

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

**June 30, 2020 – 10:00 A. M.**

The State Fiscal Accountability Authority (Authority) met at 10:00 a.m. on Tuesday, June 30, 2020, via videoconference. The meeting originated from Room 252 in the Edgar A. Brown Building, with the following members participating in the videoconference:

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

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

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

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

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

Upon a motion by Representative Smith, seconded by Senator Leatherman, the Authority adopted the agenda as presented.

### ***Minutes of Previous Meetings***

Upon a motion by Representative Smith, seconded by Mr. Loftis, the Authority approved the minutes of the May 12, 2020, State Fiscal Accountability Authority meeting.

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

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

**CONDUIT ISSUES:**

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer’s Counsel
\$28,000,000; Economic Development Revenue Bonds; Foundation for Affordable Housing – Atrium Place Apartments; Series 2020 (South Carolina Jobs-Economic Development Authority – “SC JEDA”)	Foundation for Affordable Housing (Atrium Place Apartments) Conduit: SC JEDA	Parker Poe – Ray Jones, Emily Luther, Emily Zackon	Nexsen Pruet – Laurie Becker
\$47,000,000; Economic Development Revenue Bonds; Last Step Recycling, LLC; Series 2020	Last Step Recycling, LLC Conduit: SC JEDA	Parker Poe – Tyler Smith, Ray Jones, Emily Zackon	Pope Flynn – Joe Lucas
\$31,000,000; Economic Development Revenue Bonds; BullStreet Parking, LLC; Series 2020	BullStreet Parking, LLC Conduit: SC JEDA	Haynsworth Sinkler Boyd – Theodore DuBose	Howell Linkous Nettles – Sam Howell, Alan Linkous
\$25,000,000; Multifamily Housing Revenue Bonds; Canebreak Apartments Project; Series 2020 (SC State Housing Finance and Development Authority - “SCSHFDA”)	Standard Canebreak Venture, LP (Canebreak Apartments Project) Conduit: SCSHFDA	Parker Poe – Ray Jones, Emily Luther	Tracey Easton, General Counsel
\$25,000,000; Multifamily Housing Revenue Bonds; Waters at West Ashley Apartments Project; Series 2020	Waters at West Ashley, LP (Waters at West Ashley Apartments Project) Conduit: SCSHFDA	Parker Poe – Ray Jones, Emily Luther	Tracey Easton, General Counsel
\$35,000,000; Multifamily Housing Revenue Bonds; Waters at Oakbrook; Series 2020	Waters at Oakbrook, LP (Waters at Oakbrook Apartments Project) Conduit: SCSHFDA	Parker Poe – Ray Jones, Emily Luther	Tracey Easton, General Counsel
\$7,000,000; Educational Facilities Revenue Bonds; Spartanburg Methodist College; Series 2010 (Educational Facilities Authority - “EFA”)	Spartanburg Methodist College Conduit: EFA	Haynsworth Sinkler Boyd – Kimberly Witherspoon	Howell Linkous Nettles – Sam Howell, Alan Linkous

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**GENERAL OBLIGATION / REVENUE ISSUES:**

Description of Issue	Agency/Institution	Approved Bond Counsel
\$11,000,000; General Obligation State Transportation Infrastructure Refunding Bonds; Series 2020	South Carolina Transportation Information Bank (“SCTIB”)	Burr Forman McNair – Rion Foley
\$150,000,000; Mortgage Revenue Bonds; Series 2020B	SC State Housing Finance and Development Authority	Burr Forman McNair – Rion Foley

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

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

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

**Establish Project for A&E Design**

- (a) Project: JBRC Item 1. Clemson University  
H12.9947: CU-ICAR Campbell Graduate Engineering Center Propulsion Lab Upfit
- Request: Establish Phase I pre-design to upfit approximately 1,500 square feet of laboratory space in the Campbell Graduate Engineering Center to create an Advanced Propulsion System Lab.
- Included in CPIP: No – The project was not anticipated to be completed at the time of the 2019 CPIP submission because the grant funding did not become available until early 2020.
- CHE Approval: 3/5/20

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

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

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

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

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

Mr. Loftis stated that he wanted representatives from Clemson University to explain the ownership relationship among ICAR, LICAR, and the Land Stewardship Foundation. Rick Petillo, Clemson's Chief Financial Officer, and Laura Stoner appeared before the Authority on this matter. Mr. Petillo said the facility is at Clemson's ICAR campus in Greenville. He said that entity was established and owned in LICAR. He said the Land Stewardship Foundation was established by Clemson to operate and steward all of Clemson's off campus assets including ICAR. He said that LICAR is the entity that owns the ICAR campus within the Land Steward Foundation. Mr. Loftis asked if they had an independent board of directors. Mr. Petillo responded that the Land Stewardship Foundation does, but he did not know if LICAR has a board of directors. Ms. Stoner concurred that the Land Stewardship Foundation has an independent board of directors and they serve as the board of directors for LICAR given that LICAR, LLC, is an LLC of the Foundation and is treated as a disregarded entity of the Foundation.

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Mr. Loftis commented that the more foundations and nonprofits there are the larger and more expensive enterprises become and students incur more debt in the process. He said they are not audited in a financial or programmatic manner that state agencies are. He said the State should rethink the use of foundations. He said in this instance students are funding improvements for this project from which Clemson will make a lot of money. He said the 501(c)(3) entities are littering the State’s books and the State has no control over them. He stated they should be reined in or they will own State government.

In further discussion, Mr. Eckstrom asked what is the source of funding because there is conflicting information about how the project will be funded. Mr. Pettillo said the source of funding for the project is grant revenues that are externally generated. He stated there is an accumulated balance of grant revenues that will be used to fund the project upfront and the balance will be replenished by recoveries that will be generated by the grant.

- (b) Project: JBRC Item 8. 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

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.

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**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.

(c) **Project:** JBRC Item 11. 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:** 6/22/20

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Institutional Capital Project				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

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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.

Mr. Eckstrom asked what the payback period is for this expenditure. He noted that the expenditure is being made for MUSC to produce its own electricity. He asked how long will it take for MUSC to recover the \$39 million expenditure from the savings realized through its own energy generation. Greg Weigle with MUSC appeared before the Authority on this matter. He said the study MUSC did for the project showed there would be a payback of 19 years. He stated they are requesting a little more in Phase I for design because that is close to the financing period and they want to be sure the estimate they have is valid so they will be within the financing term for the payback.

Mr. Loftis asked if any other local entities are providing funding to assist in financing the project. He noted that this project involves a 501(c)(3) entity. He asked Mr. Weigle to explain the purpose of the project. Mr. Weigle stated that power facility is not meant to be used by others and is only to serve MUSC. Mr. Loftis asked from whom is MUSC buying their energy. Mr. Weigle said MUSC buys its energy from Dominion Energy.

(d) **Project:** JBRC Item 13. 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.

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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: 6/22/20

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.

Representative Smith said during the JBRC meeting it was stated that the project would be paid for through appropriations from Greenville County Council. He said he received an update stating the property was going to be transferred to the Center for Arts and Health Sciences Public Facilities Corporation when he thought it was going to be held by Greenville Tech. He said he is supportive of the project, but it seems that the funding mechanism for the project has changed and that he needs to understand the source of funding. Dr. Keith Miller, Greenville Tech President, and Jaqui DiMaggio, Chief Financial Officer, appeared before the Authority on this matter. Ms. DiMaggio explained that funding for the project was originally planned through a Greenville County bond issuance, but after consultation with legal counsel the County decided to finance it through an installment purchase. She said that by law Greenville County would have to own and occupy the building for a certain time period after the bonds are paid. She said for that reason Greenville County decided to support the project by establishing an escrow agreement through a millage established through a county ordinance to service the installment purchase agreement. Ms. DiMaggio said the funds will still come from Greenville County to the College to service the debt and it is a slightly different financing arrangement because of legal issues with Greenville County issuing the installment purchase.

Mr. Smith further asked if this transpired after the JBRC meeting because he was not aware of it. Ms. DiMaggio said that this matter was discussed with JBRC staff shortly before the JBRC meeting and was mentioned at the JBRC meeting. Senator Leatherman stated that he and the JBRC staff were aware of the change in funding and that it was mentioned at the JBRC meeting. He said had he not been aware of that he would support taking the matter back before the JBRC.

Mr. Loftis asked for clarification on Greenville County having to occupy the building after the bonds were paid off as the reason for changing the funding mechanism. Ms. DiMaggio said that their legal counsel informed them that the County would have to occupy the building for a specific time period. She said that would be disruptive to the College if they had to move

all their operations out of the building. Mr. Loftis said that this is the first he has heard of this type of arrangement and that it is another 501(c)(3) being set up to further the elite at the expense of the State.

Mr. Eckstrom commented that he received the details of the transaction ten minutes before the meeting was scheduled to start and has not had enough time to understand them. He asked if the project could be carried over to the next meeting to give the Authority members time to review the details of how the project is going to be funded and to look at the impact of Greenville Tech’s operations 20 years from now. Dr. Miller commented that the funding mechanism passed by Greenville County establishes a small corporate board that works with Greenville Tech and the County. He said that the ultimate responsibility lies with Greenville Tech and the County has established a funding mechanism to pay for the facility because they recognize the need to train allied health workers and other career fields. He said they will do what they can to clarify the complexity of the transaction. Representative Smith also asked if the matter could be carried over to the next meeting to allow for the Greenville Tech’s attorney to further explain the transaction. Dr. Miller said that they can get that information from their attorneys and asked to move forward with the approval given it is for the initial phase of getting architectural drawings. Representative Smith said he is fine with that given that approval for the next phase has to come back to the Authority.

In further discussion, Senator Leatherman commented that this is a Phase I approval. He said that if there are any problems with the project the JBRC will not send it forward to the Authority for Phase II approval.

- (e) Project: JBRC Item 15. 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

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>

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- 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 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.
- (f) **Project:** JBRC Item 17. 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

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CHE Approval: submitted.  
 N/A

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.

Mr. Eckstrom asked why the item was not on the CPIP. Ashlie Lancaster with the Department of Administration stated that this project is for the redundancy for the air conditioner at the data center. She said that it was not included in the CPIP due to an internal issue within their agency. She said they have included multiple projects for the data center on the CPIP for this year. She said the concern is that if the HVAC system goes down it could cause severe problems for the functioning of the data center which could result in the loss of data or the protection of personal protected information.

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(g) Project: JBRC Item 37. 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

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 15<sup>th</sup>. 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.

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

Mr. Eckstrom inquired if the Fewell Pavilion is vacant. Mark Binkley and Ken Roey with the Department of Mental Health appeared before the Authority. Mr. Binkley responded that the building has been vacant for over five years. Mr. Eckstrom asked if the cost for the project includes any upfitting on the inside of the building as well as the roof replacement. Mr. Roey said that building is being renovated on the inside. Mr. Eckstrom asked what will happen if the Department does not get the federal grant. Mr. Roey said if they do not get the federal grant, they will not have the funding to execute the project.

- (h) Project: JBRC Item 48. 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

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.

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**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.

(i) **Project:** JBRC Item 50. 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

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).

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

(j) Project: JBRC Item 57. JBRC Item 9. 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

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.

(k) Project: JBRC Item 58. 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

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North Bound Rest Area in Sumter County.

Included in CPIP: No – A 2019 CPIP was not submitted by the agency  
 CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
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, 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.

With regard to items 2(j) and 2(k), Mr. Eckstrom asked why SCDOT did not submit a CPIP for 2019. Andy Leaphart with SCDOT responded that they did not submit a CPIP because the projects were being developed late in the process and they did not complete the CPIP in a timely fashion. Senator Leatherman commented that these rest stops are in deplorable condition. He said it would be a disservice to the State’s citizens and the public if these items are not approved.

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**Establish Construction Budget**

- (I) Project: JBRC Item 2. 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: 6/22/20

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Facilities and Administrative Cost Recoveries	75,000		75,000	4,925,000	5,000,000
All Sources	<u>75,000</u>		<u>75,000</u>	<u>4,925,000</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,

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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.

(m) Project: JBRC Item 10. 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: 6/22/20

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	757,642	787,642
Federal, EDA Grant				1,207,875	1,207,875
All Sources	<u>30,000</u>		<u>30,000</u>	<u>1,965,517</u>	<u>1,995,517</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 million 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

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semester, and has decreased from \$593 to \$523 for the academic years 2014-2015 to 2019-2020 respectively.

Full Project Estimate: \$1,995,517 (internal) funded by Capital Reserve and EDA Grant Funds. Contract execution is expected in August 2020 with construction completion in August 2021.

(n) Project: JBRC Item 12. 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: 6/22/20

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.

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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.

(o) Project: JBRC Item 14. 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: CHE approval is pending.

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

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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.

(p) Project: JBRC Item 23. 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

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

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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.

(q) Project: JBRC Item 25. 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

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

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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.

(r) Project: JBRC Item 26. 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

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.

**Phase II Increase**

(s) Project: JBRC Item 30. Office of the Adjutant General  
E24.9793: Armory Revitalization (Annualized)

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**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

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
<b>All Sources</b>	<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

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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.

(t) **Project:** JBRC Item 31. 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

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

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(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.

**Phase II Increase & Change Source of Funds**

(u) **Project:** JBRC Item 60. 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**

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Approval: May 2018 (estimated at \$40,300,000) (JBRC/SFAA)  
Phase II Approval: August 2018 (estimated at \$54,100,000) (JBRC/SFAA)  
CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State				17,888,242	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	24,788,242	25,288,242	(5,288,242)	20,000,000
All Sources	<u>500,000</u>	<u>53,600,000</u>	<u>54,100,000</u>	<u>12,600,000</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

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December 2024.

**Establish Construction Budget & Revise Scope**

(v) Project: JBRC Item 28. 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

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.

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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.

**Phase II Increase & Revise Scope**

(w) Project: JBRC Item 33. 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

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

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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**

- (x) Project: JBRC Item 34. 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

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

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Office’s Master Cooperative Agreement through the Office of the Adjutant General and from the National Guard Bureau. The project is not expected to result in any change in annual operating expenditures.

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

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

**Preliminary Land Acquisition**

(y) Project: JBRC Item 4. SC State University PSA  
H24.9658: Building Acquisition (Pee Dee Cluster)

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

Included in CPIP: No – The opportunity to acquire the facility did not become available until January 2020.

CHE Approval: N/A

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,

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nutrition and health, sustainable agriculture, and natural resources, community development, education innovation, and other informal learning opportunities.

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

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

**Final Land Acquisition**

(z) **Project:** JBRC Item 7. 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

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

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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.

**Other:** The Lexington School District Two letter of support has been received. SC State PSA has submitted an official letter to Lexington County Council to request and obtain their letter of support. Once this is received, SC state PSA can request to receive a letter of submit from the City of Cayce.

With regard to items 2(y) and 2(z), Mr. Eckstrom stated that he cannot support any capital project for SCSU until it meets its financial reporting requirements. He said SCSU continues to ignore deadlines and he is uncomfortable in providing support for capital projects for any entity that is not currently making timely financial reports. He said until SCSU makes timely financial reports he will not support the projects.

Upon a motion by Mr. Senator Leatherman, seconded by Mr. Loftis, the Authority approved the permanent improvement project establishment requests and budget revisions as requested by the Department of Administration, Capital Budget Office as noted herein. Governor McMaster, Senator Leatherman, and Representative Smith voted for the item. Mr. Eckstrom and Mr. Loftis voted against the item.

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

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

The Department of Administration requested consideration for approval of the following easement between South Carolina Educational Television and Duke Energy Carolinas, LLC. in accordance with SC Code of Laws:

- (a) County Location: Greenville  
From: Department of Administration  
To: Duke Energy Carolinas, LLC  
Consideration: \$1  
Description/Purpose: To grant a 3.76 acre permanent easement, together with the right of ingress and egress, for the purpose of constructing, reconstructing, operating, patrolling, maintaining, inspecting, repairing, replacing, relocating, adding, modifying and removing electric lines and facilities on property controlled by the South Carolina Educational Television Commission (SCETV). The easement will contain the State's standard reverter language that if the easement holder ceases to use the easement for its intended purpose, it will terminate. The easement is being sought by SCETV for the benefit of the property. The Division of Facilities Management and Property Services has determined that SCETV has complied with the requirement of the statute in that the easement does not appear to materially impair the utility of the property or damage it.

Mr. Eckstrom noted that the easement is for 3.76 acres and that the Department of Administration, Facilities Management and Property Services has determined the easement does not appear to affect the utility of the property as a permanent easement. Mr. Eckstrom asked why the Department would give an easement over property that is not affected by where the lines will run. Mr. Loftis stated that the Department has limited the easement to the small section around the lines and that this was a scrivener's error. Mr. Eckstrom asked what the current area is that is going to make up the easement. Mr. Loftis said the area is very small and is approximately 30 feet around the wire.

Senator Leatherman called for the question. Mr. Eckstrom asked what the amount of the acreage is the Authority is being asked to approve. He said if approved as submitted in the agenda item Duke Energy will have an easement across nearly four acres of State property in perpetuity. Mr. Eckstrom asked in calling for the question if approval is being granted for part of

an acre as noted by Mr. Loftis or 3.76 acres as noted in the agenda item. Governor McMaster asked if fixing the scrivener's error will resolve the matter. Mr. Loftis said that would resolve the matter and he noted that the legal documents do not say the easement is for 3.76 acres. Mr. Smith suggested approving the matter and give staff the ability to make the technical correction concerning the easement acreage. Mr. Eckstrom also asked that staff notify the Authority members of the amount of the easement.

Upon a motion by Representative Smith, seconded by Mr. Loftis, the Authority granted the referenced easement between the South Carolina Educational Television and Duke Energy Carolinas, LLC as recommended by the Department of Administration, Facilities Management and Property Services. The approval is subject to staff making a technical correction concerning the amount of acreage included in the easement.

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

***State of South Carolina State Transportation Infrastructure Bank: Issuance and Sale of Not Exceeding \$11,000,000 General Obligation State Transportation Infrastructure Refunding Bonds, Series 2020A (Regular Session #4)***

The Authority was asked to adopt a resolution making provision for the issuance and sale of not exceeding \$11,000,000 General Obligation State Transportation Infrastructure Refunding Bonds, Series 2020A.

The proceeds of the bonds will be used for the purposes of (i) refunding certain Transportation Infrastructure Bonds heretofore issued and outstanding, and (ii) pay, including reimbursement to the SCTIB, for expenses related to the issuance of certain Transportation Infrastructure Refunding Bonds.

Upon a motion by Mr. Loftis, seconded by Senator Leatherman, the Authority adopted a resolution making provision for the issuance and sale of not exceeding \$11,000,000 General Obligation State Transportation Infrastructure Refunding Bonds, Series 2020A.

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

***Department of Administration, Facilities Management and Property Services: SC  
Commission on Higher Education Lease at 1122 Lady Street, Columbia, SC (Regular #5)***

The SC Commission on Higher Education (CHE) requested 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.

<b><u>TERM</u></b>	<b><u>PERIOD: FROM - TO</u></b>	<b><u>ANNUAL RENT</u></b>	<b><u>MONTHLY RENT</u></b>	<b><u>RENT PER SF</u></b>
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:

<b>Tenant</b>	<b>Location</b>	<b>Rate /SF</b>
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. The Joint Bond Review Committee approved this lease at its June 23, 2020 meeting.

Representative Smith made a motion to adopt the item. The motion was seconded by Senator Leatherman.

Mr. Loftis asked how much rent PASCAL pays and why CHE would not move out to the Broad River Road and I-26 area. George Tippens with CHE appeared before the Authority. He stated PASCAL’s rent is based on their segmented space and they pay a portion of the shared space. Mr. Loftis asked what that amount is to which Mr. Tippens responded that he did not know what that amount is. Mr. Tippens stated that most of the lease will be paid by CHE. Mr. Loftis asked Mr. Tippens if CHE did not think the Broad River Road and I-26 area was not safe enough for them. Mr. Tippens said the area Mr. Loftis mentioned is behind Dutch Square Mall and there were concerns about the area from their staff. He said the concerns were they were told there was a murder in the parking lot outside the building within the last two years and the potential difficulty of staff and the commissioners getting in and out of the area considering the long-term ten year Carolina Crossroads construction project scheduled for the area. Mr. Loftis

expressed concern about agencies not wanting to move from downtown Columbia and not having control over the agencies.

Mr. Eckstrom asked if the space was going to be split with another renter. Mr. Tippens said that their staff will be located on one floor along with the PASCAL staff.

Governor McMaster and Senator Leatherman voted for the item. Mr. Loftis and Mr. Eckstrom voted against the item. The motion failed for lack of a majority vote in favor of the motion. [Secretary's Note: Representative Smith left the meeting prior to the vote being taken on the item.]

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

***Department of Administration, Facilities Management and Property Services: MUSC Lease-Out to Green and Healthy, Inc., 0.34393 acres, a Portion of Peninsula of Charleston, SC, generally bounded by Lockwood Drive, Alberta Long Lake, Bee Street, Rutledge Avenue and Calhoun Street (Regular #6)***

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. The Joint Bond Review Committee approved this Lease at its June 23, 2020 meeting.

The Authority was advised that MUSC asked to carry the item over. Upon a motion by Mr. Loftis, seconded by Senator Leatherman, the Authority voted to carry the item over.

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

***Department of Administration, Facilities Management and Property Services: Clemson University Lease of 1 Research Drive, Greenville, SC (Regular #7)***

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) requested 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
YEAR 5	\$415,680.00	\$17.32

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

The following chart represents comparable lease rates of similar space:

Tenant	Location	Rate /SF
Vacant	200 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, by the Commission on Higher Education on June 22, 2020, and by JBRC on June 23, 2020.

A motion was made by Senator Leatherman to adopt the item. The motion failed for lack of a second.

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

***Department of Administration, Facilities Management and Property Services: Clemson University Lease of 934 Old Clemson Highway (Regular #8)***

Clemson University (Clemson) requested 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:

<b>Tenant</b>	<b>Location</b>	<b>Rate /SF</b>
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.

The Joint Bond Review Committee approved this lease at its June 23, 2020 meeting.

Mr. Loftis noted that one of the owners of Eagle Landing Properties I, LLC, is an owner of or partner with a large computer systems company. He asked if that company does business with Clemson University as well. Rick Petillo with Clemson University said that he is not familiar with that but would certainly follow up on Mr. Loftis' question. Mr. Loftis said he has concerns if this is an arm's length transaction and asked Mr. Petillo to find out for him.

Mr. Loftis moved to carry the item over. Mr. Eckstrom seconded the motion. Mr. Loftis and Mr. Eckstrom voted for the motion. Governor McMaster and Senator Leatherman voted against the motion. The motion failed for lack of a majority vote in favor of the motion.

The earlier motion made by Senator Leatherman to adopt the item, and seconded by Mr. Eckstrom, failed for lack of a majority vote in favor of adopting the item. Governor McMaster and Senator Leatherman voted for adoption of the item. Mr. Loftis and Mr. Eckstrom voted against the item.

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

***Executive Director: Revenue Bonds (Regular Session #9)***

The required reviews on the following proposals to issue revenue bonds were completed with satisfactory results. The projects required approval under State law:

- a. Issuing Authority: State Housing Finance and Development Authority
- Amount of Issue: \$25,000,000 Multifamily Housing Revenue Bonds
- Allocation Needed: \$25,000,000 (carryforward to be used)
- Name of Project: Canebreak Apartments
- Employment Impact: N/A

- Project Description: to provide a portion of the financing needed for the acquisition and rehabilitation of a 120-unit multifamily affordable housing development located in the Town of Summerville, SC, known as Canebreak Apartments.
- Bond Counsel: Emily S. Luther, Parker Poe Adams & Bernstein LLP
- b. Issuing Authority: State Housing Finance and Development Authority  
Amount of Issue: \$35,000,000 Multifamily Housing Revenue Bonds  
Allocation Needed: \$35,000,000 (carryforward to be used)  
Name of Project: Waters at Oakbrook  
Employment Impact: N/A  
Project Description: acquisition, design, construction and equipping of a 216-unit multifamily affordable housing apartment complex in the Town of Summerville, Dorchester County, SC  
Bond Counsel: Emily S. Luther, Parker Poe Adams & Bernstein LLP
- c. Issuing Authority: State Housing Finance and Development Authority  
Amount of Issue: \$25,000,000 Multifamily Housing Revenue Bonds  
Allocation Needed: \$25,000,000 (carryforward to be used)  
Name of Project: Waters at West Ashley  
Employment Impact: N/A  
Project Description: to provide a portion of the financing needed for the acquisition and rehabilitation of a 100-unit multifamily affordable housing development located in the City of Charleston, to be known as Waters at West Ashley.  
Bond Counsel: Emily S. Luther, Parker Poe Adams & Bernstein LLP
- d. Issuing Authority: State Housing Finance and Development Authority  
Amount of Issue: Not Exceeding \$150,000,000 Mortgage Revenue Bonds, Series 2020B  
Allocation Needed: -0-  
Name of Project: Mortgage Revenue Bonds, Series 2020B  
Employment Impact: N/A  
Project Description: Mortgage Revenue Bonds, Series 2020B  
Bond Counsel: Rion D. Foley, Burr Forman McNair LLP

Mr. Eckstrom asked how much funding State Housing has and if the \$150 million is adequate. He said he has questions concerning the need for the funding at this time and how much funding currently exists. Tracey Easton, General Counsel for State Housing, appeared before the Authority. She stated that when they issue bonds, they typically have mortgages in the pipeline ready to reimburse once the bonds are issued. She said they do have demand and they anticipate that as of issuance most of the bonds will be purchased into mortgages within

moments of the bonds being issued.

Upon a motion by Mr. Loftis, seconded by Senator Leatherman, the Authority adopted the resolutions approving the referenced proposals to issue revenue bonds.<sup>1</sup>

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

***State Fiscal Accountability Authority: Future Meeting (Regular Session Item #10)***

Upon a motion by Mr. Loftis, seconded by Senator Leatherman, the Authority agreed to meet at 10:00 a.m. on August 18, 2020, in Room 252, Edgar A. Brown Building.

***Adjournment***

The meeting adjourned at 11:15 a.m.

[Secretary's Note: In compliance with Code Section 30-4-80, public notice of and the agenda for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary and in the Press Room, near the Authority Secretary's office in the Wade Hampton Building, and in the lobbies of the Wade Hampton Building and the Edgar A. Brown Building at 11:00 a.m. on Friday, June 26, 2020.]

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<sup>1</sup> [Secretary's Note: A scrivener's error originally omitted this language from the minutes. It has been added to correct the error and reflect the action taken by the Authority.]