

MINUTES OF STATE BUDGET AND CONTROL BOARD MEETING

December 15, 2011 -- 10:00 A. M.

The Budget and Control Board (Board) met at 10:00 a.m. on Thursday, December 15, 2011, in Room 252 in the Edgar A. Brown Building, with the following members in attendance:

Governor Nikki R. Haley, Chair;
Mr. Curtis M. Loftis, Jr., State Treasurer;
Mr. Richard Eckstrom, Comptroller General;
Senator Hugh K. Leatherman, Sr., Chairman, Senate Finance Committee; and
Representative W. Bryan White, Chairman, Ways and Means Committee.

Also attending were Budget and Control Board Executive Director Marcia Adams; Chief of Staff Steve Elliott and Division Director Les Boles; Acting General Counsel Paul Koch; Governor's Deputy Chief of Staff for Policy, Budget, and Cabinet Affairs Ted Pitts; Treasurer's Chief of Staff Bill Leidinger; Comptroller General's Chief of Staff James M. Holly; Senate Finance Committee Budget Director Mike Shealy; Ways and Means Committee Chief of Staff Beverly Smith; Board Secretary Delbert H. Singleton, Jr., and other Budget and Control Board staff.

Adoption of Agenda for Budget and Control Board

Upon a motion by Mr. Eckstrom, seconded by Mr. White, the Board adopted the agenda as proposed.

Minutes of Previous Meeting

Upon motion by Senator Leatherman, seconded by Mr. White, the Board approved the minutes of the November 3, 2011, Budget and Control Board meeting.

Blue Agenda

Upon a motion by Mr. Loftis, seconded by Senator Leatherman, the Board approved the blue agenda items. Governor Haley, Mr. Loftis, Senator Leatherman, and Mr. White voted to approve the blue agenda items. Mr. Eckstrom voted against approving the blue agenda items.

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

The Board approved the following notification of the assignment of bond counsel for

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conduit issues (for ratification of issuer’s counsel only) for which Board approval was requested:

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

Description of Issue	Agency/Institution (Borrower)	Borrower’s Counsel	Issuer’s Counsel
\$4,000,000 SC JEDA	Confluence Holdings Corp.	Haynsworth Sinkler Boyd	Pope Zeigler
\$80,000,000 SC JEDA	Upstate Senior Living, Inc.	Haynsworth Sinkler Boyd	Howell Linkous
\$18,000,000 SC JEDA	CPF Properties II, LLC	Haynsworth Sinkler Boyd	Nexsen Pruet
\$8,000,000 SC JEDA	Franchise Investment Group	Haynsworth Sinkler Boyd	McNair Law Firm

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

Division of General Services: Easements (Blue Agenda Item #2)

The Board approved the following easements in accordance with the SC Code of Laws as requested by the Division of General Services:

- (a) County Location: Charleston
 From: Budget and Control Board
 To: Charleston Water System
 Consideration: \$1,804
 Description/Purpose: To grant a 2.89 acre easement and a 1.13 acre easement for the construction, operation and maintenance of a sewer tunnel beneath the Ashley River, Wappoo Creek and adjacent marshlands to replace the existing West Ashley Sewer Tunnel.

- (b) County Location: Orangeburg
 From: Budget and Control Board
 To: Orangeburg-Calhoun-Allendale-Bamburg Community Action Agency, Inc.
 Consideration: \$12,131
 Description/Purpose: To grant a 0.89 acre easement over property controlled by the Department of Employment and Workforce at 1804 Joe Jeffords Boulevard in the City of Orangeburg for access from Dell Street to adjoining property owned by the OCAB Community Action Agency to accommodate the expansion of its Head Start facility.

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

Division of General Services: Office of the Adjutant General Lease of Fleet Maintenance Facility to South Carolina Electric and Gas Company (SCE&G) at 5 National Guard Road in Columbia (Blue Agenda Item #3)

The Office of the Adjutant General has leased approximately 37,409 square feet of office and garage space at its former Combined Support Maintenance Shop along with the surrounding grounds at 5 National Guard Road in Columbia to South Carolina Electric & Gas Company (SCE&G) for use as a vehicle maintenance shop since December 1999 for \$120,000 annually. SCE&G is additionally responsible for all maintenance and operating costs and has spent \$1,050,000 in renovations since occupying the facility. The most recent lease term expiring November 30, 2012 was approved by the Board at its December 11, 2007 meeting.

The Office of the Adjutant General requested approval to amend the lease to extend the term two years, which would change the termination date of the lease to November 30, 2014, with two optional renewal terms of two years each. Rent will remain \$10,000 per month or \$120,000 per year (\$3.21 per square foot rounded) through November 30, 2014 and for the duration of the first optional renewal term ending November 30, 2016, if exercised. Rent for the duration of the second optional renewal term ending November 30, 2018, if exercised, will be \$15,275 per month or \$183,300 per year (\$4.90 per square foot rounded). In addition to rent, SCE&G will continue to be responsible for all maintenance and operating costs. As consideration for the extended lease term, SCE&G will contribute \$200,000 towards replacing the roof, subject to approval of the roof replacement by the Joint Bond Review Committee and the Board. The roof is approximately 58 years old, has exceeded its useful life and leaks. The lease may be cancelled by the Adjutant General's Office if the premises are needed while an emergency has been declared or to fulfill its mission.

The lease was approved by the South Carolina Adjutant General, Major General Robert E. Livingston, Jr., and by Richard R. Morton, General Manager for Real Estate and Facilities, on behalf of South Carolina Electric and Gas Company. The project for pre-design services for the vehicle maintenance building roof replacement was approved by the Joint Bond Review Committee on December 7, 2011.

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Mr. Eckstrom asked what the total projected cost of the project will be. Gary Grant, Senior Project Manager for the Adjutant General's Office, appeared before the Board. He stated that the total projected cost is \$400,000. Mr. Eckstrom further asked whether the \$120,000 for rent that is collected is going into a maintenance fund. Mr. Grant stated that it goes into their unit maintenance fund for repair to armories throughout the State.

The Board approved the proposed amendment to extend the lease term two years and add two optional renewal terms of two years each for the Office of the Adjutant General's lease of 5 National Guard Road in Columbia to South Carolina Electric & Gas Company.

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

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

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

Agency:	Department of Transportation
Acreage:	2± acres and 2,480 sf building
Location:	Pherigo Street (Road S-345), Mount Pleasant
County:	Charleston
Purpose:	To dispose of surplus real property.
Price/Transferred To:	Not less than appraised value/To be determined
Disposition of Proceeds:	To be retained by Department of Transportation.

Mr. Eckstrom noted that the item mentioned an appraisal price but he could not find the appraisal price and asked when it was done. Lisa Catalanotto with the Division of General Services said the appraisal was done in August 2011. Mr. Eckstrom said given some compelling reason he questioned whether now is the time to dispose of the property because of the current economic situation. He said the property is located in a prime area and the appraisal may be way under market value once a recovery is seen. He said this action runs the risk of selling the property for much less than it would normally bring. Mr. Eckstrom moved that the item be carried over. Mr. Eckstrom's motion did not receive a second.

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

Division of Procurement Services: Procurement Audit and Certification (Blue Item #5)

In accord with Section 11-35-1210, the Board granted the following procurement certification within parameters described in the audit report for the following limits (total potential purchase commitment whether single-or multi- year contracts are used) for the following agency:

Francis Marion University (for a period of three years): supplies and services, \$250,000* per commitment; consultant services, \$150,000* per commitment; Information technology, \$150,000* per commitment; construction services, \$150,000* per commitment; construction change order, \$75,000 per change order; architect/engineer contract amendment, \$50,000 per amendment.

*Total potential purchase commitment whether single or multi-term contracts are used. The audit confirms the Francis Marion University's Procurement Office has the internal controls and expertise to ensure compliance with applicable requirements for the certifications. The University requested to remain at its current certification levels except for an increase in construction contract change order authority.

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

South Carolina Energy Office: Barnwell County Economic Development Fund – Project Funding Request (Blue Agenda Item #6)

The South Carolina Energy Office advised of the following project funding request:

<i>Recipient:</i>	Barnwell County Economic Development Corporation
<i>Funding Request:</i>	\$85,000
<i>Purpose/Description:</i>	Barnwell County Economic Development Corporation (BCEDC) is requesting funds for the property purchase of a 40 acre tract of land in the Barnwell County Airport Industrial Park. This property will house Project Tissue which is expected to create 200 jobs over a three year period.
<i>Project Impact:</i>	Completion of this project will provide a site to house Project Tissue which is expected to create 200 jobs over the next three years.

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Cost of Project: \$1,285,000
SCEO recommendation: \$85,000 (The remainder of the funding will be provided by the Applicant (\$200,000) and CDBG (\$1,000,000))

Mr. Eckstrom inquired as to what happened with the Office of Local Government and whether it has any input into this matter. Ms. Adams stated that the Energy Office and the Office of Local Government are supervised by Ashley Lancaster and that the Energy Office is still within the Office of Local Government. Mr. Eckstrom asked why the Department of Commerce does not have oversight in this area given that it is an economic development fund. Senator Leatherman commented that this is by statute. Mr. Eckstrom said this seems as if this is a part of the Department of Commerce's mission as opposed to a division of the Board. Governor Haley said that she would have someone from the Department of Commerce contact Mr. Eckstrom about his concerns in this matter in case he wanted to pursue legislation with Senator Leatherman or Mr. White. Mr. Eckstrom commented that he would vote for the item, but would also suggest that the Board explore whether the Department of Commerce would be a more appropriate oversight authority.

The Board approved the following project request as recommended by the South Carolina Energy Office: Barnwell County Economic Development Corporation, \$85,000 for the property purchase of a 40 acre tract of land in the Barnwell County Airport Industrial Park.

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

State Budget Division: Exemption from Reporting Requirements of Proviso 89.110 (Blue Agenda Item #7)

By way of Proviso 89.133 of the FY 2010-11 Appropriation Act, the General Assembly required agencies with composite reservoir bank accounts or other accounts containing public funds which are not included in the Comptroller General's Statewide Reporting and Accounting System (STARS) or the South Carolina Enterprise Information System (SCEIS) to prepare a report disclosing transaction information from the prior fiscal year by October 1. State institutions of higher learning were exempted. The proviso provided for an agency to petition the Board for an exemption from the reporting requirements if release of the information would be detrimental to the state or agency. Unanimous approval by the Board for the requested

exemption was also a requirement of the proviso.

At the Board's September 29, 2010, meeting several agencies petitioned the Board for exemption from the reporting requirements of Proviso 89.133. The Board unanimously granted temporary approval for the agency requests for exemption from the reporting requirements of Proviso 89.133 and directed the agencies to work with the five Board members' offices on refining the exemption request to ensure that maximum disclosure is achieved while protecting critical information that would be detrimental to the agency. The Board further stated that it would consider permanent approval of the exemption requests at a subsequent Board meeting.

Proviso 89.110 of the FY 2011-12 Appropriation Act makes the same requirements of agencies as did Proviso 89.133. By letter to the agencies dated December 2, 2011, State Budget Division Director Les Boles reminded agencies that the reporting requirements of Proviso 89.110 included submittal of the reports by October 1 to the Governor, the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, the State Treasurer, and the Comptroller General.

There are issues concerning the administration of this proviso that the Board will need to address. The proviso does not provide for a repository to receive reports nor does it provide a monitoring mechanism to verify reports have been submitted or exemptions have been requested. Also, there is no common reporting format, making it difficult to post reports to the Comptroller General's transparency website.

Currently, agencies are still submitting reports and in some instances requests for exemptions. The Board will need to consider those requests for exemption from Proviso 89.110 at a subsequent meeting in executive session.

The Board received as information an update on the Exemption from Reporting Requirements of Proviso 89.110.

Information relating to this matter 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:

- a. Issuing Authority: Jobs-Economic Development Authority

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Amount of Issue: Not Exceeding \$80,000,000 Economic Development Revenue Bonds
Allocation Needed: \$80,000,000
Name of Project: Chester Biocoal, LLC
Employment Impact: approximately 50 jobs within 12 months; 257 within 24 months; and 400 within 5 years
Project Description: to finance solid waste disposal assets used in conjunction with proposed manufacturing operation in Chester County. Project will recycle wood slashings and /or wood chips into product which resembles charcoal briquettes. Most product will be exported to Europe and/or Asia to assist in reduction of fossil fuel emissions to meet Kyoto Protocol standards.

Note: negotiated private sale or sales

Bond Counsel: April Lucas, Nexsen Pruet, LLC
(Exhibit 8)

- b. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: Not Exceeding \$12,190,000 Hospital Revenue Refunding bonds (\$12,065,000 refunding involved)
Allocation Needed: -0-
Name of Project: Georgetown Hospital System
Employment Impact: maintain 1373 jobs and add 8 within 12 months
Project Description: Refunding outstanding principal amounts of Series 1998 bonds and Series 1999 bonds used to acquire, construct, renovate and equip hospital facilities at Georgetown Memorial Hospital.

Note: private sale

Bond Counsel: Kathleen Crum McKinney, Haynsworth Sinkler Boyd, P.A.
(Exhibit 9)

- c. Issuing Authority: State Housing Finance and Development Authority
Amount of Issue: N/E \$8,0250,000 Multifamily Rental Housing
Allocation Needed: -0-
Name of Project: The Waters at Stoney Creek
Employment Impact: n/a
Project Description: acquisition and renovation of a 196-unit apartment development located at 18 Berryhill Road in the city of Columbia, Lexington County, known as The Waters at Stoney Creek Apartments
Bond Counsel: Samuel W. Howell, IV, Howell Linkous & Nettles, LLC.
(Exhibit 10)

Executive Director: Economic Development (2011 Ceiling Allocation) (Blue Item #9)

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The initial balance of the 2011 state ceiling allocation is \$439,409,580. In accord with Code Section 1-11-520, \$175,763,832 (40% of the total) was designated as the state pool and \$263,645,748 (60% of the total) was designated as the local pool. There is presently a state ceiling balance of \$396,309,580 remaining for 2011. Allocation requests for 2011 totaling \$141,207,000 have been received thus far.

The recommendation from the Department of Commerce for allocations for this cycle totals \$80,000,000. The Department of Commerce makes the following recommendations for allocation from the local pool:

JEDA Chester Biocoal, LLC (Chester County), \$80,000,000.

Chester Biocoal, LLC has requested the allocation be designated for carryforward for the next three calendar years. The project is a solid waste disposal project and is a qualifying project for designation of ceiling allocation as carryforward.

Board approval of the recommended request, will leave an unexpended state ceiling balance of \$316,309,580 (state pool - \$175,763,832; local pool - \$140,545,748) to be allocated for carryforward.

In accord with Code Section 1-11-500 et seq. and upon the recommendation of the Department of Commerce, the Board granted the following tentative ceiling allocation from the local pool and designated the amount as carryforward for the next three calendar years:

JEDA Chester Biocoal, LLC (Chester County), \$80,000,000.

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

Executive Director: Economic Development (2011 Ceiling Allocation) (2011 Volume Cap Carryforward) (Blue Item #10)

The initial balance of the 2011 state ceiling allocation is \$439,409,580. In accord with Code Section 1-11-520, \$175,763,832 (40% of the total) was designated as the state pool and \$263,645,748 (60% of the total) was designated as the local pool. There is presently a state ceiling balance of \$396,309,580 remaining for 2011. Allocation requests for 2011 totaling \$141,207,000 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 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 was asked to allocate any remaining 2011 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 2011 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 12.

State Budget Division: Permanent Improvement Projects (Regular Session #1)

Mr. Eckstrom commented that all of the items are defensible. He stated if the institutions of higher learning are able to take on additional projects that have no impact at all on costs he appeals to the institutions to consider some way to give students a tuition break.

Governor Haley inquired whether any item on the agenda would raise tuition or fees. Senator Leatherman commented that at the last Joint Bond Review Committee meeting a strong message was sent to the institutions that if the projects were tuition based then the institutions should look at reducing tuition. Mr. Eckstrom noted that the board at Coastal Carolina is considering a tuition reduction.

Senator Leatherman said he applauds the universities for reissuing bonds to save the taxpayers' dollars. He also thanked the Treasurer's Office for negotiating a 25% reduction for the cost of reissuance of bonds.

Upon a motion by Mr. White, seconded by Mr. Loftis, the Board approved the following

permanent improvement project establishment requests and budget revisions which have been reviewed favorably by the Joint Bond Review Committee:

Establish Project for A&E Design

- (a) Summary 4-2012: JBRC Item 1. Coastal Carolina University
Project: 9590, Food Service Catering Kitchen/Dining Facility Construction
Funding Source: \$45,000 Other, Auxiliary Services funds which are generated from a lump sum from the food service vendor, food service commission funds, and accumulations from vending, catering commission, and meal plan sales after expenses.
Request: Establish project and budget for \$45,000 (Other, Auxiliary Services funds) to begin design work to construct an approximately 7,000 square foot dining facility with catering kitchen at Coastal Carolina. The facility will seat approximately 150 students, faculty and staff and will serve as the dining facility for the academic hub of campus and for the athletic facilities. Construction of the new facility will address growth in the student population and free up space in Hicks Dining Hall, making increased seating available for residential students in that area. Food Service caters 25-60 events per week and all catering on campus takes place in the Hicks Dining Hall kitchen. The proposed catering kitchen will free up kitchen space in Hicks to allow more space for food preparation to service residential student dining. The University reports no increase in any student fee or tuition is required for pre-design or construction of this project.
- (b) Summary 4-2012: JBRC Item 2. University of South Carolina
Project: 6092, Rutledge College Comprehensive Renovation
Funding Source: \$130,500 Other, Housing Maintenance Reserve funds which are derived from the housing operating budget which includes housing fees, laundry operations, interest, conference revenues, and other sources.
Request: Establish project and budget for \$130,500 (Other, Housing Maintenance Reserve funds) to begin design work to do a comprehensive renovation of the housing portion of Rutledge College at USC. The work in the housing portion will include replacing the mechanical, electrical, and plumbing systems, installing new finishes, replacing all doors and windows, installing a card access system, electronic locks, and fire suppression system, and replacing all case work and furnishings. The work in the non-housing portion of the facility will be limited to modifications of systems and exterior improvements required to coordinate with upgrades in the housing section. The renovation is needed to support the University's mission by maintaining residence halls in a manner that attracts and retains a high achieving student population, to address deferred maintenance, and to protect the institutional asset built in 1805. The University reports no increase in any student fee or tuition is required for pre-design or construction of this project.

- (c) Summary 4-2012: JBRC Item 3. University of South Carolina
Project: 6093, LeGare/Pinckney Comprehensive Renovation
Funding Source: \$119,250 Other, Housing Maintenance Reserve funds which are derived from the housing operating budget which includes housing fees, laundry operations, interest, conference revenues and other sources.
Request: Establish project and budget for \$119,250 (Other, Housing Maintenance Reserve funds) to begin design work to do a comprehensive renovation of the housing portion of LeGare/Pinckney at USC. The work in the housing portion will include replacing the mechanical, electrical, and plumbing systems, installing new finishes, replacing all doors and windows, installing a card access system, electronic locks, and fire suppression system, and replacing all case work and furnishings. The work in the non-housing portion of the facility will be limited to modifications of systems and exterior improvements required to coordinate with upgrades in the housing section. The renovation is needed to support the University's mission by maintaining residence halls in a manner that attracts and retains a high achieving student population, to address deferred maintenance, and to protect the institutional asset built in 1837. The University reports no increase in any student fee or tuition is required for pre-design or construction of this project.
- (d) Summary 4-2012: JBRC Item 4. Office of the Adjutant General
Project: 9766, SCE&G Lease Maintenance Building Reroofing
Funding Source: \$6,000 Appropriated State funds which were appropriated from FY 2010-11 Increased Enforcement Collections funds to the National Guard under Proviso 90.16.
Request: Establish project and budget for \$6,000 (Appropriated State funds) to reroof the maintenance building in Columbia leased by the Adjutant General's Office to SCE&G for its fleet maintenance shop. The work will include replacing existing roofing and insulation, relocating existing drains and replacing flashing. The roof is approximately 30,036 square feet, may be original to the 58 year-old building, is well past its useful life, and leaks. Large paste drums are currently used to catch water when it rains. Replacement is needed to protect the interior of the state's building and the contents belonging to SCE&G. The lease requires any major repairs to be done by the Adjutant General's Office.

Establish Construction Budget

- (e) Summary 4-2012: JBRC Item 5. Clemson University
Project: 9892, Highway 93 Pedestrian Safety Improvements
Funding Source: \$1,688,800 Other, Athletic Private funds which are private gifts received by IPTAY; \$1,063,200 Other, Institutional Capital Project Funds which are excess debt service funds; and \$1,000,000 Other, Federal/State Grant

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funds which originate from the Federal Highway Administration and the Pickens County Transportation Committee.

Request: Increase budget to \$3,752,000 (add \$3,702,000 - \$1,688,800 Other, Athletic Private, \$1,013,200 Other, Institutional Capital Project Funds, and \$1,000,000 Other, Federal/State Grant funds) to provide pedestrian safety improvements on the Clemson University campus. The project was established in December 2010 for pre-design work which is now complete. The work along 2,100 feet of Highway 93 will include constructing retaining walls, landings and walkways, including an elevated pedestrian walkway, and constructing new north stands in the soccer stadium adjacent to the elevated walkway. Existing sidewalks in this area are severely limited with a substandard width and the presence of a chain link fence that forces pedestrians into traffic when passing others and has resulted in four pedestrian/vehicular accidents in the past five years. The soccer stadium's north stands are inadequate and do not meet current code requirements. By including redevelopment of the stands in the project, the walkway and stands can be built together more efficiently. Energy savings and conservation measures will include installation of energy efficient site lighting fixtures. The agency reports the total projected cost of this project is \$3,752,000 and additional annual operating costs of \$20,000 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is April 2012 and for completion of construction is June 2013. The University reports no increase in any student fee or tuition is required for pre-design or construction of this project. (See Attachment 1 for additional annual operating costs.)

(f) Summary 4-2012: JBRC Item 6. Coastal Carolina University

Project: 9580, Softball and Baseball Complex Improvements

Funding Source: \$4,200,000 Other, Athletic Foundation funds which are private funds raised by the Chanticleer Athletic Foundation; \$4,000,000 Other, Institutional Capital Project Funds which are excess debt service funds; \$1,970,000 Other, Renovation Reserve/Plant Expansion funds which are funds derived from a \$150 fee per full-time student per semester for renovations, repairs, additions and acquisitions of facilities; and \$30,000 Other, Auxiliary Services funds which are generated from the food service vendor, food service commissions and various food service sales after expenses.

Request: Increase budget to \$10,200,000 (add \$10,050,000 - \$4,200,000 Other, Athletic Foundation, \$3,880,000 Other, Institutional Capital Project Funds and \$1,970,000 Other, Renovation Reserve/Plant Expansion funds) to make improvements to the softball and baseball complex at Coastal Carolina. Two projects were established for pre-design services, which are now complete, in March 2011 and combined in October 2011 for cost savings when the same architectural firm was chosen for both projects. The work will include constructing new facilities for softball and baseball, including new seating, locker and team rooms, hitting and pitching tunnels, press spaces, restrooms and concession areas, while keeping the existing fields. Existing softball

facilities are inadequate and are needed to comply with federally mandated Title IX guidelines. Existing baseball facilities are inadequate, are not comparable with other Division I baseball programs in the state, and have forced the university to move baseball events off-campus. The complex will be constructed to LEED Silver certification and will include sustainable sites, water efficiency, energy and atmosphere, materials and resources, and indoor environmental quality measures. The LEED cost benefit analysis shows a positive cost benefit of \$857,616 over 30 years. The agency reports the total projected cost of this project is \$10.2 million and additional annual operating costs of \$212,050 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is December 2012 and for completion of construction is February 2014. The University reports no increase in any student fee or tuition is required for construction of this project. (See Attachment 2 for additional annual operating costs.)

(g) Summary 4-2012: JBRC Item 7. Coastal Carolina University

Project: 9585, Parking/Pedway Construction

Funding Source: \$1,500,000 Other, One Cent Sales Tax funds which are Horry County sales tax funds to be used for capital improvements; \$1,500,000 Other, Renovation Reserve/Plant Expansion funds which are funds derived from a \$150 fee per full-time student per semester for renovations, repairs, additions, and acquisitions of facilities; and \$1,000,000 Other, Parking Operations funds which are funds provided through ticketing fees and student parking decals.

Request: Increase budget to \$4,000,000 (add \$3,940,000 - \$1,500,000 Other, One Cent Sales Tax, \$1,500,000 Other, Renovation Reserve/Plant Expansion and \$940,000 Other, Parking Operations funds) to construct new parking and make sidewalk improvements at Coastal Carolina. The project was established in June 2011 for pre-design work which is now complete. The work will include constructing three parking lots to provide approximately 1,530 additional parking spaces on campus, making sidewalk improvements, and making associated storm water management, site development and lighting improvements. The new parking lots will provide additional parking capability, while the university reduces surface parking within the main campus academic core. The parking and sidewalk improvements will provide for increased pedestrian and bicycle safety, free sites for future academic buildings to support planned growth, and enhance campus aesthetics with improved greenescapes for student use. Energy savings and conservation measures are not applicable to this site development project. The agency reports the total projected cost of this project is \$4 million and additional annual operating costs of \$26,400 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is May 2012 and for completion of construction is December 2013. The University reports no increase in any student fee or tuition is required for construction of this project. (See Attachment 3 for

additional annual operating costs.)

- (h) Summary 4-2012: JBRC Item 8. University of South Carolina
Project: 6052, Health Sciences Renovation
Funding Source: \$18,000,000 Institution Bond funds which are bonds issued by the University, the debt service of which is paid from a \$281.50 per student per semester bond debt fee.
Request: Increase budget to \$18,000,000 (add \$16,200,000 Institution Bond funds) to renovate the Health Sciences Building to provide a new home for the School of Journalism and Mass Communications at USC. The project was established in August 2008 for pre-design work which is now complete. The renovation will include reconfiguring all interior spaces to provide classrooms, faculty offices, studios and newsroom areas, upgrading the mechanical, electrical and plumbing systems, making building envelope repairs including a new roof, adding sprinkler and fire alarm systems and seismic retrofits, and constructing a 3,000 square foot addition. Renovation is needed to modify the interior to meet new program requirements, replace worn finishes, upgrade or replace existing building systems, and maintain the exterior of the 50 year-old building. The renovation will be constructed to LEED Silver certification and will include sustainable sites, water efficiency, energy and atmosphere, materials and resources, and indoor environmental quality measures. The LEED cost benefit analysis shows a positive cost benefit of \$1,282,749 over 30 years. The agency reports the total projected cost of this project is \$18 million and additional annual operating costs of \$28,500 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is September 2013 and for completion of construction is August 2014. The University reports no increase in any student fee or tuition is required for construction of this project. (*****See Attachment 4 for additional annual operating costs.)

Information relating to this matter has been retained in these files and is identified as Exhibit 13.

Clemson University: Not Exceeding \$15,000,000 Athletic Facilities Refunding Revenue Bonds, Series 2012 of Clemson University (Regular Session Item #2)

The Board was asked to adopt a resolution to provide for the issuance and sale of not exceeding \$15,000,000 athletic facilities refunding revenue bonds, Series 2012, on behalf of Clemson University.

The proceeds of the bonds will be used to (A) provide the amount necessary, together with other available funds of the University, to defray the cost of (i) the current funding of the

University's outstanding \$8,885,000 of the originally issued \$20,985,000 Athletic Facilities Revenue Bonds, Series 2001, of the University and (ii) the advanced refunding of that portion of the University's outstanding \$7,000,000 original principal amount Athletic Facilities Revenue Bonds, Series 2003 that are subject to redemption prior to maturity on May 1, 2013, in the principal amount of \$6,920,000; (B) provide money to fund a debt service reserve fund, if required, for the refunding bonds; and (C) pay certain costs and expenses related to the issuance of the refunding bonds.

Mr. Eckstrom noted that there is a number of refunding bond issues on the agenda. He requested that Board staff provide a summary showing the original rate, the expected new refunded rate, the present value (cost savings) of the interest reduction, and the term left on the loans.

Upon a motion by Senator Leatherman, seconded by Mr. Eckstrom, the Board adopted a resolution to provide for the issuance and sale of not exceeding \$15,000,000 Athletic Facilities Refunding Revenue Bonds, Series 2012, of Clemson University.

Information relating to this matter has been retained in these files and is identified as Exhibit 14.

Clemson University: Not Exceeding \$22,500,000 Refunding Revenue Bonds, Series 2012 of Clemson University (Regular Session Item #3)

The Board was asked to adopt a resolution to provide for the issuance and sale of not exceeding \$22,500,000 refunding revenue bonds, Series 2012, on behalf of Clemson University.

The proceeds of the bonds will be used to (A) provide the amount necessary, together with other available funds of the University, to defray the cost of (i) the advanced refunding of that portion of the University's outstanding original principal amount \$27,290,000 Revenue Bonds, Series 2003 that are subject to redemption prior to maturity on May 1, 2013, in the principal amount of \$20,350,000; (B) provide money to fund a debt service reserve fund, if required, for the refunding bonds; and (C) pay certain costs and expenses related to the issuance of the refunding bonds.

Upon a motion by Mr. Eckstrom, seconded by Senator Leatherman, the Board adopted a resolution to provide for the issuance and sale of not exceeding \$22,500,000 Refunding Revenue

Bonds, Series 2012, of Clemson University.

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

College of Charleston: Not Exceeding \$31,000,000 Higher Education Facilities Revenue Refunding Bonds, Series 2012A, of the College of Charleston (Regular Session #4)

The Board was asked to adopt a resolution making provision for the issuance and sale of not exceeding \$31,000,000 Higher Education Facilities Revenue Refunding Bonds, Series 2012A, of the College of Charleston.

The proceeds from the sale of the bonds will be used for refinancing certain prior Higher Education Facilities Revenue Bonds for the College of Charleston.

Upon a motion by Mr. Eckstrom, seconded by Senator Leatherman, the Board adopted a resolution making provision for the issuance and sale of not exceeding \$31,000,000 Higher Education Facilities Revenue Refunding Bonds, Series 2012A, of the College of Charleston.

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

University of South Carolina: Not Exceeding \$9,000,000 Principal Amount Athletic Facilities Revenue Bonds, Series 2012A, of the University of South Carolina; Issuance and Sale of Athletic Facilities Revenue Bond Anticipation Notes; and Issuance and Sale of Athletic Facilities Revenue Refunding Bonds (Regular Session #5)

The Board was asked to adopt a resolution to provide for the issuance and sale of not exceeding \$9,000,000 principal amount athletic facilities revenue bonds, Series 2012A, on behalf of the University of South Carolina; the issuance and sale of Athletic Facilities Revenue Bond Anticipation Notes; and the issuance and sale of Athletic Facilities Revenue Refunding Bonds.

The proceeds of the bonds will be used to (i) acquire, construct, renovate and equip a softball stadium; (ii) reimburse the University for capital expenditures previously made in connection with, and paying the costs to acquire, construct, renovate and equip the project, including capitalized interest on the Series 2012A Bonds, if any; (iii) funding the Series 2012A Debt Service Reserve Fund or purchasing a debt service reserve fund substitute, if any; and (iv) paying certain costs and expenses relating to the issuance of the Series 2012A Bonds, including

municipal bond insurance premiums, if any.

With regard to an earlier discussion concerning the provision of a summary document for refunding bond issues, Mr. Eckstrom asked that the allocation of issuance costs be added to the list of information to be included in the summary document.

Upon a motion by Senator Leatherman, seconded by Mr. Eckstrom, the Board adopted a resolution to provide for the issuance and sale of not exceeding \$9,000,000 Principal Amount Athletic Facilities Revenue Bonds, Series 2012A, of the University of South Carolina; the issuance and sale of Athletic Facilities Revenue Bond Anticipation Notes; and the issuance and sale of Athletic Facilities Revenue Refunding Bonds.

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

Future Meeting

The Board agreed to meet at 9:30 a.m. on Tuesday, January 31, 2012, in Room 252, Edgar A. Brown Building.

Adjournment

The meeting adjourned at 10:20 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 lobbies of the Wade Hampton Building and the Edgar A. Brown Building at 3:00 p.m. on Tuesday, December 13, 2011.]