

MINUTES
**South Carolina Transportation
Infrastructure Bank Board Special Meeting**

University of S.C. Alumni Center

Columbia, SC 29201

July 7, 2020

9:00 a.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 the U.S. Mail, electronic mail, or facsimile.

Present: Mr. John B. White, Chairman Presiding
Mr. Ernest Duncan, Vice Chairman
Mr. Tony Cox
Mr. David Shehan
Representative J. Gary Simrill
Mr. Brent Rewis, SCDOT Representative

Via WebEx: Senator Hugh Leatherman and Mr. Chip Limehouse

Others present: Ms. Tami Reed, for the Bank; Mr. Ron Patton, STV Inc.; Mr. Rob Tyson, Bank Counsel; Mr. Jim Holly, Bank Counsel; Mr. Rion Foley, Bank Bond Attorney; Ms. Christy Hall, Secretary of Transportation; and other representatives of SCDOT.

Opening Remarks:

The meeting was called to order at 9:05 a.m. by Chairman White. Chairman White asked Secretary Rob Tyson to conduct a roll call to determine if there was a quorum present. Mr. Limehouse's response was not audible. Secretary Tyson stated there was a quorum. Chairman White welcomed everyone to the meeting.

Approval of April 2, 2020 minutes

Chairman White stated the first order of business was to approve minutes from the April 2, 2020, meeting. The Chair asked for a motion to approve. Senator Leatherman made the motion and Mr. Duncan seconded. The motion passed unanimously.

Senator Leatherman asked if he could have a minute to speak. He stated he wanted to thank the Chairman and the Evaluation Committee for all the work they did the day before. He stated that the Evaluation Committee had an all-day session and looked at some important projects and he appreciated the work they did. Chairman White thanked Senator Leatherman. He went on to

thank Secretary Hall, Brent Rewis, and Ron Patton for their participation. He also thanked staff and counsel.

Chairman White thanked the presenters for their clarity and passion in their presentations. He stated the impressive presentations made the projects come alive and the presenters gave a different perspective. He stated it was historic day for the Bank and that today will be a historic day too.

Chairman White called for a minute of silent prayer for the health and safety of the people of South Carolina and our nation.

Executive Session

Chairman White stated the next order of business is to entertain a motion to go into executive session for the discussion of the negotiations incident to the proposed contractual arrangements and receipt of legal advice on matters covered by attorney-client privilege. Mr. Duncan made the first motion. Mr. Cox seconded. The motion passed unanimously. Executive Session began at 9:06 a.m.

The Board returned from Executive Session at 10:22 a.m. Chairman White stated no action was taken in Executive Session and he called for a motion to come out of Executive Session. Mr. Duncan made the motion and Mr. Shehan seconded. The motion passed unanimously.

Background for Application Process

Chairman White stated today is the second day of a historic day for the Bank. He stated the Bank's Operating Guidelines had been revised to be consistent with the revised application process. Applications originally were due in August but the date was extended to September as a result of the Department of Commerce not being able to provide the staff for scoring on an economic benefit factor of the score. The Bank received 12 applications which ranged from rural counties to large counties and from large projects over \$100 million to smaller projects of about \$25 million.

Chairman White stated the March meeting was cancelled due to COVID-19 pandemic. Fulfilling the Bank's fiduciary duty to the State, Chairman White asked for an update from our financial advisor to assess the Bank's financial condition. The Bank's financial adviser reported the Bank's capacity decreased from \$650 million in 2020 to \$490 million. Chairman White stated he will continue to talk to the Bank's financial advisors and stay vigilant in regards to the Bank's finances as it meets its statutory purpose.

Chairman White stated the Evaluation Committee met yesterday and worked from early morning to late afternoon. The Bank will address the recommendations from the Evaluation Committee. The Evaluation Committee recommended that only 75 percent of the \$490 million dollars be approved, which is approximately \$360 million. The Committee moved that no more than \$367 million dollars be awarded to applicants.

The Evaluation Committee recommended a process containing a phase one and a phase two for the pending applications. Phase One involves the Committee's request to the Board today to

approve certain applications and that no action be taken on the applications that were not approved. Those applications may be part of a second phase through December 31, 2020.

Chairman White stated the Bank anticipates sending a letter to the applicants whose applications are still pending so issues, deficiencies, and additional information can be addressed.

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 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 these applications. He also noted he did not participate in discussions concerning the counties he represents, nor did he vote, at the Evaluation Committee the prior day.

Chairman White described the process that for Bank approved applications, the projects also would need approval by the SCDOT Commission. Further, the Joint Bond & Review Committee will have to approve the projects for them to move forward.

Senator Leatherman thanked Chairman White for his commitment and dedication to the Bank. He stated he firmly believed that the Bank Board actions are in the best condition they have ever been. He stated the Bank is going in the direction that serves the people of our state tremendously, tries to get all the information, tries to evaluate what can be done for our state and our people. Chairman White thanked Senator Leatherman for the compliment.

City of Aiken University Parkway IGA

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 so that construction of the project will 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 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.

Chairman White asked whether the sole issue before the Board is an extension and a reduction in length of University Parkway. Mr. Tyson answered that is correct.

Chairman White asked for a motion. Mr. Duncan moved that the Board adopt the City of Aiken's request to amend the current intergovernmental agreement concerning University Parkway to extend the commencement of construction to March 30, 2021 and completion of construction by September, 2023. Mr. Limehouse seconded the motion. Chairman White asked for discussion. Senator Leatherman stated the project is a much needed project but stated it is time to get the project completed. Senator Leatherman further commented that if the project is not completed on schedule, it can be taken off the table as far as he is concerned. Having no further discussion, the question was called. The motion passed unanimously.

Evaluation Committee Recommendation

Chairman White asked for a motion for the Bank to fund up to \$367 million dollars, which is 75 percent of our bonding capacity of \$490 million dollars, and to handle the awards in two phases, phase one and phase two, with applications that are before the Board today still being viable and pending through December 31, 2020 with our ability to ask for additional information or comments. Senator Leatherman made the first motion and Mr. Cox seconded.

Representative Simrill asked Chairman White if he wanted to clarify that when the phases were discussed collectively. But when approving the projects would come in two lists of Section A and Section B. Chairman White replied he was referencing the total projects and that he would recuse himself on projects he has privity. After no further discussion, the motion passed unanimously.

Board Action on Projects

Chairman White called on Mr. Duncan to talk about the segment of projects that he led the discussion. Mr. Duncan presided over the discussion concerning the following projects addressed by the Board: the City of Aiken, Greenville County, Greenwood County, Pickens County and York County. After presentations, analysis and discussion, the Committee recommended the following projects be funded, subject to the conditions that the Board has for all projects.

1. Greenville County, Woodruff Road Project. It scored 66.9 with the minimum score being 65. The financial assistance will be \$49 million in a grant.
2. York County, I-77, Exit 85 Project. It scored 65. The financial assistance will be a grant in the amount of \$42 million dollars.
3. York County, I-77, Exit 82 Project. It scored 65. The financial assistance will be a grant in the amount of \$32 million.

Mr. Duncan asked for questions about the projects. There were no questions so he asked for a motion to approve the projects. Representative Simrill made the motion that the Bank adopt and recommend financial assistance be awarded to the three projects. Mr. Shehan seconded. Mr. Duncan asked for a vote. Chairman White recused himself. The motion passed unanimously.

Chairman White then spoke about the next set of projects. He stated the Evaluation Committee recommended the following projects for approval.

1. Beaufort County, U.S. 278 Project. Given the 34% local match, the project scored 86. The financial assistance will be a grant in the amount of \$120 million dollars.
2. Charleston County, Main and Bohicket Road Project. Given the 50% local match, the project scored 92.85. The financial assistance will be a grant in the amount of \$40,785,500.
3. City of Charleston, Phase 5 of the U.S. 17/Septima Clark Project. The Bank has funded the other 4 phases of the project. Given the local match of 15%, the project scored 65. The financial assistance will be a grant in the amount of \$21,500,000.
4. Jasper County/Town of Hardeeville, Exit 3, I-95 Project. The application had a score of 50% percent on public benefit and 15% on a financial plan. Coupled with the local match of 25%, third-party contributions, and a loan term of 15 years, the project scored 65. The financial assistance will be a grant in the amount of \$28,095,903 and a loan of \$28,095,903.

The other projects before the Bank that no action was recommended or taken are the following: York County, I-77, Exit 90; Orangeburg County, U.S. 601 and Highway 21; City of Charleston, Low Battery Seawall Restoration; and Charleston County, SC 41.

Chairman White asked for questions. Senator Leatherman asked if the Beaufort County project was the bridge going into Hilton Head. Chairman White replied yes. Senator Leatherman stated it was much needed and he supported the project.

Senator Leatherman stated that the Jasper/Hardeeville project concerned him. His concern focused on the potential Jasper County did not have enough money to complete the project, it would seek assistance from the federal government. Jasper County responded that if its funding was insufficient, it would apply for a TIGER grant. Senator Leatherman urged Jasper County to be prepared when the project goes before the Joint Bond and Review Committee. Chairman White responded to Senator Leatherman that representative for the county and city were present in the audience and they had heard his comments.

Chairman White provided a recap of the projects. The Exit 3, I-95 project is something to be really excited about. It is the first exit into South Carolina. Governor McMaster supported the project too. Chairman White stated he thinks this area is now a corridor of opportunity.

Chairman White called for a motion to approve the projects. Senator Leatherman made the motion to approve and Representative Simrill seconded. The motion passed unanimously.

Mr. Tyson commented on the next steps. He stated the approved motions will be reduced to resolutions in a form that's been previously adopted by the Bank. Chairman White replied the resolutions adopted by the Bank will have a preamble containing when this process started through the Board's vote on July 7, 2020. These resolutions are on file in the official records of the Bank.

New Business

Chairman White asked if there was any new business. No new business was presented to the Board.

Old Business

Chairman White asked if there was any old business. There was none.

Adjourn:

Chairman White asked for a motion to adjourn. Mr. Duncan made the motion and Mr. Shehan seconded. The motion passed unanimously. Chairman White adjourned the meeting at 11:00 a.m.



Board Secretary