

MINUTES OF STATE BUDGET AND CONTROL BOARD MEETING

December 14, 2010 -- 10:00 A. M.

The Budget and Control Board (Board) met at 10:00 a.m. on Tuesday, December 14, 2010, in the Governor's conference room in the Wade Hampton Office Building, with the following members in attendance:

Governor Mark Sanford, Chairman;
Mr. Converse A. Chellis, III, State Treasurer;
Mr. Richard Eckstrom, Comptroller General;
Senator Hugh K. Leatherman, Sr., Chairman, Senate Finance Committee; and
Representative Daniel T. Cooper, Chairman, Ways and Means Committee.

Also attending were Budget and Control Board Executive Director Frank Fusco; Chief of Staff William E. Gunn and Division Director Rich Roberson; General Counsel Edwin E. Evans; Governor's Deputy Chief Counsel Brandon Gaskins; Deputy State Treasurer Frank Rainwater; Comptroller General's Chief of Staff James M. Holly; Ways and Means Committee Chief of Staff Beverly Smith; Board Secretary Delbert H. Singleton, Jr., and other Budget and Control Board staff.

Governor Sanford noted that this was the last Board meeting for him and Mr. Chellis. He said that the Board meetings have been the spot for some well heated discussions over the years and for greatly contemplated compromises and resolutions. He thanked Mr. Chellis and Board staff for their service.

Mr. Chellis also thanked Board staff for all the work they do to prepare for the Board meetings. He agreed with Governor Sanford that there have been good conversations at the Board meetings.

Adoption of Agenda for Budget and Control Board

Upon a motion by Mr. Eckstrom, seconded by Senator Leatherman, the Board adopted the agenda as proposed after deleting blue agenda item #8e.

Minutes of Previous Meeting

Upon motion by Senator Leatherman, seconded by Mr. Eckstrom, the Board approved the minutes of the September 29, 2010, and November 22, 2010, Budget and Control Board meetings; and acting as the Educational Facilities Authority For Private, Nonprofit Institutions of

Minutes of Budget and Control Board Meeting
December 14, 2010 – Page 2

Higher Learning, approved the minutes of the September 29, 2010, and November 22, 2010, Authority meetings.

Blue Agenda

Upon a motion by Mr. Chellis, seconded by Mr. Eckstrom, the Board approved blue agenda items, except as otherwise noted herein.

State Treasurer: Bond Counsel Selection (Blue Agenda Item #1)

The Board approved the following notification of the assignment of bond counsel for conduit issues (for ratification of issuer's counsel only) and special assignment of bond counsel as requested by the State Treasurer:

CONDUIT ISSUES: (For ratification of Issuer's Counsel only)

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel
\$14,000,000 SC JEDA	New Horizon Family Health	Haynsworth Sinkler Boyd	McNair
\$75,000,000 SC JEDA	Apex Development Group	Nexsen Pruet	Haynsworth Sinkler Boyd
\$30,000,000 SC JEDA	Medical Society of SC	Haynsworth Sinkler Boyd	Parker Poe
\$15,500,000 SC JEDA	Ace Environmental	Haynsworth Sinkler Boyd	McGuire Woods
\$30,000,000 SC JEDA	Georgetown Memorial Hospital	Haynsworth Sinkler Boyd	Pope Zeigler
\$2,500,000 SC JEDA	Goodwill Industries Rock Hill	Pope Zeigler	Haynsworth Sinkler Boyd
\$6,000,000 SC JEDA	Legacy Charter School	Haynsworth Sinkler Boyd	Howell Linkous
\$21,000,000 SC JEDA	Cardinal RE Legacy & Bennett Place	Haynsworth Sinkler Boyd	Nexsen Pruet
\$65,000,000 SC JEDA	MTU Detroit Diesel	Parker Poe	McNair
\$85,000,000 SC JEDA	Conway Hospital	Parker Poe	Haynsworth Sinkler Boyd
\$325,000,000 SC JEDA	Palmetto Health	Jones Day	Howell Linkous
\$15,000,000 SC JEDA	Goodwill of Lower SC	Haynsworth Sinkler	Nexsen Pruet

Minutes of Budget and Control Board Meeting
December 14, 2010 – Page 3

		Boyd	
\$27,000,000 SC JEDA	USC Development Foundation	Haynsworth Sinkler Boyd	Parker Poe
\$1,500,000 SC JEDA	YMCA of the Upper Pee Dee	Haynsworth Sinkler Boyd	Pope Zeigler
\$15,000,000 SC JEDA	Upper Palmetto YMCA	Haynsworth Sinkler Boyd	McGuire Woods
\$8,500,000 SC JEDA	Presbyterian College	Haynsworth Sinkler Boyd	Parker Poe
\$165,000,000 SC JEDA	Sisters of Charity Providence	Squire Sanders/Nexsen Pruet	McNair

SPECIAL ASSIGNMENT OF BOND COUNSEL:

Description of Issue	Agency/Institution	Approved Bond Counsel
SRF Loans to Local Governments	Office of Local Government	Nexsen Pruet

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

Office of State Budget: Report of FTE Positions Recommended for Deletion in Accordance with Proviso 80A.7 (Blue Agenda Item #2)

Proviso 80A.7 of the FY 2010-11 Appropriation Act authorizes the Board to delete FTE positions that have been vacant for more than one year. As of October 25, 2010, state agencies had 10,543.24 vacant positions and 3,782.90 have been vacant for more than one year. These numbers reflect adjustments made for positions previously filled and positions that are being actively recruited. The criteria used by the Board for the last three years is to allow agencies a 5% vacancy rate/10 position minimum before any positions would be deleted. Special Exemptions to allow flexibility for agencies with new constitutional officers are also included in the recommendations.

The following is a summary of FTE information as of October 25, 2010:

	<u>TOTAL</u>
FTE Positions Authorized	70,537.54
FTE Positions Currently Vacant	10,543.24

Minutes of Budget and Control Board Meeting
December 14, 2010 – Page 4

FTE Positions Vacant Over 1 Year	3,782.90
FTE Exemptions Allowing Agencies a 5% Vacancy Rate/10 Position Minimum.	39.64
Recommended Special Exemptions	394.00
Total Positions Recommended for Deletion	3,251.00

Schedule A that was attached to the agenda item summarized by agency the FTE positions that are recommended for exemptions and/or deletion. Deleted positions are rounded to whole positions.

Mr. Eckstrom asked whether deleted FTEs can be added at anytime by the Board. Mr. Fusco said that he did not believe that can happen. Les Boles, Director of the Office of State Budget, stated that there is a process where agencies can request interim other fund and federal fund FTEs through the Office of State Budget when the General Assembly is out of session. He noted the deletions in question are permanent and the General Assembly would have to add them back.

The Board, in accordance with Proviso 80A.7, approved deleting the FTE positions which have remained vacant for more than one year as outlined in Schedule A as attached to the agenda item.

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

Division of General Services: Easements (Blue Agenda Item #3)

The Board approved the following easement in accordance with the SC Code of Laws:

- (a) County Location: Florence/Marion
- From: Budget and Control Board
- To: South Carolina Electric and Gas Company
- Consideration: \$700
- Description/Purpose: To grant a 0.12 acre easement for the relocation, installation, operation and maintenance of a natural gas pipeline beneath the Great Pee Dee River adjacent to Highway 378.

Minutes of Budget and Control Board Meeting
December 14, 2010 – Page 5

The Board concurred and acquiesced in granting the following easement in accordance with SC Code of Laws:

- (b) County Location: Berkeley
From: Trident Technical College
To: Berkeley Electric Cooperative, Inc.
Consideration: \$11,760
Description/Purpose: To approve the grant of a 0.45 acre easement for the purpose of relocating an overhead power line due to the widening of US 17A by SCDOT.

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

Division of General Services: Real Property Transactions (Blue Agenda Item #4)

The Board approved the following property conveyances as requested by the Division of General Services:

- (a) Agency: Budget and Control Board (Forestry Commission)
Acreage: 62.38± acres consisting of 8 separate parcels
between 1 and 12 acres in size
Location: Various counties as below
County: Aiken (2), Darlington, Edgefield, Fairfield, Laurens, Newberry
and Orangeburg Counties
Purpose: To dispose of surplus properties previously used by the Forestry
Commission as fire tower sites.
Price/Transferred To: Not less than appraised value / To be determined
Disposition of Proceeds: To be retained by Forestry Commission pursuant to Proviso
80A.35.
- (b) Agency: Budget and Control Board (Department of Education)
Acreage: 4.3± acres
Location: Off Highway 107, Mountain Rest
County: Oconee
Purpose: To dispose of surplus real property previously used as a
vocational education recreation center and camp.
Price/Transferred To: Not less than appraised value / To be determined
Disposition of Proceeds: To be divided between Budget and Control Board and the
Department of Education pursuant to Proviso 80A.35.

Minutes of Budget and Control Board Meeting
December 14, 2010 – Page 6

- (c) Agency: Budget and Control Board (Department of Disabilities and Special Needs)
Acreage: 0.092± acre
Location: 110 & 114 Resinwood Drive, Moncks Corner
County: Berkeley
Purpose: To sell property along South Live Oak Drive and the rear of two residential habilitation homes to the Department of Transportation for road improvements associated with the widening of South Live Oak Drive/US 17A.
Price/Transferred To: \$8,000 / Department of Transportation
Disposition of Proceeds: To be divided between Budget and Control Board and Department of Disabilities and Special Needs pursuant to Proviso 80A.35.
- (d) Agency: Winthrop University
Acreage: 8.27± acres and improvements
Location: Cherry Road in Rock Hill
County: York
Purpose: To sell two contiguous tracts of land totaling 8.27 acres to the City of Rock Hill. The 5.02 acre tract is currently under a long term lease to the City and is the site of the Rock Hill Fire Department Station #2. The 3.25 acre tract adjoins the leased land and is restricted to residential uses with parks permitted.
Price/Transferred To: \$500,000 / City of Rock Hill
Disposition of Proceeds: To be retained by Winthrop University.
Additional Information: The proceeds from the sale of the Cherry Road property will be applied toward the purchase of 12.38 acres and improvements from the City of Rock Hill which currently serves as the Rock Hill Operations Center. Winthrop will leaseback the operations center to the City until a new facility is constructed.
- (e) Agency: Spartanburg Community College
Acreage: 2.63± acres and improvements
Location: 9039 Fairforest Road in Spartanburg
County: Spartanburg
Purpose: To sell leased property known as the Dent Building to Spartanburg County.
Price/Transferred To: \$1,550,000 / Spartanburg County
Disposition of Proceeds: To be retained by Spartanburg Community College
Additional Information: The proceeds from the sale of the Dent Building will be applied toward the purchase of 4.59 acres and the Evans Building from Spartanburg County to serve as the future Spartanburg Community College downtown campus.

- (f) Agency: Charleston Naval Complex Redevelopment Authority
Acreage: 8.57± acres and improvements
Location: Parcel 7-A-1 of the former Charleston Naval Base
County: Charleston
Purpose: To transfer real property to the Charleston Water System, formerly the Commissioners of Public Works of the City of Charleston in accordance with their agreement dated March 27, 1997.
Price/Transferred To: N/A / Charleston Water System
Additional Information: Concurrently, the RDA will transfer a 0.18 acre easement for access to the property.

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

Division of General Services: Office of the Adjutant General's Emergency Management Division Lease to Fairfield County (Blue Agenda Item #5)

The Office of the Adjutant General's Emergency Management Division (EMD), requested approval to lease to Fairfield County (County) 4,937 square feet of office and storage space at the Logistics and Emergency Commodity Warehouse located at 1 Tidewater Road in Winnsboro. The state purchased the 185,514 square foot facility and surrounding 14.87 acres from Fairfield County in July 2007 for \$825,000.

The facility will be shared by EMD and the County. The County plans to house its emergency preparedness office, coroner's office, fire marshal, public maintenance office and archive records storage at the facility. EMD will continue to store emergency commodities at the facility and, should an emergency or catastrophic event occur, may take any and all space at the facility necessary to respond. If such an event should occur, the County will, with 24 hours notice by EMD, prepare and vacate the space needed and provide around-the-clock security, water, sewer and electricity during the event response period.

The County has already invested \$17,000 to construct a loading dock and will invest an additional \$175,000 in improvements at the facility. The County has requested a 20 year lease term to justify the expense of the improvements. As consideration for the lease, the County will obtain and make payment for all services related to the maintenance and operation of the building

and surrounding acreage. The average annual maintenance and operating costs for the last two years is \$46,872, which equates to \$9.49 per square foot annually for the 4,937 square feet of leased space. The lease to the County will help alleviate EMD's budget, which has faced recent reductions in state and federal funding.

Mr. Eckstrom asked whether EMD would retain the acreage during the lease term. Mr. Roberson said that EMD will retain ownership and control of the entire facility and that the County will have some office space built in the facility. Mr. Eckstrom asked whether there was excess land the State could consider selling. Mr. Roberson said he would have to look into that issue and neither EMD nor the Adjutant General has indicated that any of the property is excess to their needs.

Ricky Platt with EMD stated that the 14.87 acres is the acreage surrounding the warehouse. He said they have partnered with Fairfield County because the County needed an EOC (Emergency Operating Center) and did not have a million dollars to start one. He said the County will put its EOC in the warehouse and that EMD still has an office. Mr. Platt said EMD can use the acreage and the land if needed for commodities during an emergency. Mr. Eckstrom further inquired whether the value to the State in this case is that the county takes over operating costs. Mr. Platt said that is correct and that will save the State \$47,000 each year.

The Board approved the proposed 20 year lease to Fairfield County of 4,937 square feet of office and storage space at the Logistics and Emergency Commodity Warehouse at 1 Tidewater Road in Winnsboro.

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

Division of Procurement Services: Procurement Audits (Blue Agenda Item #6)

The Procurement Services Division, in accord with Section 11-35-1210, audited the following agencies and recommended certification within the parameters described in the audit reports for the following limits (total potential purchase commitment whether single-or multi-year contracts are used):

Department of Health and Human Services (for a period of three years): service provider contracts/service provider being a provider of services directly to a client,

Minutes of Budget and Control Board Meeting
December 14, 2010 – Page 9

\$3,000,000* per contract, per year/limit four one-year extension options; supplies and services, \$300,000* per commitment; information technology, \$300,000* per commitment; consultants, \$300,000 per commitment.

Department of Social Services (for a period of three years): service provider contracts funded from Social Services Block Grant and Child Welfare Service Provider contracts funded from Federal Title IV/ - service provider being provider of services directly to a client, \$3,000,000* per contract, per year with option to extend 4 additional years; supplies and services, \$100,000* per commitment; consultants, \$100,000* per commitment; information technology, \$100,000* per commitment.

Department of Labor, Licensing and Regulation (for a period of three years): supplies and services, \$100,000* per commitment; consultants, \$100,000* per commitment.

The audits for DSS and DHHS confirmed the respective procurement offices have the systems, internal controls, and expertise to handle increased certifications. The audit results support the increased certification levels.

Senator Leatherman stated that he wanted to have the certification for DSS stay at \$2 million. He said there have been problems at DSS and he does not know that they have been cleared up. Kathleen Hayes, DSS Director, asked for consideration of the certification being approved at \$3 million. She stated that DSS has put in very strong controls including fraud detection controls and that they are ready and able to manage certification at a higher level.

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

Department of Health and Human Services (for a period of three years): service provider contracts/service provider being a provider of services directly to a client, \$3,000,000* per contract, per year/limit four one-year extension options; supplies and services, \$300,000* per commitment; information technology, \$300,000* per commitment; consultants, \$300,000 per commitment.

Department of Social Services (for a period of three years): service provider contracts funded from Social Services Block Grant and Child Welfare Service Provider contracts funded from Federal Title IV/ - service provider being provider of services directly to a client, \$2,000,000* per contract, per year with option to extend four additional years; supplies and services, \$100,000* per commitment; consultants, \$100,000* per commitment; information technology, \$100,000* per commitment.

Department of Labor, Licensing and Regulation (for a period of three years): supplies and services, \$100,000* per commitment; consultants, \$100,000* per commitment.

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

Procurement Services Division: Update Current Exemptions for Advertising (Blue #7)

In accordance with Section 11-35-710 of the South Carolina Consolidated Procurement Code, “The board, upon the recommendation of the designated board office, may exempt governmental bodies from purchasing certain items through the respective chief procurement officer's area of responsibility. The board may exempt specific supplies, services, information technology, or construction from the purchasing procedures required in this chapter...” On April 22, 1986, the Board approved the following exemptions for advertising.

- 1) Advertisements in professional journals or publications from the purchasing procedures of the Procurement Code.
- 2) Advertising time or space in newspapers, on radio or television
(Note: Consultants obtained to handle advertising campaigns for agencies such as PRT and State Development Board are not exempted) from the purchasing procedures of the Procurement Code.

The State Board for Technical and Comprehensive Education has requested the Board consider updating this exemption to include the following advertising mediums: internet, radio, television, newspaper, billboard, and magazine.

Mr. Eckstrom asked whether the updated exemption would apply to the Technical College System or would it apply broadly. Mr. Singleton responded that the request came through the Technical College System, but would apply broadly to everyone. Mr. Eckstrom asked whether the request pertained to employment advertising as opposed to general advertising. Voight Shealy, Materials Management Officer, commented that the request pertains to both forms of advertising. He said that most of the ads are placed online and that the exemption would apply to all state agencies, colleges, and universities. Mr. Eckstrom asked whether there already is an exemption under a certain dollar limit. Mr. Shealy responded that under \$2,500 only one quote is required, but that is not considered exempt. He explained that an

exemption would be a waiver of all the thresholds of the Procurement Code. Mr. Eckstrom asked why that should be done regardless of the medium. Mr. Shealy responded that agencies indicate that the internet is being used more and more for job placement and other solicitation ads. Mr. Eckstrom said that would seldom rise to the \$2,500 level to which Mr. Shealy said he was not certain about that. Mandy Kibler with the Technical College System commented that they use this medium for job and faculty recruitment. She said that typically they enter into a contract for the entire technical college system and that contract could exceed \$2500. She said the exemption would allow them the flexibility to use online media for which there currently is no exemption. Mr. Eckstrom further asked why the State would want to expand the exemption and not observe common sense procurement rules. Mr. Shealy said that historically the agencies are looking for particular kinds of magazine or television ads to target a specific audience with that advertisement. He said that agencies have said they cannot compete that particular placement. Mr. Eckstrom said that agencies would place ads through buyers to run through a particular TV show and that internet ads are bought from various providers on the internet.

Senator Leatherman asked whether agencies could use a sole source procurement if there is only one agency that can be used. Mr. Shealy responded that the sole source method can be used if there is a targeted audience that is reached only by a particular publication. Mr. Eckstrom said that is certainly reasonable.

Upon a motion by Mr. Eckstrom, seconded by Senator Leatherman, the Board agreed to carryover the exemption request.

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

Executive Director: Revenue Bonds (Blue Agenda Item #8)

The Board approved the following proposals to issue revenue bonds [Secretary's Note: Item #1e was deleted from the agenda]:

- a. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: Not Exceeding \$21,000,000 Economic Development Revenue Bonds
Allocation Needed: -0-
Name of Project: Cardinal Real Estate Group, Inc. (Legacy Place/Bennett Place)
Employment Impact: maintain 5 jobs and add 75 in 12 months and 150 in 24 months

Minutes of Budget and Control Board Meeting
December 14, 2010 – Page 12

Project Description: acquire land, buildings, and necessary furnishings and equipment for senior housing and services, including assisted living, memory care, and supportive services in Union and Greer

Note: private sale to a financial institution

Bond Counsel: Kathleen Crum McKinney, Haynsworth Sinkler Boyd, P. A.
(Exhibit 8)

- b. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: Not Exceeding \$11,650,000 Health Facilities Revenue Bonds (\$11,450,000 refunding involved)
Allocation Needed: -0-
Name of Project: Covenant Place of Sumter, Inc.
Employment Impact: maintain 137 existing jobs and add 10 new jobs within 12 months
Project Description: refunding outstanding Series 1998 Bonds used to complete the assisted living and skilled nursing facilities of Covenant Place
Note: private sale
Bond Counsel: Kathleen Crum McKinney, Haynsworth Sinkler Boyd, P. A.
(Exhibit 9)
- c. Issuing Authority: Jobs- Economic Development Authority
Amount of Issue: Not Exceeding \$26,500,000 Waterworks Utility Improvement Revenue Bonds
Allocation Needed: \$26,500,000
Name of Project: Kershaw County and Lee County Regional Water Company, Inc.
Employment Impact: maintain 27 jobs and add 22 additional jobs within 24 months
Project Description: expansion, extension, upgrading, and equipping a waterworks utility system and refinancing of outstanding Rural Development and bank loans
Note: private sale for public distribution
Bond Counsel: B. Eric Shytle, Haynsworth Sinkler Boyd, P. A.
(Exhibit 10)
- d. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: Not Exceeding \$325,000,000 Hospital Refunding and Improvement Revenue Bonds (\$92,215,000 refunding involved)
Allocation Needed: -0-
Name of Project: Palmetto Health
Employment Impact: maintain at least 7,562 jobs, create 251 jobs within 12 months of completing the project and create a total of 270 within 24 months of completing the project
Project Description: finance the cost of the acquisition, construction, renovation and equipping of certain health care facilities of Palmetto Health in Richland County, including without limitation an approximately 186,000 square foot building to be used as an approximately 76-bed hospital and routine capital expenditures at Palmetto Health's

hospitals in Richland County; current refunding of all or a portion of the outstanding amount of the \$43,805,000 South Carolina Jobs-Economic Development Authority Variable Rate Demand Hospital Refunding Revenue Bonds (Palmetto Health), Series 2008A and the \$49,360,000 South Carolina Jobs-Economic Development Authority Variable Rate Demand Hospital Refunding Revenue Bonds (Palmetto Health), Series 2008B; fund one or more debt service reserve funds; pay a portion of interest on the bonds; provide working capital; pay other fees and expenses, including, but not limited to, swap termination payments; and pay certain costs of issuance with respect to the bonds and the refunding of the prior bonds.

Note: *private sale for public reoffering*
Bond Counsel: David J. Kates, Jones Day
(Exhibit 11)

- f. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: Not Exceeding \$165,000,000 Hospital Revenue Bonds (\$123,535,000 refunding involved)
Allocation Needed: -0-
Name of Project: Sisters of Charity Providence Hospitals
Employment Impact: creation of employment for those engaged in the construction of the project, the maintenance of existing employment of approximately 1,910 people in the county and adjacent areas, as well as the creation of approximately 68 new jobs within 12 months and approximately 102 new jobs within 24 months within the county and adjacent areas after the project is placed in full operation
Project Description: proceeds of the bonds will be primarily used to (i) defray a portion of the cost of the following: (a) the acquisition, construction, renovation, improvement and equipping of an approximately 145,000 square foot patient bed tower at the existing hospital facilities of the borrower located at 2435 Forest Drive, Columbia (the “Main Hospital”) and (b) the acquisition, construction, renovation, improvement and equipping of an approximately 52,000 square foot expansion of patient rooms, magnetic resonance imaging facilities and support services spaces of, and other routine capital improvements at, the existing hospital facilities of the borrower located at 120 Gateway Corporate Boulevard, Columbia (the “Providence Hospital Northeast”) ; and (ii) if determined by the borrower to be in its best interest, refund some or all of the \$88,015,000 outstanding principal amount of the issuer’s Hospital Revenue Bonds, Series 2001 and some or all of the \$35,520,000 outstanding principal amount of issuer’s Hospital Revenue Bonds, Series 2002, each of which funded capital expenditures at each of

**Minutes of Budget and Control Board Meeting
December 14, 2010 – Page 14**

- the Main Hospital and the Providence Hospital Northeast both of which are located in Richland County
- Note:* *private sale for public reoffering*
- Bond Counsel: L. Todd Gibson, Squire, Sanders & Dempsey, L.L.P.
(Exhibit 12)
- g. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: Not Exceeding \$1, 350,000 Economic Development Revenue Bonds
Allocation Needed: -0-
Name of Project: The Young Men’s Christian Association of Sumter
Employment Impact: 111 existing jobs and 35 new in 12 months and total of 50 in 24 months
Project Description: refinancing a bank loan used to defray the cost of purchasing land to provide a second location in Sumter County and to refinance a bank loan for the existing facility in the City of Sumter
- Note:* *private sale*
- Bond Counsel: Kathleen Crum McKinney, Haynsworth Sinkler Boyd, P. A.
(Exhibit 13)
- h. Issuing Authority: Marion County
Amount of Issue: Not Exceeding \$2,607,000 Recovery Zone Facility Bonds
Allocation Needed: -0-
Name of Project: Supremes LLC
Employment Impact: create 75 jobs
Project Description: acquisition by construction and purchase of certain buildings and other improvements, and machinery, apparatus, equipment, office facilities and furnishings for a facility in Marion County
- Bond Counsel: Benjamin T. Zeigler, Haynsworth Sinkler Boyd, P. A.
(Exhibit 14)

Executive Director: Economic Development (2010 Ceiling Allocations) (Blue #9)

The initial balance of the 2010 state ceiling allocation is \$410,511,780. In accord with Code Section 1-11-520, \$164,204,712 (40% of the total) was designated as the state pool and \$246,307,068 (60% of the total) was designated as the local pool. There is presently a state ceiling balance of \$403,511,780 remaining for 2010. Allocation requests for 2010 totaling \$40,000,000 have been received thus far.

Minutes of Budget and Control Board Meeting
December 14, 2010 – Page 15

The recommendation from the Department of Commerce for allocations for this cycle total \$26,500,000. The Department of Commerce makes the following recommendation for allocation from the local pool:

JEDA Kershaw County and Lee County Regional Water Company, Inc. \$26,500,000.

Bond counsel for the project also requested that the allocation be designated as carry-forward for use in future years.

Approval of the recommended request, this leaves an unexpended state ceiling balance of \$377,011,780 (state pool - \$164,204,712; local pool - \$212,807,068) to be allocated later in the calendar year.

The Board, in accord with Code Section 1-11-500 et seq. and upon the recommendation of the Department of Commerce, granted the following tentative ceiling allocation from the local pool and designated the allocation as carry-forward for the next three calendar years and authorized the filing of a carry-forward election with the Internal Revenue Service:

JEDA Kershaw County and Lee County Regional Water Company, Inc. \$26,500,000

Information relating to this matter has been retained in these files and is identified as Exhibit 15.

Executive Director: Economic Development – 2010 Ceiling Allocations (2010 Volume Cap Carry-forward) (Blue Agenda #10)

The initial balance of the 2010 state ceiling allocation is \$410,511,780. In accord with Code Section 1-11-520, \$164,204,712 (40% of the total) was designated as the state pool and \$246,307,068 (60% of the total) was designated as the local pool. There is presently a state ceiling balance of \$403,511,780 remaining for 2010. Allocation requests for 2010 totaling \$40,000,000 have been received thus far.

In accord with S.C. Code of Laws Section 1-11-500, et seq., the South Carolina State Housing Finance and Development Authority has requested that any unallocated state ceiling balance remaining at the end of the calendar year be designated to the Authority as carry-forward for use in subsequent years. The Board is asked to allocate any remaining 2010 state ceiling balance at year-end to the South Carolina State Housing Finance and Development Authority for use in the issuance of bonds to provide housing to the members of State Housing's "beneficiary

classes” (i.e., mortgage revenue bonds and qualified residential rental bonds) for carry-forward for the next three calendar years.

The Board authorized the allocation of any remaining 2010 state ceiling balance at year-end to the South Carolina State Housing Finance and Development Authority for use in the issuance of bonds to provide housing to the members of State Housing’s “beneficiary classes” (i.e., mortgage revenue bonds and qualified residential rental bonds) for carry-forward for the next three calendar years and authorized the filing of a carry-forward election with the Internal Revenue Service.

Information relating to this matter has been retained in these files and is identified as Exhibit 16.)

ARRA Advisory Committee: ARRA Volume Cap Recommendations (Blue #11)

The American Recovery and Reinvestment Act (ARRA) of 2009 provided or expanded authority for certain types of entities to borrow funds with favorable tax treatment in two areas: recovery zone bonds (economic development and facilities bonds) or qualified energy conservation bonds. As a result of ARRA, South Carolina was allocated \$115,041,000 for Recovery Zone Economic Development Bonds (RZEDB) and \$172,562,000 for Recovery Zone Facilities Bonds (RZFB). Presently, available volume cap for reallocation is \$5,145,000 for RZEDB.

Act 290 of 2010 created the South Carolina Volume Cap Allocation Act (the Act) which designated the Budget and Control Board as the entity responsible for managing the reallocation of certain unused ARRA Bond volume cap allocations. The Act delegated to the Board the authority to allocate or reallocate the volume cap authorized for South Carolina in ARRA. As prescribed in this new law, on June 30, 2010, the Board created an Advisory Committee to make recommendations for allocation or reallocation of volume cap.

The Advisory Committee met on December 3, 2010, to consider a request from Abbeville County for allocation of reallocation. The Advisory Committee made the following recommendation for reallocation:

APPLICANT	RECOMMENDATION	PROJECT DESCRIPTION
Abbeville County	\$5,145,000 RZEDB; contingent	Renovation of a 46,730 sq/ft vacant

approval of additional volume cap reallocation waived by Horry County not to exceed \$2,855,000 bringing the total reallocation to Abbeville County not to exceed \$8,000,000 RZEDB

building that was previously used as a hospital. The renovated building is expected to house over a dozen county offices and, including the County Assessor, Auditor, Clerk to Council, and Treasurer, among others. The project is expected to create 50 to 100 construction jobs during the two-year construction period. The project is also expected to retain 15 jobs and create 6 new jobs on a permanent basis.

The Board approved the recommended request for allocation for Abbeville County.

Information relating to this matter has been retained in these files and is identified as Exhibit 17.

Office of State Budget: Notification of Agency Deficit – Department of Corrections (Reg. 1)

The Department of Corrections (SCDC) notified the Office of State Budget that it is projecting a FY 2010-11 operating deficit of \$7,524,876. For each of the past three years the State Budget and Control Board has recognized a General Fund Deficit for the Department of Corrections. For FY 2007-08, FY 2008-09 and FY 2009-10 the approved deficits were \$3.9 million, \$45.5 million and \$28.8 million respectively. The actual deficit for FY 2009-10 was \$27.1 million. As a part of the deficit recognition for FY 2007-08, the Board required the Department to report monthly on every major expenditure category as compared to their budget. SCDC has submitted those reports which have been forwarded to each Board member.

For the current year the Department projects expenditures will total \$402.5 million after having implemented a mandatory five-day furlough for all agency staff including correctional officers. The five-day furlough is estimated to save the agency \$3.8 million for the fiscal year. This expenditure projection for the fiscal year represents an overall increase of \$2.5 million as compared to FY 2009-10 overall expenditures of \$397.8 million excluding \$2.2 million allocated to the Department for the employer's share of the cost associated with the scheduled January 1, 2011 increase in the State Health Plan premium. Factors contributing to the projected increase in expenditures include an increase in the Department's unemployment compensation premium,

increased energy cost and increased repair and maintenance costs for equipment. Other funds revenue is expected to stabilize as compared to the previous fiscal year after having declined in FY 2009-10 by \$4.4 million as compared to FY 2008-09. The average daily inmate population for FY 2009-10 was 24,400. As of November 15, 2010 the inmate population stood at 23,548.

For the current fiscal year recurring state funds including State Health Plan allocations total \$296.4 million. Non-recurring ARRA and Proviso 90.16 (Increased Enforcement Collections) funds total \$49 million. Therefore, FY 2010-11 state general fund, ARRA and non-recurring funds for the Department total \$345.4 million. For FY 2009-10 total expenditures from state appropriated sources (including ARRA funds) totaled \$350 million. The Department has also requested permission to retain unobligated state matching funds payable to the Department of Health and Human Services (DHHS) under Proviso 90.21 which is estimated at \$128,000. Therefore, the deficit can be estimated at \$7,396,876 if the agency is allowed to retain Proviso 90.21 funds. The Department's deficit projection could be reduced further if additional furlough days were mandated and/or if a portion of the agency's cash balances brought forward from last fiscal year were dedicated to reducing the shortfall. Each one-day agency-wide furlough is estimated to save \$760,000.

Mr. Chellis asked Mr. Boles to provide the Board with a fiscal picture of what the State is looking at over the next six months. Mr. Boles said that at the end of fiscal year 2009-2010 the State had a surplus of \$71,000,600 which is now in the Contingency Reserve Fund and is available to the General Assembly for appropriation. He stated that the Board of Economic Advisors has revised its current year's estimate as of November 10th and the increase over the expenditure base is \$242,055, 055. He said factoring in the sustained vetoes, notwithstanding the Board's veto, is \$9.4 million. He said the total potential 2010-2011 surplus is \$322.5 million. He noted that the budget has in it \$110,883,455 of the Capital Reserve Fund that is available as the year is closed to offset any statewide shortfalls. Mr. Eckstrom noted that there is potentially another \$25 million with regard to the Board's veto. Mr. Eckstrom stated that the Capital Reserve Fund should be looked at as a separate item. He said the projected operating surplus would be about \$350 million.

Senator Leatherman said that the first three items on the regular session agenda are related. He stated that Governor-elect Haley has had a conversation with him and she wants to

propose some ideas for the budget that she says will save money. He said that the items should be carried over to give the Governor-elect the opportunity to share her thoughts with the Board.

Senator Leatherman moved to carryover regular session items #1, #2 and #3. Mr. Cooper seconded the motion. Mr. Chellis pointed out that four votes would be needed in order to recognize a deficit. Governor Sanford asked Emma Forkner, Director of the Department of Health and Human Services, for her thoughts on recognition of her agency's deficit. Mrs. Forkner said that they are getting close in terms of weeks in having a catastrophic disruption in the Medicaid healthcare system in South Carolina. Senator Leatherman asked whether DHHS would need four weeks to give notice so that if the Board acted on the deficit recognition within the next month would that give her adequate time to give notice. Mrs. Forkner said that would provide adequate time and that they would be sending out a bulletin at the beginning of February to alert healthcare providers that DHHS would cease to pay claims. She noted that they pay out about \$80 million a week in health claims in South Carolina to over a thousand providers. She stated that every healthcare provider in South Carolina would be affected and that the closer they get to the point that they have insufficient cash reserve to make payments the more likely it is that it will be difficult for them to reverse it.

Senator Leatherman again stated that they needed to defer to the Governor-elect and allow her to have input in how to handle the deficits for the three agencies. Mr. Eckstrom commented that he wondered what any Governor would be able to do to correct these deficits for these programs. He said that the Budget Office has been working for months to reduce these deficits to the point where they are now. He stated that all the Board would be able to do is to recognize the deficits or not recognize them. He said that the legislature will have to act to deal with any substantive changes that will have to be made and not the Governor. He asked whether Governor-elect Haley would have any flexibility to do anything with these deficits. Senator Leatherman said that it is not known what she would want to do, for example not funding optional programs, and that she should have some input as to how her cabinet agencies operate. Mr. Eckstrom asked whether that approval will come from the State or the federal government to not fund optional programs. Senator Leatherman said that would come from the agency. Mr. Eckstrom asked whether the agency has such discretion now. Senator Leatherman said that he believes that Mrs. Forkner is preparing to send out notices that some optional programs will not

be funded.

Mr. Chellis said that his concern is that if the deficit is not recognized today DHHS will be pushed right up to the wall and that a couple of hundred million dollars could be taken out of the system. Mrs. Forkner said the deficit is \$228 million and the corresponding federal funds would be \$794 million. Mr. Chellis asked whether other programs could absorb \$200 million to which Mrs. Forkner replied that was not the case. Mr. Eckstrom asked how much could be absorbed by eliminating offshoot programs. Mrs. Forkner said that if they were successful in getting the programs eliminated that would absorb a hundred million dollars. She noted that they are ready to announce eliminating adult optional services such as hospice, adult vision, adult dental, and adult podiatry. She stated that when they get these and other service reductions in place that will annualize to \$15 million. Mr. Eckstrom asked what would be saved for the remainder of this year. Mrs. Forkner said that if they are successful in getting this implemented by April 1st that will be \$4.5 million for selective optional services. She noted that each optional service that DHHS chooses to reduce has to be approved by the federal government. She said that some of the optional services are much more catastrophic than others. Mr. Eckstrom asked her whether DHHS had received approval for reduction of the optional services they are eliminating and how long did it take. Mrs. Forkner said that they had received approval and that it took about 90 days.

Governor Sanford commented that it is important to look at how DHHS got to this point. He stated that South Carolina is the only state in the country that prohibits Mrs. Forkner as an administrator from determining the payout on the provider's side. He said the other states give the administrator flexibility to make adjustments. Mr. Chellis said that there is a proviso that prevents the agency from reducing costs below the Medicaid schedule to reflect the actual cost. Mr. Chellis said his concern is that if a deficit is allowed whether there are other agencies that can pick up the cost to absorb it.

Governor Sanford noted that they tried to build up reserves just as there are in the State Health Plan and with private plans across the state. He said that they built up about \$500 million, but that in 2009 \$90 million was taken from the reserves, \$370 million was taken from the reserves in 2010, and \$90 was taken from the reserves in 2011. He said that a total of \$552

million was pulled from what would have been operation reserves from DHHS to fund other parts of government. Governor Sanford said that there is not a lot of flexibility in recognizing the deficit now or in February.

After further discussion, Governor Sanford called for the vote on Senator Leatherman's motion to carryover regular session items #1, #2, and #3. The motion failed. Senator Leatherman and Mr. Cooper voted for the motion. Governor Sanford, Mr. Chellis, and Mr. Eckstrom voted against the motion.

Mr. Eckstrom moved to approve regular session items #1, #2, and #3. Mr. Chellis seconded the motion. Governor Sanford, Mr. Chellis, and Mr. Eckstrom voted for the motion. Senator Leatherman and Mr. Cooper voted against the motion. The motion failed for not receiving the necessary four votes for passage.

Mr. Chellis moved to reconsider carrying regular session items #1, #2, and #3 over to the next meeting. The motion was seconded by Senator Leatherman. Mr. Chellis, Senator Leatherman, Mr. Cooper, and Mr. Eckstrom voted to reconsider the motion to carry the items over. Governor Sanford voted against the motion.

Upon a motion by Mr. Chellis, seconded by Senator Leatherman, the Board voted to carry over regular session items #1, #2, and #3. Mr. Chellis, Senator Leatherman, Mr. Cooper, and Mr. Eckstrom voted for the motion. Governor Sanford voted against the motion.

Information relating to this matter has been retained in these files and is identified as Exhibit 18.

Office of State Budget: Notification of Agency Deficit – Department of Health and Human Services (Regular Session Item #2)

The Department of Health and Human Services notified the Office of State Budget of a projected deficit within the State's Medicaid program estimated at approximately \$228 million. The Department indicates that since December 2007 more than 100,000 individuals have enrolled in the Medicaid program after having experienced a decline in enrollment for the three year period prior to that time. There are currently over 800,000 South Carolinians enrolled in the Medicaid program with the fastest growing category of adult enrollment occurring among low income families which is primarily due to the recent economic downturn. Forty-three percent of

the state's children are on Medicaid. The Department indicates federal prohibitions against altering eligibility policies and procedures restrict its ability to affect enrollment growth. In addition, state legislative restrictions have hampered the agency's ability to make reductions in expenditures not tied to federal mandates.

Enrollment and expenditure trends indicate overall Medicaid expenditures will increase by 10% as compared to last fiscal year. As a result the Department currently projects overall state match needs from all sources of eligible funds at \$1.432 billion. However, available state matching funds are estimated at \$1.205 billion including \$127 million associated with the federal government's extension of the enhanced Federal Medicaid Assistance Percentage (FMAP) rate for the last two quarters of the state fiscal year. Therefore the Department currently projects the shortfall at approximately \$228 million. The Department has initiated several measures prior to this fiscal year which the agency estimates has reduced overall state matching needs in the current year by \$22.9 million

Upon a motion by Mr. Chellis, seconded by Senator Leatherman, the Board voted to carry over regular session item #2. Mr. Chellis, Senator Leatherman, Mr. Cooper, and Mr. Eckstrom voted for the motion. Governor Sanford voted against the motion. [**Secretary's Note:** For the discussion related to this item see regular session item #1 above.]

Information relating to this matter has been retained in these files and is identified as Exhibit 19.

Office of State Budget: Notification of Agency Deficit – Department of Social Services (Regular Session Item 3)

The Department of Social Services (DSS) notified the Office of State Budget of a projected deficit currently estimated at approximately \$28.8 million. Several factors are contributing to the projected deficit including, among other things, an increase in demand for services and a reduction in federal Temporary Assistance to Needy Families (TANF) Contingency funds. Prior to FY 2009-10 the agency had since 2003 received \$19.9 million in TANF Contingency funds. However, the Department currently anticipates receiving \$5 million in TANF Contingency Funds for the current fiscal year.

The agency is continuing to receive its allocation of TANF Block Grant funds of \$99.9

million. The Department has traditionally used a large portion of those funds to support Child Protection programs under flexibility provided by the federal government. However, as the number of TANF Family Independence recipients has risen during the current economic downturn the Department has been required to dedicate more funds to support Economic Services programs, including TANF stipends, than in previous years. Overall the Department anticipates serving 1.25 million citizens through its various programs during this fiscal year as opposed to 800,000 citizens three year ago.

In an effort to manage the reduction of resources over the past few years the agency has taken numerous steps to curtail spending including reducing staff, transportation benefits for clients and training contracts for child welfare as well as eliminating such programs as employment preparation programs and home delivered meals for the elderly. The Department has recently taken steps to further reduce the current fiscal year's projected deficit initially estimated at \$37.7 million through such measures as eliminating certain contracts for services and reducing TANF Stipends over the last 5 months of this fiscal year. These measures are estimated to reduce the projected deficit by \$8.8 Million to a net total of \$28.8 million for the fiscal year. The Department has further requested permission to retain unobligated state matching funds payable to The Department of Health and Human Services (DHHS) under Proviso 90.21 which is estimated at \$1,634,210. Therefore, the deficit can be estimated at \$27,184,315 if the agency is allowed to retain Proviso 90.21 funds otherwise payable to DHHS.

Upon a motion by Mr. Chellis, seconded by Senator Leatherman, the Board voted to carry over regular session item #3. Mr. Chellis, Senator Leatherman, Mr. Cooper, and Mr. Eckstrom voted for the motion. Governor Sanford voted against the motion. [**Secretary's Note:** For the discussion related to this item see regular session item #1 above.]

Information relating to this matter has been retained in these files and is identified as Exhibit 20.

Office of State Budget: State Board for Technical and Comprehensive Education – Center for Accelerated Technology Training (CATT) (Regular Session Item #4)

The State Board for Technical and Comprehensive Education's Center for Accelerated Technology Training (CATT) program designs, develops and conducts training for individuals

seeking to fill jobs being created by new and expanding industries. As such the program is an integral part of the state's economic development efforts. The State Board for Technical and Comprehensive Education notified the Office of State Budget of an additional need in the CATT budget for FY 2010-11 estimated at \$2,915,770.

Proviso 18.1 states that it is the intent of the General Assembly that the State Board for Technical and Comprehensive Education expend whatever funds are necessary to provide direct training for new and expanding business or industry. This proviso further states that in the event expenditures are above the appropriation, the appropriations for CATT shall be appropriately adjusted, if and only if, the Board approves the adjustment.

For the current fiscal year appropriations available to the CATT program will total \$11,458,076 if Increased Enforcement Collections revenues (Proviso 90.16) are sufficient to provide \$7,000,000 designated for the program. Of that total available amount \$2,719,359 are funds carried forward from FY 2009-10. The State Board for Technical and Comprehensive Education projects total expenditures for the program at \$6,362,746 prior to considering anticipated CATT expenditures for the Boeing Project which are estimated at \$8,011,100 for FY 2010-11. This \$8,011,100 million includes expenses for training classes such as staffing, material and supplies, testing and operations. Therefore, the net additional need within the CATT program can be estimated at \$2,915,770.

Mr. Eckstrom said that his understanding is that the agency will have the funds by the end of the year, but due to cash flow limitations those funds are not available now. He said that rather than treating this as an open-ended appropriation he would propose that the Board action be amended to permit the agency to spend the funds on a deficit spending basis until those funds are available. He said the State Board for Technical and Comprehensive Education would have to borrow the funds from general funds outside of the agency and pay those funds back by the end of the year with proceeds it receives from enforcement collections. Senator Leatherman commented that the State has made a firm commitment to Boeing to train their workers. He said that he hopes the State would never make a commitment to a company and not live up to that commitment. He said if that is done the State could forget about companies coming to it in the future. In further discussion, Mr. Chellis said that going back on any promises that the State made sends signals to rating agencies that could affect the State in the future. Governor Sanford

said that this is really a financing issue and not a commitment issue.

Ms. Kibler stated that their immediate need is for bridge funding due to the \$7 million in increased enforcement that is not fully available. She said that they have only received \$1.2 million of the funding. She stated they have \$5.6 million available which includes all of the carry forward funds and the money they received in available increased enforcement. She said that they do not have other funds in their office to cash advance money and that it is important to have the funds available because they have committed to Boeing and other companies to have this training available. She said if the funds are not used by the end of the year they will revert to the general fund.

Upon a motion by Senator Leatherman, seconded by Mr. Cooper, the Board, in accordance with Proviso 18.1, approved an adjustment in state general fund appropriations within the Center for Accelerated Technology Training program at the State Board for Technical and Comprehensive Education not to exceed \$2,915,770. Senator Leatherman, Mr. Chellis, and Mr. Cooper voted for the motion. Governor Sanford and Mr. Eckstrom voted against the motion.

Information relating to this matter has been retained in these files and is identified as Exhibit 21.

Office of State Budget: Permanent Improvement Projects (Regular Session Item #5)

Governor Sanford questioned why item 5(1) for The Citadel was on the agenda given that The Citadel did not lower its tuition as directed by the Board at its September 29, 2010, meeting. He said that the item should fall under the moratorium. Carol Routh with the Office of State Budget stated this project does not fall under the moratorium because this particular project is a deferred maintenance project and that deferred maintenance projects were specifically exempted from the moratorium. She noted that The Citadel has been looking to replace the building because of its age, but has not found the funds to do so. She said this is a stop gap measure until The Citadel can find money to replace the building.

Mr. Eckstrom said that he sees The Citadel's situation as entirely unique from any other state supported institutions. He said the cost of going to The Citadel is entirely controlled by the institution. He said at other campuses students do not have to live on campus, but at The Citadel students have to live on campus and pay room and board. He said all of those costs are built into

a fixed number The Citadel reconsiders every year. He said that The Citadel's approach is to keep those costs below the ceiling that has been set. Governor Sanford commented that The Citadel has the highest percentage of enrollment of out-of-state students on its campus. Mr. Eckstrom said that is due to the nature of the school being a military college. Mr. Chellis said that he spoke with The Citadel's president and that he said every South Carolina applicant who applies to the Citadel and meets its qualifications and academic standards is accepted at The Citadel. He said that any room that is left over goes to out-of-state students.

Upon a motion by Mr. Chellis, seconded by Mr. Cooper, the Board approved the following permanent improvement project establishment requests and budget revisions which have been favorably reviewed by the Joint Bond Review Committee. Mr. Chellis, Senator Leatherman, and Mr. Cooper voted for the motion. Governor Sanford voted against the motion. Mr. Eckstrom abstained from voting on the motion.

Establish Project for A&E Design

- (1) Summary 2-2011: JBRC Item 1. The Citadel
Project: 9605, Daniel Library Building Envelope Renovation
Request: Establish project and budget for \$23,232 (Other, Student Fee funds) to begin design work to address deferred maintenance and renovate the building envelope on the Daniel Library at The Citadel. The work will include repairing the stucco finish, applying a waterproof coating, replacing all window units, and making limited roof repairs. The building envelope has deteriorated over the 51-year life of the building and extensive cracking in the stucco finish is visible. The poor condition of the stucco allows moisture into the building interior, causing deterioration of the structure and increasing the likelihood of mold growth and other indoor air quality issues. The windows are non-insulated, not energy efficient and do not close properly, allowing air and moisture into the building.

- (2) Summary 2-2011: JBRC Item 2. Clemson University
Project: 9892, Highway 93 Pedestrian Safety Improvements
Request: Establish project and budget for \$50,000 (Other, Institutional Capital Project Funds) to begin design work to provide pedestrian safety modifications along approximately 2,100 feet of Highway 93 on the Clemson campus. The work will include constructing retaining walls, landings and walkways between the Mell Hall parking lot and Williamson Road. Environmental factors and severe topographic limitations require construction of a raised walkway to meet safety needs. The existing sidewalks are too narrow for this heavily traveled

pedestrian path and are hampered by the presence of a chain-link fence that forces pedestrians and joggers into vehicular traffic when passing other pedestrians. The need to improve safety at this location has long been recognized by the city, university and DOT and, in the past five years, four pedestrian/vehicle accidents have occurred in this area of campus.

(3) Summary 2-2011: JBRC Item 3. College of Charleston

Project: 9645, Grice Marine Lab Complex Structural and Envelope Repairs

Request: Establish project and budget for \$22,500 (Other, College Fee funds) to begin design work to address deferred maintenance on two buildings at the College of Charleston's Grice Marine Lab Complex at Fort Johnson. The buildings were constructed in 1933 and 1974 and house the college's academic programs in Marine Biology. The work will include repairing and sealing the foundation and stucco, restoring portions of the exterior finishes, and replacing plumbing lines and electrical conduit. The facilities have been subjected to saltwater intrusion and flooding, and the repairs are needed to improve the structural integrity, indoor air quality and energy efficiency in the buildings. The plumbing is rusting and replacing it and the electrical conduit will make the exterior repairs easier to accomplish.

(4) Summary 2-2011: JBRC Item 4. Francis Marion University

Project: 9562, Office Services Building Replacement

Request: Establish project and budget for \$9,900 (Other, Maintenance Reserve funds) to begin design work to construct an approximately 3,900 square foot replacement Office Services Building at Francis Marion. The existing facility, which houses campus mail and printing services, was constructed in the 1950's and served initially as a student canteen. It is dilapidated and hazardous to employees, lacks proper mechanical ventilation for printing equipment fumes and has improper safety clearances around the equipment due to lack of space. The existing building cannot be repaired or renovated without extensive costs that would be associated with upgrading the electrical and mechanical systems to meet current building codes.

(5) Summary 2-2011: JBRC Item 5. University of South Carolina

Project: 6080, Discovery I Third, Fourth and Fifth Floors Upfit

Request: Establish project and budget for \$157,500 (Other, Grant Generated funds) to begin design work to upfit three floors in the Discovery I Building at USC. The building was originally constructed as shell space with the upfit of floors to be completed as specific research and Endowed Chairs were identified. The third floor will be upfitted for the Brain and Behavior Institute to provide a space for four Centers of Economic Excellence Endowed Chairs in Cancer Therapeutics, Healthful Lifestyles, Cancer Disparities, and Rehabilitation and Reconstruction, temporary animal research facilities for use in conjunction with similar facilities on the first floor, and offices and labs to support the Kennedy Pharmacy Innovation Center. The fourth floor will be upfitted to

provide labs and offices to support environmental collaborations in fields of genomics, biomolecular research and estuarine health. The fifth floor will be upfitted to accommodate research in fields of epidemiology and biostatistics. The specific needs for the space will be determined by the programmatic requirements of the designated functions. This project will complete the construction and upfitting of the Discovery I research facility.

- (6) Summary 2-2011: JBRC Item 6. University of South Carolina
Project: 6081, Horizon I Ground and Fourth Floor Upfit
Request: Establish project and budget for \$105,000 (Other, Grant Generated funds) to begin design work to upfit shell space on two floors in the Horizon I Building at USC. The Horizon I building was originally constructed as shell space with the upfit of floors to be completed as specific research units and Endowed Chairs were identified. The ground and fourth floors will be upfitted to house Centers of Economic Excellence Endowed Chairs in Nuclear Science and Energy, Nuclear Science Strategies, Hydrogen and Fuel Cell Economy, and Renewable Fuel Cells and their support research staffs. The specific needs for the space will be determined by the programmatic requirements of the designated functions. This project will complete the construction and upfitting of the Horizon I research facility.
- (7) Summary 2-2011: JBRC Item 7. University of South Carolina
Project: 6082, South Tower Mechanical Renovation
Request: Establish project and budget for \$93,000 (Other, Housing Maintenance Reserve funds) to begin design work to replace the mechanical system in the South Tower residence hall at USC. The work will include replacing all air handlers, fan coil units, building exhaust systems, associated pumps, piping, variable speed drives, valves and controls. Other parts of the system will be cleaned, inspected, tested and balanced. The work is needed because all systems are well beyond their expected lives and are no longer providing an acceptable environment for student residents. The renovation will significantly reduce deferred maintenance on the 45-year old facility and improve control of humidity and outside air supply.
- (8) Summary 2-2011: JBRC Item 8. University of South Carolina
Project: 6083, Capstone Campus Room Renovations
Request: Establish project and budget for \$10,500 (Other, Housing Maintenance Reserve funds) to begin design work to renovate the Campus Room at USC's Capstone residence hall, which is used by the entire campus community and the Capstone Scholars program. The work will include replacing three air handlers supporting this meeting and conference center, improving lighting, installing smart room audiovisual systems, and replacing room finishes. The air handler units are beyond their life expectancy and generate excessive noise levels that distract from functions held in the venue. The renovations will significantly reduce deferred maintenance for this portion of the facility and

Minutes of Budget and Control Board Meeting
December 14, 2010 – Page 29

bring it up to today's meeting room standards.

- (9) Summary 2-2011: JBRC Item 9. University of South Carolina
Project: 6084, McBryde Renovations
Request: Establish project and budget for \$13,500 (Other, Housing Maintenance Reserve funds) to begin design work to renovate the McBryde residence hall at USC. The work will include painting hallways and rooms, replacing interior, exterior, and corridor doors, replacing hardware, ceiling tiles in corridors and water fountains, installing a card access system, and addressing life safety issues requiring immediate replacement. The work is needed to address immediate life safety and deferred maintenance issues and to improve the living conditions for student residents, including the pre-medical, pre-law and music learning communities.
- (10) Summary 2-2011: JBRC Item 10. Medical University of South Carolina
Project: 9814, Institute of Psychiatry 30 Bathrooms Renovation
Request: Establish project and budget for \$11,250 (Other, Hospital Revenue funds) to begin design work to renovate 30 patient bathrooms in the Institute of Psychiatry at MUSC. The work will include installing new plumbing fixtures, replacing doors, lighting, exhaust fans and smoke detectors, coating floors with non-slip materials, and making other modifications to decrease the chances of patient self harm. The work is needed to improve the safety of patients in the facility and to meet the requirements of DHEC and the Joint Commission on Accreditation of Healthcare Organizations.
- (11) Summary 2-2011: JBRC Item 11. Medical University of South Carolina
Project: 9815, Basic Science Building Fire Alarm System Replacement
Request: Establish project and budget for \$9,300 (Other, Institutional Capital Project Funds) to begin design work to replace the fire alarm system in the Basic Science Building at MUSC. The work will include replacing horn and strobe devices, pull stations, smoke detectors, and control panels with a new addressable system and installing equipment for air handlers to shut down and elevators to be recalled when the system is activated. The existing system is 40 years old, not code compliant and does not have the full addressing capabilities that are required.
- (12) Summary 2-2011: JBRC Item 12. State Board for Technical and Comprehensive Education
Project: 6026, Aiken - Buildings 300 and 100/200 Renovations
Request: Establish project and budget for \$22,500 (Other, Local College funds) to begin design work to renovate portions of Buildings 300 and 100/200 at Aiken Tech. The work will include replacing ceilings and lighting, upgrading the electrical systems, and reconfiguring space to meet current classroom and administrative needs. The buildings were constructed in 1972, have been reconfigured for numerous purposes over the years, and are no longer efficient for their current

uses. Building 300 houses two small classrooms, Student Services, Financial Aid and Admissions and does not have a secure records storage area, is not code compliant and has an inefficient configuration. Building 100/200 houses various offices and classrooms and needs to be reconfigured and renovated to meet program growth needs.

(13) Summary 2-2011: JBRC Item 13. State Board for Technical and Comprehensive Education

Project: 6027, Spartanburg - Downtown Campus Renovation

Request: Establish project and budget for \$127,500 (Other, Local College funds) to begin design work to renovate the 105,177 square foot Evans Building for Spartanburg Community College. The work will include renovating and reconfiguring the interior to create educational classrooms, science labs, special purpose meeting rooms, and faculty and staff offices, installing new fire protection and life safety systems, renovating restrooms, and replacing windows and selected HVAC equipment. The building will be acquired from Spartanburg County to serve as a downtown campus to draw up to 3,000 students to the college of pre-college coursework, general education courses, Technology and University Transfer programs, and distance learning classes.

(14) Summary 2-2011: JBRC Item 14. Department of Corrections

Project: 9698, Manning Correctional Institution Boiler Addition/Renovation

Request: Establish project and budget for \$7,500 (Federal funds) to begin design work to construct a new boiler facility and renovate the existing boiler facility at Manning Correctional Institution. The work will include constructing a new boiler facility, installing energy efficient boilers, demolishing the existing boilers, removing asbestos, and renovating the existing boiler facility into a new laundry facility. The existing boilers are more than 30 years old, beyond their useful lives, are not energy efficient, and are expensive to maintain. The laundry renovation is needed to relocate smaller existing commercial laundry equipment from the recently closed Prison Industries Central Laundry.

Establish Construction Budget

(15) Summary 2-2011: JBRC Item 15. College of Charleston

Project: 9638, 74 George Street Renovation

Request: Increase budget to \$1,250,000 (add \$1,222,156 Other, College Fee funds) to renovate and address deferred maintenance and safety issues on the 74 George Street building at the College of Charleston. The project was established in May 2008 for pre-design work, which is now complete. The work will include replacing the mechanical, electrical and plumbing systems, repairing the stucco exterior, replacing the roof, restoring historic wood finishes, and making structural repairs to the exterior porch. The building, which houses English Department faculty and has a high level of student traffic, was constructed in 1837 and has not had a major renovation in more than 30 years. The exterior

porch walking surfaces and structural support are not safe, stucco has begun to fall from the building, and the interior staircase accessing the second and third floors needs major renovation. Energy savings and conservation measures will include the installation of high efficiency toilets, faucets and HVAC equipment, insulation in the attic and walls, and lighting controls with occupancy sensors and dimming capabilities. The agency reports the total projected cost of this project is \$1,250,000 and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is June 2011 and for completion of construction is December 2011.

- (16) Summary 2-2011: JBRC Item 16. Coastal Carolina University
Project: 9573, Academic Office/Classroom Building Construction
Request: Increase budget to \$12,000,000 (add \$11,835,000 - \$5,835,000 Other, One Cent Sales Tax and \$6,000,000 Other, Institutional Capital Project Funds) to construct an approximately 48,562 square foot office and classroom building at Coastal Carolina. The project was established in December 2009 for pre-design work, which is now complete. The building will include faculty and staff offices with conference rooms and support spaces, various sized classrooms, and a small food service venue. The university needs office and classroom space to support the expanding student population and faculty growth. Office space has been carved out of every academic building on campus and many faculty members share offices, which hinders student counseling and advisement. Several academic departments are also housed in leased facilities off the main campus. The building will be constructed to LEED Silver certification and will include water reduction, recycling, and energy efficient HVAC and lighting measures. The LEED cost benefit analysis shows a positive benefit of \$689,587 over 20 years. The agency reports the total projected cost of this project is \$12 million and additional annual operating costs of \$168,000 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is April 2011 and for completion of construction is May 2012. (See Attachment 1 for additional annual operating costs.)
- (17) Summary 2-2011: JBRC Item 17. Coastal Carolina University
Project: 9574, Public Safety Facility Construction
Request: Increase budget to \$1,640,000 (add \$1,625,000 Other, Renovation Reserve/Plant Expansion funds) to construct an approximately 5,594 square foot public safety facility at Coastal Carolina. The project was established in February 2010 for pre-design work, which is now complete. The new facility will include offices, a communication room, locker rooms, a training and conference room, and a reception area for the university's Public Safety Department. The department currently resides in Atheneum Hall which is planned for renovation into an alumni facility. The new building will provide the department easy access to University Boulevard with a centralized location

in proximity to the main campus, east campus and student housing. Energy savings and conservation measures will include the installation of energy efficient lighting, insulation and HVAC systems, low flow plumbing fixtures, and demand control ventilation. The agency reports the total projected cost of this project is \$1,640,000 and additional annual operating costs of \$19,800 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is August 2011 and for completion of construction is May 2012. (See Attachment 2 for additional annual operating costs.)

(18) Summary 2-2011: JBRC Item 18. Francis Marion University

Project: 9559, Ervin Dining Hall Renovation

Request: Increase budget to \$1,500,000 (add \$1,470,000 Other, Capital Maintenance Reserve funds) to renovate the main dining hall at Francis Marion University. The project was established in December 2009 for pre-design work, which is now complete. The work will include completely renovating the food service and dining areas, installing new millwork, furnishings, soffits, signage, storefront walls and doors, and replacing equipment. The facility was constructed in 1986 and has not had a major renovation since. The method of serving students has changed since the original construction, resulting in the need for reconfiguring the facility. The equipment is old and parts are hard to find. Energy savings and conservation measures will include the installation of energy efficient lighting and dishwashing equipment. The agency reports the total projected cost of this project is \$1.5 million and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is May 2011 and for completion of construction is August 2011.

(19) Summary 2-2011: JBRC Item 19. University of South Carolina

Project: 6059, McClintock/Wade Hampton Fire Protection Upgrades

Request: Increase budget to \$1,500,000 (add \$1,425,000 Other, Housing Maintenance Reserve funds) to make fire protection system upgrades in the McClintock and Wade Hampton residence halls at USC. The project was established in June 2009 for pre-design work for renovation of McClintock, but revised to do only fire protection upgrades in both facilities during the pre-design phase, which is now complete. The work in both buildings will include upgrading the emergency lighting and installing a new fire sprinkler and fire alarm systems. The upgrades are needed to meet current code requirements, to protect the safety of students housed in the facilities, and to address deteriorating conditions with the existing systems. Energy savings and conservation measures are not applicable to this fire protection project. The agency reports the total projected cost of this project is \$1.5 million and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is April 2011 and for completion of construction is August 2011.

Minutes of Budget and Control Board Meeting
December 14, 2010 – Page 33

- (20) Summary 2-2011: JBRC Item 20. University of South Carolina
Project: 6060, Davis College HVAC Replacement
Request: Increase budget to \$1,730,000 (add \$1,700,000 Other, Institutional funds) to replace the HVAC system on Davis College at USC. The project was established in June 2009 for pre-design work which is now complete. The work will include removing existing fan coil units, installing a new ducted HVAC system, air handling units, pipes and electrical equipment, doing structural framing and support work to accommodate the new equipment, replacing sprinkler system piping and sprinkler heads, and other associated work. The existing HVAC system is more than 30 years old. The units are in poor condition and do not meet mechanical code requirements for provision of outside air ventilation. The fire sprinkler system does not comply with National Fire Protection Association standards. Energy savings and conservation measures will include the installation of variable volume fan controls and pumps, sensors, and insulation. The agency reports the total projected cost of this project is \$1,730,000 and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is May 2011 and for completion of construction is December 2011.
- (21) Summary 2-2011: JBRC Item 21. University of South Carolina
Project: 6062, Woodrow College Window Upgrades/Life Safety Improvements
Request: Increase budget to \$2,100,000 (add \$2,068,500 Other, Housing Maintenance Reserve funds) to make window upgrades and life safety improvements on the Woodrow College residence hall at USC. The project was established in June 2009 for pre-design work, which is now complete. The work will include installing a new fire suppression system, improving interior stairwells including handrails, installing new entry doors to all living units, replacing all windows and exterior doors, removing exterior metal stairwells, and making ADA access improvements. The window upgrades are needed to improve energy efficiency and other improvements are needed to address life safety issues for residents. Energy savings and conservation measures will include the installation of energy efficient windows. The agency reports the total projected cost of this project is \$2.1 million and annual operating cost savings of \$2,049 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is April 2011 and for completion of construction is July 2012. (See Attachment 3 for annual operating cost savings.)
- (22) Summary 2-2011: JBRC Item 22. University of South Carolina
Project: 6068, Farmers Market Development
Request: Increase budget to \$15,500,000 (add \$15,265,000 Athletic Revenue Bond funds) to develop approximately 52 acres of property, formerly the State Farmers Market, into a multi-purpose park for USC. The project was

established in June 2009 for pre-design work, which is now complete. The demolition work will include removing asbestos and lead paint from the buildings and demolishing most of the buildings and asphalt on the site. The construction work will include creating a festive walkway to be used by the football team and band on game day, creating paved and grass parking areas to accommodate up to 3,000 vehicles, doubling access points to the property, constructing restrooms and an amphitheater, and installing fencing, lighting and trees. Development will be done in several phases and will create a premium tailgate facility for football events that can be used for other purposes throughout the year, aesthetically enhance this industrial area of the City, and improve storm water management in the area. Energy savings and conservation measures will include the installation of downward directional lighting and hand dryers in restrooms. The agency reports the total projected cost of this project is \$15.5 million and additional annual operating costs of \$39,100 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is April 2011 and for completion of construction is August 2012. (See Attachment 4 for additional annual operating costs.)

- (23) Summary 2-2011: JBRC Item 23. University of South Carolina
Project: 6069, Darla Moore School of Business Construction
Request: Increase budget to \$91,500,000 (add \$81,750,000 - \$15,000,000 Institution Bonds, \$65,000,000 Revenue Bonds, \$1,500,000 Other, Institutional and \$250,000 Other, Gift of A/E Services funds) to construct a new, approximately 250,000 square foot building for the Darla Moore School of Business at USC. The project was established in December 2009 for pre-design work, which is now complete. The new facility will include state-of-the-art classroom and meeting space, faculty and staff offices, and common areas to support the mission of the school. As a collaborative effort between the Schools of Business and Music, it will also include a 500-seat auditorium with versatility to support both academic and music events. The new facility is needed to provide for the growth and development of the Moore School and to continue the excellence of its nationally recognized International Business and other programs. The facility will be constructed to LEED Platinum certification and include sustainable sites, water efficiency, energy and atmosphere, materials and resources, and indoor environmental quality measures. The LEED cost benefit analysis shows a positive benefit of \$9,577,260 over 30 years. The agency reports the total projected cost of this project is \$91.5 million and additional annual operating costs ranging from \$2,050,200 to \$2,140,200 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is June 2011 and for completion of construction is December 2013. (See Attachment 5 for additional annual operating costs.)

- (24) Summary 2-2011: JBRC Item 24. University of South Carolina

Minutes of Budget and Control Board Meeting
December 14, 2010 – Page 35

Project: 6075, Arena Basketball Locker Room Renovations

Request: Increase budget to \$1,000,000 (add \$985,000 Other, Private funds) to renovate the men's and women's basketball locker rooms at Colonial Life Arena for USC. The project was established in June 2010 for pre-design work, which is now complete. The work will include reconfiguring the existing locker rooms to create a reception lobby, enhancing and combining the film and lounge areas, relocating and enhancing the locker rooms for men's and women's teams, and relocating the special event locker room. Renovations will include new finishes and furnishings to upgrade the overall appearance of the facilities. The renovations are needed to enhance the basketball locker rooms so these facilities are competitive with other institutions in the SEC and ACC with whom USC competes for recruits. Energy savings and conservation measures will include the installation of energy efficient lighting and lighting controls. The agency reports the total projected cost of this project is \$1 million and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is April 2011 and for completion of construction is October 2011.

(25) Summary 2-2011: JBRC Item 25. University of South Carolina

Project: 6076, School of Medicine VA Campus Central Plant Chiller Replacement

Request: Increase budget to \$1,600,000 (add \$1,576,000 Other, Institutional funds) to replace two chillers in Building 1 at the USC School of Medicine's VA Campus. The project was established in June 2010 for pre-design work, which is now complete. The work will include replacing the two 250-ton chillers with 350-ton chillers, constructing a 600 square foot brick veneer building adjacent to Building 1 to relocate and house them, replacing the pumps, and installing a new control system. The chillers supply chilled water to four buildings and are critical to the daily operation of the research labs and offices in those buildings. They are 28 years old, undersized, inefficient, and have exceeded their expected life cycles. Replacement and relocation will improve the reliability of the system, reduce deferred maintenance on the facility, and provide better access for maintenance. Energy savings and conservation measures will include the installation of centrifugal compressor technology, high efficiency pumps with variable frequency drives, and a new control system. The agency reports the total projected cost of this project is \$1.6 million and additional annual operating costs of \$35,000 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is May 2011 and for completion of construction is December 2011. (See Attachment 6 for additional annual operating costs.)

(26) Summary 2-2011: JBRC Item 26. University of South Carolina

Project: 6077, Earth/Water/Coker Life Sciences Fire Alarm Replacement

Request: Increase budget to \$850,000 (add \$838,000 Other, Institutional Capital Project Funds) to replace the fire alarm systems in the Earth and Water Sciences and

Coker Life Sciences Buildings at USC. The project was established in June 2010 for pre-design work, which is now complete. The work will include replacing the existing fire alarm system in the adjoining buildings with an upgradable, addressable system, including smoke and heat detectors, pull stations, speakers, strobe alarm units, and fireman's phone jacks. The buildings share existing systems which are outdated, original to the buildings, and no longer supported by the manufacturer for replacement parts. Energy savings and conservation measures are not applicable to this fire alarm project. The agency reports the total projected cost of this project is \$850,000 and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is April 2011 and for completion of construction is October 2011.

- (27) Summary 2-2011: JBRC Item 27. University of South Carolina
Project: 6078, Booker T. Washington Renovations
Request: Increase budget to \$2,450,000 (add \$2,417,000 - \$1,682,850 Other, Private, \$250,000 Other, Institutional and \$484,150 Other, Institutional Capital Project Funds) to renovate the auditorium and make other improvements to the Booker T. Washington Building at USC. The project was established in June 2010 for pre-design work, which is now complete. The renovations on the auditorium will include installing an HVAC system, replacing the seats, refinishing the stage floor, upgrading lighting, and installing audio-visual systems. Additional renovations to the building will include constructing a 2,140 square foot addition modifying the entrance to house a new elevator, stairs and restrooms and improving the fire suppression and fire alarm systems. The renovations are needed to improve usage of the facility, comply with building code and ADA requirements, and enhance the student learning environments for the theater, dance and other programs using the facility. Energy savings and conservation measures will include the installation of energy efficient HVAC and lighting systems and low flow plumbing fixtures. The agency reports the total projected cost of this project is \$2,450,000 and additional annual operating costs of \$78,390 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is June 2011 and for completion of construction is May 2012. (See Attachment 7 for additional annual operating costs.)
- (28) Summary 2-2011: JBRC Item 28. Medical University of South Carolina
Project: 9800, Quad E Building Roof Replacement
Request: Increase budget to \$550,000 (add \$538,000 Other, Institution Bond funds) to replace a majority of the roof on the south side of Quad E Building at MUSC and make minor repairs to the roof on the north side. The project was established in November 2008 for pre-design work which is now complete. The work will include replacing the roofing and insulation, making minor decking repairs, and removing non-friable asbestos roofing materials. The existing roof is 21 years old, past its useful life, has multiple leaks, and is a

constant maintenance problem. Energy savings and conservation measures will include the installation of roofing insulation and coating materials that reduce thermal conductivity through the roof system. The agency reports the total projected cost of this project is \$550,000 and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is April 2011 and for completion of construction is September 2011.

- (29) Summary 2-2011: JBRC Item 29. Medical University of South Carolina
Project: 9801, Clinical Sciences Building Air Handler #6 Replacement
Request: Increase budget to \$1,000,000 (add \$985,000 Institution Bond funds) to replace air handler #6 and address deferred maintenance in the Clinical Sciences Building at MUSC. The project was established in November 2008 for pre-design work, which is now complete. The work will include replacing air handler #6 and associated equipment as the second step in the replacement of air handlers serving the eighth and ninth floors of the building. The air handler is more than 30 years old, is beyond its useful life, and repairs are no longer a viable option. Energy savings and conservation measures will include the installation of premium efficiency motors, variable speed drives, and electronic controls, steam pre-heat coils, and pre and post cooling coils for energy efficiency. The agency reports the total projected cost of this project is \$1 million and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is April 2011 and for completion of construction is October 2011.
- (30) Summary 2-2011: JBRC Item 30. State Board for Technical and Comprehensive Education
Project: 6022, Tri-County - Anderson Welding/HVAC Renovation
Request: Increase budget to \$2,987,000 (add \$2,954,000 - \$1,300,000 Federal and \$1,654,000 Other, Local funds) to renovate and upfit a recently acquired 43,008 square foot industrial facility in Anderson for Tri-County Tech. The project was established in September 2010 for pre-design work, which is now complete. The work will include reconfiguring interior spaces to provide classrooms, labs and offices, constructing restrooms, installing new HVAC and plumbing systems, upgrading the electrical, telecommunications and fire protection systems, replacing the roof, and making seismic structural upgrades. The renovation is needed to accommodate growth in the Welding and HVAC programs. Over the past five years, enrollment in the welding program has more than tripled and the HVAC program has grown by 90%. Energy savings and conservation measures will include the installation of low flow plumbing fixtures, water-efficient landscaping, energy efficient HVAC and lighting systems, and improved insulation. The agency reports the total projected cost of this project is \$2,987,000 and additional annual operating costs of \$60,000 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is March

2011 and for completion of construction is January 2012. (See Attachment 8 for additional annual operating costs.)

(31) Summary 2-2011: JBRC Item 31. State Board for Technical and Comprehensive Education

Project: 6024, Central Carolina - Campus Civil/Site Renovations

Request: Establish project and budget for \$663,671 (Other, Local College funds) to make site renovations on the Central Carolina Tech campus to increase safety and improve traffic flow. The project was originally estimated to be under the \$500,000 permanent improvement project level and design work was started under that premise. During the later design phase, the cost was determined to exceed the \$500,000 level, requiring project approval and establishment. The work will include changing driveways and driving patterns on the two high volume campus roads, adding a loop drive on the campus, making renovations to existing parking lots, and installing new site lighting. The college completed a Facilities Master Plan in 2009 which determined this work was needed to accommodate the college's rapidly expanding enrollment, which increased 36% in two years, and to solve traffic safety and circulation issues. Energy savings and conservation measures will include the installation of energy efficient lighting. The agency reports the total projected cost of this project is \$663,671 and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is January 2011 and for completion of construction is July 2011.

(32) Summary 2-2011: JBRC Item 32. State Board for Technical and Comprehensive Education

Project: 6025, Central Carolina - Campus Plaza/Landscape Renovations

Request: Establish project and budget for \$982,435 (Other, Local College funds) to construct new gathering spaces and improve sidewalks on the Central Carolina Tech campus. The project was originally estimated to be under the \$500,000 permanent improvement project level and design work was started under that premise. During the later design phase, the cost was determined to exceed the \$500,000 level, requiring project approval and establishment. The work will include constructing two new plaza gathering spaces for students and employees, installing new sidewalks and softscaping, and making ADA accessibility improvements. The college completed a Facilities Master Plan in 2009 which determined this work was needed to help accommodate the college's rapidly expanding enrollment, which increased 36% in two years, and to improve pedestrian traffic flow. Energy savings and conservation measures are not applicable to this site development project. The agency reports the total projected cost of this project is \$982,435 and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is February 2011 and for completion of construction is August 2011.

Minutes of Budget and Control Board Meeting
December 14, 2010 – Page 39

- (33) Summary 2-2011: JBRC Item 33. Department of Mental Health
Project: 9719, Harris Hospital Chiller Replacement
Request: Establish project and budget for \$607,775 (Excess Debt Service funds) to replace two chillers at the Department of Mental Health's Harris Hospital in Anderson. The work is being done under emergency procurement procedures, has already been designed and bid, and is being established to meet the low bid received. The project was begun under emergency procurement procedures to ensure the new chillers are operational for 2011 cooling season. The work will include replacing two chillers, associated piping, valves, pumps, and controls, repairing the cooling tower, and other associated mechanical upgrades. The chillers are 26 years old, are continually leaking and unreliable, and repairs have been costly over the past two years. Energy savings and conservation measures will include the installation of more energy efficient chillers and replacing the old pneumatic control system with a more efficient control system. The agency reports the total projected cost of this project is \$607,775 and annual operating cost savings of \$12,000 will result in the three years following project completion. The agency also reports the date for execution of the construction contract was October 2010 and the projected date for completion of construction is April 2011. (See Attachment 9 for annual operating cost savings.)
- (34) Summary 2-2011: JBRC Item 34. Department of Corrections
Project: 9696, Kirkland Correctional Institution Outdoor Lighting Upgrades
Request: Increase budget to \$283,460 (add \$279,208 Federal funds) to make outdoor lighting upgrades at Kirkland Correctional Institution in Columbia. The project was established in June 2010 for pre-design work, which is now complete. The work will include replacing 187 existing outdoor light fixtures with 72 new fixtures requiring less wattage and installing four retractable poles. The four strategically placed poles can be retracted for maintenance purposes and will provide sufficient light to cover the entire yard and the perimeter of the institution, eliminating shadowed areas. Energy savings and conservation measures will include the installation of energy efficient lighting which will result in significant energy and cost savings. The agency reports the total projected cost of this project is \$283,460 and annual operating cost savings of \$27,440 will result in the three years following project completion. The agency also reports the project will be started using inmate labor in December 2010 and the projected date for completion of construction is January 2011. (See Attachment 10 for annual operating cost savings.)
- (35) Summary 2-2011: JBRC Item 35. Clemson University - PSA
Project: 9545, Farm Animal Research Center Construction/Renovation
Request: Increase budget to \$920,000 (add \$890,000 Appropriated State funds) to construct new and renovate existing facilities at Clemson PSA's Farm Animal Research Center. The project was established in December 2009 for pre-

design work, which is now complete. The work will include renovating existing facilities and constructing new facilities for beef cattle, sheep and swine animal sciences at the Starkey Swine Center, Dalton Corral, Steer Barn and Sheep Biosecurity Facility. New construction will include a post-op building, an enclosed dry lab, and a new sheep facility. The existing animal facilities are more than 30 years old and need renovation to ensure continued accreditation by the American Association of Laboratory Animal Care and continued compliance with state and federal biosecurity and DHEC waste management regulations. Energy savings and conservation measures will include the installation of double insulated windows and foam insulation in the Starkey Swine Center and the new dry lab. The agency reports the total projected cost of this project is \$920,000 and additional annual operating costs ranging from \$14,580 to \$15,467 will result in the three years following projection completion. The agency also reports the projected date for execution of the construction contract is June 2011 and for completion of construction is November 2011. (See Attachment 11 for additional annual operating costs.)

- (36) Summary 2-2011: JBRC Item 36. Department of Transportation
Project: 9715, Research and Materials Lab HVAC Replacement
Request: Increase budget to \$1,860,052 (add \$1,841,302 Other, State Highway Funds) to replace the HVAC system in the Department of Transportation's Research and Materials Lab on Shop Road. The project was established in August 2009 for pre-design work, which is now complete. The work will include replacing the existing boiler and air handler with a more energy efficient air handling unit and a high efficiency boiler and chiller to aid in meeting the requirement to reduce energy usage 20% by 2020. The system is 46 years old and past its useful life. While the replacement systems will be more energy efficient, changes in operation of the facility and the building code requirement for fresh air in lab areas have almost doubled the heating and cooling loads from the original design, resulting in additional anticipated operating costs. The agency reports the total projected cost of this project is \$1,860,052 and additional annual operating costs ranging from \$11,920 to \$12,320 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is September 2011 and for completion of construction is October 2012. (See Attachment 12 for additional annual operating costs.)
- (37) Summary 2-2011: JBRC Item 37. Department of Transportation
Project: 9716, Traffic Management/Richland Signal Building Construction
Request: Increase budget to \$4,254,308 (add \$4,186,863 Other, State Highway Funds) to construct a 17,492 square foot facility to house traffic and signal management staff for the Department of Transportation. The project was established in August 2009 for pre-design work, which is now complete. The new facility will house statewide traffic engineering staff and signal staff supporting five

midlands counties and include space for constructing or programming electronic control boxes, storage, administrative and support spaces, and a loading dock. The staffs are vital in managing traffic cameras to aid traffic flow and operating 993 traffic signals in the midlands. The traffic management staff is housed in a leased facility and the signal staff is housed in a 30-year old facility that no longer meets its needs. The facility will be constructed to LEED Silver certification and will include water efficiency, energy and atmosphere, and indoor air quality measures. The LEED cost benefit analysis shows a positive benefit of \$127,483 over 30 years. The agency reports the total projected cost of this project is \$4,254,308 and annual operating cost savings ranging from \$67,200 to \$67,600 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is August 2011 and for completion of construction is August 2012. (See Attachment 13 for annual operating cost savings.)

- (38) Summary 2-2011: JBRC Item 38. College of Charleston
Project: 9643, Robert Scott Small Building Second Floor Classroom Conversion
Request: Increase budget to \$1,020,000 (add \$1,005,000 Other, College Fee funds) to convert the former dance studio in the Robert Scott Small Building into six classrooms at the College of Charleston. The project was established in June 2010 for pre-design work, which is now complete. The work will include installing interior walls, renovating the electrical, HVAC and information technology systems, and installing new finishes and furnishings to create six classrooms with 181 seats. The space was vacated when the dance studio moved to a new facility. The additional classrooms are needed to allow for the renovation of other classroom space and to meet the demand for more modern classroom space. Energy savings and conservation measures will include the installation of energy efficient lighting and HVAC systems and the use of sustainable materials. The agency reports the total projected cost of this project is \$1,020,000 and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is March 2011 and for completion of construction is August 2011.
- (39) Summary 2-2011: JBRC Item 39. College of Charleston
Project: 9644, Center for Social Science Research Renovation
Request: Increase budget to \$1,900,000 (add \$1,871,500 - \$1,000,000 Federal and \$871,500 Other, College Fee funds) to renovate approximately 7,270 square feet in the Bell Building to create a Center for Social Science Research at the College of Charleston. The project was established in June 2010 for pre-design work, which is now complete. The work will include gutting the existing space and rebuilding it to meet the functional needs of the center and improving the HVAC, electrical and information technology systems. The renovation will create a wet lab, labs for testing, computer rooms, a seminar room and a

conference room. The center will enable discoveries across various disciplines and will transform social science research at the college. The building is located adjacent to a large parking facility, improving disability access and participation in human subject research. Energy savings and conservation measures will include the installation of energy efficient lighting and equipment, indoor air quality measures, and the use of recycled or recyclable materials. The agency reports the total projected cost of this project is \$1.9 million and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is September 2011 and for completion of construction is July 2012.

Increase Budget

- (40) Summary 2-2011: JBRC Item 40. The Citadel
Project: 9602, Daniel Library Renovations
Request: Increase budget to \$1,685,000 (add \$50,000 Other, Gift funds) to replenish the contingency allowance with privately donated funds for renovations to the Daniel Library at The Citadel. The project was established in November 2007 for design work, increased to establish the construction budget in February 2009, and is nearing completion. The increase is needed to replenish the contingency allowance which was used to fund renovation work included in the original design, but which was not included in the bid documents to ensure the bids were received within approved funding. The original work included constructing an Information Commons area and new central stairway, improving the HVAC and electrical systems, replacing ceiling tiles in renovated areas, upgrading the entrance, and painting. The additional work included installing a new ceiling system and lighting in the Information Commons area, replacing flooring in the Technical Services area, and painting additional areas. The work was added to provide a complete project when the bid came in below the projected cost estimate and approved budget. The agency reports the total projected cost of this project is \$1,685,000 and no additional annual operating costs will result from this request.
- (41) Summary 2-2011: JBRC Item 41. USC - Sumter
Project: 9514, Deferred Maintenance
Request: Increase budget to \$300,000 (add \$50,000 Other, Private funds) to continue to address deferred maintenance at USC-Sumter. The project was established in December 2005 after state funds were appropriated for campus deferred maintenance. The originally planned work has been completed and some state funding remains. USC-Sumter requests to add privately donated funds to the project to renovate the restrooms on the first floor of the Administration Building. The work will include modifying stall spacing, reworking sink areas, removing a janitor's closet for more space, and installing new floor tiles, ceilings, counters and partitions. The building was constructed in 1966 and the restrooms have not been renovated since. The renovations are needed to create

ADA compliant stalls and to improve interior finishes. Energy savings and conservation measures will include the installation of water conserving bathroom fixtures. The agency reports the total projected cost of this renovation is \$130,000 and of the entire project is \$300,000 and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is February 2011 and for completion of construction is May 2011.

- (42) Summary 2-2011: JBRC Item 42. Medical University of South Carolina
Project: 9794, Thurmond/Gazes Research Building Air Handler Unit Replacement
Request: Increase budget to \$3,200,000 (add \$700,000 Institution Bond funds) to replace an existing air handler unit in the Thurmond/Gazes Research Building at MUSC. The project was established in September 2007 prior to the pre-design requirement and placed on hold in 2008 due to economic conditions. The pre-design work and a revised cost estimate were recently completed within the existing project budget. Since the original project was established, estimated costs have increased for the unit equipment, its installation, and associated electrical work, ductwork, and insulation. The work will include replacing air handler unit #1 which serves floors one through six and is the last of four air handlers in the building to be replaced. The existing unit is unreliable and severely corroded. Energy savings and conservation measures will include the installation of premium efficiency motors, variable speed drives, state-of-the-art electronic controls, steam pre-heat coils, and pre and post cooling coils for energy efficiency. The agency reports the total projected cost of this project is \$3.2 million and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is March 2011 and for completion of construction is March 2012.
- (43) Summary 2-2011: JBRC Item 43. Budget and Control Board
Project: 9886, SLED Forensic Lab Chiller/Cooling Tower Replacement
Request: Increase budget to \$344,062 (add \$97,365 Other, Miscellaneous Revenue funds) to meet the low bid to replace the chiller and cooling tower at SLED's Forensic Lab. The project was established in December 2009 for pre-design work, the construction budget was established in May 2010, and the project has recently been bid. The bids came in higher than the estimated construction budget and additional funds are needed to meet the low bid. This was due to adding additional work to the project scope after the construction budget was established, including work needed to meet current code requirements. Energy savings and conservation measures will include the installation of an energy efficient chiller and cooling tower. The agency reports the total projected cost of this project is \$344,062 and annual operating cost savings of \$27,345 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is December 2010 and for completion of construction is June 2011. (See Attachment 14 for

annual operating cost savings.)

Establish Project for Preliminary Land Studies

- (44) Summary 2-2011: JBRC Item 44. Coastal Carolina University
Project: 9577, Procurement Building and Land Acquisition
Request: Establish project and budget for \$20,000 (Other, One Cent Sales Tax funds) to procure the investigative studies required to adequately evaluate property prior to purchase. Coastal Carolina is considering the purchase of approximately two acres of land with a 20,000 square foot building which it currently leases to house the University's Procurement, Shipping and Receiving Departments. The building contains much needed office space, warehouse space and loading docks for the departments' use. The building is located on the east campus and is consistent with the University's goal of moving administrative services to the east campus to allow more space for academic services on the main campus.

Information relating to this matter has been retained in these files and is identified as Exhibit 22.

Office of State Budget: Real Property Acquisitions (Regular Session Item #6)

Upon a motion by Senator Leatherman, seconded by Mr. Chellis, the Board approved the following real property acquisitions as recommended by the Office of State Budget:

- | | |
|--------------------------------|--|
| (a) <u>Agency:</u> | Spartanburg Community College |
| Acreage: | 4.59± acres with a 105,177 square foot office building |
| Location: | At 142 South Dean Street in Spartanburg |
| County: | Spartanburg County |
| Purpose: | To create a downtown campus to improve student access to college courses. |
| Appraised Value: | \$4,890,000 |
| Price/Seller: | \$4,890,000 / Spartanburg County |
| Source of Funds: | Other, Local College |
| Project Number: | H59-6023 |
| Environmental Study: | Approved |
| Building Condition Assessment: | Approved |
| Additional Annual Op Cost/SOF: | Additional annual operating costs are estimated to be \$340,000 upon completion of building renovations and will be paid from Other, Local County funds. Renovation of the building is estimated to cost \$8.5 million and will be paid from a combination of Other, City, County, College and |

Minutes of Budget and Control Board Meeting
December 14, 2010 – Page 45

Current Year Property Tax:	Private funds.
Approved By:	N/A
Additional Information:	CHE on 10/8/10; JBRC on 12/10/10
	The college will pay a \$3,340,000 cash consideration and transfer the Dent Building, which the County leases and is appraised for \$1,550,000, to the County in exchange for the Evans Building. This request also includes approval of an increase to the permanent improvement project of \$3,340,000 from the fund source noted above.
(b) <u>Agency:</u>	Winthrop University
Acreage:	12.38± acres with eight structures totaling 109,904 square feet
Location:	At 349 Columbia Avenue in Rock Hill
County:	York County
Purpose:	To use as the university's Facilities Management, Construction Services, Maintenance and Operations, central warehouse and motor pool facility.
Appraised Value:	\$2,670,000
Price/Seller:	\$2,670,000 / City of Rock Hill
Source of Funds:	Other, Institutional Capital Project Funds and Auxiliary Revenues
Project Number:	H47-9568
Environmental Study:	Approved
Building Condition	Approved
Assessment:	
Additional Annual Op Cost/SOF:	Additional annual operating costs are estimated to be \$100,000 and will be paid from Other, Student Fee funds.
Current Year Property Tax:	N/A
Approved By:	CHE on 10/26/10; JBRC on 12/10/10
Additional Information:	The university will pay a \$2,170,000 cash consideration and transfer 8.27 acres, which the City leases and is appraised for \$500,000, to the City in exchange for the property. The City will lease the facility back from Winthrop for \$1 year until late 2011 when the City completes construction of a new operations center. This request also includes approval of an increase to the permanent improvement project of \$2,170,000 from the fund sources noted above.
(c) <u>Agency:</u>	Coastal Carolina University
Acreage:	.83± acres with a 5,752 square foot office building
Location:	At 95 University Boulevard in Conway
County:	Horry County
Purpose:	To provide office space for the university's Human Resources and Payroll departments.

Minutes of Budget and Control Board Meeting
December 14, 2010 – Page 46

Appraised Value: \$1,400,000
Price/Seller: \$1,350,000 / Burroughs and Chapin Company, Inc., Myrtle Beach
Source of Funds: Other, Horry County One Cent Sales Tax
Project Number: H17-9575
Environmental Study: Approved
Building Condition: Approved
Assessment:
Additional Annual Op Cost/SOF: N/A - Coastal Carolina currently leases the building and pays operating costs.
Current Year Property Tax: \$8,919
Approved By: CHE on 10/18/10; JBRC on 12/10/10
Additional Information: This request also includes approval of an increase to the permanent improvement project of \$1,350,000 from the fund source noted above.

(d) **Agency:** **Lander University**
Acreage: .75± acres with a 3,948 square foot residence
Location: At 312 Barksdale Street in Greenwood
County: Greenwood County
Purpose: To acquire an adjacent property for use as green space and for future development.
Appraised Value: \$235,000
Price/Seller: \$235,000 / Mrs. Norma Hughes Britt, Greenwood, SC
Source of Funds: Other, Housing Reserves
Project Number: H21-9531
Environmental Study: Approved
Building Condition: N/A - The residence will be demolished.
Assessment:
Additional Annual Op Cost/SOF: Additional annual operating costs for grounds maintenance are estimated to be \$1,800 and will be paid from general fund revenues. Demolition of the residence is anticipated to cost \$24,000 and will be paid from Other, Housing Reserves.
Current Year Property Tax: \$812
Approved By: CHE on 9/28/10; JBRC on 12/10/10
Additional Information: This request also includes approval of an increase to the permanent improvement project of \$274,000 from the fund source noted above.

(e) **Agency:** **Greenville Technical College**
Acreage: 2.935± acres, improved as a parking lot
Location: At 720 South Pleasantburg Drive in Greenville
County: Greenville County
Purpose: To provide parking and meet LEED certification requirements for the new Information Technology/Logistics

**Minutes of Budget and Control Board Meeting
December 14, 2010 – Page 47**

	Building under construction.
Appraised Value:	\$55,000
Price/Seller:	\$55,000 / Greenville Tech Foundation
Source of Funds:	Other, Local
Project Number:	H59-6020
Environmental Study:	Approved
Building Condition	N/A
Assessment:	
Additional Annual Op Cost/SOF:	Additional annual operating costs for lighting are estimated to be \$4,300 and will be paid from Other, Local funds.
Current Year Property Tax:	N/A
Approved By:	CHE on 9/28/10; JBRC on 12/10/10

Information relating to this matter has been retained in these files and is identified as Exhibit 23.

Division of General Services: Budget and Control Board Lease at 1201 Main Street in Columbia (Regular Session Item #7)

The South Carolina Budget and Control Board (BCB) requested approval to lease from U.S. REIF/MJW Capitol Center Fee, LLC (Landlord), a Delaware limited liability company with its principal office in Chicago, Illinois, 79,842 square feet, comprising the entire 3rd, 4th, 5th and 6th floors and the 8th floor DSIT equipment room, at its current location at the Capitol Center building located at 1201 Main Street in Columbia.

As of July 1, 2010, the BCB leased 119,383 square feet (3rd through 8th floors) at the Capitol Center at the rate of \$14.22 per square foot plus all increases in operating expenses under a lease that expired June 30, 2010. The BCB's lease is currently in a holdover status and leases 101,298 square feet. Under the new lease, the space will be reduced by two floors and will house the Employee Insurance Programs, Board Information Technology, Office of General Counsel, Insurance and Grants Services, Materials Management Office, Office of Internal Operations, and Internal Audit Services. The reduction in leased area is being realized by consolidating space and relocating the Office of Human Resources, Division of General Services and the Office of State Budget to state-owned space. In addition, the Office of Local Government will be relocated to the Capitol Center from 4,952 square feet of more expensive commercial space. The leased space under the new agreement is a reduction of 39,541 square feet in the Capitol Center.

**Minutes of Budget and Control Board Meeting
December 14, 2010 – Page 48**

The new lease was negotiated after a solicitation for space was issued. The lease term will be ten years beginning with a retroactive commencement date of July 1, 2010 (and a refund of excess rent paid), with one optional renewal term of five years. The optional renewal term will be subject to staff review and approval by the Division of General Services. Rent will be \$85,564 per month or \$1,026,768.10 per year (\$12.86 per square foot rounded) for the first five years of the lease. Rent for the last five years of the lease will be fixed at a rate of \$13.86 per square foot. Rent for the optional five year renewal term is fixed at \$14.36 per square foot. Beginning at the end of the second year, tenant will additionally be responsible for cumulative annual increases in operating costs, which increases are capped at three percent per year. Over the first five years, the BCB will save \$3,077,921 over its total previously occupied space. The proposed lease further avoids moving, network wiring and other costs associated with relocating to a new location.

Assuming operating expenses increase at three percent per year or more, the maximum rent over the term of the lease is as follows:

Initial Term Maximum Rates

Year	Date	Base	Operating	Rate/SF	Rent
1	7-1-10	\$5.06	\$7.80	\$12.86	\$ 1,026,768.12
2	7-1-11	\$5.06	\$8.03	\$13.09	\$ 1,045,131.78
3	7-1-12	\$5.06	\$8.27	\$13.33	\$ 1,064,293.86
4	7-1-13	\$5.06	\$8.52	\$13.58	\$ 1,084,254.36
5	7-1-14	\$5.06	\$8.78	\$13.84	\$ 1,105,013.28
6	7-1-15	\$6.06	\$9.04	\$15.10	\$ 1,205,614.20
7	7-1-16	\$6.06	\$9.31	\$15.37	\$ 1,227,171.54
8	7-1-17	\$6.06	\$9.59	\$15.65	\$ 1,249,527.30
9	7-1-18	\$6.06	\$9.88	\$15.94	\$ 1,272,681.48
10	7-1-19	\$6.06	\$10.17	\$16.23	\$ 1,295,835.66
		Total for 10 years			\$11,576,291.58
		Average for 10 years		\$14.50	\$ 1,157,629.16

Renewal Term Maximum Rates

Year	Date	Base	Operating	Rate/SF	Rent
11	7-1-20	\$6.56	\$10.48	\$17.04	\$ 1,360,507.68
12	7-1-21	\$6.56	\$10.79	\$17.35	\$ 1,385,258.70
13	7-1-22	\$6.56	\$11.11	\$17.67	\$ 1,410,808.14

Minutes of Budget and Control Board Meeting
December 14, 2010 – Page 49

14	7-1-23	\$6.56	\$11.45	\$18.01	\$ 1,437,954.42
15	7-1-24	\$6.56	\$11.79	\$18.35	\$ 1,465,110.70
	Total for 15 years				\$18,635,931.22
	Average for 15 years			\$15.56	\$ 1,242,395.42

The BCB will utilize an additional 21,456 square feet of space it occupies under the previous lease until renovations to accommodate the proposed consolidated leased area are completed. The BCB will pay rent on the additional space at the same rate of \$12.86 per square foot and will return the additional space to Landlord upon completion of the renovations.

Comparables of similar state agency office space leased in the Columbia area are as follows:

Lease Date	Agency/Location	Rate
3/07	Department of Insurance, 1201 Main, 10 th floor	\$14.45
4/09	Department of Commerce, 1201 Main, 15 th and 16 th floors	\$14.65
5/09	Workers' Compensation Commission, 1333 Main Street, 5 th Floor	\$13.55

Landlord has committed up to \$200,000 to renovate the leased space at their expense—this will be used to accommodate the downsizing of space. Landlord is also providing a leasing incentive of \$100,000 primarily for data relocation resulting from the downsizing of space. In addition to the tenant improvement allowance and the leasing incentive, Landlord will also provide new carpet and paint in the common area hallways and lobby areas on the 3rd, 4th, 5th, and 6th floors of the building over the first two years of the lease.

The BCB has adequate funds for the lease according to a Budget Approval Form dated July 23, 2010, which also includes a multi-year plan. The space allocation of the new lease is 296 square feet for each of the 269 employees housed at the Capitol Center. This includes all office space, conference rooms, reception areas, copy/fax area, storage, file cabinets, work areas, break room/kitchenette areas, computer server room and common areas.

No option to purchase the property is included in the lease. The Capitol Center was constructed in 1989. An environmental assessment dated June 16, 2008 recommends no further assessment is necessary. The leases were approved by Frank Fusco, Executive Director of the Budget and Control Board, and by Zoran M. Urosevic on behalf of Landlord. The lease was approved by the Joint Bond Review Committee at its December 10, 2010 meeting.

Mr. Eckstrom asked that the item be carried over to permit the State to go back to the landlord to negotiate the same rates for leases that exist for other agencies as part of this deal. Mr. Roberson said that he would rather not carry this item over because the savings that have been offered expire after the Board meeting and are retroactive to July 2010. He said he is not sure what the landlord would do with that proposal and that the rates are comparable with what the Board has. He said that there are parking issues that some of the agencies had as part of their lease payments which made parking for employees affordable and is calculated in the comparable figure. He said the lease rate is within a few cents of each other, but when one considers parking on the other two leases that is where the difference is. Mr. Eckstrom asked what the effect of having parking built into the rent is. Mr. Robinson said that he only remembers that Commerce's rate is about \$1.69 per square foot. Mr. Eckstrom asked why the Board was agreeing to pay a higher lease rate than Commerce or the Department of Insurance. Mr. Roberson said that historically the landlord has given the Board a parking subsidy and that it is not broken out as a separate payment through the lease. He said they have agreed to phase that subsidy out over a 5-year period because of issues they have leasing parking in the building and to save money. Mr. Eckstrom noted that Commerce and the Department of Insurance are paying less than the Board and that the Board members do not have information as to how much less those agencies are paying.

Mr. Eckstrom asked what the risk is that the landlord would not deal with the Board the next month. Mr. Roberson replied that the risk is that they are a holdover tenant at a higher rate and that the retroactive savings will not be realized. He said that the landlord could also find a tenant to backfill some of the space. Mr. Roberson said that they are dropping two floors and the landlord has agreed to up fit and rearrange space. He stated that all of this needs to take place in order to take advantage of savings. Mr. Eckstrom said that as a courtesy to the Governor-elect he would ask that the item be carried over to allow her an opportunity for input. Mr. Chellis said that he heard Mr. Roberson to say they would lose the benefit of the last six months. Mr. Eckstrom responded that Mr. Roberson said it is a risk that they would lose the benefit. Mr. Roberson commented that he has an offer to retroactively apply those savings and if revoked at the end of the meeting or the end of December he would have to renegotiate to get those savings back. Mr. Roberson said that this is a good deal and is as low a rate as one will find in the city of

Columbia. He recommended approval of the lease.

Mr. Eckstrom asked the status of the rent roll project. Mr. Roberson replied that they have rent rolls. He noted that Mr. Eckstrom is probably talking about RPMS which is a program that was developed for the Board. He said it came to the Board with some funding, but after budget cuts the data base cannot be populated and the rolls are being done by hand. He said that they know what space the State has and that the vacant space is in very small, less than 2000 square foot increments. Governor Sanford commented they have been trying for eight years to get a realistic assessment of what the State has or does not have and eight years later it is still cloudy as to what space the State has. Mr. Roberson said that he is not cloudy in that regard and he knows what space is available. Mr. Eckstrom noted that part of the reason the Board has been able to realize these saving is because his agency consolidated space and gave up an entire floor that General Services will be using.

In response to a question raised by Mr. Fusco, Mr. Roberson said that in 2009 he sent a letter to agency heads asking them to let General Services help them downsize, reduce rent, and move into state space. He said not every agency wants to go into state space and they have some issues convincing agencies to go the way the statutory scheme is set up. He said that he will fill up state space wherever he can and encourage agencies to move into state space.

Mr. Chellis asked Mr. Evans whether he had a conflict in this matter since the Retirement System Investment Commission is part owner of the building. Mr. Evans commented that he cannot tell Mr. Chellis he cannot vote. Mr. Chellis said that if he feels that it is in the best interest of both parties going forward he does not think he has a conflict. Mr. Evans said that he does not think Mr. Chellis has a legal prohibition and that he is serving in both capacities as a fiduciary.

Mr. Eckstrom asked that the matter be carried over to get complete legal advice and revisit the matter by telephone by the end of the year. Mr. Roberson said that he would rather have the Board approve the item. He said that he will go back and negotiate on the rates for Commerce and the Department of Insurance and talk to them about dropping more space. He said this is a good deal for the Board and asked that it not be held up.

Upon a motion by Senator Leatherman, seconded by Mr. Cooper, the Board approved the proposed ten year lease and optional renewal term of five years subject to the review and

approval by the Division of General Services for the Budget and Control Board at 1201 Main Street in Columbia. Senator Leatherman, Mr. Cooper, and Mr. Chellis voted for the motion. Governor Sanford and Mr. Eckstrom voted against the motion.

Information relating to this matter has been retained in these files and is identified as Exhibit 24.

Division of General Services: Clemson University Lease Amendments for the Walker Golf Course and Martin Inn at Lake Hartwell (Regular Session Item #8)

The development and construction of a Clemson University continuing education center and golf course was approved by the Joint Bond Review Committee (JBRC) and the Board in 1993. On March 11, 1997, JBRC and the Board approved the financing, development and construction of the Martin Inn at the Madren Center, the second phase of this project, and granted the authority to the Division of General Services to administer all final approvals and to execute all documents as finalized.

Clemson is beginning development of long-range plans associated with possible future renovations and expansion of the conference center complex and in preparation is seeking to amend four associated leases.

The leases were negotiated as part of the development project and encompass the property on which Clemson's Madren Center, Walker Golf Course, and the Martin Inn at Lake Hartwell are located. The first is a "Ground Lease" between Clemson and the State of South Carolina of 114.04 acres, for \$10 consideration for the lease period. The second is a "Golf Course Lease and Ground Sublease" of 156.05 acres of Clemson property and the State property between Clemson University and the Clemson University Continuing Education Conference and Complex Corporation (Corporation) for which the Corporation pays \$1 per year. The Corporation is Clemson's finance corporation created to lease property, develop, finance and operate the conference center, golf course, hotel and related amenities. The third lease, the "Corps Ground Lease", is between Clemson and the Army Corps of Engineers for 34.28 acres of property along the shoreline of Lake Hartwell surrounding the golf course. Consideration under this lease is that Clemson is obligated to operate and maintain the property for the benefit of the United States and the general public. The fourth lease, the "Hotel Ground Lease", is between

Clemson and the Corporation for the property on which the hotel is located and rent is \$10 annually. There are no leases associated with the Madren Center as it is a public facility located on Clemson property.

All of the leases expire June 30, 2019, require Clemson or the Corporation as tenants under the leases to be responsible for any maintenance, operating, upkeep or other costs associated with the properties and contain no options to purchase. Clemson seeks to extend the terms of each of the leases described above 25 years from the current expiration date (to June 30, 2044) with one optional extended term of 25 years (to June 30, 2069). The lease amendments will not modify any other terms of the leases. Clemson requested approval of the lease amendments with the review and approval of the optional extended term delegated to the Division of General Services.

Mr. Eckstrom asked what the extent of state aid to the conference center and the golf course is and how much is that annually. Angie Leidenger and Jeff Martin with Clemson University appeared before the Board on this matter. Ms. Leidenger stated that it would be that portion of the state aid associated with the conference center. Mr. Martin said that the conference center is about \$500,000 per year with a phase out plan over the next three years. Mr. Eckstrom asked why the funding is being phased out. Mr. Martin said that the institution has an objective to reduce state revenues and to have all centers and institutes be at zero state support within three years. Mr. Eckstrom further inquired as to what percentage of the overall cost of operating the conference center the \$500,000 represents. Mr. Martin said that it is about 40% to 45% of the cost.

Upon a motion by Mr. Chellis, seconded by Senator Leatherman, the Board approved the proposed amendments to the four leases associated with the Walker Golf Course and Martin Inn at Lake Hartwell to extend the lease terms 25 years with an optional 25 year extended term subject to the review and approval of the Division of General Services.

Information relating to this matter has been retained in these files and is identified as Exhibit 25.

Division of General Services: Lander University Lease at Cokesbury Gardens Apartment Complex in Greenwood (Regular Session Item #9)

Lander University requested approval to lease from Bearcat Village, LLC (Landlord), a South Carolina limited liability company of which the Lander Foundation is the sole member, 14.36 acres with improvements that is located less than one mile from the main campus in Greenwood for student housing. The property consists of a 10.91 acre apartment complex known as Cokesbury Gardens (a/k/a Bearcat Village), containing 13 apartment buildings with 104 units of approximately 99,936 square feet, an office/laundry facility building, parking and common grounds. The remaining 3.45 acres consists of 11 lots adjoining the apartment complex. The property will provide housing for 380 students. Lander previously received approval to establish a project for preliminary land studies related to considering a purchase of the property and has since elected not to proceed with purchasing the property.

Upon approval of the proposed lease the 10.91 acre Cokesbury Gardens property and ten of the 11 adjoining lots will be purchased by the Landlord. The Landlord anticipates purchasing the additional adjoining lot during the term for additional parking and site improvements, at which time an amendment to the lease will be created to include this property for no additional consideration. If the additional adjoining lot is not purchased by Landlord during the term, the final annual rent payment will be reduced by \$70,000.

Lander currently leases from Cokesbury Gardens, a limited partnership, 52 units at Cokesbury Gardens which accommodates 199 beds at an annual cost of \$276,928.80 (\$1,391.60 per bed annually) under a one year lease that expires May 31, 2011. Lander also currently leases a 36,543 square foot hotel known as Inn on the Square (a/k/a Lander on the Square) from OIS, LLC, which accommodates 92 beds, at an annual cost of \$310,000 (\$3,370 per bed annually) under a one year lease expiring June 14, 2011. In addition to rent, Lander is also responsible for maintenance and operating costs at both locations totaling \$571,000 annually. The current average annual cost per bed under these two leases is \$3,979.14.

The apartments will also temporarily replace 100 beds currently provided by Chipley Hall on the main campus while it undergoes major renovations. In addition to securing Lander's immediate housing needs for the Fall 2011 semester, the leased property will enable Lander to move student housing currently on its main campus at Thomason Hall and Brookside Hall in order

**Minutes of Budget and Control Board Meeting
December 14, 2010 – Page 55**

to take these buildings offline, as they have reached the end of their useful life. The adjoining lots will be used to provide parking, security, recreational area, and possible housing for resident assistants. The leased property is considered by Lander to be a short-term solution to its current housing needs and will consolidate all student housing at one location. Lander anticipates that within five years, a new dormitory will be constructed on the main campus and renovations to the existing dormitories will be completed so that housing at Cokesbury Gardens will no longer be necessary.

The lease term will be five years commencing January 1, 2011, with successive renewal terms of one year each. Either Landlord or Lander may elect not to renew the lease by providing 90 days written notice to the other party. Rent for the first year of the lease will be \$1,330,237.32, which consists of rent in the amount of \$580,237.32 and a one-time payment of \$750,000 to offset the amount to be borrowed for the purchase of the leased property and the cost of improvements to be made by Landlord. Thereafter, rent will be determined by the purchase price of the property, cost of improvements to be made and facilities constructed on the property, associated loan rates and legal costs, amortized over the five year term with the annual rent not to exceed \$580,237.32 for the last four years of the initial term. Rent for any optional renewal term is \$1.00 per year. In addition to rent, Lander is responsible for all maintenance and operating costs for the property which is estimated at \$704,325 annually, and includes the cost of employees, security services, shuttle services, maintenance supplies, insurance, telephones, cable, utilities, etc. Based on the maximum rent Lander can pay under the lease and the expected maintenance and operating costs, the maximum amount Lander will pay over the term is as follows:

Year	Period	Rent	Operating	Total	Cost Per Bed
1	1-1-11 to 12-31-11	\$1,330,237.32	\$704,325	\$2,034,562.32	\$5,354.11
2	1-1-12 to 12-31-12	\$580,237.32	\$704,325	\$1,284,562.32	\$3,380.43
3	1-1-13 to 12-31-13	\$580,237.32	\$704,325	\$1,284,562.32	\$3,380.43
4	1-1-14 to 12-31-14	\$580,237.32	\$704,325	\$1,284,562.32	\$3,380.43
5	1-1-15 to 12-31-15	\$580,237.32	\$704,325	\$1,284,562.32	\$3,380.43
	Total for 5 years			\$7,172,811.60	
	Average for 5 years			\$1,434,562.32	\$3,775.17

At the commencement date of the lease, a portion of the apartment units will continue to be occupied by third party tenants under pre-existing leases. Lander will receive a reduction in rent

equal to the actual amount of rent received by Landlord from such tenants during the period that Landlord is not able to deliver any units to Lander which, based on the current occupancy of units occupied by third party tenants, will not exceed \$18,861 per month. The leases with third party tenants expire not later than February 28, 2011 and all remaining units will be turned over to Lander by that date.

Before selecting Cokesbury Gardens as the most suitable location to meet its short-term housing needs, Lander considered several local hotels and another apartment complex known as University Commons. These properties either were more expensive, could not accommodate the number of units needed, and/or would compromise the security and safety of students.

Lander has adequate funds for the lease according to a Budget Approval Form submitted September 23, 2010, which also includes a multi-year plan. Lease payments will be made from revenue received from student housing fees collected for Cokesbury Gardens, which is \$4,192 per bed for a single room or \$3,958 per bed for a double room annually. Lander has the option to purchase the property at the expiration of the initial term or during any extended term for \$1.00. If the Foundation sells the property either during or after the initial term or any extended term, the proceeds will be remitted to Lander. An environmental assessment dated July 2, 2010 revealed no environmental conditions associated with the property.

The lease was approved by Daniel W. Ball, President of Lander University and by Glenda Ridgely, Manager of Bearcat Village, LLC and by the Commission on Higher Education at its October 8, 2010 meeting. The lease received Joint Bond Review Committee approval at its December 10, 2010 meeting.

Upon a motion by Mr. Cooper, seconded by Senator Leatherman, the Board approved the proposed five year lease, contemplated lease amendment, and automatic renewal terms of one year each for Lander University at Cokesbury Gardens and the adjoining 11 lots in Greenwood.

Information relating to this matter has been retained in these files and is identified as Exhibit 26.

Division of General Services: Department of Public Safety Lease at 33 Villa Road in Greenville (Regular Session Item #10)

The Department of Public Safety (DPS) requested approval to lease from Piedmont Center, LLC (Landlord) a Florida limited liability company, 18,207 square feet on the second floor of 33 Villa Road at the Piedmont Center Office Park in Greenville.

Presently, the Greenville Highway Patrol Headquarters and Troop 3 Office, State Transport Police and Highway Patrol Piedmont Multidisciplinary Accident Investigation Teams (MAIT) are located at 211 Century Drive, Suites 210-C, 200-D and 100-D and 24 Vardry Street under four leases. These groups lease collectively 11,088 square feet at an annual cost of \$166,215 (\$14.99 per square foot average), which includes all maintenance and operating expenses. The leases at 211 Century Drive expire December 31, 2010. The lease at 24 Vardry Street expires December 31, 2011 and the MAIT Team that occupies that space will not relocate to Piedmont Center until the expiration of their current lease. In addition, DPS also operates two telecommunications centers of 500 square feet each in space provided by Anderson County and Spartanburg County at no cost. The proposed lease at Piedmont Center will allow DPS to consolidate the aforementioned operations in contiguous space at one location and is an increase over the current total space occupied in the Greenville area of 6,119 square feet. The additional space will accommodate a telecommunications center with upgraded equipment, additional staff, and reduce the number of telecommunications centers. The additional space will also accommodate a training center for the Highway Patrol that currently does not exist.

The new lease was negotiated after a solicitation for space was issued. The lease term will be ten years with an estimated commencement date of April 1, 2011. DPS will not pay rent on the portion of the space allocated to MAIT (2,227 square feet) until that space is occupied after the expiration of its current lease on December 31, 2011. Rent will be at an annual rate of \$12.50 per square foot for the first three years of the lease. Thereafter, the rent rate increases to \$13.00 per square foot for years four through six, \$13.50 for years seven through nine, and \$13.75 for the tenth year of the lease. All operating costs are included with rent and DPS is not responsible for any increases of expenses.

The maximum rent DPS can pay over the term of the lease is as follows:

Year	Period	Area	Rate/SF	Monthly Rent	Rent for Period
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Minutes of Budget and Control Board Meeting
December 14, 2010 – Page 58

1	4-1-11 to 12-31-11	15,980 SF	\$12.50	\$16,645.83	\$149,812.47
1	1-1-12 to 3-31-12	18,207 SF	\$12.50	\$18,965.63	\$56,896.89
2	4-1-12 to 3-31-13	18,207 SF	\$12.50	\$18,965.63	\$227,587.56
3	4-1-13 to 3-31-14	18,207 SF	\$12.50	\$18,965.63	\$227,587.56
4	4-1-14 to 3-31-15	18,207 SF	\$13.00	\$19,724.25	\$236,691.00
5	4-1-15 to 3-31-16	18,207 SF	\$13.00	\$19,724.25	\$236,691.00
6	4-1-16 to 3-31-17	18,207 SF	\$13.00	\$19,724.25	\$236,691.00
7	4-1-17 to 3-31-18	18,207 SF	\$13.50	\$20,482.88	\$245,794.56
8	4-1-18 to 3-31-19	18,207 SF	\$13.50	\$20,482.88	\$245,794.56
9	4-1-19 to 3-31-20	18,207 SF	\$13.50	\$20,482.88	\$245,794.56
10	4-1-20 to 3-31-21	18,207 SF	\$13.75	\$20,862.19	\$250,346.28
	Total for 10 years				\$2,359,687.44

Comparables of similar state agency office space leased in the Greenville area are as follows:

Lease Date	Agency/Location	Rate/SF
9/06	Governor's Office-Continuum of Care, 37 Villa Rd.	\$17.06
1/01	Vocational Rehabilitation, 301 N. Main Street	\$15.30
9/09	Dept. of Social Services, 714 N. Pleasantburg Dr.	\$13.40

DPS has adequate funds for the lease according to a Budget Approval Form submitted November 8, 2010, which also includes a multi-year plan. Lease payments will be made from funds received for the issuance of titles through the Department of Motor Vehicles. The space allocation of the new lease is 146 square feet for each of the 125 employees that will be housed at Piedmont Center. Up to 102 additional employees will also utilize the facility's training and evidence rooms. The allocated space includes all office space, a day room/work room to be utilized by up to 45 troopers at a time, call center, communications room, evidence room,

conference rooms, training room, copy/fax area, storage, files, work areas, break room, data/equipment room and restrooms.

No option to purchase the property is included in the lease. The building at 33 Villa Road was constructed in 1974, with a major renovation in 1995. An environmental assessment dated January 29, 2007 revealed no environmental conditions associated with the property. The lease was approved by Mark A. Keel, Director of DPS and Roger W. Kellogg, sole member of Piedmont Center, LLC. The Joint Bond Review Committee approved this lease at its December 10, 2010 meeting.

Upon a motion by Senator Leatherman, seconded by Mr. Cooper, the Board approved the proposed ten year lease for the Department of Public Safety at 33 Villa Road in Greenville.

Information relating to this matter has been retained in these files and is identified as Exhibit 27.

Clemson University: Not Exceeding \$66,225,000 General Obligation State Institution Bonds, Series 2011B, Issued on Behalf of Clemson University (Regular Session Item #11)

The Board was asked to adopt a resolution to provide for the issuance and sale of not exceeding \$66,225,000 General Obligation State Institution Bonds, Series 2011B, issued on behalf of Clemson University.

The proceeds of the bonds will be used to construct (i) a Bio-Life Sciences Building, (ii) an Academic Success Center; and (iii) to expand and renovate the existing Lee Hall Architecture Building.

Upon a motion by Mr. Cooper, seconded by Senator Leatherman, the Board adopted a resolution to provide for the issuance and sale of not exceeding \$66,225,000 General Obligation State Institution Bonds, Series 2011B, issued on behalf of Clemson University. Mr. Cooper, Senator Leatherman, Mr. Chellis, and Mr. Eckstrom voted for the motion. Governor Sanford voted against the motion.

Information relating to this matter has been retained in these files and is identified as Exhibit 28.

Medical University of South Carolina: Not Exceeding \$22,000,000 General Obligation State Institution Bonds, Series 2011D, Issued on Behalf of the Medical University of South Carolina (Regular Session Item #12)

The Board was asked to adopt a resolution to provide for the issuance and sale of not exceeding \$22,000,000 General Obligation State Institution Bonds, Series 2011D, issued on behalf of the Medical University of South Carolina.

The proceeds of the bonds will be used to renovate spaces in the Thurmond-Gazes, Basic Sciences, Harborview Office Tower, and the Storm Eye Institute buildings.

Upon a motion by Senator Leatherman, seconded by Mr. Chellis, the Board adopted a resolution to provide for the issuance and sale of not exceeding \$22,000,000 General Obligation State Institution Bonds, Series 2011D, issued on behalf of the Medical University of South Carolina. Mr. Cooper, Senator Leatherman, Mr. Chellis, and Mr. Eckstrom voted for the motion. Governor Sanford voted against the motion.

Information relating to this matter has been retained in these files and is identified as Exhibit 29.

Midlands Technical College: Not Exceeding \$15,000,000 General Obligation State Institution Bonds, Series 2011C, Issued on Behalf of Midlands Technical College (Regular #13)

The Board was asked to adopt a resolution to provide for the issuance and sale of not exceeding \$15,000,000 General Obligation State Institution Bonds, Series 2011C, issued on behalf of the Midlands Technical College.

The proceeds of the bonds will be used to construct the approximately 68,000 square foot Northeast Engineering and Science Building that will house science labs, classrooms, faculty offices, with minimal necessary administrative spaces and including expansion of the utility infrastructure.

Upon a motion by Senator Leatherman, seconded by Mr. Chellis, the Board adopted a resolution to provide for the issuance and sale of not exceeding \$22,000,000 General Obligation State Institution Bonds, Series 2011C, issued on behalf of the Midlands Technical College. Mr. Cooper, Senator Leatherman, Mr. Chellis, and Mr. Eckstrom voted for the motion. Governor Sanford voted against the motion.

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

Exhibit 30.

University of South Carolina: Not Exceeding \$80,000,000 Higher Education Facilities Revenue Bonds for the University of South Carolina (Moore School of Business Project) (Reg. #14)

The Board was asked to adopt a resolution to provide for the issuance and sale of not exceeding \$80,000,000 Higher Education Facilities Revenue Bonds, in one or more series, for the University of South Carolina.

The proceeds of the bonds will be used to (i) construct a new facility for the Moore School of Business in the Innovista District on the Columbia campus of the University; and (ii) to finance a portion of the cost of designing, acquiring, constructing and equipping the project, including any related capitalized interest, debt service reserve fund and issuance costs.

Upon a motion by Senator Leatherman, seconded by Mr. Chellis, the Board adopted a resolution to provide for the issuance and sale of not exceeding \$80,000,000 Higher Education Facilities Revenue Bond for the University of South Carolina, in one or more series (Moore School of Business Project). Mr. Cooper, Senator Leatherman, Mr. Chellis, and Mr. Eckstrom voted for the motion. Governor Sanford voted against the motion.

Information relating to this matter has been retained in these files and is identified as Exhibit 31.

University of South Carolina: Not Exceeding \$7,500,000 Principal Amount Athletic Facilities Revenue Bonds, Series 2011A, of the University of South Carolina (Regular #15)

The Board was asked to adopt a resolution to provide for the issuance and sale of not exceeding \$7,500,000 Principal Amount Athletic Facilities Revenue Bonds, Series 2011A, of the University of South Carolina.

The proceeds from the issuance of the bonds will be used for the purpose of construction of a parking facility (the “2011A Project”) and (ii) the use of the proceeds of Athletic Facilities Revenue Bonds, issued but not now needed for the construction and renovation of the previously approved projects, to be used to pay part of the costs of the 2011A Project.

Upon a motion by Mr. Chellis, seconded by Senator Leatherman, the Board adopted a resolution to provide for the issuance and sale of not exceeding \$7,500,000 Principal Amount

Athletic Facilities Revenue Bonds, Series 2011A, of the University of South Carolina. Mr. Cooper, Senator Leatherman, Mr. Chellis, and Mr. Eckstrom voted for the motion. Governor Sanford voted against the motion.

Information relating to this matter has been retained in these files and is identified as Exhibit 32.

University of South Carolina: Not Exceeding \$22,250,000 General Obligation State Institution Refunding Bonds, Series 2011A, Issued on Behalf of the University of South Carolina (Regular Session #16)

The Board was asked to adopt a resolution to provide issued on behalf of the issuance and sale of not exceeding \$22,250,000 General Obligation State Institution Refunding Bonds, Series 2011A, for the University of South Carolina.

The proceeds of the bonds will be used to (1) refund State Institution Bonds heretofore issued for the University and outstanding and (2) pay for expenses related to the issuance of State Institution Bonds, including reimbursement to the University.

Mr. Eckstrom asked what the projected savings will be for the refunding. Dr. Ted Moore with the University of South Carolina said that the projected savings are \$900,000.

Upon a motion by Mr. Chellis, seconded by Senator Leatherman, the Board adopted a resolution to provide for the issuance and sale of not exceeding \$22,250,000 General Obligation State Institution Refunding Bonds, Series 2011A, issued on behalf of the University of South Carolina.

Information relating to this matter has been retained in these files and is identified as Exhibit 33.

University of South Carolina: Not Exceeding \$26,000,000 General Obligation State Institution Bonds, Series 2011E, Issued on Behalf of the University of South Carolina (Regular Session #17)

The Board was asked to adopt a resolution to provide for the issuance and sale of not exceeding \$26,000,000 General Obligation State Institution Bonds, Series 2011E, issued on behalf of the University of South Carolina.

The proceeds of the bonds will be used to (i) construct a new business school; (ii)

renovate the Jones Physical Sciences Center, Grambrell Hall and the Health Sciences Building at the Columbia Campus; (iii) make improvements to the library at the Beaufort Campus, Penland Administration Building, the Humanities and Social Sciences Building, and the library at the Aiken Campus.

Mr. Eckstrom said that he received some numbers that showed that the Moore School would consume roughly \$15 million and that ten other projects would consume \$10 million and the remaining would be for issuance costs. He said when he asked for issuance costs for the issue that he received a number that was way less. He said that the number he was given was \$62,000 as opposed to one million dollars. Dr. Moore said that the issuing costs would certainly be more than \$62,000 for a \$26 million debt. He said that historically the University's issuance cost have been between 2% to 3%. Rick Harmon with the Treasurer's Office said that the disparity Mr. Eckstrom notices is probably in the underwriting costs because they did not treat those as costs of issuance.

Upon a motion by Senator Leatherman, seconded by Mr. Chellis, the Board adopted a resolution to provide for the issuance and sale of not exceeding \$26,000,000 General Obligation State Institution Bonds, Series 2011E, issued on behalf of the University of South Carolina. Mr. Cooper, Senator Leatherman, Mr. Chellis, and Mr. Eckstrom voted for the motion. Governor Sanford voted against the motion.

Information related to this matter has been retained in these files and is identified as Exhibit 34.

South Carolina Transportation Infrastructure Bank: Not Exceeding \$25,600,000 General Obligation Transportation Infrastructure Refunding Bonds, Series 2011A, of the State of South Carolina (Regular Session Item #18)

The Board was asked to adopt a resolution to provide for the issuance and sale of not exceeding \$25,600,000 General Obligation Transportation Infrastructure Refunding Bonds, Series 2011A, of the State of South Carolina.

The proceeds of the bonds will be used to refund Transportation Infrastructure Bonds heretofore issued and outstanding, and to pay for expenses related to the issuance of Transportation Infrastructure Bonds, including the reimbursement to the South Carolina Transportation Infrastructure Bank.

Mr. Eckstrom asked what saving would be produced as a result of the refunding. Mr. Harmon said there would be savings of \$1.5 million.

Upon a motion by Senator Leatherman, seconded by Mr. Cooper, the Board adopted a resolution to provide for the issuance and sale of not exceeding \$25,600,000 General Obligation Transportation Infrastructure Refunding Bonds, Series 2011A, for the State of South Carolina.

Information relating to this matter has been retained in these files and is identified as Exhibit 35.

Winthrop University: Not Exceeding \$6,000,000 Higher Education Revenue Bonds, Series 2011, of Winthrop University (Regular Session Item #19)

The Board was asked to adopt a resolution to provide for the issuance and sale of not exceeding \$6,000,000 Higher Education Revenue Bonds, Series 2011, of Winthrop University.

The proceeds of the bonds will be used to (a) defray all or a portion of the costs of acquisition, construction, reconstruction, renovation, and improvement of certain facilities and equipment therein, including without limitation the improvement and renovation of Phelps Hall and the performance of deferred maintenance in various other University residence hall facilities. The upgrades to Phelps Hall will include a full renovation and proper ventilation of bathrooms, the addition of a hydraulic elevator, and the installation of new accessible ramps in the lobby on the ground floor. Other University residence hall facilities have differing degrees of water intrusion and deferred maintenance needs. The project will include repairing leaking roofs, damp basements and walls, and condensation leaks due to depredated insulation; (b) satisfying the reserve requirement, if any, established in connection with the Series 2011

Upon a motion by Senator Leatherman, seconded by Mr. Cooper, the Board adopted a resolution to provide for the issuance and sale of not exceeding \$6,000,000 Higher Education Revenue Bonds, Series 2011, of Winthrop University. Senator Leatherman, Mr. Cooper, and Mr. Chellis voted for the motion. Governor Sanford and Mr. Eckstrom voted against the motion

Information relating to this matter has been retained in these files and is identified as Exhibit 36.

Governor Sanford said that he voted no on the bond items because looking forward many of those were general obligation bonds that will come back to the taxpayers of South Carolina.

He said that higher education in particular has been unresponsive in many ways to the unsustainable building curve they have been on. He said that eventually there will be a dry up of federal funds and a squeeze at the state level of some of the flow through funds. He said what is happening here is a 25- or 30-year obligation backed in terms of general obligation of the taxpayers of the State without a recurring business model that will keep the revenues in place. Governor Sanford said that will come back to squeeze some.

Future Meeting

The Board agreed to meet at 9:30 a.m. on Tuesday, February 8, 2011, in the Governor's conference room in the Wade Hampton Building.

Adjournment

The meeting adjourned at 11:55 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 Board Secretary's office in the Wade Hampton Building, and in the lobby of the Wade Hampton Building at 9:15 a.m. on Monday, December 13, 2010.