

MINUTES
South Carolina Transportation Infrastructure Bank
Board Meeting

SCDOT Headquarters Building
5th Floor Auditorium
955 Park Street
Columbia, SC 29201

September 25, 2014
1:30 p.m.

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

Present: Donald D. Leonard, Chairman, Presiding
Max Metcalf, Vice-Chairman
W.B. Cook
Ernest Duncan
Senator Hugh K. Leatherman
Representative Chip Limehouse
Joe E. Taylor, Jr.

Others present: Debra Rountree and Tami Reed, representing the Bank; Jim Holly, Board Secretary and Bank Counsel; Rick Harmon, Senior Assistant State Treasurer; Bill Youngblood of the McNair Firm, Bond Counsel for the Bank; David Miller of Public Financial Management, the Bank's financial advisor; Janet Oakley, Secretary of SCDOT; Wendy Nicholas, SCDOT Chief of Staff; Mitchell Metts, SCDOT; and other representatives of SCDOT, including several Commissioners; a number of elected officials; members of the public; and media representatives.

The meeting was called to order by Chairman Leonard.

Chairman Leonard welcomed guests and recognized W.B. Cook on his first Bank Board meeting since becoming the SCDOT Commission Chairman. Chairman Leonard also recognized Secretary of Transportation Janet Oakley on her first Bank Board meeting since taking office. In addition, Chairman Leonard recognized the elected officials in the room. Chairman Leonard announced to the public that if they had any comments or questions he would be available after the meeting to discuss them.

Approve November 12, 2013 Minutes: Mr. Taylor made a motion, seconded by Senator Leatherman, to approve the meeting minutes of November 12, 2013, as presented. The motion passed unanimously.

Project Status Updates: Mitchell Metts of SCDOT presented an update of the active Bank projects managed by SCDOT. A copy of Mr. Metts' presentation "State Infrastructure Bank Program Status Report 2014" is attached to these minutes. In his presentation, Mr. Metts discussed the following projects: Horry County Ride 2007 Projects - Carolina Bays Parkway Extension and SC Highway 707 Widening in Horry County and Georgetown Counties; Florence County Projects - Pine Needles Road, Hwy 378, U.S. 76, TV Road/Irby Road, Alligator Road, and Route 51; U.S. 17 Ace Basin Project; Charleston County Mark Clark Extension Project; Act 98 projects- I-85/I-385 in Greenville County, I-20 in Lexington County, I-77 in Richland County, I-26/I-126/I-20 in Richland and Lexington Counties, and I-85 in Spartanburg and Cherokee Counties.

Mr. Gary Kubic, Beaufort County Administrator, provided an update on the SC170 Project. His report is attached to these minutes. Mr. Kubic noted that there was one active project left in the County's application that had not been funded, the Bluffton Parkway.

Frank Carson of Berkeley County provided an update on the I-26/Sheep Island Interchange Project. The presentation is attached to these minutes. Representative Limehouse asked Mr. Carson if Berkeley County had plans to extend the widening of I-26 further than the current project. Mr. Carson stated he knew of no such plans.

Jason Ward, Dorchester County Administrator, provided an update on the Dorchester County Project. His report is attached to these minutes. Mr. Ward responded to Representative Limehouse's question to Mr. Carson. He stated that Dorchester County was looking at widening the area of I-26 in their county from Exit 186 to the Orangeburg County line. Mr. Ward requested that the Board consider allowing Dorchester County to move the money from a cost overrun on the SC 165 project to construction of a 1.2 mile multi-use path that would connect two roads.

Andrew Fulghum, Jasper County Administrator, provided an update on the Jasper County/Hardeeville I-95 Exit 3 Project. His report is attached to these minutes. Chairman Leonard commented on the amount of unemployment in the area.

Brad Morrison of the Town of Mount Pleasant sent the Bank a project update by electronic mail. Chairman Leonard stated that the Board would receive it as information. A copy of the information is attached to these minutes.

Dorchester County Application: S.C. Representative Jenny Horne and Mr. Bill Collins, Mayor of Summerville, spoke on behalf of Dorchester County's updated application that had been submitted to the Bank. The Application is on file with the Bank. Rep. Horne commented that the

Berlin G. Myers Project was the number one priority for the area. It would provide needed transportation infrastructure for the two news schools in the area, help with the evacuation of the islands in the area, and ease congestion on Main Street in Summerville which is a historic district. Mayor Collins noted that the Berlin G. Myers project had a local match of \$35 million and the County was requesting \$30 million from the Bank. Mr. Metcalf asked if any of the projects were on the original application with the Bank. Mr. Jason Ward answered for the County that the Berlin G. Myers Project was in the original Application but not funded by the Bank at that time. Chairman Leonard stated that the Bank will review the Application and request.

City of Aiken Request: City of Aiken Mayor Fred Cavannaugh and City Manager Roger LeDuc spoke on behalf of the City of Aiken requesting the amount of Bank's assistance for the University Widening Parkway and Dougherty Road/Whiskey Road Projects be increased with Bank funds reallocated from the Hitchcock Parkway Project. Mayor Cavannaugh explained that there was no longer enough funding for the planned Hitchcock Parkway Project so they were reducing the scope of the project to provide safety improvements only and Bank funds were no longer needed for that project. The City was withdrawing its request for Bank funding on the Hitchcock Parkway Project. The University Parkway Widening Project needs an additional \$1.6 million and the Dougherty Road/Whiskey Road Project needs an additional \$700,000. With these changes, if approved, \$7.3 million of the remaining assistance approved by the Board for the Hitchcock Parkway Project could be released. Representative Limehouse made a motion to accept the City's withdrawal of financial assistance from the Bank for the Hitchcock Parkway Project and to approve the reallocation of a portion of the Bank's financial assistance for the Hitchcock Parkway Project to the University Widening Parkway and Dougherty Road/Whiskey Road Projects in the amounts requested by the City. The motion was seconded by Mr. Metcalf. Mr. Leatherman asked whether any Bank funds had been spent on the Hitchcock Parkway Project and if the City had requested additional funds on these projects previously. Mr. Jim Holly, Bank Counsel, explained that the no Bank funds had been spent on the Hitchcock Parkway Project and that he did not recall that the City previously had requested additional funds from the Bank for any of these projects. The pending motion made by Representative Limehouse then passed unanimously. Two letters submitted by the City of Aiken on the above matters are attached to these minutes.

City of Charleston Request: The City of Charleston requested that a portion of the \$88 million in financial assistance approved by the Board for the Septima Clark Project be advanced for release from fiscal 2017 to fiscal year 2015. This would allow the City to take advantage of cost savings on the project. A letter from Mayor Riley is attached to the minutes. Chairman Leonard stated that the request will be reviewed and considered by the Board at its next meeting.

Discussion on Draft Operating Guidelines: Mr. Holly, Bank Counsel, explained the Draft Operating Guidelines that had been prepared for the Board's consideration. Mr. Taylor commended the Bank's team on their effort to refine the Bank's processes. Mr. Leatherman questioned the provisions on the commencement of work date on a project and whether or not an applicant would have to re-apply if circumstances beyond their control changed the commencement date. Mr. Holly advised the Board that he would review the wording and the stated concerns and provide advice to the Board on these questions at the next meeting. The Board discussed the provisions in the guidelines on the responsibility for post-construction maintenance of projects, particularly whether SCDOT or cities or counties would have that responsibility based on the circumstances. Mr. Holly stated he would review the wording of this section also. Mr. Metcalf commented that he believed that the guidelines should only apply to new applications to the Board. Chairman Leonard stated that the Draft Operating Guidelines may be considered at the next meeting of the Board.

United Midlands Multimodal Corridor Improvement Project: Joe Mergo, Lexington County Administrator; Teresa Wilson, City of Columbia Manager; and Tony McDonald, Richland County Administrator, presented an Application for United Midlands Multimodal Corridor Improvement Project. Joining the three were Senator Nikki Setzler; Richland County Council Chairman Norman Jackson; Lexington County Council Chairman Johnny Jeffcoat; Representative Chip Huggins; Representative Joe Neal; Representative Ralph Kennedy, Jr.; and Representative James Smith, Jr. Organizations, some of whom had representatives present, supporting the Application include the Columbia Metropolitan Airport, University of South Carolina, SCANA, URS, Midlands Technical College, Midlands Council of Governments, Time Warner, and the local Chambers of Commerce.

Ms. Wilson and Mr. Mergo explained the various projects in the Application. Ms. Wilson discussed the significant elements in of those projects including improvements to Assembly and Huger Streets and to Greene and Williams Streets in the City of Columbia and the construction of the Airport Connector from SC Highway 302 to I-26 in Lexington County that would provide direct access from I-26 to the Columbia Metropolitan Airport. Ms. Wilson emphasized that the projects focused on improving the gateways to the state's capital city, the Capital Complex at Gervais and Assembly Streets, and the University of South Carolina. She stated that the projects in the Application increase vehicular and pedestrian mobility and safety and will contribute to economic development in the Midlands. The projects in the City of Columbia will close certain railroad crossings and provide overpasses over others. There are a number of ongoing and planned development projects in downtown Columbia that will add thousands of new beds thus increasing vehicular and pedestrian traffic. She noted City of Columbia Mayor Steve Benjamin's support of the Application and expressed his regret on being absent from the meeting due to an important previously scheduled meeting with representatives of Amtrak in Washington, D.C.

Mr. McDonald explained the funding as a request for a grant of \$325 million from the Bank with a soft match from the Richland County One Cent sales tax projects of \$450 million to be spent on improving state roads owned by SCDOT. It is estimated that the sales tax will bring in \$1.07 billion for transportation projects in Richland County over the life of the tax.

Comments were made in support of the project and on the outstanding collaboration on the Application by Lexington County Council Chairman Johnny Jeffcoat, Richland County Council Chairman Norman Jackson, Representative Neal, Senator Setzler, and Representative Huggins. Mr. Jeffcoat emphasized the importance of the Airport Connector for economic viability and development. He noted the importance of the project to existing companies such as Federal Express, UPS and Amazon and to new and expanding companies. He stated that Columbia is the only state capital without an interstate linking it to an airport. Representative Neal spoke on behalf of the Legislative Delegation about the significant need the Midlands to improve infrastructure to further economic development benefitting all of the communities in the Midlands. Senator Setzler spoke in support of the Application and thanked the Bank Board for its recent funding through Act 98 of three interstate projects in Lexington and Richland Counties.

Senator Leatherman asked if any of the projects in the Application were included in the sales tax referendum of Richland County. Mr. McDonald discussed how the projects on the sales tax referendum were identified, how they were listed in the referendum on the Richland County One Sales Tax and how they were later prioritized for funding with the assistance of a consultant. He stated that the Richland County One Cent Sales Tax revenues would not be sufficient to cover all of the projects listed in the referendum.

Representative Limehouse asked whether previous requests for funding of these projects had been made by any of parties. Ms. Wilson acknowledged that the projects were not new and efforts at obtaining funding had been undertaken in the past. Ms. Wilson and Mr. McDonald explained that this was a new application to the Bank on the proposed projects in the two counties based on the efforts of the recently formed Midlands alliance.

Board member Joe Taylor asked which projects the applicant was asking the Bank to fund were also on the Richland County One Cent Sales Tax referendum for funding from that source. Mr. McDonald responded that the Assembly Street project was listed as unfunded and the Greene Street and Williams Street Projects were listed as funded by the One Cent Sales Tax.

Board member Max Metcalf asked how Phase 1 of the Airport Connector was funded. Mr. Mitchell Metts of SCDOT explained that Phase 1 was predominantly funded by Federal earmarks and that there may be \$10.7 million in Federal funds available for Phase 2 of that project.

Chairman Leonard requested the United Midlands group provide or make sure that the Bank has a cash flow analysis and a list of the specific roads, streets and improvements included in the proposed \$450 million local match and whether those are State roads.

Chairman Leonard stated that the Board appreciated the comments and information presented by the group and that the Application had been received and would be reviewed. The Application is on file with the Bank.

Financial Plan Update: Mr. David Miller of Public Financial Management, the Bank's financial advisor, gave an update on the financial status of the Bank and the plans to issue revenue bonds in 2016 and the potential for savings in issuing refunding bonds in 2015 or 2016. He also reported on the possible need to issue some revenue bonds for the Act 98 projects in 2017. Mr. Miller explained the assumptions on which the Bank's financial plan was based. A copy of the plan as presented is attached to these minutes.

Revenue Bond Resolution: Mr. Bill Youngblood of the McNair Firm explained the bond resolution in the agenda package is required to give the SCTIB working group permission to begin preliminary work on future revenue bond issues. Mr. Youngblood explained that approval from the Board and Joint Bond Review Committee of the General Assembly will be required before any formal action to issue bonds may be taken. Mr. Taylor made motion to approve the Resolution, Representative Limehouse seconded the motion. The motion passed unanimously. A copy of the Resolution is on file in the records of the Bank and attached to these minutes.

Fiscal Sufficiency Resolution: Debra Rountree presented the annual Fiscal Sufficiency Resolution explaining that the Fiscal Sufficiency Resolution is required by the Board's Master Revenue Bond Resolution. The Fiscal Sufficiency Resolution with supporting documents prepared by Public Financial Management is in the Board's agenda package. Representative Limehouse moved to approve the Resolution which was seconded by Mr. Cook. The Resolution was approved unanimously. A copy of the Resolution is on file in the records of the Bank and attached to these minutes.

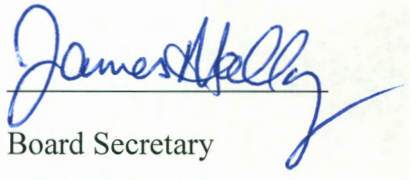
Debt Service Budget Resolution: Debra Rountree presented the annual Debt Service Budget Resolution explaining that a budget showing the amount available to meet the debt service requirements of the Bank is required to be approved by the Board. Representative Limehouse moved to approve the Resolution which was seconded by Mr. Metcalf. The Resolution was approved unanimously. A copy of the Resolution is on file in the records of the Bank and attached to these minutes.

FY2015-16 Budget: The proposed appropriations budget for the fiscal year 2015-2016 was presented by Mrs. Rountree. Representative Limehouse made a motion to approve the budget as presented and Mr. Taylor seconded the motion. The motion passed unanimously. A copy of the approved budget is included in the official records of the Bank and attached to these minutes.

Other Business: Mr. Leonard called for other business. No member of the Board presented any old or new business to the Board. Mr. Jason Ward requested a decision on Dorchester County's request to move some Bank financial assistance to fund the footpath discussed by him earlier in the meeting. Mr. Taylor asked if the Bank's transportation funds should be used for this type of improvement. Chairman Leonard asked if the Board wanted to set a precedent of approving footpaths. Senator Leatherman also inquired if the Board wanted to begin approving funding for

such improvements. Representative Limehouse asked if the Board could reallocate the funds as requested. Chairman Leonard asked that Dorchester County find a way to fund the footpath without using Bank funds. No action was taken on Dorchester County's request.

There being no further business, the meeting was adjourned by acclamation at 3:50 pm.



James Kelly
Board Secretary