

**South Carolina
Transportation Infrastructure Bank**



BOARD OF DIRECTORS

Donald D. Leonard
Chairman

Max Metcalf
Vice-Chairman

Ernest Duncan

Johnny P. Edwards

Senator Hugh K. Leatherman, Sr.

Representative Chip Limehouse

Joe E. Taylor, Jr.

Debra R. Rountree
*Director, Infrastructure
Bank Operations*

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**SCTIB
Board Meeting**

SCDOT Headquarters Building
Room 306
955 Park Street
Columbia, South Carolina
November 12, 2013
2:00 p.m.

AGENDA

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| I. Call to Order | Chairman Don Leonard |
| II. Consideration of Minutes of October 8, 2013 Meeting | |
| III. Consideration of Act 98 Funding Options | Chairman Don Leonard, Mr. Max Metcalf |
| IV. Other Business | Chairman Don Leonard |

MINUTES
South Carolina Transportation Infrastructure Bank
Board Meeting

SCDOT Headquarters Building
Room 306
955 Park Street
Columbia, SC 29201

November 12, 2013
2:00 p.m.

NOTE: Notification of the time, date, place and agenda of this meeting has been posted and sent, in accordance with the provisions of the South Carolina Freedom of Information Act, to all persons or organizations, local news media, and other news media that requested notification of the time, date, place and agenda of this meeting. Efforts to notify the requesting person or entity include, but are not limited to, the transmissions of notice by U. S. Mail, electronic mail, or facsimile.

Present: Donald D. Leonard, Chairman, Presiding
Max Metcalf, Vice-Chairman
Senator Hugh K. Leatherman
Joe E. Taylor, Jr.
Johnny Edwards
Representative Chip Limehouse (by phone)

Absent: Ernest Duncan (Proxy granted to Mr. Metcalf)

Others present: Debra Rountree and Tami Reed, representing the Bank; Jim Holly, Board Secretary and Bank Counsel; Rick Harmon, Senior Assistant State Treasurer; Wayne Corley of the McNair Firm, Bond Counsel for the Bank; General Robert St. Onge, Jr., Secretary of SCDOT; Christy Hall, SCDOT Deputy Secretary for Finance and Administration; Ron Patton, SCDOT; other representatives of SCDOT, including several Commissioners; and members of the public and media.

The meeting was called to order by Chairman Leonard.

Chairman Leonard welcomed guests and invited SCDOT Commissioners present to join the Board at the table.

Approve October 8, 2013 Minutes: Mr. Taylor made a motion, seconded by Mr. Metcalf, to approve the meeting minutes of October 8, 2013. The motion passed unanimously.

Consideration of Act 98 Funding Options: Chairman Leonard thanked the Bank Evaluation Committee members and the SCDOT staff for their work in reviewing the interstate project priority list submitted by SCDOT. Chairman Leonard asked Evaluation Committee Chairman

Metcalf to present to the Board the three proposed options for funding projects on existing interstates under Act 98.

Evaluation Committee Report on Projects for Act 98 Funding: Mr. Metcalf thanked Committee members and staff for their work on the list and information provided by SCDOT and the proposed options. Mr. Metcalf presented three Act 98 funding options for consideration by the Board. The three options are set forth in the attachments to these minutes which were part of the agenda materials.

Chairman Leonard gave an explanation of the preliminary engineering concept, as included in two of the proposed options. He stated it takes approximately two years for preliminary engineering and permits to be issued to get projects "shovel ready" and that having interstate projects "shovel ready" as additional federal and state funds become available was important for the implementation at the earliest time of a master plan to modernize the transportation infrastructure in South Carolina

Mr. Metcalf noted that option number 3 set the amount of Act 98 funding on the I-85/385 project at \$80 million, reducing by \$20 million the amount proposed by SCDOT. Mr. Metcalf posed a question of what effect reducing the amount to I-85/385 would have on the project. Chairman Leonard explained that engineers at SCDOT assured him that reducing the amount of Act 98 funding assistance to the I-85/385 project by \$20 million would have no effect on the project or the schedule for the project.

Mr. Taylor commented that the top eighteen projects on the SCDOT priority list were being addressed in some form either by SCDOT through its own plans and funding or the proposed actions now before the Bank Board. He further noted that the Bank is not addressing the four projects ranked higher than those under consideration because SCDOT has established plans and committed funding for those four projects.

In discussion of the three options under consideration, Board members commented that option number 3 was most effective option to accomplish the purposes of Act 98. This option includes the projects and financial assistance as submitted by SCDOT, with the exception that the I-85/385 Interchange project funding is reduced to \$80 and funds are provided for preliminary engineering on other highly ranked project. Board members acknowledged that its financial adviser had estimated that the revenues from Act 98 would support \$550 million in financial assistance for projects. Proposed option number 3 for financial assistance to be provided by the Bank under Act 98 is as follows.:

- I-85/385 Interchange (Greenville Co./4.3 miles/SCDOT providing \$140 million), Act 114 Interstate Interchange Priority List Project No. 2, **not to exceed \$80 million** (SCDOT has assured the Bank that it has adequate funding for project and the \$20 million reallocation set forth below will have no impact on this project in any way.);
- I-20 Widening (Lexington Co./10.3 miles) from US 378 to S-204/Longs Pond Rd., Act 114 Interstate Priority List Project No. 9, **not to exceed \$154,701,000;**

- I-85 Widening (Spartanburg & Cherokee Cos./16 miles), Phases I and II, from Gossette Rd./S-57 to SC 18, Act 114 Interstate Priority List Project No. 18, **not to exceed \$262 million** (\$171 million unavailable at present for Phase III to North Carolina state line);
- I-77 Widening (Richland Co./2.6 miles) from I-20 to SC 277, Act 114 Interstate Priority List Project No. 15, **not to exceed \$38,701,000**;
- Fund not to exceed \$10 million for preliminary engineering for malfunction junction (Richland/Lexington Cos./4.98 miles), the No. 1 unfunded project on the Act 114 Interstate Priority List and the No. 1 project on the Act 114 Interstate Interchange Priority List, to advance it to be shovel-ready to receive state and federal funds at the earliest possible time; (2) fund not to exceed \$4 million for preliminary engineering for Phase III of the I-85 (12.36 miles) widening to the North Carolina state line to advance it to be shovel-ready to receive state and federal funds at the earliest possible time; and (3) fund not to exceed \$6 million for preliminary engineering for critical interstate projects, or phases of such projects, selected by SCDOT from an interstate improvement master plan developed to advance Act 114 Interstate Priority List projects to be shovel-ready to receive state and federal funds at the earliest possible time. **(Item total: Not to exceed \$20 million)**

Total Financial Assistance Approved: Not to exceed \$550 million (SCDOT shall control project construction costs as needed so as to complete the above approved projects without exceeding \$550 million in financial assistance from the Bank.)

Motion to Amend Proposal: Senator Leatherman expressed his concern that the \$6 million dollars proposed in option number 3 for preliminary engineering to be left to the discretion of SCDOT was contrary to the intent of the legislation. Senator Leatherman made a motion to amend option number 3 to read that SCDOT would present its proposed projects for the \$6 million for preliminary engineering to the Bank Board for approval using the established process. Mr. Taylor seconded the motion. The vote to approve amendment was unanimous.

Motion to Approve Proposal: Bank Counsel explained that the financial assistance approved by the Board under Act 98 in its motion will include, pursuant to the Bank's standard procedure, the six conditions contained in the statement of conditions set forth in the Board's agenda materials, and a copy of an excerpt therefrom stating those conditions is attached to these minutes. The Board having found and concluded that the projects identified in option number 3 are eligible and qualified projects under and meet the requirements of Act 98 of 2013, Mr. Taylor made a motion to approve option number 3 as amended, and Mr. Limehouse seconded the motion. Chairman Leonard called for a vote. The vote was unanimous in favor of option number 3 as amended.

Other Business: Mr. Leonard called for other business. No member presented any old business to the Board.

There being no further business, the meeting was adjourned at 2:30 p.m.

A handwritten signature in cursive script, appearing to read "James Kelly". The signature is written in black ink and is positioned above the printed name "James Kelly".

James Kelly
Secretary

SCTIB Conditions for Act 98 Projects and Financial Assistance

As part of this motion, the following conditions also apply to the Bank's provision of financial assistance to the projects under Act 98:

(1) SCDOT must transfer \$50,000,000 from its nontax sources to the Bank each fiscal year as required by Act 98 of 2013 and its agreement(s) with the Bank.

(2) The Bank must be able to produce proceeds from the issuance of revenue bonds for the projects to be financed under Act 98 of 2013 that together with cash available from the revenue source identified in Act 98 will allow the Bank to provide the aforementioned financial assistance on a schedule approved by SCDOT and the Bank; and if the aforementioned revenue bond proceeds are insufficient to provide the aforementioned financial assistance together with available cash, the Bank may reduce the financial assistance to the projects accordingly after consulting with SCDOT.

(3) The Bank and SCDOT must enter into an Intergovernmental Agreement or Agreements on the projects and the financial assistance to be provided by the Bank for the projects and any other instruments or agreements required by the Bank to implement the foregoing actions by the Bank and these conditions, and all such agreements and instruments must be in a form and with contents acceptable to the Bank.

(4) The Joint Bond Review Committee and any other governmental authorities must grant any approvals required by the SCTIB Act or any other applicable laws or regulations to implement the foregoing actions by the Bank.

(5) SCDOT shall enter into and execute all agreements and instruments, including a Third Amended and Restated Master Intergovernmental Funding Agreement with the Bank, deemed necessary or beneficial by the Bank in its discretion (a) to the issuance of revenue bonds or the implementation of similar financing structures to provide financial assistance for the projects, or (b) for the Bank to maintain its existing credit ratings.

(6) Any financial assistance from the Bank for a project in this motion remaining after completion of the project may be allocated by the Bank among the other projects in this motion in consultation with SCDOT or may be retained by the Bank for other uses authorized by Act 98 of 2013 in consultation with SCDOT.