \$425,000. The acquisition will be funded from Federal, USDA Facilities Grant Funds (uncommitted balance \$6.1 million at March 9, 2020). The project is expected to result in an increase of \$30,211 (years 1 thru 3) in annual operating expenses.

3. Project: SC State University PSA
 H24.9659: Building Acquisition (Santee Wateree Cluster)
- Request: Establish authorization to evaluate the acquisition of a 10,668 square foot office building on .34 acres, located at 21-23 W. Calhoun Street in Sumter, South Carolina.
- Included in CPIP: No – The opportunity to acquire the facility did not become available until January 2020.
 CHE Approval: N/A
 Supporting Details: Pages 67-78

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

- Rationale: The building will provide an opportunity to obtain a location for the Santee-Wateree region of the state. The program has delivered programs and activities in the area for many years, but the employees would commute from Orangeburg or another office within the state. The SC State 1890 Program has adopted a regional model of program delivery and accountability. Therefore, the closer they are to their participants, the better they can assess their needs and, in cooperation with them, develop, implement and evaluate the programs, services, and activities provided to ensure they are meeting the needs of the residents of South Carolina.
- Characteristics: The property to be acquired is .34 acres with a 10,668 square foot office building that was constructed in 1987 (33 years old). The facility will house 6 staff and serve 3,000 clients. The building will provide classroom and laboratory spaces.
- Financial Impact: The property is offered by Robert Dubois, Jr. of Sumter, SC for a proposed purchase price of \$650,000. If acquired, the facility will require some renovations to accommodate classroom and laboratory spaces, which is estimated to cost between \$200,000 and \$375,000. The acquisition will be funded from Federal, USDA Facilities Grant Funds (uncommitted balance \$6.1 million at March 9, 2020). The project is expected to result in an increase of \$50,243 (years 1 thru 3) in annual operating expenses.

Establish Project for A&E Design

4. Project: University of South Carolina - Columbia
 H27.6135: Colonial Life Arena Roof Replacement and Envelope Maintenance
- Request: Establish Phase I pre-design to replace the entire roof membrane, the moisture-damaged portions of the rigid insulation substrate and investigate and repair moisture intrusion that is occurring in the envelope.
- Included in CPIP: Yes – 2019 CPIP Priority 14 of 14 in FY20 (estimated at \$2,850,000)
 CHE Approval: 3/5/20
 Supporting Details: Pages 107-116

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

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

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

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

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

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

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

Establish Construction Budget

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

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

Included in CPIP: Yes – 2019 CPIP Priority 1 of 5 in FY20 (estimated at \$2,000,000)

Phase I Approval: December 2019 (estimated at \$2,000,000) (Admin.)

CHE Approval: Pending CHE Board Approval

Supporting Details: Pages 131-140

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

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

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

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

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

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

Establish Construction Budget

6. Project: Aiken Technical College
 H59.6149: Aiken-CEAM Expansion and Renovation for Welding Area
- Request: Establish Phase II to expand and renovate the welding area contained in the Center for Energy & Advanced Manufacturing.
- Included in CPIP: No – The college thought that the project would be below the threshold. After reviewing with an engineering firm under an IDC, it was determined that the project would qualify as a PIP
- Phase I Approval: June 2019 (estimated at \$1,000,000) (JBRC/SFAA)
- CHE Approval: Pending CHE Board Approval
- Supporting Details: Pages 159-186

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

- Summary of Work: The expansion and renovation will require the college to upgrade the existing duct and dust collection system, possibly add more electrical, controls, plumbing and piping to each booth and peripheral equipment in the welding and conceivably the grinding and machine tool areas.
- Rationale: During initial construction in 2015, the budget allowed for the necessary floor space to expand the program and for a small amount of additional infrastructure for the future (mainly electrical). Unfortunately, the demand for welding in the area has out distanced their current capacity. The welding area has the floor space (5,661 square feet), needed for the college to bring the capacity from around 36 welding booths to a capacity of 60.
- Facility Characteristics: The CEAM building is 30,112 square feet and was constructed in 2015 (5 years old). The welding and grinding area affected by this project is 6,612 square feet. 120 students per semester are expected to utilize the space.
- Financial Impact: The project will be funded from Local College Funds (uncommitted balance \$22.8 million at March 7, 2020). Revenue to this fund is from the remaining amounts from all prior years, not otherwise restricted or previously invested in capital assets. The project is expected to result in an increase of \$6,340 (years 1 thru 3) in annual operating expenses. No student fees or tuition will be increased as a consequence of the project.
- Full Project Estimate: \$1,000,000 (internal) funded by Local College Funds. Contract execution is expected in May 2020 with construction completion in September 2020.

Establish Construction Budget

7. Project: Greenville Technical College
 H59.6160: Parking Lot R Construction – Barton Campus
- Request: Establish Phase II to construct a new parking lot (Parking Lot R) for students and visitors in a vacant area adjacent to Building 102, Student Success Center currently under renovation.
- Included in CPIP: Yes – 2019 CPIP Priority 3 of 3 in FY20 (estimated at \$1,320,000)
 Phase I Approval: February 2020 (estimated at \$2,711,663) (JBRC/SFAA)
 CHE Approval: Pending CHE Board Approval
 Supporting Details: Pages 199-210

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

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

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

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

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

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

Establish Project for A&E Design

8. Project: Horry Georgetown Technical College
 H59.6161: Expansion of Diesel Engineer Training Facility
- Request: Establish Phase I pre-design to expand the college’s Diesel Engine Technician Training facility on its Conway Campus by 7,500 square feet.
- Included in CPIP: Yes - 2019 CPIP Priority 3 of 3 in FY2020 (estimated at \$2,000,000)
 CHE Approval: 3/5/20
 Supporting Details: Pages 211-224

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

- Summary of Work: To expand the existing 5,000 square foot training facility by 7,500 square feet to include additional costs unique to the diesel program. Renovations to the existing structure may include improvements to the roof system and building/garage entrances and the costs for re-designing and expanding parking. The project will be constructed to meet Green Globes certification standards.
- Rationale: The College desires to expand the facility in response to workforce needs, state-wide labor shortages and increased student demand. The current facility cannot accommodate additional student enrollment.
- Facility Characteristics: The existing training facility is 5,000 square feet and was constructed in 1990 (29 years old) and serves the college Diesel Program. The current day program capacity is 20 students with a waiting list of 20 students. Completion of this expansion will increase the capacity to 55 students. The building will be occupied by 6 full and part-time instructors and utilized by 196 students annually.
- Financial Impact: The project will be funded from the College’s Plant Fund (uncommitted balance \$61 million at June 30, 2019). Revenue to the fund is generated from the cumulative excess of revenues over expenses accumulated over time for the purpose of funding capital projects and for meeting local matching requirements. The project is expected to result in an increase of \$22,500 (years 1 thru 3), in annual operating expenses. No student fees or tuition will be increased as a consequence of the project. The college does not impose any fee relative to its Plant Fund or for capital projects.
- Full Project Estimate: \$3,750,000 (internal) funded by College Plant funds. The estimated cost to complete the project has increased from the 2019 CPIP because the CPIP did not acknowledge changes in DHEC requirements, as well as specific construction requirements for certain aspects of the project.

Other:

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

Establish Project for A&E Design

9. Project: Department of Administration
 D50.6049: SCCB Generator Replacement and Lighting Updates
- Request: Establish Phase I pre-design for a new generator, code compliant exit lighting and improved energy-saving pole mounted lighting.
- Included in CPIP: No – The generator failure was not identified until January 2020 and therefore the need for the project was not known until that time.
- CHE Approval: N/A
- Supporting Details: Pages 225-236

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, SC Commission for the Blind Other Operating				6,400	6,400
All Sources				<u>6,400</u>	<u>6,400</u>

Summary of Work: The project design will consolidate all three (3) generators into a single larger unit which will result in more efficient and reliable operation.

Rationale: The existing emergency standby generator serving building C (dormitory building), recently failed and is no longer repairable. There are two (2) other smaller generators located on site that are close to end-of-life. Exterior lighting at building exits does not provide sufficient emergency illumination. This is a building code change that was not an enforced requirement when the building was originally constructed. The building exterior lighting needs to be brought up to current codes. Existing pole-mounted lighting serving the parking areas is aged and in disrepair. The fixtures are metal halide and should be replaced with more energy-efficient LEDs. Per the agency, the LED fixtures will save approximately 40% on energy bills for parking area lighting and will reduce maintenance costs.

Facility Characteristics: The building is 68,675 gross square feet and was constructed in 1976 (44 years old). The facility is utilized by the SC Commission for the Blind and is occupied by 120 customers and staff each day.

Financial Impact: The project will be funded from SC Commission for the Blind Other Operating Funds (uncommitted balance \$700K at April 28, 2020). Revenue to the fund is generated from a combination from various sources including donations that have accumulated over time. The project is expected to result in a decrease of \$3,840 (years 1 thru 3) in annual operating expenses.

Full Project Estimate: \$457,280 (internal) funded by SC Commission for the Blind Other Operating Funds.

10. Project: Department of Administration
 D50.6050: SC Data Center – Computer Room HVAC Upgrade
- Request: Establish Phase I pre-design to upgrade the HVAC systems in the Main Computer Room of the SC Data Center located on Broad River Road in Columbia.
- Included in CPIP: No – The need for the project was not identified at the time the 2019 CPIP was submitted.
- CHE Approval: N/A
- Supporting Details: Pages 237-250

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, SC Division of Technology				33,162	33,162
All Sources				<u>33,162</u>	<u>33,162</u>

- Summary of Work: The project will evaluate a variety of options which include replacing the Computer room air conditioning (CRAC) units with new CRAC units that are more efficient as well as adding a refrigerant redundancy. The intent is to provide more cost efficient and environmentally friendly means to cool the space and control humidity where the entire state network infrastructure resides.
- Rationale: The project will improve the cooling system efficiency and to provide cooling system redundancy for the SC Data Center’s data processing equipment. The redundancy is necessary so that sufficient conditioning would still be available to allow the network to properly operate in the event of unit failures.
- Facility Characteristics: The building is 76,021 gross square feet and was constructed in 1999 (21 years old). The facility is utilized by the SC Division of Technology – Office of Technology and Information Services. New equipment added as a result of this project will support the data processing areas of the Data Center, which is approximately 21,080 gross square feet. The building is occupied by 205 persons, including employees, customers and visitors.
- Financial Impact: The project will be funded from SC Division of Technology Funds (uncommitted balance \$9.6 million at May 5, 2020). The project is expected to result in a decrease in annual operating expenses, but that amount has not yet been determined.
- Full Project Estimate: \$2,256,488 (internal) funded by SC Division of Technology Funds.

Establish Construction Budget

11. Project: Department of Administration
 D50.6021: Dennis Bldg. – 6th Floor AG Office Renovations
- Request: Establish Phase II to reconfigure existing offices and establish a new large file storage area.
- Included in CPIP: Yes – 2019 CPIP Priority 30 of 31 in FY20 (estimated at \$575,000)
 Phase I Approval: July 2019 (estimated at \$574,633) (JBRC)
 CHE Approval: N/A
 Supporting Details: Pages 251-262

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

- Summary of Work: The work will include demolition and new construction, which includes architectural work, painting, flooring replacement, limited HVAC work, and electrical work to include new devices for power/data and fire alarm re-work as required.
- Rationale: This renovation work will allow the accommodation of additional staff.
- Facility Characteristics: The Dennis Building is 247,543 gross square feet with only 13,107 square feet affected by this project and was constructed in 1982 (38 years old). This space will house all 80 agency personnel, primarily for the Criminal Division.
- Financial Impact: The project will be funded from Attorney General Unrestricted Revenue for Agency Operation Funds (uncommitted balance \$650,000 at April 2, 2020). Revenue is from other legal penalties and cost recovery. The project is not expected to result in any change in annual operating expenditures.
- Full Project Estimate: \$649,824 (internal) funded by Attorney General Unrestricted Revenue for Agency Operation Funds. Contract execution is expected in July 2020 with construction completion in January 2021.

12. Project: Department of Administration
 D50.6025: Brown Building Replace VAV Terminal Reheat
- Request: Establish Phase II to replace the 58 terminal hot water reheat VAV mechanical units to include associated duct work on the 5th floor of the Edgar Brown Building located at 1205 Pendleton Street in Columbia.
- Included in CPIP: Yes – 2019 CPIP Priority 25 of 31 in FY20 (estimated at \$440,000)
 Phase I Approval: October 2019 (estimated at \$409,612) (JBRC)
 CHE Approval: N/A
 Supporting Details: Pages 263-274

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

- Summary of Work: The work includes the replacement of the original mechanical systems serving approximately 32,000 gross square feet on the 5th floor.
- Rationale: The equipment and ductwork is past its useful life, leading to periodic failures and disruption of service.
- Facility Characteristics: The building is 156,182 square feet and was constructed in 1972 (48 years old). The 5th floor is utilized by 150 occupants of the Department of Parks, Recreation & Tourism, Education Oversight Committee, Secretary of State, Executive Budget Office, and SC State Senate Offices.
- Financial Impact: The project will be funded from Depreciation Reserve Funds (uncommitted balance \$2.5 million at February 21, 2020). Revenue received is derived from the rent account which receives rent charged to agencies. The project is expected to result in a decrease of \$54,600 (years 1 thru 3), in annual operating expenses.
- Full Project Estimate: \$646,371 (internal) funded by Other, Depreciation Reserve Funds. Contract execution is expected in August 2020 with construction completion in December 2021. The estimated cost to complete the project has increased from the Phase I estimate due to escalating construction costs, an increase in the number of VAV terminal units, and the replacement of the existing ceiling system and lighting.
- Other: The majority of this work will be performed above the ceiling in the 5th floor corridor and will include the replacement of the existing ceiling system and lighting in the main corridors which will be disrupted during VAV installation.

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

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

Included in CPIP: Yes – 2019 CPIP Priority 5 of 31 in FY20 (estimated at \$676,300)
 Phase I Approval: October 2019 (estimated at \$676,300) (JBRC)
 CHE Approval: N/A
 Supporting Details: Pages 275-286

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

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

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

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

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

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

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

14. Project: Department of Administration
 D50.6028: Hayne Laboratory Bldg. – Replace/Upgrade Elevator Controls -
 Modernization
- Request: Establish Phase II for the modernization of the freight elevator in the Hayne Building.
- Included in CPIP: Yes – 2019 CPIP Priority 7 of 31 in FY20 (estimated at \$330,000)
 Phase I Approval: October 2019 (estimated at \$528,099) (JBRC)
 CHE Approval: N/A
 Supporting Details: Pages 287-298

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

- Summary of Work: The work includes removal and replacement of the major existing elevator components with non-proprietary machines and related components.
- Rationale: The freight elevator is original and is experiencing frequent interruptions of service due to its age. Additionally, parts needed for repairs are difficult to find and often must be fabricated, thus extending the periods when the elevator is offline and out of service.
- Facility Characteristics: The building is 87,879 square feet and was constructed in 1975 (44 years old). The Hayne Laboratory is occupied by the SC Department of Health and Environmental Control and is utilized by 165 staff and visitors daily.
- Financial Impact: The project will be funded from Depreciation Reserve Funds (uncommitted balance \$2.5 million at February 21, 2020). Revenue received is derived from the rent account which receives rent charged to agencies. The project is not expected to result in any change in annual operating expenditures.
- Full Project Estimate: \$610,191 (internal) funded by Other, Depreciation Reserve Funds. Contract execution is expected in July 2020 with construction completion in May 2021. The estimated cost to complete the project has increased from the Phase I estimate because construction costs are higher than initially anticipated.
- Other: The project includes the removal and replacement of AC hoist motor and coupling or gearless machine, isolation, rope gripper or sheave brake, hoist ropes and shackles, compensation and related sway less components, non-proprietary controls, regen AC drives, landing system, wiring, duct, conduit, limit switches, main COP, hall push button fixtures, lanterns, position indicators, safety governor, tail and rope, load weigher, toe guard, car door operator, car door and related equipment, inspection station, door detectors, HW pick-up rollers, interlocks, closers, door rollers, gibs, safeties, car and CWT spring guide rollers assemblies, pit switch, pit ladder, card reader provisions, fire command CTR, intercom, as required per code, possible security CPU/monitor as per

owner, earthquake requirements, refurbish all required retained equipment, professional painting, testing, adjusting and state inspection.

15. Project: Department of Administration
 D50.6031: SC Data Center Building – Targeted Roof Repairs
- Request: Establish Phase II for a partial roof replacement and targeted roof repairs of the low slope roof system at the SC Data Center located on Broad River Road in Columbia.
- Included in CPIP: Yes – 2019 CPIP Priority 9 of 31 in FY20 (estimated at \$250,000)
 Phase I Approval: October 2019 (estimated at \$266,132) (JBRC)
 CHE Approval: N/A
 Supporting Details: Pages 299-308

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

- Summary of Work: The work includes a partial roof replacement of the BUR and ballasted ETDM roof system with a TPO roof that will come with a minimum 20-year warranty.
- Rationale: The existing roof is original to the building and the manufacturer’s warranty expired in April 2019. The project will extend the useful life of the majority of the existing roof.
- Facility Characteristics: The building is 76,021 square feet with a 32,965 square foot roof area and was constructed in 1999 (20 years old). The Data Center Building is occupied by the Division of Technology (DTO) and is utilized by approximately 205 staff plus varying numbers of customers and visitors daily.
- Financial Impact: The project will be funded from Appropriated State Funds (uncommitted balance \$3 million at November 25, 2019). The project is not expected to result in any change in annual operating expenditures.
- Full Project Estimate: \$280,814 (internal) funded by Appropriated State Funds. Contract execution is expected in June 2020 with construction completion in October 2020. The estimated cost to complete the project has increased from the Phase I estimate due to rising construction costs and the identification of more extensive repairs than originally anticipated.
- Other: The current roof system which is composed of BUR and ballasted EPDM (rubber roofing membrane) roof system that utilizes gravel on the surface, making the surface rough and inconsistent and ineligible for elastomeric coating which requires a smooth roof surface without gravel. Approximately 8,453 square feet of roof area will be replaced with the TPO roof system.

16. Project: Department of Administration
 D50.6032: SC Data Center - B-Side - Uninterrupted Power Source (UPS) Upgrade
- Request: Establish Phase II construction budget to upgrade the Uninterrupted Power Source (UPS) at the SC Data Center located on Broad River Road in Columbia.
- Included in CPIP: Yes – 2019 CPIP Priority 31 of 31 in FY20 (estimated at \$2,100,000)
 Phase I Approval: October 2019 (estimated at \$2,028,000) (JBRC/SFAA)
 CHE Approval: N/A
 Supporting Details: Pages 309-324

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, DTO Revenue	30,420		30,420	2,507,286	2,537,706
All Sources	<u>30,420</u>		<u>30,420</u>	<u>2,507,286</u>	<u>2,537,706</u>

- Summary of Work: The project includes adding a modular Uninterrupted Power Source (UPS) with upgradable capacity, create new UPS distribution and provide tie-breaker arrangement between the existing A-side and new B-side, adding normal power distribution, revising generator feed arrangement, migration of existing PDU's to B-side UPS, mechanical HVAC work associated with the environmental site conditions, fire protection (sprinkler system) modifications, and lighting fire alarm and associated ancillary electrical requirements.
- Rationale: The purpose of the project is to establish true Uninterrupted Power Source Redundancy in the power supply for the SC Data Center's data processing equipment.
- Facility Characteristics: The SC Data Center Building is 76,021 square feet and was constructed in 1999 (21 years old). New equipment added as a result of the project will support the data processing areas of approximately 21,080 gross square feet. The facility houses the SC Division of Technology which has 205 employees, customers and visitors each day.
- Financial Impact: The project will be funded from DTO Internal Service Funds (uncommitted balance \$10.2 million at March 31, 2020). Revenue to the fund is generated from Network Services, Shared Services, and Print/Mail Services revenues that are collected from customers which are comprised of state agencies, higher education, counties and other local subdivisions. The project is not expected to result in any change in annual operating expenditures.
- Full Project Estimate: \$2,537,706 (internal) funded by DTO Revenue funds. Contract execution is expected in March 2021 with construction completion in March 2022.

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

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

Included in CPIP: Yes – 2019 CPIP Priority 26 of 31 in FY20 (estimated at \$495,000)
 Phase I Approval: October 2019 (estimated at \$430,500) (JBRC)
 CHE Approval: N/A
 Supporting Details: Pages 325-338

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

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

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

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

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

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

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

18. Project: Department of Administration
 D50.6036: Wade Hampton Building – Roof Replacement and Parapet Wall Reinforcement
- Request: Establish Phase II for the replacement of the roof and installation of parapet seismic structural reinforcement at the Wade Hampton Building located at the SC State Capitol Complex in Columbia.
- Included in CPIP: Yes – 2019 CPIP Priority 10 of 31 in FY20 (estimated at \$1,600,000)
 Phase I Approval: October 2019 (estimated at \$1,360,000) (JBRC/SFAA)
 CHE Approval: N/A
 Supporting Details: Pages 339-350

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

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

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

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

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

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

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

19. Project: Department of Administration
 D50.6046: Adjutant General Office Building – HVAC Systems Replacement
- Request: Establish Phase II construction budget to replace the HVAC systems at the Adjutant General Office Building located in Columbia.
- Included in CPIP: Yes – 2019 CPIP Priority 3 of 31 in FY20 (estimated at \$1,150,000)
 Phase I Approval: February 2020 (estimated at \$1,171,356) (JBRC/SFAA)
 CHE Approval: N/A
 Supporting Details: Pages 351-366

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Depreciation Reserve	18,570		18,570	1,197,117	1,215,687
All Sources	<u>18,570</u>		<u>18,570</u>	<u>1,197,117</u>	<u>1,215,687</u>

- Summary of Work: The work includes new air handlers, variable air volume units, chilled water pumps, and associated architectural and electrical work.
- Rationale: The HVAC systems are original to the building and are past their useful life, leading to system inefficiency, periodic failure and disruption of service.
- Facility Characteristics: The Adjutant General Administration Building is 53,817 square feet and was constructed in 1987 (32 years old). The building is utilized by the SC National Guard and the Adjutant General, which includes approximately 1,500 staff and visitors.
- Financial Impact: The project will be funded from Depreciation Reserve Funds (uncommitted balance \$2.7 million at May 6, 2020). Revenue to the fund is derived from the rent account which receives rent charged to agencies. The project is expected to result in a decrease of \$2,680 (years 1 thru 3) in annual operating expenses.
- Full Project Estimate: \$1,206,574 (internal) funded by Depreciation Reserve funds. Contract execution is expected in February 2021 with construction completion in October 2021.

Establish Construction Budget & Revise Scope

20. Project: Department of Administration
 D50.6026: Dennis Building – Replace Air Handlers 1 & 2
- Request: Establish Phase II and revise the scope to replace AHU # 1 and AHU # 2 at the Rembert Dennis Building. The additional scope of work will include replacing a large portion of the ceiling as well.
- Included in CPIP: Yes – 2019 CPIP Priority 27 of 31 in FY20 (estimated at \$1,100,000)
 Phase I Approval: October 2019 (estimated at \$651,375) (JBRC)
 CHE Approval: N/A
 Supporting Details: Pages 367-376

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

- Summary of Work: The work includes the replacement of both air handlers, adding new ductwork, HVAC controls, and lighting in the area currently served by AHU # 2.
- Rationale: The two air handling units frequently require repair, are beyond their useful life and need replacement. Providing adequate maintenance to these units is getting more difficult because parts are becoming obsolete.
- Facility Characteristics: The building is 248,950 square feet, 12,500 square feet affected by this project, and was constructed in 1950 (70 years old) and was renovated in 1978 (42 years ago). The facility is utilized by approximately 750 staff and visitors of the Office of the Attorney General, Department of Natural Resources, Legislative Council, and the Revenue and Fiscal Affairs Office.
- Financial Impact: The project will be funded from Depreciation Reserve Funds (uncommitted balance \$2.7 million at March 17, 2020). Revenue received is derived from the rent account which receives rent charged to agencies. The project is expected to result in a decrease of \$5,000 (years 1 thru 3), in annual operating expenses.
- Full Project Estimate: \$764,080 (internal) funded by Other, Depreciation Reserve Funds. Contract execution is expected in August 2020 with construction completion in February 2021. The estimated cost to complete the project has increased from the Phase I estimate due the increased scope of replacing a large portion of the ceiling, and higher estimated contractor markup due to the current climate of the construction industry.

21. Project: Department of Administration
 D50.6029: Harden Street DSS – Air Distribution, Heating and Cooling
- Request: Establish Phase II and revise the scope for the removal and replacement of the heating, cooling and air distribution systems in the Department of Social Services Harden Street building, and to add the replacement of the Harden Street HVAC Control System.
- Included in CPIP: Yes – 2019 CPIP Priority 11 of 31 in FY20 (estimated at \$573,781)
 Phase I Approval: October 2019 (estimated at \$745,839) (JBRC)
 CHE Approval: N/A
 Supporting Details: Pages 377-392

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

- Summary of Work: The project will remove and replace the original antiquated and unreliable heating, cooling and air distribution systems in the Department of Social Services – Harden Street Building.
- Rationale: The existing systems are original to the building and experience frequent outages and do not properly provide balanced heating and cooling.
- Facility Characteristics: The building is 64,311 square feet and was constructed in 1989 (31 years old). There are approximately 300 staff members and a various number of visitors who utilize the building.
- Financial Impact: The project will be funded from Appropriated State Funds (uncommitted balance \$2 million at March 10, 2020) and Depreciation Reserve Funds as a transfer from D50-9517 (uncommitted balance \$561,536.15 at March 31, 2020). The project is not expected to result in any change in annual operating expenditures.
- Full Project Estimate: \$1,047,618 (internal) funded by Appropriated State Funds and Depreciation Reserve Funds. Contract execution is expected in October 2020 with construction completion in October 2021. The estimated cost to complete the project has increased from the Phase I estimate due to the additional scope, increased costs of VAV boxes, design fees for added scope and larger contingency.
- Other: Replacement of the Harden Street HVAC Control System was included as a portion of another permanent improvement project, D50-9817 (Energy Facilities Control Systems Upgrade). However, in consultation with OSE, it was determined in order to realize a cost savings and minimize the disruption to the building occupants, the Harden Street HVAC Controls should be included as part of this project.

Establish Project for A&E Design

22. Project: Office of the Adjutant General
 E24.9824: 3800 Water Heater Replacement
- Request: Establish Phase I pre-design to demolish the 7-existing gas-fire water heaters at McCrady Training Center serving Wings 100, 300, 600, 700 and the Kitchen.
- Included in CPIP: No – It was anticipated that these heaters would not need to be replaced for another five years at the time of the 2019 CPIP submission.
- CHE Approval: N/A
- Supporting Details: Pages 393-402

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

- Summary of Work: The project will replace the original existing gas-fire water heaters with staged gas-fired instantaneous water heaters with new piping for integration into the existing hot water supply systems running throughout the facility.
- Rationale: Multiple failures of three separate water heaters occurred during the summer and fall of 2019, and during attempts to repair the individual heaters, the equipment supplier advised that parts for these units are no longer produced and many parts are no longer available.
- Facility Characteristics: The 218th Regional Training Institute at the McCrady Training center is 160,342 square feet and was constructed in 1998 (21 years old) and serves students, soldiers and staff of the National Guard.
- Financial Impact: The project will be funded from Federal, National Guard Bureau funds (uncommitted balance \$13.7 million at January 23, 2020). Revenue to the fund is identified as part of the Construction and Facilities Management Office’s Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau. The project is expected to result in a decrease of \$6,050 (year 1), \$6,150 (year 2) and \$6,250 (year 3), in annual operating expenses.
- Full Project Estimate: \$341,100 (internal) funded by Federal National Guard Bureau Funds.
- Other: The project will include replacement of 2 – 600-gallon heaters serving Wings 600 and 700, 2 – 250-gallon heaters serving the Kitchen, 1 – 250-gallon heater serving Wing 100, and 2 – 250-gallon heaters serving Wing 300 with staged gas-fired instantaneous water heaters with new piping for integration into the existing hot water supply systems running through the facility.

Phase II Increase

23. Project: Office of the Adjutant General
 E24.9793: Armory Revitalization (Annualized)
- Request: Increase the Phase II budget to continue with the design and construction of the Easley and Sumter armories.
- Included in CPIP: Yes – 2019 CPIP Priority 3 of 18 in FY20 (estimated at \$23,346,000)
- Phase II Approval: November 2016 (estimated at \$10,500,000) (JBRC/SFAA)
- Phase II Incr. Approval: September 2018 (estimated at \$13,500,000) (Admin.)
- CSOF Approval: September 2018 (estimated at \$13,500,000) (JBRC Staff)
- Phase II Incr. Approval: December 2018 (estimated at \$19,600,000) (JBRC/SFAA)
- CHE Approval: N/A
- Supporting Details: Pages 403-410

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY16 Capital Reserve	5,000,000		5,000,000		5,000,000
FY19 Capital Reserve		3,000,000	3,000,000		3,000,000
Appropriated State, FY20 Proviso 118.16 (nonrecurring)			2,000,000		2,000,000
Federal, National Guard Bureau	5,500,000	2,500,000	10,000,000	500,000	10,500,000
Other, FY20 Armory Maintenance				500,000	500,000
All Sources	<u>10,500,000</u>	<u>5,500,000</u>	<u>20,000,000</u>	<u>1,000,000</u>	<u>21,000,000</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 as long as there is a federally recognized unit assigned to the facilities.
- Facility Characteristics:** Each armory is 45,000 to 65,000 square feet and were constructed in 1970 (50 years old). The agency has relocated and/or consolidated force structure to other RCs and closed the sub-standard RCs that could be closed. Each armory will be utilized by 300+ National Guardsman statewide.
- Financial Impact:** The project will be funded with Federal, National Guard Bureau Funds (uncommitted balance \$13,000,000 at March 17, 2020). Revenue to this fund is received from the Construction and Facilities Management Office's Master Cooperative Agreement funds. The project will also be funded with Other, FY20 Armory Maintenance Funds (uncommitted balance \$1,200,000 at March 17, 2020). The project is not expected to result in any change in annual operating expenditures.
- Full Project Estimate:** \$41,000,000 (internal) funded by Capital Reserve, Appropriated State and National Guard Bureau Funds. Contract execution is expected in August 2020 for Easley with construction completion in August 2021.
- Other:** 3 of 10 facilities (Greenwood/Lancaster/Greenville) have been completed. 1 of 10 (Florence) is presently under renovation and will be completed by the end of 2020. 2 of 10 (Easley & Sumter) are being designed with this funding being added to the project.

Phase II Increase

24. Project: Office of the Adjutant General
 E24.9811: Training Sites TT Enlisted Barracks Replacement
- Request: Increase the Phase II budget for this annualized project to support the construction of Clarks Hill Training Site.
- Included in CPIP: Yes – 2019 CPIP Priority 5 of 18 in FY20 (estimated at \$1,326,416)
 Phase I Approval: May 2018 (estimated at \$1,404,000) (JBRC/SFAA)
 Phase II Approval: March 2019 (estimated at \$1,414,416)
 CHE Approval: N/A
 Supporting Details: Pages 411-418

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, National Guard Bureau	88,000	1,326,416	1,414,416	663,208	2,077,624
All Sources	<u>88,000</u>	<u>1,326,416</u>	<u>1,414,416</u>	<u>663,208</u>	<u>2,077,624</u>

Summary of Work: The project will demolish existing WWII Era barracks and construct replacement Transient Training Enlisted, (TT ENL) Barracks at two Army National Guard Training Sites; McCrady Training Center (MTC) and Clarks Hill Training Site (CHTS). The construction phase of this project will be annualized with one barrack from McCrady Training Center (#3511), and one barrack from Clarks Hill Training Site (#4423) being demolished and replaced with 16-man barracks at this time. Each barracks building will be of permanent construction with a finished interior, including mechanical, electrical, and plumbing, (MEP) systems, a latrine with showers, urinals, toilets, sinks and washer/dryer connections. Installation of utilities and the extensions of utilities to the nearest service lines are also included

Rationale: The barracks to be replaced are no longer sufficient for the housing of soldiers; the structures are not insulated properly; the roofs are cost prohibitive to repair; no latrine; single pane windows; and old/energy inefficient light fixtures. Due to their age and condition, the existing barracks no longer support the SCARNG’s mission and need to be replaced to current codes and standards.

Facility Characteristics: Each of the five (5) new barracks buildings at McCrady Training Center will be approximately 2,400 to 4,600 square feet. Each of the five (5) new barracks buildings at Clarks Hill Training Site will be approximately 2,400 square feet. Approximately 300 Army National Guard soldiers use these facilities.

Financial Impact: The project will be funded from National Guard Bureau Funds (uncommitted balance \$8 million at May 6, 2020). Revenue to this fund is identified as part of the Construction and Facilities Management Office’s Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau. The project is expected to result in a decrease of \$7,000 (years 1 thru 3) in annual operating expenses.

- Full Project Estimate: \$2,077,624 (internal) funded by National Guard Bureau Funds. Contract execution is expected in July 2020 with construction completion in December 2020. Construction for each of the ten barracks is anticipated to cost \$663,208, totaling \$6,632,080. The total estimated cost to complete the full scope of the project is estimated at \$6,720,080
- Other: The current McCrady Training Center includes five (5) buildings that total 14,805 square feet and the current Clarks Hill Training Site includes five (5) buildings that total is 3,840 square feet.

25. Project: Office of the Adjutant General
 E24.9814: Hodges Readiness Center Erosion Repairs
- Request: Increase Phase II budget to cover the cost of design fees that were not included in the project, and to increase the contingency amount for the Hodges Readiness Center Erosion Repairs.
- Included in CPIP: Yes – 2019 CPIP Priority 15 of 18 in FY20 (estimated at \$409,500)
 Phase I Approval: December 2018 (estimated at \$345,100) (JBRC)
 Phase II Approval: May 2019 (estimated at \$345,100) (JBRC)
 CHE Approval: N/A
 Supporting Details: Pages 419-426

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

- Summary of Work: The work includes all labor, materials and equipment to replace the existing inadequately sized Storm Water System Outfall with new stormwater pipes and boxes with backfill to repair the erosion at the existing stormwater outfall channel.
- Rationale: Stormwater has eroded the existing channel along the South side of the property and cut a 25' deep gully at the stormwater outfall that extends for approximately 100'. These repairs are required to correct existing problems and prevent any future erosion on the site.
- Facility Characteristics: The existing system is original to the armory constructed in 1999 (21 years old). The armory is occupied by approximately 150 soldiers with Company B of the 151st Signal Battalion.
- Financial Impact: The project will be funded from Appropriated State Funds (uncommitted balance \$984K at January 15, 2020). The project is expected to result in an increase of \$1,000 (years 1 thru 3), in annual operating expenses.
- Full Project Estimate: \$395,100 (internal) funded by Appropriated State Funds. Contract execution is expected in March 2020 with construction completion in December 2020.

Phase II Increase & Revise Scope

26. Project: Office of the Adjutant General
 E24.9807: MTC Bldg. 3800 HVAC Replacement
- Request: Increase the Phase II budget and revise the project scope to install smoke detectors on the air handlers with cabling back to the Fire Alarm panel per code.
- Included in CPIP: Yes – 2018 CPIP Priority 10 of 18 in FY19 (estimated at \$700,000)
 Phase I Approval: December 2017 (estimated at \$468,000) (JBRC)
 Phase II Approval: April 2018 (Partial Approval) (estimated at \$468,000)
 Phase II Approval: January 2019 (estimated at \$1,498,940)
 CHE Approval: N/A
 Supporting Details: Pages 427-434

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Federal, National Guard Bureau	7,020	1,491,920	1,498,940	401,051	1,900,000
All Sources	<u>7,020</u>	<u>1,491,920</u>	<u>1,498,940</u>	<u>401,051</u>	<u>1,900,000</u>

- Summary of Work: The project will replace the ten (10) HVAC units on the McCrady Training Center.
- Rationale: The 22-year-old HVAC units that support the Readiness Training Institute (RTI) are nearing the end of their serviceable life. The RTI has been plagued with HVAC failures and repairs over the past few years, which has directly affected their Federal mission which supports the US Army’s Training and Doctrine Command (TRADOC).
- Facility Characteristics: The Regional Training Institute is 160,342 square feet and was constructed in 1998 (22 years old). This facility is utilized by the SC Army National Guard to provide professional military education to soldiers. It houses approximately 80 full-time instructors and staff and provides military education to approximately 3,000 students annually.
- Financial Impact: The project will be funded from National Guard Bureau Funds (uncommitted balance \$7.4 million at May 6, 2020). Revenue to this fund is identified as part of the Construction and Facilities Management Office’s Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau. The project is expected to result in a decrease of \$35,000 (years 1 thru 3) in annual operating expenses.
- Full Project Estimate: \$1,900,000 (internal) funded by National Guard Bureau Funds. Construction completion is planned for October 2021.

Phase II Increase, Revise Scope & Change Source of Funds

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

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

Included in CPIP: Yes – 2019 CPIP Priority 12 of 18 in FY20 (estimated at \$1,067,296)
 Phase I Approval: January 2019 (estimated at \$816,850) (JBRC)
 CSOF Approval: May 2019 (estimated at \$816,850) (Admin.)
 Revise Scope & Phase II Approval: August 2019 (estimated at \$1,067,296) (JBRC/SFAA)
 CHE Approval: N/A
 Supporting Details: Pages 435-444

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

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

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

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

Financial Impact: The project will be funded from Appropriated State and Federal, National Guard Bureau Funds (uncommitted balance \$2.2 million at January 15, 2020). Revenue to the fund is identified as part of the Construction and Facilities Management Office’s Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau. The project is not expected to result in any change in annual operating expenditures.

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

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

Establish Project for A&E Design

28. Project: Department of Health and Environmental Control
 J04.9534: Statewide Security Project
- Request: Establish Phase I pre-design to address security upgrades in DHEC locations statewide to include both owned and occupied offices.
- Included in CPIP: No – A few incidents have occurred in the fall and winter of 2019 and subsequent to the 2019 CPIP submission that had the agency focus on the safety of their employees throughout the state.
- CHE Approval: N/A
- Supporting Details: Pages 445-454

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

- Summary of Work: The project will include the installation of an access control system, building out doors to close off access to restricted areas of DHEC County Offices, installation of interior and exterior video cameras and upgrading exterior lighting as needed.
- Rationale: Due to incidences that have occurred in the fall and winter of 2019, the agency has decided that there is a need to focus on employee safety statewide.
- Facility Characteristics: The buildings ranged from 3,100 square feet to 50,000 square feet and were constructed between 1960 and 2015 (5 to 60 years old). The agency has 1,760 staff in the county offices and serves approximately 480,000 clients a year.
- Financial Impact: The project will be funded from FY19 Carryforward Funds (uncommitted balance \$2.5 million at March 17, 2020). The project is expected to result in an increase in additional annual operating cost, but those costs have not yet been determined.
- Full Project Estimate: \$750,000 (internal) funded by Carryforward Funds.

Establish Construction Budget

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

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

Included in CPIP: Yes – 2019 CPIP Priority 4 of 4 in FY20 (estimated at \$270,000)
 Phase I Approval: October 2019 (estimated at \$270,000) (JBRC)
 CHE Approval: N/A
 Supporting Details: Pages 455-464

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

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

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

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

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

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

Establish Construction Budget

30. Project: Department of Mental Health
 J12.9766: SCDMH Harris Anti-Ligature Bathroom Renovations
- Request: Establish Phase II construction budget to replace the patient bathroom hardware with anti-ligature fixtures in the Patrick B. Harris Psychiatric Hospital in Anderson County.
- Included in CPIP: Yes – 2019 CPIP Priority 1 of 10 in FY21 (Harris Hospital Renovation Lodges A, G, H, J, and K estimated at \$6,005,645 – this component estimated at \$600,000)
- Phase I Approval: October 2018 (estimated at \$600,000) (JBRC)
- CHE Approval: N/A
- Supporting Details: Pages 489-498

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	9,000		9,000	631,000	640,000
All Sources	<u>9,000</u>		<u>9,000</u>	<u>631,000</u>	<u>640,000</u>

- Summary of Work: The project will modify at least 7 of the 54 facility bathrooms to current anti-ligature compliance. This includes items like sinks, faucets doors, doorknobs, hinges, paper towel dispensers, soap dispensers, shower heads, mixing valves, toilet flush valves, etc.
- Rationale: In order to get CMS (Centers for Medicare/Medicaid) federal funding, Patrick B. Harris Psychiatric Hospital must maintain licensing, certification, and accreditation from DHEC, CMS & the Joint Commission respectively. Currently, Harris Hospital is not in compliance with anti-ligature safety requirements.
- Facility Characteristics: The building is 162,301 square feet and was built in 1985 (35 years old). The building is utilized by 626 students, 311 staff, and 777 clients. The inpatient psychiatric hospital has 200 licensed beds with current capacity of 131 beds.
- Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$1.6 million at March 16, 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 not expected to result in any change in annual operating expenditures.
- Full Project Estimate: \$640,000 (internal) funded by Capital Improvement & Maintenance Funds. Contract execution is expected in August 2020 with construction completion in December 2020.

31. Project: Department of Mental Health
 J12.9783: Bryan/Morris Village Cooling Tower Piping Replacement
- Request: Establish Phase II construction budget to replace 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 2019 CPIP because it was anticipated that the existing underground piping would hold a little longer. More and more scale is being found from the inside of the pipes clogging up the top of the cooling tower. This prompted the need to proceed with replacing the piping earlier than planned.
- Phase I Approval: December 2019 (estimated at \$475,000) (JBRC)
- CHE Approval: N/A
- Supporting Details: Pages 499-512

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		7,125	627,875	635,000
All Sources	<u>7,125</u>		<u>7,125</u>	<u>627,875</u>	<u>635,000</u>

- Summary of Work: The project will replace the underground condenser water piping with overhead piping.
- 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 accumulate in the strainers reducing flow and the efficiency of the equipment.
- Facility Characteristics: The Energy Facility is 6,919 square feet and was built in 1975 (45 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 \$1.6 million at March 16, 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: \$635,000 (internal) funded by Capital Improvement & Maintenance Funds. Contract execution is expected in September 2020 with construction completion in December 2020. The estimated cost to complete the project has increased from the Phase I estimate due to the site investigation findings. It was identified that the site has very poor drainage that also needs to be repaired which is resulting in around 30% additional cost.

32. Project: Department of Mental Health
 J12.9786: Bryan Roofing Replacements and Minor Repair
- Request: Establish Phase II construction budget to replace the shingles on 4 buildings and make multiple roof repairs to 11 existing buildings.
- Included in CPIP: Yes – 2019 CPIP Priority 2 of 9 in FY22
 (included in Bryan Roofing Replc. & Minor Rpr – this component estimated at \$240,000)
- Phase I Approval: February 2020 (estimated at \$240,000) (JBRC)
- CHE Approval: N/A
- Supporting Details: Pages 513-534

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	3,600		3,600	306,400	310,000
All Sources	<u>3,600</u>		<u>3,600</u>	<u>306,400</u>	<u>310,000</u>

- Summary of Work: The project will include the replacement of fascia, soffits, gutters, vents, boots, etc. The Bryan Psychiatric Hospital buildings getting new roofs are the Kitchen/Dining room building, Pharmacy building, Pharmacy Annex building, and Kiva building. The shingles will be replaced with 30-year shingles and come with a 30-year warranty. The 11 buildings requiring roof repairs will have non-shingle related roof items addressed.
- Rationale: The 4 buildings getting new roofs have 20-year 3-tab shingle roofs, original to the buildings, and are experiencing leaks and age-related issues. The work will include replacement of fascia, soffits, gutters, vents, boots, etc. The roofs requiring repairs on the 11 buildings are 10 years old and are dealing with flashing and other non-shingle related problems
- Facility Characteristics: The total square footage of the 4 buildings getting new roofs is 11,855 square feet and were constructed in 1977 (33 years old). The Bryan Psychiatric Hospital has over 200 patients and 519 staff.
- Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$1.6 million at March 16, 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 not expected to result in any change in annual operating expenditures.
- Full Project Estimate: \$310,000 (internal) funded by Capital Improvement & Maintenance Funds. Contract execution is expected in July 2020 with construction completion in October 2020.

Phase II Increase

33. Project: Department of Mental Health
 J12.9764: SCDMH Harris Sewer Line Repair
- Request: Increase Phase II budget to cover the award of Alternates 1 and 2 and additional contingency funds. By awarding the Base Bid, the contingency is at 2% from a requested and approved 20%.
- Included in CPIP: No – It was unknown at the time of the 2019 CPIP submission that the additional funds would be needed.
- Phase I Approval: September 2018 (estimated at \$220,000) (JBRC Staff)
- Phase II Approval: May 2019 (estimated at \$701,000) (JBRC)
- CHE Approval: N/A
- Supporting Details: Pages 535-544

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

- Summary of Work: The project is replacing the entire 162,301 feet of terracotta sewer line at the Patrick B. Harris Psychiatric Hospital in Anderson County.
- Rationale: The project was originally established as an emergency procurement and work began to replace 180' of sewer line. Upon inspection it was determined that the existing terracotta system was going to continue to fail in multiple locations over time. The sewer system is failing in areas allowing soil and debris in the sewer line at the joints. It was determined that funds were available to replace the entire system in one project which would save money over time and reduce the potential of having to close a wing until the problem is resolved.
- Facility Characteristics: The existing/original sewer line at Patrick B. Harris Psychiatric Hospital, which is 162,301 square feet was constructed in 1987 (33 years old). The hospital has 125 long term nursing home patients and 150 staff and support personnel.
- Financial Impact: The project will be funded from Other, Capital Improvement & Maintenance Funds (uncommitted balance \$1 million at December 31, 2019). The project is not expected to result in any change in annual operating expenditures.
- Full Project Estimate: \$953,012 (internal) funded by Other, Capital Improvement & Maintenance Funds. Completed of construction is expected in October 2020.
- Other: The existing sewer line has created sinkholes in several locations outside the building. Initially, the emergency portion of the project was to fix 180' of sewer line. Then an additional section of the drain was discovered to have a problem. Ultimately the project

was expanded to replace the entire sewer line. The project will involve a lot of digging which could affect water lines, communication lines, etc.

Establish Project for A&E Design

34. Project: Department of Disabilities & Special Needs
 J16.9926: Regional Centers – Replacement of HVAC Equipment with R-22 Refrigerant
- Request: Establish Phase I pre-design to prioritize the replacement of HVAC equipment at each regional center, based on age and maintenance issues to advance removal of old HVAC systems with R-22 refrigerant.
- Included in CPIP: Yes - 2019 CPIP Priority 2 of 4 in FY2020 (estimated at \$500,000)
 CHE Approval: N/A
 Supporting Details: Pages 545-554

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

- Summary of Work: The project will replace failed or failing HVAC equipment that has reached its useful life expectancy at Whitten, Midlands, Coastal and Pee Dee/Saleeby Regional Centers.
- Rationale: The U.S. EPA, in cooperation with other agencies and groups around the world, initiated a phase out of many ozone-depleting agents as part of an international agreement known as the Montreal Protocol. The production/import of R22 will be continually reduced by law and all production/import will be eliminated. Only recycled R22 refrigerant will be available to service existing air conditioners after 2020.
- Facility Characteristics: The facilities range from 43,221 square feet to 175,791 square feet, totaling 529,437 square feet and were constructed between 1935 and 2011 (85 to 9 years old). The HVAC equipment ranges in age from 10 to 25 years old. The regional centers serve approximately 654 customers and house approximately 1,660 staff daily.
- Financial Impact: The project will be funded from Excess Debt Service funds (uncommitted balance \$2.5 million at October 31, 2019). Revenue to the fund is invested and held by the State Treasurer’s Office on behalf of SCDDSN and are comprised of revenues of the commission that exceeds the payment due or to become due during the then current fiscal year and an additional sum equal to the maximum annual debt service requirement of the obligations for a succeeding fiscal year. The project is not expected to result in any change in annual operating expenditures.
- Full Project Estimate: \$500,000 (internal) funded by Excess Debt Service Funds.

Phase II Increase

35. Project: John de la Howe
 L12.9519: JDLH School Entrance/Security Gate
- Request: Increase the Phase II budget to cover additional costs that were determined by the A&E firm when they re-visited the original estimate prior to bidding.
- Included in CPIP: Yes – 2019 CPIP Priority 2 of 13 in FY20 (estimated at \$140,000)
 Phase I Approval: August 2019 (estimated at \$200,000) (JBRC Staff)
 Phase II Approval: December 2019 (estimated at \$299,554) (JBRC)
 CHE Approval: N/A
 Supporting Details: Pages 555-568

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

- Summary of Work: The project was established to enhance facility security by constructing a guard facility and gate at the main entrance of the school. The actual costs associated with general conditions, remote location, and site work has increased the original estimated project costs.
- Rationale: With the school re-opening in August 2021, these security updates are needed for the campus.
- Facility Characteristics: The new facility will be 248 heated square feet and 352 non-heated square feet plus parking, gates and fences and will be used by security personnel. Approximately 300 students and faculty will use this entrance daily.
- Financial Impact: The project will be funded from Appropriated State FY19 Carryforward Funds (uncommitted balance \$1 million at July 2019). The project is expected to result in an increase of \$3,500 (years 1 thru 3), in annual operating expenses.
- Full Project Estimate: \$518,093 (internal) funded by Carryforward Funds. Contract execution is expected in May 2020 with construction completion in August 2020.

Establish Project for A&E Design

36. Project: Department of Corrections
 N04.9764: Tyger River CI – Multipurpose Building
- Request: Establish Phase I pre-design to construct a Multipurpose Building at Tyger River Correctional Institution.
- Included in CPIP: No – It was unknown when the Tyger River Chapel committee would be able to acquire the necessary funds.
- CHE Approval: N/A
- Supporting Details: Pages 569-578

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

- Summary of Work: The project will construct a 3,500 square foot metal building that will provide space to hold multi-faith services and program services for the inmate population as well as provide needed office space for staff.
- Rationale: Currently Tyger River Correctional Institution does not have a dedicated space to provide multi-faith programs and counseling services to the institutions lower yard inmate population.
- Facility Characteristics: The new multipurpose building to be constructed will be 3,500 square feet and will serve 568 inmates and an average of 100 staff members assigned to the institutions lower yard.
- Financial Impact: The project will be funded from Other, Tyger River Chapel Foundation funds through a construction related gift. The project is expected to result in an increase in additional annual operating cost, but those costs have not yet been determined.
- Full Project Estimate: \$679,531 (internal) funded by the Tyger River Chapel Foundation.
- Other: The project will be managed and funded directly by the Tyger River Chapel Foundation at no cost to the agency. A general contractor will construct the building on state property and upon completion, the building will be donated to the agency.

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

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

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

CHE Approval: N/A

Supporting Details: Pages 579-588

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

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

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

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

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

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

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

38. Project: Department of Corrections
 N04.9766: Camille Graham CI – Construct Program Building
- Request: Establish Phase I pre-design to construct an approximately 3,600 square foot wood framed metal siding building to be used for Reentry and other Institutional Programming Classes.
- Included in CPIP: No – This project was not anticipated needing attention and therefore was not included in the 2019 CPIP.
- CHE Approval: N/A
- Supporting Details: Pages 589-596

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

- Summary of Work: The project will prepare the site, construct the building and the applicable materials including fill material, concrete, framing material, doors, windows, plumbing, mechanical, electrical and other building materials as required.
- Rationale: The current spaces being utilized for these programs are being shared between multiple groups including Mental Health, Substance Abuse, Religion, Recreation, and Visitation. These programs require a dedicated space to allow for a full day of classes without interruption due to scheduling conflicts.
- Facility Characteristics: The new 3,600 square foot facility will be utilized by 4 employees, 1 officer and 50 to 70 students each day.
- Financial Impact: The project will be funded from Canteen Funds (uncommitted balance \$6.5 million at March 13, 2020). Revenue to this fund is derived wholly from the canteen operations within the Department of Corrections on behalf of the inmate population, which may be retained and expended by the department for the continuation of the operation of said canteens and the welfare of the inmate population or, at the discretion of the Director, used to supplement costs of operations. The project is expected to result in an increase in additional annual operating cost, but those costs have not yet been determined.
- Full Project Estimate: \$500,000 (internal) funded by Canteen Funds.

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

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

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

CHE Approval: N/A

Supporting Details: Pages 597-604

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

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

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

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

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

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

40. Project: Department of Corrections
 N04.9768: Kirkland CI – Remodel Storage Space into Housing Unit
- Request: Establish Phase I pre-design to remodel a portion of the building “D” at Kirkland CI to a Housing Unit.
- Included in CPIP: No – This project was not anticipated needing attention and therefore was not included in the 2019 CPIP.
- CHE Approval: N/A
- Supporting Details: Pages 605-612

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

- Summary of Work: The project scope of work will convert approximately 10,446 square feet, which is the portion of the building used for storage space, into a Housing Unit. Portions of this building were remodeled into a housing unit in 2000. Currently Kirkland CI houses R&E, the State’s MSU and special needs inmates which puts bed space at a premium.
- Rationale: The Housing Unit will provide space for Kirkland CI’s inmate cadre to be moved from the Special Needs Unit to a separate unit freeing up bed space for additional special needs inmates.
- Facility Characteristics: The “D” Building is 51,860 square feet and was constructed in 1973 (47 years old). The 10,446 square feet of remodeled space will house 100 inmates and 1 staff.
- Financial Impact: The project will be funded from Canteen Funds (uncommitted balance \$6.5 million at March 13, 2020). Revenue to this fund is derived wholly from the canteen operations within the Department of Corrections on behalf of the inmate population, which may be retained and expended by the department for the continuation of the operation of said canteens and the welfare of the inmate population or, at the discretion of the Director, used to supplement costs of operations. The project is expected to result in an increase in additional annual operating cost, but those costs have not yet been determined.
- Full Project Estimate: \$1,000,000 (internal) funded by Canteen Funds.

Establish Project for A&E Design

41. Project: Department of Juvenile Justice
 N12.9610: New Fence Detection System
- Request: Establish Phase I pre-design to obtain a fence mounted perimeter intrusion detection system.
- Included in CPIP: No – In compliance with the Department of Justice’s report, it became imperative that they design and execute this project.
- CHE Approval: N/A
- Supporting Details: Pages 613-636

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

- Summary of Work: The project will provide protection for approximately 4,000 feet of perimeter chain link fence at the Broad River Road Complex, Juvenile Detention Center and the Midlands Evaluation Center, Upstate Evaluation Center and Coastal Evaluation Center.
- Rationale: The system will increase the awareness of their frontline security in these facilities.
- Facility Characteristics: There is not a current system in place at these facilities. This will be a new system.
- Financial Impact: The project will be funded from Appropriated State, FY19 Carryforward funds (uncommitted balance \$5.1 million at February 13, 2020). The project is not expected to result in any change in annual operating expenditures.
- Full Project Estimate: \$256,785 (internal) funded by Appropriated State, Carryforward Funds.
- Other: This system will be a continuous computer monitoring system that will tie into the entire chain link of the perimeter fence. The set up allows for gate openings and general areas. Should the fence move much within an area, it would send an alarm to dispatch, who then would notify perimeter security to check the area.

42. Project: Department of Juvenile Justice
 N12.9611: Security Upgrade for Maple, Holly, Poplar, Cypress and Laurel Units
- Request: Establish Phase I pre-design to install secure cell fronts, door controls, intercoms and central control units to the 4 newer units of the main campus.
- Included in CPIP: Yes – 2019 CPIP Priority 3 of 6 in FY23 (estimated at \$4,101,651)
 CHE Approval: N/A
 Supporting Details: Pages 637-644

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

- Summary of Work: The project will upgrade the lock and control systems from the original designs to meet current life safety codes as well as provide a controlled and safe environment for the staff and youth. This work will also include the intercom system, control station(s), and computer switchgear renovation needs. The area impacted is 2,300 square feet.
- Rationale: Currently, the youth, many of whom have traumatic pasts, are housed in open rooms with no barriers, so many youths feel less secure and have difficulty sleeping. Cell doors and other included security upgrades will provide a safer environment and allow them to focus more on their rehabilitation. Additionally, having doors will provide privacy and more safety for youth that are displaying aggressive behaviors and for those who feel unsafe in their environments.
- Facility Characteristics: The building is 115,060 square feet and was constructed in 2001 (19 years old). There are 10 youth and 2 staff who utilize the 2,300 square feet of space impacted by the project.
- Financial Impact: The project will be funded from Appropriated State, FY19 Carryforward Funds (uncommitted balance \$5.1 million at February 13, 2020).
- Full Project Estimate: \$4,101,651 (internal) funded by Appropriated State, Carryforward Funds.

Phase II Increase

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

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

Included in CPIP: Yes – 2018 CPIP Priority 3 of 3 in FY19 (estimated at \$245,000)
 Phase I Approval: August 2018 (estimated at \$245,000) (JBRC Staff)
 Phase II Approval: May 2019 (estimated at \$344,045) (JBRC)
 Phase II Incr. Approval: March 2020 (estimated at \$351,691) (Amin.)
 CHE Approval: N/A
 Supporting Details: Pages 645-652

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

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

Rationale: The agency needs a climate-controlled and spacious area to conduct employee, grower, and industry training, store equipment, and conduct repairs. This facility will improve training and inspection efficiency, be a better learning environment, and improve employee retention. Peanut acreage and tonnage have increased demand for the agency services, for which farmers pay a fee.

Facility Characteristics: The new facility will be approximately 4,450 square feet of covered space (61' x 73'). Centrally located in Columbia, it will be utilized by 16 full-time employees and 7 time-limited employees along with a possible 300 farmers, growers, and producers for training.

Financial Impact: The project will be funded from Inspections Fees (uncommitted balance \$828K at February 29, 2020). Revenue to this fund is generated from grain inspection revenue. The project is expected to result in an increase of \$1,200 (year 1) and \$6,460 (years 2 and 3), in annual operating expenses.

Full Project Estimate: \$438,691(internal) funded by Inspection Fees and Surplus Property Sale Funds. Construction completion expected in August 2020.

Other: The Department of Agriculture grades 250,000 tons (120,000 acres) of peanuts for 500 farmers at 12 buying points across South Carolina and employs up to 140 temporary

employees and 5 full time employees. SCDA Grading and Inspections program has cooperative agreements with USDA for peanuts, poultry and egg, fruit and vegetables, and grain. These are fee for service activities conducted statewide, mostly on-location in privately-owned, customer facilities to ensure the quality is accurately represented to the consumer and the appropriate price is paid to the producer.

Establish Project for A&E Design

44. Project: Department of Natural Resources
 P24.6007: Greenville-Poinsett Bridge Restoration

Request: Establish Phase I pre-design to rehabilitate the Poinsett Bridge, located in northern Greenville County.

Included in CPIP: Yes - 2019 CPIP Priority 13 of 26 in FY2020 (estimated at \$1,000,000)
 CHE Approval: N/A
 Supporting Details: Pages 653-662

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Heritage Land Trust				13,485	13,485
All Sources				<u>13,485</u>	<u>13,485</u>

Summary of Work: The project will restore the masonry gothic arch granite bridge, as well as include the installation of safety railings.

Rationale: A 2016 survey of the bridge identified issues that would require certain degrees of restoration work. This work will help stabilize the historic structure and provide future generations access to a unique piece of South Carolina’s history.

Facility Characteristics: The 102’ long bridge is part of the Saluda Mountain Road connecting upland South Carolina with Charleston, has an arch span of 7’-4 1/2 “and a height of 14’ and was constructed in 1820 (200 years old) and will be utilized by persons visiting the Heritage Preserve Site. It was listed in the National Register of Historic Places in 1970 and is the oldest surviving bridge in the southeastern United States. It was protected as a Heritage Preserve in 2003.

Financial Impact: The project will be funded from Other, Heritage Land Trust funds (uncommitted balance \$3.4 million at January 8, 2020). Revenue to the fund is received to acquire in fee simple or lesser interest in priority areas, legal fees, appraisals, surveys, or other costs involved in the acquisition of priority areas, and for the development of minimal facilities and management necessary for the protection of priority areas. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$899,000 (internal) funded by Other, Heritage Land Trust Funds.

Other: The bridge crosses the Callahan Branch of Little Gap Creek and is located near Travelers Rest in Greenville County adjacent to County Road 42. The project includes removing the heavyweight fill between spandrels and replacing with a lighter weight fill to relieve the pressure on spandrels and retaining walls, repoint all mortar joints, replace parapet stones as needed and regrade approaches to the bridge that minimizes unwanted water runoff from crossing the bridge. Safety railings will also be installed for visitor safety and to protect the bridge.

Establish Construction Budget

45. Project: Department of Natural Resources
 P24.6005: Charleston – Santee Coastal Reserve Dock Replacement
- Request: Establish Phase II for the construction of a new dock on Santee Coastal Reserve WMA that will replace an existing structure on the South Santee River.
- Included in CPIP: Yes – 2019 CPIP Priority 8 of 26 in FY20 (estimated at \$234,800)
 Phase I Approval: December 2019 (estimated at \$315,420) (JBRC)
 CHE Approval: N/A
 Supporting Details: Pages 663-672

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Fish & Wildlife Protection (Timber)	4,600		4,600	395,400	400,000
All Sources	<u>4,600</u>		<u>4,600</u>	<u>395,400</u>	<u>400,000</u>

- Summary of Work: The work includes replacement of the existing structure with a fixed pier and floating dock.
- Rationale: Minor repairs had become more frequent due to age but the recent succession of storms, and in particular Hurricane Michael, have rendered portions of the dock unusable.
- Facility Characteristics: The existing dock has been in place for at least 30 years. The dock is utilized by approximately 100 public users and staff for waterfowl hunting. Staff regularly use the dock to access other parcels that encompass the reserve.
- Financial Impact: The project will be funded from Other, Fish & Wildlife Timber Funds (uncommitted balance \$3 million at January 15, 2020). Revenue that may be expended by the department for the protection, propagation, and management of freshwater fisheries and wildlife, the enforcement of related laws, the administration of the department, and the dissemination of information, facts, and findings the department considers necessary. Revenue may be expended on permanent improvement or deferred maintenance projects consistent with the purposes of the fund. The project is not expected to result in any change in annual operating expenditures.
- Full Project Estimate: \$400,000 (internal) funded by Other, Fish & Wildlife Timber Funds. Contract execution is expected in March 2020 with construction completion in June 2020.
- Other: Staff must access portions of the WMA by boat for property management activities. A dock provides a stable platform to load and unload equipment and provides safe access for staff for embarking and disembarking boats and barges.

Preliminary Land Acquisition

46. Project: Department of Natural Resources
 P24.6016: Oconee-Stumphouse Mountain HP Land Acquisition (TNC)
- Request: Establish authorization to evaluate the acquisition of approximately 793 acres of land in northern Oconee County.
- Included in CPIP: Yes – 2019 CPIP Priority 12 of 12 in FY21 (estimated at \$120,000)
 CHE Approval: N/A
 Supporting Details: Pages 673-684

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Heritage Land Trust				20,000	20,000
All Sources				<u>20,000</u>	<u>20,000</u>

- Rationale: The purchase of the property will protect additional habitat adjoining SCDNR’s Stumphouse Mountain Heritage Preserve/Wildlife Management Area.
- Characteristics: There are no structures located on the property. The property is located approximately 3 miles north of Walhalla. It contains mountainous topography with historical features, geological formations, mixed pine and hardwood areas, and hardwood uplands. Two trout-rich headwater streams that feed into the Cane Creek and Oconee Creek/Little Eastatoe Creek watersheds are also found on the property. These streams drain into Lake Keowee, which supplies drinking water to a portion of the Upstate. Further, the tract provides habitat for deer, bear, turkey, and small game species.
- Financial Impact: The property is offered by The Nature Conservancy at 1417 Stuart Engals Blvd. of Mount Pleasant, SC. for \$930,000. The acquisition will be funded from Other, Heritage Land Trust Funds (uncommitted balance \$8.5 million at May 1, 2020). Revenue to this fund is authorized by SC Code 51-17-115 and provides for the agency to use the funds to acquire in fee simple or lesser interest in priority areas, legal fees, appraisals, surveys, or other costs involved in the acquisition of priority areas, and for the development of minimal facilities and management necessary for the protection of priority areas. If acquired, it will be managed as part of the Stumphouse Mountain Heritage Preserve/WMA and will be open to the public for hunting, viewing wildlife, and enjoying nature. The project is not expected to result in any change in annual operating expenditures.

Establish Project for A&E Design

47. Project: Department of Employment and Workforce
 R60.9532: C. Lem Harper Building – DDC Controls Upgrade

Request: Establish Phase I pre-design for the replacement of the existing building HVAC control system with a new DDC control system in the Harper Building.

Included in CPIP: Yes – 2019 CPIP Priority 1 of 3 in FY20 (estimated at \$294,990)
 CHE Approval: N/A
 Supporting Details: Pages 685-694

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Contingency Assessment				3,762	3,762
All Sources				<u>3,762</u>	<u>3,762</u>

Summary of Work: The project includes the removal and replacement of heat pump units, rooftop units, building loop pumps, cooling tower, heat exchanger and exhaust fans.

Rationale: The existing pneumatic HVAC control system is obsolete and past its effective operational life. Additionally, parts are difficult to find which increases maintenance costs. The HVAC control system plays a significant role in daily operations. The building would be unusable without a functioning HVAC control system.

Facility Characteristics: The C. Lem Harper Building is 47,660 gross square feet and was constructed in 1992 (28 years old). The existing HVAC equipment is original to the building. The facility is utilized by approximately 75 fulltime Department of Employment and Workforce staff, and 2,500 staff who use the auditorium on an annual basis for training, seminars, and other meetings.

Financial Impact: The project will be funded from Contingency Assessment Funds (uncommitted balance \$35.3 million at February 29, 2020). Revenue to this account is derived from a portion of the tax collected and accounted for in the special revenue fund which is primarily used to fund administrative costs and employment services. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$300,690 (internal) funded by Contingency Assessment Funds.

48. Project: Department of Employment and Workforce
 R60.9533: SC Works – Midlands Building – Parking Lot #1 Repaving/Overlay

Request: Establish Phase I pre-design for the replacement of a parking lot at the Midlands SC Works Center.

Included in CPIP: Yes – 2019 CPIP Priority 3 of 3 in FY20 (estimated at \$429,850)
 CHE Approval: N/A
 Supporting Details: Pages 695-706

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Contingency Assessment				4,800	4,800
All Sources				<u>4,800</u>	<u>4,800</u>

Summary of Work: The project includes the rehabilitation of the parking lot with an asphalt overlay, full depth repair, sidewalk repair, wheel stop installation, and pavement marking and signage.

Rationale: The existing lot is severely weathered and fatigued. Cracks, potholes, and pavement patches are present in multiple locations. The parking lot is vital to daily operations.

Facility Characteristics: The Midlands SC Works parking is 39,600 square feet and was constructed in 1984 (36 years old). The parking lot is original to the building and is utilized by approximately 105 staff daily.

Financial Impact: The project will be funded from Contingency Assessment Funds (uncommitted balance \$35.3 million at February 29, 2020). Revenue to this account is derived from a portion of the tax collected and accounted for in the special revenue fund which is primarily used to fund administrative costs and employment services. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$429,850 (internal) funded by Contingency Assessment Funds.

Establish Project for A&E Design

49. Project: Department of Transportation
 U12.9744: I-26 EB Rest Area Reconstruction, Charleston Co.

Request: Establish Phase I pre-design to replace the existing rest area facilities at the I-26 East Bound Rest Area in Charleston County.

Included in CPIP: No – A 2019 CPIP was not submitted by the agency
 CHE Approval: N/A
 Supporting Details: Pages 707-716

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY20 Proviso 118.16 (nonrecurring) (7)				138,000	138,000
All Sources				<u>138,000</u>	<u>138,000</u>

Summary of Work: The project will demolish the existing facilities, construct new facilities, install additional truck parking, and add an emergency backup power generator.

Rationale: The existing facilities are outdated, in poor condition, and non-ADA accessible. The current amount of available truck parking is not sufficient.

Facility Characteristics: The current facilities to be demolished (multiple buildings), total approximately 2,000 square feet, accommodate approximately 15 people, were constructed in 1974 (45 years old) and are frequently utilized by 3,000 travelers and truck/freight haulers throughout the state daily. The proposed new single facility will be approximately 5,000 square feet and accommodate approximately 40 people.

Financial Impact: The project will be funded from Appropriated State, FY20 Proviso 118.16 (nonrecurring) funds (uncommitted balance \$4 million at September 18, 2019). The project is expected to result in an increase of \$55,200 (year 1), \$55,400 (year 2) and \$55,600 (year 3), in annual operating expenses.

Full Project Estimate: \$10,000,000 (internal) funded by Appropriated State, FY20 Proviso 118.16 (nonrecurring) and Federal, State Highway Funds.

Other: The project will also include a Family Assistance restroom, an indoor vending area and storage, and replacement of existing picnic shelters.

50. Project: Department of Transportation
 U12.9745: Sumter I-95 NB Rest Area Replacement

Request: Establish Phase I pre-design to replace the existing rest area facilities at the I-95 North Bound Rest Area in Sumter County.

Included in CPIP: No – A 2019 CPIP was not submitted by the agency
 CHE Approval: N/A
 Supporting Details: Pages 717-726

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY20 Proviso 118.16 (nonrecurring) (7)				138,000	138,000
All Sources				<u>138,000</u>	<u>138,000</u>

Summary of Work: The project will demolish the existing facilities, construct new facilities, install additional truck parking, and add an emergency backup power generator.

Rationale: The existing facilities are too small to accommodate the current number of visitors and is not an ADA compliant facility. The current amount of available truck parking is not sufficient.

Facility Characteristics: The current facilities to be demolished (multiple buildings), total approximately 2,000 square feet, accommodate approximately 20 people, were constructed in 1970 (36 years old) and are frequently utilized by 4,000 travelers and truck/freight haulers throughout the state daily. The proposed new single facility will be approximately 5,000 square feet and accommodate approximately 40 people.

Financial Impact: The project will be funded from Appropriated State, FY20 Proviso 118.16 (nonrecurring) funds (uncommitted balance \$4 million at September 18, 2019). The project is expected to result in an increase of \$35,200 (year 1), \$35,600 (year 2) and \$36,000 (year 3), in annual operating expenses.

Full Project Estimate: \$10,000,000 (internal) funded by Appropriated State, FY20 Proviso 118.16 (nonrecurring) and Federal, State Highway Funds.

Other: The project will also include a Family Assistance restroom, an indoor vending area and storage, and replacement of existing picnic shelters.

51. Project: Department of Transportation
 U12.9746: SCDOT HQ Building Elevator Modernization

Request: Establish Phase I pre-design to upgrade the existing four elevators in the SCDOT Headquarters Building in Columbia.

Included in CPIP: No – A 2019 CPIP was not submitted by the agency
 CHE Approval: N/A
 Supporting Details: Pages 727-734

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, State Highway				12,750	12,750
All Sources				<u>12,750</u>	<u>12,750</u>

Summary of Work: The project will modernize three passenger and one freight elevator through the replacement of the motors, bearings, controls, and various other parts required to keep the elevators in sufficient working order.

Rationale: The existing elevators are original to the building and due to their age are outdated and in need of upgrading. Replacement parts for the elevators are no longer being produced and are becoming increasingly difficult to find.

Facility Characteristics: The building is 228,000 square feet and was constructed in 1977 (43 years old). There are approximately 900 employees working in the building.

Financial Impact: The project will be funded from Other, State Highway funds (uncommitted balance \$309 million at January 23, 2020). Revenue to the fund is received through partial collections from the motor fuel user fee tax. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$850,000 (internal) funded by Other, State Highway Funds.

Other: Per the agency, the average amount of annual breakdowns for elevators this age would be 12-16; at 35 breakdowns last year, these elevators had over double what would be considered acceptable. The three passenger elevators and one freight elevator serve all six floors of the building.

AGENCY: Department of Administration
Capital Budget Office

SUBJECT: Proposed Permanent Improvement Projects - Staff Reviews

Following postponement of the May 6, 2020 committee meeting, committee staff suspended reviews of permanent improvement projects consistent with and in deference to the committee's expressions of concern with undertaking capital investments during a period of uncertain economic conditions.

Projects submitted by agencies through the Capital Budget Office for staff review are as follows:

1. Department of Employment and Workforce proposal to replace the HVAC unit in the C. Lem Harper Building auditorium. Establish Phase I at \$2,212 funded by Other, Contingency Assessments, with an estimated total project cost of \$184,729.
2. Department of Administration proposal to reconfigure the existing entry into the State Surplus Property Warehouse Building. Establish Phase II full project budget at \$204,440 funded by Other, State Surplus Property funds.
3. Department of Public Safety proposal to replace and upgrade carpet and paint walls in two locations. Establish Phase II full project budget at \$200,000 funded by Other, Sale of Highway Patrol Assets.
4. Department of Administration proposal to increase the Phase II budget to cover the construction estimate for removal and replacement of damaged wall panels and installation of a new sign for the facility. Increase Phase II full project budget to \$185,660 funded by Other, State Surplus Property Revenue, Program Revenue, and Federal Surplus Property Revenue.
5. Department of Natural Resources proposal to evaluate acquisition of approximately 61.15 acres of land north of Barnwell (Barnwell State Fish Hatchery, Loadholt). Establish Phase I at \$20,000 funded by Appropriated State funds, with an estimated total acquisition cost of \$249,000.
6. Department of Natural Resources proposal to evaluate acquisition of approximately 12 acres of land in Pickens County (Aartun). Establish Phase I at \$20,000 funded by Other, Heritage Land Trust funds, with an estimated total acquisition cost of \$85,000.
7. Department of Natural Resources proposal to evaluate acquisition of approximately 0.25 acres of land adjoining the Barnwell State Fish Hatchery (Barnwell State Fish Hatchery, Webb). Establish Phase I at \$20,000 funded by Other, State Conservation Bank Grants, with a total acquisition cost of \$75,000.

COMMITTEE ACTION:

Receive as information and provide direction.

ATTACHMENTS:

None.

AGENCY: Patriots Point Development Authority

SUBJECT: Annual Report Regarding Lease to Patriots Annex, LLC

At its meetings on June 6, 2017, and August 15, 2017, the Joint Bond Review Committee approved a request by Patriots Point Development Authority to lease out 61.75 acres to Patriots Annex, LLC, and directed Patriots Point to submit a report prior to March 31 each year regarding the status of the proposed lease. Patriots Point submitted the 2020 report on March 19, 2020. Following timely submission, Patriots Point provided an updated report dated April 20, 2020, incorporating subsequent developments and actions incidental to the declaration of a state of emergency by South Carolina in connection with the COVID-19 pandemic.

On April 6, 2020, following government-directed closing of non-essential businesses, the Patriots Point board met to consider a request by Patriots Annex, LLC to defer rent payments and deadlines related to the commencement of construction, in order to give Patriots Annex an opportunity to recover from economic impact associated with the state of emergency, including among others business closings, job losses and tourism declines.

The Patriots Point board unanimously enacted a resolution to provide a Relief Plan to Patriots Annex, LLC without reducing rent due to Patriots Point. The Relief Plan provides for 1) a delay in payment of rent due by Patriots Annex, LLC for up to 1 year, granted in increments of 3 months at a time, for the period March 2020 through February 2021; 2) delay under the same time structure of the deadline for commencement of construction under the Patriots Annex lease; and 3) delay until 90 days after termination of the state of emergency any rent due on any lease for any period prior to March 2020. The Patriots Point board will evaluate the terms of the resolution each quarter and determine whether or not to extend the Relief Period for an additional 3 months, up to a maximum of 1 year.

Patriots Point observes that no rent contemplated by the lease is being forgiven, and all terms of the existing leases, and particularly provisions related to interest on past due payments, will be enforced during the period contemplated by the Relief Plan. Accordingly, Patriots Point believes that the Relief Plan does not constitute an amendment to the lease.

Patriots Point reports that the Inspection Period under the lease has ended and lease payments will begin to accrue on October 5, 2020, the first day of the fourth year of the lease.¹ Rent over the next 12 months is projected to accrue for a total of approximately \$121,000 as determined at 30% of Fair Market Rent prescribed by the terms of the lease, plus interest in accordance with the Relief Plan. The timing of actual payments of rent and interest will be determined by the rate of business recovery following expiration of the state of emergency.

¹ The lease provides for the end of the Inspection Period on the date three requirements are met: zoning is obtained; a fee-in-lieu of taxes agreement is executed; and a development agreement is executed. The lease is subject to termination by either party if these three requirements have not been met or waived by Patriots Annex by October 5, 2019. Patriots Annex is required to begin construction within three years of the end of the Inspection Period. Minimum Rent begins the earlier of (i) one year after the end of the Inspection Period, or (ii) October 5, 2020 (three years after the Lease Commencement Date) if the Inspection Period has ended on or before October 5, 2020. If the Inspection Period ends after October 5, 2020, Minimum Rent begins as of the date the Inspection Period ends.

No revenue-producing investments have been completed that would generate sales or hospitality taxes; however, a total of \$13,575 has been paid in property taxes and storm water fees.

Construction has not yet begun but extensive work is underway on infrastructure design. On March 15, 2019, the Patriots Point board unanimously approved Patriots Annex's Conceptual Master plan, which includes 3 hotels, a convention and conference facility, 3 office buildings, 3 parking garages, an amphitheater, retail buildings with residential apartments above the retail spaces, and a public boardwalk. The development is expected to be undertaken in phases over a period of about 10-15 years. A graphic of the conceptual plan is included with the annual report.

Patriots Point further reports that the tenant has received approval from the Town of Mt. Pleasant for Waterfront Gateway District zoning. The Town has also approved the impact assessment, building heights within the premises, a development agreement, and a fee-in-lieu-of-taxes agreement for certain elements of the Conceptual Master Plan, including 2 of the 3 hotels; 170,000 square feet of office space; significant to complete portions of restaurant, retail, apartment and garage spaces; the amphitheater; and museum space for the Authority.

The fee-in-lieu-of-taxes agreement with Charleston County was finalized in December 2019, and the tenant has received all approvals necessary to proceed with the Town's design review process. Notably, this administrative process has been suspended under the state of emergency; Patriots Point expects that these final efforts will be resumed by Patriots Annex, LLC whenever the Town resumes receiving applications, and the business sector has recovered from the effects of the state of emergency. Patriots Point now expects construction on infrastructure improvements to begin in 2022.

The annual report contains updates concerning various deadlines for the Authority to vacate or relocate its improvements affected by the lease, none of which were imminent at the time of the report. The report contains an overview of a tenant equity interest transfer within the prior 12 months involving notice of a transfer of membership interests undertaken in connection with estate planning of the principal member of Patriots Annex, LLC. Notwithstanding, the sole controlling and majority owner of Patriots Annex, LLC has not changed.

COMMITTEE ACTION:

Receive as information the Annual Report of Patriots Point Development Authority regarding its lease with Patriots Annex, LLC.

ATTACHMENTS:

1. Annual Report of Patriots Point Development Authority as of March 2020; as updated on April 20, 2020.
2. Resolution of Patriots Point Development Authority: Approval of Relief Plan for Tenants Relating to the COVID-19 Pandemic; enacted April 6, 2020.
3. Graphics of Components of the Conceptual Master Plan.

Annual Report to JBRC and SFAA
Lease Between Patriots Point Development Authority and Patriots Annex, LLC
(as of March 2020)
(updated April 20, 2020 to reflect the impacts of the ongoing
State of Emergency related to the COVID-19 virus)

I. Financial Information

A. A report concerning the amount of Rent generated by the Lease in the prior 12 months, including:

- (1) The amount of Minimum Rent received; and
- (2) The amount of Percentage Rent received, broken down into the various categories of Percentage Rent. The Percentage Rent will be further broken down to show how much Percentage Rent is being generated by each improvement on the property.
- (3) PPDA's use/expenditure of the revenue received in the prior 12 months, including carry-forward balances.

PPDA Response: No rent has been received. In accordance with the lease, rent payments will begin one year after the due diligence period (Inspection Period) ends, or at the beginning of the fourth year of the lease if the Inspection Period has ended, whichever comes first. The Inspection Period allowed by the lease has ended. Lease payments will begin to accrue on October 5, 2020 - the first day of the fourth year of the lease. Prior to the South Carolina State of Emergency, declared for the COVID-19 virus, extensive work was underway on infrastructure design. The negative economic impact (business closings, job losses, tourism cessation, etc.) caused by the COVID-19 virus (the "Virus Economic Impacts") will affect the timing of both the rent payments and the commencement of construction related to the Patriots Annex project. These Virus Economic Impacts will not alter the amount of rent ultimately received. On April 6th, following the government-directed closing of non-essential businesses, the PPDA Board met to consider a request from the Lessee, Patriots Annex LLC, to defer rent payments and deadlines related to the commencement of construction, in order to give the Lessee the opportunity to recover from the Virus Economic Impacts. The PPDA Board unanimously passed a resolution that

provides a Relief Plan to the Lessee without reducing any rent due to PPDA. A copy of this resolution is attached. The approved Relief Plan provides (1) a delay in payment of rent due by the Lessee of up to one year (granted by PPDA in increments of three months at a time) for the period March, 2020 through February, 2021, (2) delay (under the same time structure) of the deadline for the commencement of construction on the Patriots Annex lease, and (3) delay until 90 days after the South Carolina State of Emergency is lifted by the Governor any rent due on any lease for any period prior to March, 2020. It should be noted that, in this resolution, PPDA has not forgiven any rent due to PPDA and all terms of the existing leases, especially those related to interest on past due payments, are being enforced. PPDA will receive all of the rent it is due under the leases with the interest required by the leases for payments not made at the time required by the leases.

- B. A projection of the Rent PPDA expects the Lease to generate in the next 12 months.

PPDA response: Rent will begin to accrue on October 5, 2020. Per the lease terms, rent will be paid at 30% of Fair Market Rent (FMR) for the year Oct 5, 2020 thru Oct 4, 2021. FMR was pre-determined through formal appraisals and is adjusted annually with CPI increases. Over the next 12 months, during the period Oct 5, 2020 – Mar 30, 2021, we expect rent to accrue at approximately \$20,625/month for a total of \$121,088 plus interest for any payments deferred due to the resolution passed by the PPDA Board. The timing of the actual payments of this rent and interest will be determined by the rate of business recovery following the lifting of the State of Emergency. The PPDA Board will evaluate the terms of this resolution each quarter and determine whether to extend the Relief Period for an additional three months, up to a maximum of a total of one year.

- C. An estimate of the local and state tax revenue generated by the activity on the Premises during the prior 12 months.

PPDA Response: No revenue-producing improvements have been completed that would generate sales or hospitality taxes. Property taxes have been paid in the amount of \$9,976, along with Storm Water Fees of \$3,599.

- D. An estimate of the number of people employed by the businesses operating on the Premises.

PPDA Response: None. No businesses have been constructed.

II. Development

- A. An overview of the current Master Plan (or Conceptual Master Plan if no Master Plan is in place yet), including any subdivision of the Premises approved by PPDA in the prior 12 months.

PPDA Response: Tenant has developed a Conceptual Master Plan per the terms of the lease approved by JBRC/SFAA. This Conceptual Master Plan was unanimously approved by the PPDA Board on March 15, 2019. The plan includes three hotels, a convention/conference facility, three office buildings, three parking garages, an amphitheater, retail buildings with residential apartments above the retail spaces, and a public boardwalk. The development will be constructed over a period of 10 – 15 years in multiple phases. A copy of the approved Conceptual Master Plan is attached.

- B. The status of each project shown on the Master Plan (or Conceptual Master Plan), including:

- (1) The status of Mt. Pleasant and/or Charleston County approvals required to commence construction.

PPDA Response: The tenant has received approval from the Town of Mount Pleasant for Waterfront Gateway District zoning. The Town has also approved the impact assessment, the building heights within the premises, a Development Agreement, and a fee-in-lieu-of-taxes agreement for the following elements of the Conceptual Master Plan: two (of three) hotels with 500 rooms (covers the total rooms in the CMP); 170,000 sf (out of 405,000 proposed in CMP) of office space; 18,000 sf (total in the plan) of restaurant space; 60,000 sf (of the 75,000 proposed in the CMP) of retail space; 130 apartments (covers total proposed in the CMP); two of the three parking garages (1,200 of the garage spaces and 440 surface spaces covers 1,640 of the 2,800 proposed parking spaces leaving 1,160 to be covered); the amphitheater; and 20,000 sf of museum space for PPDA. In December, 2019, the tenant finalized the payment-in-lieu-of-taxes agreement with Charleston County. At this point, the tenant has all of the approvals necessary to proceed with the Town of Mount Pleasant's design review

process. These administrative processes have come to a halt under the State of Emergency. We expect the Lessee will reenergize these efforts after the State of Emergency is lifted, the Town is open to receiving applications, and the business community has recovered from the shutdown.

- (2) The status of any improvements currently under construction.

PPDA Response: None under construction at this time. Design work is now being done for the infrastructure to support the entire development.

- (3) The status of any improvements completed and operational within the prior 12 months.

PPDA Response: None.

- (4) Any change in the status of operating improvements.

PPDA Response: None.

- (5) The status of any major repairs or renovations to improvements that required PPDA's approval in the prior 12 months.

PPDA Response: None.

- C. An update concerning the Lease's various development-related deadlines.

PPDA Response:

The "Lease Commencement Date" is October 5, 2017, when SFAA approved and signed the agreement.

The "Inspection Period" ended on January 17, 2020, when the final negotiated agreement with Charleston County was fully-executed.

The "Minimum Rent Commencement Date" is October 5, 2020.

- D. Milestones expected in the upcoming 12 months.

PPDA Response: Minimum rent will begin to accrue on Oct 5, 2020. As a result of the State of Emergency, we now expect the tenant to begin construction on infrastructure improvements in 2022, and to commence the

design review process for Phase 1 of the construction with the Town of Mount Pleasant in that same timeframe.

E. An update concerning the PPDA improvements affected by the Lease, including:

(1) Any improvements vacated by PPDA in the prior 12 months.

PPDA Response: None.

(2) The status of any improvements currently being relocated or constructed.

PPDA Response: None.

(3) The status of any improvements, the relocation or construction of which was completed in the prior 12 months.

PPDA Response: None.

(4) An update concerning the various deadlines for PPDA to vacate or relocate its improvements affected by the Lease.

PPDA Response:

PPDA is currently using a portion of the Premises for the operation of its museums. The Lease involves coordinating the development of the Premises with PPDA's continuing operation of its museums so as to present a visitor with the appearance of one seamless development. PPDA's operations are generally categorized as follows: (i) PPDA's primary facility which houses the gift shop, ticket office, snack bar, restroom and photo concession, (ii) PPDA's pier facility, (iii) PPDA's storage and maintenance facility, (iv) PPDA's Vietnam Support Base exhibit, (v) PPDA's personnel parking, and (iv) PPDA's visitor parking. As of the commencement of the Lease, the portions of the property used by PPDA for its operations were excluded from the Premises and Tenant is not responsible for paying rent with regard to that land. As Tenant is prepared to develop different portions of the Premises, any obstructing PPDA facilities and/or uses will be relocated. Some of these will be relocated at Tenant's cost and others will be relocated at PPDA's cost. When a PPDA facility and/or use is relocated, the land vacated by PPDA will

be added to the Premises, and the land to which such facility and/or use has been relocated will be removed from the Premises. If PPDA has not relocated a particular facility and/or use prior to the deadline for vacating such facility and/or use set forth in the Lease, then PPDA will be required to relocate such facility and/or use to a temporary location to allow the Tenant to move forward with its development. The Tenant will be responsible for the demolition of any improvements left by PPDA on land that PPDA vacates.

Current Primary Landlord Facility. The Tenant must give PPDA 12 months prior notice of the anticipated date for commencement of construction and update this estimate quarterly. PPDA must vacate its current primary facility **no sooner than** 3 years after the commencement of the Lease (October 5, 2020), but **no later than** 3 months after Tenant actually commences construction of the first improvements on the Premises. PPDA has not received the 12 months prior notice of the anticipated date for commencement of construction.

Pier Facility. PPDA's current pier facility is located at the head of the pier leading to the Yorktown. PPDA's new pier facility will be located in approximately the same location and also will include some of the land between the head of the pier and PPDA's new primary facility. The Landlord Pier Boardwalk is the only new element of PPDA's pier facilities. If the Conceptual Master Plan and the Master Plan include the Tenant Pier Boardwalk and the Landlord Pier Boardwalk, PPDA has 30 days from receipt of the notice of the anticipated date for Commencement of Construction of the first phase of improvements to be constructed on the Premises to commence the process required by South Carolina law for PPDA to obtain approval from the applicable State authorities for PPDA to construct the Landlord Pier Boardwalk. PPDA shall have constructed the Landlord Pier Boardwalk as of the later of (i) six (6) months after the Current Primary Landlord Facility Vacancy Deadline, (ii) twelve (12) months after PPDA receives approval for construction from the South Carolina Joint Bond Review Committee for construction of the Landlord Pier Boardwalk, or (iii) a later date agreed to by PPDA and Tenant to coordinate Landlord's construction of the Landlord Pier Boardwalk with Tenant's construction schedule. PPDA has not received the 12 months prior notice of the anticipated date for commencement of construction.

PPDA's storage and maintenance facility and PPDA's Vietnam Support Base exhibit. These two facilities are going to be relocated

onto Parcel 2A which is currently subject to a conservation easement that lasts until at least June 1, 2023.

PPDA's personnel parking and PPDA's visitor parking. Relocation of these parking facilities has not yet commenced.

III. Legal/Miscellaneous.

- A. An overview of any Sublease or Subparcel Sublease transfers that have occurred in the prior 12 months.

PPDA Response: None

- B. An overview of any tenant equity interest transfers that have occurred in the prior 12 months.

PPDA Response:

Patriots Annex, LLC provided PPDA, as Landlord, notice of the transfer of membership interests in Patriots Annex, LLC to a trust that had been undertaken as part of estate planning purposes. The three Members of Patriots Annex, LLC are (i) Patriots Annex Management, Inc., which is the Manager and owns 1%, and of which Mike Bennett is the sole shareholder, (ii) Hospitality Expeditions, LLC, which owns 51%, and of which Mike Bennett is the sole Member, and (iii) The Patriots Annex Irrevocable Trust, which owns 48%, and which is for the benefit of Mike's son Jack Bennett. Under the Master Lease, Permitted Equity Interest Transfers include Equity Interest Transfers to any Family Member of the transferor or to an entity wholly-owned and Controlled by the transferor or transferor's Family Members. Family Member includes any child or spouse and any trust for the benefit of a child or spouse. Permitted Equity Interest Transfers do not require approval and are expressly exempt from the Transfer Fee of 1% (and there was no Assignment Consideration for the gift to the Trust). Mike Bennett remains the sole controlling and majority owner of Patriots Annex, LLC.

- C. Any changes in the status of the Conservation Easement or the Federal Land Water Conservation Fund restrictions.

PPDA Response: None.

- D. An update concerning all loans secured by the leasehold estate.

PPDA Response: No loans have been secured at this time.

**RESOLUTION OF THE
PATRIOTS POINT DEVELOPMENT AUTHORITY**
Approval of Relief Plan for Tenants Relating to the COVID-19 Pandemic
Mt. Pleasant, South Carolina

WHEREAS, Patriots Point Development Authority (“Patriots Point”) has received requests from Michael R. Bennett on behalf of the tenants (“Tenants”) for relief concerning the leases (the “Lease(s)”) for the Patriots Annex Parcels, Parcel A-1 (the Cottages), Parcel E, and the Golf Course, in light of economic repercussions from the COVID-19 pandemic.

WHEREAS, the Patriots Point Board acknowledges the current economic effects impacting Patriots Point from the COVID-19 pandemic given that Patriots Point is a tourism-based business.

WHEREAS, the Patriots Point Board is willing to provide relief to the Tenants requesting the same to the extent Patriots Point responsibly can do so within the structure of the Leases.

WHEREAS, the relief the Patriots Point Board will provide generally (the “Relief Plan”) is (1) to delay for up to one year (granted by Patriots Point in increments of three months at a time) the payment under the Leases of rent due from March, 2020 through February, 2021, (2) to delay (under the same time structure) the deadline for the commencement of construction on the Patriots Annex Lease, and (3) to delay until 90 days after the South Carolina state of emergency is lifted by the Governor any rent due on any Lease for any period prior to March, 2020.

WHEREAS, to expedite the process of implementing this Relief Plan, the Patriots Point Board desires to outline in more detail the Relief Plan and to authorize, empower and direct the Chairman, the Vice Chairman, and the Secretary to negotiate, finalize and execute the contemplated documents for each Lease to implement the Relief Plan on behalf of Patriots Point.

The motion, properly seconded, is as follows:

RESOLVED: Patriots Point approves the following further details of the “Relief Plan” to be provided to each of the Tenants pursuant to a separate document specific to each Lease addressing that Lease using the following guidelines:

1. Designation of a “Proposed Relief Period” of March 2020 through February 2021 in four increments of three months each: March through May, 2020; June through August, 2020; September through November, 2020 and December 2020 through February 2021;
2. Granting each Lease an actual “Relief Period” consisting of the Initial Relief Period and any Extended Relief Periods added by the Board in its discretion on a Lease by Lease basis;

3. Granting each Lease an “Initial Relief Period” of March 2020 through May 2020;
4. Providing for the Board to consider extending the Relief Period for each Lease by each of the following proposed “Extended Relief Periods” or with respect to any such extension for a shorter extended relief period (for example one or two calendar months) at the following meetings:
 - a. the Board will consider the June through August, 2020 Extended Relief Period at its April, 2020 meeting;
 - b. the Board will consider the September through November, 2020 Extended Relief Period at its July, 2020 meeting; and
 - c. the Board will consider the December, 2020 through February, 2021 Extended Relief Period at its October, 2020 meeting;
5. Providing for the “Relief” with respect to each Lease to be a delay in Patriots Point enforcing paying rent for each month in the Relief Period granted;
6. Providing for the Relief for the Patriots Annex Lease to include a delay in the required date for Commencement of Construction for the Relief Period;
7. Specifying that the rent Relief would be implemented by Patriots Point agreeing to forebear enforcing the Tenant’s payment of rent for each such month for one year with the rent for such month along with interest required under the applicable Lease being payable on the first day of the corresponding month in the following calendar year (for example, the March, 2020 rent and applicable interest will be due and payable March 1, 2021; the April, 2020 rent and applicable interest will be due and payable April 1, 2021; and
8. Specifying that any rent due on any Lease for any period prior to March, 2020 along with applicable interest be paid within 90 days after the Governor of South Carolina terminates the current State of Emergency in the State.

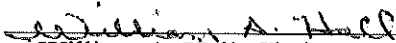
RESOLVED FURTHER: the Chairman or Vice Chairman, and the Secretary are authorized, empowered and directed to negotiate, finalize and execute these contemplated documents for each Lease to implement the Relief Plan on behalf of Patriots Point in such form as shall be approved by the Chairman or Vice Chairman, the Chairman's or Vice Chairman's and Secretary's execution thereof to constitute conclusive evidence of approval of such documents and any and all changes or revisions therein.


RESOLVED FURTHER: the Chairman or Vice Chairman, and the Secretary of the Board

are fully empowered and authorized to take such further action (including the expenditure of funds) and to execute and deliver such documents and instruments as they deem necessary or appropriate on behalf of Patriots Point to effect the actions contemplated hereby, and the action of the Chairman of the Board (or the Vice Chairman of the Board) and Secretary of the Board in executing and delivering any of such documents and instruments and in taking any such action is hereby fully authorized.

This Resolution shall be filed with Authority's resolutions.

THE PATRIOTS POINT DEVELOPMENT AUTHORITY

BY: 
William A. Hall, Chairman

ATTEST: 
Larry G. Murray, Secretary

Enacted 4/6, 2020.



VIETNAM BASE
&
STORAGE

PPDA
PARKING

HOTEL 1

CONFERENCE
OR
OFFICE

OFFICE 2

OFFICE

APT

P1

RETAIL

P2

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OFFICE 3

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PPDA

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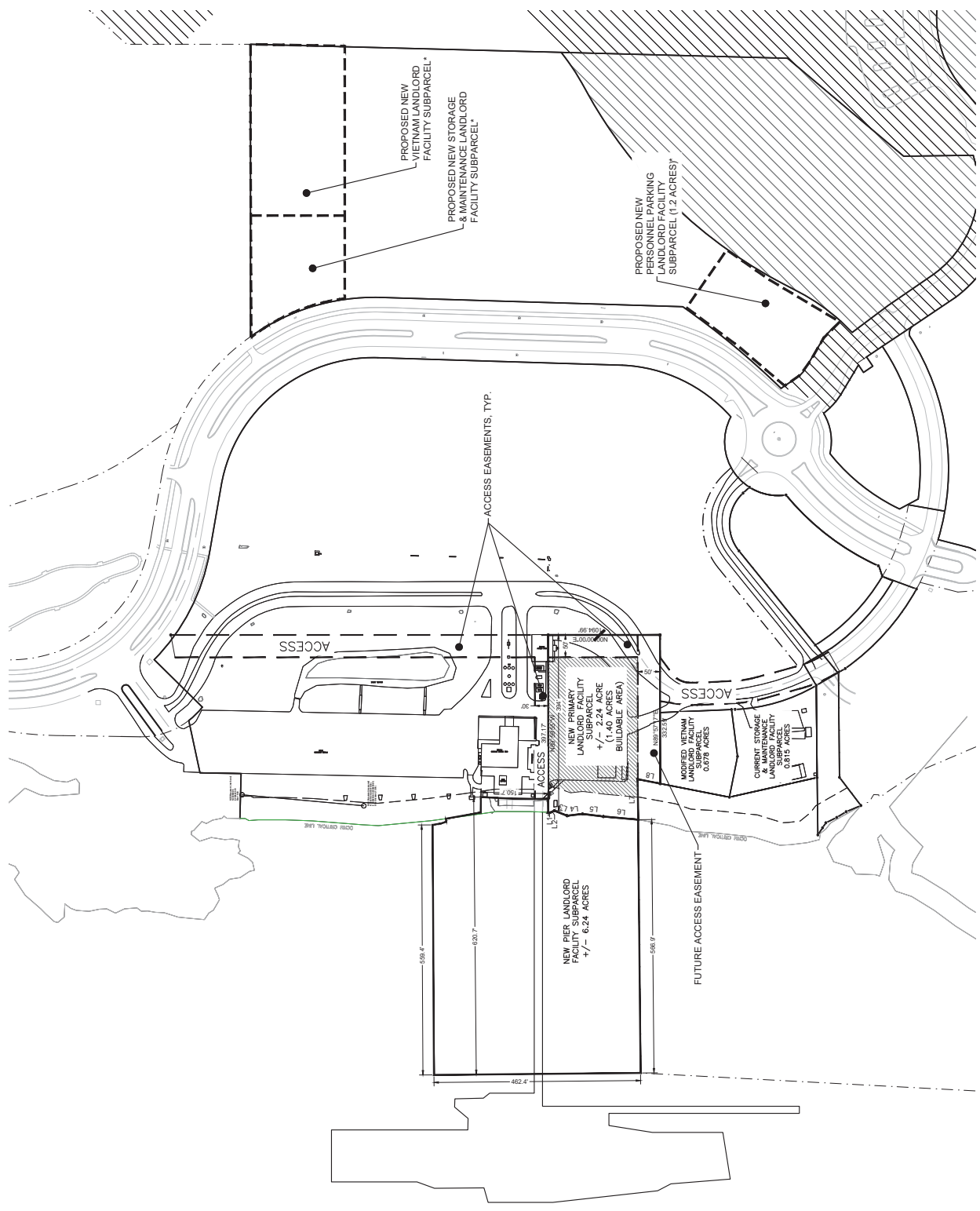
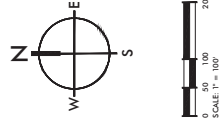
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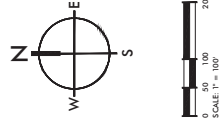
PATRIOTS POINT ANNEX
 MT. PLEASANT, SC

SW PROJECT	7160	
DATE	10/31/18	
DRAWN BY	LS	
CHECKED BY	LS	
REVISION HISTORY		
NO.	DATE	DESCRIPTION
1	10/31/18	ISSUED FOR PERMITS
2	11/15/18	REVISED PER COMMENTS
3	12/10/18	REVISED PER COMMENTS
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* LOCATION OF PROPOSED NEW STORAGE, VIETNAM, AND PERSONNEL PARKING LANDLORD FACILITY SUBPARCELS, AND RELOCATION OF CURRENT STORAGE, VIETNAM, AND PERSONNEL PARKING LANDLORD FACILITIES THERETO, ARE SUBJECT TO RELEASING AN APPROVAL UNDER CONSERVATION EASEMENT. FINAL LOCATIONS WILL BE DETERMINED POSITIVE FOR CONCEPTUAL MASTER PLAN FOR RESTRICTED PARCEL 1, ON 07/10/18, AS ISSUED BY LANDLORD AND TRUSTY.

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THIS DRAWING IS THE PROPERTY OF SEAMON WHITESIDE & ASSOCIATES, INC. AND IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, WITHOUT THE WRITTEN PERMISSION OF SEAMON WHITESIDE & ASSOCIATES, INC. THIS DRAWING IS THE PROPERTY OF SEAMON WHITESIDE & ASSOCIATES, INC. AND IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, WITHOUT THE WRITTEN PERMISSION OF SEAMON WHITESIDE & ASSOCIATES, INC. THIS DRAWING IS THE PROPERTY OF SEAMON WHITESIDE & ASSOCIATES, INC. AND IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, WITHOUT THE WRITTEN PERMISSION OF SEAMON WHITESIDE & ASSOCIATES, INC.

Patriots Point Revenue Summary Development Components

Hotels	Area sq.ft	Guest Rooms	ADR	Occupancy	Gross Revenue	% Ground Rent	Ground Rent
Hotel One	225,000						
Rooms Revenue		250	\$ 200.00	75%	\$ 13,687,500	3.5%	\$ 479,063
Conference Facility OR Office 1*	120,000				\$ 4,600,000	5.0%	\$ 230,000
Hotel Two	115,000						
Rooms Revenue		150	\$ 150.00	75%	\$ 6,159,375	3.5%	\$ 215,578
F&B/Conference					\$ 5,000,000	5.0%	\$ 250,000
Hotel Three	70,000						
Rooms Revenue		100	\$ 130.00	75%	\$ 3,558,750	3.5%	\$ 124,556
Totals	530,000	500			\$ 33,005,625		\$ 1,299,197
Offices	Area	NNN Rent psf			Gross Revenue	% Ground Rent	Ground Rent
Office Building One	-	-			-	-	
Office Building Two	135,000	24.00			\$ 3,240,000	7.0%	\$ 226,800
Office Building Three	135,000	24.00			\$ 3,240,000	7.0%	\$ 226,800
Office Building Four	135,000	24.00			\$ 3,240,000	7.0%	\$ 226,800
Totals	405,000				\$ 9,720,000		\$ 680,400
Restaurants	Area				Gross Revenue	% Ground Rent	Ground Rent
Restaurant One	6,000				\$ 2,000,000	3.5%	\$ 70,000
Restaurant Two	6,000				\$ 3,000,000	3.5%	\$ 105,000
Restaurant Three	6,000				\$ 4,000,000	3.5%	\$ 140,000
Totals	18,000				\$ 9,000,000		\$ 315,000
Retail	Area	NNN Rent psf			Gross Revenue	% Ground Rent	Ground Rent
Retail Buildings 3, 4, 5, 6, 7	44,300	30.00			\$ 1,329,000	12.5%	\$ 166,125
Retail Buildings 1, 2	15,700	30.00			\$ 471,000	12.5%	\$ 58,875
Retail/Commercial 8, 9	15,000	30.00			\$ 450,000	12.5%	\$ 56,250
Totals	75,000				\$ 2,250,000		\$ 281,250
Apartments	Area	No of Apts	NNN Rent/mth		Gross Revenue	% Ground Rent	Ground Rent
Building One	70,000	65	2,000		\$ 1,560,000	8.0%	\$ 124,800
Building Two	70,000	65	2,000		\$ 1,560,000	8.0%	\$ 124,800
Totals	140,000				\$ 3,120,000		\$ 249,600
Parking Garages							Ground Rent
Garage One	180,000	700	5.00		\$ 1,277,500	10.0%	\$ 127,750
Garage Two	180,000	700	5.00		\$ 1,277,500	10.0%	\$ 127,750
Garage Three	345,000	1,400	5.00		\$ 2,555,000	10.0%	\$ 255,500
Totals	705,000				\$ 5,110,000		\$ 511,000
Amphitheatre							Ground Rent
Amphitheatre	60,000		TBD		TBD		
Totals	60,000				\$ -		\$ -
Grand Totals	1,873,000				\$ 59,085,625		\$ 3,336,447
Future Land Phase							Ground Rent
Land Currently Under Easement	22 Acres	Projected Ground Rent Potential from future development					\$ 1,000,000
Final Grand Totals	-				\$ -		\$ 4,336,447

* - The conference facility would take the place of Office 1 and is calculated based on the projected revenue and rent of conference.

BENNETT HOSPITALITY

April 30, 2020

By email

William A. Hall, Chairman
Patriots Point Development Authority
40 Patriots Point Road
Mt. Pleasant, SC 29464
Email: Bhall@hallmanagementgroup.com

RE: Forbearance on Various Leases

Dear Mr. Hall,

This letter is in response to Patriots Point Development Authority's ("PPDA") request that we provide a more detailed written request for the relief we previously requested and in response to which PPDA passed a resolution setting forth a Relief Plan. Please consider this letter as Bennett Hospitality's request for relief on the four leasehold interests we currently have from the PPDA: the Patriots Annex Master Lease, Parcel E, The Cottages on Charleston Harbor and the golf course, as well as an explanation of why we need the requested relief. As previously discussed, our request is for up to a one year deferral (in 90 day increments) of rent payments and commencement of construction per the various leases, to be revisited and granted by the PPDA Board every 90 days.

From a general perspective, as you know, Bennett Hospitality owns and operates twenty hotels and seven restaurants as our primary sources of income. Typically, we look forward to March, April and May as our strongest months. With the government mandated shut-down of restaurants and stay at home orders put into place, our business did not slow down – it stopped. All income stopped. We had to furlough almost 1,000 employees until further notice. The income generated from those assets normally funds all development projects. Without those assets operating and generating income, it places everything in our development pipeline on hold. While we are optimistic that Charleston will bounce back quickly, this will undoubtedly slow our progress from a global perspective. Below I will address the individual leases.

With regard to the Patriots Annex Master Lease, as everyone is aware, it was signed October 5, 2017. We did receive our zoning and other entitlements in 2019 and our Inspection Period ended January 17, 2020; however, we have had to halt our design and planning process for the time being due to a shortage of income from our assets. We had originally planned to break ground on infrastructure in the first quarter of 2021. This will be delayed – to what extent, we do not know right now. Also, we were scheduled to begin minimum rent payments in October, but we have no income from which to fund these payments. How quickly our businesses might be able to open and, more importantly, whether people choose to travel and eat out will really dictate the flow of income and what we are able to do. It all remains to be seen at this point.

On Parcel E, we currently pay a minimum rent payment of \$120,000.00. We pay that on a monthly basis of \$10,000.00. Given that this is vacant non-income-producing land and that the global situation with our businesses is producing no income to fund our projects, we do not have the income to make this

payment and have asked for this payment to be delayed for the time being. Again, we are asking for at least a 90 day deferral to be revisited by the Board in at the end of this first 90 day period.

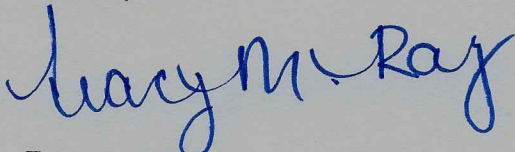
The Cottages on Charleston Harbor is a ten unit hotel and pays percentage rent. Occupancy dropped down to 10% - one of the Cottages is occupied by someone who came down from Connecticut and ended up needing to stay long term at a discounted rate. While we have cut expenses as much as possible, there is not enough income being generated to make the payments. Again, we hope that once the stay at home orders are lifted, people are eager to come to Charleston and occupancy and revenue will increase. Until we have a sense of what will happen, we are asking for a delay of that lease payment.

The final lease is for the Patriots Point Links golf course. Golf course rent is the greater of base rent and percentage rent. Base rent generally is 60% of the average of the prior three years' rent. Our latest financials reflect that current golf course revenue is between 40-50% of revenue prior to COVID. We have cut expenses by furloughing employees to the bare minimum, but we don't have the income being generated at this time to maintain the golf course and make the lease payments. We also have applied for PPP funding for the golf course business, and depending on the result of that, if we receive funds to pay rent we will do so. I will keep you informed on that progress.

To sum it up, what we are all facing is truly a worst case scenario for the hospitality industry. Our hotels have gone from running 80-90% occupancy to below 10% across the board. The government-mandated closure of all restaurants has taken our successful restaurant group, Holy City Hospitality, from a thriving business operating 7 restaurants and employing over 300 people to nothing.

We are so appreciative of the continued partnership we have with the PPDA and the State of South Carolina and certainly the support during these unprecedented times. I am happy to answer any questions or provide further information. We look forward to the time our economy is open and our businesses are once again thriving.

Sincerely,



Tracy Masters Ray
Bennett Hospitality

Copies to Wayne Adams, Vice Chairman, PPDA by email
 Larry G. Murray, Executive Director, PPDA by email
 Bob Howard, Property Manager, PPDA by email
 William E. Craver, III, Counsel, PPDA by email

AGENCY: Joint Bond Review Committee

SUBJECT: Act 135 of 2020
Continuing Resolution, COVID-19 Appropriations

Act 135 of 2020 provides among other things the authority to pay the recurring expenses of state government at the level appropriated in Act 91 of 2019 for the recurring expenses of state government for Fiscal Year 2020-2021, with certain exceptions. Additionally, Act 135 includes provisions for the receipt, establishment and expenditure of funds designated for the Coronavirus Relief Fund and the COVID-19 Response Reserve Account.¹

The Act establishes and provides for the credit of \$155 million to the COVID-19 Response Reserve Account, appropriated from the Fiscal Year 2018-2019 Contingency Reserve Fund.² Following provision for certain specific appropriations, the Act provides that the Governor may direct the expenditure of funds from the Account to protect the health, safety, and welfare of the public as a result of the COVID-19 pandemic. The Act provides for review and comment by the committee for expenditures, and an accounting by the recipient of funds from the Account to the Governor and the committee as soon as practicable.³

The Act also includes provisions for allocations by the SC Department of Health and Environmental Control to hospitals in support of the statewide COVID-19 testing plan and, after making these allocations, the Department must provide the Governor and the committee with a written explanation of its methodology.⁴ The Act further provides that the Department must submit to the committee, for its review and comment, any plan for expenditure under the provisions of the Act or any expenditure of federal funds for COVID-19 pandemic response.⁵

This information is provided in the event that circumstances dictated by COVID-19 preparedness and response require timely action of the committee as contemplated by Act 135.

COMMITTEE ACTION:

Receive as information.

ATTACHMENTS:

None.

¹ Act 135 (2020), previously referenced as H.3411 (Continuing Resolution). Effective May 18, 2020.

² Section 3(A).

³ Section 3(B)(1).

⁴ Section 3(C)(2)(b).

⁵ Section 3(C)(4).

AGENCY: South Carolina Department of Health and Environmental Control

SUBJECT: COVID-19 Allocation and Expenditure Plans
Pursuant to Act 135 of 2020

Act 135 of 2020 includes provisions for allocations by the SC Department of Health and Environmental Control to hospitals in support of the statewide COVID-19 testing plan and, after making these allocations, the Department must provide the Governor and the committee with a written explanation of its methodology.¹ The Act further provides that the Department must submit to the committee, for its review and comment, any plan for expenditure under the provisions of the Act or any expenditure of federal funds for COVID-19 pandemic response.²

Responsive to these provisions, the South Carolina Department of Health and Environmental Control has provided to the committee for review and comment its Hospital Allocation Plan for Community COVID-19 Testing; SC Collaborative Statewide Testing Plan; and Federal Funds Report dated June 1, 2020.

COMMITTEE ACTION:

Review and comment in accordance with the provisions of Act 135 of 2020.

ATTACHMENTS:

1. Hospital Allocation Plan for Community COVID-19 Testing
2. SC Collaborative Statewide Testing Plan
3. Federal Funds Report dated June 1, 2020

¹ Section 3(C)(2)(b).

² Section 3(C)(4).



Healthy People. Healthy Communities.

Richard K. Toomey, DHA, FACHE
Director

June 1, 2020

The Honorable Henry McMaster
Office of the Governor
1100 Gervais Street
Columbia, SC 29201

The Honorable Hugh K. Leatherman, Jr.
Joint Bond Review Committee
312 Gressette Building
Columbia, SC 29201

RE: Hospital Allocation for Community COVID-19 Testing

The Continuing Resolution outlined in Act 135 mandates the development of a statewide COVID-19 testing plan which has been developed by MUSC in conjunction with the South Carolina Hospital Association (SCHA) and DHEC. As hospitals are a critical partner for reaching statewide testing goals, Act 135 also directs DHEC to allocate funds to S.C. hospitals who want to participate in support of the plan. All hospitals with beds licensed by DHEC are included in the allocation.

DHEC is providing an initial allocation of \$50,000,000 to participating S.C. hospitals:

- Ten million dollars will be used to help offset the costs of offering free community testing events, that have otherwise gone unfunded, and occurred between March 13 (emergency declaration) to June 1, 2020 (DHEC's allocation of funding); and
- Forty million dollars will be used to support community testing events on or after June 1. Each hospital is allocated a minimum of \$100,000 with an additional amount based on the number of licensed beds over 25.

A list of hospitals and initial allocated funds for testing on or after June 1 is attached. Funds must be used to support COVID-19 community testing events, and up to 25% may be used to expand or improve COVID-19 testing capabilities of its laboratories.

Hospitals choosing to participate in this partnership must sign an agreement that details expectations of the hospital and DHEC. DHEC will then reimburse hospitals based on the number of community testing events held and tests conducted, as well as improvements made to testing capabilities. Community testing events will be reimbursed at a set rate based on a minimum amount, an amount per test for sample collection, and an additional amount for non-DHEC lab test costs. DHEC will process invoices from hospitals twice per month. Should a hospital reach the limit of the initial allocation, additional funds may be requested from DHEC.

June 1, 2020

Governor McMaster and Chairman Leatherman

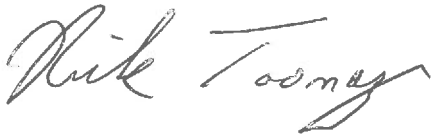
Page Two

Hospitals must notify DHEC of their intent to participate in this partnership by June 30, 2020.

Funds remaining from hospitals declining to participate may be redistributed to other participating hospitals.

An email communication with more specific details on how to participate in this partnership will be distributed to hospital CEOs in the coming days.

With regards,

A handwritten signature in black ink that reads "Rick Toomey". The signature is written in a cursive, flowing style.

Richard K. Toomey

Enclosure

cc: Joint Bond Review Committee Members

SC Department of Health and Environmental Control
Initial Allocation to Hospitals for Future Community Testing Events

As of 6/1/2020

Hospital	Allocation Amount
ABBEVILLE AREA MEDICAL CENTER	\$ 100,000
AIKEN REGIONAL MEDICAL CENTERS	\$ 799,189
ALLENDALE COUNTY HOSPITAL	\$ 100,000
ANMED HEALTH CANNON	\$ 184,579
ANMED HEALTH MEDICAL CENTER	\$ 1,329,220
ANMED HEALTH REHABILITATION HOSPITAL	\$ 198,676
ANMED HEALTH WOMEN'S AND CHILDREN'S HOSPITAL	\$ 232,508
BEAUFORT MEMORIAL HOSPITAL	\$ 584,922
BON SECOURS-ST FRANCIS XAVIER HOSPITAL	\$ 596,199
CAROLINA CENTER FOR BEHAVIORAL HEALTH	\$ 418,582
CAROLINA PINES REGIONAL MEDICAL CENTER	\$ 356,557
CHEROKEE MEDICAL CENTER	\$ 381,931
COASTAL CAROLINA HOSPITAL	\$ 145,109
COLLETON MEDICAL CENTER	\$ 410,124
CONTINUECARE HOSPITAL AT PALMETTO HEALTH BAPTIST	\$ 128,193
CONWAY HOSPITAL	\$ 621,573
EAST COOPER MEDICAL CENTER	\$ 396,028
EDGEFIELD COUNTY HEALTHCARE	\$ 100,000
ENCOMPASS HEALTH REHABILITATION HOSPITAL OF BLUFFTON	\$ 136,651
ENCOMPASS HEALTH REHABILITATION HOSPITAL OF CHARLESTON	\$ 167,663
ENCOMPASS HEALTH REHABILITATION HOSPITAL OF COLUMBIA	\$ 300,171
ENCOMPASS HEALTH REHABILITATION HOSPITAL OF FLORENCE	\$ 277,617
ENCOMPASS HEALTH REHABILITATION HOSPITAL OF ROCK HILL	\$ 170,483
G WERBER BRYAN PSYCHIATRIC HOSPITAL	\$ 1,523,752
GILLIAM PSYCHIATRIC HOSPITAL	\$ 260,701
GRAND STRAND MEDICAL CENTER	\$ 1,075,482
GREENWOOD REGIONAL REHABILITATION HOSPITAL	\$ 147,928
HAMPTON REGIONAL MEDICAL CENTER	\$ 119,735
HILTON HEAD HOSPITAL	\$ 336,822
KERSHAWHEALTH	\$ 365,015
LAKE CITY COMMUNITY HOSPITAL	\$ 164,844
LEXINGTON MEDICAL CENTER	\$ 1,461,728
LIGHTHOUSE BEHAVIORAL HEALTH HOSPITAL	\$ 325,545
MCLEOD HEALTH CHERAW	\$ 195,857
MCLEOD HEALTH CLARENDON	\$ 257,881
MCLEOD LORIS	\$ 170,483
MCLEOD MEDICAL CENTER DARLINGTON	\$ 232,508
MCLEOD MEDICAL CENTER DILLON	\$ 252,243
MCLEOD REGIONAL MEDICAL CENTER OF THE PEE DEE	\$ 1,487,101
MCLEOD SEACOAST	\$ 325,545
MORRIS VILLAGE	\$ 520,077

Hospital	Allocation Amount
MOUNT PLEASANT HOSPITAL	\$ 269,159
NEWBERRY COUNTY MEMORIAL HOSPITAL	\$ 283,255
PALMETTO LOWCOUNTRY BEHAVIORAL HEALTH	\$ 334,003
PATRICK B HARRIS PSYCHIATRIC HOSPITAL	\$ 593,380
PELHAM MEDICAL CENTER	\$ 164,844
PIEDMONT MEDICAL CENTER	\$ 841,479
PRISMA HEALTH BAPTIST	\$ 1,021,915
PRISMA HEALTH BAPTIST EASLEY HOSPITAL	\$ 336,822
PRISMA HEALTH BAPTIST PARKRIDGE	\$ 243,785
PRISMA HEALTH GREENVILLE MEMORIAL HOSPITAL	\$ 2,465,403
PRISMA HEALTH GREER MEMORIAL HOSPITAL	\$ 260,701
PRISMA HEALTH HILLCREST HOSPITAL	\$ 150,748
PRISMA HEALTH LAURENS COUNTY HOSPITAL	\$ 243,785
PRISMA HEALTH NORTH GREENVILLE LONG TERM ACUTE CARE HOSPITAL	\$ 156,386
PRISMA HEALTH OCONEE MEMORIAL HOSPITAL	\$ 505,981
PRISMA HEALTH PATEWOOD HOSPITAL	\$ 232,508
PRISMA HEALTH RICHLAND	\$ 1,836,696
PRISMA HEALTH TUOMEY HOSPITAL	\$ 827,382
PROVIDENCE HEALTH	\$ 756,900
PROVIDENCE HEALTH - NORTHEAST	\$ 238,146
REBOUND BEHAVIORAL HEALTH	\$ 207,134
REGENCY HOSPITAL OF FLORENCE	\$ 142,290
REGENCY HOSPITAL OF GREENVILLE	\$ 119,735
REGIONAL MEDICAL CENTER OF ORANGEBURG & CALHOUN COUNTIES	\$ 835,840
ROPER HOSPITAL	\$ 965,529
ROPER ST FRANCIS BERKELEY HOSPITAL	\$ 170,483
SELF REGIONAL HEALTHCARE	\$ 1,038,831
SHRINERS' HOSPITAL FOR CHILDREN	\$ 170,483
SPARTANBURG HOSPITAL FOR RESTORATIVE CARE	\$ 302,990
SPARTANBURG MEDICAL CENTER	\$ 1,551,946
SPARTANBURG MEDICAL CENTER - MARY BLACK CAMPUS	\$ 613,115
SPARTANBURG REHABILITATION INSTITUTE	\$ 142,290
SPRINGBROOK BEHAVIORAL HEALTH SYSTEM	\$ 204,315
ST FRANCIS-DOWNTOWN	\$ 720,249
ST FRANCIS-EASTSIDE	\$ 291,713
SUMMERVILLE MEDICAL CENTER	\$ 379,112
THREE RIVERS BEHAVIORAL HEALTH	\$ 373,473
TIDELANDS GEORGETOWN MEMORIAL HOSPITAL	\$ 398,847
TIDELANDS HEALTH REHABILITATION HOSPITAL AN AFFILIATE OF ENCOMPASS HEALTH	\$ 111,277
TIDELANDS HEALTH REHABILITATION HOSPITAL AT LITTLE RIVER AN AFFILIATE OF ENCOMPA	\$ 159,206
TIDELANDS WACCAMAW COMMUNITY HOSPITAL	\$ 379,112

Hospital	Allocation Amount
TRIDENT MEDICAL CENTER	\$ 934,516
UNION MEDICAL CENTER	\$ 269,159
VIBRA HOSPITAL OF CHARLESTON	\$ 195,857
WILLIAM J MCCORD ADOLESCENT TREATMENT FACILITY	\$ 100,000
WILLIAMSBURG REGIONAL HOSPITAL	\$ 100,000
Grand Total	\$ 40,000,000

May 29, 2020

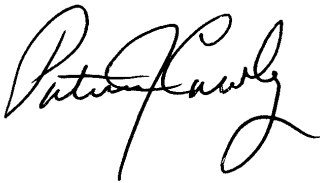
The Honorable Henry McMaster
State House
1100 Gervais Street
Columbia, South Carolina 29201

Dear Governor McMaster,

On behalf of the Medical University of South Carolina (MUSC), the South Carolina Department of Health and Environmental Control (DHEC), and the South Carolina Hospital Association (SCHA), please find attached the “Statewide Testing Plan for COVID-19 in the State of South Carolina.” This comprehensive strategy provides testing for this novel virus and will enable us to prevent spread of this disease with emphasis in testing in underserved areas, addressing hotspots, and tracking progression of this highly contagious virus.

We appreciate your exemplary leadership in marshaling South Carolina’s resources to combat COVID-19, and the General Assembly’s support in entrusting this consortium to lead and accelerate this important statewide initiative. The State’s response has been nationally recognized, and we are confident that our plan will minimize the impact of COVID-19 on the Palmetto State.

Sincerely,



Patrick J. Cawley, M.D.
CEO, MUSC Health and
Vice President for Health Affairs, University

cc: The Honorable Harvey S. Peeler, Jr., President, SC Senate
The Honorable Hugh K. Leatherman, Sr., Chairman, SC Senate Finance Committee
The Honorable Thomas C. Alexander, Chairman, SC Senate Finance Health & Human
Services Subcommittee
The Honorable Jay Lucas, SC Speaker of the House
The Honorable G. Murrell Smith, Jr., Chairman, SC House Ways and Means Committee
The Honorable Bill Herbkersman, Chairman, SC House Ways and Means Healthcare
Subcommittee
Thornton Kirby, President and CEO, SCHA
Rick Toomey, Director, DHEC

“An equal opportunity employer, promoting workplace diversity.”

Statewide Testing Plan for COVID-19 in the State of South Carolina



Developed by



Executive Summary

Pursuant to a Continuing Budget Resolution signed into law May 18, 2020, the South Carolina General Assembly and Governor Henry McMaster have called upon the Department of Health and Environmental Control (DHEC), the Medical University of South Carolina (MUSC), and the South Carolina Hospital Association (SCHA) to develop and implement a statewide testing plan for the novel coronavirus designated as COVID-19. Since the virus was first identified in the Palmetto State, DHEC, MUSC and other organizations have screened and tested thousands of individuals, and the pace of testing continues to increase.

Objectives of the Statewide Testing Plan. Testing is critical to prevent spread of the virus by informing treatment protocols, addressing hotspots, and tracking progression of the virus. In order to transition safely back to our normal lifestyles, South Carolina needs to increase per capita testing to allow for more precise public health interventions. The federal government has committed to deliver testing supplies, provided DHEC and its partners test at least two percent (2%) of the state's population each month. That equates to 110,000 tests performed per month, and this statewide plan aims to meet or exceed that target.

Central Coordination, Decentralized Implementation. In order to better align statewide testing efforts, DHEC, MUSC and SCHA have established a coordination team to standardize specimen collection protocols, develop public education materials, coordinate test results, and establish a system to ensure follow-up care for individuals who do not have primary care homes. This coordination team will also monitor emerging hotspots and marshal resources to address them expeditiously.

DHEC, MUSC and SCHA will oversee the plan through the coordination team, but implementation will be decentralized in DHEC's four regions (Upstate, Midlands, Pee Dee and Lowcountry). The Department's four Regional Health Directors will serve as conveners for their regions of the state, and MUSC and SCHA will each assign regional contacts to work in partnership with those Regional Health Directors. All partners (hospitals, Rural Health Clinics, Community Health Centers, etc.) will work through the teams led by DHEC's Regional Health Directors to establish testing sites, schedules, supplies, and follow-up.

What Type of Test Will Be Used? Generally speaking, two approaches to testing are currently available: *diagnostic testing* and *antibody testing*. Diagnostic testing identifies the presence of COVID-19 and is used primarily for people who have symptoms commonly associated with the virus. Antibody testing helps determine if an individual has been exposed to COVID-19 in the past and might have developed immunity to the virus. Antibody testing is not reliable as a test for active disease, so the initial statewide testing plan will rely on diagnostic testing to identify active disease in the state. However, effective antibody tests may help determine the prevalence of previous COVID exposure in South Carolina so this plan will incorporate antibody testing as appropriate.

Determining Whom and Where to Test. The authorizing legislation specifically calls for testing in rural communities and communities with a high prevalence of COVID-19 and/or with

demographic characteristics consistent with risk factors for COVID-19 including, but not limited to, communities with higher proportions of seniors, African Americans, or individuals with chronic lung disease, asthma, serious heart conditions, severe obesity, compromised immune systems, diabetes, liver disease, or who are on dialysis. In order to achieve these important testing goals, we have established the following principles to guide our work.

- **Congregate Living Facilities.** COVID-19 outbreaks at long term care and corrections facilities indicate ongoing transmission of virus within a community and require an intense focus on infection prevention practices. Nursing home populations are of particular concern because residents with chronic medical conditions are at highest risk for complications or death from infection. ***To help protect this vulnerable population, DHEC has already begun universal testing of all 40,000 South Carolina nursing home residents and staff.*** This initial focus on nursing homes will be complete by the end of May, and the effort to address congregate living facilities will continue with prisons, jails, assisted living facilities and group homes.
- **Under-Resourced Minority and Rural Communities.** African American, Hispanic, and Native American populations have been disproportionately impacted by COVID-19, with higher per capita rates of serious illness and death than in white populations. The Centers for Disease Control and Prevention (CDC) identified counties that could benefit from testing using indicators such as percentage of the population living in poverty, community testing rates, and rurality. DHEC regional staff prioritized additional communities for testing based on limited access to healthcare, elevated rates of chronic disease, and poor health outcomes. Testing will be increased in these communities using mobile specimen collection, community paramedicine testing, and fixed testing sites.
- **Urban Areas of the State.** Urban areas are at risk for ongoing transmission of COVID-19 due to their size, population density, and access to many social venues where people congregate. Urban centers also are centers of tourism and commerce, welcoming domestic and international visitors. DHEC is already working with partners to host pop-up testing events at multiple locations each month in Charleston, Columbia, and the Greenville/Spartanburg areas.

Other cities of concern for introduction and rapid transmission of virus are those that attract large numbers of tourists, such as Myrtle Beach. Cities bordering states that have not used a phased approach to reopening are also at risk for COVID-19 transmission, such as Aiken and North Augusta. Open testing events in these communities will help to identify asymptomatic infections and prevent ongoing spread of disease.

- **Symptomatic versus Asymptomatic Individuals.** Researchers estimate that as many as 50% of all persons infected with COVID-19 do not have any symptoms of illness. Nevertheless, because testing supplies were limited in the early months of the COVID-19 response the only individuals prioritized for testing were those with symptoms of the

virus. Now that testing supplies are more plentiful, we want to make COVID-19 testing available to any person, whether or not they have symptoms.

- **Unexpected Deaths Investigated by a Coroner.** Reports of individuals with unknown COVID-19 infection status who died alone at home raise the concern for unrecognized and unreported deaths due to the virus. In order to fully understand the impact of this virus on the number of people dying in our state, DHEC has updated its guidance for coroners and medical examiners to encourage testing of individuals who died unexpectedly. DHEC will distribute test kits to coroners throughout the state to use in post-mortem testing of patients who die unexpectedly regardless of symptoms or with symptoms of COVID-19 without a positive test. Positive test results will be followed by contact tracing with family of the deceased.
- **Fixed Locations, Mobile Specimen Collection, and Pop-up Sites.** The best approach to testing sites will likely be a mix of fixed locations, mobile specimen collection, using pop-up sites, and rapid response teams to respond quickly to emerging hotspots. MUSC will work with DHEC Regional Health Directors to offer all types of specimen collection sites for deployment across the state. In addition, SCHA will assist MUSC and DHEC to recruit regional hospital partners to assist with testing.

Critical Sectors of the South Carolina Economy. As statewide testing accelerates, there are critical sectors of the state's economy that need to be advised and supported so they can regain their pre-COVID strength. These include K-12 education, colleges and universities, manufacturing, tourism, and many other businesses that will likely have questions about testing their employees and customers. The CDC published [guidance](#) for state testing prioritizes public health testing of the healthcare workforce, individuals with symptoms, communities at high risk for serious complications or death from COVID-19 or surveillance testing in communities to understand disease transmission. CDC does not currently include a public health role for routine testing in academic or business settings. An [Interim Guidance for Businesses and Employers](#) Guidance document is also available and includes current best practices for returning to the workplace. The U.S. Chamber of Commerce addresses the issue of workforce testing in its document, [Implementing a National Return to Work Plan](#). In that document, they state: "To the extent that return to work is based on the testing of employees either for the COVID-19 virus or antibodies to COVID-19, there will have to be sufficient testing capacity, as well as clear resolution on who is responsible for administering the tests, paying for the tests, and checking test results. Most employers are not well-positioned to administer these medical tests, so there must be widely accessible third-party providers. There also will need to be standardization as to when employees need to be tested, the frequency of tests (especially important if testing for infection, rather than antibodies), and the documentation employees will provide to employers. Frequent testing could be especially costly, and it should be determined who will bear those costs."

Appropriate Follow-up. One of the essential elements of this statewide testing plan is our commitment to provide timely follow-up care to all individuals who need it. First and foremost,

persons who submit specimens for testing need to know how to get their test results. Individuals who test positive for COVID-19 need to know how and where to seek treatment for the virus, and they also need to know who will pay for their medical care. Individuals who do not currently have a primary care home will be offered a referral regardless of whether they test positive or negative for the virus. This is an important opportunity to help underserved South Carolinians establish a medical home and thereby improve their health.

Case Management and Prevention of Ongoing Transmission (Contact Tracing). In addition to a referral for follow-up medical care, guidance for staying well and preventing transmission to family and friends will be provided by DHEC for all persons who test positive for COVID-19.

Contact tracing is a standard disease control measure that has long been used by public health professionals to help people get the medical care they need and prevent further spread of disease within a community. The mission of contact tracing is to ensure that people who are unknowingly exposed to a contagious individual are provided education regarding the next steps and how to seek testing if indicated. Specifically, it is the process of talking to those who have tested positive for the virus, asking them about anyone who they have had close contact with and connecting with those close contacts to provide guidance to help them recognize the symptoms of COVID-19 so they can seek medical care, if needed, while educating them about the importance of quarantine to limit the spread of the disease to their family and friends. This extensive contact tracing process helps interrupt transmission of the disease within a community.

Contact tracing isn't new to South Carolina or to DHEC. During normal operations DHEC has approximately 20 contact tracers who perform this methodology to help limit the spread of diseases like HIV, tuberculosis and hepatitis by educating people about the disease and how to prevent its spread and connecting them to the medical care they need. As part of the COVID-19 response, DHEC has surged its contact tracers from 20 to 400, and DHEC has identified more than 1,000 volunteer and contract staff ready to receive training. DHEC has been performing contact tracing throughout the pandemic response and will continue to perform contact tracing for each individual diagnosed with COVID-19 and all of their close contacts.

It is critical that public health staff notify the exposed individuals of their potential exposure as rapidly and sensitively as possible. To protect patient privacy, contacts are only informed that they may have been exposed to a patient with the virus. DHEC staff do not share the identity of the patient who may have exposed the contact.

Prioritization of Testing Supplies. One of the greatest challenges in the early phases of our state's response to COVID-19 was the shortage of testing supplies. Specimen collection kits, testing instruments, and laboratory supplies are all essential to perform COVID-19 testing, and each of these has been in short supply at one time or another. The CDC and DHEC wisely established a testing priority list to ensure hospital inpatients, symptomatic healthcare workers, and symptomatic first responders would have access to diagnostic testing as our state's highest priorities. Other categories follow in priority order, and only recently has South Carolina enjoyed

sufficient testing capacity to begin widespread testing of asymptomatic individuals. This statewide plan seeks to test as many South Carolinians as possible, but we will revert to the CDC/DHEC prioritization system in the event testing supplies once again become scarce.

Community Outreach. Communication is a critical but challenging component to reaching rural and underserved communities, given disparities in access to a reliable broadband connection and transportation. MUSC, DHEC and SCHA will work with other partners to identify gaps in existing outreach and deliver information and care directly to rural residents of the state. Notable examples include MUSC and Clemson University's partnership of *Healthy Me – Healthy SC*, the Hospital Association, Community Health Centers, the South Carolina Telehealth Alliance, and the South Carolina Office of Rural Health.

Getting Involved. Organizations that want to participate as partners in this testing plan are invited to do so by contacting one of the testing coordinators.

Authorizing Legislation

The Medical University of South Carolina, in consultation with the Department of Health and Environmental Control and the South Carolina Hospital Association, shall develop and deploy a statewide COVID-19 testing plan within ten days of the effective date of this act. The plan must emphasize testing in rural communities and communities with a high prevalence of COVID-19 and/or with demographic characteristics consistent with risk factors for COVID-19 including, but not limited to, communities with higher proportions of seniors, African Americans, or individuals with chronic lung disease, asthma, serious heart conditions, severe obesity, compromised immune systems, diabetes, liver disease, or who are on dialysis.

Section 3(C)(1) of Act No. 135, ratified May 12, 2020, and signed by the Governor May 18, 2020.



**Detailed Expenditures of COVID-19 Federal Funds
as of 6/1/2020**

Grant Title: CPRSA Hospital Preparedness Partners (HPP)
COVID-19 Supplement
Federal Source: CPRSA
Date Received: 3/29/2020
SCEIS Fund/Grant: 51C30000 / J0401F170Y19
Purpose: Supports healthcare coalitions

Category	Previously Reported	June 2020	Encumbered	Total
Personnel				\$0.00
Contractual				\$0.00
Supplies				\$0.00
Fixed Charges				\$0.00
Travel				\$0.00
Capital Equipment				\$0.00
Case Services				\$0.00
Utilities				\$0.00
Allocations			\$110,516.50	\$110,516.50
Fixed Assets				\$0.00
TOTAL	\$0.00	\$0.00	\$110,516.50	\$110,516.50

Total Award \$628,506.00
Balance: \$517,989.50

Grant Title: SCDHEC's Public Health Crisis Response
Grant 2018
Federal Source: CPRSA
Date Received: 3/16/2020
SCEIS Fund/Grant: 51C30000 / J0401H120V19
Purpose: Funds to carry out surveillance, epidemiology, laboratory capacity, infection control, mitigation, communications, and other preparedness and response activities

Category	Previously Reported	June 2020	Encumbered	Total
Personnel				\$0.00
Contractual		\$2,098.52	\$121,849.09	\$123,947.61
Supplies		\$489,298.62	\$3,998,678.50	\$4,487,977.12
Fixed Charges				\$0.00
Travel				\$0.00
Capital Equipment		\$398,831.04	\$316,409.19	\$715,240.23
Case Services				\$0.00
Utilities				\$0.00
Allocations				\$0.00
Fixed Assets			\$44,608.75	\$44,608.75
TOTAL	\$0.00	\$890,228.18	\$4,481,545.53	\$5,371,773.71

Total Award \$8,926,133.00
Balance: \$3,554,359.29



**Detailed Expenditures of COVID-19 Federal Funds
as of 6/1/2020**

Grant Title: CK19-1904 Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infection Diseases

Federal Source: CARES

Date Received: 4/23/2020

SCEIS Fund/Grant: 51C10016 / J0401U000V19

Purpose: Supports contact tracing, surveillance, testing, monitoring capacity, vulnerable populations

Category	Previously Reported	June 2020	Encumbered	Total
Personnel				\$0.00
Contractual			\$2,700,003.08	\$2,700,003.08
Supplies				\$0.00
Fixed Charges				\$0.00
Travel				\$0.00
Capital Equipment				\$0.00
Case Services				\$0.00
Utilities				\$0.00
Allocations				\$0.00
Fixed Assets				\$0.00
TOTAL	\$0.00	\$0.00	\$2,700,003.08	\$2,700,003.08

Total Award \$9,917,925.00
Balance: \$7,217,921.92

Grant Title: CK19-1904 Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infection Diseases

Federal Source: PPPHCE

Date Received: 5/15/2020

SCEIS Fund/Grant: 51C40000 / J0401U000X19

Purpose: Develop, purchase, administer, process, and analyze COVID-19 tests, conduct surveillance, trace contacts, and related activities. Recipients will establish a robust testing plan that ensures adequate testing is made available.

Category	Previously Reported	June 2020	Encumbered	Total
Personnel				\$0.00
Contractual			\$2,120,000.00	\$2,120,000.00
Supplies				\$0.00
Fixed Charges				\$0.00
Travel				\$0.00
Capital Equipment				\$0.00
Case Services				\$0.00
Utilities				\$0.00
Allocations				\$0.00
Fixed Assets				\$0.00
TOTAL	\$0.00	\$0.00	\$2,120,000.00	\$2,120,000.00

Total Award \$118,690,218.00
Balance: \$116,570,218.00

AGENCY: Office of the Governor
South Carolina Department of Mental Health

SUBJECT: Request for Review and Comment Regarding Expenditures by the
South Carolina Department of Mental Health
Pursuant to Act 135 of 2020

Act 135 of 2020 contains among other things provisions for revenue and appropriations to meet the ordinary expenses of state government for the fiscal year beginning July 1, 2020, and also includes provisions for receipt, establishment and expenditure of funds designated for the Coronavirus Relief Fund and the COVID-19 Response Reserve Account.

Among other things, the Act directs the transfer of \$175 million from the 2018-19 Contingency Reserve Fund, with \$155 million designated for establishment of the COVID-19 Response Reserve Account for certain purposes. The Act further provides that, prior to any expenditure from the COVID-19 Response Reserve Account, the Governor must submit the planned expenditure to the Joint Bond Review Committee for its review and comment.

By letter dated June 11, 2020, Governor McMaster requests committee action pursuant to the Act for the purpose of designating \$3,675,000 from the COVID-19 Response Reserve Account to serve as state match funding for a \$10,500,000 renovation of Fewell Pavilion at the E. Roy Stone Veterans Nursing Home in Columbia.

Fewell Pavilion will be renovated to create capacity for individual isolation for up to 14 residents, and individual quarantine for up to 20 residents exposed to COVID-19 or any other respiratory virus. The expenditure will further support an increased climate-controlled storage area to stockpile medical supplies for the current and any future pandemic, and renovation of the administrative support areas of the facility.

The CARES Act provided \$150 million in federal grant funding for coronavirus-related renovations to existing State Veterans Nursing Homes and, in connection with this project, the Department made one of only eleven grant submissions by the grant application deadline of April 15, 2020. The Department must make a certification of availability of state match funding to the Veteran's Administration no later than August 1, 2020, and anticipates that the project is likely to receive a conditional funding approval in early 2021. If awarded, funding for the project is planned as follows:

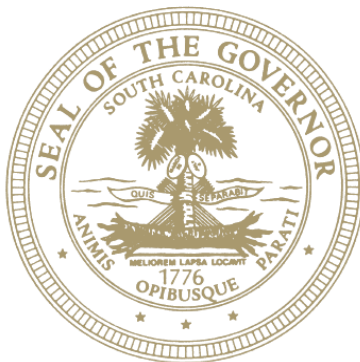
CARES Act Federal Funding (65%)	\$ 6,825,000
CARES Act State Match Funding (35%)	<u>3,675,000</u>
Total	\$ 10,500,000

COMMITTEE ACTION:

The committee is requested to review and provide comment regarding the proposed expenditure of \$3,675,000 from COVID-19 Response Reserve Account funds to be used as CARES Act state match funding by the South Carolina Department of Mental Health in support of the Fewell Pavilion renovation project.

ATTACHMENTS:

1. Letter dated June 11, 2020, of The Honorable Henry McMaster, Governor.
2. Letter dated June 9, 2020, of Kenneth M. Rogers, M.D., State Director, South Carolina Department of Mental Health.



HENRY McMASTER
GOVERNOR

June 11, 2020

The Honorable Hugh K. Leatherman, Sr.
Chairman
Joint Bond Review Committee
312 Gressette Building
Columbia, SC 29201

Dear Chairman Leatherman:

Pursuant to Act 135 of 2020, I request that the Joint Bond Review Committee review the proposed request of the South Carolina Department of Mental Health (SCDMH) for the expenditure of \$3,675,000 from the COVID-19 Response Reserve account.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act passed by Congress and signed into law by President Trump provided \$150 Million in federal grant funding for coronavirus related renovations to existing State Veterans Nursing Homes across the country.

On April 15, 2020, the Department of Mental Health submitted a grant application the Veterans Administration for the renovation of the Fewell Pavilion facility located at the E. Roy Stone Veterans Nursing Home in Columbia. Fewell Pavilion is a single-story structure built in 1970, totaling approximately 45,000 gross square feet. It is licensed for a total of 90 nursing home beds but is currently vacant.

The total budget for renovation of the Fewell Pavilion is \$10,500,000. To be eligible for this federal grant, the State must certify by August 1, 2020 that the required 35% (\$3,675,000) match in state funds are available to match the 65% (\$6,825,000) in federal funds.

I have attached SCDMH's proposal for your careful consideration. If you have any questions, please do not hesitate to contact me.

Yours very truly,

A handwritten signature in blue ink that reads "Henry McMaster".

Henry McMaster



State of South Carolina

Department of Mental Health

MENTAL HEALTH COMMISSION:

L. Gregory Pearce, Jr., Chair
Louise Haynes, Vice Chair
Allison Y. Evans, PsyD
Bob Hiott

2414 Bull Street • P.O. Box 485
Columbia, SC 29202
Information: (803) 898-8581

Kenneth M. Rogers, MD
State Director

June 9, 2020

The Honorable Henry McMaster
Governor, State of South Carolina
1100 Gervais Street
Columbia, SC 29201

Re: CARE Matching Funds Request for the COVID-19 related renovation of Fewell Veterans Pavilion

Dear Governor McMaster:

The FY20 Coronavirus Aid, Relief, and Economic Security (CARES) Act provided \$150 Million in federal grant funding for coronavirus related renovations to existing State Veterans Nursing Homes.

The Department of Mental Health submitted a grant application on April 15, 2020 to renovate the Fewell Pavilion, part of the E. Roy Stone Veterans Nursing Home in Columbia, SC. Fewell Pavilion is a single story structure built in 1970, totaling approximately 45,000 gross square feet. It is licensed for a total of 90 nursing home beds but is currently vacant.

The proposed renovation would:

1. renovate or replace the aging mechanical, electrical and plumbing systems which were last renovated 27 years ago and are well past their service life;
2. create the capacity for individual isolation for up to 14 residents, and individual quarantine for up to 20 residents exposed to COVID-19 or any other respiratory virus;
3. provide increased climate-controlled storage area to stockpile medical supplies for both the current and any future pandemic; and
4. renovate the administrative support areas.

The Department's submission was one of only 11 grants received by the Veterans Administration by the grant deadline of April 15, 2020 and is likely to receive a conditional funding approval in early 2021.

MISSION STATEMENT

To support the recovery of people with mental illnesses.



The Honorable Henry McMaster
June 9, 2020
Page 2

The total project budget is \$10,500,000, of which 65% (\$6,825,000) would be the Federal share. The Department requests that in accordance with Section 3.(B)(1) of Act 135 that you designate the expenditure of \$3,675,000 from the COVID-19 Response Reserve account to serve as the State's match funding for this project. In order to certify availability of State match funding to the Veteran's Administration by August 1, 2020, the JBRC will need to take action on this item at their upcoming June 23rd meeting.

Thank you for your consideration. We look forward to your favorable response.

Very truly yours,



Kenneth M. Rogers, M.D.
State Director

cc: Deborah Calcote, Deputy Director
Division of Administrative Services
Kenneth Roey, Project Executive
SCDMH State Veterans Nursing Homes

AGENCY: Joint Bond Review Committee

SUBJECT: Agency Guidance for Roofing Maintenance and Replacement

During its meeting of January 29, 2020, the committee identified concerns about maintenance and replacement of roofs on buildings owned by the state and managed by its institutions and agencies. The following guidance is reflective of the committee's observations and expectations.

Warranties. The state has a general expectation that roofs will be warrantied for no less than 20 years, both for material and workmanship. Agencies responsible for building management are charged with responsibility for meeting this expectation, and are further charged with responsibility to ensure that warranties are secured on completion of the work, and roofs are maintained in accordance with manufacturer and other specifications throughout the warranty period. Agencies are further charged with selection of contractors, vendors and suppliers that have the professional credentials, financial capability, experience and reputation that will promote reasonable assurance that such contractors, vendors and suppliers will maintain their existence and abilities to perform under the warranty for its duration.

Inspections and Preventive Maintenance. Agencies are expected to perform all things necessary, including periodic inspections and preventive maintenance, to maintain compliance with the terms of the warranty. Similarly, agencies are expected to refrain from actions that would impair or void the warranty. Agencies are further expected to conduct comprehensive inspections prior to expiration of the warranty period to ensure that any defects or failures are detected, addressed, claimed and corrected prior to expiration. Agencies are also expected to take all necessary action to extend the warranty, if the option is available, and otherwise extend the useful life of the roof where possible.

Material Selection. Agencies are expected to diligently pursue best practices in selection of materials, and are encouraged to consult with the SC Department of Administration in considering recommendations made by the agency's architects and engineers. Agency submissions for roofing projects must include the rationale of the architectural and engineering firms in making recommendations for material selection. The committee will be particularly sensitive to replacement with same materials where failures have occurred prior to expiration of either the warranty period or reasonably expected useful life. The committee will rely in significant part on assessments made by the SC Department of Administration with respect to material selection and rationale furnished by the agency on submission of the project for consideration by the committee. If the SC Department of Administration's assessment results in a determination that alternative materials should be considered, the agency is expected to conduct further diligence with its architects, engineers and other consultants, as appropriate, prior to advancing the submission. The Department of Administration is expected to inform the committee of any agency's failure to comply with these expectations, including particularly notification by the Department to the committee of any agency determination not to follow its recommendations and advice.

Oversight. The SC Department of Administration will provide as a service to the committee its general advice and expertise, and develop as appropriate procedures to implement this guidance,

but will not be responsible for the performance of any specific material, implementation or other agency responsibility. To the extent feasible, the Department of Administration will provide general oversight to the process to keep the committee apprised of both project-specific and general developments. Agencies are expected to fully cooperate with the Department of Administration in meeting this objective.

General. The SC Department of Administration may consult with the Office of State Engineer and Materials Management Division of the State Fiscal Accountability Authority in the development of best practices, recommendations for procurement processes, and vendor selection criteria to promote the corporate existence and performance objectives described above. These offices are expected to assist the Department to the extent of their expertise.

COMMITTEE ACTION:

Receive as information.

ATTACHMENTS:

None.

