

MINUTES OF STATE BUDGET AND CONTROL BOARD MEETING

February 26, 2014 -- 9:30 A. M.

The Budget and Control Board (Board) met at 9:30 a.m. on Wednesday, February 26, 2014, in Room 252 in the Edgar A. Brown Building, with the following members in attendance:

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

Also attending were Budget and Control Board Executive Director Marcia Adams; Chief of Staff Paul Koch; Division Directors Les Boles, Dianne Poston, and Nolan Wiggins; General Counsel David Avant; Governor's Chief of Staff Ted Pitts; Treasurer's Chief of Staff Clarissa Adams; Comptroller General's Chief of Staff Eddie Gunn; Senate Finance Committee Budget Director Mike Shealy; Ways and Means Committee Chief of Staff Beverly Smith; Board Secretary Delbert H. Singleton, Jr., and other Budget and Control Board staff.

Adoption of Agenda for Budget and Control Board

Upon a motion by Mr. White, seconded by Senator Leatherman, the Board adopted the Budget and Control Board agenda as presented.

Minutes of Previous Meeting

Upon a motion by Mr. White, seconded by Senator Leatherman, the Board approved the minutes of the February 6, 2014, Budget and Control Board meeting; and, acting as the Tobacco Settlement Revenue Management Authority, approved the minutes of the February 6, 2014, Authority meeting.

Blue Agenda

Upon a motion by Senator Leatherman, seconded by Mr. Eckstrom, the Board approved the blue agenda items as noted herein.

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Division of General Services: Easements (Blue Agenda Item #1)

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

- (a) County Location: Clarendon
From: Budget and Control Board
To: Black River Electric Cooperative, Inc.
Consideration: \$1,284
Description/Purpose: To grant a 0.59 acre easement for the installation, operation and maintenance of an electric distribution line along Les Tindal Road on land of the Manchester State Forest. The easement will provide service to a pivot irrigation system on property of the adjoining land owner. Consideration is \$500 plus the Clarendon County Assessor's land value.

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

Executive Director: Revenue Bonds (Blue Agenda Item #2)

The Board approved the following proposals to issue revenue bonds:

- a. Issuing Authority: Oconee County
Amount of Issue: N/E \$3,100,000 Special Source Refunding Revenue Bonds (\$3,100,000 refunding involved)
Allocation Needed: -0-
Name of Project: Refunding of \$3,500,000 Original Principal Amount Oconee County, SC Special Source Revenue Bonds, Series 2010
Employment Impact: n/a
Project Description: proceeds of the not exceeding \$3,100,000 Special Source Refunding Bond will be used to pay (a) outstanding principal, accrued interest (if any), and redemption premium (if any) to the date of redemption on the County's outstanding 2010 Special Source Revenue Bonds, and (b) costs of issuance of the 2014 Bond. The 2010 Bond was issued to finance the cost of acquiring, constructing, improving and expanding roads, sidewalks and other infrastructure serving and enhancing the economic development of the County.
Bond Counsel: Michael W. Burns, McNair Law Firm, P.A.
(Exhibit 2)

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- b. Issuing Authority: Richland County
Amount of Issue: \$71,705,000 Refunding Revenue Bonds (\$71,705,000 refunding involved)
Allocation Needed: -0-
Name of Project: Eastover Mill of International Paper Company
Employment Impact: N/A – refunding projects
Project Description: to refund Richland County \$71,705,000 Environmental Improvement Revenue Refunding Bonds, 2003 Series A, the proceeds of which were used by the company to refinance certain pollution control and/or solid waste disposal facilities located at the mill.
Bond Counsel: Alan C. Cason, McGuireWoods LLP
(Exhibit 3)
- c. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: N/E \$6,000,000 Economic Development Revenue Bonds
Allocation Needed: -0-
Name of Project: Midland Valley Preparatory School
Employment Impact: maintain 24 jobs, add 7 within 12 months and 9 within 24 months
Project Description: acquire land and acquire and complete a new charter school in Aiken, including equipping and installation, and any other necessary improvements to permit the completion of the charter school.
Bond Counsel: F. Mitchell Johnson, Jr., Haynsworth, Sinkler Boyd, P.A.
(Exhibit 4)

Division of General Services: University of South Carolina Lease – West Campus Development Leases (Regular Session Item #1)

The University of South Carolina (USC) requested approval to execute a Master Lease for its West Campus Development project with separate Supplemental Leases for Student Housing and Office Building sites. Common provisions are provided in the Master Lease, while specific provisions pertaining to each project type are included in each of the Supplemental Leases. The Master Lease provides for ground leases for three specified sites to be used for the construction of two student housing facilities with a total of approximately 878 beds and required parking of 719 spaces, and one commercial office building of approximately 130,000 sq. ft. with parking provided by the University within the existing Horizon garage (427 spaces allocated) at the current University rate of \$85 per month per space, subject to future increases. The terms of the ground leases are 40 years each, with two 10-year renewal terms available upon the

agreement of both parties. The forty-year base term for each lease begins upon Substantial Completion of each of the facilities and terminates at the end of the 40-year period, or if renewed, at the end of the renewal period(s). The Master Lease agreement begins upon final approval and signature of the parties, which triggers the beginning of a License Term to allow for the construction of the improvements prior to the 40-year Lease Term beginning.

USC will charge a license fee for the Student Housing of \$16,000 per month (\$192,000 annually) for the Phase I site, and \$10,500 per month (\$126,000 annually) for the Phase IA site to compensate for the loss of parking revenue during this period. There is no charge for the license for the Office Building Site because USC does not derive any revenue currently for that site. Each of the three sites has a Base Rent component that is based upon the appraised value of the site, with increases of 2.5% every 5 years, as well as a Percentage Rent component. Payment of the Base Rent for the ground leases is required regardless of the financial performance of the facilities as detailed below:

- a. *Student Housing Lease:*
 - (1) Beginning annual Base Rents:
 - (a) Phase I site (Blossom, Lincoln, Devine, and Park) - \$277,860;
 - (b) Phase IA site (Greene, Lincoln, Devine and Park) - \$175,560.
 - (2) Percentage Rent - In addition to the Base Rent, USC will receive 15% of Positive Cash Flow in years 1-30 and 50% in years 31-40.
- b. *Office Building Lease (550 Assembly):*
 - (1) Beginning annual Base Rent is \$72,600 for the Office Building site.
 - (2) Percentage Rent - In addition to the base rent, USC will receive 15% of Positive Cash Flow for the Office Building.

The total revenue to the University from the Ground Leases and the Percentage Rents over the 40 year term is estimated at \$168,531,925.

Additionally, USC will lease back approximately 40,000 SF of rentable space within the new Office building to be constructed at 550 Assembly Street in Columbia, South Carolina. The building will be constructed on a .79 acre parcel at the southeast corner of Assembly and Blossom Streets on the same block as the University's existing Horizon I Research Building and the Horizon Parking Facility. The space leased by the University will be used for faculty offices and academic support space. The balance of the space in the building will be leased by the Developer for private use.

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The building is being designed, built, financed, operated and maintained by a private developer as a component of a West Campus Development Public-Private Partnership between Holder Properties, Inc. and the University of South Carolina. Pursuant to SC Code Ann. 11-35-3010, the Office of the State Engineer approved the University of South Carolina's determination to use the design-build-finance-operate-maintain project delivery method and allowed the University to proceed in accordance with the Procurement Code. Design-build-finance-operate-maintain means a project delivery method in which the governmental body enters into a single contract for design, construction, finance, maintenance and operation of an infrastructure facility over a contractually defined period.

The Office building is projected to be five stories and contain approximately 130,000 gross square feet. The building will be constructed of similar quality and appearance to adjacent University facilities. The Developer is contractually obligated to complete the building enabling occupancy on or before July 31, 2017. The University seeks to lease approximately 40,000 SF of rentable area on two floors. The University will utilize the space for faculty offices and academic support space to augment the College of Engineering and Computing. This college, currently accommodated in the Swearingen building and the 300 Main Street building, seeks to relocate faculty offices and support space to enable existing space in those buildings to be reassigned to instructional, lab and research space. Leasing space in the new office building will afford USC this opportunity.

The lease term will be ten (10) years commencing on or before July 31, 2017. USC will have the right to extend the term of this lease for up to two (2) consecutive terms of five (5) years each upon the same terms and conditions of the original lease except for Basic Rent, which will increase at 2.5% per annum. The landlord shall provide \$25 per SF for upfitting costs. Base rent will be \$16.60 per square foot for the first year of the lease. Thereafter, base rent increases annually as shown in the chart below:

Year	Base Rent Rate/SF	Annual Rent
1	\$16.60	\$664,000.00
2	\$17.02	\$680,800.00
3	\$17.45	\$698,000.00
4	\$17.89	\$715,600.00
5	\$18.34	\$733,600.00
6	\$18.80	\$752,000.00

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7	\$19.27	\$770,800.00
8	\$19.75	\$790,000.00
9	\$20.24	\$809,600.00
10	\$20.75	\$830,000.00
Average	\$18.61	
Total		\$7,444,400.00

The University will be responsible for all operating costs as defined in the lease agreement and associated with the leased area. There are adequate funds for the lease according to a Budget Approval Form submitted by the University. The University has indicated that no student fee increase will be associated with this lease.

It is essential that the leased space which accommodates the need described above be near the USC campus for accessibility of the faculty, who will be located in this building, to the academic and lab space in the Swearingen and 300 Main Street buildings. USC has surveyed the lease market for 40,000 SF of suitable space near the campus and such space could not be located. However, the following chart represents comparable lease rates of similar business space, currently occupied, in the Columbia central business district:

Location	Base Rent Rate/SF
1320 Main Street (Meridian Bldg.)	\$16.75
1221 Main Street	\$24.00

Mr. White moved to carry over regular session item #1. Mr. White stated that he received lots of different answers concerning the financing of the lease. He said he wanted to carry the item over to have further dialogue and get better answers to his questions.

Senator Leatherman asked about the time sensitivity of this matter. Rick Kelly with USC appeared before the Board on this matter. He stated that the project consists of building two dormitories, two parking garages, and a private building. He said the project is staged and the first dormitory and garage are scheduled to come on line in the Fall of 2015. He said that timeframe works if USC can get a contract signed in March 2014 so that the developer can start construction in April 2014. Mr. Kelly said carrying the matter over until the next Board meeting means they could lose the Fall 2015 timeframe. Mr. Kelly further stated if the contractor is able

to start work the first of April 2014 the 582 bed dormitory will be available in the Fall of 2015 for USC's use.

Governor Haley stated that if the item is carried over she wanted to have a March meeting so that USC would not be held up. Senator Leatherman said that would be appropriate. Mr. Kelly said if the Board met the first part of March to consider this matter that would work.

Mr. Eckstrom asked what additional information will be provided that has not already been provided. Mr. White said this is a matter of how the project is structured. He stated that he believes in private-public partnerships, but noted that this project is a public-private and back to public partnership. He also stated there are tax free bonding issues that need to be reviewed.

Mr. Eckstrom asked if the Board met in early March to consider this matter whether USC would have sufficient time for contract negotiations. Mr. Kelly noted that USC has been working on the project for 18 months and that they have a developer at the table. He stated the contract is almost complete and that there are very few details left undone. He said that a week or two delay is not going to slow the developer down from making the Fall 2015 deadline.

Upon a motion by Mr. White, seconded by Mr. Loftis, the Board carried over a request by the University of South Carolina to approve the proposed leases for the University's West Campus Development project.

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

Division of State Budget: Permanent Improvement Projects (Regular Session Item #2)

David Sims, Chief of Engineering and Construction for the Department of Parks Recreation and Tourism (PRT), appeared before the Board on this matter. Mr. Eckstrom asked Mr. Sims to what extent has the payback period been analyzed on the PRT projects (items (f)-(n) of this agenda item) because the Board does not know what the projected costs are. He said he is concerned about making a commitment to these projects when the payback has not been amply tested. Mr. Sims said that PRT has performed a financial analysis. Mr. Sims provided Mr. Eckstrom with PRT's analysis of the payback period and costs. He stated that recovery of the cost of the projects varied from three years to ten years.

Senator Leatherman said the PRT projects are in their preliminary stage and that they

have to come back to the Board for final approval. He said that PRT would come back with the cost at a later time. He said the Board would not be giving final approval of the projects at this time.

Governor Haley commented that PRT's goal is to get "heads in beds" and increase occupancy rates in the tourism related hotels and campgrounds. She said doing so will help the parks to become fully sustainable. She noted that the parks are at a sustainability rate of 80%. She indicated that as a result more families are visiting the parks.

Upon a motion by Senator Leatherman, seconded by Mr. White, the Board approved the following permanent improvement project establishment requests and budget revisions which have been reviewed favorably by the Joint Bond Review Committee [Secretary's Note: Mr. White abstained from voting on the item. All other Board members voted for the item.]:

Establish Project for A&E Design

(a) Summary 5-2014: JBRC Item 1. Clemson University

Project: 9914, Littlejohn Coliseum Renovation

Funding Source: \$1,300,000 Other, Private – Athletic funds which are amounts received from individuals, corporations and other entities that are to be expended for their restricted purpose.

Request: Establish project and budget for \$1,300,000 (Other, Private - Athletic funds) to begin design work to do a comprehensive renovation of Littlejohn Coliseum at Clemson. 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 proposed project will maintain the footprint of the structure but will demolish, reconfigure, and upgrade the bulk of the interior space and the building infrastructure. 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 renovations 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. The repurposing of existing programming within the current footprint will allow for increased useable space. The facility will incorporate all aspects of the men's and women's basketball program operations, including the coaches offices, weight rooms, locker rooms, recruitment gathering spaces, and video editing/theater areas. The project is needed to elevate program potential and enhance recruitment by providing facilities that are consistent with other top tier programs nationwide.

- (b) Summary 5-2014: JBRC Item 2. Clemson University
Project: 9915, West Campus Energy Plant Construction
Funding Source: \$156,975 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.
Request: Establish project and budget for \$156,975 (Other, Maintenance and Stewardship funds) to begin design work to construct an energy plant on West Campus at Clemson. The scope of this project is to construct a new energy plant in the west campus district that will add 2,400 tons of chilling capacity to the university's current campus chilling capacity of 11,000 tons. The facility will be primarily a chilled water facility with underground piping including high efficiency centrifugal chillers, evaporative cooling towers, energy efficient controls and variable speed pumps. The facility will be located near Littlejohn Coliseum with the exact location to be determined during pre-design. There is a need to add plant capacity for planned future growth and redundancy associated with outages due to aging central utility infrastructure. Campus growth and HVAC upgrades as planned will exceed available central district cooling system production and distribution capabilities by 2016.
- (c) Summary 5-2014: JBRC Item 3. Clemson University
Project: 9916, Memorial Stadium Suites Renovation
Funding Source: \$375,000 Other Private – Athletic funds which are amounts received from individuals, corporations and other entities that are to be expended for their restricted purpose.
Request: Establish project and budget for \$375,000 (Other, Private - Athletic funds) to begin design work to do a comprehensive renovation of Memorial Stadium Suites and Concourses at Clemson. The suites and concourses have not had any substantial renovations in 35 years. The project will address life cycle issues, add 750 premium seats, provide enhanced amenities including completely redesigned space with an upgraded lighting system, improved access points, the addition of operable windows, and HVAC replacement. In addition, the renovation addresses several critical structural issues and repairs water intrusion issues, addresses ADA noncompliance issues with elevators and stair access, and provide a safe and more secure building at night through additional lighting.
- (d) Summary 5-2014: JBRC Item 4. Francis Marion University
Project: 9568, Medical and Health Science Complex Construction
Funding Source: \$232,500 Other, Private – Grant funds which are a grant from the City of Florence specifically for this project.
Request: Establish project and budget for \$232,500 (Other, Private-Grant funds) to begin design work to construct a Medical and Health Sciences Complex in downtown Florence, SC. The new multi-level facility will have approximately 50,000 square feet and will accommodate a variety of the University's Medical

and Health Science Programs to include the already approved Masters in Family Nurse Practitioner Program, Masters in Nurse Educator Program, and Masters in Applied Psychology Program. The facility will also be able to accommodate the Physician Assistant Program, which is currently pending approval by the Commission on Higher Education. Also, the facility will house the third and fourth year USC Medical Student Program. The facility will include classrooms, conference rooms, locker rooms and offices. The site plan also includes sidewalks, parking and landscaping features, as well as exterior lighting and a security system.

- (e) Summary 5-2014: JBRC Item 5. Department of Corrections
Project: 9715, Lee Correctional Institute - Thermal Surveillance System
Funding Source: \$12,000 Other, FY13 Carry Forward funds, which are agency funds carried over from the previous fiscal year.
Request: Establish project and budget for \$12,000 (Other, FY13 Carry Forward funds) to begin design work for security upgrades at the Department of Corrections' Lee Correctional Institute. The work will include the installation of a thermal security camera surveillance system for the perimeter of the facility. Perimeter security both keeps inmates from leaving the property and prevents contraband from entering the institution via the perimeter fence. This system will complement the existing security system by providing high quality imagery at night and in challenging weather conditions. The Department of Corrections will use in-house inmate work forces for installation of the surveillance system, supplemented by outside contractors if needed.
- (f) Summary 5-2014: JBRC Item 6. Department of Parks, Recreation and Tourism
Project: 9733, Dreher Island State Park Marina Replacement
Funding Source: \$15,000 Other, Proviso 49.9 FY 13-14 funds, which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed via Proviso 49.9 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: Establish budget and project for \$15,000 (Other, Proviso 49.9 FY 13-14 funds) to begin design work to replace the existing marina/docks and associate utilities at Dreher Island State Park in Newberry County. The existing 100 slip dock system is 34 years of age and has reached the end of its expected life and will require removal if not replaced. The current condition has limited their ability to generate revenue and improve access to the lake. Dreher Island State Park is located on Lake Murray and one of the main boat access points on the upper part of the lake. PRT reports that there were 214,948 visitors to the park in fiscal year 2013.

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- (g) Summary 5-2014: JBRC Item 7. Department of Parks, Recreation and Tourism
Project: 9734, Dreher Island Camper Cabin Construction
Funding Source: \$7,500 Other, Proviso 49.9 FY 13-14 funds, which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed via Proviso 49.9 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: Establish budget and project for \$7,500 (Other, Proviso 49.9 FY 13-14 funds) to begin design work to construct 10 camper cabins and renovation of an existing restroom at Dreher Island State Park in Newberry County. The scope of the project is to construct 10 one room log cabin kit type structures in an existing camping area and renovate the existing 1000 square foot restroom/shower building. Similar structures constructed at Lake Hartwell State Park in 2005 have been popular and profitable. Dreher Island State Park is located on Lake Murray and one of the main boat access points on the upper part of the lake. PRT reports that there were approximately 214,948 visitors to the park in fiscal year 2013.
- (h) Summary 5-2014: JBRC Item 8. Department of Parks, Recreation and Tourism
Project: 9735, Lake Wateree Campground Expansion
Funding Source: \$15,000 Other, Proviso 49.9 FY 13-14 funds, which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed via Proviso 49.9 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: Establish budget and project for \$15,000 (Other, Proviso 49.9 FY 13-14 funds) to begin design work to expand the campground and associated infrastructure at Lake Wateree State Park Campground in Fairfield County. The scope of this project is to add 50 campsites, a restroom/shower facility, electrical, water, and sewer systems, and roads to support the increase in camp sites. The existing 72 site campground is heavily used with demand significantly exceeding supply during peak demand periods. Lake Wateree State Park had 165,836 visitors during fiscal year 2013.
- (i) Summary 5-2014: JBRC Item 9. Department of Parks, Recreation and Tourism
Project: 9736, Huntington Beach Campground Expansion
Funding Source: \$15,000 Other, Proviso 49.9 FY 13-14 funds, which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed via Proviso 49.9 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: Establish budget and project for \$15,000 (Other, Proviso 49.9 FY 13-14 funds)

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to begin design work to expand the campground and associated infrastructure at Huntington Beach State Park Campground in Georgetown County. The scope of this project is to add 50 campsites, a restroom/shower facility, electrical, water, and sewer systems, and roads to support the increase in camp sites. The existing 103 site campground is heavily used with demand significantly exceeding supply during peak demand periods. Huntington Beach State Park had 595,703 visitors during fiscal year 2013.

- (j) Summary 5-2014: JBRC Item 10. Department of Parks, Recreation and Tourism
Project: 9737, Lake Hartwell Camper Cabin Construction
Funding Source: \$7,500 Other, Proviso 49.9 FY 13-14 funds, which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed via Proviso 49.9 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: Establish budget and project for \$7,500 (Other, Proviso 49.9 FY 13-14 funds) to begin design work to construct 10 camper cabins and renovation of an existing restroom at Lake Hartwell State Park in Oconee County. The scope of the project is to construct 10 one room log cabin kit type structures in an existing camping area and renovate the existing 1000 square foot restroom/shower building. Similar structures constructed at Lake Hartwell State Park in 2005 have been popular and profitable. PRT reports that there were 62,264 visitors to the park in fiscal year 2013.
- (k) Summary 5-2014: JBRC Item 11. Department of Parks, Recreation and Tourism
Project: 9738, Hunting Island Campground Improvements
Funding Source: \$18,750 Other, Proviso 49.9 FY 13-14 funds, which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed via Proviso 49.9 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: Establish budget and project for \$18,750 (Other, Proviso 49.9 FY 13-14 funds) to begin design work to renovate the campground at Hunting Island State Park in Beaufort County. The scope of the project is to renovate the existing 112 campsite campground along with the associated infrastructure to include restroom/shower facilities, the electrical, water and sewage systems, and the roads. The electrical water and sewer systems are 20 years old and the restroom facilities are 30 years old and they have exceeded their expected lives. PRT reports the state park had 1,075,180 visitors in fiscal year 2013, making it the second most visited park in the state last year.

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- (l) Summary 5-2014: JBRC Item 12. Department of Parks, Recreation and Tourism
Project: 9739, Santee State Park Campground Improvements
Funding Source: \$11,250 Other, Proviso 49.9 FY 13-14 funds, which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed via Proviso 49.9 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: Establish budget and project for \$11,250 (Other, Proviso 49.9 FY 13-14 funds) to begin design work to renovate the campground at Santee State Park in Orangeburg County. The scope of the project is to renovate the existing 50 campsite campground along with the associated infrastructure to include restroom/shower facilities, the electrical, water and sewage systems, and the roads. The electrical, water and sewer systems and restroom/shower facilities are 30 years old and have exceeded their expected life. PRT reports the state park had 115,317 visitors in fiscal year 2013.
- (m) Summary 5-2014: JBRC Item 13. Department of Parks, Recreation and Tourism
Project: 9740, Table Rock State Park Campground Improvements
Funding Source: \$7,500 Other, Proviso 49.9 FY 13-14 funds, which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed via Proviso 49.9 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: Establish budget and project for \$7,500 (Other, Proviso 49.9 FY 13-14 funds) to begin design work to renovate the campground at Table Rock State Park in Pickens County. The scope of the project is to renovate the existing 25 campsite campground along with the associated infrastructure to include restroom/shower facilities, the electrical, water and sewage systems, and the roads. The electrical water and sewer systems are 30 years old and the restroom/shower facility is 40 years old and they have exceeded their expected lives. PRT reports the state park had 308,132 visitors in fiscal year 2013.
- (n) Summary 5-2014: JBRC Item 14. Department of Parks, Recreation and Tourism
Project: 9741, Landrum Welcome Center Renovation
Funding Source: \$7,500 Other, Proviso 49.9 FY 13-14 funds, which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed via Proviso 49.9 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: Establish budget and project for \$7,500 (Other, Proviso 49.9 FY 13-14 funds) to begin design work to renovate the lobby/gallery portion of the Landrum Welcome Center along I-26 in Spartanburg County. PRT operates the

Welcome Center lobby/gallery functions of the SC Department of Transportation rest stops located near the state borders along the interstate/state highway system. This project is to upgrade the approximately 1,416 square lobby/gallery area of the Landrum Welcome Center that is used to provide travelers with an array of information on opportunities within the State of SC. The center was last renovated 21 years ago and will include upgrades to flooring, furnishings, displays, brochure racks, electrical and information technology systems, and finishes. This project is considered a demonstration renovation for future implementation at the other Welcome Centers across the state.

Establish Construction Budget

- (o) Summary 5-2014: JBRC Item 15. Clemson University
Project: 9901, Memorial Stadium WEZ Component III Construction
Funding Source: \$8,000,000 Athletic Facility Revenue Bonds which are long-term debt instruments repaid with a combination of athletic operating net revenues, ticket surcharges, private gifts and contributions from the Clemson Athletics Facilities Trust endowment.
Request: Increase budget to \$8,000,000 (add \$8,000,000 Athletic Facility Revenue Bond funds, reduce \$225,000 Other, Private funds) to construct the third and final phase of updates to the west end zone of Clemson's Memorial Stadium. The project was established for pre-design in June 2012, which is now complete. The final phase will include the a build out of the entrance to the WestZone Complex, known as the Oculus, as well as a new mid-level pedestrian walkway creating a direct connection between the North and South stands. The project will also alleviate pedestrian congestion in stadium exit routes, significantly enhancing emergency egress. The renovation will encompass approximately 6,000 square feet of the stadium and existing plaza. The agency reports the total projected cost of this project is \$8,000,000 and additional annual operating costs ranging from \$36,000 to \$38,192 will result in the three years following project completion. Pursuant to Section 59-119-940, the Athletic Facilities Revenue Bond issuance is anticipated not to exceed \$8.3 million. The agency also reports the projected date for execution of the construction contract is July 2014 and for completion of construction is February 2015.
- (p) Summary 5-2014: JBRC Item 16. Medical University of South Carolina
Project: 9827, Thurmond Gazes 2nd Floor Renovation
Funding Source: \$3,900,000 which includes \$1,000,000 Other, College of Medicine Clinical Revenue funds which are revenues derived from the College of Medicine's clinics and \$2,900,000 Other, Medical University Hospital Authority Clinical Revenue funds which are revenues derived from Medical University Hospital Authority patient revenues.
Request: Increase budget to \$3,900,000 (add \$3,841,500: \$2,900,000 Other, Medical University Hospital Authority Clinical Revenue and \$941,500 Other, College

of Medicine Clinical Revenue funds) to renovate the second floor of the Thurmond Gazes Building at MUSC. The project was established for pre-design in December 2013, which is now complete. The renovation will encompass approximately 22,000 square feet and will include reconfiguring existing space, constructing new walls, providing new finishes, equipment and furnishings, and renovating the fire suppression, plumbing, HVAC, electrical and information technology systems to accommodate the space. The renovation will consolidate faculty, residents, fellows and staff from the departments of surgery and medicine in one location, maintain clinical efficiency, create greater synergy between all university missions, and result in a cost reduction from rent expenses. Some utility renovations will also be performed on the third floor to accommodate the relocation of labs from the second floor. Energy efficient lighting and water conserving plumbing fixtures will be utilized in the renovation. The agency reports the total projected cost of this project is \$3,900,000 and no additional annual operating costs will result from this project. The projected date for execution of the construction contract is July 2014 and for completion of construction is February 2015.

Revise Scope and Increase Budget

- (q) Summary 5-2014: JBRC Item 17. Coastal Carolina University
Project: 9596, Singleton Building Renovation
Funding Source: \$135,000 Other, Renovation Reserve/Plant Expansion funds which are revenues derived from a \$150 per semester student fee that are used for renovations, repairs and additions to existing facilities.
Request: Increase budget to \$135,000 (add \$75,000 Other, Renovation Reserve/Plant Expansion funds) to revise the scope and increase the budget for pre-design services to renovate the 32,635 square foot Singleton Building at Coastal Carolina. The project was established in March 2013 for pre-design services. The work was original to include renovating the HVAC, electrical and plumbing systems, replacing the existing elevator and installing a second elevator for ADA compliance, removing remaining asbestos in ceilings and floors, and upgrading lighting and interior finishes. The building, which houses university administrative offices, is 50 years old and has not had a major renovation since it was constructed. The revised scope will add several structural layout changes to include an event space, reconfiguration of administrative offices, and reconfiguration of the President's suite in regard to service and security. The revised scope will also incorporate renovations to restrooms, the installation of an additional handicap ramp, electrical code compliance, and more extensive renovations to the HVAC systems than originally planned.

Increase Budget

- (r) Summary 5-2014: JBRC Item 18. The Citadel
Project: 9608, Citadel Deferred Maintenance - 2012
Funding Source: \$2,045,610 which includes \$737,691 in FY 2011-12 Capital Reserve Funds appropriated by the General Assembly, \$412,919 in Other, FY 2012-2013 Lottery Deferred Maintenance Funds, which were allocated to higher education institutions by proviso for deferred maintenance needs, \$505,000.00 in Other, Institutional Capital Project Funds, which are derived from excess debt service on State Institution Bonds, and \$390,000 Citadel Deferred Maintenance Funds, which are funded from Education and General Fund carry forward from prior fiscal years.
Request: Increase budget to \$2,045,610 (add \$895,000: \$505,000 Institutional Capital Project and \$390,000 Citadel Deferred Maintenance funds) to increase the budget for the installation of a fire sprinkler system and fire alarm system in the Daniel Library at The Citadel. This project was established in December 2012 with legislatively authorized funds for deferred maintenance. The scope of the original project included the installation of a fire sprinkler system in Daniel Library, the renovation of the Jenkins Hall auditorium, the renovation of the Byrd Hall auditorium and ventilation improvements to the Byrd Hall Chemistry Stockroom. While preparing to begin installation of the fire sprinkler system, it was discovered that extensive additional work would be required due to the age of the systems involved and the construction of the ceiling support system. The library is 56 years old and there is not an existing fire sprinkler system in place. The fire alarm system is original to the building and in need of replacement as well. The agency reports the total projected cost of this project is \$2,045,610 and no additional annual operating costs will result from this project. The projected date for execution of the revised construction contract is April 2014 and for completion of construction is September 2014.
- (s) Summary 5-2014: JBRC Item 19. Clemson University
Project: 9891, Freeman Hall Expansion
Funding Source: \$10,000,000 which includes \$9,000,000 State Institution Bonds, which are general obligation debt of the State backed by a pledge of University tuition and fees, \$902,500 Other, Operating Revenue funds which are derived from an online Master of Engineering in Industrial Engineering Program and from similar other program fees received by the College of Engineering and Sciences from other University programs, and \$97,500 Other, Institutional Capital Projects funds which are derived from excess debt service on State Institution Bonds.
Request: Increase budget to \$10,000,000 (add \$9,000,000 State Institutional Bonds, reduce \$5,500,000 Operating Revenue funds) to expand Freeman Hall, which houses the Industrial Engineering Department at Clemson. The project was established for pre-design in October 2010, increased to establish the

construction budget in September 2011, and bids were received in December 2012. All bids exceeded the approved budget due to the small project size and high complexity, difficult site locations, and complex code issues in uniting a new addition with an old facility. Clemson redesigned the project, reducing the size of the addition from 23,000 to 21,000 square feet to keep costs down, but additional funds are still needed to rebid the project. The work will include adding classrooms and offices, demolishing a small portion of the old facility, providing ADA accessibility and upgrading HVAC, information technology and other infrastructure. The addition will be constructed to LEED Silver certification and will include installation of sustainable sites, energy and atmosphere, indoor environmental quality and other measures. The LEED cost benefit analysis shows a positive cost benefit of \$475,100 over 30 years. The agency reports the total projected cost of this project is \$10,000,000 and additional annual operating costs ranging from \$92,800 to \$96,100 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is May 2014 and for completion of construction is August 2015.

- (t) Summary 5-2014: JBRC Item 20. Budget and Control Board
Project: 9855, Calhoun Building Renovations
Funding Source: \$6,867,031 which includes \$2,107,158.26 in FY 2006-07 Supplemental funds, which were appropriated by the General Assembly, \$1,195,414.74 in Other, Depreciation Reserve funds, which are derived from the rent account which receives rent charged to agencies and \$3,564,458 in Other, SC Judicial Department Funds which are Judicial Department carry-forward funds.
Request: Increase budget to \$6,867,031 (add \$664,559 Other, SC Judicial Department funds) to obtain final design and construction services in order to add building security system improvements to the John C. Calhoun Building on the Capital Complex, which houses the Court of Appeals and administrative functions of the Judicial Department.. The project was established for pre-design in January 2008 and established for construction in August 2009 to do exterior renovations to the building, which are nearing completion. The project budget was increased in January 2013 for renovations of approximately 12,500 square feet on the ground floor of the facility to allow for a more efficient use of space and restore the North entrance to the building. A professional security study of the building was completed in September 2013, and the design and preliminary budget for this system are based on that study. Currently, the Calhoun building has only a single security camera and monitoring station, and access control is limited to 3 doors. The new system will be incorporated into the ground floor and new main entrance, currently under renovation, as well as provide monitoring and access control to other key areas throughout the building. The agency is requesting this increase in order to ensure close coordination with the current renovation work while it is still underway. The agency reports the total projected cost of this project, is \$6,867,031 and additional annual operating costs of \$10,033 will result from the project. The projected date for

execution of the construction contract for the security system work is June 2014 and for completion of construction is December 2014.

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

Clemson University: Not Exceeding \$10,000,000 General Obligation State Institution Bonds, Series 2014, Issued on behalf of Clemson University (Regular Session Item #3)

The Board was asked to adopt a resolution making provision for the issuance and sale of not exceeding \$10,000,000 General Obligation State Institution Bonds, Series 2014, issued on behalf of Clemson University.

The proceeds from the sale of the bonds will be used, in part, to plan, develop, and construct an expansion to Freeman Hall on its main campus in Clemson in order to provide additional classroom and office space for the Industrial Engineering Department and to enhance accessibility and site infrastructure (to include chill water and steam, among other systems).

Upon a motion by Mr. Eckstrom, seconded by Senator Leatherman, the Board adopted a resolution making provision for the issuance and sale not exceeding \$10,000,000 General Obligation State Institution Bonds, Series 2014, issued on behalf of Clemson University. All Board members with exception of Mr. White voted for the item. Mr. White voted against the item.

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

Clemson University: Not Exceeding \$15,300,000 Aggregate Principal Amount Athletic Facilities Revenue Bonds, Series 2014, Issued on behalf of Clemson University (Regular Session Item #4)

The Board was asked to adopt a resolution making provision for the issuance and sale of not exceeding \$15,300,000 Aggregate Principal Amount Athletic Facilities Revenue Bonds, Series 2014, issued on behalf of Clemson University.

The proceeds from the sale of the bonds will be used for the development, construction, and equipping of additions to Memorial Stadium on the campus of the University, comprising, but not limited to, the third-phase addition to the West Zone Complex; and for the development,

construction and equipping of an addition to Doug Kingsmore Baseball Stadium on the campus of the University to provide (i) additional player amenities including, without limitation, locker rooms, a lobby, team areas, training rooms, a players' dining area, meeting space, a gallery, catering kitchen, laundry, coach offices, and a players' lounge, (ii) a viewing platform, and (iii) additional spectator seating.

Upon a motion by Mr. Eckstrom, seconded by Senator Leatherman, the Board adopted a resolution making provision for the issuance and sale not exceeding \$15,300,000 Aggregate Principal Amount Athletic Facilities Revenue Bonds, Series 2014, issued on behalf of Clemson University.

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

Future Meeting

Upon a motion by Mr. White, seconded by Mr. Loftis, the Board agreed to meet at 9:30 a.m. on Wednesday, April 30, 2014.

Adjournment

The meeting adjourned at 10:05 a.m.

[Secretary's Note: In compliance with Code Section 30-4-80, public notice of and the agenda for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary and in the Press Room, near the Board Secretary's office in the Wade Hampton Building, and in the lobbies of the Wade Hampton Building and the Edgar A. Brown Building at 9:10 a.m. on Tuesday, February 25, 2014.]