

STATE BUDGET AND CONTROL BOARD

Meeting of Wednesday, March 18, 2015 -- 9:30 A. M.

Room 252, Edgar A. Brown Building

AGENDA INDEX

Item	Agency	Subject
A.		MEETING OF BUDGET AND CONTROL BOARD
B.		ADOPTION OF PROPOSED AGENDA
C.		MINUTES OF PREVIOUS MEETING
D.		BLUE AGENDA
1.	State Treasurer's Office	Bond Counsel Selection
2.	Division of General Services	Easements
3.	Division of General Services	Real Property Conveyance
4.	Division of Procurement Services	Procurement Audit and Certification
5.	SC Energy Office	\$3M Qualified Energy Conservation Bond Volume Cap Allocation Authority to Abundant Power Group, LLC/SC SAVES with the SC Jobs- Economic Development Authority (JEDA) as Conduit Issuer for Use at Ascend Performance Materials in Greenwood
6.	SC Energy Office	QECB Bond Issuance Extension- \$15M Qualified Energy Conservation Bond volume cap allocation authority to Abundant Power Group, LLC/SC SAVES with the SC Jobs-Economic Development Authority (JEDA) as Conduit Issuer for Use at Denmark-Olar School District 2 of Bamberg County
7.	Office of the Executive Director	Approval of Housing Allowance for the President of Lander College
8.	Executive Director	Revenue Bonds

STATE BUDGET AND CONTROL BOARD
Meeting of Wednesday, March 18, 2015 -- 9:30 A. M.
Room 252, Edgar A. Brown Building

REGULAR SESSION AGENDA INDEX -- Page 2

<u>Item</u>	<u>Agency</u>	<u>Subject</u>
E.	REGULAR SESSION	
1.	B&CB/Elliott Davis	SCSU Financial Analysis Update
2.	South Carolina State University	Request to Modify Repayment Terms of Budget and Control Board Interagency Loan Resolution
3.	Division of General Services	SC Department of Social Services Lease – Florence
4.	Executive Budget Office	Permanent Improvement Projects
5.	University of South Carolina	Not Exceeding \$37,000,000 General Obligation State Institution Refunding Bonds (Issued on Behalf of the University of South Carolina), Series 2015, of the State of South Carolina
6.	Clemson University	Not Exceeding \$69,525,000 Athletic Facilities Revenue Bonds, Series 2015, of Clemson University, South Carolina
7.	Budget and Control Board	Future Meeting

STATE BUDGET AND CONTROL BOARD
Meeting of Wednesday, March 18, 2015 -- 9:30 A. M.
Room 252, Edgar A. Brown Building
BLUE AGENDA INDEX

<u>Item</u>	<u>Agency</u>	<u>Subject</u>
1.	State Treasurer's Office	Bond Counsel Selection
2.	Division of General Services	Easements
3.	Division of General Services	Real Property Conveyance
4.	Division of Procurement Services	Procurement Audit and Certification
5.	SC Energy Office	\$3M Qualified Energy Conservation Bond Volume Cap Allocation Authority to Abundant Power Group, LLC/SC SAVES with the SC Jobs- Economic Development Authority (JEDA) as Conduit Issuer for Use at Ascend Performance Materials in Greenwood
6.	SC Energy Office	QECB Bond Issuance Extension- \$15M Qualified Energy Conservation Bond volume cap allocation authority to Abundant Power Group, LLC/SC SAVES with the SC Jobs-Economic Development Authority (JEDA) as Conduit Issuer for Use at Denmark-Olar School District 2 of Bamberg County
7.	Office of the Executive Director	Approval of Housing Allowance for the President of Lander College
8.	Executive Director	Revenue Bonds

AGENCY: State Treasurer's Office

SUBJECT: Bond Counsel Selection

The State Treasurer's Office has provided the following notification of the assignment of bond counsel for conduit issue and special assignment for bond counsel for which Board approval is requested:

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

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel
\$4,000,000 SC JEDA	International Controls of America, Inc.	Haynsworth Sinkler Boyd
\$3,000,000 SC JEDA	South Carolina SAVES (c/o Abundant Power Solutions)	McGuire Woods

SPECIAL ASSIGNMENT OF BOND COUNSEL:

Description of Issue	Agency/Institution	Approved Bond Counsel
Athletic Facilities Rev Bonds, Series 2015, to plan, develop, construct, and equip renovations to Littlejohn Coliseum on the campus of Clemson University	Clemson University	Pope Zeigler

BOARD ACTION REQUESTED:

Approve the referenced bond counsel assignment.

ATTACHMENTS:

Bond Counsel Selection Approved by the State Treasurer's Office

Items for March 18, 2015 Budget & Control Board Meeting
 Bond Counsel and Issuer Counsel Selections by the State Treasurer's Office are as follows:

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

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel	Date STO Approved
\$4,000,000 SC JEDA	International Controls of America, Inc.	Haynsworth Sinkler Boyd	McNair Law Firm	2/3/15
\$3,000,000 SC JEDA	South Carolina SAVES (c/o Abundant Power Solutions)	McGuire Woods	Haynesworth Sinkler Boyd	2/8/15

OTHER REVENUE ISSUES:

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved

SPECIAL ASSIGNMENT OF BOND COUNSEL:

Description of Issue	Agency/Institution	Approved Bond Counsel	Date STO Approved
Athletic Facilities Rev Bonds, Series 2015, to plan, develop, construct, and equip renovations to Littlejohn Coliseum on the campus of Clemson University	Clemson University	Pope Zeigler	01/16/15

AGENCY: Division of General Services

SUBJECT: Easements

The Division of General Services requests approval of the following easements in accordance with SC Code of Laws:

- (a) County Location: Richland
From: Budget and Control Board
To: Carolina Gas Transmission Corporation
Consideration: \$700
Description/Purpose: To grant a 0.684 acre easement for the installation, operation and maintenance of an 8" natural gas transmission line beneath the Congaree River. The easement is part of a project to provide gas service to International Paper in Eastover, SC. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.
- (b) County Location: Berkeley
From: Budget and Control Board
To: AT&T South Carolina
Consideration: \$841
Description/Purpose: To grant a 1.705 acre easement for the relocation, installation, operation and maintenance of a 6" telecommunication conduit beneath the Wando River to accommodate SCDOT's SC 41 Bridge Replacement Project. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.
- (c) County Location: Berkeley
From: Budget and Control Board
To: South Carolina Public Service Authority (Santee Cooper)
Consideration: \$1
Description/Purpose: To grant a 0.98 acre easement for the installation, operation and maintenance of an optical communications cable beneath the Tail Race Canal. The easement is for the exclusive use of the South Carolina Public Service Authority.

AGENCY: Division of General Services

SUBJECT: Easements

- (d) County Location: Charleston
 From: Budget and Control Board
 To: National Trust for Historic Preservation in the United States
 Consideration: \$10
 Description/Purpose: To grant a 1.71 acre easement for the installation, operation and maintenance of a sanitary sewer line across property at Drayton Hall controlled by the Department of Parks, Recreation and Tourism. The easement is being sought by the National Trust for Historic Preservation to connect Drayton Hall, an 18th century plantation and National Historic Landmark, to the Charleston Water System's sewer system to better accommodate staff and visitors at the site. The easement will be of mutual benefit to the National Trust for Historic Preservation and SCPRT.

The Division of General Services requests that the Board concur and acquiesce in granting the following easement in accordance with SC Code of Laws:

- (e) County Location: Charleston
 From: Medical University of South Carolina
 To: South Carolina Electric & Gas Company
 Consideration: \$15,208.86
 Description/Purpose: To grant three utility easements totaling 0.20 acre for the replacement, construction, operation and maintenance of fiber optic cables and facilities on property of MUSC. The easement activity will be done in conjunction with the project to rebuild the transmission line from SCE&G's Hagood Plant to the Bee Street Substation. The easement areas consist of three parcels with easement considerations of \$14,231.04, \$23.85 and \$953.97 respectively. Consideration is based on the Charleston County Assessor's land value.

BOARD ACTION REQUESTED:

Approve granting the referenced easements.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Sections 1-11-80, 1-11-100 and 10-1-130; Exhibits (maps, plats, etc.) (a) Carolina Gas Transmission Corporation (b) AT&T South Carolina (c) South Carolina Public Service Authority (d) National Trust for Historic Preservation (2 drawings) (e) South Carolina Electric & Gas Company (3 drawings)

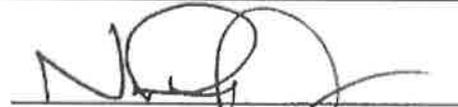
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: March 18, 2015

Blue Agenda

1. Submitted by:

- (a) Agency: Division of General Services
(b) Authorized Official Signature:



Nolan L. Wiggins, Jr., Director

2. Subject: EASEMENTS

3. Summary Background Information:

The Division of General Services requests approval of the following easement in accordance with SC Code of Laws:

- (a) County Location: Richland
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4. What is the Board asked to do? Approve the referenced easements.

5. What is recommendation of the Division of General Services? Recommend approval of the referenced easements.

6. List of Supporting Documents:

1. SC Code of Laws Sections 1-11-80, 1-11-100 and 10-1-130
2. Exhibits (maps, plats, etc.)
 - (a) Carolina Gas Transmission Corporation
 - (b) AT&T South Carolina
 - (c) South Carolina Public Service Authority
 - (d) National Trust for Historic Preservation (2 drawings)
 - (e) South Carolina Electric & Gas Company (3 drawings)

SOUTH CAROLINA CODE OF LAWS

SECTION 1-11-80. Board authorized to grant easements for public utilities on vacant State lands.

The State Budget and Control Board is authorized to grant easements and rights of way to any person for construction and maintenance of power lines, pipe lines, water and sewer lines and railroad facilities over, on or under such vacant lands or marshland as are owned by the State, upon payment of the reasonable value thereof.

SECTION 1-11-100. Execution of instruments conveying rights of way or easements over marshlands or vacant lands.

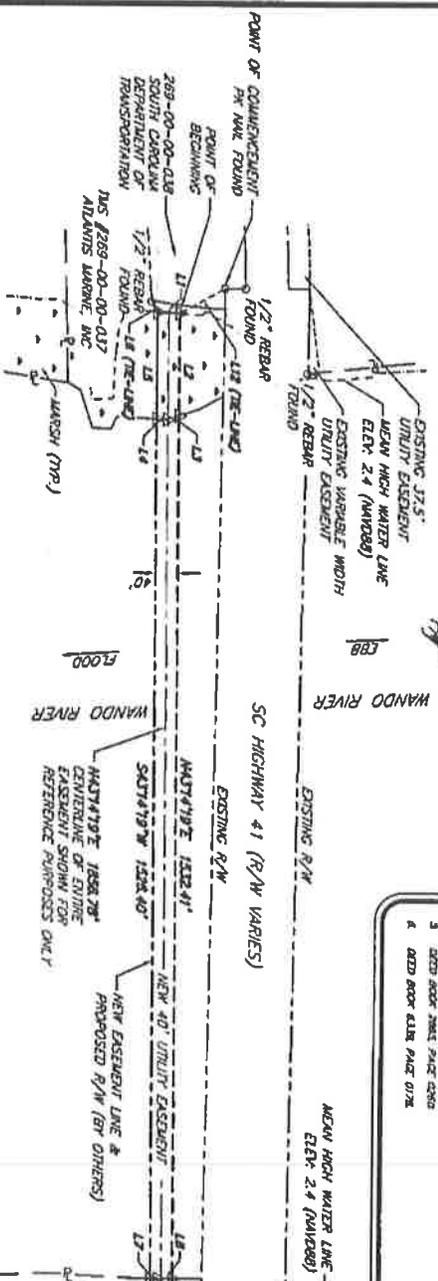
Deeds or other instruments conveying such rights of way or easements over such marshlands or vacant lands as are owned by the State shall be executed by the Governor in the name of the State, when authorized by resolution of the Budget and Control Board, duly recorded in the minutes and records of such Board and when duly approved by the office of the Attorney General; deeds or other instruments conveying such easements over property in the name of or under the control of State agencies, institutions, commissions or other bodies shall be executed by the majority of the governing body thereof, shall name both the State of South Carolina and the institution, agency, commission or governing body as grantors, and shall show the written approval of the majority of the members of the State Budget and Control Board.

SECTION 10-1-130. State institutions and agencies may grant easements and rights of way on consent of Budget and Control Board.

The trustees or governing bodies of State institutions and agencies may grant easements and rights of way over any property under their control, upon the concurrence and acquiescence of the State Budget and Control Board, whenever it appears that such easements will not materially impair the utility of the property or damage it and, when a consideration is paid therefor, any such amounts shall be placed in the State Treasury to the credit of the institution or agency having control of the property involved.

LEGEND

- NEW EASEMENT LINE
- EXISTING EASEMENT LINE
- BOUND OF AIR LINE
- MEAN HIGH WATER LINE
- PROPERTY LINE
- CONTOUR OF NEW EASEMENT



LINE TABLE

LINE	BEARING	DISTANCE
L1	N42°48'34"W	40.00'
L2	N47°14'19"E	182.05'
L3	S56°48'38"W	22.20'
L4	S43°29'11"E	18.80'
L5	S47°14'19"W	188.82'
L6	N12°41'11"E	31.49'

LINE TABLE

LINE	BEARING	DISTANCE
L7	N41°17'28"W	12.37'
L8	N67°15'38"W	37.24'
L9	N43°14'28"E	128.84'
L10	S59°11'00"E	48.43'
L11	S47°14'19"W	144.56'
L12	S57°39'37"E	91.84'

EASEMENT AREA TABLE

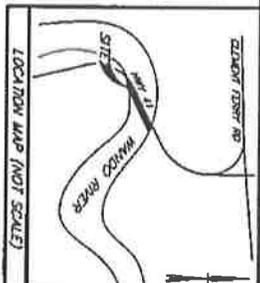
DESCRIPTION	AREA
A PORTION OF MARSH ON DUS #289-00-00-017	7.5124 SQ FT (0.172 AC)
WANDO RIVER (BERKELEY COUNTY)	61,109.2 SQ FT (1.403 AC)
A PORTION OF MARSH ON DUS #283-00-04-001	5,699.2 SQ FT (0.130 AC)
TOTAL EASEMENT AREA	74,321.4 SQ FT (1.705 AC)

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- REFERENCES**
1. ALL EASEMENTS SHOWN ON THIS PLAN ARE BASED ON RECORDS OF THE RECORDS DEPARTMENT OF THE COUNTY OF BERKELEY, SOUTH CAROLINA.
 2. PLAT CORRECT A, PLAT 123-A
 3. PLAT CORRECT B, AT PLAT 20-A
 4. PLAT CORRECT C, AT PLAT 283-A
 5. DEED BOOK 1234 PAGE 1234
 6. DEED BOOK 1234 PAGE 1234



- NOTES**
1. THIS IS NOT A MAP. THE COPY OF THE RECORDS INDEX IS BEING THE ORIGINAL RECORDING SOURCE. THE DATE AND THE BOOK AND PAGE NUMBER OF THE RECORDS INDEX SHOULD BE CHECKED AGAINST THE RECORDS DEPARTMENT OF THE COUNTY OF BERKELEY, SOUTH CAROLINA.
 2. ANYTHING SHOWN OUTSIDE THE BOUNDARY OF THIS PLAT IS FOR INFORMATION PURPOSES ONLY.
 3. THE EASEMENTS SHOWN HEREON ARE ALL PORTS OF SHOWN. THE LOCATION OF THE EASEMENTS SHOWN HEREON ARE BASED ON THE RECORDS DEPARTMENT OF THE COUNTY OF BERKELEY, SOUTH CAROLINA. THE RECORDS DEPARTMENT OF THE COUNTY OF BERKELEY, SOUTH CAROLINA HAS PROVIDED TO US THE RECORDS DEPARTMENT OF THE COUNTY OF BERKELEY, SOUTH CAROLINA. THE RECORDS DEPARTMENT OF THE COUNTY OF BERKELEY, SOUTH CAROLINA HAS PROVIDED TO US THE RECORDS DEPARTMENT OF THE COUNTY OF BERKELEY, SOUTH CAROLINA. THE RECORDS DEPARTMENT OF THE COUNTY OF BERKELEY, SOUTH CAROLINA HAS PROVIDED TO US THE RECORDS DEPARTMENT OF THE COUNTY OF BERKELEY, SOUTH CAROLINA.
 4. THE LOCATION OF ALL UTILITIES SHOWN HEREON ARE APPROXIMATE AND MUST BE VERIFIED BY OPERATING AUTHORITIES PRIOR TO CONSTRUCTION.
 5. ALL PROPERTY CORNER SITES ARE MEASURED TO THE OUTSIDE.

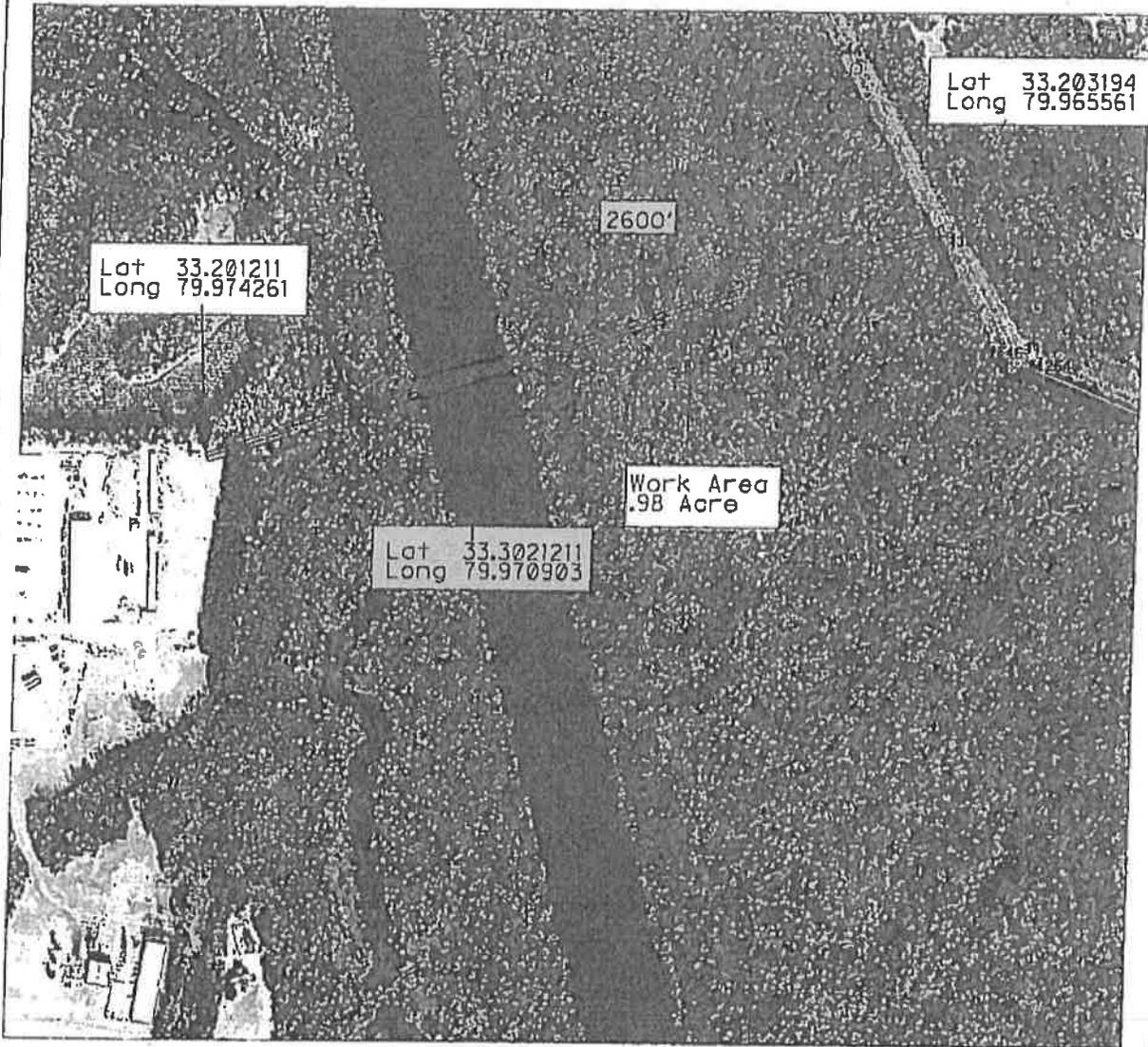
NOTES

1. THESE PLATS ARE PART OF THE SET OF AIR PHOTOGRAPHS, MEASUREMENTS, AND SURVEY. THE SURVEY SHOW HEREON WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE STANDARDS OF PRACTICE FOR SURVEYING IN THE STATE OF SOUTH CAROLINA. THE SURVEY WAS MADE FOR A CLASS OF SURVEYING AND IS NOT TO BE USED FOR ANY OTHER PURPOSES WITHOUT THE WRITTEN PERMISSION OF THE SURVEYOR. THE SURVEYOR'S OFFICE IS LOCATED AT 11111 W. BROADWAY, SUITE 11111, CHARLOTTE, NC 28203. TELEPHONE: (704) 254-1111.

[Signature] 1/26/15

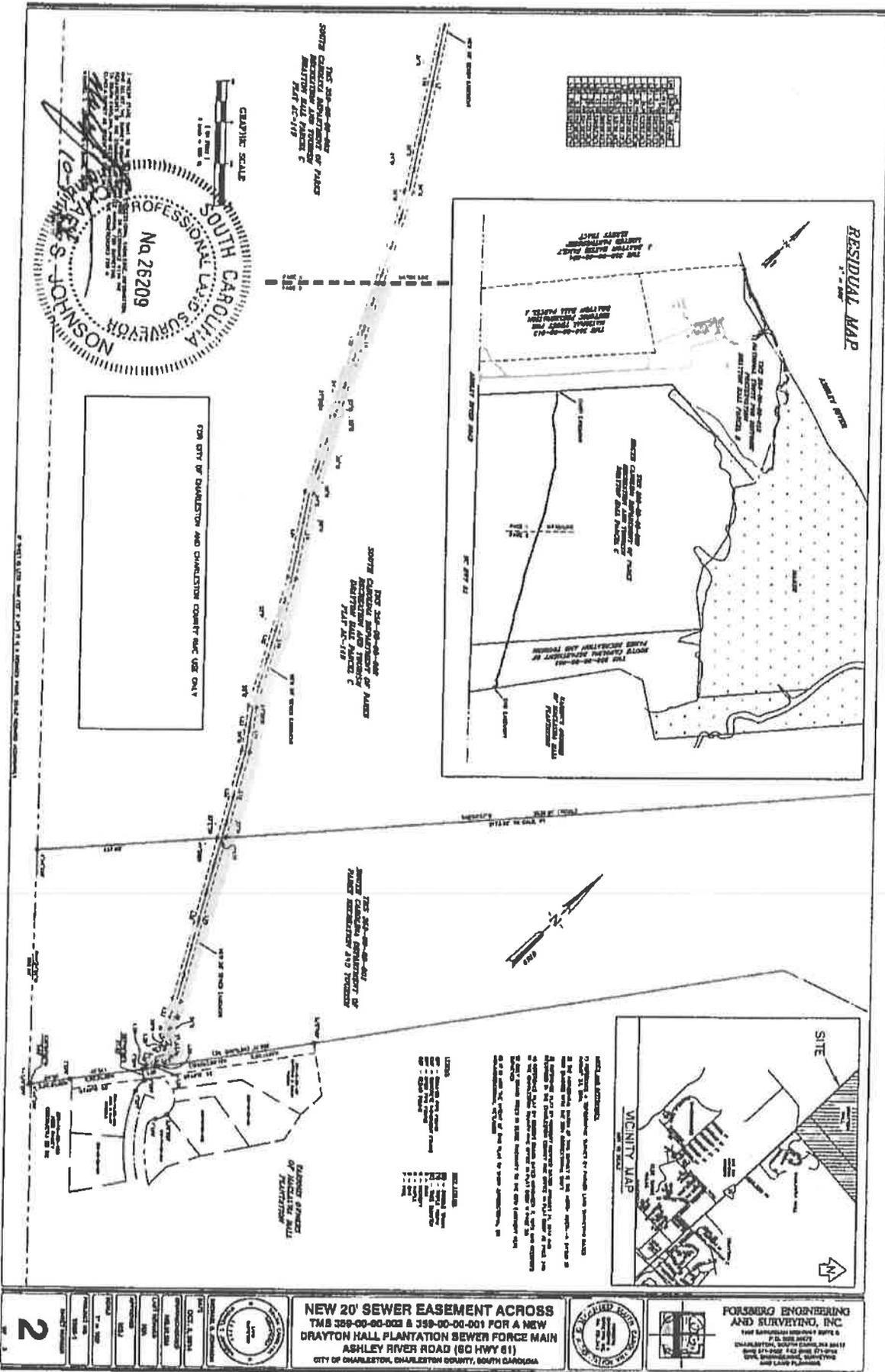
<p>APPROVALS</p> <p>DESIGNED BY: _____</p> <p>DRAWN BY: _____</p> <p>CHECKED BY: _____</p> <p>DATE: _____</p>	<p>REVISION</p> <table border="1"> <thead> <tr> <th>NO.</th> <th>DESCRIPTION</th> <th>DATE</th> <th>BY</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>		NO.	DESCRIPTION	DATE	BY				
	NO.	DESCRIPTION	DATE	BY						
<p>SOUTH CAROLINA STATE BUDGET CONTROL BOARD</p>	<p>EXHIBIT SHOWING A NEW 40' UTILITY EASEMENT ACROSS THE LANDS OF VARIOUS OWNERS PREPARED FOR ATRM LOCATED IN BERKELEY COUNTY, SC</p> <p>DATE: JANUARY 21, 2015 SCALE: 1" = 200'</p>	<p>URS</p> <p>4016 Sals Pointe Parkway, Suite 200 N. Charleston, South Carolina 29405 Telephone: 843.746.6100 Fax: 843.746.6170 www.urscorp.com</p>								

(c)



PERMITTED PLANS

<p>SAC 2015-00076-2NY South Carolina Public Service Authority Tail Race Canal Fiber Optic Bore Berkeley County, SC 1-21-2015</p>	JEFFERIES - CHARITY TRANSMISSION LINE							
	PROPOSED LOCATION OF NEW PIPE UNDER TAIL RACE CANAL							
	DESIGN ENGINEERING							
	DESIGN SUPERVISOR _____							
<p>Santee Cooper One Riverwood Drive P.O. Box 2946101 Moncks Corner, South Carolina 29461-2901 (843) 761-8000</p>		DES.ENG.	GRANT	CHECKED		DATE	12-12-14	
		DRAFTER	GRANT	CHECKED		AUTH.NO.	117254	
		SCALE	NTS	FILENAME	51873074 JGS FIBER			
		SHT.	2 OF 3	DWG.NO.	5187-A01-3074			



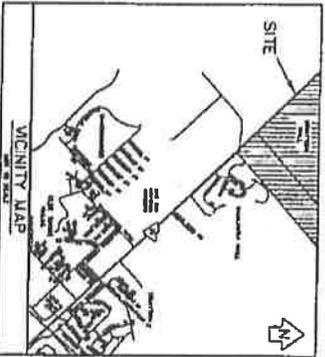
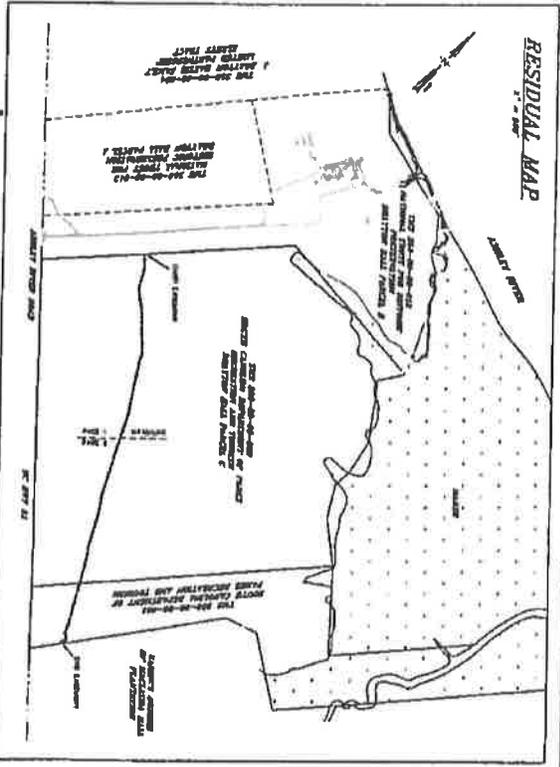
PROFESSIONAL SURVEYOR
 SOUTH CAROLINA
 No. 26209
 J. F. FOLSBERG, JR.
 1015 W. 10th St., Charleston, S.C. 29401
 (803) 799-1111

FOR CITY OF CHARLESTON AND CHARLESTON COUNTY USE ONLY

THIS 20'-00" EASEMENT OF PACE
 SOUTH CAROLINA DEPARTMENT OF PARKS
 AND RECREATION MAP No. 118

THIS 20'-00" EASEMENT OF PACE
 SOUTH CAROLINA DEPARTMENT OF PARKS
 AND RECREATION MAP No. 118

THIS 20'-00" EASEMENT OF PACE
 SOUTH CAROLINA DEPARTMENT OF PARKS
 AND RECREATION MAP No. 118



NOTES

1. THIS EASEMENT IS SHOWN AS A 20' WIDE STRIP OF LAND CROSSING THE PROPERTY OF THE CITY OF CHARLESTON AND CHARLESTON COUNTY. THE EASEMENT IS FOR THE INSTALLATION AND MAINTENANCE OF A SEWER MAIN.

2. THE EASEMENT IS SHOWN AS A 20' WIDE STRIP OF LAND CROSSING THE PROPERTY OF THE CITY OF CHARLESTON AND CHARLESTON COUNTY. THE EASEMENT IS FOR THE INSTALLATION AND MAINTENANCE OF A SEWER MAIN.

NEW 20' SEWER EASEMENT ACROSS
 TMS 359-00-00-003 & J59-00-00-001 FOR A NEW
 DRAYTON HALL PLANTATION SEWER FORCE MAIN
 ASHLEY RIVER ROAD (SO HWY 81)
 CITY OF CHARLESTON, CHARLESTON COUNTY, SOUTH CAROLINA



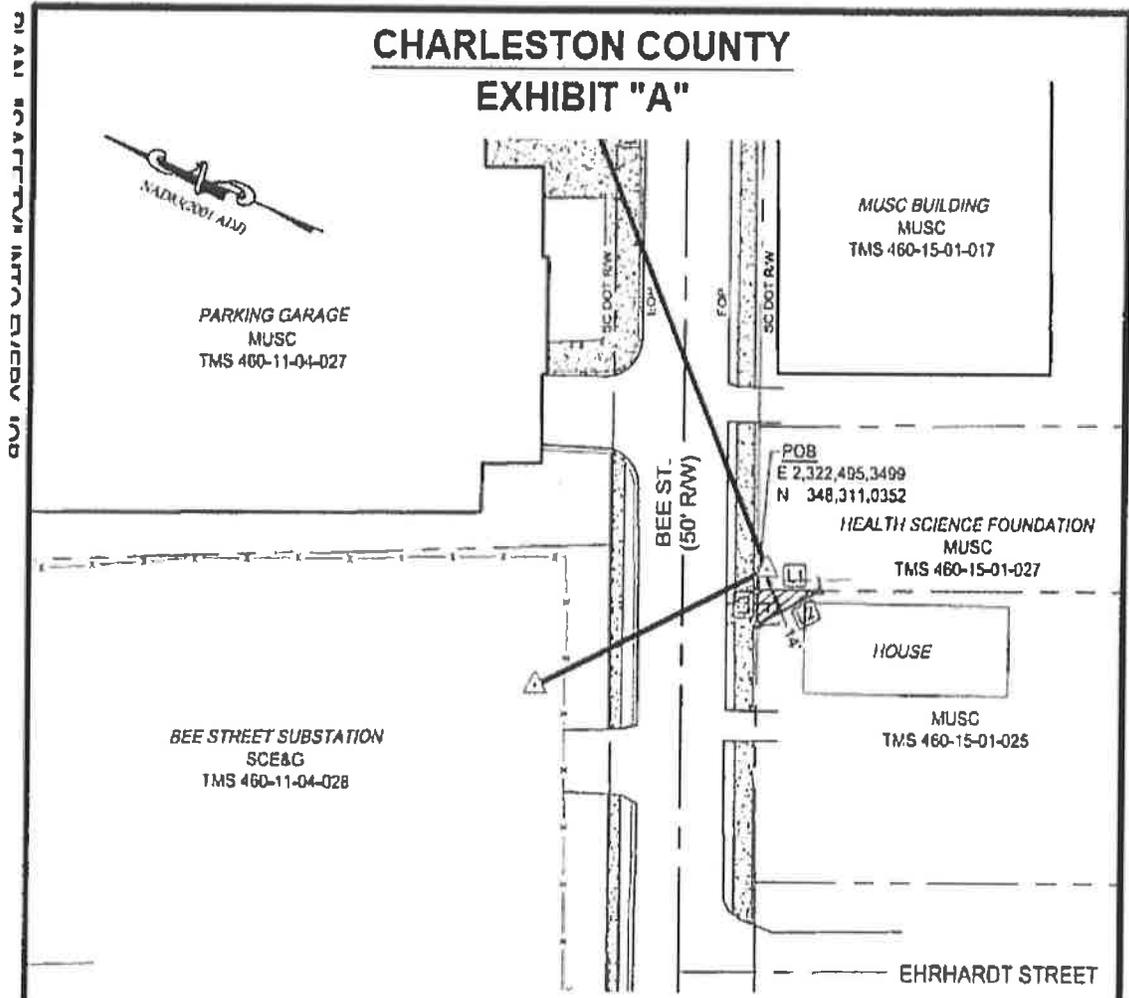
**FOLSBERG ENGINEERING
 AND SURVEYING, INC.**
 1015 W. 10th St., Charleston, S.C. 29401
 (803) 799-1111

2

(e-2)

EXHIBIT A

CHARLESTON COUNTY
EXHIBIT "A"



CAN BE AFFECTED BY INSTRUMENTATION

CAN BE AFFECTED BY INSTRUMENTATION

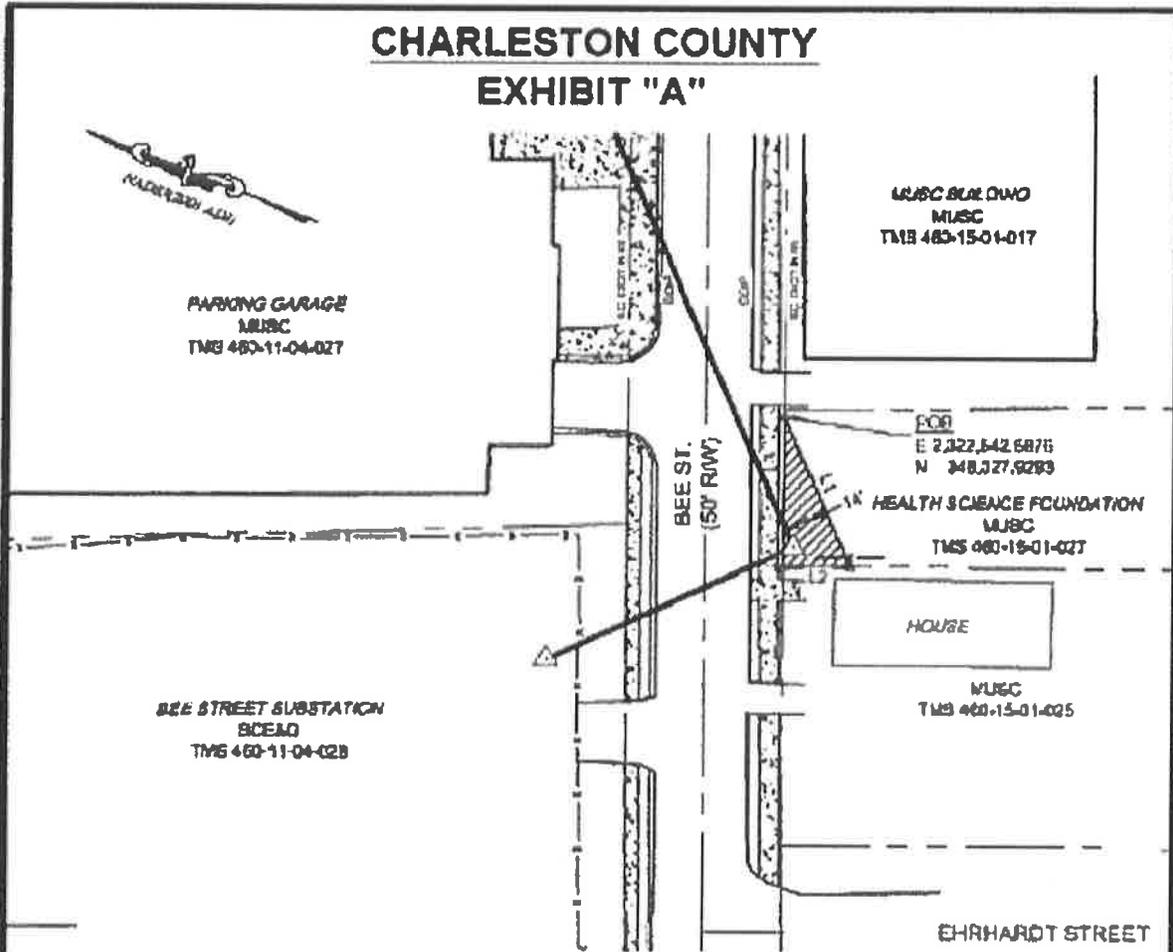
Line Table		
Line #	Length	Direction
L1	21.40'	S21° 06' 32"E
L2	23.00'	N47° 14' 40"W
L3	10.53'	N68° 42' 02"E

INDICATES 113 SQ. FT. OR 0.003 ACRE

SCANA COMMUNICATIONS				DRAWN	DATE
FOR: SCI CABLE #623 RELOC. BETWEEN BEE ST. TO HAGOOD				RCH	08-06-2014
				APPROVED	DATE
DETAIL: CROSSING PROPERTY OF HEALTH SCIENCE FOUNDATION (MUSC) IN CHARLESTON COUNTY, SOUTH CAROLINA TMS 460-15-01-025				DRAWING NUMBER	
				PROJECT	LINE NUMBER
SCALE: 1" = 50' CONST 010224 W.O.# RAW				010224-623-001	
				REVISION DATE	
				10-29-2014	
				3	

CONTAINS CRITICAL ENERGY INFRASTRUCTURE INFORMATION - CONFIDENTIAL AND PROPRIETARY PRODUCT OF SCANA COMMUNICATIONS

PLAN "SAFETY" INTO EVERY JOB



Line Table		
Line #	Length	Direction
L1	52.56'	N44° 48' 28"E
L2	21.48'	S21° 08' 32"E
L3	47.97'	S88° 54' 32"W

INDICATES 515 SQ. FT. OR 0.012 ACRE

CAD DRAWING - DO NOT REVISE MANUALLY

SCANA COMMUNICATIONS				DRAWN RCH	DATE 08-08-2014
FOR: SCI CABLE #623 RELOC. BETWEEN BEE ST. TO HAGOOD				APPROVED	DATE
DETAIL: CROSSING PROPERTY OF MUSC (PARKING GARAGE)					
IN CHARLESTON COUNTY, SOUTH CAROLINA					
TMS 460-15-01-027					
				DRAWING NUMBER	
				PROJECT	SHEET NUMBER
				010224-623-001	
				KEYPLAN DATE	NUMBER
				08-13-2014	1

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AGENCY: Division of General Services

SUBJECT: Real Property Conveyance

The Division of General Services recommends approval of the following real property conveyance:

Agency:	Trident Technical College
Acreage:	0.02± acre
Location:	On Mabeline Road, North Charleston
County:	Charleston
Purpose:	To convey property at Trident Technical College's Main Campus to Charleston County for road improvements associated with the Mabeline Road Turn Lane Extension Project.
Price/Transferred To:	No consideration/Charleston County

BOARD ACTION REQUESTED:

Approve the real property conveyance as requested.

ATTACHMENTS:

Agenda item worksheet and attachment

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: March 18, 2015

Blue Agenda

1. Submitted by:

(a) Agency: Division of General Services

(b) Authorized Official Signature:



Nolan L. Wiggins, Jr., Director

2. Subject:

REAL PROPERTY CONVEYANCE

3. Summary Background Information:

Agency:	Trident Technical College
Acreage:	0.02± acre
Location:	On Mabeline Road, North Charleston
County:	Charleston
Purpose:	To convey property at Trident Technical College's Main Campus to Charleston County for road improvements associated with the Mabeline Road Turn Lane Extension Project.
Price/Transferred To:	No consideration/Charleston County

4. What is Board asked to do? Approve the property conveyance as requested.

5. What is recommendation of Board Division involved? Recommend approval of the property conveyance as requested.

6. List of Supporting Documents:

1. SC Code of Laws Section 1-11-65
2. SC Code of Laws Section 59-53-53
3. Letter of November 12, 2014 from Trident Technical College
4. Maps

SOUTH CAROLINA CODE OF LAWS

SECTION 1-11-65. Approval and recordation of real property transactions involving governmental bodies.

(A) All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the State Budget and Control Board. Upon approval of the transaction by the Budget and Control Board, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the board's approval of the transaction. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The board may exempt a governmental body from the provisions of this subsection.

(B) All state agencies, departments, and institutions authorized by law to accept gifts of tangible personal property shall have executed by its governing body an acknowledgment of acceptance prior to transfer of the tangible personal property to the agency, department, or institution.

SOUTH CAROLINA CODE OF LAWS

SECTION 59-53-53. Borrowing by area commissions; special fees; disposing of excess real property.

(A) The area commission of any technical education institution under the jurisdiction of the South Carolina technical education system may borrow for capital improvements from a federal or other lending agency an amount not to exceed its ability to repay the loan through the imposition of a special fee. The terms of the loan may not exceed forty years. An area commission may issue covenants, enter into mortgages, and grant liens limiting the sale or use of certain parcels of real or personal property in its possession when required as a condition of accepting a grant, loan, or donation for specified capital improvement projects.

To amortize the loan, a special fee must be imposed within the limits established by the state board, the proceeds of which must be deposited in a special account to be used for payment of the loan in accordance with the terms negotiated by the commission and the lender. No funds other than the revenue from the special fee may be pledged for payment of the loan.

(B) The governing body for each technical college shall review the real property titled in the name of its institution to determine if such property is in excess of the institution's anticipated needs and is available for disposal. All real properties determined to be in excess may be disposed of with the approval of the State Board for Technical and Comprehensive Education, the Budget and Control Board, and the Joint Bond Review Committee. The proceeds of such sales are to be disposed of as follows:

(1) if the property was acquired by gift, or through tuition, student fees, county funds, or earned income, the proceeds may be retained by the selling institution for use in accord with established needs;

(2) if the property was acquired through state appropriations, state capital improvement bonds, or formula funds, the proceeds shall revert to the state general fund.

The responsibility for providing any necessary documentation including, but not limited to, documenting the fund source of any real property proposed for sale rests with each respective institution.



November 12, 2014

SC Budget and Control Board
Division of General Services
Real Property Services
Linda M. Gordon
1201 Main Street, Suite 420
Columbia, SC 29201

Dear Linda,

Trident Technical College request your approval to grant Charleston County right of way for Mabeline Road improvements.

Charleston County is requesting right of way to 0.02 acres (866 square feet) of land the College owns, which runs through TTC's Main campus adjacent to the College Center, the Nursing and Science Building and readySC's Boeing training. Charleston County needs the right of way in order to extend the right turn lane, thereby alleviating traffic congestion turning onto Rivers Avenue. Charleston County has also agreed to install a sidewalk from Rivers Avenue to the existing sidewalk at Building 950, which will allow students and staff safer walking access to campus facilities.

The College's interests would be served by this as it would alleviate traffic congestion, enhance safety, improve drainage and better accommodate bicyclists and pedestrians on Mabeline Road, which runs through TTC's Main campus.

The proposed agreement with Charleston County is attached, along with a drawing that shows the location of the property to be transferred. Also enclosed is a copy of the minutes indicating approval of the Area Commission of Trident Technical College.

If you have any questions on the matter, please contact Scott Poelker, Vice President for Finance and Administration, at 843-574-6197.

Sincerely,

Scott Poelker
Vice President for
Finance and Administration

SP/sm




THE LPA GROUP
 TRANSPORTATION CONSULTANTS

LEGEND
 SHIPPED LANDS
 PROPERTY LINES
 WETLANDS

NO.	DESCRIPTION	DATE	BY
1	ISSUED FOR PERMITTING	10/1/00	J. J. [unclear]
2	REVISED FOR [unclear]	10/1/00	J. J. [unclear]
3	REVISED FOR [unclear]	10/1/00	J. J. [unclear]
4	REVISED FOR [unclear]	10/1/00	J. J. [unclear]
5	REVISED FOR [unclear]	10/1/00	J. J. [unclear]
6	REVISED FOR [unclear]	10/1/00	J. J. [unclear]
7	REVISED FOR [unclear]	10/1/00	J. J. [unclear]
8	REVISED FOR [unclear]	10/1/00	J. J. [unclear]
9	REVISED FOR [unclear]	10/1/00	J. J. [unclear]
10	REVISED FOR [unclear]	10/1/00	J. J. [unclear]

CHATTAHOOCHEE COUNTY
 DEPARTMENT OF TRANSPORTATION DEVELOPMENT
 MAINTENANCE POINT TURN LANE FAIRHORN
 SHERMAN LANE

RIVERS AVE. (US-52/78)

PRES. 100' R/W PER DKT 10.500

20' CPW EASEMENT



478-00-00-022

①

①
OBTAIN 866 SF
(0.02 AC)

478-00-00-028

②

478-00-00-029

③

11

12

13

14

15

NEW 34' R/W
ST A11-25.95
OFF. -34.00

NEW TRANS. R/W
ST A11-58.50
OFF. -34.00

5' CPW EASEMENT
PRES. 30' R/W PER DKT 10.500

ST A12-58.50
OFF. -32.00

NEW 32' R/W

HABELINE RD. (S-46)

N 63° 02' 48" E
75.000

REBAR/CAP

PRES. 30' R/W PER DKT 10.500

42' x 32' SIGNAGE AND DRAINAGE EASEMENT

478-00-00-040

⑤

40' x 200' DRAINAGE EASEMENT



GRAPHIC SCALE 1" = 40'

PREPARED FOR CHARLESTON COUNTY AND SCOTT
AREA OF ACQUISITION FROM TRACT 1 FILE N/A
SCALE 1"=40' ORIGINAL PREPARED : 06/19/14

AGENCY: Division of Procurement Services

SUBJECT: Procurement Audit and Certification

The Division of Procurement Services, in accord with Section 11-35-1210, has audited the following agency and recommends 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):

South Carolina Department of Corrections (for a period of three years): supplies and services, \$1,000,000* per commitment; food products, \$1,500,000 * per commitment; information technology, \$100,000* per commitment; consultant services, \$100,000 per commitment; construction contract, \$100,000 per commitment; construction contract change order, \$100,000 per change order; architect/engineer contract amendment, \$50,000 per amendment.

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

The Department of Corrections requested to remain at its current certification levels. The Department complies with the South Carolina Consolidated Procurement Code, State regulations, and the Department’s procurement policies and procedures in all material respects and the internal procurement operating procedures are adequate to properly handle procurement transactions. It is recommended that the Budget and Control Board grant the Department of Corrections the certification limits noted above.

BOARD ACTION REQUESTED:

In accord with Section 11-35-1210, grant 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:

South Carolina Department of Corrections (for a period of three years): supplies and services, \$1,000,000* per commitment; food products, \$1,500,000 * per commitment; information technology, \$100,000* per commitment; consultant services, \$100,000 per commitment; construction contract, \$100,000 per commitment; construction contract change order, \$100,000 per change order; architect/engineer contract amendment, \$50,000 per amendment.

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

ATTACHMENTS:

Agenda item worksheets and attachments

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

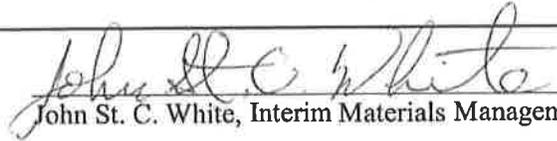
Meeting scheduled for: March 18, 2015

Blue Agenda

1. Submitted by:

(a) Agency: Division of Procurement Services

(b) Authorized Official Signature:


John St. C. White, Interim Materials Management Officer

2. Subject: Procurement Certification for the South Carolina Department of Corrections

3. Summary Background Information:

In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Division of Procurement Services has reviewed the procurement system of the Department of Corrections and recommends its certification within the parameters described in the audit report for the following limits for a period of three years.

	<u>Current Certification</u>	<u>Certification Recommended</u>
I. Supplies and Services	*\$ 1,000,000 Per Commitment	*\$ 1,000,000 Per Commitment
II. Food Products	*\$ 1,500,000 Per Commitment	*\$ 1,500,000 Per Commitment
III. Information Technology	*\$ 100,000 Per Commitment	*\$ 100,000 Per Commitment
IV. Consultant Services	\$ 100,000 Per Commitment	\$ 100,000 Per Commitment
V. Construction Contract	\$ 100,000 Per Commitment	\$ 100,000 Per Commitment
VI. Construction Contract Change Order	\$ 100,000 Per Change Order	\$ 100,000 Per Change Order
VII. Architect/Engineer Contract Amendment	\$ 50,000 Per Amendment	\$ 50,000 Per Amendment

The Department of Corrections requested to remain at its current certification levels. The Department complies with the South Carolina Consolidated Procurement Code, State regulations, and the Department's procurement policies and procedures in all material respects and the internal procurement operating procedures are adequate to properly handle procurement transactions. We recommend the Budget and Control Board grant the Department of Corrections the certification limits noted above.

4. What is Board asked to do?

Grant procurement certification for the South Carolina Department of Corrections by approval of the Blue Agenda.

5. What is recommendation of Board division involved? Approve.

6. Recommendation of other office (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. List of supporting documents:

(a) Section 11-35-1210 of the Consolidated Procurement Code

South Carolina Consolidated Procurement Code

Auditing and Fiscal Reporting

§ 11-35-1210. Certification

- (1) Authority. The board may assign differential dollar limits below which individual governmental bodies may make direct procurements not under term contracts. The designated board office shall review the respective governmental body's internal procurement operation, shall certify in writing that it is consistent with the provisions of this code and the ensuing regulations, and recommend to the board those dollar limits for the respective governmental body's procurement not under term contract.
- (2) Policy. Authorizations granted by the board to a governmental body are subject to the following:
 - (a) adherence to the provisions of this code and the ensuing regulations, particularly concerning competitive procurement methods;
 - (b) responsiveness to user needs;
 - (c) obtaining of the best prices for value received.
- (3) Adherence to Provisions of the Code. All procurements shall be subject to all the appropriate provisions of this code, especially regarding competitive procurement methods and nonrestrictive specifications.

AGENCY: SC Energy Office

SUBJECT: \$3M Qualified Energy Conservation Bond Volume Cap Allocation Authority to Abundant Power Group, LLC/SC SAVES with the SC Jobs-Economic Development Authority (JEDA) as Conduit Issuer for Use at Ascend Performance Materials in Greenwood

Abundant Power Group, LLC/SC SAVES is requesting \$3M Qualified Energy Conservation Bond [QECB] volume cap allocation in connection with the implementation of a qualifying green community program at Ascend Performance Materials in Greenwood.

The project consists of energy efficiency upgrades in the form of LED lighting retrofit, steam trap replacement, and screw air compressor replacement. The application submitted by Abundant Power Group, LLC estimates the creation of approximately 60 direct jobs from the capital investment and approximately 8 indirect jobs based on expected energy savings of 4,500 MWHs annually.

In July 2012, the Internal Revenue Service guidelines for the use of QECBs broadened the range of programs which qualify under the Green Community Programs designation to 'promote energy conservation, energy efficiency or environmental conservation initiatives relating to energy consumption, broadly construed' and 'programs must involve property that is available for general public use or involve a loan or grant program that is broadly available to members of the general public'. Eligible initiatives under this expanded interpretation include [a] retrofitting initiatives for heating, cooling, lighting, water-saving, storm-water reducing or other efficiency measures; [b] distributed generation initiatives; [c] transportation initiatives that conserve energy and/or support alternative fuel infrastructure; [d] improvements to public infrastructure that enhance proximity and connectivity between community assets and public transit to reduce motor vehicle use; and [e] public street lighting upgrades. Based on the expanded definition of the Green Community Program, Abundant Power, using the SouthCarolinaSAVES (SC SAVES) Program, will implement a Green Community Program at Ascend Performance Materials, with the intent of reducing energy costs through increased energy conservation and operational savings.

The QECB allocation authority request was approved by the SC ARRA Volume CAP Advisory Committee on February 6, 2015, specifically for use at Ascend Performance Materials and with the stipulation that if the bonds are not issued by December 31, 2015, for the designated purpose, this allocation expires and reverts to the pool.

BOARD ACTION REQUESTED:

Approve the proposed \$3M Qualified Energy Conservation Bond volume cap allocation authority request to Abundant Power Group, LLC/SC SAVES with the SC Jobs-Economic Development Authority (JEDA) as conduit issuer for use at Ascend Performance Materials in Greenwood with the stipulation that if the bonds are not issued by December 31, 2015, for the designated purpose, this allocation expires and reverts to the pool.

ATTACHMENTS:

Agenda item worksheet; Abundant Power Group, LLC/SC SAVES application for QECB Reallocation; QECB Information Sheet

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: March 18, 2015

Blue Agenda

1. Submitted by:

- (a) Agency: SC Energy Office
- (b) Authorized Official Signature:


Ashlie Lancaster, Director

2. Subject: \$3M Qualified Energy Conservation Bond volume cap allocation authority to Abundant Power Group, LLC/SC SAVES with the SC Jobs-Economic Development Authority (JEDA) as conduit issuer for use at Ascend Performance Materials in Greenwood.

3. Summary Background Information:

Abundant Power Group, LLC/SC SAVES is requesting \$3M Qualified Energy Conservation Bond [QECCB] volume cap allocation in connection with the implementation of a qualifying green community program at Ascend Performance Materials in Greenwood.

The project consists of energy efficiency upgrades in the form of LED lighting retrofit, steam trap replacement, and screw air compressor replacement. The application submitted by Abundant Power Group, LLC estimates the creation of approximately 60 direct jobs from the capital investment and approximately 8 indirect jobs based on expected energy savings of 4,500 MWHs annually.

In July 2012, the Internal Revenue Service guidelines for the use of QECCBs broadened the range of programs which qualify under the Green Community Programs designation to 'promote energy conservation, energy efficiency or environmental conservation initiatives relating to energy consumption, broadly construed' and 'programs must involve property that is available for general public use or involve a loan or grant program that is broadly available to members of the general public'. Eligible initiatives under this expanded interpretation include [a] retrofitting initiatives for heating, cooling, lighting, water-saving, storm-water reducing or other efficiency measures; [b] distributed generation initiatives; [c] transportation initiatives that conserve energy and/or support alternative fuel infrastructure; [d] improvements to public infrastructure that enhance proximity and connectivity between community assets and public transit to reduce motor vehicle use; and [e] public street lighting upgrades. Based on the expanded definition of the Green Community Program, Abundant Power, using the South Carolina SAVES (SC SAVES) Program, will implement a Green Community Program at Ascend Performance Materials, with the intent of reducing energy costs through increased energy conservation and operational savings.

The QECCB allocation authority request was approved by the SC ARRA Volume CAP Advisory Committee on February 6, 2015, specifically for use at Ascend Performance Materials and with the stipulation that if the bonds are not issued by December 31, 2015 for the designated purpose, this allocation expires and reverts to the pool.

4. What is the Board asked to do? Approve the proposed \$3M Qualified Energy Conservation Bond volume cap allocation authority request to Abundant Power Group, LLC/SC SAVES with the SC Jobs-Economic Development Authority (JEDA) as conduit issuer for use at Ascend Performance Materials in Greenwood with the stipulation that if the bonds are not issued by December 31, 2015 for the designated purpose, this allocation expires and reverts to the pool.

5. What is recommendation of the Division of General Services? Recommend approval of the proposed \$3M Qualified Energy Conservation Bond volume cap allocation authority request to Abundant Power Group, LLC/SC SAVES with the SC Jobs-Economic Development Authority (JEDA) as conduit issuer for use at Ascend Performance Materials in Greenwood with the stipulation that if the bonds are not issued by December 31, 2015 for the designated purpose, this allocation expires and reverts to the pool.

6. List of Supporting Documents:

- Abundant Power Group, LLC/SC SAVES Application for QECB Reallocation
- QECB Information Sheet

STATE OF SOUTH CAROLINA
STATE BUDGET AND CONTROL BOARD

APPLICATION FOR RECOVERY ZONE BOND OR QUALIFIED ENERGY CONSERVATION
BOND
VOLUME CAP REALLOCATION

Submit original form to:

Via U.S. Mail or Hand Delivery
South Carolina Jobs-Economic Development Authority
Attn: Claudia Miller
1201 Main Street
Suite 1600
Columbia, SC 29201

NOTE: A SEPARATE APPLICATION FOR REALLOCATION MUST BE FILED FOR EACH
PROJECT FOR WHICH ALLOCATION IS REQUESTED

1. Name of governmental entity requesting reallocation (the "Applicant"): South Carolina Jobs-Economic Development Authority (on behalf of Abundant Power Group, LLC/South Carolina SAVES, Inc.)

2. Type of Bonds

Recovery Zone Economic Development Bonds

Recovery Zone Facility Bonds

Qualified Energy Conservation Bonds

Amount of Recovery Zone or Qualified Energy Conservation Bond Reallocation requested:

\$3,000,000, none of which counts against the cap designated for private activity bonds for the purposes of Section 54D(e)(3) of the internal Revenue Code of 1986 (the "Code"), as amended, pursuant to Section 54D(e)(4) of the Code.

3. Attach a General Description of the Project or Purpose to be financed with Recovery Zone Bonds or Qualified Energy Conservation Bonds, as applicable, including the location and purpose of the Project, likelihood of successful completion of the financing, the number of jobs to be created or preserved and the wages for such jobs.

Please see attached Appendices A, D and E.

4. Name, address, and telephone number of the proposed issuer and, if Recovery Zone Facility Bonds or Qualified Energy Conservation Bonds (for private activity purposes), private borrower or developer, as applicable.

Please see attached Appendix B.

5. In addition, the Applicant may provide additional information for consideration by the State Budget and Control Board pursuant to Section 11-18-50 of the South Carolina Code of Laws, 1976, as amended, as it deems appropriate in order to support a finding by the Board that the proposed project meets some or all of the factors to

be considered by the Board in reallocating Recovery Zone Bond allocation. The factors to be considered include but are not limited to the following:

- (a) the likelihood of successful completion of such financing;
- (b) the number of jobs to be created or preserved and the wages for such jobs;
- (c) relative economic need and benefit to the Applicant and any other entity benefiting from the proposed issue; and
- (d) the overall best interest of the State and the people of the State.

Please see attached Appendix C.

6. Actions of the governing body of the appropriate governmental entity or entities may be evidenced by one or more resolutions. The following resolutions may be attached to this Application for Recovery Zone Bond or Qualified Energy Conservation Bond Volume Cap Reallocation:

- (a) Resolutions of the Applicant designating a recovery zone or otherwise identifying the proposed project;
- (b) Inducement resolution, reimbursement resolution or other documentation of the preliminary approval of the project by the Applicant, in conformity with applicable federal and state law; and
- (c) Resolution of the requesting Applicant authorizing the appropriate officer to file this Application for Recovery Zone Bond or Qualified Energy Conservation Bond Volume Cap Reallocation.

The undersigned, on behalf of the Applicant, hereby certifies that it is authorized by the Applicant to make the request contained herein on behalf of the Applicant.

Applicant: South Carolina Jobs-Economic Development Authority

By: _____
(Signature of Authorized Official)

Name (please print): Harry A. Huntley

Title: Executive Director

Address: 1201 Main Street, Columbia, SC 29201

Phone Number of Authorized Official:

(803) 737-0627

Date _____

Appendix A

Project Overview: The South Carolina SAVES Green Community Loan Program

(see attached)

Exhibit A - Project Overview: The South Carolina SAVES Green Community Program

South Carolina SAVES, Inc., a South Carolina non-profit corporation ("SCS"), an affiliate of Abundant Power Group, LLC ("APG")(SCS and APG collectively "Abundant") propose to issue the Qualified Energy Conservation Bonds (the "Bond") as a conduit issuance through the South Carolina Jobs-Economic Development Authority ("JEDA") for use in the South Carolina SAVES Green Community Program (the "Project" or "SC SAVES Program" or "Program"). To date, JEDA has filed two applications in 2013 and 2014 respectively to receive total allocations of \$25,000,000 for the SC SAVES Program, which applications have been granted (the "Initial Allocations"). This application is in follow up to provide continued funding for the Program to meet demand based on a pipeline of projects that have been developed and immediate need for additional funding. Specifically, the application is being submitted for the reallocation to be used in association with proposed energy efficiency retrofits at the Ascend Performance Materials manufacturing facility in Greenwood, South Carolina.

The Authority's Findings Relating to the Project

South Carolina SAVES, Inc. ("SCS") and Abundant Power Group, LLC ("Abundant") have entered into an Inducement Agreement with the South-Carolina Jobs-Economic Development Authority (the "Authority") for the Authority to issue not exceeding \$3,000,000 aggregate principal amount of its Qualified Energy Conservation Bonds (the "Bonds") on a private placement basis in one or more series to further fund a "green community program" - the South Carolina SAVES Green Community Loan Program (the "Project" or "SC SAVES Program" or "Program"). The Project has been established as a qualified conservation purpose pursuant to Sec 54D(f)(1)(A)(ii) of the Internal Revenue Code to provide loans for acquiring, developing, constructing, installing and equipping energy efficiency, energy conservation, renewable energy and environmental conservation improvements, and related infrastructure, including any necessary rehabilitation, within the territory of any county or municipality within the State. To date, the Program received the Initial Allocations and has closed one transaction for \$2 million, leaving \$23 million available but has generated a pipeline of over \$120 million in potential improvements, of which \$21.2 million are in the process of closing. Leaving less than \$2 million remaining from the Initial Allocations; thus the need for additional funding for the Program and the purpose of this application. Attached to this Project Overview as Appendix A is a summary pipeline of the potential improvement opportunities that have been originated by the Program for funding.

The Authority has determined that (i) the Project constitutes a green community program because it promotes Statewide policies regarding energy efficiency and conservation and environmental conservation in furtherance of the policies set forth in the South Carolina Energy Efficiency Act, codified at Title 48, Chapter 52 of the South Carolina Code; (ii) Abundant, as the borrower and administrator of the Project, is a responsible party engaged in the business of providing for the implementation of green community programs by making energy efficiency, renewable energy and environmental conservation loans for qualified conservation purposes such as those to be funded by the Project and therefore is an "industry" as defined in Section 4-29-10(6) of the South Carolina Code; and (iii) it is anticipated that the Project will benefit the economy of the State by inducing investment and the creation of jobs in the State.

Description of the Program

The SC SAVES Program uses proceeds from the Bonds to make low interest loans for the financing of energy efficiency and conservation projects sponsored by governmental, institutional and select commercial/industrial entities in municipalities and counties located within South Carolina. The SC SAVES Program is funded through the private placement of the Bonds in one or more series of issuances, with each tranche to specifically fund identified loans/leases and ultimate borrowers as they are originated and underwritten through the Program.

The Program generates loans of between \$500,000 and \$5 million in size (with larger amounts in the Program administrator's discretion) in the form of amortizing senior debt or capital leases with durations of up to 10 years or whatever duration is permissible under applicable law. As described in the Program schematic below, the loans/leases are between SC SAVES, as the conduit borrower, and the ultimate borrowers. The loans/leases have effective interest rates to the borrow set to cover the Bonds costs of capital and program administration costs, with such interest rates projected to be 0.0% to 2.0% for governmental loans and 2.0% to 3.0% for non-governmental loans, depending upon the credit quality of the ultimate borrower and the capital markets at the time of issuance. Accordingly, funding under the Program and its repayment are dependent on the credit worthiness of the ultimate borrower and are not reliant on, or an encumbrance to, the credit of the State of South Carolina or the Authority.

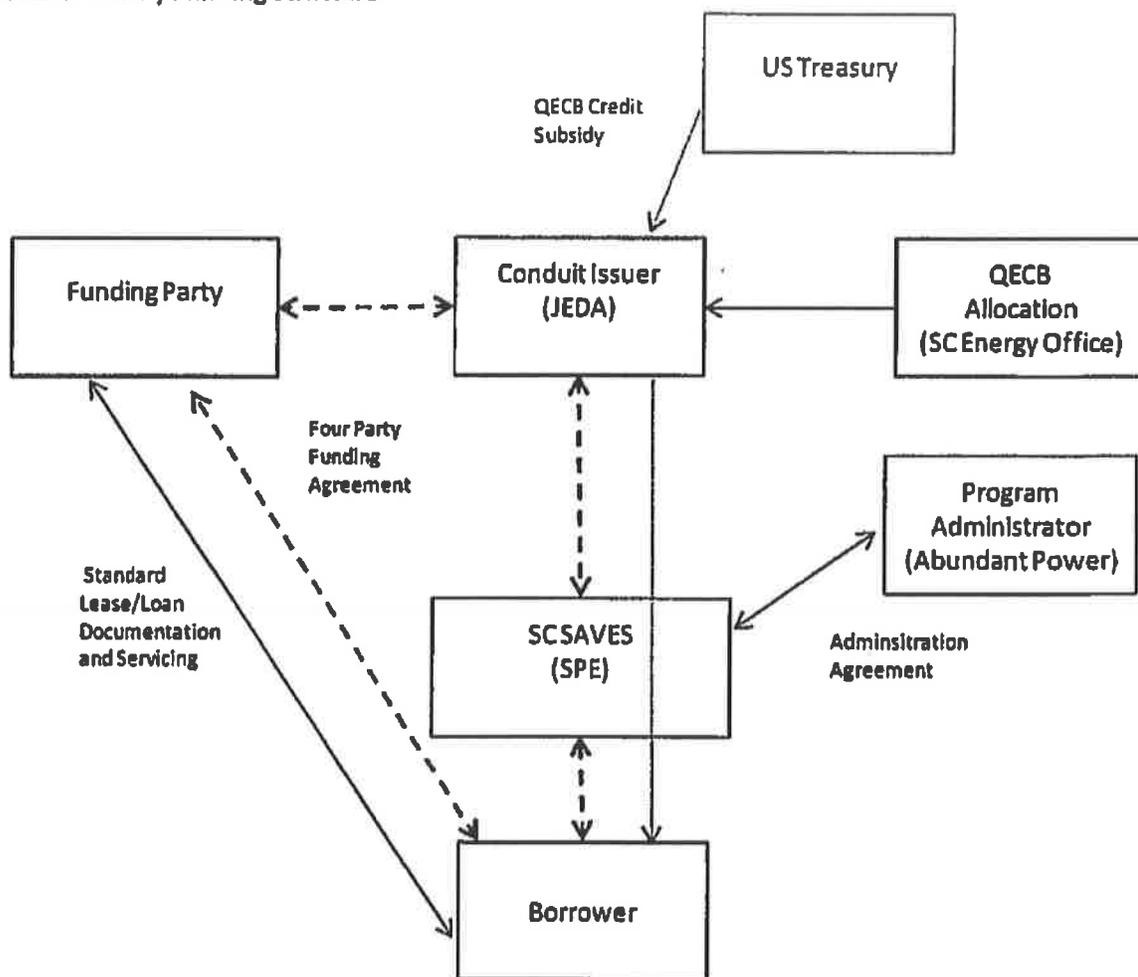
Eligible borrowers include governmental, institutional and commercial/industrial borrowers with sufficient credit to support the bond underwriting.

Eligible improvements include projects satisfying applicable law, including energy efficiency measures, with a payback of 10 years or less (longer within the Administrators's discretion) using proven commercial technologies with strong vendor warranties, such as: lighting and control upgrades, HVAC maintenance/replacement, chiller/boiler upfits, insulation, retro-commissioning and select distributed renewables generation, as well as alternative fuel conversions of facilities or fleets from diesel or gasoline to propane or natural gas and associated refueling infrastructure.

The Program will work with contractors with demonstrated experience in energy efficiency and conservation contracting. Depending on the project, the Program may require an acceptable form of Energy Performance Contracting Agreement, Energy Performance Savings Guarantee or Third-Party Energy Savings Warranty on certain Eligible Improvements.

The Program Structure

SC SAVES ENERGY EFFICIENCY LOAN FUND Interest Rate Subsidy Funding Structure



Abundant serves in the role of administrator of the SC SAVES Program. As administrator, Abundant assumes responsibility for the design and set up of the Program, establishment of origination channels and eligible projects, project qualification, underwriting the energy savings for eligible improvements, the credit underwriting of ultimate borrowers, and the documentation, closing and on-going servicing of loans/leases issued by the Program. Abundant receive a program fee from the proceeds of the Bonds issuance and an on-going servicing fee based on the amount of principal outstanding under the Program.

Jobs Expected to be Created

The American Council for an Energy Efficient Economy estimates that each \$1 million expended on energy efficiency results in 20 additional jobs and that each \$1 million in savings from reduced energy consumption when recycled in the local economy produces another 17 additional jobs.

Based on these metrics, the SC SAVES Program would expect the full deployment of the \$3M reallocation sought to be issued through this application would result in:

- 60 direct jobs from the capital invested (20 jobs/\$1M invested x \$3M)
- 8 indirect jobs based on the expected energy savings of 4,500 MWhs annually, which at average retail price of \$0.10/kWh, equates to \$450k in annual savings (17 jobs/\$1M savings x \$450k)(for the expected energy savings see below). Using Ascend's estimated savings of \$1.1 million, the number of indirect jobs could be as high as 19 jobs.

The types of jobs to be created include design, engineering, construction, service and management associated with the implementation and on-going management of the Qualified Projects funded through the SC SAVES Program. Compensation to the workers for these jobs will be both wages and salaried. Wages paid for the implementation of the Qualified Projects will be in compliance with the Davis Bacon wage act requirements.

Savings Expected to be Generated

Based on its experience in managing other SAVES programs, Abundant would estimate annual energy savings of 1,500 MWh's per \$1 million in capital expended, dependent on the type of energy efficiency or conservation measure being deployed. Thus, investing the full \$3 million available through the reallocation sought to be issued could generate projected annual energy savings of upwards of 4,500 MWh's. Ascend Performance Materials is estimating savings of approximately \$1.1 million, which is even greater than the estimate provided based on savings from other programs.

About Abundant Power and Clean Source Capital

Abundant Power Group, LLC based in Charlotte, NC, is an energy management services company providing financial and technology solutions for the built environment ecosystem. Abundant brings expertise in finance, engineering, building science, technology and real estate to each of its programs. For more information on Abundant, please visit www.abundantpower.com.

CleanSource Capital, LLC, also based in Charlotte, NC, is an affiliate formed by Abundant Power to administer and grow its SAVES platform using QECBs as well as provide specialty finance solutions and advisory services in the energy efficiency industry.

SAVES (Sustainable and Verifiable Energy Savings) is Abundant's proprietary, core energy financing platform for designing and administering energy efficiency financing programs. Abundant can leverage its existing SAVES credit and financial underwriting standards, origination and loan servicing standards, energy underwriting protocols and energy measurement and verification processes, and documentation in designing and establishing the SC SAVES Program and then providing the on-going administration.

Appendix B

Contact Information

**South Carolina Jobs-Economic Development Authority
Attn: Harry A. Huntley, CPA, Executive Director
1201 Main Street, Suite 1600
Columbia, South Carolina 29201
(803) 737-0268**

**Abundant Power Group, LLC and
Clean Source Capital, LLC
Attn: W. Gregory Montgomery
2201 South Blvd, Suite 300
Charlotte, North Carolina 28203
(704) 271-9881**

Appendix C

Jobs Created and Savings Generated through Reallocation

(1) Jobs Expected to be Created

The American Council for an Energy Efficient Economy estimates that each \$1 million expended on energy efficiency results in 20 additional jobs and that each \$1 million in savings from reduced energy consumption when recycled in the local economy produces another 17 additional jobs.

Based on these metrics, the SC SAVES Program would expect the full deployment of the \$3M reallocation sought to be issued through this application would result in:

- 60 direct jobs from the capital invested (20 jobs/\$1M invested x \$3M)
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The types of jobs to be created include design, engineering, construction, service and management associated with the implementation and on-going management of the Qualified Projects funded through the SC SAVES Program. Compensation to the workers for these jobs will be both wages and salaried. Wages paid for the implementation of the Qualified Projects will be in compliance with the Davis Bacon wage act requirements.

(2) Savings Expected to be Generated

Based on its experience in managing other SAVES programs, Abundant would estimate annual energy savings of 1,500 MWh's per \$1 million in capital expended, dependent on the type of energy efficiency or conservation measure being deployed. Thus, investing the full \$3 million available through the reallocation sought to be issued could generate projected annual energy savings of upwards of 4,500 MWh's. Ascend Performance Materials is estimating savings of approximately \$1.1 million, which is even greater than the estimate provided based on savings from other programs.

Appendix D

Summary Pipeline for the South Carolina SAVES Green Community Program

(see attached)

Appendix A D

Summary Pipeline for the South Carolina SAVES Green Community Program

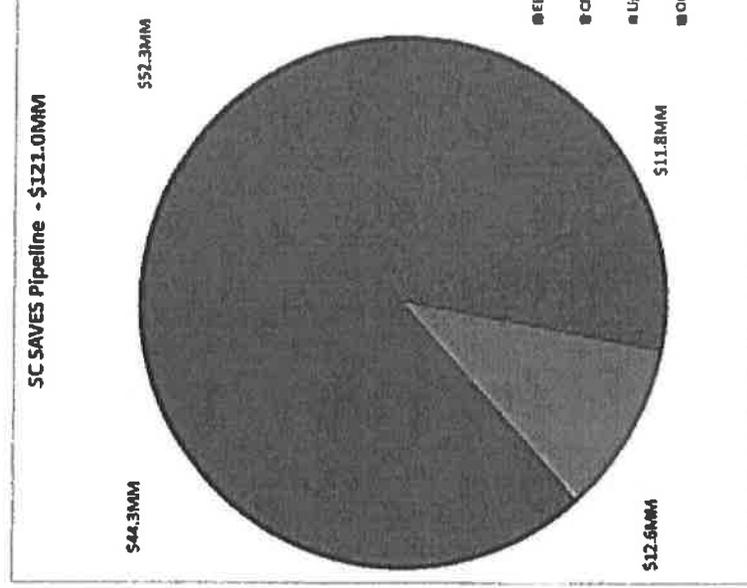
South Carolina SAVES Green Community Program - Summary Pipeline				CONFIDENTIAL			
Sponsor	Entity	Project	Size	EE Retro	CNG	Lighting	Other ECM
Application/Underwriting							
School District	Governmental	Lighting retrofit	\$ 1,000			\$ 1,000	
Developer	Private	Net Zero School	\$ 15,000				\$ 15,000
School District	Governmental	EE retrofits	\$ 5,225	\$ 5,225			
Industrial	Private	EE retrofits	\$ 3,000	\$ 3,000			
Active Discussions							
County Govnt	Governmental	EE retrofits	\$ 3,000	\$ 3,000			
School District	Governmental	Lighting retrofit	\$ 2,000			\$ 2,000	
City Govnt	Governmental	Lighting retrofit	\$ 750			\$ 750	
Contractor	Private	EE retrofits	\$ 1,100	\$ 1,100			
Industrial	Private	Lighting retrofit	\$ 800			\$ 800	
Industrial	Private	EE retrofits	\$ 800	\$ 800			
Developer	Private	CNG Fueling Station	\$ 500		\$ 500		
Developer	Private	Solar PV System	\$ 3,300				\$ 3,300
Pending							
School District	Governmental	Lighting retrofit	\$ 1,000			\$ 1,000	
Grocery Chain	Private	Lighting retrofit	\$ 2,000			\$ 2,000	
Institutional	Non-Profit	EE retrofits	\$ 3,000	\$ 3,000			
Developer	Private	CNG Fueling Station	\$ 1,000		\$ 1,000		
School District	Governmental	EE retrofits	\$ 2,100	\$ 2,100			
Utility	Private	Solar PV System	\$ 18,000				\$ 18,000
Commercial	Private	Lighting retrofit	\$ 2,000			\$ 2,000	
City Govnt	Governmental	CNG Conversion	\$ 1,000		\$ 1,000		
Commercial	Private	EE retrofits	\$ 2,000	\$ 2,000			
Industrial	Private	LFG System	\$ 5,000				\$ 5,000
Industrial	Private	CNG Fueling Station	\$ 1,000		\$ 1,000		
Public Housing	Governmental	EE retrofits	\$ 2,000	\$ 2,000			
Agriculture	Private	EE retrofits	\$ 1,000	\$ 1,000			
Industrial	Private	CNG Conversion	\$ 3,250		\$ 3,250		
Industrial	Private	EE retrofits	\$ 10,000	\$ 10,000			
City Govnt	Governmental	CNG Conversion	\$ 1,000		\$ 1,000		
Industrial	Private	EE retrofits	\$ 1,100	\$ 1,100			
School District	Governmental	EE retrofits	\$ 2,000	\$ 2,000			
County Govnt	Governmental	EE retrofits	\$ 5,000	\$ 5,000			
Industrial	Private	CNG Conversion	\$ 3,000		\$ 3,000		
Commercial	Private	EE retrofits	\$ 2,000	\$ 2,000			
County Govnt	Governmental	EE retrofits	\$ 2,000	\$ 2,000			
County Govnt	Governmental	EE retrofits	\$ 2,000	\$ 2,000			
Institutional	Non-Profit	EE retrofits	\$ 1,000	\$ 1,000			
Institutional	Non-Profit	EE retrofits	\$ 1,000	\$ 1,000			
Industrial	Private	EE retrofits	\$ 1,000	\$ 1,000			
Utility	C&I	EE retrofits	\$ 2,000	\$ 2,000			
Industrial	Private	Lighting retrofit	\$ 2,000			\$ 2,000	
County Govnt	Governmental	Other QCM	\$ 3,000				\$ 3,000
Commercial	Private	Lighting retrofit	\$ 1,000			\$ 1,000	
Transportation	Private	CNG Conversion	\$ 1,000		\$ 1,000		
Total			\$ 120,925	\$ 52,325	\$ 11,750	\$ 12,550	\$ 44,300

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South Carolina SAVES Green Community Program - Summary Pipeline

Station	ECGT	Project	Site	EE Retro	CHG	Lighting	Other ECM
Applying Underwriting	Governmental	Lighting retrofit	\$	1,000			
School District	Private	Met Zero School	\$	15,000			
Developer	Governmental	EE retrofits	\$	5,235			
School District	Private	EE retrofits	\$	3,000			
Industrial	Governmental	EE retrofits	\$	3,000			
Public Administration	Private	EE retrofits	\$	1,100			
County Govt	Governmental	EE retrofits	\$	3,000			
School District	Governmental	Lighting retrofit	\$	2,000			
City Govt	Governmental	Lighting retrofit	\$	750			
Contractor	Private	EE retrofits	\$	1,100			
Industrial	Private	Lighting retrofit	\$	800			
Industrial	Private	EE retrofits	\$	800			
Developer	Private	CHG Fueling Station	\$	500			
Developer	Private	Solar PV System	\$				3,000
Planning	Governmental	Lighting retrofit	\$	1,000			
School District	Private	Lighting retrofit	\$	2,000			
Greenvy Child	Non-Profit	EE retrofits	\$	1,000			
Industrial	Private	CHG Fueling Station	\$	1,000			
Developer	Governmental	EE retrofits	\$	2,000			
School District	Private	Solar PV System	\$				10,000
Utility	Private	Lighting retrofit	\$	2,000			
Commercial	Governmental	CHG Conversion	\$	1,000			
City Govt	Private	EE retrofits	\$	2,000			
Commercial	Private	EE retrofits	\$	2,000			
Industrial	Private	EE retrofits	\$	1,000			
Industrial	Private	EE retrofits	\$	1,000			
Public Housing	Governmental	EE retrofits	\$	2,000			
Agriculture	Private	EE retrofits	\$	1,000			
Industrial	Private	CHG Conversion	\$	3,250			
Industrial	Private	EE retrofits	\$	10,000			
City Govt	Governmental	CHG Conversion	\$	1,000			
Industrial	Private	EE retrofits	\$	2,000			
School District	Governmental	EE retrofits	\$	5,000			
County Govt	Private	CHG Conversion	\$	2,000			
Industrial	Private	EE retrofits	\$	2,000			
Commercial	Governmental	EE retrofits	\$	2,000			
County Govt	Governmental	EE retrofits	\$	2,000			
County Govt	Governmental	EE retrofits	\$	2,000			
Industrial	Non-Profit	EE retrofits	\$	1,000			
Industrial	Non-Profit	EE retrofits	\$	1,000			
Industrial	Private	EE retrofits	\$	2,000			
Utility	CAJ	EE retrofits	\$	2,000			
Industrial	Private	Lighting retrofit	\$	2,000			
County Govt	Governmental	Other OCM	\$	3,000			
Commercial	Private	Lighting retrofit	\$	1,000			
Transportation	Private	CHG Conversion	\$	1,000			
Total			\$	170,975			



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Appendix E

**Overview of South Carolina SAVES Green Community Program
(see attached)**

SOUTH CAROLINA SAVES™

Low interest rate financing for energy efficiency in South Carolina business, institutional and government properties.



The South Carolina SAVES™ (sustainable and verifiable energy savings) Green Community Program (the "Program") affords low cost financing to South Carolina governmental, institutional, and commercial and industrial properties for qualified conservation measures, including lighting, HVAC, controls, envelope, process improvement upgrades, solar photovoltaic systems, and LNG/CNG or propane fleet conversions. A below market rate is enabled through the use of Qualified Energy Conservation Bonds allocated by the South Carolina Energy Office and issued through the South Carolina Jobs-Economic Development Authority (JEDA). The Program's funding may be used to purchase and install energy-efficient fixtures and retrofits, alternative fueling projects, renewable energy systems, water conservation measures and other qualifying conservation measures. Program funding is NOT to be used for new construction of buildings and factories.

Vendor Proposal and Energy Assessment

- Vendor Proposal
- Project Cost
 - Min: \$500,000
 - Max: \$5,000,000
- Energy Assessment
- Project Validation
 - Before/after description
 - Utility rate
 - Projected annual savings
 - Payback calculation
 - Assumptions
- Vendor proposals

SAVES Application

- Application Fee
 - \$1,000
- Borrower submits:
 - Credit underwriting information
 - Property valuation reports
 - Other underwriting information based on project

Funding and Implementation

- Loan Review and Approval
- Loan Documents Signed
- Construction Compliance
 - List of contractors and subs
 - Construction timeline
 - Davis Bacon Act
 - Payroll forms
 - Prevailing wage rates categorized by County can be found at www.wdol.gov
 - On-site interview



To start the process, a vendor or borrower submits a proposal and Energy Assessment, defining the proposed project and estimated energy savings impact, which is reviewed to ensure that the project fits within the definition of qualified conservation measures and the Program's purpose. Upon verification that the project qualifies, the borrower then submits a formal Application for approval for subsidized funding through the program. The application fee at time of submittal is \$1,000. Underwriting and approval typically takes 30-45 days with funding occurring within another 30-45 days thereafter. The Program is paid either a program fee from the proceeds of the funding of 3% if it provides funding or 2% if the borrower works with an existing financing party.

FOR MORE INFORMATION CONTACT: Greg Montgomery
(704) 271-9889

gmontgomery@abundantpower.com

www.abundantpower.com

Qualified Energy Conservation Bonds

The *Energy Improvement and Extension Act of 2008*, enacted in October 2008, authorized the issuance of Qualified Energy Conservation Bonds (QECBs) that may be used by state, local and tribal governments to finance certain types of energy projects. QECBs are qualified tax credit bonds. The October 2008 enabling legislation set a limit of \$800 million on the volume of energy conservation tax credit bonds that may be issued by state and local governments. The *American Recovery and Reinvestment Act of 2009*, enacted in February 2009, expanded the allowable bond volume to \$3.2 billion. QECBs are not subject to a U.S. Department of Treasury application and approval process. Bond volume is instead allocated to each state based on the state's percentage of the U.S. population as of July 1, 2008. Each state is then required to allocate a portion of its allocation to "large local governments" within the state based on the local government's percentage of the state's population. Large local governments are defined as municipalities and counties with populations of 100,000 or more. Large local governments may reallocate their designated portion back to the state if they choose to do so.

To develop a method for issuing allocation authority and processing reallocation requests for QECBs and other Recovery Act bonds, the General Assembly passed the South Carolina Volume Cap Reallocation Act of 2010. From this Act, a Volume Cap Advisory Committee was created which undertook a process of determining which communities were going to utilize their QECB and other bond allocations and developed a plan at the state level to reallocate unused state level authority. The Energy Office also developed an application for QECB reallocation requests.

The total state allocation included \$46,475,000 in bond authority - \$34,005,212.62 was designated for cities and counties with populations over 100,000 and \$12,469,787.38 was the balance of state. Currently local waivers have been received in the amount of \$22,649,949.53 for a total of \$35,119,736.91 in state level bond authority. This amount less the previously approved reallocation requests for \$31,500,000 delineated below leaves a balance of \$3,619,736.91 in bond authority available for reallocation. None of the approved reallocations are for private activity bonds.

Requestor	Amount	Project Description	Financing Mechanism
City of Greenville	\$4,000,000	Performance contract with Ameresco for municipal building energy efficiency retrofits	City of Greenville
JEDA/Abundant Power	\$10,000,000	Bonds to fund SC SAVES green community financing program for projects statewide	JEDA
City of Columbia	\$2,500,000	Columbia Housing Authority residential EE retrofits	Bank loan
JEDA/Abundant Power	\$15,000,000	Bonds to fund net-zero school in Denmark-Olar School District 2 of Bamberg County through SC SAVES	JEDA
TOTAL	\$31,500,000		

AGENCY: SC Energy Office

SUBJECT: QECB Bond Issuance Extension- \$15M Qualified Energy Conservation Bond volume cap allocation authority to Abundant Power Group, LLC/SC SAVES with the SC Jobs-Economic Development Authority (JEDA) as Conduit Issuer for Use at Denmark-Olar School District 2 of Bamberg County

At its October 2014 meeting, the Budget and Control Board approved \$15M Qualified Energy Conservation Bond [QECB] volume cap allocation in connection with the implementation of a qualifying green community program at the Denmark-Olar School District 2 of Bamberg County for Abundant Power Group, LLC with the stipulation that if the bonds are not issued within six (6) months of Budget and Control Board approval for the designated purpose, this allocation expires and reverts to the pool.

Project Summary: The project consists of building a net-zero K-12 school for Denmark-Olar School District 2 of Bamberg County. The Owner of the building will be Denmark-Olar School Foundation, a nonprofit corporation created in SC. The Foundation and the School District have signed a Pre-Development Agreement with FirstFloor K-12 Solutions, LLC, as developer. The Foundation will own the school and lease it to the school district. Financing will be provided in two parts: approximately \$31 million in a loan directly from USDA and a loan of approximately \$15 million from a bank which will be guaranteed by USDA and run through the SC SAVES program utilizing the QECB allocation. Both loans will be made to the Foundation. The application submitted by Abundant Power Group, LLC estimates the creation of approximately 300 direct jobs from the capital investment and approximately 38 indirect jobs based on expected energy savings of 22,500 MWHs annually.

Financial closing for the project was originally forecasted for the end of calendar year 2014 but has been delayed by the credit underwriting and approval process at USDA and the two banks funding the conduit issuance of the QECB bonds, AgStar and Co-Bank. The USDA has approved its commitment letter for funding the Project, and the Denmark-Olar School Foundation has accepted its terms. AgStar and Co-Bank are completing their credit underwrite to issue their respective commitment letters. Once these commitments have been accepted by the Denmark-Olar School Foundation, there will be a 60 day review process at the Federal level, a new requirement that came into effect in 2015 and is contributing to the delay. Once this review process is complete, funding for the project can close.

Extension of the QECB allocation authority was approved by the SC ARRA Volume CAP Advisory Committee on February 6, 2015, specifically for use at Denmark Olar School District 2 of Bamberg County and with the stipulation that if the bonds are not issued by October 14, 2015, for the designated purpose, this allocation expires and reverts to the pool.

BOARD ACTION REQUESTED:

Approve the proposed \$15M Qualified Energy Conservation Bond volume cap allocation authority extension request to Abundant Power Group, LLC/SC SAVES with the SC Jobs-Economic Development Authority (JEDA) as conduit issuer for use at Denmark-Olar School District 2 of Bamberg County with the stipulation that if the bonds are not issued by October 14, 2015, for the designated purpose, this allocation expires and reverts to the pool.

ATTACHMENTS: Agenda item worksheet; Montgomery 1/29 /15 letter

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: March 18, 2015

Blue Agenda

1. Submitted by:

- (a) Agency: SC Energy Office
- (b) Authorized Official Signature:



Ashlie Lancaster, Director

2. Subject: QECB Bond Issuance Extension- \$15M Qualified Energy Conservation Bond volume cap allocation authority to Abundant Power Group, LLC/SC SAVES with the SC Jobs-Economic Development Authority (JEDA) as conduit issuer for use at Denmark-Olar School District 2 of Bamberg County.

3. Summary Background Information:

At its October 2014 meeting, the Budget and Control Board approved \$15M Qualified Energy Conservation Bond [QECB] volume cap allocation in connection with the implementation of a qualifying green community program at the Denmark-Olar School District 2 of Bamberg County for Abundant Power Group, LLC with the stipulation that if the bonds are not issued within six (6) months of Budget and Control Board approval for the designated purpose, this allocation expires and reverts to the pool.

Project Summary: The project consists of building a net-zero K-12 school for Denmark-Olar School District 2 of Bamberg County. The Owner of the building will be Denmark-Olar School Foundation, a nonprofit corporation created in SC. The Foundation and the School District have signed a Pre-Development Agreement with FirstFloor K-12 Solutions, LLC, as developer. The Foundation will own the school and lease it to the school district. Financing will be provided in two parts: approximately \$31 million in a loan directly from USDA and a loan of approximately \$15 million from a bank which will be guaranteed by USDA and run through the SC SAVES program utilizing the QECB allocation. Both loans will be made to the Foundation. The application submitted by Abundant Power Group, LLC estimates the creation of approximately 300 direct jobs from the capital investment and approximately 38 indirect jobs based on expected energy savings of 22,500 MWHs annually.

Financial closing for the project was originally forecasted for the end of calendar year 2014 but has been delayed by the credit underwriting and approval process at USDA and the two banks funding the conduit issuance of the QECB bonds, AgStar and Co-Bank. The USDA has approved its commitment letter for funding the Project, and the Denmark-Olar School Foundation has accepted its terms. AgStar and Co-Bank are completing their credit underwrite to issue their respective commitment letters. Once these commitments have been accepted by the Denmark-Olar School Foundation, there will be a 60 day review process at the Federal level, a new requirement that came into effect in 2015 and is contributing to the delay. Once this review process is complete, funding for the project can close.

Extension of the QECB allocation authority was approved by the SC ARRA Volume CAP Advisory Committee on February 6, 2015, specifically for use at Denmark Olar School District 2 of Bamberg County and with the stipulation that if the bonds are not issued by October 14, 2015 for the designated purpose, this allocation expires and reverts to the pool.

4. What is the Board asked to do? Approve the proposed \$15M Qualified Energy Conservation Bond volume cap allocation authority extension request to Abundant Power Group, LLC/SC SAVES with the SC Jobs-Economic Development Authority (JEDA) as conduit issuer for use at Denmark-Olar School District 2 of Bamberg County with the stipulation that if the bonds are not issued by October 14, 2015 for the designated purpose, this allocation expires and reverts to the pool.

5. What is recommendation of the Division of General Services? Recommend approval of the proposed \$15M Qualified Energy Conservation Bond volume cap allocation authority extension request to Abundant Power Group, LLC/SC SAVES with the SC Jobs-Economic Development Authority (JEDA) as conduit issuer for use at Denmark-Olar School District 2 of Bamberg County with the stipulation that if the bonds are not issued by October 14, 2015 for the designated purpose, this allocation expires and reverts to the pool.

6. List of Supporting Documents:

- Letter from Greg Montgomery dated January 29, 2015 requesting extension



January 29, 2015

Mr. Delbert H. Singleton, Secretary
State Budget & Control Board
601 Wade Hampton Office Building
Columbia, SC 29201

Via Email

Re: Request for Extension of 90 Days of Re-Allocation of QECCBs for Use in K-12 School at Denmark-Olar School District 2

Dear Mr. Singleton:

Attached please find attached a Transmittal Form for consideration at the upcoming South Carolina Budget and Control Board ("SC BCB") meeting scheduled for March 3, 2015 of a request for a 90 day extension to the approval provided by the SC BCB at its meeting of October 14, 2014 (the "Original Approval") of the re-allocation to South Carolina SAVES, Inc. and Abundant Power Group, LLC of \$15 million in Qualified Energy Conservation Bonds ("QECCBs") for use by the South Carolina SAVES Green Community Program (the "Program") in funding the energy conservation measures to be installed in the K-12 school being constructed by the Denmark-Olar School Foundation ("DOSF") in Denmark-Olar School District 2 in Bamberg County (the "Project"). The Original Approval expires 6 months from the date of approval, or April 14th, 2015 (the "Expiration Date").

The Project is moving towards financial closing, which was originally forecasted to occur prior to year end but has been delayed by the credit underwriting and approval process at the USDA and the two banks funding the conduit issuance of the QECCBs, AgStar and Co-Bank (the "Funding Banks"). The USDA has approved its commitment letter for funding the Project, the terms of which DOSF has accepted, and now the Funding Banks are completing their credit underwrite to issue their respective commitment letters. Once these commitments have been accepted by DOSF there will be a 60 day review process at the Federal level, which process came into effect in 2015 and is resulting in the delay. Once this review process is complete, funding for the Project can close and the QECCBs will be drawn down.

To accommodate this delay, the Program requests that the SC BCB at its March 3 meeting grant a 90 day extension from the Expiration Date in its Original Approval to allow sufficient time for the funding of the Project using the QECCBs.



If you need additional information or have any questions concerning this request, please let me know.

Thanking you for your consideration of this request, on behalf of SC SAVES and Abundant Power, I am

Sincerely,

W. Gregory Montgomery

Greg Montgomery

cc: Harry Huntley, SC JEDA
Kathleen McKinney, Haynesworth Sinkler, Boyd
Robbie Ferris, First Floor K-12
Brent Jeffcoat, Pope Ziegler
Joe Niggel, Piper Jaffray
Doug Lamb, McGuire Woods

AGENCY: Office of the Executive Director

SUBJECT: Approval of a Housing Allowance for the President of Lander University

Section 117.16 of the 2014-2015 Appropriation Act requires the final approval of the Budget and Control Board for a state institution of higher learning to provide a housing allowance. The Lander University Board of Trustees requests approval of a housing allowance of \$40,000 for President Richard E. Cosentino, effective July 1, 2015. The Agency Head Salary Commission considered the request at its meeting on March 10, 2015, and recommends approval.

BOARD ACTION REQUESTED:

Approve the request for a housing allowance of \$40,000 for the Lander University President.

ATTACHMENTS:

Agenda item worksheet; Fact Sheet; Letter of Request from the Lander University Board of Trustees; Section 117.16 of the 2014-2015 Appropriation Act

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 9/91)

For meeting scheduled for:

Blue Agenda
 Regular Session
 Executive Session

March 18, 2015

1. Submitted by:

(a) Agency: Office of the Executive Director

(b) Authorized Official Signature: _____

Marcia L. Adams

2. Subject: Approval of a housing allowance for the President of Lander University.

3. Summary Background Information:

Section 117.16 of the 2014-2015 Appropriation Act requires the final approval of the Budget and Control Board for a state institution of higher learning to provide a housing allowance. The Lander University Board of Trustees requests approval of a housing allowance of \$40,000 for President Richard E. Cosentino, effective July 1, 2015. The Agency Head Salary Commission considered the request at its meeting on March 10, 2015, and recommends approval.

4. What is the Board asked to do?

To approve the request for a housing allowance of \$40,000 for the Lander University President.

5. What is the recommendation of the Board division involved?

To approve the request for a housing allowance of \$40,000 for the Lander University President.

6. Recommendation of other office (as required)?

Agency Name: Agency Head Salary Commission Authorized Signature: _____

HKLj

7. Supporting Documents:

List those attached:

List those not attached
but available:

- (1) Fact Sheet
- (2) Letter of Request from the Lander University Board of Trustees
- (3) Section 117.16 of the 2014-2015 Appropriation Act

Fact Sheet
Lander University

Section 117.16 of the 2014-2015 Appropriation Act requires the final approval of the Budget and Control Board in order for any state institution of higher learning to provide a housing allowance to the president in lieu of a residence.

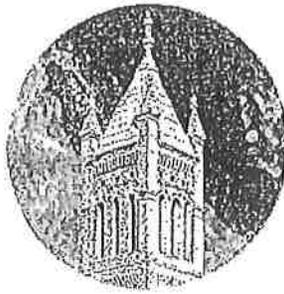
President: Dr. Richard E. Cosentino

Request: To pay Dr. Cosentino a \$40,000 per year housing allowance in lieu of university-provided housing.

Previous Housing for Dr. Ball: \$40,000

Comparable Housing Allowance

University	President	Housing Allowance
Coastal Carolina	Decenzo, D.	\$40,000
South Carolina State	Elzey, T.	\$25,000



founded in 1872

LANDER UNIVERSITY
Board of Trustees

March 4, 2015

Senator Hugh K Leatherman Sr, Chairman
SC Agency Head Salary Commission
1200 Senate Street
6th Floor
Columbia, SC 29601

Dear Senator Leatherman and Commission Members,

The Lander University Board of Trustees has offered the job of President of the University to Dr. Richard E. Cosentino to succeed Dr. Daniel W. Ball on July 1, 2015. The Board is in the process of formalizing our relationship with the new president. As part of this process, the Board of Trustees of Lander University respectfully requests approval of the Agency Head Salary Commission and the Budget and Control Board for the following items, to be effective July 1, 2015:

1. Annual base salary of \$175,000. In accordance of Proviso 101.25 (BCB: Compensation - Agency Head Salary), we request the approval of an annual salary in the amount of \$175,000 for Richard E Cosentino as President. Among the reasons we are requesting the salary at this level is due to the fact that Dr. Cosentino is presently making \$175,000 per year in his current position. Currently Dr. Ball makes \$159,915 per year.

Additionally, as a part of Dr. Cosentino's compensation package, the Lander Foundation has committed \$50,000 to supplement his salary on an annual basis.

Justification

Dr. Consentino will bring over 20 years of leadership experience in higher education administration to Lander University. He currently serves as Vice Chancellor for Finance and Administration at the University of North Carolina at Pembroke. As his vitae reflects, prior work at George Washington University, the University of Maryland, and John Hopkins University supports his extensive experience with continuous growth in areas of responsibility. He holds a PhD in Engineering from

George Washington University and a MBA in Strategic Financial Planning from the University of Baltimore.

Lander University has begun a campaign to raise \$20 million, primarily to fund scholarships for our students in hopes of reducing the costs of their educations and lessening their need to borrow funds to obtain their degrees.

Dr. Cosentino has particularly unique experience in fundraising which will help us accomplish our goal. His other experiences include enrollment management and governmental relations. His experience and qualifications justify this exception to the minimum base salary with our request remaining well below the midpoint.

2. Continuing Housing Allowance. In accordance with Proviso 117.16 (GP: Allowance for Residences and Compensation Restrictions), Lander University requests the continuation of the previously approved Presidential Housing Allowance of \$40,000.

Justification

This amount was previously authorized by the Budget and Control Board in September of 2011 to Dr. Dan Ball after the Presidential House was deemed unsafe to inhabit by structural architectural engineers. This structure has since been razed due to the continued decline in the state of repair. Lander does not request any additional increase but relies on a housing allowance in lieu of campus provided housing on the same basis for justification that was previously authorized.

On behalf of the Board of Trustees, Lander University respectfully requests the approval and authorization of the items above. As Chairman of the Board, I sincerely appreciate the Commission and the State Budget and Control Board's continued support and thank you in advance for your consideration.

Respectfully,



Jack W. Lawrence, Chair
Board of Trustees of Lander University
864-590-5121
jack@lawrenceandrudasill.com

2014-2015 Appropriation Act

117.16. (GP: Allowance for Residences & Compensation Restrictions) That salaries paid to officers and employees of the State, including its several boards, commissions, and institutions shall be in full for all services rendered, and no perquisites of office or of employment shall be allowed in addition thereto, but such perquisites, commodities, services or other benefits shall be charged for at the prevailing local value and without the purpose or effect of increasing the compensation of said officer or employee. The charge for these items may be payroll deducted at the discretion of the Comptroller General or the chief financial officer at each agency maintaining its own payroll system. This shall not apply to the Governor's Mansion, nor to guards at any of the state's penal institutions and nurses and attendants at the Department of Disabilities and Special Needs, and registered nurses providing clinical care at the MUSC Medical Center, nor to the Superintendent and staff of John de la Howe School, nor to the cottage parents and staff of Wil Lou Gray Opportunity School, nor to full-time or part-time staff who work after regular working hours in the SLED Communications Center or Maintenance Area, nor to adult staff at the Governor's School for Science and Mathematics and the Governor's School for Arts and Humanities who are required to stay on campus by the institution because of job requirements or program participation. Any state institution of higher learning may provide complimentary membership privileges to employees who work at their wellness centers. The presidents of those state institutions of higher learning authorized to provide on-campus residential facilities for students may be permitted to occupy residences on the grounds of such institutions without charge.

Any state institution of higher learning may provide a housing allowance to the president in lieu of a residential facility, the amount to be approved by the Budget and Control Board.

That the following may be permitted to occupy residences owned by the respective departments without charge: the Farm Director, Farm Managers, and Specialists employed at the Wateree River Correctional Institution; the South Carolina State Commission of Forestry fire tower operators, forestry aides, and caretaker at central headquarters; the Department of Natural Resources' Game Management Personnel, Fish Hatchery Personnel, and Fort Johnson Superintendent; the Department of Parks, Recreation and Tourism field personnel in the State Parks Division; Director of Wil Lou Gray Opportunity School; President of the School for the Deaf and the Blind; houseparents for the Commission for the Blind; South Carolina Department of Health and Environmental Control personnel at the State Park Health Facility and Camp Burnt Gin; Residence Life Coordinators at Lander University; Residence Life Directors, temporary and transition employees, student interns, and emergency personnel at Winthrop University; Farm Superintendent at Winthrop University; Residence Hall Directors at the College of Charleston; the Department of Disabilities and Special Needs' physicians and other professionals at Whitten Center, Clemson University Off-Campus Agricultural Staff and Housing Area Coordinators; and TriCounty Technical College's Bridge to Clemson Resident and Area Directors. Except in the case of elected officials, the fair market rental value of any residence furnished to a state employee shall be reported by the state agency furnishing the residence to the Agency Head Salary Commission, and the Division of Budget and Analyses by October first of each fiscal year.

All salaries paid by departments and institutions shall be in accord with a uniform classification and compensation plan, approved by the Budget and Control Board, applicable to all personnel of the State Government whose compensation is not specifically fixed in this act. Such plan shall include all employees regardless of the source of funds from which payment for personal service is drawn. The Division of Budget and Analyses of the Budget and Control Board is authorized to approve temporary salary adjustments for classified and unclassified employees who perform temporary duties which are

limited by time and/or funds. When approved, a temporary salary adjustment shall not be added to an employee's base salary and shall end when the duties are completed and/or the funds expire. Academic personnel of the institutions of higher learning and other individual or group of positions that cannot practically be covered by the plan may be excluded therefrom but their compensations as approved by the Division of Budget and Analyses shall, nevertheless, be subject to review by the Budget and Control Board. Salary appropriations for employees fixed in this act shall be in full for all services rendered, and no supplements from other sources shall be permitted or approved by the Budget and Control Board. With the exception of travel and subsistence, legislative study committees shall not compensate any person who is otherwise employed as a full-time state employee. Salaries of the heads of all agencies of the State Government shall be specifically fixed in this act and no salary shall be paid any agency head whose salary is not so fixed. As long as there is no impact on appropriated funds, state agencies and institutions shall be allowed to spend public funds and/or other funds for designated employee award programs which shall have written criteria approved by the agency governing board or commission. For purposes of this section, monetary awards, if any, shall not be considered a part of an employee's base salary, a salary supplement, or a perquisite of employment. The names of all employees receiving monetary awards and the amounts received shall be reported annually to the South Carolina Division of Budget and Analyses.

In the case of lodging furnished by certain higher education institutions to employees, the prevailing local rate does not apply if the institution meets the exceptions for inadequate rent described in the current Internal Revenue Code Section 119(d)(2). To meet the exception, rental rates must equal the lesser of five percent of the appraised value of the qualified campus lodging, or the average of the rentals paid by individuals (other than employees or students of the educational institution) during the calendar year for lodging provided by the educational institution which is comparable to the qualified campus lodging provided to the employee, over the rent paid by the employee for the qualified campus lodging during the calendar year. The appraised value shall be determined as of the close of the calendar year in which the taxable year begins, or, in the case of a rental period not greater than one year, at any time during the calendar year in which the period begins.

AGENCY: Executive Director

SUBJECT: Revenue Bonds

The required reviews on the following proposal to issue revenue bonds have been completed with satisfactory results. The project requires approval under State law.

- a. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: \$3,000,000 Qualified Energy Conservation Bonds
Allocation Needed: -0-
Name of Project: SC SAVES, Inc. and Abundant Power Group, LLC and the SC SAVES Green Community Program
Employment Impact: estimated at 60 direct jobs and 8 indirect jobs
Project Description: proceeds from the bonds are used to make low interest loans for the financing of energy efficiency and conservation projects sponsored by governmental, institutional and select commercial/industrial entities in municipalities and counties located within South Carolina.
Note: *negotiated private sale*
Bond Counsel: Douglas E. Lamb, McGuire Woods LLP

- b. Issuing Authority: The Citadel
Amount of Issue: Not Exceeding \$16,700,000 Refunding Revenue Bonds (16,700,000 refunding involved)
Allocation Needed: -0-
Name of Project: The Citadel, the Military College of South Carolina
Employment Impact: N/A
Project Description: refunding of the Revenue Bonds, Series 2005
Bond Counsel: Jeremy L. Cook, Haynsworth Sinkler Boyd, P. A.

BOARD ACTION REQUESTED:

Adopt the resolutions approving the referenced proposals to issue revenue bonds.

ATTACHMENTS:

Resolutions

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH A NEGOTIATED PRIVATE SALE OF NOT EXCEEDING \$3,000,000 AGGREGATE PRINCIPAL AMOUNT QUALIFIED ENERGY CONSERVATION BONDS, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 41, CHAPTER 43 (1976), AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended, (the "Act") requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Qualified Energy Conservation Bonds, in the aggregate principal amount of not exceeding \$3,000,000 (the "Bonds") through a negotiated private sale, which the Authority has determined to be most advantageous; and

WHEREAS, the Authority represents to the State Budget and Control Board that the Bonds will be limited obligations of the Authority payable solely from loan repayments received by the Authority from South Carolina SAVES, Inc., a South Carolina non-profit corporation, an affiliate of Abundant Power Group, LLC, a North Carolina limited liability company, and created for purposes of the project to be undertaken with the proceeds of the Bonds; and that a financial institution or other entity or purchaser acceptable to the Authority shall either purchase the Bonds or provide credit enhancement with respect to the Bonds in which event the Bonds would be sold at a negotiated private sale for private re-offering thereafter; provided, however, that the Bonds may be remarketed at a later date without such credit enhancement if the Authority receives, inter alia, evidence satisfactory to it that the Bonds will continue to be rated as investment grade or better by a nationally recognized securities rating group.

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. It is hereby found, determined and declared by the Board that the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds through a negotiated private sale, be and the same is hereby in all respects approved, including changes in the details of said financing which do not materially affect the undertaking of the Authority.

Section 3. This Resolution shall take effect immediately.

Summary of Financing Proposal for

\$3,000,000

SC JOBS-ECONOMIC DEVELOPMENT AUTHORITY
SC SAVES INC. AND ABUNDANT POWER GROUP, LLC –
SC SAVES GREEN COMMUNITY PROGRAM (THE “PROGRAM”)
ASCEND PERFORMANCE MATERIALS PROJECT

PRELIMINARY – SUBJECT TO CHANGE

March 16, 2015

Bonds proposed to be financed	Qualified Energy Conservation Bonds not to exceed \$3 million with a term up to 10 years
Average interest rate of bonds	TBD based on bidding out financing through conduit structure used by Program
Projected average interest rate of bonds	Same as above
True interest cost of bonds	Same as above
Estimated costs (costs as a percentage of bonds)	Not to exceed 2% (\$60,000)
Underwriting	\$ 0
Legal fees – bond, disclosure and general counsel	\$55,000
Rating agency fees	\$0
Advisory fees	\$0/TBD
Bond trustee/registrar	\$0
Accounting and verification	\$0
Credit enhancement/bond insurance	\$0
Publication, printing, contingencies and all other expenses (conduit issuance fee)	\$4,375
Total	\$59,375

Prepared by Douglas E. Lamb, McGuireWoods LLP
Date 3/16/15

A RESOLUTION APPROVING THE ISSUANCE BY THE CITADEL, THE MILITARY COLLEGE OF SOUTH CAROLINA OF NOT EXCEEDING \$16,700,000 AGGREGATE PRINCIPAL AMOUNT REFUNDING REVENUE BONDS, PURSUANT TO THE PROVISIONS OF TITLE 59, CHAPTERS 121 AND 147 OF THE CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED.

WHEREAS, the Board of Visitors as the governing entity of The Citadel, the Military College of South Carolina ("The Citadel"), an institution of higher learning of the State of South Carolina and an agency thereof, has been authorized to issue bonds pursuant to Title 59, Chapters 121 and 147 of the Code of Law of South Carolina 1976, as amended, in order to raise monies for "facilities" for The Citadel and to pledge for the payment of such bonds; and

WHEREAS, the Board of Visitors of The Citadel has previously made general provision for the issuance of revenue bonds of The Citadel through the means of a resolution entitled "Resolution Providing for the Issuance and Sale of Revenue Bonds of The Citadel, the Military College of South Carolina, and Other Matters Related Thereto" adopted September 6, 1997 ("the Bond Resolution"); and

WHEREAS, it is provided in and by the Bond Resolution that, upon adoption of a "Series Resolution" there may be issued one or more series of Bonds for the purposes of refunding obligations incurred to expand, improve, construct or acquire Facilities (as defined therein) and of obtaining funds for the expansion, improvement, construction or acquisition of additional Facilities or to reimburse The Citadel for qualifying expenditures made for such purposes; and

WHEREAS, in order to refund revenue bonds of The Citadel which were issued in 2005, and to pay related financing costs and expenses, the Board of Visitors of The Citadel has made provision for the issuance of refunding revenue bonds of The Citadel in the principal amount of not exceeding \$16,700,000 through the means of a resolution entitled "A Resolution Providing for the Issuance and Sale of A Series of Refunding Revenue Bonds of The Citadel, the Military College of South Carolina in the Aggregate Principal Amount of Not Exceeding Sixteen Million Seven Hundred Thousand Dollars (\$16,700,000) and Other Matters Related Thereto" adopted January 24, 2015 (the "Series Resolution"); and

WHEREAS, The Citadel under and pursuant to the provisions of Title 59, Chapters 121 and 147 of the Code of Laws of South Carolina, 1976, as amended (collectively, the "Act") has petitioned the State Budget and Control Board for its approval of the issuance by The Citadel pursuant to the Act of its Refunding Revenue Bonds, in the aggregate principal amount of not exceeding \$16,700,000 (the "Bonds"), secured by a pledge of certain Net Revenues and Additional Funds, all as provided in the Bond Resolution, through a public or private sale; and

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. It is hereby found, determined and declared by the Board that the Petition submitted by The Citadel contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 59-147-30 of the Act.

Section 2. As described herein, the proposal of The Citadel to issue the Bonds through a public or private sale is hereby approved.

Section 3. After due consideration, approval is hereby given to (i) the issuance of not exceeding \$16,700,000 of Refunding Revenue Bonds of The Citadel in order to raise money for the purposes set forth herein, such Bonds to be in such principal amounts, shall be sold, be dated, mature, bear interest, and be subject to redemption in such manner as the State Treasurer shall approve; and (ii) the taking by the State Treasurer of such further action and the granting of approval by the State Treasurer of such further action by The Citadel as shall not be inconsistent with the foregoing provisions of this Resolution and as may be necessary to consummate the sale of the Bonds.

Section 4. This Resolution shall take effect immediately.

Summary of Refinancing Proposal for
The Citadel

Outstanding bonds proposed to be refinanced	Approximately \$14,460,000 Revenue Bonds, Series 2005 of The Citadel, the Military College of South Carolina
Interest rate of bonds refinanced	3.75 - 4.55%
Interest rate of refinancing bonds	3.00%
Projected net present value savings (net of costs)	\$639,411
Projected net present value savings as a percentage of the bonds refinanced	4.40%
Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings)	.40% 8.40%
Underwriting	0
Legal fees	\$18,750
Rating agency fees	0
Advisory fees	\$35,000
Bond trustee/registrar	0
Accounting and verification	0
Credit enhancement/bond insurance	0
Publication, printing, contingencies and all other expenses	0
Total	\$53,750

Prepared by: Jeremy L. Cook, Haynsworth Sinkler Boyd, P.A. and Jay Puchir, The Citadel
Date: February 11, 2015

STATE BUDGET AND CONTROL BOARD

Meeting of Wednesday, March 18, 2015 -- 9:30 A. M.

Room 252, Edgar A. Brown Building

AGENDA INDEX

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A.	MEETING OF BUDGET AND CONTROL BOARD	
B.	ADOPTION OF PROPOSED AGENDA	
C.	MINUTES OF PREVIOUS MEETING	
D.	BLUE AGENDA	
1.	State Treasurer's Office	Bond Counsel Selection
2.	Division of General Services	Easements
3.	Division of General Services	Real Property Conveyance
4.	Division of Procurement Services	Procurement Audit and Certification
5.	SC Energy Office	\$3M Qualified Energy Conservation Bond Volume Cap Allocation Authority to Abundant Power Group, LLC/SC SAVES with the SC Jobs- Economic Development Authority (JEDA) as Conduit Issuer for Use at Ascend Performance Materials in Greenwood
6.	SC Energy Office	QECB Bond Issuance Extension- \$15M Qualified Energy Conservation Bond volume cap allocation authority to Abundant Power Group, LLC/SC SAVES with the SC Jobs-Economic Development Authority (JEDA) as Conduit Issuer for Use at Denmark-Olar School District 2 of Bamberg County
7.	Office of the Executive Director	Approval of Housing Allowance for the President of Lander College
8.	Executive Director	Revenue Bonds

STATE BUDGET AND CONTROL BOARD
Meeting of Wednesday, March 18, 2015 -- 9:30 A. M.
Room 252, Edgar A. Brown Building

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<u>Item</u>	<u>Agency</u>	<u>Subject</u>
E.	REGULAR SESSION	
1.	B&CB/Elliott Davis	SCSU Financial Analysis Update
2.	South Carolina State University	Request to Modify Repayment Terms of Budget and Control Board Interagency Loan Resolution
3.	Division of General Services	SC Department of Social Services Lease – Florence
4.	Executive Budget Office	Permanent Improvement Projects
5.	University of South Carolina	Not Exceeding \$37,000,000 General Obligation State Institution Refunding Bonds (Issued on Behalf of the University of South Carolina), Series 2015, of the State of South Carolina
6.	Clemson University	Not Exceeding \$69,525,000 Athletic Facilities Revenue Bonds, Series 2015, of Clemson University, South Carolina
7.	Budget and Control Board	Future Meeting

AGENCY: B&CB/Elliott Davis

SUBJECT: SCSU Financial Analysis Update

By Resolution passed at the April 30, 2014, meeting, the Budget and Control Board (“Board”) authorized an interagency loan to South Carolina State University (“University”). As follow-up to the Resolution, the Board entered into an interagency loan agreement (“agreement”) with the University executed on May 22, 2014. Pursuant to both the Resolution and the Agreement, a portion of the loan proceeds were to be used by the Board to contract for consulting and/or auditing services to help the University assess and improve its financial management and various operational, administrative and governance practices. Accordingly, the Board engaged the accounting firm of Elliott Davis (now known as Elliott Davis Decosimo) to perform the services contemplated by the Resolution and Agreement.

As part of the engagement, Elliott Davis is to provide the following services and reports/deliverables:

- 1) A forecasted compilation of cash inflows and cash outflows which will result in a “Statement of Forecasted Monthly Cash Flows and Accounts Payable and Accrued Expenses”;
- 2) A compiled statement of net position, a compiled statement of changes in net position and a compiled statement of cash flows (the financial statements);
- 3) Certain Agreed Upon Procedures (AUP) and an AUP Report; and,
- 4) A Letter of Comments and Recommendations.

At this time, Elliott Davis has developed a forecasted compilation of cash inflows and cash outflows. Elliott Davis has correspondingly prepared a draft “Statement of Forecasted Monthly Cash Flows and Accounts Payable and Accrued Expenses.” The Board, as client for the purposes of the Elliott Davis engagement, is now asked to receive and accept the draft report so that it can become final. The additional financial statements, the AUP Report and the Letter of Comments and Recommendations (items 2, 3 and 4 above) will be delivered by Elliott Davis at a future Board meeting.

BOARD ACTION REQUESTED:

Receive and accept the “Statement of Forecasted Monthly Cash Flows and Accounts Payable and Accrued Expenses”.

ATTACHMENTS:



SC BUDGET AND CONTROL BOARD

SC State University – Cash Flow Forecast



Background

- From 2009 through 2013, accounts payable and accrued expenses at fiscal year-end averaged approximately \$5.3 million.
- At 6/30/14, AP and accrued expense had increased to \$13.9 million.
- Also during fiscal year 2014, the University received the \$6 million Budget and Control Board loan from the State.

Background

Short-term Obligations Outstanding to the State and to Vendors
at 6/30/14

Balance at 6/30/2013	\$ 5,919,172
Increase in AP and accrued expenses	<u>7,991,929</u>
Balance at 6/30/2014	13,911,101
Advances from the State - Recovery Loan	<u>6,000,000</u>
Balance at 6/30/2014	<u>\$ 19,911,101</u>



Scenarios

- **Scenario 1:** Assumes that prior to June 30, 2015, the University will remit \$6 million to repay the \$6 million Budget and Control Board loan.
- **Scenario 2:** Assumes that a mandatory furlough takes effect during fiscal year 2015, in time to result in approximately \$750,000 in additional reductions to compensation and benefits.
- **Scenario 3:** Assumes that prior to June 30, 2015, the University will receive \$4.5 million in additional advances from the State as recommended by the Blue Ribbon Advisory Committee, and that these proceeds will be used to reduce outstanding accounts payable and accrued expenses to approximately \$11.5 million by June 30, 2015.

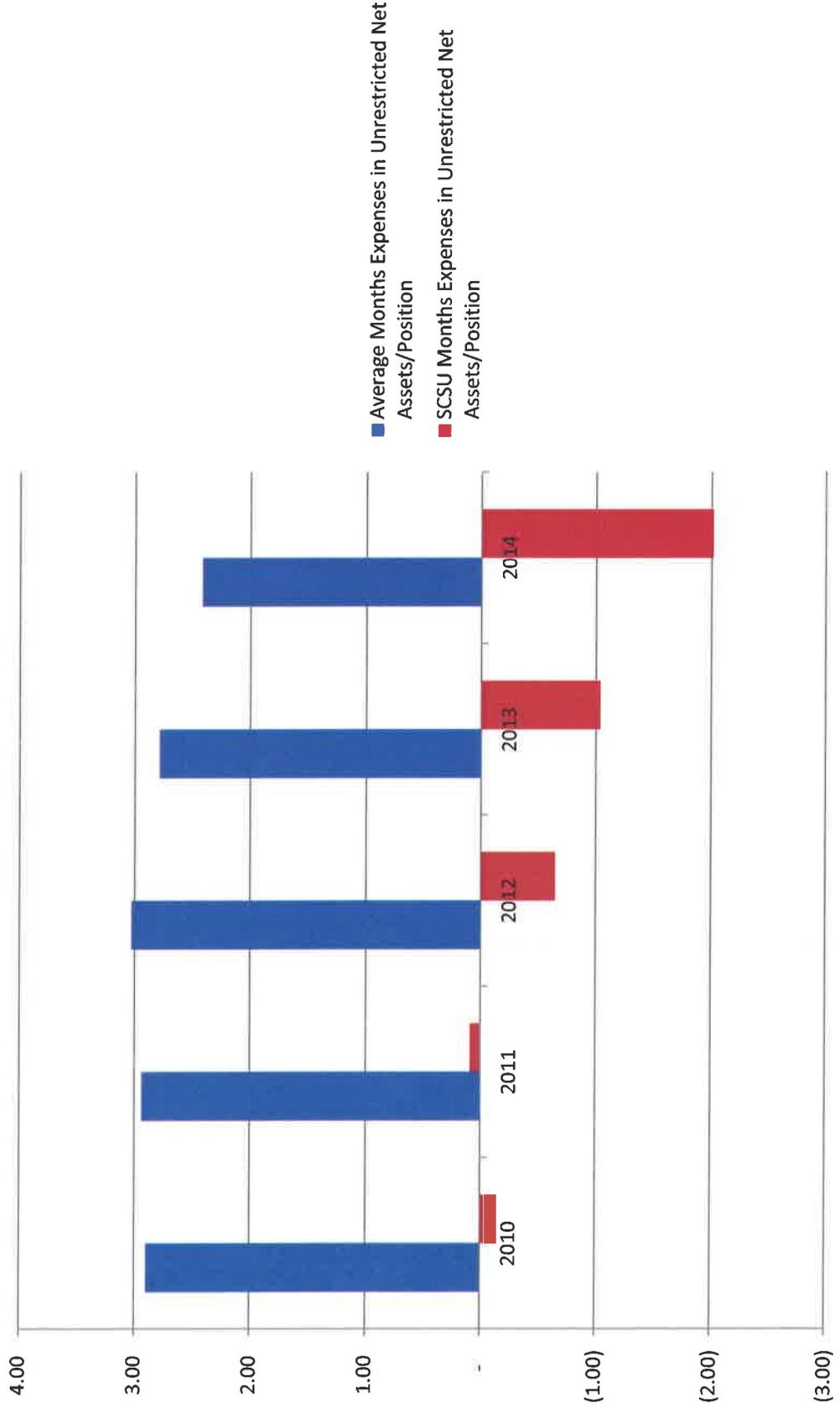
Short-term obligations

	Scenarios		
	1	2	3
Forecasted at 6/30/15:			
Ending AP and accrued expenses	\$ 21,995,326	\$ 15,995,326	\$ 11,495,326
Outstanding Budget and Control Board loan	-	6,000,000	6,000,000
Blue Ribbon loan installment advanced in January	1,500,000	1,500,000	1,500,000
Additional forecasted Blue Ribbon loan installments	-	-	4,500,000
	<u>\$ 23,495,326</u>	<u>\$ 23,495,326</u>	<u>\$ 23,495,326</u>

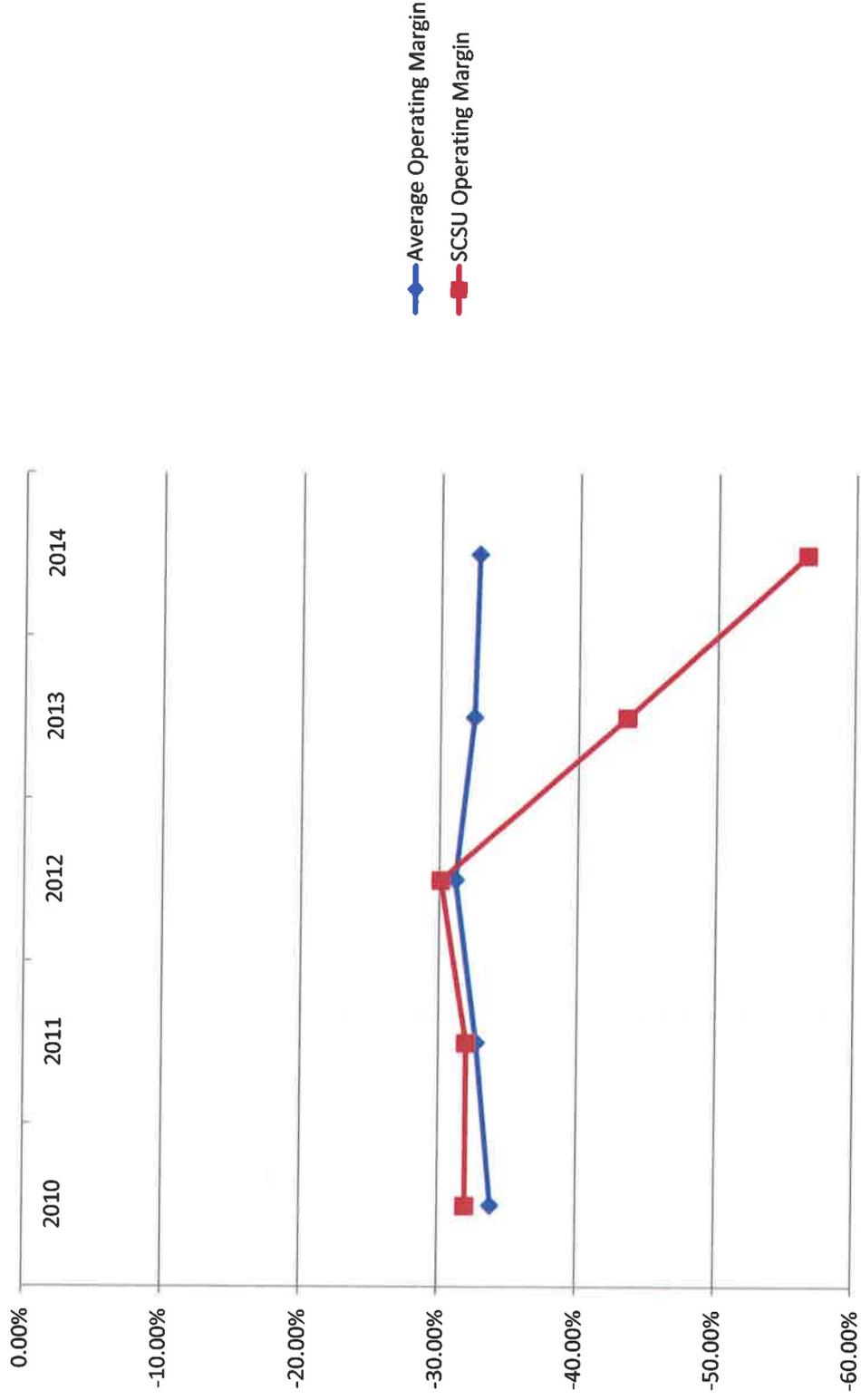
Available Cash

	Scenarios		
	1	2	3
Forecasted at 6/30/15:			
Total cash	\$ 15,746,403	\$ 16,496,403	\$ 16,496,403
Restricted cash	<u>(15,385,982)</u>	<u>(15,385,982)</u>	<u>(15,385,982)</u>
Unrestricted cash	<u>\$ 360,421</u>	<u>\$ 1,110,421</u>	<u>\$ 1,110,421</u>

Unrestricted Reserves



Operating Margin



Operating Margin

	2014	2013
<i>Operating loss (%)</i>		
SCSU	-56.50%	-43.50%
Average - SC Public Higher Ed Institutions	-32.66%	-32.43%
<i>Operating loss (\$)</i>		
SCSU		
Operating revenue	\$ 64,826,477	\$ 74,938,278
Operating expense	(101,455,821)	(107,536,649)
Operating loss	(36,629,344)	(32,598,371)
Average - SC Public Higher Ed Institutions	(21,172,327)	(24,302,484)
Improvement required to achieve composite	\$ 15,457,017	\$ 8,295,887



Conclusions

- During fiscal years 2014 and 2015, the University is forecasted to have accumulated approximately \$23.5 million in debt due to vendors and the State.
- A forecasted reduction in accounts payable and accrued expenses occurs only in **Scenario 3**, and is funded entirely by an additional \$4.5 million in advances from the State.
- The University is forecasted to have less than 5% of unrestricted cash needed to meet short-term obligations at June 30, 2015.
- Going forward the University will be required to significantly improve its operating margin in order to generate sufficient cash flows and build adequate reserves.

South Carolina State University

Statement of Forecasted Monthly Cash Flows and Accounts Payable and Accrued Expenses

***As of and for the five months ended June 30, 2015
(With comparative historical information
as of and for the seven months ended January 31, 2015)***

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Statement of Monthly Cash Flows and Accounts Payable and Accrued Expenses - Scenario 3	5
Summary of Significant Forecast Assumptions	6-14



Accountants' Compilation Report

South Carolina Budget and Control Board
1200 Senate Street
Columbia, South Carolina 29201

We have compiled the accompanying statements of forecasted monthly cash flows and accounts payable and accrued expenses (the accompanying forecasted information) of South Carolina State University (the University) as of and for each of the five months from February 2015 through June 2015, and as of and for the five months ended June 30, 2015 in accordance with attestation standards established by the American Institute of Certified Public Accountants. The accompanying forecasted information was prepared for use in estimating cash available to the University for its operations and debt service requirements during the period described above.

A compilation is limited to presenting forecasted information that is the representation of the University's management and does not include evaluation of the support for the assumptions and scenarios underlying the information. We have not examined the accompanying forecasted information and, accordingly, do not express an opinion or any other form of assurance on the forecasted information or the underlying assumptions and scenarios. Furthermore, there will usually be differences between forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

We have also compiled the accompanying comparative historical schedule of cash flows and accounts payable and accrued expenses (the historical schedule) of the University as of and for the seven months ended January 31, 2015. We have not audited or reviewed the accompanying comparative historical schedule and, accordingly, do not express an opinion or provide any assurance about whether the historical schedule is in accordance with accounting principles generally accepted in the United States of America.

University management is responsible for the preparation and fair presentation of the historical schedule in accordance with accounting principles generally accepted in the United States of America, and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the historical schedule.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of a historical schedule without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the historical schedule.

The accompanying forecasted information, the historical schedule, and this report are intended solely for the information and use of the South Carolina Budget and Control Board and South Carolina State University and are not intended to be and should not be used by anyone other than these specified parties.

Elliott Davis Decosimo, LLC

Columbia, South Carolina
March 12, 2015

South Carolina State University
 Statement of Forecasted Monthly Cash Flows and Accounts
 Payable and Accrued Expenses

SCENARIO 1

	Historical	Forecasted				
	As of and for the seven months ended	As of and for the five months ended June 30, 2015				
		January 31, 2015	Month			
			February	March	April	May
Operating activities						
Student tuition and fees, net	\$ 14,100,548	\$ 11,156,141	\$ 434,655	\$ 1,159,080	\$ 289,770	\$ 1,448,85
Grants and contracts	10,607,138	1,588,309	1,588,309	1,588,309	1,588,309	1,588,30
Sales and services, net	7,531,546	4,301,565	167,593	446,916	111,729	558,64
Receipts from other operating revenues	372,176	86,477	86,477	86,477	86,477	86,47
Payments to employees for salaries and benefits	(28,093,404)	(4,101,228)	(4,101,228)	(4,101,228)	(4,101,228)	(4,101,22
Payments to suppliers for goods and services	(15,606,447)	(2,234,879)	-	-	-	-
Payments to students for scholarships and fellowships	(7,908,410)	(5,179,380)	(201,794)	(538,117)	(134,529)	(672,64
Inflows from Federal direct loans	16,771,658	12,984,302	505,882	1,349,018	337,255	1,686,27
Outflows from Federal direct loans	(16,771,658)	(12,964,144)	(505,097)	(1,346,924)	(336,731)	(1,683,65
Loans issued to students	(277,631)	(77,089)	(3,003)	(8,009)	(2,002)	(10,01
Collection of loans issued to students	58,000	223,166	8,695	23,186	5,797	28,98
Receipts of funds held for others	2,840,048	47,926	1,867	4,979	1,245	6,22
Payments of funds held for others	(1,888,514)	(731,649)	(28,506)	(76,016)	(19,004)	(95,01
Net operating activities	(18,264,950)	5,099,517	(2,046,150)	(1,412,329)	(2,172,912)	(1,158,80
Non-capital financing activities						
State appropriations	18,635,475	303,062	303,062	303,062	303,062	303,06
Federal grants	5,128,202	4,835,297	188,388	502,369	125,592	627,96
Gifts	47,725	6,495	6,495	6,495	6,495	6,49
Proceeds from non-capital debt	1,500,000	-	-	-	-	-
Repayment of non-capital debt	-	-	-	-	-	(6,000,00
Repayment of aged vendor payables	-	-	-	-	-	-
Non-capital deferred maintenance	-	(60,000)	(60,000)	(60,000)	(60,000)	(60,00
Net non-capital financing activities	25,311,402	5,084,854	437,945	751,926	375,149	(5,122,48
Capital debt and related financing activities						
Purchase and construction of capital assets	(90,118)	-	-	-	-	-
Payments on capital asset related debt	(3,960,629)	(491,443)	(572,418)	(742,600)	(292,092)	(712,74
Net capital debt and financing activities	(4,050,747)	(491,443)	(572,418)	(742,600)	(292,092)	(712,74
Investing activities						
Interest on deposits and investments	38,424	38,200	38,200	38,200	38,200	38,20
Net investing activities	38,424	38,200	38,200	38,200	38,200	38,20
Change in total cash	3,034,129	9,731,128	(2,142,423)	(1,364,803)	(2,051,655)	(6,955,82
Beginning total cash	15,495,850	18,529,979	28,261,107	26,118,684	24,753,881	22,702,22
Ending total cash	18,529,979	28,261,107	26,118,684	24,753,881	22,702,226	15,746,40
Restricted cash	15,714,345	16,976,805	15,643,868	15,993,734	14,700,697	15,385,98
Unrestricted cash	\$ 2,815,634	\$ 11,284,302	\$ 10,474,816	\$ 8,760,147	\$ 8,001,529	\$ 360,42
Beginning accounts payable and accrued expenses						
Additions	\$ 13,911,101	\$ 12,857,475	\$ 12,863,326	\$ 15,071,326	\$ 17,279,326	\$ 19,487,32
Payments	14,585,551	2,208,000	2,208,000	2,208,000	2,208,000	2,508,00
Ending accounts payable and accrued expenses	(15,639,177)	(2,202,149)	-	-	-	-
	\$ 12,857,475	\$ 12,863,326	\$ 15,071,326	\$ 17,279,326	\$ 19,487,326	\$ 21,995,32

See Summary of Significant Forecast Assumptions and Independent Accountants' Compilation Report

South Carolina State University
Statement of Forecasted Monthly Cash Flows and Accounts
Payable and Accrued Expenses

SCENARIO 2

	Historical	Forecasted				
	As of and for the seven months ended January 31, 2015	As of and for the five months ended June 30, 2015				
		Month				
		February	March	April	May	June
Operating activities						
Student tuition and fees, net	\$ 14,100,548	\$ 11,156,141	\$ 434,655	\$ 1,159,080	\$ 289,770	\$ 1,448,8
Grants and contracts	10,607,138	1,588,309	1,588,309	1,588,309	1,588,309	1,588,3
Sales and services, net	7,531,546	4,301,565	167,593	446,916	111,729	558,6
Receipts from other operating revenues	372,176	86,477	86,477	86,477	86,477	86,4
Payments to employees for salaries and benefits	(28,093,404)	(3,951,228)	(3,951,228)	(3,951,228)	(3,951,228)	(3,951,2
Payments to suppliers for goods and services	(15,606,447)	(2,914,879)	(1,400,000)	(1,650,000)	(625,000)	(1,645,0
Payments to students for scholarships and fellowships	(7,908,410)	(5,179,380)	(201,794)	(538,117)	(134,529)	(672,6
Inflows from Federal direct loans	16,771,658	12,984,302	505,882	1,349,018	337,255	1,686,2
Outflows from Federal direct loans	(16,771,658)	(12,964,144)	(505,097)	(1,346,924)	(336,731)	(1,683,6
Loans issued to students	(277,631)	(77,089)	(3,003)	(8,009)	(2,002)	(10,0
Collection of loans issued to students	58,000	223,166	8,695	23,186	5,797	28,9
Receipts of funds held for others	2,840,048	47,926	1,867	4,979	1,245	6,2
Payments of funds held for others	(1,888,514)	(731,649)	(28,506)	(76,016)	(19,004)	(95,0
Net operating activities	(18,264,950)	4,569,517	(3,296,150)	(2,912,329)	(2,647,912)	(2,653,8
Non-capital financing activities						
State appropriations	18,635,475	303,062	303,062	303,062	303,062	303,0
Federal grants	5,128,202	4,835,297	188,388	502,369	125,592	627,9
Gifts	47,725	6,495	6,495	6,495	6,495	6,4
Proceeds from non-capital debt	1,500,000	-	-	-	-	-
Repayment of non-capital debt	-	-	-	-	-	-
Repayment of aged vendor payables	-	-	-	-	-	-
Non-capital deferred maintenance	-	(60,000)	(60,000)	(60,000)	(60,000)	(60,0
Net non-capital financing activities	25,311,402	5,084,854	437,945	751,926	375,149	877,5
Capital debt and related financing activities						
Purchase and construction of capital assets	(90,118)	-	-	-	-	-
Payments on capital asset related debt	(3,960,629)	(491,443)	(572,418)	(742,600)	(292,092)	(712,7
Net capital debt and financing activities	(4,050,747)	(491,443)	(572,418)	(742,600)	(292,092)	(712,7
Investing activities						
Interest on deposits and investments	38,424	38,200	38,200	38,200	38,200	38,2
Net investing activities	38,424	38,200	38,200	38,200	38,200	38,2
Change in total cash	3,034,129	9,201,128	(3,392,423)	(2,864,803)	(2,526,655)	(2,450,8
Beginning total cash	15,495,850	18,529,979	27,731,107	24,338,684	21,473,881	18,947,2
Ending total cash	18,529,979	27,731,107	24,338,684	21,473,881	18,947,226	16,496,4
Restricted cash	15,714,345	16,976,805	15,643,868	15,993,734	14,700,697	15,385,9
Unrestricted cash	\$ 2,815,634	\$ 10,754,302	\$ 8,694,816	\$ 5,480,147	\$ 4,246,529	\$ 1,110,4
Beginning accounts payable and accrued expenses						
Additions	14,585,551	2,208,000	2,208,000	2,208,000	2,208,000	2,508,0
Payments	(15,639,177)	(2,882,149)	(1,400,000)	(1,650,000)	(625,000)	(1,645,0
Ending accounts payable and accrued expenses	\$ 12,857,475	\$ 12,183,326	\$ 12,991,326	\$ 13,549,326	\$ 15,132,326	\$ 15,995,3

See Summary of Significant Forecast Assumptions and Independent Accountants' Compilation Report

South Carolina State University
Statement of Forecasted Monthly Cash Flows and Accounts
Payable and Accrued Expenses

SCENARIO 3

	Historical	Forecasted				
	As of and for the seven months ended January 31, 2015	As of and for the five months ended June 30, 2015				
		Month				
		February	March	April	May	June
Operating activities						
Student tuition and fees, net	\$ 14,100,548	\$ 11,156,141	\$ 434,655	\$ 1,159,080	\$ 289,770	\$ 1,448,8
Grants and contracts	10,607,138	1,588,309	1,588,309	1,588,309	1,588,309	1,588,3
Sales and services, net	7,531,546	4,301,565	167,593	446,916	111,729	558,6
Receipts from other operating revenues	372,176	86,477	86,477	86,477	86,477	86,4
Payments to employees for salaries and benefits	(28,093,404)	(3,951,228)	(3,951,228)	(3,951,228)	(3,951,228)	(3,951,2
Payments to suppliers for goods and services	(15,606,447)	(2,914,879)	(1,400,000)	(1,650,000)	(625,000)	(1,645,0
Payments to students for scholarships and fellowships	(7,908,410)	(5,179,380)	(201,794)	(538,117)	(134,529)	(672,6
Inflows from Federal direct loans	16,771,658	12,984,302	505,882	1,349,018	337,255	1,686,2
Outflows from Federal direct loans	(16,771,658)	(12,964,144)	(505,097)	(1,346,924)	(336,731)	(1,683,6
Loans issued to students	(277,631)	(77,089)	(3,003)	(8,009)	(2,002)	(10,0
Collection of loans issued to students	58,000	223,166	8,695	23,186	5,797	28,9
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Net operating activities	(18,264,950)	4,569,517	(3,296,150)	(2,912,329)	(2,647,912)	(2,653,8
Non-capital financing activities						
State appropriations	18,635,475	303,062	303,062	303,062	303,062	303,0
Federal grants	5,128,202	4,835,297	188,388	502,369	125,592	627,9
Gifts	47,725	6,495	6,495	6,495	6,495	6,4
Proceeds from non-capital debt	1,500,000	-	1,500,000	-	1,500,000	1,500,0
Repayment of non-capital debt	-	-	-	-	-	-
Repayment of aged vendor payables	-	-	(1,500,000)	-	(1,500,000)	(1,500,0
Non-capital deferred maintenance	-	(60,000)	(60,000)	(60,000)	(60,000)	(60,0
Net non-capital financing activities	25,311,402	5,084,854	437,945	751,926	375,149	877,5
Capital debt and related financing activities						
Purchase and construction of capital assets	(90,118)	-	-	-	-	-
Payments on capital asset related debt	(3,960,629)	(491,443)	(572,418)	(742,600)	(292,092)	(712,7
Net capital debt and financing activities	(4,050,747)	(491,443)	(572,418)	(742,600)	(292,092)	(712,7
Investing activities						
Interest on deposits and investments	38,424	38,200	38,200	38,200	38,200	38,2
Net investing activities	38,424	38,200	38,200	38,200	38,200	38,2
Change in total cash	3,034,129	9,201,128	(3,392,423)	(2,864,803)	(2,526,655)	(2,450,8
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Restricted cash	15,714,345	16,976,805	15,643,868	15,993,734	14,700,697	15,385,9
Unrestricted cash	\$ 2,815,634	\$ 10,754,302	\$ 8,694,816	\$ 5,480,147	\$ 4,246,529	\$ 1,110,4
Beginning accounts payable and accrued expenses						
Additions	14,585,551	2,208,000	2,208,000	2,208,000	2,208,000	2,508,0
Payments	(15,639,177)	(2,882,149)	(2,900,000)	(1,650,000)	(2,125,000)	(3,145,0
Ending accounts payable and accrued expenses	\$ 12,857,475	\$ 12,183,326	\$ 11,491,326	\$ 12,049,326	\$ 12,132,326	\$ 11,495,3

See Summary of Significant Forecast Assumptions and Independent Accountants' Compilation Report

Note A. Nature and Limitation of Forecasts

The accompanying forecasted information of South Carolina State University (the University) presents, to the best of the knowledge and belief of the University's administration (management), the forecasted monthly cash flows and accounts payable and accrued expenses of the University as of and for each of the five months from February 2015 through June 2015, and as of and for the five months ended June 30, 2015. The forecast reflects management's judgment as of March 12, 2015, the date of this forecast, of the expected conditions and management's expected course of action. Actual results are likely to differ from the forecasted results because events and circumstances frequently do not occur as expected. Those differences may be material. The forecast was prepared for use in estimating cash available to the University for its operations and debt service requirements for the period from February 1, 2015 through June 30, 2015.

Note B. Basis of Accounting

The presentations of monthly cash flows for the seven months ended January 31, 2015 portray results using accounting principles generally accepted in the United States of America.

Note C. Scenarios 1 through 3

The accompanying forecasted information of the University has been presented below in three separate scenarios, each incorporating different assumptions related to specific line items as follows:

Scenario 1: Assumes that prior to June 30, 2015, the University will remit \$6 million as *Repayment of non-capital debt* to repay the State of South Carolina (the State) for a Recovery Loan advanced to the University during fiscal year 2014. This scenario further assumes that:

- *No mandatory furlough takes effect during fiscal year 2015 to reduce Payments to employees for salaries and benefits,*
- *None of the \$4.5 million in additional Proceeds from non-capital debt would be advanced to the University, as recommended by the Blue Ribbon Advisory Committee, prior to June 30, 2015, and*
- *Payments to vendors are withheld for the period from mid-February through June, resulting in accounts payable and accrued expenses increasing to approximately \$22.0 million by June 30, 2015.*

Scenario 2: Assumes that a mandatory furlough takes effect during fiscal year 2015, in time to result in approximately \$750,000 in additional reductions to *Payments to employees for salaries and benefits.* This scenario further assumes that:

- *The University does not remit \$6 million as Repayment of non-capital debt, to repay the State for the Recovery Loan, and*
- *None of the \$4.5 million in additional Proceeds from non-capital debt would be advanced to the University, as recommended by the Blue Ribbon Advisory Committee, prior to June 30, 2015.*

Note C. Scenarios 1 through 3, Continued

Scenario 3: Assumes that prior to June 30, 2015, the University will receive \$4.5 million in additional *Proceeds from non-capital debt*, as recommended by the Blue Ribbon Advisory Committee, and that these proceeds will be disbursed by the University as *Repayment of aged vendor payables* to reduce the University's outstanding accounts payable and accrued expenses from approximately \$13.9 million as of June 30, 2014, to approximately \$11.5 million by June 30, 2015. This scenario further assumes that:

- The mandatory furlough *does* take effect during fiscal year 2015, in time to result in approximately \$750,000 in additional reductions to *Payments to employees for salaries and benefits*, and
- The University does *not* remit \$6 million as *Repayment of non-capital debt* to repay the State for the Recovery Loan

Under each of the three scenarios, the University's forecasted combined debt outstanding to its vendors and the State remains at approximately \$23.5 million at June 30, 2015.

A forecasted reduction in accounts payable and accrued expenses occurs only in *Scenario 3* and is funded entirely by an additional \$4.5 million in advances from the State.

All other assumptions as described below are common to all three scenarios, unless otherwise stipulated.

Note D. Restricted Cash

Monthly balances of restricted cash have been estimated as the difference between monthly total forecasted cash and management's monthly estimate of unrestricted cash. Restricted cash includes funds for which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. Restricted cash also includes endowments and similar type funds for which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Due to these limitations, restricted cash is substantially unavailable to repay accounts payable and accrued expenses as reflected in the forecast, as management has determined that the related expenses do not meet the externally imposed restrictions.

Management estimates that restricted cash as of June 30, 2015 consists of the following classifications:

Endowments	\$ 738,138
Debt service	4,722,112
Capital projects	1,968,219
Public Service Activities	7,953,701
Other	<u>3,812</u>
	<u>\$ 15,385,982</u>

Note E. State-funded Payments to Vendors

As of January 31, 2015, the University had remitted approximately \$15.6 million in payments to vendors. Approximately \$3.8 million of these payments were funded by cash received from the State as follows:

- Recovery loan proceeds (as described in *Scenario 1* above) \$2.3 million
- First installment of the Blue Ribbon Committee loan (as described in *Scenario 3* above) \$1.5 million

Note F. Major Operating Activities

Student tuition and fees, net - For fiscal year 2015, management estimates that the University will collect approximately \$28.6 million in tuition and fees based on the following factors:

- Annual tuition collections have averaged approximately 98% of net tuition revenue per the University's audited financial statements for fiscal years 2009 through 2014.
- For fiscal year 2015, the University has budgeted tuition and fees revenue of approximately \$29.2 million, net of a 22% scholarship allowance.
- For the period from July 1, 2014 through January 31, 2015, the University reported historical collections of tuition revenue of approximately \$14.1 million or 49% of total estimated collections for fiscal year 2015.

Forecasted monthly collections for tuition and fees have been estimated by applying the percentages below to the difference between the University's estimated total tuition and fees collections for fiscal year 2015 and total collections for the period from July 1, 2014 through January 31, 2015. These percentages are based on historical monthly collections for the period from February 2014 through June 2014:

February	77%
March	3%
April	8%
May	2%
June	10%

Grants and contracts - There has been an average annual decline in grant and contract revenue of 12% over the past five fiscal years and an average annual decline of 20% for fiscal years 2013 and 2014. Grant and contract revenue has averaged 58% of gross tuition and fees revenue for 2013 and 2014, and annual cash flows from grants and contracts have averaged approximately 102% of related revenues over the past five fiscal years. For the period from July 2013 through December 2013, the University reported grant and contract revenue of approximately \$10.8 million, or 52% of the total \$20.6 million in contract and grant revenue reported for fiscal year 2014. Using this percentage, contract and grant revenue for fiscal year 2015 has been estimated at approximately \$18.5 million based on revenue reported through December 2014 of approximately \$9.7 million.

South Carolina State University
Summary of Significant Forecast Assumptions

Note F. Major Operating Activities, Continued

Management anticipates that these cash inflows will be received from the programs and agencies as reflected below, with a comparison to actual receipts for fiscal year 2014:

Program	Fiscal year 2015 receipts - estimated	Fiscal year 2014 receipts - actual
Federal:		
Institutional support	\$ 4,848,990	\$ 5,199,334
Instruction	2,311,750	2,478,776
Research	3,999,363	4,288,321
Public Service	2,526,238	2,708,761
Academic Support	194,669	212,709
Student Services	248,995	276,852
Operations & Maintenance	294,266	345,832
Scholarships	99,598	112,247
Sub-total - Federal	14,523,869	15,622,832
State:		
SC Department of Education	163,764	325,806
SC Teaching Fellows - L550420	14,057	15,525
SC Need Base L048738	664,816	847,450
Hope Scholarships L-048741	171,489	198,800
SC Life Scholar FY 2008	1,369,436	1,700,037
SC Palmetto Fellows FY 2008	15,845	35,000
SC National Guard CAP	48,894	60,971
AATLP Loan Fund L063050	79,609	87,924
EIA Loan Fund	307,380	339,482
College of Business - Special Appropriations	253,073	279,504
CHE Higher Education Excellence Program	450,233	497,256
Clemson - Call Me Mister	142,153	174,905
Other Funding Sources	226,359	289,736
Sub-total - State	3,907,108	4,852,396
Non-governmental:		
WSSB Funding	108,652	119,847
Other Funding Sources	9,054	14,093
Sub-total - Non-governmental	117,706	133,940
Total contracts and grants	\$ 18,548,683	\$ 20,609,168

Forecasted monthly collections of grants and contracts revenue have been estimated by comparing the University's estimated total collections of contracts and grants revenue for fiscal year 2015 to the total paid for the period from July 1, 2014 through January 31, 2015. The resulting difference was amortized equally over the remaining five months from February 2015 through June 2015.

Sales and services, net - Sales and services, net revenue has averaged 35% of gross tuition revenue over the past six fiscal years and annual cash flows from sales and services, net have averaged approximately 104% of related revenues during the same period. Based on these trends, cash flows from sales and services, net have been estimated at approximately \$13.1 million for fiscal year 2015.

Forecasted monthly payments related to sales and services have been estimated using the same percentages reflected above for tuition collections.

Note F. Major Operating Activities, Continued

Payments to employees for salaries and benefits (compensation expense) - Compensation expense has averaged 140% of gross tuition and fees revenue and 50% of total operating expense, respectively, over the past six fiscal years and annual cash paid for compensation has averaged approximately 100% of related expenses during the same period. Compensation paid for the period from July 1, 2014 through January 31, 2015 was approximately \$28.1 million or 58% of total compensation expense budgeted by the University for fiscal year 2015.

Based on these historical trends, cash paid for compensation expense has been estimated at approximately \$48.6 million for fiscal year 2015. This amount does not reflect the effects of a potential mandatory furlough as described in *Scenario 2* on page six.

Forecasted monthly payments for compensation expense have been estimated by comparing the University's estimated total cash to be paid in compensation for fiscal year 2015 to the total paid for the period from July 1, 2014 through January 31, 2015. The resulting difference was amortized equally over the remaining five months from February 2015 through June 2015.

Payments to suppliers for goods and services (services and supplies and utilities expense) - Services and supplies expense has averaged 74% of gross tuition revenue and 28% of total operating expense, respectively, over the past six fiscal years. Utilities expense has averaged 2% of the historical cost of the University's buildings and 3% of total operating expense, respectively, over the past six fiscal years. Total expense for services and supplies and utilities expense for the period from July 1, 2014 through January 31, 2015 was approximately \$14.6 million, or 56% of the amount budgeted by the University for fiscal year 2015. Annual cash paid for services and supplies and utilities has averaged approximately 98% of related expenses for fiscal years 2009 through 2013, but declined to only 74% for fiscal year 2014, as payments to vendors were significantly delayed in order to conserve available cash.

Based on these historical trends, cash to be paid to suppliers for goods and services and utilities has been estimated at approximately \$23.8 million for fiscal year 2015. This assumes that the University will pay suppliers as new payables become due during the period February 1, 2015 through June 30, 2015.

Forecasted monthly payments for services and supplies and utilities have been estimated by comparing the University's estimated total cash to be paid to suppliers for goods and services and utilities for fiscal year 2015 to the total paid for the period from July 1, 2014 through January 31, 2015. The resulting difference was allocated monthly to February 2015 through June 2015 based on management's estimate of unrestricted cash available to pay vendors.

Payments to students for scholarships and fellowships - Scholarship expense has averaged 36% of gross tuition revenue and 14% of total operating expense, respectively, over the past six fiscal years, and annual cash paid to students for refunds, loans, grants and scholarships has averaged approximately 100% of scholarship expenses during the same period.

Based on these historical trends, cash paid for scholarships has been estimated at approximately \$14.6 million for fiscal year 2015.

Forecasted monthly payments related to scholarships have been estimated using the same percentages reflected on page 8 for tuition collections.

South Carolina State University
Summary of Significant Forecast Assumptions

Note G. Major Non-Capital Financing Activities

State Appropriations - State appropriations are based on amounts reflected in the ratified budget for the State for fiscal year 2015 and on amounts disbursed from the State to the University through January 31, 2015.

Management anticipates that approximately \$20.2 million in State appropriations will be received for fiscal year 2015 as reflected below, with a comparison to actual receipts for fiscal year 2014:

Description	Fiscal year 2015 receipts - estimated	Fiscal year 2014 receipts - actual
State Appropriations - Operations	\$ 13,782,019	\$ 12,459,350
PSA/P21 (1890 Extension & Research)	3,349,067	3,020,244
Educ Lottery Proceeds	2,500,000	2,500,000
Technology Funds	364,857	422,737
	19,995,943	18,402,331
Capital Appropriations	154,842	518,277
	<u>\$ 20,150,785</u>	<u>\$ 18,920,608</u>

Forecasted monthly collections of state appropriations have been estimated by comparing the University's estimated total collections of state appropriations for fiscal year 2015 to the total paid for the period from July 1, 2014 through January 31, 2015. The resulting difference was amortized equally over the remaining five months from February 2015 through June 2015.

Federal grants - Federal grants revenue has averaged 27% of gross tuition revenue over the past six fiscal years, and annual cash flows from federal grants have averaged approximately 100% of related revenues during the same period. Based on these historical trends, cash flows from federal grants have been estimated at approximately \$11.4 million for fiscal year 2015.

Management anticipates that cash inflows from federal grants will be received from the following programs and agencies, with a comparison to receipts for fiscal year 2014:

Program/Federal Agency	Fiscal year 2015 receipts - estimated	Fiscal year 2014 receipts - actual
Pell Grants	\$ 10,363,857	\$ 10,063,786
SEOG	703,965	703,965
Federal Workstudy	269,987	269,984
Community Services	70,000	69,140
	<u>\$ 11,407,809</u>	<u>\$ 11,106,875</u>

Forecasted monthly collections of federal grants have been estimated using the same percentages reflected on page 8 for tuition collections.

Note G. Major Non-Capital Financing Activities, Continued

Proceeds from non-capital debt - On January 8, 2015, the University and the State entered into an inter-agency loan agreement which permitted the University to borrow \$12 million from the State. The loan is to be advanced to the University over the next three years. \$6 million is available to the University in fiscal year 2015, payable in quarterly installments. \$4 million is available in a lump sum payment as soon as practicable during fiscal 2016 and \$2 million is available in a lump sum payment as soon as practicable during fiscal year 2017. The University received its first installment of \$1.5 million during January 2015. Future advances of the remaining \$4.5 million for fiscal year 2015 are subject to certain conditions including the following:

- The University's fiscal year 2015 budget is not in deficit status at the time of the installment payment as determined by the Working Group of the Advisory Committee established pursuant to Proviso 19.2 of the 2014-2015 Appropriations Act, and
- The University is not projected by the Executive Budget Office based on a cash flow analysis to enter deficit status during the quarter, or
- The Working Group certifies that the University has taken necessary corrective action to bring its budget out of deficit status.

The remaining \$4.5 million is assumed to be advanced prior to June 30, 2015 under *Scenario 3* as described on page 7. The lump sum payments available during fiscal years 2016 and 2017 are contingent upon the University's Board of Trustees adopting a balanced budget.

Repayment of non-capital debt - In fiscal year 2014, the University entered into a loan (the Recovery Loan) with the State. Total borrowings under the Recovery Loan were \$6 million. Per the terms of the Recovery Loan the University is obligated to repay the \$6 million on or before June 30, 2015. In *Scenario 1* as described on page 6, it is assumed that the University will repay the entire \$6 million prior to June 30, 2015.

Repayment of aged vendor payables - During fiscal year 2014, the University's accounts payable and accrued expenses increased from \$5.9 million at June 30, 2013 to \$13.9 million at June 30, 2014. In *Scenario 3* as described on page 7, it is assumed that the University will receive \$4.5 million in *Proceeds from non-capital debt*, and that these proceeds will be used in full to reduce aged vendor payables.

South Carolina State University
Summary of Significant Forecast Assumptions

Note G. Major Non-Capital Financing Activities, Continued

Non-capital deferred maintenance - Management has identified the following maintenance items that may require attention in order to adequately maintain the University's facilities for the remainder of fiscal year 2015:

Deferred Maintenance Item	Fiscal year 2015 expenses - estimated
Student Center	\$ 120,000
Hodge/Davis Steam	175,000
Bradham Manning Demo	340,500
Earle Hall	60,000
Steam Vault at Lance/Geathers	25,000
SHM	350,000
Campus Generator Repairs	45,000
Paving/Storm Drain	125,000
Fire Alarm Upgrades	80,000
Turner Hall Roof	200,000
	<u>\$ 1,520,500</u>

However, due to lack of available cash, management has committed to forecasting only \$300,000 through June 30, 2015 to address the most critical of these deferred maintenance needs.

Note H. Capital Debt and Related Financing Activities

Payments on capital asset related debt - Payments for debt service of long-term obligations reflect future maturities of principal and interest by obligation for fiscal year 2015 as follows:

	Principal	Interest	Total
Energy Stimulus Loan	\$ 41,525	\$ -	\$ 41,525
Notes Payable – Student Housing Part II	911,327	1,951,505	2,862,832
Note Payable – Master Lease Note 1	68,558	8,342	76,900
Note Payable – Master Lease Note 2	47,809	5,691	53,500
Note Payable – Master Lease Note 3	96,239	14,385	110,624
Note Payable – Master Lease Note 4	167,147	43,927	211,074
Note Payable – Master Lease Note 5	605,445	100,779	706,224
General Obligation Bonds Series 2003G & 2006D	1,580,000	1,129,244	2,709,244
	<u>\$ 3,518,050</u>	<u>\$ 3,253,873</u>	<u>\$ 6,771,923</u>

The above amounts are as reported in the footnotes to the University's audited financial statements for fiscal year 2014.

Note I. Other Cash Flows

Cash inflows and cash outflows for each of the following categories below were estimated by applying average percentages to anticipated gross tuition revenue for fiscal year 2015 of approximately \$37.4 million. These percentages were computed by comparing the respective annual cash inflow/outflow (numerator) to annual gross tuition revenue (denominator) for each of the fiscal years from 2009 through 2013.

- Inflows from Federal direct loans
- Outflows from Federal direct loans
- Loans issued to students
- Collection of loans to students
- Receipts of funds held for others
- Payments of funds held for others

Forecasted monthly cash inflows and cash outflows related to the categories above have been estimated using the same percentages reflected above for tuition collections.

Note J. Compliance Assumptions

The forecast assumes that since June 30, 2014:

- the University has complied with all applicable debt covenants, and no violations will occur through June 30, 2015 that would cause outstanding long-term debt to become due on demand.
- the University has complied with all applicable federal grant requirements, and no instances of noncompliance will occur through June 30, 2015 that would result in a liability to granting agencies, and
- the University has complied with all other applicable grants, contracts, laws and regulations, and no instances of noncompliance will occur through June 30, 2015 that would result in a related liability.

STATE BUDGET AND CONTROL BOARD
MEETING OF March 18, 2015

REGULAR SESSION
ITEM NUMBER 2

AGENCY: South Carolina State University

SUBJECT: Request to Modify Repayment Terms of Budget and Control Board Interagency
Loan Resolution

Consider a request from South Carolina State University to modify repayment terms of a Budget and Control Board interagency loan of April 30, 2014 to South Carolina State University.

BOARD ACTION REQUESTED:

Consider a request from South Carolina State University to modify repayment terms of a Budget and Control Board interagency loan of April 30, 2014.

ATTACHMENTS:

Evans 3/16/15 letter



South Carolina State University

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ORANGEBURG, SOUTH CAROLINA 29117-0001
(803) 536-7013

OFFICE OF THE PRESIDENT

FAX: (803) 533-3622

March 16, 2015

Ms. Marcia S. Adams
Executive Director
South Carolina Budget and Control Board
P.O. Box 12444
Columbia, SC 29211

Dear Ms. Adams:

As you are aware, I assumed the role of Acting President of South Carolina State University on the afternoon of February 23, 2015. Since that time, I have had the pleasure of meeting with you and having several conversations regarding pending and upcoming matters with the Budget and Control Board. The university received a \$6 million loan from the Budget and Control Board and was provided a resolution to repay this loan by the end of the 2014-2015 fiscal year.

The current academic year has been one of challenges, but South Carolina State University continues to work towards reaching the financial stability it once attained. The \$6 million came at a critical time, and those funds were used to meet payroll, debt service obligations, and to pay a portion of the severely delinquent vendor invoices that were outstanding at that time. Because our enrollment goal was not achieved as expected, the university has taken steps to reduce expenditures and operating costs; however, the university has not been able to eliminate all of the debt owed to our vendors.

If the university is required to repay the \$6 million loan at the end of this fiscal year, such an action would have an adverse effect on the institution. Several strategies for maintaining a balanced budget, such as a furlough and additional funds from the Blue Ribbon Panel, have not been realized to date. Despite my having to step into the chief executive role for the university, I have been working extremely hard with the administration and staff to chart a path toward fiscal responsibility and accountability. Therefore, I am prayerfully and respectfully requesting that repayment of the \$6 million loan be extended over a five to seven year period. The university anticipates receiving additional funds from the Blue Ribbon Panel, but those funds were also

awarded as a loan and will have to be repaid. While the funds are much needed, and the assistance greatly appreciated, the short repayment term is negatively impacting the financial ratios which in turn has had a negative impact on our ability to demonstrate financial stability with our accrediting body, the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC).

I humbly ask that you will favorably consider my request for an extension in repaying the loan.

Sincerely,



W. Franklin Evans, Ph.D.
Acting President

cc: SCSU Board of Trustees

AGENCY: Division of General Services

SUBJECT: SC Department of Social Services Lease - Florence

The SC Department of Social Services (DSS) requests approval to continue leasing 18,073 rentable square feet (combining two current leases) located at 2120 Jody Road, Suites A and D, in Florence from Twenty-One Twenty Partners, a South Carolina based company, for their Child Support Enforcement and Intensive Foster Care and Clinical Services divisions.

A solicitation was conducted and two (2) responses were received, of which the selected location represents the lowest bid including moving costs. The initial lease term will be five (5) years beginning April 1, 2015, at a rate of \$12.87 per square foot. Additionally, the agency will not be responsible for any operating expense escalations. Total costs for the term of the lease are represented in the chart below:

Initial Term	Period (From-To)	Annual Rent	Rent per SF	Max Potential Excess Operating Costs
YEAR 1	04-01-2015 to 03-31-2016	\$232,599.51	\$12.87	\$0.00
YEAR 2	04-01-2016 to 03-31-2017	\$232,599.51	\$12.87	\$0.00
YEAR 3	04-01-2017 to 03-31-2018	\$232,599.51	\$12.87	\$0.00
YEAR 4	04-01-2018 to 03-31-2019	\$232,599.51	\$12.87	\$0.00
YEAR 5	04-01-2019 to 03-31-2020	\$232,599.51	\$12.87	\$0.00
Total		\$1,162,997.55		

The lease includes free surface lot parking sufficient for staff and customers. The following table represents comparable lease rates of similar business space in the Florence area:

AGENCY: Division of General Services

SUBJECT: SC Department of Social Services Lease - Florence

Agency	Address	Lease Term	Initial Rate/SF	Final Rate/SF	Max Potential Excess Operating Costs
Continuum of Care	2120 Jody Road, Suite E	11/1/13- 10/31/18	\$12.87	\$12.87	\$0.00
Department of Health and Human Services	201 N. Dozier Boulevard	5/1/14- 4/30/19	\$12.55	\$12.55	\$12,375 Over 5 years
Department of Revenue	1452 West Evans Street	10/1/11- 9/30/18	\$12.75	\$12.75	\$11,066 Over 7 years
Department of Transportation	2120 Jody Road, Suite B	3/1/15- 2/28/20	\$13.40	\$13.40	0.00

There are adequate funds for the lease according to a Budget Approval Form and multi-year plan submitted by the Agency. The lease was approved by JBRC at its February 24, 2015 meeting.

BOARD ACTION REQUESTED:

Approve the proposed 5 year lease for DSS at 2120 Jody Road in Florence.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Section 1-11-55 and 1-11-56

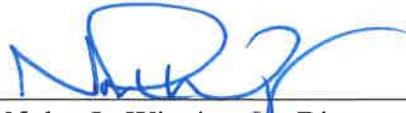
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: March 18, 2015

REGULAR AGENDA

1. Submitted by:

- (a) Agency: Division of General Services
- (b) Authorized Official Signature:


Nolan L. Wiggins, Jr., Director

2. Subject: SC Department of Social Services Lease - Florence

3. Summary Background Information:

The SC Department of Social Services (DSS) requests approval to continue leasing 18,073 rentable square feet (combining two current leases) located at 2120 Jody Road, Suites A and D, in Florence from Twenty-One Twenty Partners, a South Carolina based company, for their Child Support Enforcement and Intensive Foster Care and Clinical Services divisions.

A solicitation was conducted and two (2) responses were received, of which the selected location represents the lowest bid including moving costs. The initial lease term will be five (5) years beginning April 1, 2015, at a rate of \$12.87 per square foot. Additionally, the agency will not be responsible for any operating expense escalations. Total costs for the term of the lease are represented in the chart below:

Initial Term	Period (From-To)	Annual Rent	Rent per SF	Max Potential Excess Operating Costs
YEAR 1	04-01-2015 to 03-31-2016	\$232,599.51	\$12.87	\$0.00
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YEAR 3	04-01-2017 to 03-31-2018	\$232,599.51	\$12.87	\$0.00
YEAR 4	04-01-2018 to 03-31-2019	\$232,599.51	\$12.87	\$0.00
YEAR 5	04-01-2019 to 03-31-2020	\$232,599.51	\$12.87	\$0.00
Total		\$1,162,997.55		

The lease includes free surface lot parking sufficient for staff and customers. The following table represents comparable lease rates of similar business space in the Florence area:

Agency	Address	Lease Term	Initial Rate/SF	Final Rate/SF	Max Potential Excess Operating Costs
Continuum of Care	2120 Jody Road, Suite E	11/1/13-10/31/18	\$12.87	\$12.87	\$0.00
Department of Health and Human Services	201 N. Dozier Boulevard	5/1/14-4/30/19	\$12.55	\$12.55	\$12,375 Over 5 years
Department of Revenue	1452 West Evans Street	10/1/11-9/30/18	\$12.75	\$12.75	\$11,066 Over 7 years
Department of Transportation	2120 Jody Road, Suite B	3/1/15-2/28/20	\$13.40	\$13.40	0.00

There are adequate funds for the lease according to a Budget Approval Form and multi-year plan submitted by the Agency. The lease was approved by JBRC at its February 24, 2015 meeting.

4. What is the Board asked to do? Approve the proposed 5 year lease for DSS at 2120 Jody Road in Florence.

5. What is recommendation of the Division of General Services? Recommend approval of the proposed 5 year lease for DSS at 2120 Jody Road in Florence.

6. List of Supporting Documents:

- SC Code of Laws Section 1-11-55 and 1-11-56

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

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

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

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

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

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

HISTORY: 1997 Act No. 153, Section 2; 2002 Act No. 333, Section 1; 2002 Act No. 356, Section 1, Pt VI.P(1); 2011 Act No. 74, Pt VI, Section 13, eff August 1, 2011; 2013 Act No. 31, Section 1, eff May 21, 2013.

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

The State Budget and Control Board, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of state agencies. The board's regulations, upon General Assembly approval, shall include procedures for:

- (1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;
- (2) establishing standards for the quality and quantity of space to be leased by a requesting agency;
- (3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:
 - (a) a nonappropriation for the renting agency,
 - (b) a dissolution of the agency, and
 - (c) the availability of public space in substitution for private space being leased by the agency;
- (4) rejecting an agency's request for additional space or space at a specific location, or both;
- (5) directing agencies to be located in public space, when available, before private space can be leased;
- (6) requiring the agency to submit a multi-year financial plan for review by the board's budget office with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period; and
- (7) requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period.

HISTORY: 1997 Act No. 153, Section 2.

AGENCY: Executive Budget Office

SUBJECT: Permanent Improvement Projects

Budget and Control Board approval is requested for 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 5-2015: JBRC Item 1. Budget and Control Board
Project: 9945, Dennis Building Elevator Modernization
Funding Source: \$13,125 Other, Depreciation Reserve funds, which are derived from the rent account which receives rent charged to state agencies for use of state buildings.
Request: Establish project and budget for \$13,125 (Other, Depreciation Reserve funds) to begin design work to renovate five elevators and associated control systems in the Dennis Building on the Statehouse Complex. The Dennis building is 61 years old and houses the Attorney General's Office, the Revenue and Fiscal Affairs Authority, the Department of Natural Resources and other state agencies. The 41 year old elevator system serves 750 staff who work in the building as well as visitors to the building. The project will include the renovation of approximately 1,440 square feet, including three elevator control rooms, four passenger elevators and one freight elevator. Modernization of the elevator system will allow for increased reliability and efficiency in the routing of the elevators.
- (b) Summary 5-2015A: JBRC Item 6. Department of Mental Health
Project: 9739, State Veterans Nursing Home Construction Northeast Region
Funding Source: \$250,000 Other, Capital Improvement and Maintenance Funds which are funds authorized pursuant to Proviso 35.14 of FY 2014 and may include Medicaid fee-for service earned revenue, legal settlements and other one-time funding sources.
Request: Establish project and budget for \$250,000 (Other, Capital Improvement and Maintenance Funds) to begin design work to construct a 108 bed veterans nursing home in the Department of Mental Health's Northeast Region. The new facility will have all private rooms and will include a kitchen, dining facilities, treatment and therapy spaces, and a facility for mechanical and electrical equipment. The FY 2014-15 General Appropriations Bill, per Proviso 35.13, directed the Department of Mental Health, in conjunction with the Governor's Office Division of Veterans Affairs, to conduct a feasibility study to determine whether there is a need for additional veterans nursing homes in

AGENCY: Executive Budget Office

SUBJECT: Permanent Improvement Projects

the state. The study has revealed a need for additional beds specifically for veterans. The agency initially planned to construct a 220 bed facility in the Central Region, but during the A&E process determined that three regional centers would be a better fit for the Veteran's Administration design guidelines and the agency's needs. The agency plans to analyze various sites within the region. A prototype design for a 108 bed facility is being established as part of pre-design work for the facility in the Central Region which will be adapted for use at this location.

- (c) Summary 5-2015A: JBRC Item 7. Department of Mental Health
Project: 9740, State Veterans Nursing Home Construction Northwest Region
Funding Source: \$250,000 Other, Capital Improvement and Maintenance Funds which are funds authorized pursuant to Proviso 35.14 of FY 2014 and may include Medicaid fee-for service earned revenue, legal settlements and other one-time funding sources.
Request: Establish project and budget for \$250,000 (Other, Capital Improvement and Maintenance Funds) begin design work to construct a 108 bed veterans nursing home in the Department of Mental Health's Northwest Region. The new facility will have all private rooms and will include a kitchen, dining facilities, treatment and therapy spaces, and a facility for mechanical and electrical equipment. The FY 2014-15 General Appropriations Bill, per Proviso 35.13, directed the Department of Mental Health, in conjunction with the Governor's Office Division of Veterans Affairs, to conduct a feasibility study to determine whether there is a need for additional veterans nursing homes in the state. The study has revealed a need for additional beds specifically for veterans. The agency initially planned to construct a 220 bed facility in the Central Region, but during the A&E process determined that three regional centers would be a better fit for the Veteran's Administration design guidelines and the agency's needs. The agency plans to analyze various sites within the region. A prototype design for a 108 bed facility is being established as part of pre-design work for the facility in the Central Region which will be adapted for use at this location.
- (d) Summary 5-2015: JBRC Item 2. Department of Disabilities and Special Needs
Project: 9885, Whitten Center - Preventive Maintenance
Funding Source: \$4,875 Other, Excess Debt Service funds, which are derived from revenues received by the agency that were in excess of the amounts need to meet its debt service requirement and have been retained pursuant to §44-20-1170 for capital improvements.

AGENCY: Executive Budget Office

SUBJECT: Permanent Improvement Projects

Request: Establish project and budget for \$4,875 (Excess Debt Service and Other, Whitten Center Trust Funds) to begin design work to perform preventive maintenance at the Whitten Center in Laurens County. Seventeen buildings covering 121,628 square foot Whitten Center will be included in the project. The buildings serve approximately 264 clients and staff and range in age from 14 to 81 years old. Systems affected by the project range in age from 3 to 51 years old. Maintenance projects will include upgrading the dormitory fire alarm systems to include carbon monoxide detectors, replacing windows in a dorm, renovating the activity building, replacing a boiler at the dental clinic, tree removal and trimming and landscaping replacement at the Sensory Garden.

(e) Summary 5-2015: JBRC Item 3. Department of Disabilities and Special Needs

Project: 9886, Midlands Center - Preventive Maintenance

Funding Source: \$5,850 Other, Excess Debt Service funds, which are derived from revenues received by the agency that were in excess of the amounts need to meet its debt service requirement and have been retained pursuant to §44-20-1170 for capital improvements.

Request: Establish project and budget for \$5,850 (Excess Debt Service funds) to begin design work to perform preventive maintenance at the Midlands Center in Richland County. Twelve buildings at the 204,494 square foot Midlands Center will be included in the project. The buildings serve approximately five hundred clients and staff and range from 28 years old to 51 years old. All systems to be maintained or replaced are at least twelve years old, with most being significantly older. Maintenance projects will include the replacement of exterior soffit lights at dormitories to improve safety and security for residents, replacement of interior lighting and controls in dormitory storage areas, the removal of an underground fuel tank, painting of exterior entrances to the building, replacement of ceiling tiles, replacement of carpeting and the renovation of bathrooms for ADA compliance, and other lifecycle replacement projects.

(f) Summary 5-2015: JBRC Item 4. Department of Disabilities and Special Needs

Project: 9887, Statewide - Community Facilities Preventive Maintenance and License Conversion

Funding Source: \$6,000 Other, Excess Debt Service funds, which are derived from revenues received by the agency that were in excess of the amounts need to meet its debt service requirement and have been retained pursuant to §44-20-1170 for capital improvements.

AGENCY: Executive Budget Office

SUBJECT: Permanent Improvement Projects

Request: Establish project and budget for \$6,000 (Excess Debt Service funds) to begin design work to replace building components at Department of Disabilities and Special Needs facilities statewide to provide code compliant upgrades that will allow for conversion of their licenses from ICF-ID to CRCF or CTH II license designations. The buildings range in age from 25 to 74 years old and serve 76 clients and staff. The projects will address life cycle replacement issues for HVAC equipment, water heaters, sanitizers, windows, doors, roofing, and life safety systems. It will also include energy efficient lighting, building envelope insulation, kitchen cabinet refurbishment, kitchen countertop replacement, and roll-in shower conversion.

(g) Summary 5-2015: JBRC Item 5. Department of Disabilities and Special Needs

Project: 9888, Pee Dee and Saleeby Centers Preventive Maintenance

Funding Source: \$7,830 Other, Excess Debt Service funds, which are derived from revenues received by the agency that were in excess of the amounts need to meet its debt service requirement and have been retained pursuant to §44-20-1170 for capital improvements.

Request: Establish project and budget for \$7,830 (Excess Debt Service funds) to begin design work to perform preventive maintenance at the Pee-Dee Center, located in Florence and Saleeby Center, located in Hartsville. A total of 72,394 square feet will be renovated in this project across both centers. Buildings included in the project range in age from 35 to 47 years old and the renovations will impact 213 clients and staff. The work at the Pee Dee Center will include renovation of a total of 24 bathrooms located across six dorms, the replacement of cooking equipment in the Pee Dee Center Central Kitchen, the replacement of HVAC equipment in the Pee Dee Central Kitchen and a dorm, and the replacement of flooring in the administration and program buildings. The work at the Saleeby Center will include the replacement of damaged ceiling tiles, commercial laundry equipment and wall finishes, as well as the installation of additional accessible handrails.

(h) Summary 5-2015: JBRC Item 6. Department of Natural Resources

Project: 9945, Pickens - Sassafras Mountain Observation Tower Project

Funding Source: \$60,000 Other, Restricted Donation funds, which are donations from individuals and corporations for the purpose of this project.

Request: Establish project and budget for \$60,000 (Other, Restricted Donation funds) to begin design work to construct an observation tower near the summit of Sassafras Mountain in Pickens County. Sassafras Mountain is the tallest peak

AGENCY: Executive Budget Office

SUBJECT: Permanent Improvement Projects

in the state. In an effort to allow increased public use of the property, the agency recently conducted a feasibility study to investigate the installation of an observation tower. The study recommended a 10 foot high observation platform that would be ADA accessible and capable of holding up to 30 persons for long range viewing. The observation tower is part of a long term master plan for the area that would eventually include outdoor classroom spaces, restrooms and an enhanced trail network to allow access to the summit. The agency has secured donations to fund pre-design for the project and, if approved, plans to pay for construction from donations as well.

Establish Construction Budget

(i) Summary 5-2015: JBRC Item 7. Clemson University

Project: 9914, Littlejohn Coliseum Renovation

Funding Source: \$63,500,000 Revenue Bond funds, which are which are long-term debt instruments issued by the State Treasurer's Office in the name of the University and are pledged to be repaid from a combination of Athletic net revenues, ticket surcharges, private (IPTAY) gifts and contributions from the Clemson Athletics Facilities Trust Endowment invested with the Clemson University Foundation.

Request: Increase budget to \$63,500,000 (add \$63,500,000 Revenue Bond and subtract \$1,300,000 Other, Private Athletic funds) to renovate the Littlejohn Coliseum and Annex at Clemson. The project was approved for pre-design in February 2014, which is now complete. The original 125,000 square foot facility was constructed in 1967. In 2001 an approximately 75,000 square foot annex was added along with the replacement of the original roof and truss system. The renovations will add approximately 15,400 square feet to the facility and will include an upgraded playing arena and seating bowl with 8,500 seats, increased premium level seating from 40 seats to 500 seats, and a NCAA regulation practice facility. In addition, significant transformations to the exterior will be made with a large ceremonial entry way constructed and two enhanced functional entry ways added on the south corners. The renovation will also upgrade the facility's electrical, lighting, sound and information technology systems. The agency reports total projected cost of this project is \$63,500,000. Additional operating costs ranging from \$174,900 to \$185,400 are anticipated in the three years following project completion. The agency also reports the projected date for execution of the construction contract is April 2015 with

AGENCY: Executive Budget Office

SUBJECT: Permanent Improvement Projects

completion of construction in October 2016. (See attachment 1 for additional annual operating costs.)

- (j) Summary 5-2015: JBRC Item 8. Clemson University
Project: 9920, Central Energy Facility Boiler Replacement
Funding Source: \$3,260,284 which includes \$2,435,075 Other, Maintenance and Stewardship funds, which are comprised of tuition, matriculation and other debt retirements and plant transfer revenues that are restricted to support capital investments and that are not formally obligated to fund debt service in the current period and \$825,209 Other, FY 2014-15 Lottery Funds which are funds appropriated by the General Assembly for maintenance needs.
Request: Increase budget to \$3,260,284 (add \$3,211,384 - \$2,386,175 Other, Maintenance and Stewardship and \$825,209 Other, FY14-15 Lottery Funds) to replace the boiler and fuel conveyance system in the Central Energy Facility at Clemson University. The project was approved for pre-design in December 2014, which is now complete. The Central Energy Facility is the central boiler steam plant that provides thermal energy to heat more than 80 buildings on the main campus. This project will enhance plant reliability, provide redundancy, and reduce the university's carbon footprint while improving energy efficiency and meeting EPA emissions regulations. The work will include replacing the existing 1964 coal-fired boiler with a high-efficiency boiler, fueled primarily by natural gas with fuel oil backup, and removing the fuel conveyance, storage and ash handling systems which were installed during original plant construction in 1948. The boiler and fuel conveyance systems are 50 and 66 years old, respectively, and have exceeded their useful lives. They are beyond beneficial life cycle cost and upgrade consideration. Under EPA emission standards, the existing coal-fired boiler would require an estimated \$5 million in upgrades to permit it for full operation. The agency reports the total projected cost of this project is \$3,260,284. Additional operating costs of \$214,000 annually are expected in the three years following project completion. The agency also reports the projected date for execution of the construction contract is August 2015 with completion of construction in August 2016. (See attachment 2 for additional annual operating cost savings.)

AGENCY: Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (k) Summary 5-2015: JBRC Item 9. Vocational Rehabilitation Department
Project: 9607, Oconee Pickens VR Center Repaving
Funding Source: \$514,875, which includes \$385,000 in Federal funds which are general operating funds derived from the State Vocational Rehabilitation Services Grant and are to be used in the provision of vocational rehabilitation services and \$129,875 in Capital Reserve funds which were appropriated by the General Assembly.
Request: Increase budget to \$514,875 (add \$504,875 - \$129,875 Capital Reserve and \$375,000 Federal funds) to repair and resurface the Oconee-Pickens Vocational Rehabilitation Center parking lot and loading area. The project was approved for pre-design in October 2014, which is now complete. The facility is over 25 years old and the parking lot and loading areas have deteriorated to the point they are in need of repair and resurfacing. The existing facilities have been patched as much as is economically feasible. Exterior lighting will also be added to the parking lot areas to enhance safety and security in the area. The agency reports total projected cost of the project is \$514,875. Additional annual operating expenses ranging from \$1,000 to \$1,200 are expected in the three years following project completion. The agency also reports the projected date for execution of the construction contract is May 2015 with completion of construction in August 2015. (See attachment 3 for additional annual operating costs.)
- (l) Summary 5-2015: JBRC Item 10. Department of Parks, Recreation and Tourism
Project: 9742, Fort Mill Welcome Center Replacement
Funding Source: \$4,758,568, which includes \$3,752,216 Other, Proviso 49.9 FY 13-14 and Proviso 49.8 FY 14-15 funds which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed by proviso to the Department of Parks, Recreation and Tourism for capital improvements to Welcome Centers, deferred maintenance and capital projects at state parks, marketing and advertising, \$805,082 Federal, SCDOT Highway Operations Center funds and \$201,270 Other, State Highway Funds.
Request: Increase budget to \$4,758,568 (add \$3,692,216 Other, Proviso 49.9 FY13-14 funds) to replace the existing Fort Mill Welcome Center, located in York County. The project was approved for pre-design in October 2014, which is now complete. The facility is 33 years old and has not received any major renovations since its construction. The welcome center and restroom facility, which serve 673,000 visitors per year, are outdated and inadequate to meet current visitor demand. The new design will take into account historic visitor

AGENCY: Executive Budget Office

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counts as well the needs of visitors at the center. It will also include energy efficiency features such as light colored roofing and paving materials and dual flush water closets. The scope revision will allow for the replacement of other buildings within the Welcome Center campus, including the replacement of the adjacent restroom facility and the Highway Operations Center, which is currently located in a mobile facility on site. The agency reports the total projected cost of this project is \$4,758,568 and that no additional annual operating expenses are expected in the three years following project completion. The agency also reports that the projected date for execution of the construction contract is September 2015 with completion of construction in June 2016.

- (m) Summary 5-2015A: JBRC Item 1. Department of Parks, Recreation and Tourism
Project: 9743, Hardeeville Welcome Center Replacement
Funding Source: \$4,121,337 Other, Proviso 49.9 FY 13-14 and Proviso 49.8 FY 14-15 funds which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed by proviso to the Department of Parks, Recreation and Tourism for capital improvements to Welcome Centers, deferred maintenance and capital projects at state parks, marketing and advertising.
Request: Increase budget to \$4,121,337 (add \$4,061,337 Other, Proviso 49.9 FY13-14 funds) to replace the existing Hardeeville Welcome Center, located in Jasper County. The project was approved for pre-design in October 2014, which is now complete. The facility is 36 years old has not received any major renovations since the addition of a restroom 27 years ago. The welcome center and restroom facility, which serve 697,000 visitors per year, are outdated and inadequate to meet current visitor demand. The new design will take into account historic visitor counts as well the needs of visitors at the center. It will also include energy efficiency features such as light colored roofing and paving materials and dual flush water closets. The agency reports that the total projected cost of this project is \$4,121,337 and that no additional annual operating expenses are expected in the three years following project completion. The agency also reports that the projected date for execution of the construction contract is September 2015 with completion of construction in June 2016.

AGENCY: Executive Budget Office

SUBJECT: Permanent Improvement Projects

- (n) Summary 5-2015A: JBRC Item 2. Department of Parks, Recreation and Tourism
Project: 9744, Kings Mountain State Park Paving
Funding Source: \$627,900 Other, Proviso 49.9 FY 13-14 and Proviso 49.8 FY 14-15 funds which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed by proviso to the Department of Parks, Recreation and Tourism for capital improvements to Welcome Centers, deferred maintenance and capital projects at state parks, marketing and advertising.
Request: Increase budget to \$627,900 (add \$622,650 Other, Proviso 49.9 FY13-14 funds) to repair and repave the roadways at Kings Mountain State Park, located in York County. The project was approved for pre-design in October 2014, which is now complete. The 1.1 mile stretch of road to be repaved runs from the Park Headquarters past the historic farm and ends at the Cherokee Group Camp. The roadways in the park, which serves 184,652 visitors per year, are over 30 years old. During pre-design, borings of the roadway and soil surveys were performed to determine the appropriate methods and materials needed for repaving. The new paving material will closely resemble existing pavement in the park. Hot mix asphalt will be used both for the base and surface courses. The agency reports that the total projected cost of this project is \$627,900 and that no additional annual operating expenses are expected in the three years following project completion. The agency also reports the projected date for execution of the construction contract is May 2015 with completion of construction in September 2015.
- (o) Summary 5-2015A: JBRC Item 3. Department of Parks, Recreation and Tourism
Project: 9745, Myrtle Beach State Park Paving
Funding Source: \$663,196 Other, Proviso 49.9 FY 13-14 and Proviso 49.8 FY 14-15 funds which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed by proviso to the Department of Parks, Recreation and Tourism for capital improvements to Welcome Centers, deferred maintenance and capital projects at state parks, marketing and advertising.
Request: Increase budget to \$663,196 (add \$648,196 Other, Proviso 49.9 FY13-14 funds) to repair and repave roadways and parking areas at Myrtle Beach State Park, located in Horry County. The project was approved for pre-design in October 2014, which is now complete. The 2.7 mile stretch of road to be repaved runs from the Gate House past the Park Office headquarters and fishing pier and along the beach front parking areas and boardwalks. The

AGENCY: Executive Budget Office

SUBJECT: Permanent Improvement Projects

paved surfaces in the park, which serves 1,280,012 visitors per year, are over 20 years old and are in need of repaving. During pre-design, borings of the roadway and soil surveys were performed to determine the appropriate methods and materials needed for repaving. The new paving material will closely resemble existing pavement in the park. Hot mix asphalt will be used for the surface course while a recycled cement mixture will be used for the base course. The agency reports that the total projected cost of this project is \$663,196 and that no additional annual operating expenses are expected in the three years following project completion. The agency also reports the projected date for execution of the construction contract is May 2015 with completion of construction in September 2015.

Increase Budget

- (p) Summary 5-2015A: JBRC Item 4. Department of Mental Health
Project: 9722, Stone Veterans Nursing Home Deferred Maintenance
Funding Source: \$4,710,000, which includes \$2,470,000 Federal funds, \$1,330,000 Capital Reserve Funds which were appropriated by the General Assembly and \$910,000 Other, Capital Improvement/Maintenance Funds, which are funds authorized pursuant to Proviso 35.14 of FY 2014 and may include Medicaid fee-for service earned revenue, legal settlements and other one-time funding sources.
- Request: Increase budget to \$4,710,000 (add \$550,000 Other, Deferred Maintenance Fund) to increase the budget to address deferred maintenance issues at the Stone Veterans Nursing Home in Richland County. The project was established for pre-design in November 2011 with state appropriated funds and was increased for construction in May 2013. During demolition, it was discovered that some metal studs as well as portions of the metal stud bottom track were rusted and deteriorated beyond repair. Environmental testing also discovered that mold was prevalent in the wall cavities throughout portions of the structure, as well as in many areas of the piping and ceiling insulation. This budget increase would allow for the replacement of materials contaminated with mold, tile, insulation, metal studs and associated bottom track and additional finish painting in the affected areas. The agency reports the total projected cost of this project is \$4,710,000 and that no additional operating expenses are expected in the three years following project completion.

AGENCY: Executive Budget Office

SUBJECT: Permanent Improvement Projects

Revise Scope

- (q) Summary 5-2015A: JBRC Item 5. Department of Mental Health
Project: 9737, State Veterans Nursing Home Construction Central Region
Funding Source: \$500,000 Other, Capital Improvement and Maintenance Funds which are funds authorized pursuant to Proviso 35.14 of FY 2014 and may include Medicaid fee-for service earned revenue, legal settlements and other one-time funding sources.
Request: To revise the scope for pre-design for the construction of a 220 bed veterans nursing home on the campus of the Tucker Nursing Care Center in Richland County to reduce the size and include a possible location on the Northeast Campus in Richland County. The new facility will have all private rooms and will include a kitchen, dining facilities, treatment and therapy spaces, and a facility for mechanical and electrical equipment. The project was approved for pre-design in January 2015, but upon beginning pre-design work the architectural firm selected expressed concerns about the site. Current guidelines from the Veterans Administration for the design of veterans nursing homes are based on a community living model, with smaller homes, community centers and more outdoor areas. The Department of Mental Health has decided to pursue three separate regional 108 bed facilities rather than one large 220 bed facility. The design firm has also expressed concerns about the available space and soil conditions at Tucker adding costs to construction and about a drainage ditch that runs through the edge of the site that has a required setback for construction. Based on these findings, the Department of Mental Health would like to revise the scope of this project to allow for the construction of a 108 bed facility and for analysis of other locations within the Central region, including but not limited to a potential site on the agency's Northeast Campus in Richland County. The facility design will be a prototype design that can be adapted for use at other new regional facilities. (See attachment 4 for additional annual operating costs.)

BOARD ACTION REQUESTED:

Approve permanent improvement project establishment requests and budget revisions. All items have been reviewed favorably by the Joint Bond Review Committee.

ATTACHMENTS: Attachments

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY
Code H12 Name Clemson University

2. PROJECT
Project # 9914 Name Littlejohn Coliseum Renovation

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2016-17	\$	\$	\$174,900.00	\$174,900.00
2) 2017-18	\$	\$	\$180,300.00	\$180,300.00
3) 2018-19	\$	\$	\$185,400.00	\$185,400.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

Athletic Operating Revenues

6. Will the additional costs be absorbed into your existing budget? YES NO
If no, how will additional funds be provided?

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Utilities</u>	<u>\$79,500.00</u>
2. <u>Maintenance</u>	<u>\$95,400.00</u>
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$174,900.00</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved.

9. Submitted By:  1/20/15 39
Signature of Authorized Official and Title Date

**ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY
Code H12 Name Clemson University

2. PROJECT
Project # 9920 Name Central Energy Facility Boiler Replacement

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) FY 16-17	\$	\$	\$214,000.00	\$214,000.00
2) FY 17-18	\$	\$	\$214,000.00	\$214,000.00
3) FY 18-19	\$	\$	\$214,000.00	\$214,000.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).
Various institutional sources including student tuition and fees, auxiliary revenues, sales and services of educational departments, investment income, and facilities and administrative recoveries.

6. Will the additional costs be absorbed into your existing budget? YES NO
If no, how will additional funds be provided?

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Energy Savings</u>	<u>\$144,000.00</u>
2. <u>Maintenance</u>	<u>\$70,000.00</u>
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$214,000.00</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. _____

9. Submitted By: [Signature] Signature of Authorized Official and Title 1/20/15 Date 46

Permanent Improvement Project Information for March 18, 2015 B&CB Meeting

Agency/ Project No.	Agency/Project Name	Original Approved Budget	Date of Original Approval	Phase I Amount	Date of Phase I Approval	Included in CIP	Total Projected Project Cost
F03-9945	Budget and Control Board - Dennis Building Elevator Modernization	\$13,125 for pre-design	3/18/15	\$13,125	3/18/15	No	To Be Determined
J12-9945	Department of Mental Health - Veterans Nursing Home Construction Northeast Region	\$250,000 for pre-design	3/18/15	\$500,000	3/18/15	No	To Be Determined
J12-9946	Department of Mental Health - Veterans Nursing Home Construction Northwest Region	\$250,000 for pre-design	3/18/15	\$500,000	3/18/15	No	To Be Determined
J16-9885	Department of Disabilities and Special Needs - Whitten Center - Preventive Maintenance	\$4,875 for pre-design	3/18/15	\$4,875	3/18/15	Yes	To Be Determined
J16-9886	Department of Disabilities and Special Needs - Midlands Center - Preventive Maintenance	\$5,850 for pre-design	3/18/15	\$5,850	3/18/15	Yes	To Be Determined
J16-9887	Department of Disabilities and Special Needs - Statewide - Community Facilities Preventive Maintenance and License Conversion	\$6,000 for pre- design	3/18/15	\$6,000	3/18/15	Yes	To Be Determined
J16-9888	Department of Disabilities and Special Needs - Pee Dee and Saleeby Centers Preventive Maintenance	\$7,830 for pre- design	3/18/15	\$7,830	3/18/15	Yes	To Be Determined
P24-9945	Department of Natural Resources - Sassafras Mountain Observation Tower Project	\$4,875 for pre-design	3/18/15	\$4,875	3/18/15	No	To Be Determined
H12-9914	Clemson University - Littlejohn Coliseum	\$1,300,000 for pre-design	2/9/14	\$1,300,000	2/9/14	Yes	\$63,500,000
H12-9920	Clemson University - Central Energy Facility Boiler Replacement	\$48,900 for pre-design	12/8/14	\$48,900	12/8/14	No	\$3,260,284

Permanent Improvement Project Information for March 18, 2015 B&CB Meeting

Agency/ Project No.	Agency/Project Name	Original Approved Budget	Date of Original Approval	Phase I Amount	Date of Phase I Approval	Included in CIP	Total Projected Project Cost
H73-9607	Vocational Rehabilitation Department - Oconee Pickens VR Center Repaving	\$10,000 for pre-design	10/14/14	\$10,000	10/14/14	No	\$514,875
P28-9742	Department of Parks, Recreation and Tourism - Fort Mill Welcome Center Replacement	\$60,000 for pre-design	4/15/14	\$60,000	4/15/14	No	\$4,758,568
P28-9743	Department of Parks, Recreation and Tourism - Hardeeville Welcome Center Replacement	\$60,000 for pre-design	10/14/14	\$60,000	10/14/14	No	\$4,121,337
P28-9744	Department of Parks, Recreation and Tourism - Kings Mountain State Park Paving	\$15,000 for pre-design	10/14/14	\$15,000	10/14/14	No	\$627,900
P28-9745	Department of Parks, Recreation and Tourism - Myrtle Beach State Park Paving	\$15,000 for pre-design	10/14/14	\$15,000	10/14/14	No	\$663,196
J12-9737	Department of Mental Health - Stone Veterans Nursing Home Deferred Maintenance	\$4,160,000	10/26/11	\$1,330,000	10/26/11	No	\$4,710,000
J12-9737	Department of Mental Health - Veterans Nursing Home Construction Central Region	\$500,000 for pre-design	1/27/15	\$500,000	1/27/15	No	To Be Determined

Additional Information on Funding Sources for Higher Education Permanent Improvement Projects

Item (i) – Clemson University – Littlejohn Coliseum

The source of funds for construction is \$63,500,000 Revenue Bond funds, which are which are long-term debt instruments issued by the State Treasurer's Office in the name of the University and are pledged to be repaid from a combination of Athletic net revenues, ticket surcharges, private (IPTAY) gifts and contributions from the Clemson Athletics Facilities Trust Endowment invested with the Clemson University Foundation.

The University reports that no increase in any student fee or tuition will be required for this project.

Item (j) – Clemson University – Central Energy Facility Boiler Replacement

Central Energy Facility Boiler Replacement

The sources of funds construction is \$2,435,075 Other, Maintenance and Stewardship funds which are comprised of tuition, matriculation and other debt retirements and plant transfer revenues that are restricted to support capital investments and that are not formally obligated to fund debt service in the current period and \$825,209 Other, FY 2014-15 Lottery Funds which are funds appropriated by the General Assembly for maintenance needs.

The University reports that no increase in any student fee or tuition will be required for this project.

AGENCY: University of South Carolina

SUBJECT: Not Exceeding \$37,000,000 General Obligation State Institution Refunding Bonds (Issued on Behalf of the University of South Carolina), Series 2015 of the State of South Carolina

The Board is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$37,000,000 General Obligation State Institution Refunding Bonds (issued on behalf of the University of South Carolina), Series 2015 of the State of South Carolina.

The proceeds of the bonds are to be used to (i) effect a refunding of the maturities of the originally issued \$58,000,000 General Obligation State Institution Bonds, Series 2006B maturing in the years 2017 through 2026, currently outstanding in the principal amount of \$34,160,0000; and (ii) pay for expenses related to the issuance of such State Institution

BOARD ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$37,000,000 General Obligation State Institution Refunding Bonds (issued on behalf of the University of South Carolina), Series 2015 of the State of South Carolina.

ATTACHMENTS:

Pope 2/10/15 letter; Resolution



POPE ZEIGLER
LAW FIRM

COLUMBIA | CHARLOTTE

Pope Zeigler, LLC
1411 Gervais St., Ste 300
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Columbia, SC 29211

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FAX 803 354.4899
popezeigler.com

February 10, 2015

Mr. Delbert H. Singleton, Jr., Board Secretary
South Carolina State Budget and Control Board
Wade Hampton Office Building
1200 Senate Street, Room 612
Columbia, South Carolina 29201

VIA HAND DELIVERY

Re: Not exceeding \$37,000,000 General Obligation State Institution Refunding Bonds
(Issued on Behalf of the University of South Carolina), Series 2015 of the State of
South Carolina (the "Bonds")

Dear Delbert:

On behalf of the University of South Carolina, we respectfully request that the South Carolina Budget and Control Board consider the approval of the issuance of the Bonds at its meeting of March 3, 2015. Please find enclosed a proposed form of approving resolution for consideration and other relevant documents for review, as follows:

1. A Resolution to be adopted by the Board of Trustees of the University of South Carolina on February 20, 2015. We will provide you an executed copy upon adoption;
2. A Summary of Refinancing Proposal; and
3. A Resolution of the South Carolina Budget and Control Board for consideration on March 3, 2015.

We will provide an electronic version of Item 3, including the related Certificate, contemporaneously with this submission for revision as necessary. Please let us know should you need anything further or if you have any questions or concerns.

Sincerely,

Gary T. Pope, Jr.

c: F. Richard Harmon, Jr., Senior Assistant State Treasurer
Charles D. FitzSimons, Director of Capital Budgets & Financing, University of South Carolina

Enclosures

Summary of Refinancing Proposal for

Not exceeding \$37,000,000 General Obligation State Institution Refunding Bonds
(Issued on Behalf of the University of South Carolina), Series 2015

PRELIMINARY – SUBJECT TO CHANGE

February 10, 2015

Outstanding bonds proposed to be refinanced General Obligation State Institution Bonds (Issued
on Behalf of the University of South Carolina),
Series 2006B

Average interest rate of bonds refinanced	3.76%
Projected average interest rate of refinancing bonds	1.72% (avg. yield)
True interest cost of refinancing bonds	1.92% (all-in TIC)
Projected net present value savings (net of costs)	\$ 2,168,120
Projected net present value savings as a percentage of the bonds refinanced	6.35%

Estimated costs (costs as a percentage of
refinancing bonds, costs as a percentage of
refinancing savings)

Underwriting	\$148,000 (0.400%; 6.83%)
Legal fees – bond, disclosure and general counsel	\$41,250 (0.111%; 1.903%)
Rating agency fees	\$56,000 (0.151%; 2.583%)
Advisory fees	\$25,000 (0.068%; 1.153%)
Bond trustee/registrar	\$5,500 (0.015%; 0.254%)
Accounting and verification	\$3,000 (0.008%; 0.138)
Credit enhancement/bond insurance	-
Publication, printing, contingencies and all other expenses	\$10,000 (0.027%; 0.461%)
Total	\$288,750 (0.780%; 13.318%)

Prepared by: Pope Zeigler, LLC. The above summary is derived from information provided by the
Office of State Treasurer.

STATE BUDGET AND CONTROL BOARD
MEETING OF March 18, 2015

REGULAR SESSION
ITEM NUMBER 6

AGENCY: Clemson University

SUBJECT: Not Exceeding \$69,525,000 Athletic Facilities Revenue Bonds, Series 2015 of
Clemson University, South Carolina

The Board is asked to adopt a resolution making provision for the issuance and sale of not exceeding \$69,525,000 Athletic Facilities Revenue Bonds, Series 2015 of Clemson University, South Carolina.

The proceeds of the bonds are to be used for the purpose of providing funds to plan, develop, construct, and equip renovations to Littlejohn Coliseum on the campus of the University.

BOARD ACTION REQUESTED:

Adopt a resolution making provision for the issuance and sale of not exceeding \$69,525,000 Athletic Facilities Revenue Bonds, Series 2015 of Clemson University, South Carolina.

ATTACHMENTS:

Pope 2/10/15 letter; Resolution



POPE ZEIGLER
LAW FIRM

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February 10, 2015

Mr. Delbert H. Singleton, Jr., Board Secretary
South Carolina Budget and Control Board
Wade Hampton Office Building
1200 Senate Street, Room 612
Columbia, South Carolina 29201

VIA HAND DELIVERY

Re: Not exceeding \$69,525,000 Athletic Facilities Revenue Bonds, Series 2015 of
Clemson University, South Carolina (the "Bonds")

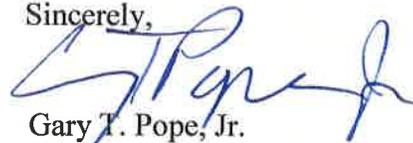
Dear Delbert:

On behalf of Clemson University, South Carolina, we respectfully request that the South Carolina Budget and Control Board consider the approval of the issuance of the Bonds at its meeting of March 3, 2015. Please find enclosed a proposed form of approving resolution for consideration and other relevant documents for review, as follows:

1. A Bond Resolution adopted by the Board of Trustees of Clemson University (the "Board of Trustees") on April 16, 1999;
2. A Series Resolution of Clemson University adopted by the Board of Trustees on February 6, 2015;
3. A Summary of Financing Costs; and
4. A Resolution of the South Carolina Budget and Control Board for consideration on March 3, 2015.

We will provide an electronic version of Item 4, including the related Certificate, contemporaneously with this submission for revision as necessary. Please let us know should you need anything further or if you have any questions or concerns.

Sincerely,



Gary T. Pope, Jr.

c: Steven H. Crump, Assoc. Vice President & University Controller, Clemson University
F. Richard Harmon, Jr., Senior Assistant State Treasurer, Office of State Treasurer

Enclosures

Summary of Financing Costs for

\$69,525,000
Clemson University
Athletic Facilities Revenue Bonds
Series 2015

February 10, 2015

Underwriting fees*	\$ 347,625 (est.)
Legal fees	
Bond counsel	69,525
Issuer's counsel	-
Disclosure counsel	34,762
All other legal fees	-
Rating agency fees	48,500
Advisory fees	69,525
Bond registrar/paying agent	10,000
Credit enhancement/bond insurance	-
Publication, printing, contingencies and all other expenses	<u>17,500</u>
Total	\$ 597,437

Prepared by: Pope Zeigler, LLC, bond counsel, and First Southwest Company, financial advisor to Clemson University.

* For illustrative purposes only. The bonds will be sold at a competitive sale and awarded on the basis of lowest interest cost (TIC or NIC); the actual underwriter's compensation will not be known until the time of sale.

A RESOLUTION

APPROVING THE ISSUANCE AND SALE OF NOT EXCEEDING \$69,525,000 ATHLETIC FACILITIES REVENUE BONDS, SERIES 2015, OF CLEMSON UNIVERSITY, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO.

BE IT RESOLVED BY THE SOUTH CAROLINA BUDGET AND CONTROL BOARD, IN MEETING DULY ASSEMBLED:

ARTICLE I

FINDINGS OF FACT

As an incident to the adoption of this resolution (this "Resolution"), the South Carolina Budget and Control Board (the "State Board") finds:

Section 1.01

(a) The Board of Trustees of Clemson University (the "Board of Trustees"), the governing body of Clemson University, South Carolina (the "University"), is authorized by Article 9, Chapter 119 of Title 59 of the Code of Laws of South Carolina, 1976, as amended (the "Enabling Act") to construct and improve certain facilities of the University designated by the Board of Trustees as intercollegiate athletic facilities (the "Athletic Facilities") and to issue bonds payable from certain revenues of the Athletic Department of the University (the "Athletic Department") in order to finance such construction and improvements (the "Athletic Facilities Revenue Bonds"). The Board of Trustees is authorized by the Enabling Act to further secure such bonds of the University payable from certain revenues of the Athletic Department by the pledge of the receipts of (i) such admissions fees as may be imposed by the Board of Trustees upon persons admitted to any event held at any of the Athletic Facilities for the purpose of providing assistance in the repayment of bonds and (ii) such special student fees as may be imposed by the Board of Trustees upon persons in attendance at any academic session of the University.

(b) On April 16, 1999, the Board of Trustees adopted a resolution entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF ATHLETIC FACILITIES REVENUE BONDS OF CLEMSON UNIVERSITY, SOUTH CAROLINA, AND OTHER MATTERS RELATED THERETO" (the "Bond Resolution"), as a means of providing for the issuance from time to time of Athletic Facilities Revenue Bonds of a particular series pursuant to the provisions of a Series Resolution of the Board of Trustees, provided all conditions required by the Bond Resolution are met. Pursuant to the Bond Resolution, the Board of Trustees previously issued and there remain Outstanding: (a) \$9,080,000 of the originally issued \$12,335,000 Athletic Facilities Refunding Revenue Bonds, Series 2012 of Clemson University, South Carolina, (b) \$30,695,000 of the originally issued \$30,695,000 Athletic Facilities Revenue Bonds, Series 2014A, (c) \$9,240,000 of the originally issued \$9,240,000 Athletic Facilities Revenue Bonds (Taxable), Series 2014B, and (d) \$10,545,000 of the originally issued \$10,545,000 Athletic Facilities Refunding Revenue Bonds, Series 2014C.

(c) On February 6, 2015, the Board of Trustees adopted a series resolution entitled "A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF A SERIES OF ATHLETIC FACILITIES REVENUE BONDS OF CLEMSON UNIVERSITY, SOUTH CAROLINA, TO BE DESIGNATED SERIES 2015 IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING SIXTY NINE MILLION FIVE HUNDRED TWENTY FIVE THOUSAND DOLLARS (\$69,525,000), AND OTHER

MATTERS RELATING THERETO” (the “2015 Series Resolution”) authorizing the issuance of Athletic Facilities Revenue Bonds, Series 2015 (the “Series 2015 Bonds”) for the purpose of providing funds to plan, develop, construct, and equip renovations to Littlejohn Coliseum on the campus of the University (the “Project”).

(d) The 2015 Series Resolution authorized the use of proceeds of the Series 2015 Bonds for the purposes of: (i) providing the amount necessary, together with other available funds of the University, to defray the costs of the Project; (ii) capitalizing interest during construction, if necessary; (iii) subject to the provisions of Section 6.03 of the 2015 Series Resolution, providing money to fund the Series 2015 Debt Service Reserve Fund, if any, for the Series 2015 Bonds; and (iv) paying certain costs and expenses relating to the issuance of the Series 2015 Bonds, including a municipal bond insurance premium, if any.

(e) The Board of Trustees has determined that the designing, constructing, and equipping of the Project is advantageous to the University for its continued successful operation as a public institution of higher learning, and the University hereby requests the State Board to approve at this time the issuance by the University of the Series 2015 Bonds to defray the costs of the designing, constructing and equipping of the Project, and other matters related thereto.

Section 1.02

The Bond Resolution and the 2015 Series Resolution, each in the form adopted by the Board of Trustees, have been presented to the State Board.

Section 1.03

The Board of Trustees has determined that all conditions precedent to the issuance of the Series 2015 Bonds, including those required by the Bond Resolution, the 2015 Series Resolution, and the Enabling Act, will be met upon the issuance of the Series 2015 Bonds.

Section 1.04

All capitalized terms used in this Resolution, but not defined herein, shall have the meaning ascribed to such terms in the Bond Resolution and the 2015 Series Resolution.

ARTICLE II

AUTHORIZATION TO ISSUE AND SELL THE SERIES 2015 BONDS

Section 2.01

The State Board hereby approves and authorizes the issuance and sale of not exceeding \$69,525,000 principal amount of Athletic Facilities Revenue Bonds, Series 2015, of the University and to sell the same in the manner and under the conditions prescribed by the 2015 Series Resolution.

Section 2.02

On the basis of the foregoing and after due consideration of the facts above recited and other matters appurtenant thereto, this Resolution has been adopted.

Dated: March 18, 2015.

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION

MEETING OF March 18, 2015

ITEM NUMBER 7

AGENCY: Budget and Control Board

SUBJECT: Future Meeting

The next regular meeting of the Budget and Control Board will be held at 9:30 a.m. on Tuesday, April 28, 2015, in Room 252, Edgar A. Brown Building.

Remaining Budget and Control Board Meeting in 2015

Tuesday, June 16

State Fiscal Accountability Authority Meetings in 2015

Tuesday, August 11

Tuesday, October 27

Tuesday, December 15

BOARD ACTION REQUESTED:

Agree to meet at 9:30 a.m. on Tuesday, April 28, 2015, in Room 252, Edgar A. Brown Building.

ATTACHMENTS: