

BOARD OF DIRECTORS

John B. White, Jr., *Chairman*

Ernest Duncan, *Vice Chairman*

Ben H. Davis, Jr.

Senator Hugh K. Leatherman, Sr.

H.B. "Chip" Limehouse, III

Representative J. Gary Simrill

Joe E. Taylor, Jr.

**South Carolina
Transportation Infrastructure Bank**



955 Park Street
Room 120 B
Columbia, SC 29201
P: (803) 737-2875
Fax: (803) 737-2014

SCTIB Board Meeting

Gressette Building – Room 105

Columbia, SC

May 7, 2018

1:00 pm

- | | | |
|-------|---|-------------------------------|
| I. | Call to Order | Chairman John B. White, Jr. |
| II. | Consideration of Minutes of October 24, 2017 | |
| III. | Opening Remarks | Chairman John B. White, Jr. |
| IV. | Administrative Items | |
| | A. Class Action Lawsuit | Rion Foley, Jim Holly |
| | B. Status of Lawsuits (Act 275 & Act 40) | Bill Youngblood, Jim Holly |
| | C. Financial Status | David Miller |
| | D. Fiscal Sufficiency Resolution and Action | Bill Youngblood, David Miller |
| V. | SCDOT Presentation | Secretary Christy Hall |
| VI. | Executive Session (if necessary) | Chairman John B. White, Jr. |
| VII. | Actions on Items from Executive Session (if needed) | |
| VIII. | Old Business | |
| | A. Mark Clark Project Status and Action | Jim Holly |
| IX. | Adjourn | |

MINUTES
South Carolina Transportation Infrastructure Bank
Board Meeting

Room 105, Gressette Building
Columbia, SC 29201

May 7, 2018
1:00 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 the U.S. Mail, electronic mail, or facsimile.

Present: John B. White, Jr., Chairman, Presiding
Dr. Ben H. Davis, Jr.
Ernest Duncan
Senator Hugh K. Leatherman, Sr.
H.B. "Chip" Limehouse, III
Representative J. Gary Simrill
Joe E. Taylor, Jr.

Others present: Tami Reed, representing the Bank; Jim Holly, Board Secretary and Bank Counsel; Bond Counsel; Secretary of Transportation and other representatives of SCDOT; staff representatives of legislative committees; media: and members of the public.

The meeting was live-streamed through the Bank's website thanks to the efforts of SCETV.

The meeting was called to order by Chairman White.

Agenda and Consideration of Minutes:

The first item of business was the October 24, 2017 Minutes of the last board meeting. Chairman White asked for a motion to approve. Mr. Taylor made a motion to approve and Mr. Simrill seconded the motion. The motion carried with a unanimous vote.

Opening Remarks:

Chairman White recognized Woody Willard, stating that he was the former chairman of the SCDOT Commission and a former member of the Bank Board. The Chairman thanked Mr. Willard for his service and re-nomination to the SCDOT Commission. Chairman White also recognized Dr. Davis as a new member of the Bank Board as well as the new SCDOT Commission Chairman.

Administrative Items:

The Chairman asked Mr. Bill Youngblood to come forward. The Chairman stated that Mr. Youngblood is the Bank's bond counsel from the McNair firm and that he will report on a class action that we could potentially be involved in as a recipient.

Mr. Youngblood stated that the Bank received noticed that there is a proposed settlement of a class action law suit by the Alaska Electrical Pension Fund and a number of other governmental entities against the Bank of America who provided interest rate swap contracts. He stated that in our history only one issue of a variable rate debt back in 2003 may be involved. The Bank did auction rate securities, and our municipal bond insurer at the time insisted that we enter into these interest rate exchange agreements. There is a claim that there was some miss-pricing by the Bank of America and perhaps some of the recipients of these contracts did not receive everything they were entitled to, and the Bank is on the list of those would be potential beneficiaries of this settlement. Bank of America proposes to provide \$408.5 million nationwide for the settlement. A claim form must be filled out and he is working on that along with Bank staff and consultants. He stated that it would be appropriate for the Chairman to authorize to sign the claim form so that the SCTIB could become a beneficiary.

Senator Leatherman moved that the Chairman be authorized to sign the claim form for the lawsuit. Mr. Limehouse seconded the motion. All members voted in favor of the motion.

The Chairman asked Mr. Holly to give a status report on Act 273 and Act 40 and the related lawsuits. Mr. Holly stated that there were two different lawsuits. The first one was brought by Mr. Ned Sloan from Greenville and his foundation against the General Assembly challenging the constitutionality of Act 275 of 2016, and that the case is still pending before the State Supreme Court. The lawsuit is still in the briefing stage and it will be some months before it is resolved by the Supreme Court. The second lawsuit was brought by Mr. William Folks in the Richland County Court of Common Pleas against the General Assembly again challenging the constitutionality of Act 40, which was passed last year, basically on the same grounds as the first lawsuit. The second case is pending and inactive because the judge in the lawsuit apparently wants to wait and see what the Supreme Court does on the first case. Mr. Holly stated that the

Bank is not a defendant in the lawsuits. The Bank's attorneys are monitoring them along with SCDOT. Until the lawsuits are resolved, the Bank is not able to issue revenue bonds for SCDOT projects based on Act 275 and 40 revenue sources because it could not get a clean opinion as to the legal enforceability of those revenue streams to pay off the bonds from the Bank's bond counsel.

Financial Status:

Chairman White called upon David Miller, who is a managing director of Public Financial Management. Mr. Miller stated that there has not been any bond activity since July of 2017 when refunding bonds were sold. Mr. Miller named the four existing main sources of revenue to the Bank that are pledged to repay the Bank's revenue bonds which are: truck registration fees, motor vehicle registration fees, and the electric power tax and state highway funds. Mr. Miller stated that he tracks the historical performance on these revenues. The 10 year history of the revenues shows strong streams. The motor vehicle tax and the truck registration fees had strong fiscal year 2017 growth. For planning purposes, 2 percent is used the assumed growth rate for truck registration fees. For a number of years that was a pretty conservative estimate as you can see (from an overhead chart) the 10 year average dipped a little below that so an eye will be kept on the proper planning for truck registration fee estimates. Highway funds estimates were lowered several years ago for the highway funds to be conservative given a revenue stream that is based on fuel taxes and more fuel-efficient cars and those types of things. The tax is performing well and it is well above the half percent growth that was assumed per annum. At this point, there is no forecasting for any future new money bonds in the business plan at this time. The bond resolution coverage requirement is at least 1.35 times on a projected basis and 1.45 is planned for coverage and also the business plan calls for an unrestricted cash balance of \$50 million. Mr. Miller stated that several refunding had been done in the past several years to lower debt service and there is cash available for project expenditures. At this time there are no plans for future bonds, nor are there any refunding opportunities. A nuance in the recent federal tax reform bill has limited the ability to advance refund bonds at lower interest rates going forward. The decisions of the Bank to advance refund bonds over the last several years saved tens of millions of dollars.

Fiscal Sufficiency Resolution and Action:

Senator Leatherman asked Mr. Miller if the two law suits were the reason that the bonds were not issued. Mr. Miller stated that project expenditures are a lot slower on some projects than what was originally estimated based upon construction schedules provided by SCDOT and project sponsors. Some have not begun construction. Senator Leatherman stated that the SCDOT Commission in their wisdom has chosen not to issue bonds under Acts 275 and 40,

which he thinks is the right thing to do, and asked how it affects the Bank He stated that it is a separate matter because revenues have not been pledged to these bonds so it is a separate matter.

Senator Leatherman asked if the suits were long term if it would affect the bond program; Mr. Miller stated that would be a legal question, but he did not have concerns with issuing bonds under the existing bond program and revenue sources.

Mr. Youngblood stated that the reason a bond counsel opinion cannot given on the new revenue streams for Act 275 and Act 40 is because of the constitutional provision under which these two new acts are being challenged. The State Supreme Court has previously ruled on other cases that if the court finds a violation of that one subject rule, then the entire act must be declared unconstitutional with the exception of actions taken under separate annual appropriations acts.

Chairman White stated the Bank has \$255 million available under other revenue sources, and at some point the SIB will be able to resume the evaluation process back on applications. He stated that an Evaluation Committee meeting will be held in June. He stated that we are a Bank, we fund, not build, roads.

Mr. Youngblood stated that fiscal sufficiency resolution before the Board has to do with the existing revenues bond issues and revenue streams like the truck registration fees, electric power funds, an amount of non-state tax revenue equal to once center per gallon. He stated that the revenues are sufficient to meet all of the Bank's operating expenses, bond debt service, and other administrative costs.

Senator Leatherman asked if some point in time the lawsuits on Acts 275 and 40 are going to hinder the SCDOT projects that need to be done with money furnished under these acts. Mr. Youngblood stated yes, sir.

The Chairman asked if there was a motion to adopt the Fiscal Sufficiency Resolution based on the 2018/2019 estimates of pledged revenue. Mr. Taylor moved that the Resolution be approved by the Board, and Senator Leatherman seconded the motion. The motion was approved by a unanimous vote.

SCDOT Presentation:

Chairman White introduced Ms. Christy Hall, Secretary of the Department of Transportation. Secretary Hall stated that the Board was in possession of a handout from the SCDOT and it builds upon a recent presentation that was made to the SCDOT Commission talking about the impact of the lawsuits as well as the timing issue of where the SCDOT is with their interstate program.

Secretary Hall stated that the two lawsuits have created some uncertainty about the ability to actually bond Act 275 and 40 revenues and it has created a timing issue for the SCDOT. In order to continue with funding the Act 98 projects after the end of the current fiscal year, an alternative plan has been developed by SCDOT. SCDOT will draw down the balance of the Act 98 from the Bank and use federal funds for the projects.

Mr. Taylor asked if and when the lawsuits are settled and money becomes available and new bonding capacity is available would they offset the funds you are using in your current capacity?

Secretary Hall stated that it was a yes or no answer. The short term answer is: this is the plan that the SCDOT needs to go with as they move forward; and when she can get greater clarity in the disposition of the lawsuits, then another look will be taken to see the best thing to do to keep moving forward. Mr. Taylor replied that he wanted to make sure that the SCDOT has as much money as possible for highway improvements and especially the interstates.

Mr. Limehouse asked Secretary Hall who SCDOT's bond counsel is and she stated that the SCDOT is utilizing the State Treasurer's Office, the Pope Flynn Firm is their bond counsel as well as a working team within SCDOT. SCDOT is currently in the process of securing a financial advisor.

Secretary Hall stated that she expects the lawsuits to remain unsettled for the next 12 or 36 months.

Chairman White stated that the SCDOT wanted the remaining Act 98 funds to be made available by the Bank and any related agreements on Act 98 terminated or modified. The Act 98 projects would be completed using those funds and federal funds. Secretary Hall stated that was correct.

Chairman White asked if a motion needed action by the board and Secretary Hall stated yes. Mr. Holly advised the Board that a motion may not be needed at this time. Chairman White stated that he received a letter from the House Legislative Oversight Committee checking up in regards to the Bank's relationship with SCDOT and other matters. Chairman White asked Secretary Hall if there was anything the Bank was not doing in regards to communication or openness and in regards to doing the work of the state.

Secretary Hall stated that SCDOT will keep everything moving and then if assistance is needed on the tail-end of things, that the door be kept open for them to come back and talk with the Bank. She could not ask for anything more.

Chairman White stated that the SCTIB is an open door. SCDOT is the biggest customer, and in being the biggest customer we want to be in a position that we can help you and help you timely.

Chairman White asked Secretary Hall about SCDOT's bonding capacity, and she stated that they are looking at somewhere close to about \$2 billion in capacity available in out years of its plans. Mr. Taylor moved that the Board approve in concept the plan presented by Secretary Hall at the

meeting, and Senator Leatherman seconded the motion. The motion passed by a unanimous vote. Mr. Limehouse asked Secretary Hall what is the SCDOT's current bond rating; she replied that she did not know off of the top of her head. Mr. Limehouse then asked Mr. Holly the SCTIB's bond rating and he stated a single A. Then, he corrected himself and stated A1A.

Executive Session:

Chairman White stated that the board needed to go into executive session to discuss personnel matters, negotiations on contractual agreements, and to receive attorney client privileged information on matters, including the Mark Clark Project. Representative Simrill moved to go into executive session. Senator Leatherman seconded the motion. The vote to go into executive session was unanimous.

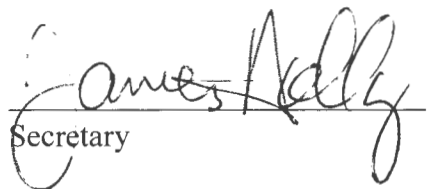
Senator Sandy Senn from District 41 stated that she had a copy of a letter from the Governor and stated that the Bank had one also. She asked for transparency as far as the Mark Clark Project. She asked if it was the Board's intent to come back to the Mark Clark Project discussion post-your retreat after the executive session. Chairman White stated, absolutely.

The Board went into Executive Session at 1:53 p.m. At 3:43 p.m., the Board returned to regular Chairman White stated that no action was taken during executive session.

Old Business:

Chairman White stated that a motion was needed to postpone any action on the Mark Clark Extension Project until the next meeting of the Board for which the project is listed on the meeting agenda as an item for action. Senator Leatherman moved for the Board to adopt the motion as stated by the Chairman, and Mr. Duncan seconded motion. The vote on the motion was unanimous.

Chairman White moved to adjourn, Mr. Limehouse seconded the motion. The motion was unanimously approved.


Secretary

MINUTES
South Carolina Transportation Infrastructure Bank
Board Meeting

Room 252, Edgar Brown Building
Columbia, SC 29201

October 24, 2017
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: John B. White, Jr., Chairman, Presiding
Senator Hugh K. Leatherman, Sr.
H.B. "Chip" Limehouse, III
Representative J. Gary Simrill
Joe E. Taylor, Jr.
Woodrow "Woody" W. Willard, Jr.

Others present: Tami Reed, representing the Bank; Jim Holly, Board Secretary and Bank Counsel; Bond Counsel; Secretary of Transportation and other representatives of SCDOT; staff representatives of legislative committees; media; and members of the public.

The meeting was live-streamed through the SCTIB website thanks to the efforts of SCETV.

The meeting was called to order by Chairman White.

Agenda and Consideration of Minutes:

The first item of business was the July 20, 2017 Minutes of the last board meeting. Chairman White asked for a motion to approve. Mr. Taylor made a motion to approve and Mr. Willard seconded the motion. The motion carried with a unanimous vote.

Opening Remarks:

Chairman White welcomed Joe Taylor stating that he (Mr. Taylor) had had some health problems, and that he (Mr. White) was happy that Mr. Taylor was present. The Chairman thanked Mr. Taylor for his service, past and present, for the State of South Carolina.

Evaluation Committee Report and Board Action:

The Chairman stated that he chairs the Evaluation Committee and a meeting was held on September 14, 2017. Draft minutes were presented to the Board, but the Evaluation Committee had not had a subsequent meeting at which it could have approved the minutes. Chairman White asked if there was a reason to consider action today on the recommendation adopted by the Evaluation Committee at its last meeting. He asked if there was a motion. Mr. Taylor made a motion to accept and implement the recommendations of the Evaluation Committee which was that the pending completed applications under consideration by the Bank be held in abeyance until the Board determines that the relevant circumstances have changed, so as to allow further consideration of those applications by the Bank. Mr. Willard seconded the motion. The Chairman asked for discussion. Senator Leatherman asked for the motion to be read or for the Chairman to tell him what it meant. The Chairman responded to Senator Leatherman stating that two lawsuits are pending challenging the constitutionality of Act 275 of 2016 and Act 40 of 2017 that provide new funding sources for SCDOT. Based on conversations with the Bank's general counsel, bond counsel and our financial consultants, the pending lawsuits impair the ability of the Bank to pledge those new funding sources to issue new revenue bonds to assist SCDOT with projects.

The Chairman stated further that the revenue source that had been provided the Bank through Act 98 of 2013 fund specified SCDOT interstate projects was repealed by the General Assembly in 2017. About \$250 million or more was needed to complete the Act 98 projects. Chairman White stated that he was not critical of the legislature, nor was he asking for it to restore that funding source to the Bank. The last payment was in the fall of this year and the Bank has about 60 million left out of the Act 98 funds. The Bank has potential viable projects that may meet the state priority system, but from a conservative standpoint in regards to where the Bank's reserves are terms of its current bonding capacity, the Bank needs to hold that capacity in reserve until the lawsuits and the remaining funding for the Act 98 projects are resolved. Chairman White stated that the recommendations are to suspend, not deny, current applications until there is a resolution of the litigation on Act 275 and 240. If and when the Bank's capacity is available the applications could be reactivated and the Evaluation Committee would develop specific recommendations and the Board would vote on those with the advice and consent of SCDOT and then reviewed by the Joint Bond Review Board.

Mr. Phillip Wiggins, a member of the audience was asked to come to the microphone to ask a question.

Mr. Phillip Wiggins stated he was from Dallas, Texas and with Stratford Land and that he had come before the Board before. He asked for some clarification on the Evaluation Committee. Mr. Wiggins wanted to know if the Evaluation Committee was an executive committee. He stated that he thought an Evaluation Committee evaluated projects and did not set policy for the Board. The Chairman asked Mr. Wiggins which project he had personal interest in. Mr. Wiggins stated he had interest in Riverport in Jasper County. Chairman White asked if that was the Interstate 95 Interchange project in Jasper County. Mr. Wiggins responded that it was.

Chairman White stated to him that Jasper County does not have approval from the Federal Government for the interchange so the Bank was not at the point of considering application at this time. Mr. Wiggins stated he was a land developer and land investor and that his company has about \$80 million in the property in Jasper County. Mr. Wiggins asked how the Evaluation Committee operates. The Chairman explained that the Committee is open to the public and invited Mr. Wiggins to come to a meeting. The Chairman explained that the Evaluation Committee has certain criteria that must be used and reviewed by the Committee in conjunction with a representative of SCDOT to determine whether a project meets those criteria and is a priority on a statewide basis. The Chairman stated that approval by Federal Highway Administration is a criteria and Jasper County has not met that criteria. The Chairman asked him to come to a Committee meeting and stated that he did not think this is the forum today to debate how Board may choose to conduct its business and thanked him for coming.

The motion previously made passed by unanimous vote.

2018-2019 Budget:

Chairman White called upon the Bank's CFO, Ms. Tami Reed, to talk about the budget for Fiscal Year 2019-2019. Ms. Reed stated that she was going before the Governor's Office on November 4, 2017, to present the Bank's budget. She stated the differences between Fiscal Year 2017-2018 are the revenues. She stated that not knowing the precise cost of future projects during the fiscal year that the Bank needs to have enough budgetary authority for the maximum that it could possibly be required to pay out for the year. Mr. Willard asked about the expenditures under personal services. Ms. Reed explained that there were approved positions that were currently vacant. Ms. Reed stated that the difference in revenues is due to the changes in Horry County Loan payments. Mr. Taylor moved to approve the budget for Fiscal Year 2018-2019 as presented, and Mr. Simrill made the second motion. The Chairman stated that before any decisions were made on spending money or doing anything special other than the normal administrative and project costs, it would come back before the Board.

Mr. Simrill wanted the Board updated on working with the SCDOT. The Chairman stated that he has been working closely with Transportation Secretary Christy Hall, and with a working group that Ms. Hall implemented. Mr. Chairman stated that the group is a channel for communications. Brian Keys of SCDOT is on the Bank's Evaluation Committee. The Chairman stated that a letter has been sent to Secretary Hall with two plans on long term financing for SCDOT's needs: a 15 year bonding plan and a 25 year bonding plan. Mr. Willard stated that from the SCDOT standpoint they are committed to the Act 98 projects.

Project Progress Report:

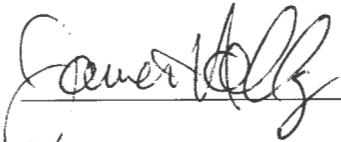
Ms. Reed stated that currently there are 29 active projects. Two projects were closed in Fiscal Year 2017; the Beaufort 170 project and the Town of Mount Pleasant projects. One Act 98 project has met the Bank's contribution maximum of \$80 million: the Greenville Interstate 85/385 Project. Mr. Limehouse entered the room at 9:35 a.m. Mr. Taylor asked about the progress of the SC 165 Dorchester Project. An act of urgency was requested for improving a road to the high school on SC 165 in Dorchester County. The Chairman stated that the Bank went beyond its normal role to ensure that there was sufficient funding for the road. Mr. Willard stated he done a personal analysis of the June 30, 2017 audit of financial statements and the Bank is continuing to make progress toward meeting the funding commitments that the Bank has obligated itself to. Mr. Taylor stated that the Evaluation Committee was ensured that the funding is there for existing projects. Mr. Holly stated that the exception was the Mark Clark Extension Project in Charleston County.

2016-2017 Audit Report:

Chris Halkowitz, an audit partner from Scott and Company, presented the financial statements audit report for July 1, 2016 to June 30, 2017. Mr. Halkowitz stated that he has been an audit partner for the Bank for eight years. Scott and Company is required by standards to send the Bank Board two letters: one at the outset of the audit, which defines their responsibility, Ms. Reed's responsibility and the Bank's responsibilities; another letter is sent at the conclusion of the audit which highlights the key points and key takeaways from the audit. Mr. Halkowitz stated that the state moved up the required deadline by two weeks this year to have the letters issued and final by October 1, 2017. The audit was completed within the deadline. There were no significant findings in the audit. After some discussion of the components of the audit, Mr. Taylor made a motion to accept the audit for Fiscal Year 2017 as information, Mr. Simrill made a second motion, and the Board vote to accept the audit report unanimously.

Closing:

Chairman White stated that the Bank will have increased personnel needs within the organization. He stated that Ms. Reed and Mr. Holly know. All of his needs as a Chairman have been met in a timely manner. Mr. Taylor made a motion to adjourn and Mr. Limehouse seconded the motion. All Board members voted in favor of the motion. The meeting adjourned at 10:16 a.m.


Secretary

SOUTH CAROLINA TRANSPORTATION INFRASTRUCTURE BANK

RESOLUTION

WHEREAS, Section 3.05(B) of Article III of the Master Revenue Bond Resolution adopted by the Board of Directors (the “Board”) of the South Carolina Transportation Infrastructure Bank (the “Bank”) on September 21, 1998, as amended, provides in pertinent part as follows:

On or before February 1 in each year, the Bank Board shall complete a review of the financial condition of the Bank for the purpose of estimating whether the Pledged Revenues and Supplemental Payments shall be sufficient to meet Annual Gross Debt Service, to make all required deposits into the Debt Service Reserve Account, to make any required deposits to the Revenue Stabilization Fund, and to pay Administrative Expenses for the ensuing Fiscal Year, and shall by resolution make a determination with respect thereto. A copy of such resolution properly certified by the Bank Board, together with a certificate of an Authorized Officer of the Bank setting forth a reasonably detailed statement of the actual and estimated Pledged Revenues and Supplemental Payments and other pertinent information for the year upon which such determination was made, shall be available upon request to any interested party.

WHEREAS, the Board has been advised by its financial advisor and staff that with respect to the 2018-2019 Fiscal Year (beginning July 1, 2018) the estimates of Pledged Revenues and Supplemental Payments will be sufficient to meet Annual Gross Debt Service, make all required deposits into the Debt Service Reserve Account and Revenue Stabilization Fund, and pay Administrative Expenses as those terms are defined in the Master Revenue Bond Resolution;

WHEREAS, attached hereto are tables and a letter from the Bank’s financial advisor that provide estimates relevant to the determinations set forth herein;

NOW, THEREFORE, The Board of Directors of the South Carolina Transportation Infrastructure Bank hereby resolves that:

After reviewing the estimated revenues of the Bank and the reports of its financial advisor and staff, the Board has determined that with respect to the 2018-2019 Fiscal Year, the estimates of Pledged Revenues and Supplemental Payments will be sufficient to meet Annual Gross Debt Service, to make all required deposits to the Debt Service Reserve Account and Revenue Stabilization Fund, and to pay Administrative

Expenses as those terms are defined in the Master Revenue Bond Resolution adopted by the Board on September 21, 1998, as amended.

This Resolution shall be deemed effective as of January 31, 2018, the date of the accompanying letter and supporting schedules provided by PFM Financial Advisors LLC.

Adopted by the Board at a meeting duly held and conducted May 7, 2018.

John B. White, Jr., Chairman

Secretary



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January 31, 2018

Mr. John B. White, Jr.
Chairman
c/o Tami Reed
South Carolina Transportation Infrastructure Bank
955 Park Street
Columbia, SC 29201

Re: Fiscal Sufficiency of Pledged Revenues

Dear Mr. White:

This letter addresses the financial condition of the SCTIB and, in particular, the sufficiency of Pledged Revenues to cover the obligations outstanding under the SCTIB's Master Revenue Bond Resolution. A determination of fiscal sufficiency is required by February 1st of each Fiscal Year. The attached tables prepared by PFM Financial Advisors LLC provide actual and projected Pledged Revenues, Net Revenues, Annual Gross Debt Service, and Deposits to the Revenue Stabilization Fund for FY 2017 through FY 2041, the final year of the SCTIB's outstanding Revenue Bonds. These tables incorporate the most recent Business Plan update that is exclusive of any future planned issues.

To our knowledge, there have been no other changes of which we are aware that would negatively impact the SCTIB's financial status. Therefore, these tables provide evidence of SCTIB's fiscal sufficiency as required by Section 3.05(B) of Article III of the Master Revenue Bond Resolution.

Sincerely,

PFM FINANCIAL ADVISORS LLC

David C. Miller
Managing Director

cc: Mr. Jim Holly

**South Carolina Transportation Infrastructure Bank
Fiscal Sufficiency of Pledged Revenues - FY 2018**

Total System Payments

| Fiscal Year | Motor | Wholesale | SCDOT Highway Funds (3) | Truck Registration Fees (4) | Total System Payments |
|----------------|-------------------------------------|--------------------------------|-------------------------------|-----------------------------------|-----------------------------|
| | Vehicle Registration Fees (1) | Electric Power Funds (2) | | | |
| 2017 | 42,281,984 | 4,139,134 | 28,792,520 | 71,840,209 | 147,053,847 |
| 2018 | 42,916,214 | 4,351,221 | 28,936,482 | 74,644,351 | 150,848,268 |
| 2019 | 43,559,957 | 4,566,489 | 29,081,165 | 74,742,554 | 151,950,165 |
| 2020 | 44,213,356 | 4,784,986 | 29,226,571 | 77,659,983 | 155,884,896 |
| 2021 | 44,876,557 | 5,006,761 | 29,372,704 | 77,762,153 | 157,018,175 |
| 2022 | 45,549,705 | 5,231,863 | 29,519,567 | 80,797,446 | 161,098,581 |
| 2023 | 46,232,951 | 5,460,341 | 29,667,165 | 80,903,744 | 162,264,200 |
| 2024 | 46,926,445 | 5,692,246 | 29,815,501 | 84,061,663 | 166,495,854 |
| 2025 | 47,630,342 | 5,927,629 | 29,964,578 | 84,172,255 | 167,694,805 |
| 2026 | 48,344,797 | 6,166,544 | 30,114,401 | 87,457,754 | 172,083,496 |
| 2027 | 49,069,969 | 6,409,042 | 30,264,973 | 87,572,814 | 173,316,798 |
| 2028 | 49,806,018 | 6,655,178 | 30,416,298 | 90,991,047 | 177,868,541 |
| 2029 | 50,553,109 | 6,905,005 | 30,568,380 | 91,110,756 | 179,137,249 |
| 2030 | 51,311,405 | 7,158,580 | 30,721,221 | 94,667,085 | 183,858,292 |
| 2031 | 52,081,076 | 7,415,959 | 30,874,828 | 94,791,631 | 185,163,494 |
| 2032 | 52,862,292 | 7,677,198 | 31,029,202 | 98,491,636 | 190,060,328 |
| 2033 | 53,655,227 | 7,942,356 | 31,184,348 | 98,621,213 | 191,403,143 |
| 2034 | 54,460,055 | 8,211,492 | 31,340,269 | 102,470,698 | 196,482,514 |
| 2035 | 55,276,956 | 8,484,664 | 31,496,971 | 102,605,510 | 197,864,100 |
| 2036 | 56,106,110 | 8,761,934 | 31,654,456 | 106,610,514 | 203,133,014 |
| 2037 | 56,947,702 | 9,043,363 | 31,812,728 | 106,750,772 | 204,554,565 |
| 2038 | 57,801,918 | 9,329,014 | 31,971,792 | 110,917,579 | 210,020,301 |
| 2039 | 58,668,946 | 9,618,949 | 32,131,650 | 111,063,503 | 211,483,049 |
| 2040 | 59,548,981 | 9,913,233 | 32,292,309 | 115,398,649 | 217,153,171 |
| 2041 | 60,442,215 | 10,211,931 | 32,453,770 | 115,550,469 | 218,658,386 |

- (1) Actual for FY 2017; Escalated at 1.5% per annum thereafter.
- (2) Actual for FY 2017; Escalated at 1.5% per annum thereafter.
- (3) Actual for FY 2017; Escalated at 0.5% per annum thereafter.
- (4) Actual for FY 2016 and FY 2017; Escalated at 2.0% biennially thereafter.

**South Carolina Transportation Infrastructure Bank
Fiscal Sufficiency of Pledged Revenues - FY 2018**

Total Series Payments

| Fiscal Year | Horry | Horry | SCDOT | SCDOT | SCDOT US 17 Project (5) | Multi-Project Funding Agreement (6) | | Total Series Payments |
|----------------|------------------------|--------------------------|-----------------------|---------------------|-------------------------------|--|----------------------|-----------------------------|
| | County | County | Conway | Cooper | | SCDOT | SCDOT | |
| | Loan I Payments (1) | Uninsured Loan II (2) | Bypass Loan II (3) | River Bridge (4) | | Loan Payments | Exchange Payments | |
| 2017 | 15,000,000 | | 7,600,000 | 8,000,000 | 4,979,751 | 10,000,000 | 4,693,476 | 50,273,227 |
| 2018 | | 19,177,658 | 7,600,000 | 8,000,000 | 4,979,751 | 10,000,000 | 4,693,476 | 54,450,885 |
| 2019 | | 19,177,658 | 7,600,000 | 8,000,000 | 4,979,751 | 10,000,000 | 4,693,476 | 54,450,885 |
| 2020 | | 19,177,658 | | 8,000,000 | 4,979,751 | 10,000,000 | 4,693,476 | 46,850,885 |
| 2021 | | 19,177,658 | | 8,000,000 | 4,979,751 | 10,000,000 | 4,693,476 | 46,850,885 |
| 2022 | | 19,177,658 | | 8,000,000 | 4,979,751 | 10,000,000 | 4,693,476 | 46,850,885 |
| 2023 | | | | 8,000,000 | 4,979,751 | | | 12,979,751 |
| 2024 | | | | 8,000,000 | 4,979,751 | | | 12,979,751 |
| 2025 | | | | 8,000,000 | 4,979,751 | | | 12,979,751 |
| 2026 | | | | 8,000,000 | 4,979,751 | | | 12,979,751 |
| 2027 | | | | 8,000,000 | 4,979,751 | | | 12,979,751 |
| 2028 | | | | | 4,979,751 | | | 4,979,751 |
| 2029 | | | | | 4,979,751 | | | 4,979,751 |
| 2030 | | | | | 4,979,751 | | | 4,979,751 |
| 2031 | | | | | 4,979,751 | | | 4,979,751 |
| 2032 | | | | | 4,979,751 | | | 4,979,751 |
| 2033 | | | | | 4,979,751 | | | 4,979,751 |
| 2034 | | | | | 4,979,751 | | | 4,979,751 |
| 2035 | | | | | 4,979,751 | | | 4,979,751 |
| 2036 | | | | | 4,979,751 | | | 4,979,751 |
| 2037 | | | | | 4,979,751 | | | 4,979,751 |
| 2038 | | | | | | | | |
| 2039 | | | | | | | | |
| 2040 | | | | | | | | |
| 2041 | | | | | | | | |

(1) Pledged to original Bonds Sept 21, 1998; Secured by Horry County Hospitality Fees and Intercept Funds.

(2) Pledged effective July 14, 2004; Secured by Horry County Hospitality Fees and Intercept Funds.

(3) Pledged effective October 17, 2000; Secured by SCDOT pursuant to the Second Amended and Restated Master Funding Agreement.

(4) Pledged effective July 14, 2004; Secured by SCDOT pursuant to the Second Amended and Restated Master Funding Agreement.

(5) Pledged effective simultaneous with sale of 2010A Bonds; Secured by SCDOT pursuant to the Second Amended and Restated Master Funding Agreement.

(6) Pledged effective May 26, 2006; Secured by SCDOT pursuant to the First Amended and Restated Master Funding Agreement.

**South Carolina Transportation Infrastructure Bank
Fiscal Sufficiency of Pledged Revenues - FY 2018**

Pledged Revenues and Net Revenues

| Fiscal Year | Total System Payments | Plus: Series Payments (1) | Plus Investment Earnings (2) | Equals: Pledged Revenues | Less: Series Payments | Equals: Net Revenues |
|--------------------|------------------------------|----------------------------------|-------------------------------------|---------------------------------|------------------------------|-----------------------------|
| 2017 | 147,053,847 | 50,273,227 | 663,788 | 197,990,862 | (50,273,227) | 147,717,635 |
| 2018 | 150,848,268 | 54,450,885 | 690,962 | 205,990,115 | (54,450,885) | 151,539,230 |
| 2019 | 151,950,165 | 54,450,885 | 718,171 | 207,119,221 | (54,450,885) | 152,668,336 |
| 2020 | 155,884,896 | 46,850,885 | 746,443 | 203,482,224 | (46,850,885) | 156,631,339 |
| 2021 | 157,018,175 | 46,850,885 | 774,752 | 204,643,811 | (46,850,885) | 157,792,926 |
| 2022 | 161,098,581 | 46,850,885 | 804,165 | 208,753,631 | (46,850,885) | 161,902,746 |
| 2023 | 162,264,200 | 12,979,751 | 833,618 | 176,077,569 | (12,979,751) | 163,097,818 |
| 2024 | 166,495,854 | 12,979,751 | 864,220 | 180,339,825 | (12,979,751) | 167,360,074 |
| 2025 | 167,694,805 | 12,979,751 | 894,862 | 181,569,418 | (12,979,751) | 168,589,667 |
| 2026 | 172,083,496 | 12,979,751 | 926,701 | 185,989,947 | (12,979,751) | 173,010,196 |
| 2027 | 173,316,798 | 12,979,751 | 958,581 | 187,255,130 | (12,979,751) | 174,275,379 |
| 2028 | 177,868,541 | 4,979,751 | 991,705 | 183,839,997 | (4,979,751) | 178,860,246 |
| 2029 | 179,137,249 | 4,979,751 | 1,024,874 | 185,141,874 | (4,979,751) | 180,162,123 |
| 2030 | 183,858,292 | 4,979,751 | 1,059,336 | 189,897,380 | (4,979,751) | 184,917,629 |
| 2031 | 185,163,494 | 4,979,751 | 1,093,845 | 191,237,089 | (4,979,751) | 186,257,338 |
| 2032 | 190,060,328 | 4,979,751 | 1,129,700 | 196,169,779 | (4,979,751) | 191,190,028 |
| 2033 | 191,403,143 | 4,979,751 | 1,165,602 | 197,548,496 | (4,979,751) | 192,568,746 |
| 2034 | 196,482,514 | 4,979,751 | 1,202,906 | 202,665,171 | (4,979,751) | 197,685,420 |
| 2035 | 197,864,100 | 4,979,751 | 1,240,259 | 204,084,110 | (4,979,751) | 199,104,359 |
| 2036 | 203,133,014 | 4,979,751 | 1,279,069 | 209,391,834 | (4,979,751) | 204,412,083 |
| 2037 | 204,554,565 | 4,979,751 | 1,317,931 | 210,852,247 | (4,979,751) | 205,872,496 |
| 2038 | 210,020,301 | | 1,358,310 | 211,378,611 | | 211,378,611 |
| 2039 | 211,483,049 | | 1,398,742 | 212,881,791 | | 212,881,791 |
| 2040 | 217,153,171 | | 1,440,752 | 218,593,923 | | 218,593,923 |
| 2041 | 218,658,386 | | 1,482,817 | 220,141,203 | | 220,141,203 |

(1) Includes Horry County Loan I Payments, pledged portions of Horry County Loan II Payments, SCDOT Conway Bypass Loan II Payments, SCDOT Cooper River Bridge Payments, US 17 Widening Project Payments and SCDOT Multi-Project Funding Agreement Payments.

(2) Investment Earnings on the Revenue Stabilization Fund

**South Carolina Transportation Infrastructure Bank
Fiscal Sufficiency of Pledged Revenues - FY 2018**

Net Revenues Coverage of Senior Lien Annual Net Debt Service

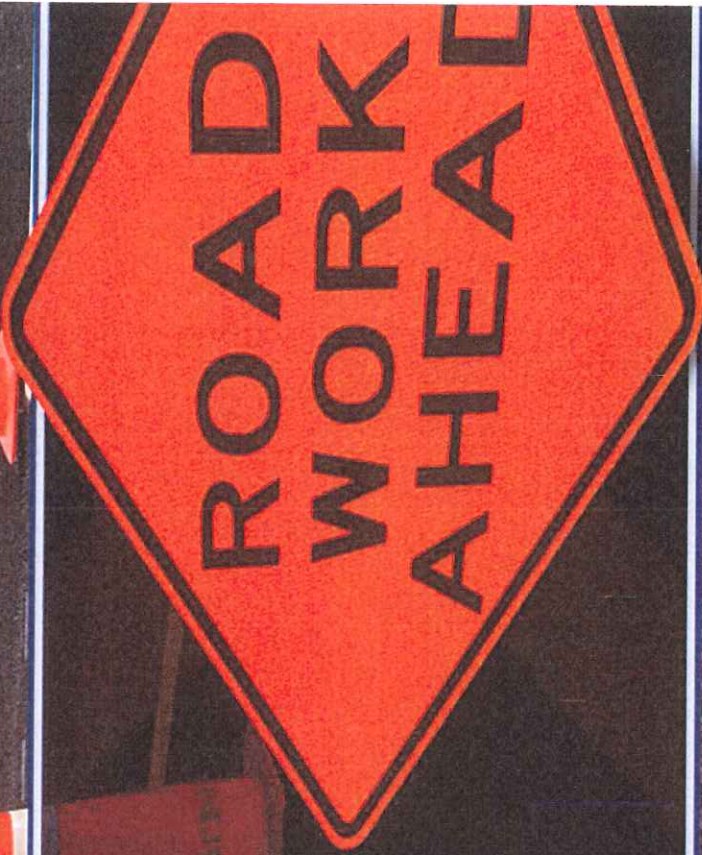
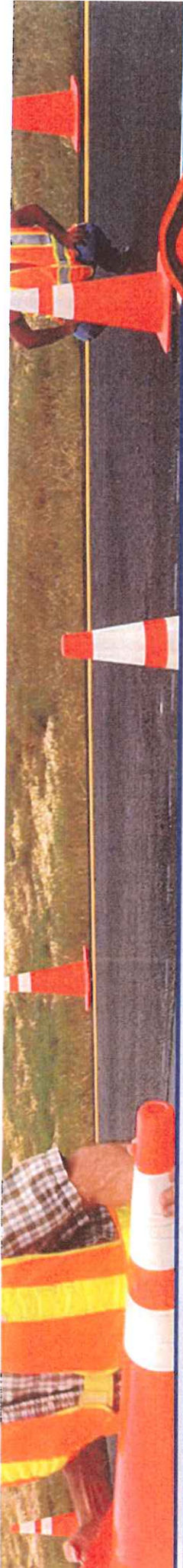
| Fiscal Year | Net Revenues | Annual Gross Debt Service (1) | Less: Series Payments (2) | Less: DSF Interest (3) | Equals: Sr. Lien Annual Net Debt Service | Coverage of Net Revenues over NDS (4) | Revenues Available after NDS |
|--------------------|---------------------|--------------------------------------|----------------------------------|-------------------------------|---|--|-------------------------------------|
| 2017 | 147,717,635 | 133,816,870 | (50,273,227) | (6,237,346) | 77,306,297 | 1.91x | 70,411,339 |
| 2018 | 151,539,230 | 140,077,295 | (54,450,885) | (6,180,338) | 79,446,072 | 1.91x | 72,093,158 |
| 2019 | 152,668,336 | 143,821,853 | (54,450,885) | (6,157,648) | 83,213,320 | 1.83x | 69,455,016 |
| 2020 | 156,631,339 | 138,979,615 | (46,850,885) | (6,109,226) | 86,019,504 | 1.83x | 70,611,835 |
| 2021 | 157,792,926 | 138,167,639 | (46,850,885) | (6,101,106) | 85,215,648 | 1.85x | 72,577,279 |
| 2022 | 161,902,746 | 138,330,280 | (46,850,885) | (6,102,732) | 85,376,663 | 1.90x | 76,526,083 |
| 2023 | 163,097,818 | 111,817,122 | (12,979,751) | (5,837,601) | 92,999,770 | 1.75x | 70,098,048 |
| 2024 | 167,360,074 | 113,230,207 | (12,979,751) | (5,851,732) | 94,398,724 | 1.77x | 72,961,350 |
| 2025 | 168,589,667 | 113,385,623 | (12,979,751) | (5,853,286) | 94,552,586 | 1.78x | 74,037,081 |
| 2026 | 173,010,196 | 121,310,057 | (12,979,751) | (5,932,530) | 102,397,776 | 1.69x | 70,612,420 |
| 2027 | 174,275,379 | 121,736,298 | (12,979,751) | (5,936,793) | 102,819,755 | 1.69x | 71,455,624 |
| 2028 | 178,860,246 | 116,987,677 | (4,979,751) | (5,889,306) | 106,118,620 | 1.69x | 72,741,626 |
| 2029 | 180,162,123 | 118,146,513 | (4,979,751) | (5,900,895) | 107,265,868 | 1.68x | 72,896,256 |
| 2030 | 184,917,629 | 121,659,183 | (4,979,751) | (5,936,021) | 110,743,411 | 1.67x | 74,174,218 |
| 2031 | 186,257,338 | 123,360,259 | (4,979,751) | (5,953,032) | 112,427,476 | 1.66x | 73,829,862 |
| 2032 | 191,190,028 | 126,694,657 | (4,979,751) | (5,986,376) | 115,728,530 | 1.65x | 75,461,498 |
| 2033 | 192,568,746 | 124,711,925 | (4,979,751) | (5,966,549) | 113,765,625 | 1.69x | 78,803,120 |
| 2034 | 197,685,420 | 126,080,766 | (4,979,751) | (5,980,237) | 115,120,778 | 1.72x | 82,564,642 |
| 2035 | 199,104,359 | 41,108,413 | (4,979,751) | (5,130,514) | 30,998,148 | 6.42x | 168,106,211 |
| 2036 | 204,412,083 | 41,044,825 | (4,979,751) | (5,129,878) | 30,935,196 | 6.61x | 173,476,887 |
| 2037 | 205,872,496 | 41,016,975 | (4,979,751) | (5,129,599) | 30,907,625 | 6.66x | 174,964,872 |
| 2038 | 211,378,611 | 40,987,200 | | (5,129,302) | 35,857,898 | 5.89x | 175,520,713 |
| 2039 | 212,881,791 | 42,790,750 | | (5,147,337) | 37,643,413 | 5.66x | 175,238,378 |
| 2040 | 218,593,923 | 42,744,500 | | (5,146,875) | 37,597,625 | 5.81x | 180,996,298 |
| 2041 | 220,141,203 | 42,696,375 | | (5,146,393) | 37,549,982 | 5.86x | 182,591,221 |

(1) Debt Service on Senior Lien Parity Bonds, including the Series 2016A Bonds. Debt Service calculated at the fixed swap rate plus applicable spread on the Series 2003B Bonds.

(2) Includes Horry County Loan I Payments, pledged portions of Horry County Loan II Payments, SCDOT Conway Bypass Loan II Payments, SCDOT Cooper River Bridge Payments, US 17 Widening Project Payments and SCDOT Multi-Project Funding Agreement Payments.

(3) Debt Service Fund ("DSF") interest calculated as 3.0% on principal and interest requirements plus 3.5% on the Debt Service Reserve Fund balance.

(4) Calculated as Net Revenues divided by Annual Net Debt Service

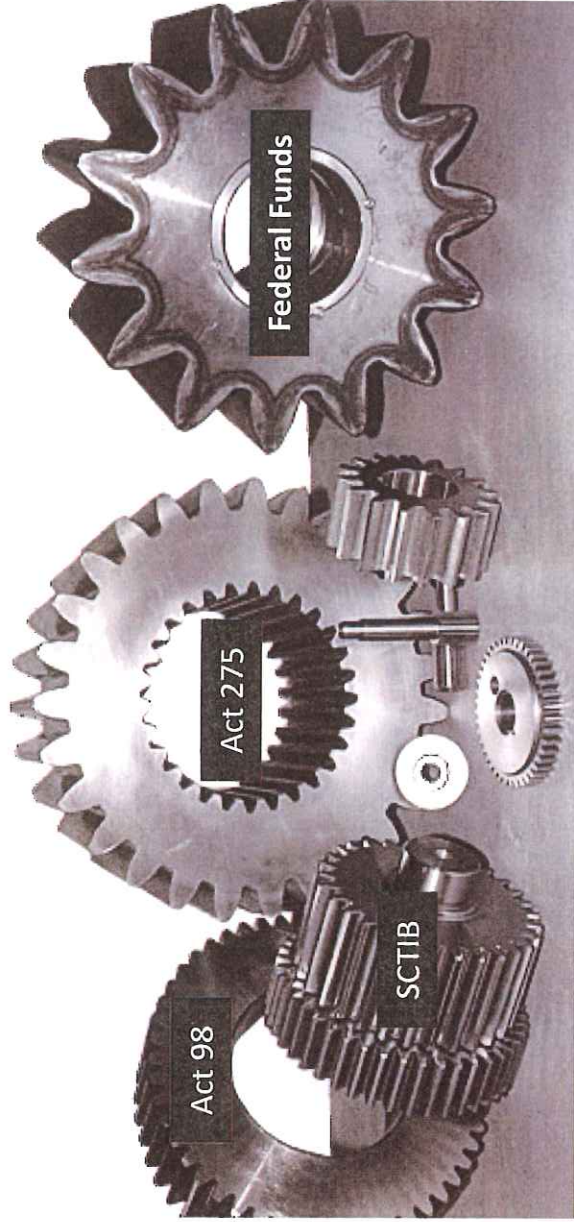


Interstate Bonding Program Update



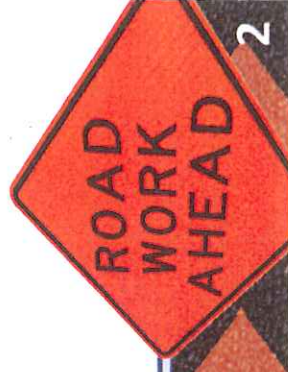
Presented: May 7, 2018
By: Secretary Hall

A look back



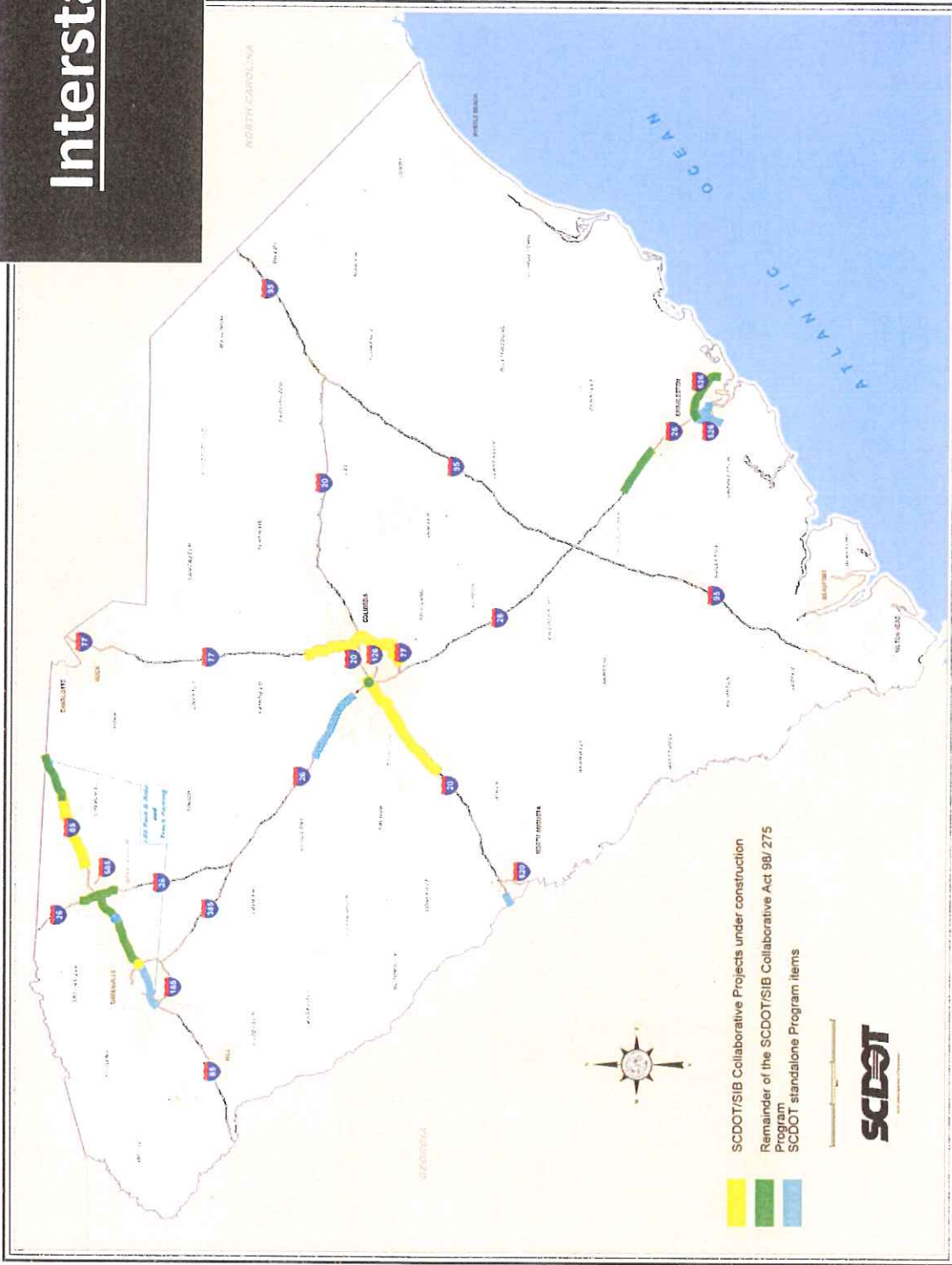
In late 2016, the SCDOT Commission approved a blended funding plan for our interstate widening program.

This was followed-up with a workshop with the SCTIB.



Interstate Widening:

All-In



SCDOT/SIB Collaborative Projects under construction
Remainder of the SCDOT/SIB Collaborative Act 98/275 Program
SCDOT standalone Program items

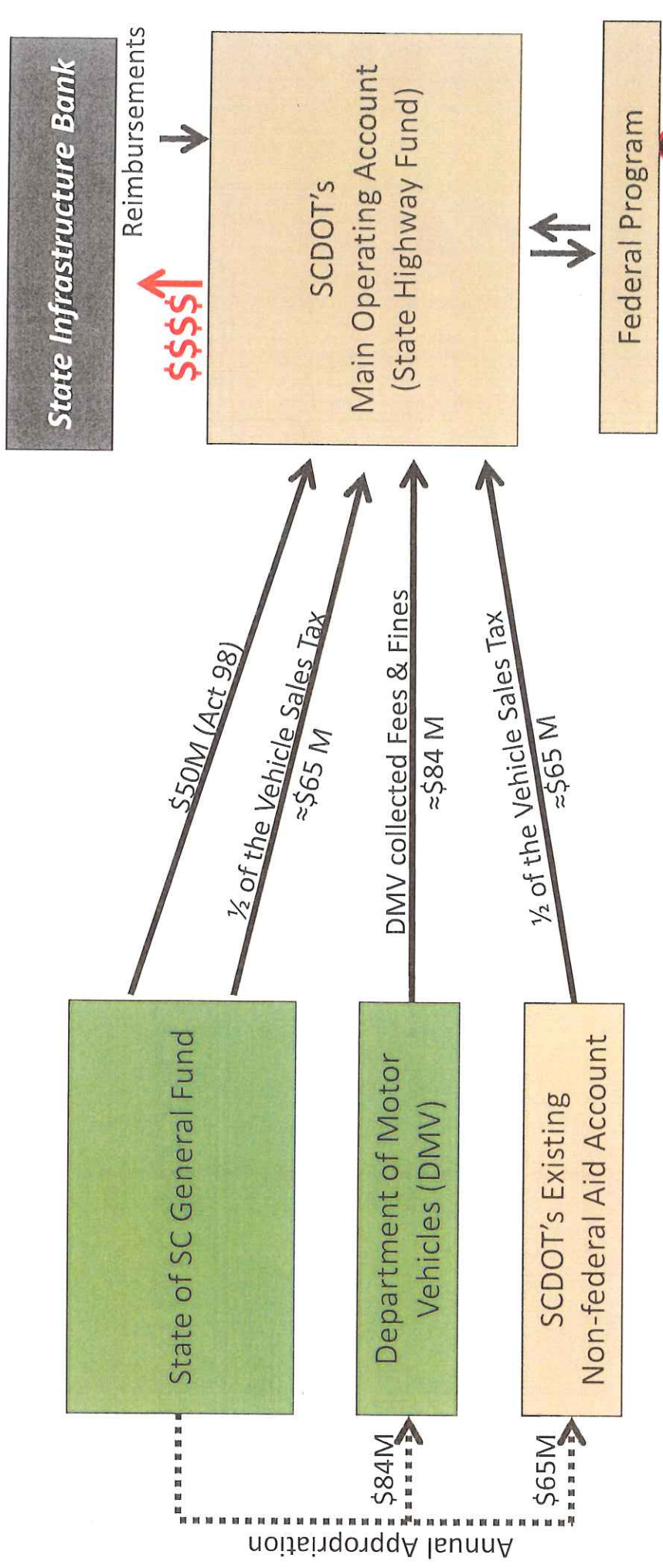


Act 98 Program

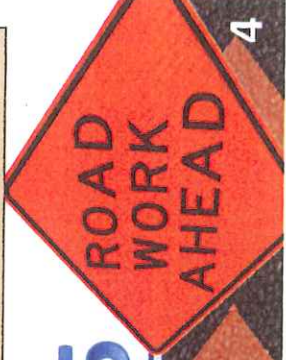
Act 275 Blended Program with the SCTIB

SCDOT Federal Program





2016 Plan based on Act 98 & Act 275



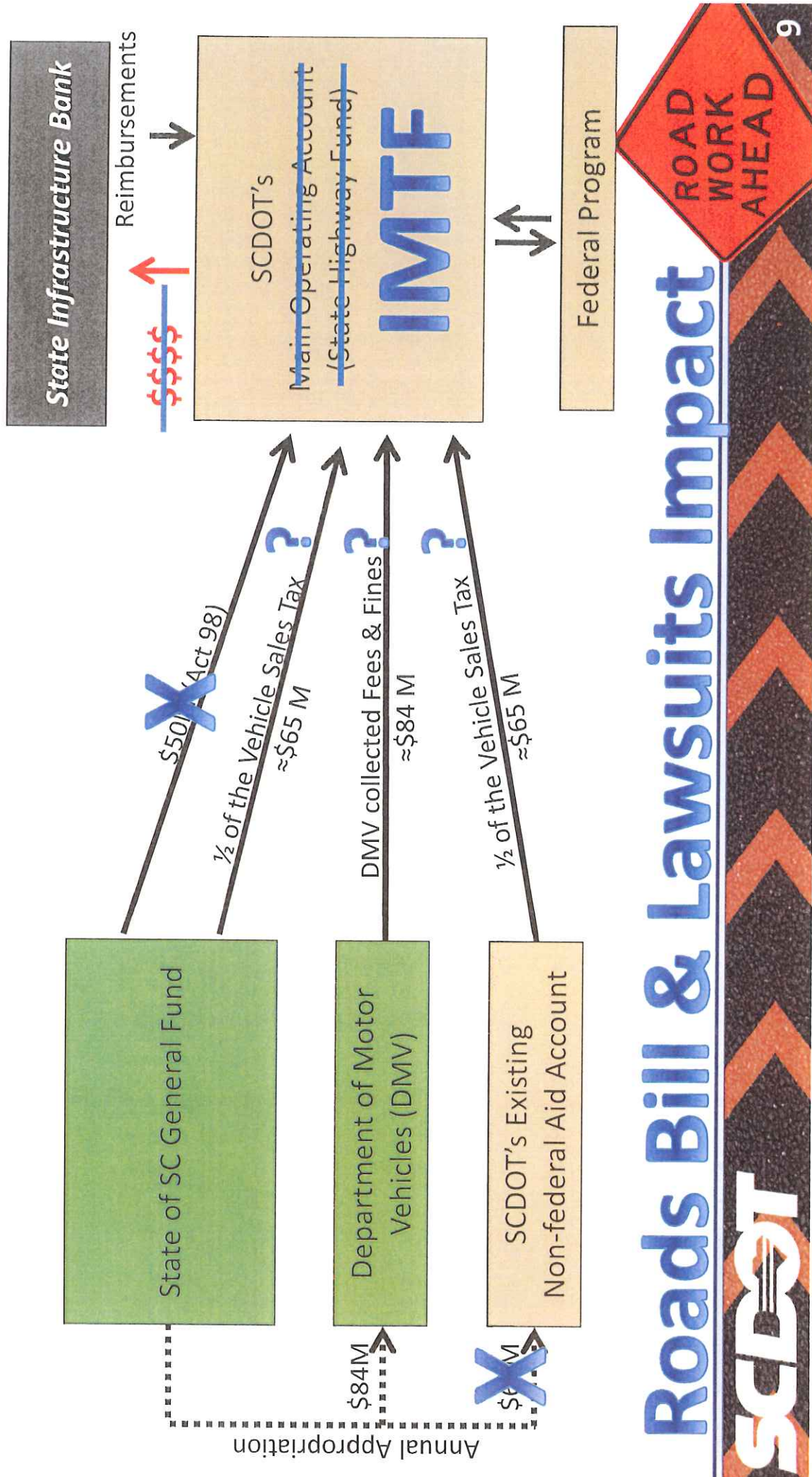
Where are we today?

- *Act 40 (Roads Bill) passed in 2017, which modified the funding streams and increased road funding.*
- *Lawsuits have been filed alleging that Act 275 of 2016 and Act 40 of 2017 violate the state constitution.*



Ramifications

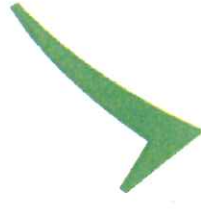
- *Lawsuits have created a level of uncertainty.*
- *SCTIB has expressed concerns over ability to “bond” any of the Act 275 or 40 revenues and the unresolved lawsuits.*
- *A timing issue has developed.*



Roads Bill & Lawsuits Impact

Two Options

1. *Stop the interstate work until both lawsuits are resolved.*
2. *Develop an alternative funding plan and continue moving forward with the interstate program.*
 - *Front-load with Federal Funds*
 - *Cash on hand*
 - *Deploy General Obligation Highway Bonds using
SCDOT's own bonding capacity*

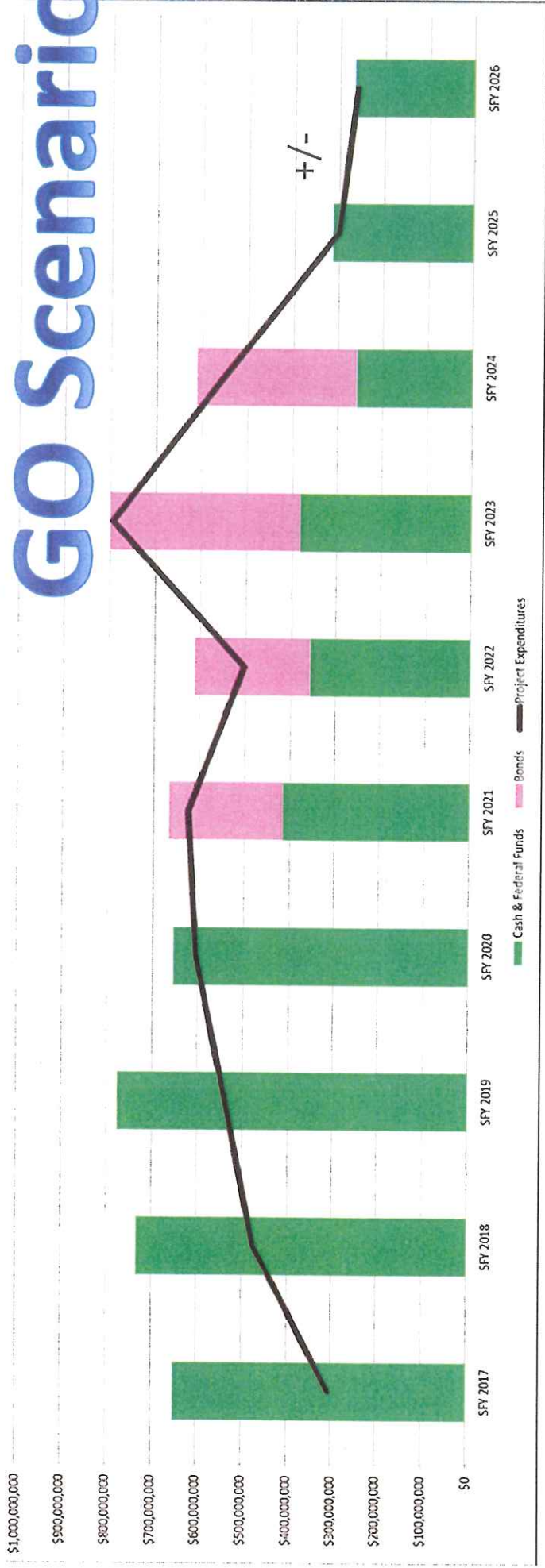


Alternative Funding Plan

- *Keeps our interstate program on its current schedule.*
- *Maximizes the efficient use of our federal funds on our large capital projects.*
- *Effectively utilizes the available Act 98 funding by capping the program at \$250M and drawing down the remaining ≈\$50M in Act 98 cash from the SCTIB.*
- *Takes advantage of the timing of the retirement of the 27 in 7 debt.*

Updated April 2018 Preliminary Bonding Scenario

GO Scenario



SCTIB participation @ \$250M (Act 98 Cash)
Increase federal fund utilization & issue ≈ \$1.5 B in GO Highway Bonds
Annual Maximum Debt Service Payment ≈ \$100M



Handwritten signatures and initials in blue ink.

Handwritten initials 'SFA' circled in blue ink.

Why update our financial plan now?

- *We expect the lawsuits to be un-resolved for at least the next 12 – 36 months.*
- *We know that we will need to have bonds issued to help meet, at a minimum, the cash flow demands of the ~\$1.5B Carolina Crossroads project.*
- *We are scheduled to begin the procurement process for the Carolina Crossroads project this summer and we need to have a financial plan outlined.*

SCDOT Requested Path Forward

- Amend the master funding agreement and the individual Act 98 project agreements to reflect the updated plan.
- Cap the SIB's Act 98 Program participation at \$250 Million total. Approx. \$200 Million of which has already been drawn down. Draw down remaining ≈ \$50 Million in cash and close out agreements.
- Adjust as needed in the future based on project cost estimate changes and lawsuit resolution.

2023-2024
 2023-2024

| PROJECT | | REMAINING | | |
|--|---------------|-----------------|--------------------|--------------------|
| | Total | SCTIB | SCDOT | Total |
| I-85 / I-385 Interchange Improvement Greenville County | 177.8 M | \$0.0 M | \$111.4 M | \$111.4 M |
| I-77 Widening (I-20 to Killian Rd) Richland County | 64.2 M | \$0.2 M | \$39.0 M | \$39.2 M |
| I-20 Widening (US 378 to Longs Pond Rd) Lexington County | 38.3 M | \$45.2 M | \$34.7 M | \$79.9 M |
| I-85 Widening (Phase I & II) Cherokee & Spartanburg Counties | 406.2 M | \$1.3 M | \$403.6 M | \$404.9 M |
| I-85 Widening (Phase III) Cherokee County | 23.5 M | \$0.5 M | \$254.5 M | \$255.0 M |
| I-26 Widening (Jedburg Rd to Nexton Pkwy) Berkeley County | 11.0 M | \$1.0 M | \$92.5 M | \$93.5 M |
| I-20 Widening (GA Line to Exit 1) Aiken County | 50.0 M | \$0.0 M | \$50.0 M | \$50.0 M |
| I-26 Widening (US 176 to SC 202) Lexington, Richland & Newberry Counties | 52.4 M | \$0.0 M | \$537.6 M | \$537.6 M |
| I-20/I-26/I-126 (Carolina Crossroads) Lexington & Richland Counties | 10.7 M | \$0.0 M | \$1,456.3 M | \$1,456.3 M |
| I-526 Widening & Interchange Improvement (Phase I - Paul Cantrell to Rivers Ave) Charleston County | 8.8 M | \$0.0 M | \$1,116.7 M | \$1,116.7 M |
| I-26 Widening (SC 27 to Jedburg Rd) Berkeley County | 10.1 M | \$0.4 M | \$176.5 M | \$176.9 M |
| I-85 Widening (SC 153 to SC 85) Greenville & Spartanburg Counties | 2.3 M | \$0.0 M | \$967.3 M | \$967.3 M |
| I-526 Widening (Phase II - Rivers Ave to US 1) Berkeley & Charleston Counties | 10.2 M | \$0.0 M | \$297.7 M | \$297.7 M |
| I-26 Widening (US 176 to SC 296) Spartanburg County | 10.0 M | \$0.0 M | \$197.0 M | \$197.0 M |
| I-26 Widening (I-526 to Port Access Rd) Charleston County | 1.2 M | \$0.0 M | \$443.8 M | \$443.8 M |
| TOTAL | 16.6 M | \$48.6 M | \$6,178.5 M | \$6,227.1 M |



South Carolina
Department of Transportation

Christy A. Hall, P.E.
Secretary of Transportation
803-737-0874 | 803-737-2038 Fax

May 7, 2018

Honorable John B. White, Jr., Chairman
S.C. Transportation Infrastructure Bank
955 Park Street, Room 120-B
Columbia, South Carolina 29201

Dear Chairman White:

This letter is in response to your October 2017 letter and our discussion over the past several months about the interstate bonding program. We appreciate the partnering approach to keep the interstate widening program on schedule and to deliver it cost effectively. As we have discussed, the lawsuits challenging Act 275 and Act 40 as well as the funding stream changes implemented by Act 40 have introduced a level of uncertainty into our previously proposed financial plan for the aggressive interstate widening program for our state. While we await for these issues to be resolved by the courts, we have developed and received Commission approval to implement an alternative plan for funding the interstate widening program that relies on federal funds, ACT 98 cash, General Obligation Highway Bonds issued through SCDOT and cash on hand.

SCDOT's formal request of the State Infrastructure Bank is to reduce the Act 98 program from \$554.7 Million to \$250 Million by revising the previous approvals in the following manner:

| PROJECT | Approved SCTIB Max | Proposed REVISED SCTIB Max | EXPENDED | REMAINING |
|--|-----------------------|----------------------------------|------------------|-----------------|
| | | | SCTIB | SCTIB |
| I-85 / I-385 Interchange Improvement Greenville County | \$80.0 M | \$80.0 M | \$80.0 M | \$0.0 M |
| I-77 Widening (I-20 to Killian Rd) Richland County | \$38.7 M | \$32.0 M | \$31.8 M | \$0.2 M |
| I-20 Widening (US 378 to Longs Pond Rd) Lexington County | \$154.7 M | \$71.0 M | \$25.8 M | \$45.2 M |
| I-85 Widening (Phase I & II) Cherokee & Spartanburg Counties | \$262.0 M | \$50.5 M | \$49.2 M | \$1.3 M |
| I-85 Widening (Phase III) Cherokee County | \$4.0 M | \$4.0 M | \$3.5 M | \$0.5 M |
| I-26 Widening (Jedburg Rd to Nexton Pkway) Berkeley County | \$2.0 M | \$2.0 M | \$1.0 M | \$1.0 M |
| I-20 Widening (GA Line to Exit 1) Aiken County | \$0.9 M | \$0.0 M | \$0.0 M | \$0.0 M |
| I-20/I-26/I-126 (Carolina Crossroads) Lexington & Richland Counties | \$10.0 M | \$10.0 M | \$10.0 M | \$0.0 M |
| I-26 Widening (SC 27 to Jedburg Rd) Berkeley County | \$0.6 M | \$0.5 M | \$0.1 M | \$0.4 M |
| I-26 Widening (US 176 to SC 296) Spartanburg County | \$1.8 M | \$0.0 M | \$0.0 M | \$0.0 M |
| TOTAL | \$554.7 M | \$250.0 M | \$201.4 M | \$48.6 M |

Post Office Box 191
955 Park Street, Room 309
Columbia, SC 29202-0191



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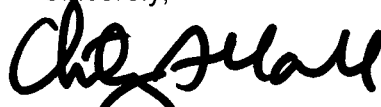
Honorable John B. White, Jr.
May 7, 2018
Page No. 2

As noted in the table, we have drawn down approximately \$200 Million of the \$250 Million in Act 98 cash that SCDOT has transferred to the State Infrastructure Bank over the past five years. Act 40 revised the flow of funds that supported the Act 98 annual transfer from the General Fund to SCDOT to the State Infrastructure Bank. Our request to the State Infrastructure Bank is to essentially draw down the remaining cash, approximately \$50 Million, and close out the Act 98 project agreements.

Additionally, we understand that there may be a need to amend the master funding agreement to reflect these and other changes.

I appreciate the opportunity to present this plan to the State Infrastructure Bank Board today and we stand ready to continue our partnering approach on these and other critical projects for our state.

Sincerely,



Christy A. Hall, P.E.
Secretary of Transportation

cc: SCDOT Commission

