

MINUTES

South Carolina Transportation Infrastructure Bank Board
Evaluation Committee Meeting

University of S.C. Alumni Center
900 Senate Street
Columbia, S.C. 29201

July 6, 2020
9:00 am

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Present: John B. White, Chairman Presiding
Ernest L. Duncan, Vice Chairman
Tony K. Cox
Brent Rewis
David B. Shehan

Via Webex: Chip Limehouse

Others present: Tami Reed, Chief Financial Officer of Bank Operations; Rob Tyson, Board Secretary and Bank Counsel; Jim Holy, Bank Counsel; Rion Foley, Bank Bond Counsel; Ron Patton, STV Inc.; David Miller, Financial Advisor via Webex; representatives of SCDOT and Creel Court Reporting.

The meeting was called to order by Chairman White at 9:05 a.m. Chairman White welcomed everyone then called for a moment of silent prayer for the Covid-19 crisis.

Chairman White thanked Brent Rewis for going above and beyond the call of duty for attending the meeting while on vacation. He also thanked Ron Patton, consultant for the Bank.

Consideration of Minutes

Chairman White asked for a motion to approve the minutes for December 19, 2019. Mr. Shehan made the motion and Mr. Duncan seconded. The motion carried unanimously.

City of Aiken University Parkway Project

Rob Tyson reported on the City of Aiken's request for an extension to the current Intergovernmental Agreement (IGA) the Bank has with the City of Aiken concerning University Parkway. Aiken has requested the existing IGA be amended for commencement of construction to begin by March 30, 2021 with completion of construction by September 2023.

The initial project's scope included widening and extending University Parkway to almost one mile in length. The total cost of the project was \$10.6 million with the Bank providing \$4.6 million and Aiken the balance. The project's estimated cost came in over budget, so the project scope was reduced. The City determined that the scope could be reduced to meet its needs and scope while staying within the budget.

When the City of Aiken made its initial request for an extension, the Board requested additional information to ensure the Bank's financial assistance was going toward the purpose of the IGA. Mr. Tyson stated the purpose of the project was to alleviate congestion, provide dependable emergency services to the hospital, improve safety and efficiency. Aiken offered the purpose was still met with the reduced scope.

Questions ensued. Chairman White asked Mr. Tyson whether the project was properly before the committee for action today. Mr. Tyson responded affirmatively. When the Board directed the City of Aiken to provide additional information, the Board also directed the Project to be reviewed again by the Evaluation Committee before it made a recommendation to the Board.

Chairman White asked whether the University Parkway project is "shovel-ready". Stuart Bedenbaugh, City Manager for Aiken, responded the project is shovel ready. Aiken had the funds in hand and was awaiting final comments from DOT on the scope of the project.

Chairman White asked staff about the distribution of funds. Jim Holly stated the IGA is structured so the local money goes into the project first and the Bank money is spent last. The Bank has greater protection if the project takes longer than expected.

Mr. Shehan asked the City if it had hired a contractor yet. Mr. Bedenbaugh stated the project has not been put out to bid yet. Mr. Shehan asked Mr. Bedenbaugh if the City felt good about the cost estimate now. Mr. Bedenbaugh responded affirmatively.

Mr. Duncan commented that due to the Project's delay, the Board had acted essentially to start over. Mr. Duncan asked whether the City was ready to move now and whether the project still meets its initial purpose. Mr. Bedenbaugh answered the Project still

meets its purpose because the traffic issues the City seeks to address primarily are in the half mile section from Richland Avenue west to Medical Park Drive which is where the university and the hospital are located.

Mr. Rewis asked where the City was in the environmental documentation process, whether the City had conducted public hearings, and how the City was doing in the right of way process. Mr. Bedenbaugh deferred to Mr. Rick Toole, the City's consulting engineer who works for Alfred Benesch & Company. Toole explained that in the past year a massive failure occurred along University Parkway causing a steep embankment issue on the road. SCDOT conducted the emergency repair. Due to this failure, the environmental review will have to be resubmitted, but no issues are anticipated. As to the rights of way, permissions for fill slopes is all that is left because they are utilizing existing right of way.

Chairman White asked Mr. Toole again whether the project was shovel ready and could meet the March 2021 deadline. Toole answered yes provided a quick turn-around is received from the SCDOT review. Chairman White asked Mr. Toole between August of last year and this year what efforts have been made to get approval from SCDOT. Mr. Toole stated a stop work was ordered on the project which delayed matter but now the project's review is moving swiftly.

Chairman White cautioned Mr. Toole that in the future the Bank might not be in a position to extend the project again unless the Bank sees a good-faith effort on your part. Mr. Toole stated that the City will commit the necessary resources to complete the project. He stated he did not have control over the SCDOT review but will commit to complete this project and have it prepared for March.

Chairman White asked Mr. Bedenbaugh if the City was prepared to pick up a shortfall recognizing the Bank funding comes in after the City's money. Mr. Bedenbaugh stated yes.

Chairman White asked for further questions. Hearing none, Chairman White called for a motion to approve the extension. Mr. Duncan made the motion and Mr. Shehan seconded. The motion passed unanimously.

Presentations from Project Sponsors

Chairman White reported the projects had been separated into two sections. Chairman White would lead the discussions on projects in Section A and Vice-Chairman Duncan would lead the discussions on Section B projects.

Chairman White stated that in his law practice, he represents in unrelated litigation some of the counties who applied for financial assistance from the Bank. The South Carolina Ethics Commission provided an informal opinion that advised Chairman White out of an abundance of caution to not participate in discussion on certain applications. Chairman White reported since he wanted to avoid any appearance of impropriety, he will not participate in discussions on counties he represents and that he will recuse himself from voting on those applications.

Chairman White reminded the presenters to introduce themselves and that each project had 15 minutes for its presentation.

Note: All presentations are on file with the bank but not included in these minutes.

US 278 Bridges to Hilton Head Island (Beaufort County):

Ashley Jacobs, Jim O'Connor, and Steve Riley made the presentations on behalf of Beaufort County.

Mr. Duncan asked about during the process, had there been any changes in the County's commitment. Ms. Jacobs replied no change in commitment had occurred.

Mr. Shehan asked how the County arrived at the overall project cost and at its last review, did the County feel good about the overall cost. Mr. O'Conner replied the County felt comfortable with the numbers. He stated the numbers are being collaborated with the ongoing SCDOT project to replace the bridge in the NEPA study that is going on for that project. The consultant and SCDOT are providing those numbers to the County and Hilton Head.

Chairman White asked questions about the start date and the finish date. Ms. Jacobs stated the plan is to start in 2023. Mr. Riley stated the environmental assessment process is underway. The report is expected to be issued in late fall; then only federal review is needed for sign off. Construction should take 4 years.

Chairman White asked how the County planned to take care of any potential shortfall. Ms. Jacobs stated the County would pursue federal funding, explore another one-cent sales tax in 2022, or consider another toll. Chairman White asked if the County is carrying a reserve for this project. Mr. Riley answered there is a contingency reserve built into the numbers but there is not a separate reserve being held for this particular project. Each community does have reserves and has opportunities for going back to the voters.

Chairman White stated each applicant will receive the Bank's Standard Terms and Conditions and will be asked whether it can abide by them. Chairman White asked if the County understood and could abide by these terms. The County stated yes.

City of Charleston (two projects)

Mayor John Tecklenburg represented the City of Charleston and made the City's presentations by Webex.

Low Battery Seawall Restoration Project:

After the presentation, Mr. Cox asked what the proposed addition would be on top of the existing wall. Mr. Fountain replied the height varies a little bit in terms of the

elevation above the existing wall but it brings it up to match the high battery, which is sitting about nine and half feet above elevation so it's matched to the high path. It runs roughly three to four feet higher and has the option to be extended with the structure redesign an additional foot and a half above that as well. It's built to offer elevation increases.

Mr. Duncan asked Mayor Tecklenburg whether the sea wall was a transportation project. Mr. Tecklenburg stated the wall supports a roadway that if not for the wall, the roadway would fall into the harbor. He stated the wall supports the roadway and a multitude of other city streets. He stated that it is truly a multi-modal corridor with cars, buses, walkers, bikers, and horses. The improvements to the roadway itself, the protection of it from storm surge, and physically supporting it, all combined make it a transportation project.

Mr. Shehan asked how the contractor is performing on the first phase and has the City participated in the cost budgeting for the remainder of the project. Would the City anticipate using the same contractor for phase two? Mr. Fountain of the City stated the contractor had performed very well. The City used a value engineering adjustment for pole installation that's been a great approach to the project. He stated the cost was almost exactly on the engineer's construction estimate on the bid. He stated there was a slight potential for reduced costs of future phases. It is a prequalified bid due to the somewhat unusual nature of restoring historic seawalls not within most contractor's wheelhouses but the City did receive interest from over ten firms that were interested in pre-qualifying for this phase of the project and similar interest is expected in the future.

U.S. 17/Septima Clark Parkway Project (City of Charleston)

Chairman White thanked the Mayor for his presentation and asked whether the project had been a five-phase project when initially proposed in 2011. Mr. Fountain of the City responded the City had intended to build it as a continuous project. The TIGER grant funding resulted in splitting the project into phases due to the grant's conditions on where the money could be spent and the order the money could be spent.

Chairman White asked if when the project was split into phases were all five phases a part of the original project cost of \$154 million dollars. Mr. Fountain stated there had been an increase in construction costs since 2011 budget estimates.

No further questions were asked.

Charleston County (two projects)

Main Road Corridor Segment A

Taylor Green, David Kinard and Sunshine Trakas made the presentation for Charleston County concerning the project on U.S 17 and the Main Road corridor.

Chairman White asked the County if the scope of the project had changed. Ms. Green of the County stated the scope was the same. She stated when it was presented in 2019,

it already was segmented into the three different segments. The County's request dealt specifically with Segment A.

SC 41 Widening and Interchange Project:

Charleston County described the scope of the SC 41 project. Chairman White asked how the County estimated the construction cost when the County hadn't yet picked a final project from among the alternatives. The County responded a cost estimate had been done on both alternatives. The County will discuss what preferred alternative is chosen as the project moves through the NEPA process. The cost estimate provided is for the least expensive alternative. Chairman White asked for the cost estimates on the two alternatives. The County responded the least costly alternative is \$129.5 million dollars while alternative 7A costs another \$35 million dollars.

Chairman White asked whether the County had sufficient funding for the alternative choices. The County responded it was reviewing this situation and hoped the cost estimates would eventually decrease. Charleston County will update cost estimates based on the alternative that is selected and as the project goes through the public hearing process.

Chairman White stated given the current unknowns and the current financial situation, Charleston County might be better suited if it came back for a later round. The County representative, Mr. Kinard, stated the County is still in the planning stage and cannot confidently say the full cost estimate of the project until the County selects the preferred alternative.

No additional questions were asked.

Exit 3 & Riverport Parkway (Jasper County/City of Hardeeville)

Mayor Harry Williams, George Bullwinkel, and Doug Smith presented on behalf of Jasper County/City of Hardeeville.

Vice Chairman Duncan asked Mayor Williams if the TIF could be used to back up the loan as security. If so, did he have a legal opinion stating so. George Bullwinkel, bond counsel for the applicants, responded all the public improvements that are in question right now will be owned by SCDOT and maintained by the City of Hardeeville. He stated it was his opinion that the TIF and the Municipal Improvement District (MID) could be used to fund the loan. It would be no different than going out to the private bond market.

Mr. Cox asked if there would be any direct private contribution other than through the TIF or the MID for the project. Mayor Williams responded the private participation is approximately \$28 million dollars, which includes a donation of all the land that is needed to construct the project and the two parkways. The parkway that goes south to Highway 17 and goes north to Highway 321 is being handled by the private owner.

Chairman White asked Mayor Williams what is the value of the donation outside of the right of way? Mr. Smith, an attorney for the developer, stated the landowner and the developer will pay for the total cost of the roadway construction north and south. Chairman White asked again what the value of the land is. Mr. Smith stated \$5.2 million in right of way. Chairman White asked if the TIF and the MID should not work out and the bank is left with the dirt, how many acres is it and what is the value of the land? Mr. Bullwinkel replied 1,906 acres and it is valued at \$40,000 per acre. Chairman White asked what the value of the undeveloped land is. Mr. Smith said the raw dirt is about \$8,000 or \$9,000 dollars per acre.

Chairman White then asked if the interchange was in place what would the value be. Mr. Smith stated approximately \$60 million. He stated that they were shovel-ready but they were waiting on the permitting process and are confident that it will be done by December 1st. He stated he had been working hand and glove with SCDOT and the Federal Highway Administration.

Mr. Shehan asked how the \$82 million dollar construction budget was developed. Mr. Smith stated that engineers assembled the information and that it included an overpass over the CSX Railroad. Mr. Bullwinkel interjected that within the numbers is a 15 percent construction contingency as well which is approximately \$10 million dollars.

Orangeburg County

Chairman White stated Orangeburg County is present, but they will not present. Also, he said their information will be reviewed in executive session. The Chairman noted Ms. Amanda Sievers was present for Orangeburg.

Chairman White called for a break at 10:51 a.m. The meeting was called back to order at 11:04 a.m. Mr. Duncan led the meeting on the remaining projects.

Whiskey Road Corridor (City of Aiken)

Mayor Rick Obson, Senator Tom Young, Rick Toole, and Stuart Bedenbaugh presented for the City of Aiken.

Mr. Duncan asked about the project's MPO ranking and the significance of it for that region of the state. Mayor Obson stated the project did not have the same components the last time the MPO ranked it. He stated the city had worked with SCDOT and they looked at the project and gave it a ranking which is provided in the packet. He stated the MPO is working on 2050 projects and it is expected Whiskey Road will be a top project.

Greenwood County

SC Highway 246 South Widening

Josh Skinner and Robert Russian presented on behalf of Greenwood County.

Ron Patton asked the County if the project was more of a capacity project or an economic development project. The County replied the project was multi-functional.

Mr. Duncan asked whether the County could increase its local math to 25% from 24%. The County replied the County Council members are fully committed to the project. The County has zero debt, good bonding capacity, and good fund balance. The County is in great financial condition to handle the project.

Mr. Shehan asked about the schedule when the County planned on starting the work. Mr. Russian stated that the County needed to get an agreement with SCDOT before the end of the year. However, design permitting, right of way acquisition were to be completed by the end of 2021 and construction would commence in 2022-2023.

No other questions were asked from other committee members.

Pickens County

SC-183 Widening

Representative Neal Collins made the presentation for Pickens County.

Jim Holly asked about the 20-year bond issue that would fund part of the project. Representative Collins stated the bond issue could potentially fund the project. The County has waited three or four years to see if the project was going to be approved. The County has \$24 million in reserve and the CTC is saving \$750,000 per year which should be above and beyond the County's responsibility.

Mr. Shehan asked when the total overall cost of the project was reviewed. Representative Collins stated it was analyzed last year.

York County

I-77, Exit 91, Exit 85, and Exit 90

York County made its presentation and said the relevant materials were included in its application. Committee members were complimentary of their application.

No other questions were asked.

Mr. Duncan asked if there was a consensus for a lunch break. The meeting adjourned at 12:00 p.m. for lunch.

Executive Session

The meeting resumed at 1:22 p.m. Chairman White asked if there was a motion for Executive Session. Mr. Duncan made the motion to go into Executive Session to discuss potential contractual matters and receive legal advice. Mr. Shehan seconded the motion. The motion passed unanimously. Executive session lasted from 1:23 p.m. to 4:43 p.m.

Chairman White called for a motion to come out of executive session. He stated there had been no action in executive session, nor had there been any votes taken in executive session. Mr. Duncan made the motion and Mr. Shehan seconded. The motion passed with all in favor.

Discussions, Actions or Resolutions on Applications

Chairman White stated this has been a historical day for the Bank and for the applicants. He thanked each applicant that had gone through the process. He complemented, commended, and congratulated each entity.

Chairman White stated based on the economic times and other issues that are going on not only in our state but in America, the Bank had to assess its financial situation including its bonding capacity. Given the Bank's capacity of approximately \$490 million, the Bank decided to take the applications in two phases. Any applications that are not positively voted on today will remain viable through December 31, 2020. There could be additional information required. Hopefully when the economy returns and the other issues have settled down, the Bank will be able to have phase two. Otherwise, we'll start a new application process sometime late fall in 2020 for 2021. He again thanked all for their participation.

Chairman White stated Mr. Duncan would give a report on the counties he led and then the Chairman would give a report. Chairman White stated the first matter to be voted on was to apply about 75% of monies the Bank would allocate in the first phase. Mr. Shehan made the motion to approve and Mr. Duncan seconded. The motion passed unanimously.

Vice Chairman Duncan reported on the following counties:

1. Greenville County, Woodruff Road Project. The project scored 66.9 and seeks approximately \$49 million.
2. York County, I-77, Exit 85. The project scored 65 and seeks \$42 million.
3. York County, I-77, Exit 82. The project scored 65 and seeks \$32 million.

Vice Chairman Duncan moved to approve these projects. Mr. Shehan seconded the motion. Mr. Duncan stated it has been properly motioned, seconded and discussed. All in favor say aye. The motion passed unanimously. Chairman White abstained from voting.

Mr. Duncan called on Mr. Rob Tyson to address the resolution associated with the motion. Tyson reported a resolution will be prepared that will include the Bank's financial award, the Standard Terms and Conditions, the development of an IGA, in a form with contents acceptable to the Bank, also subject to the Joint Bond Review Committee of the General Assembly, the South Carolina Department of Transportation Commission, and any other federal or state governmental entity, necessary for the Bank to provide funding. These conditions will be included in a resolution.

Chairman White followed and asked the Court reporter to include as part of the record, the Standard Conditions. (Exhibit #1).

Chairman White stated the projects he presided over were Beaufort County, two projects from the City of Charleston, two projects from Charleston County, Jasper County, and Orangeburg County.

The Evaluation Committee recommends approval of the following projects for the Bank Board's consideration:

1. Beaufort County, US 278 project. The project scored 86 and seeks approval for a grant of \$120 million dollars. Chairman White asked the Court Reporter to include in the record letters in support and against the project. (Exhibit 2).
2. Charleston County, Main and Bohicket Road, Segment A. The project scored 92.85 and the County seeks a grant of \$40,785,500.
3. City of Charleston, US 17/Septima Clark. The last phase of the project scored 65 and the City seeks a grant in the amount of \$21 million.
4. Jasper County/Hardeeville, Exit 3, I-95. The project scored 65. The project seeks a grant of \$28,095,903 and a loan of \$28,095,903.

Chairman White called for a motion to approve the projects. Mr. Shehan made the motion and Mr. Duncan seconded. The motion was approved unanimously.

Chairman White called on Mr. Tyson to speak about the resolution and Standard Terms and Conditions. Mr. Tyson replied the resolution would contain the same terms and conditions that were discussed previously on the prior set of approved applications.


Adjourn

Chairman White stated he would entertain a motion to adjourn. Mr. Duncan made the motion and Mr. Shehan seconded. The motion passed unanimously. The meeting adjourned at 4:55 p.m.


Board Secretary

Supplemental Amendment to July 6, 2020, Evaluation Committee minutes:

The minutes approved by the Evaluation Committee contained a scrivener's error. A presentation was made by Greenville County in support of its application for Woodruff Road. The minutes inadvertently failed to reference the County's presentation. The Chairman of Greenville County Council, Butch Kirven, made the presentation on Greenville County's request for financial assistance for corridor improvements in the Woodruff Road area. No questions were asked of Chairman Kirven.


Board Secretary

For
Rob Tyson

January 18, 2022