

MINUTES

**South Carolina Transportation**

**Infrastructure Bank Board**

University of S.C. Alumni Center

Columbia, SC 29201

March 24, 2021

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: Mr. John B. White, Chairman Presiding  
Senator Hugh K. Leatherman, Sr.  
Mr. H. B. "Chip" Limehouse, III  
Mr. J. Barnwell Fishburne  
Mr. David B. Shehan  
Mr. Brent Rewis, SCDOT Representative

Via WebEx: Ernest Duncan, Vice Chairman

Others present: Ms. Tami Reed, for the Bank; Mr. Ron Patton, Consultant; Mr. Rob Tyson, Bank Counsel; Mr. Jim Holly, Bank Counsel; Mr. Rion Foley, Bond Attorney; Mr. William Youngblood, Bond Attorney; Mr. David Miller, Financial Advisor, PFM; Secretary of Transportation, Ms. Christy Hall; and other representatives of SCDOT.

**Opening Remarks:**

The meeting was called to order at 1:00 p.m. by Chairman White. Chairman White welcomed everyone to the meeting, mentioning Mr. Duncan, Vice Chair, who was joining the meeting via WebEx. Chairman White then introduced new member Mr. Fishburne, Chairman of the Department of Transportation Commission, welcoming him to the group and thanking him for being here today.

**Motion to Approve May 22, 2019 minutes:**

Chairman White stated the first order of business was to approve minutes from the May 22, 2019, meeting. Senator Leatherman made the motion and Mr. Limehouse seconded. The motion passed unanimously.

**Motion to Approve July 7, 2020 minutes:**

Chairman White stated the Bank Board's minutes from July 7, 2020 meeting also needed to be approved. Senator Leatherman moved to approve the minutes and Mr. Limehouse seconded. The motion passed unanimously.

**Financial Sufficiency Resolution:**

Chairman White remarked the fiscal sufficiency resolution is adopted at the beginning of every year but due to COVID, this year's resolution was delayed. David Miller, of PFM, stated there is a letter from PFM stating the Bank meets all the requirements under the Bank's master bond resolution. Specifically, the documents demonstrate the Bank has certain coverage requirements of revenues over debt service and complies with the reserve funding requirements under the master bond resolution. (Exhibit 1) Bill Youngblood, of Burr Forman and McNair, stated there is a one-page resolution in the Board member's package. The resolution reflects that the Bank's Master Revenue Bond Resolution requires Board members to make some determinations once a year about whether the Bank's pledged revenues are estimated to be sufficient to meet the Bank's debt service to make all the required deposits per the Master Revenue Bond Resolution and to make all the Bank's administration expenses. This resolution is effective January 13<sup>th</sup> to ensure the Bank meets the February 1 deadline.

No discussion was held. Mr. Limehouse moved for adoption of the resolution and Mr. Shehan seconded the motion. Chairman White further stated he had inquired of staff and bond counsel whether it was sufficient to pass the resolution in March and that he had received confirmation it was acceptable. The motion to adopt the resolution was approved unanimously.

**Debt Service Budget Resolution:**

Tami Reed, the Bank's CFO, stated approval of a Debt Service Budget Resolution was needed per the terms of the Master Revenue Bond Resolution. She stated this is a yearly requirement where the Bank Board approves the debt service reserve account and its deposits to show the budget for the debt service fund. She used the document attached as Exhibit 2 to show each bond account listed by bond, how much is due, and the balance for fiscal year 2021.

Chairman White opened the floor for questions. Senator Leatherman asked about the purpose of the document. Ms. Reed stated the document shows how much the Bank pays in principal and debt annually on the bonds. Also, the document shows the Bank has enough in reserve to make the payments for this year.

Senator Leatherman asked if the Bank's reserve was 1.35 or 1.61. Mr. Miller responded the 1.35 is the bond resolution requirement for reserve over debt service. Senator Leatherman asked is the ratio 1.61 on the debt service. Mr. Miller replied affirmatively, and the Bank is above its minimum requirements right now. Senator Leatherman asked further if the Board can use the additional .26 reserve over and above the 1.35 required. Mr. Miller stated the Bank's actual coverage ratio is higher than what is required, so the Board does have some bonding capacity available.

Mr. Miller stated his estimates were conservative due to the continuing COVID environment. Senator Leatherman asked Mr. Miller to confirm the Bank's capacity is approximately \$127 million and Mr. Miller did so confirm.

After there was no further discussion, Mr. Fishburne moved to approve the resolution and Senator Leatherman seconded. The Board voted unanimously in favor of the motion to approve the resolution.

**Presentation on Potential Revenue Bond Refundings:**

Mr. Miller described potential bond refunding opportunities. Mr. Miller stated PFM and Bank staff constantly monitor the Bank's outstanding indebtedness and looks for opportunities for savings. Mr. Miller said the older bonds, the 2012A bonds and B bonds had the greatest potential for savings. For the 2012A bonds, Mr. Miller estimated a refunding could result in net present value savings of \$11.6 million as a percentage of the refunded bonds, which is a measure that the industry commonly uses to look at the efficiency and effectiveness of a refunding. It's 17.7% net present value savings rate shows a current refunding and will save some money on refinancing the bonds.

Chairman White asked if the estimated savings could change based on the marketplace and daily changes. Mr. Miller replied yes. Chairman White asked when settlement would be, and Mr. Miller responded in July of 2021. Chairman White asked for the timeline upon Board approval. Mr. Miller stated the deal probably could be done in at least three months which affords the rating agencies ample time to analyze the last 24 months of revenues, as well as the Bank's estimated revenues going forward. Chairman White asked whether the savings are cash and Mr. Miller replied no that the savings reflect reduced debt service over time. Chairman White asked whether the estimated savings would affect the Bank's capacity. Mr. Miller responded this would have minimal impact on the Bank's capacity. Senator Leatherman asked what the Bank's current rating is and Mr. Miller replied Moody's presently has the Bank ranked at A1.

Mr. Miller next described the nature of the Bank's 2003B bonds which are the Bank's only variable rate debt. Mr. Miller continued that if the Bank refunds the Bank's 2012B bonds, it potentially could use the savings to terminate the 2003B swaps. Mr. Miller estimated the fee to terminate the swap contract is approximately \$69.5 million. Mr. Miller continued that the Bank is required to post collateral of approximately \$60 million against the swaps so terminating the swaps frees up this

amount of collateral. This \$60 million would be unrestricted cash that the Bank could use for increased capacity or to pay off additional debt.

Mr. Miller stated the two transactions could be done jointly and that currently, the projected net present value savings is \$14 million.

Senator Leatherman asked if Mr. Miller's presentation affected the SCDOT loan proposal on US 17.

Chairman White asked the Board to delay this discussion until later.

**Appropriation Budget FY21-22:**

Tami Reed presented the Bank's proposed budget for '21-'22. Since the General Assembly had not yet passed a budget, most items in the proposed budget are similar to the current year. Mr. Miller explained the Bank's revenues from truck, motor vehicle fees, and other fees had remained steady. Ms. Reed explained the budget contained an increase in legal fees and other professional services given the Bank's current litigation and pending financial issues. Ms. Reed explained this request is \$4 million less than what was requested for last year, which was \$20 million less than the year before. She explained that since the Act 98 projects were going away, the budget was decreasing. She answered Senator Leatherman's question that the Bank has \$600,000 remaining to be used on SCDOT reimbursements for Act 98 projects.

Senator Leatherman asked for additional details about the legal fees. Chairman White explained the legal fees resulted from the Mark Clark litigation, the negotiations and execution of 7 Intergovernmental Agreements with the newly awarded financial assistance, and research and advocacy on legal issues stemming from the impacts of legislative changes to Acts 275 and 40. Additionally, the Bank has incurred legal and professional fees developing a rural application process.

Senator Leatherman asked for status report on the Mark Clark project. Secretary Hall provided a response of the preliminary environmental work being done by the SCDOT currently.

Mr. Limehouse made the motion to approve the proposed FY2021-22 appropriations' budget and Mr. Fishburne seconded the motion. The motion passed 5-0 with Senator Leatherman abstaining.

**Annual Financial Statement Report:**

Tim Lyons, a partner at Mauldin and Jenkins in Columbia, made the presentation. He conducted the Bank's audit for the fiscal year of July 1, 2019, through June 30, 2020. He described the process. After the audit is completed, as part of a quality assurance review, the audit is submitted to another partner in the firm for review. He stated the audit was conducted in accordance with both generally accepted auditing standards as well as government auditing standards.

After conducting the audit, his firm issued an unmodified opinion, in layman's terms, "a clean opinion". He stated the report states the Bank's financial statements, as presented, and published were presented fairly in all material respects. He stated the report opined on internal controls over reporting and on compliance as required by standards, and that report was also unmodified. The audit did not include any findings. The report did not cite any issues with internal controls or any issues of noncompliance. He then hit the highlights of the communication requirements. He further stated when compared with other governmental agencies, the Bank was in line with what they need to see in the financial statements. The report concluded there are no aggressive or controversial accounting policies or any accounting estimates that are included in the financial statements that would be considered out of line or irregular. Mr. Lyons commended staff for their cooperation and that he had no disagreements with management and appreciated their hard work. He stated there were no audit adjustments, and more importantly, no past audit adjustments. He pointed out some potential future accounting pronouncements that will have an impact on the Bank's financial statements so he will work with management and staff to make sure those are appropriately implemented. He stated the significant amount of federal action regarding COVID-19, new revenue streams, and reporting requirements are examples of what he is talking about future action.

Chairman White thanked Mr. Lyons and asked if there were any questions from the Board. Chairman White asked since the audit is a clean report, the Bank has given full cooperation as a transparent

organization, would you give the Bank an A plus. Mr. Lyons stated yes, as best as he can as an auditor.

**Defeasance/Prepayment request from SCDOT:**

Chairman White introduced Secretary Hall and Justin Powell of SCDOT to make their presentation. Secretary Hall thanked the Board for the opportunity to provide the information and make the request. Secretary Hall stated Congress allocated some one-time money to the SCDOT. She looked at this one-time money as an opportunity to address some debt the agency has. She said the SCDOT is asking the Board to consider a plan to defease, repay or pay off all the loans the SCDOT has with the Bank. Further, she stated in regard to the US-17 loan, the SCDOT believes they will overpay that loan by \$10 million. She said there may be an opportunity for the Board to provide a one-time grant of about \$10 million back to the Department to be applied toward priorities they have identified. Mr. Powell presented the specific details of the SCDOT request. SCDOT has three outstanding loans with the State Infrastructure Bank: 1) Cooper River Bridge Loan, 2) Multi-project Loan; and 3) the US-17 Loan in the ACE Basin. That loan was for \$82 million, with a term of 30 years, at an interest rate of 4%, with the last payment to be paid in 2037. He stated that around the time the Bank made the US-17 loan, it issued bonds of approximately face value of about \$286 million. He stated the Bank refunded those bonds in 2015 and 2016 at an interest cost less than the initial bonds sold in 2007. Those savings accrued to the Bank with no adjustments made to the SCDOT loan. He stated the SCDOT estimates the potential savings to be approximately \$10 million. The SCDOT had received notice from the federal government they the SCDOT was receiving \$166 million from the Coronavirus Relief and Response Supplemental Appropriations Act. The SCDOT Commission voted to begin paying off the debt of the agency. He stated the SCDOT had sent Chairman White a letter describing the request. Since there was no interest on the two other loans, SCDOT is only requesting a credit on the US-17 loan due to the bond refundings. Chairman White asked about the balance on each loan and if the SCDOT was requesting all three loans be paid off. Mr. Powell provided an estimated amount owed and confirmed the SCDOT request was for all three

loans to be paid off. Chairman White asked if the \$10 million SCDOT request was a cash grant vs being a credit off the payment. Mr. Powell stated the SCDOT could either accept a smaller escrow payment of the \$10 million at the net present value, or the amount could be a grant back to the SCDOT. Chairman White stated he had been briefed by Bank staff the dollar amount was approximately \$4.6 million dollars so how did the SCDOT derive the \$10 million amount. Mr. Tyson affirmed the Bank staff had calculated the amount to be approximately \$4.6 million. Senator Leatherman asked if SCDOT intended to pay off the US-17 loan. Secretary Hall affirmed the SCDOT's intent to pay off all the Bank loans and get as much debt off the books, as it possibly could. Senator Leatherman stated he heard the SCDOT believes this is "DOT money". Secretary Hall responded the SCDOT would appreciate consideration by the Board to allow that overpayment, or however it is to be characterized, be pushed back to the SCDOT. Senator Leatherman stated his preference is to provide the dollars back to the SCDOT in the form of a grant. Chairman White stated his support for defeasing the loans but that he had concerns about giving a "credit" to the SCDOT. He stated this type of arrangement might establish bad precedent. He also questioned whether a "credit" would affect the Bank's bond rating. Chairman White said he would like to hold the matter in abeyance and discuss the legal issues in executive session. He thanked Secretary Hall for her presentation and asked if anyone else had any comments or questions. Secretary Hall stated the SCDOT understood the difficult position that they are asking the Bank to take and again encouraged the Bank consider the SCDOT request. She further commented she certainly would hope that two state agencies could find a way to get a solution that's suitable to both entities. She stated the Bank and the SCDOT have had a great working relationship and that she doesn't expect that to change anytime soon. She said looking ahead that she hoped to engage the SIB again on infrastructure loans. She respectfully requested favorable consideration of the SCDOT request. Chairman White stated we're holding III-C and IV-C in regard to action or non-action until after executive session.

**Evaluation Committee Report – Board Discussion on Committee Actions or Resolutions:**



Chairman White asked Mr. Tyson to make the presentation. Mr. Tyson stated the Evaluation Committee had approved a Draft Rural Project Program Application and is recommending approval by the full Board. After the Bank Board, the SCDOT Commission, and JBRC approved a number of projects last summer, Brent Rewis of SCDOT asked if we could review the process to ensure we are doing things to help applications from rural counties. Mr. Rewis and staff started looking at ways they could improve or alter the process. Shortly after the Bank had begun its review, the JBRC appointed a subcommittee to look at the same thing and to understand better how the Bank's financial evaluation process worked. Through the collaboration with the JBRC and further discussions with the SCDOT, the staff developed the recommendation that is before the Board. Mr. Tyson hit the highlights. Initially, one must define what a rural project is. After extensive discussion, the Committee recommendation is that a rural project would be deemed one that's located in a county with a population of 115,000 persons or less. Secondly, the Bank's operating guidelines must be amended to meet this definition. The recommendation is to do one of two things, either set a specific dollar amount the Board could set aside for rural projects or set aside a specific percentage that would be applied toward rural projects. The last major issue is whether the projects could be bundled? State law provides that a qualified project is "a project that has at least \$25 million in expenses." Authorizing the bundling of projects potentially runs afoul of statutory language. To meet this objective, the Committee recommended that a rural project with a total project cost between \$25 and \$30 million may consist of no more than five related component projects. However, those projects must serve a common transportation purpose and be in close proximity to each other. Mr. Tyson explained the process for rural applications remains the same as approved by the Board last year. Additionally, the requirement for the percentage of a local match has been reduced for rural applications.

Chairman White stated the Bank currently has \$127 million of capacity. Given this amount, the Bank should consider carefully the Committee's recommendation. He also said there are potentially some legal issues that should be addressed in executive session. Senator Leatherman asked about

the authority provided by statute. He further asked what is decided by Bank policy versus by statutory language. Mr. Tyson explained the Bank's authorizing statute lays out the process for the Bank to evaluate applications for financial assistance. As part of this statutory process, the Evaluation Committee determines whether it's a qualified project. He continued describing the statutory language requires the Evaluation Committee to score the project, essentially ranking them, and to make a recommendation to the full Board. The statute further provides that the Bank Board determine a score for those projects that it wants to award the financial assistance to. Consistent with the statutory requirements, the Bank has created its operating guidelines to set the policy of the Bank to implement the statutory requirements. Senator Leatherman asked more questions about the statutory process. Mr. Tyson replied the statute does define how the Bank will review the projects, how it will make these determinations of whether it wants to award any financial assistance to the applicants. Mr. Tyson further explained the criteria laid out in statute of what the Bank must use as part of its evaluation process. The Bank then has filled in the blanks on the policy on how the Evaluation Committee is going to make its recommendations. Senator Leatherman asked whether the criteria are based on statute or are they some policy of the Bank. Mr. Tyson replied the criteria the Bank must use to determine whether the project is an eligible project, a qualified project, or to award financial assistance, comes directly from statutory language. Senator Leatherman asked does the Bank ever approve a project or disapprove a project outside of the criteria. Mr. Tyson stated to the best of his knowledge the Bank has always followed state law but that he would need to discuss with Jim Holly who has more institutional knowledge. Senator Leatherman asked that he provide this information to Rick Harmon of Senator Leatherman's staff. Mr. Holly further explained that one area where the Act does not provide detailed guidance is evaluating the financial proposal that's part of the project. He continued the Bank must use certain financial abilities to review the financial side of the project as opposed to the transportation merit of the project. The Act clearly assigns that responsibility to the Bank Board to evaluate the financial qualifications of the project, and whether it's a good financial project; that's obviously discussed with the JBRC. Once the project

is approved it goes to the JBRC. Senator Leatherman asked for clarification on the transportation component of the process. Mr. Holly stated in evaluating the transportation part of a project, the Bank Board follows the direction in the state statutes, including the same eight criteria SCDOT uses to evaluate the merits of a transportation project. He continued stating the Bank Board must determine how you implement those eight criteria in reviewing the project. Senator Leatherman asked again has there ever been a project approved or disapproved that was outside of these criteria? Mr. Holly replied I do not recall any such. Chairman White stated that since he began his service in 2017 on the Bank Board, the Bank Board hasn't approved or disapproved any project that's been outside the criteria. The Chairman asked if there were other questions. No other questions were asked.

#### **Motion to enter executive session**

Mr. Limehouse made the motion to go into executive session to discuss matters involving legal issues and advice of counsel. Mr. Fishburne seconded. The motion passed unanimously. Chairman White stated we're going into executive session for the discussion of negotiations incident to proposed contractual arrangements and the receipt of legal advice on matters covered so far. There will be no votes taken in executive session. The Board went into executive session at 3:00 p.m.

#### **Motion to come out of Executive Session**

At 3:45 p.m., Chairman White called the meeting back to order. He asked for a motion to come out of executive session. Mr. Limehouse made the motion and Mr. Fishburne seconded. Chairman White stated no votes, or any action were taken in executive session. The motion passed unanimously.

#### **Potential Bond Refundings**

Next on the agenda was item III-C. Chairman White asked Mr. Foley if he had a resolution. Mr. Foley stated the agenda item, Preliminary Authorizing Resolution, related to the refunding bonds described by David Miller earlier. The size of this issue would not exceed \$420 million. It would be used to refund the 2012A bonds and 2003B bonds, and to pay fees related to the termination of

swaps. The action consists of two items; one authorizes the Chair to make arrangements to use refunding bonds as the statute allows supported by general counsel, bond counsel, PFM, staff, the Office of State Treasurer. Before the bonds can be issued, this Board would need approval of the Joint Bond Review Committee. Further, the resolution provides that staff would bring back to the Board the results of pricing and present those pricing results in what would be two separate series resolutions. Chairman White thanked Mr. Foley and requested that if the resolution passed, that the Bank seek approval by the JBRC at its May meeting. Senator Leatherman asked what the amount is to terminate the swaps. Mr. Foley replied that was David Miller's area of expertise but that the estimate would be approximately \$60 or \$70 million dollars. Senator Leather asked how much in savings is the Bank realizing for the complete transaction. Mr. Foley stated when we terminate the swaps, there is collateral security of the swaps totaling approximately \$60 million. He continued stating once you terminate those swaps, the cash becomes unencumbered cash of the Bank. Senator Leatherman asked if there were any additional fees. Mr. Foley replied just your normal transactions fees for professionals and investment bankers and rating agencies. Senator Leatherman asked about how much would that be? Mr. Foley replied it was in the presentation and Chairman White stated the estimated costs were a little bit over \$1.2 million. However, the net savings to the Bank could be as high as \$15 million. Add in the release of the collateral of \$60 million which takes the capacity up to \$187 million. Senator Leatherman asked again about the costs of the deal. Chairman White stated again the total amount to complete the transaction from beginning to end was a little over \$1.2 million. He added the potential savings were estimated to be around \$15 million but that changes daily due to market fluctuation. We would then release some restricted funds of \$60 million that would then go to bond capacity. Senator Leatherman thanked the Chairman. Chairman White asked if there were any other questions.

Senator Leatherman made the motion to adopt the Revenue Bond Resolution. Mr. Limehouse seconded. The motion passed unanimously.

### **SCDOT Defeasance Request**

Chairman White asked for a motion on the SCDOT defeasance request. Mr. Shehan made a motion that the Bank agree to move forward on the SCDOT request to defease the three loans and to direct staff to discuss with SCDOT the resolution of any additional adjustments on the loans. Chairman White asked for clarification of whether the adjustment amount was to come back before the Board. Mr. Shehan replied yes. Mr. Limehouse seconded the motion. Chairman White asked if there were any questions. Senator Leatherman asked for confirmation that the Bank staff and SCDOT staff will get together and decide what the dollar amount of any savings might be. Mr. Shehan replied yes. Chairman White stated it was his understanding that then it would be ultimately approved by the Board adding he didn't think staff could act on that. Mr. Tyson replied the Bank staff could not act on any potential savings or credit without further Bank Board approval. Chairman White asked if the motion stands. Mr. Shehan stated the motion stands. Chairman White asked if the second stands. Mr. Limehouse stated it stands; reiterating the Board has final say to decide what to do with any savings or credit. Chairman White recapped that everybody's in agreement with granting the SCDOT's request for defeasance of the three loans and directing Bank staff to meet with the SCDOT staff to begin a conversation to amount of the interest differential. And once that differential is decided, the Board is asking that report come back to the Board for its action on a path forward. Chairman White then asked Mr. Shehan if that was correct. Mr. Shehan replied affirmatively. Chairman White then asked Mr. Limehouse if that was correct. Mr. Limehouse replied affirmatively. Chairman White asked if there were any additional questions. No other questions were asked. The motion passed unanimously.

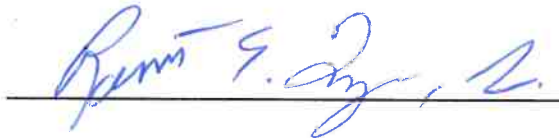
### **Evaluation Committee Recommendation for Rural Application Process**

Chairman White stated the next item for business is the proposal regarding the Evaluation Committee report pertaining to a new Rural Project Program. He stated we have the recommended language, about 13 pages, a chart of the population of South Carolina counties under the proposed 115,000 cutoff for what is deemed a rural project, and a Department of Revenue Form #20-33. He then asked for a motion to adopt the Rural Plan. Mr. Limehouse made the motion to adopt the

Evaluation committee recommendation for a rural application process. Mr. Shehan seconded. Chairman White asked if there were questions. Chairman White commented that if the Bank Board approved the recommendation, the process would be to forward the package to the Joint Bond Review Committee subcommittee that was reviewing the Bank's application process. He further stated if this is approved, the Bank will schedule a meeting with the subcommittee to discuss the Bank's revised process and any potential legislative changes that are necessary to carry out the process. He asked if there were any additional questions. No response was heard. The motion passed unanimously.

**New Business:**

Chairman White asked if there was any new business. Hearing none, Senator Leatherman made the motion to adjourn the meeting and Mr. Shehan seconded. The motion was approved, and the meeting was adjourned at 4:07 p.m.

A handwritten signature in blue ink, reading "Robert G. Dyer, II", is written over a horizontal line.

Board Secretary



ROBINSON  
GRAY

Litigation + Business

ROBERT E. TYSON, JR.

DIRECT 803 231.7838

rtyson@robinsongray.com

July 30, 2021

Via U.S. Mail

Tami Reed  
South Carolina Transportation Infrastructure Bank  
955 Park Street, Room 120B  
Columbia, SC 29201

Re: South Carolina Transportation Infrastructure Bank

Dear Tami,

Enclosed please find the fully executed Resolution and Fiscal Sufficiency Resolution in the above-referenced matter.

Thank you.

Sincerely,

Robert E. Tyson, Jr.

Enclosures

SOUTH CAROLINA TRANSPORTATION INFRASTRUCTURE BANK  
RESOLUTION

WHEREAS, Section 3.12 of the Master Revenue Bond Resolution ("Section 3.12") of the South Carolina Transportation Infrastructure Bank provides that the Bank Board will adopt an Annual Budget for each Fiscal Year containing a detailed projection of all Pledged Revenues, all principal and interest payments, all scheduled Debt Service Reserve Account deposits, any projected deposits into the Administrative Expense Fund, any projected deposits into the Projects Fund, and any projected deposits into the General Reserve Fund;

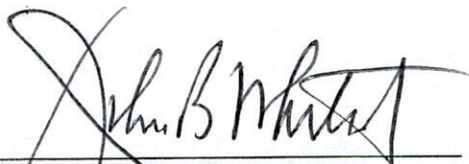
WHEREAS, attached hereto and incorporated herein by reference are the projections required by Section 3.12 for the 2020-2021 Fiscal Year of the Bank prepared by the Bank's financial adviser, Public Financial Management, together with the other professionals for the Bank.

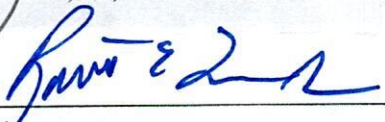
NOW, THEREFORE, the Board of Directors of the South Carolina Transportation Infrastructure Bank hereby resolves that:

Section 1: The "2020-2021 Annual Budget" consisting of the three (3) pages attached hereto, which is incorporated herein by reference, is hereby adopted and ratified as required by Section 3.12 of the Master Revenue Bond Resolution.

This resolution shall be deemed, and hereby is, effective as of March 24, 2021.

Adopted by the Board at a meeting duly held and conducted March 24, 2021.

  
\_\_\_\_\_  
John B. White, Jr., Chairman

  
\_\_\_\_\_  
Secretary



SC Transportation Infrastructure Bank  
Revenue Stabilization Fund  
FY2020-21

Sources of Funds

Transfer from Pledged Revenue Account	\$ -
<b>Total Sources</b>	<b>\$ -</b>

Uses of Funds

Transfer to Pledged Revenue Account	\$ 1,397,817
<b>Total Uses</b>	<b>\$ 1,397,817</b>

<b>Decrease in Cash Balance of RSF</b>	<b>\$ 1,397,817</b>
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SC Transportation Infrastructure Bank  
Pledged Revenue Fund  
FY2020-21

**Sources of Funds**

**System Payments:**

Truck Registration Fees	\$ 79,326,240
DOT Contribution - 1cent of gas tax	27,598,114
Motor Vehicle Fees	42,177,909
Electric Power Tax	4,037,197
Total System Payments	\$ 153,139,460

**Series Payments:**

Horry County Hospitality Fee - Loan II	\$ 19,177,658
SCDOT Multi-Project Funding Agreement	10,000,000
SCDOT Cooper River Bridge Payment	8,000,000
SCDOT Substitution Payments	4,693,476
US 17 Payments	4,979,751
Total Series Payments	\$ 46,850,885

Transfer from Revenue Stabilization Fund	\$ 1,397,817
Investment Earnings	164,502
Total Sources	\$ 201,552,664

**Uses of Funds**

**Senior Lien Debt Service:**

Debt Service - Principal Account Series 2002A Revenue Bonds	-
Debt Service - Principal Account Series 2003A Revenue Bonds	-
Debt Service - Principal Account Series 2003B Refunding Revenue Bonds	1,650,000
Debt Service - Principal Account Series 2004A Revenue Bonds	-
Debt Service - Principal Account Series 2004B Refunding Revenue Bonds	-
Debt Service - Principal Account Series 2005A Refunding Revenue Bonds	16,880,000
Debt Service - Principal Account Series 2007A Refunding Revenue Bonds	-
Debt Service - Principal Account Series 2007B Refunding Revenue Bonds	-
Debt Service - Principal Account Series 2009A Refunding Revenue Bonds	-
Debt Service - Principal Account Series 2012A Refunding Revenue Bonds	13,105,000
Debt Service - Principal Account Series 2012B Refunding Revenue Bonds	34,120,000
Debt Service - Principal Account Series 2015A Refunding Revenue Bonds	7,660,000
Debt Service - Principal Account Series 2016A Refunding Revenue Bonds	4,220,000
Debt Service - Principal Account Series 2017A Refunding Revenue Bonds	-
Debt Service - Interest Account Series 2002A Revenue Bonds	-
Debt Service - Interest Account Series 2003A Revenue Bonds	-
Debt Service - Interest Account Series 2003B Refunding Revenue Bonds	15,071,515
Debt Service - Interest Account Series 2004A Revenue Bonds	-
Debt Service - Interest Account Series 2004B Refunding Revenue Bonds	-
Debt Service - Interest Account Series 2005A Refunding Revenue Bonds	443,100
Debt Service - Interest Account Series 2007A Revenue Bonds	-
Debt Service - Interest Account Series 2007B Refunding Revenue Bonds	-
Debt Service - Interest Account Series 2009A Refunding Revenue Bonds	-
Debt Service - Interest Account Series 2010A Revenue Bonds	-
Debt Service - Interest Account Series 2012A Refunding Revenue Bonds	3,747,350
Debt Service - Interest Account Series 2012B Refunding Revenue Bonds	8,894,169
Debt Service - Interest Account Series 2015A Refunding Revenue Bonds	6,016,490
Debt Service - Interest Account Series 2016A Refunding Revenue Bonds	6,797,300
Debt Service - Interest Account Series 2017A Refunding Revenue Bonds	9,436,250
Debt Service - Interest Account Series 2019A Refunding Revenue Bonds	8,951,500
Annual Senior Lien Gross Debt Service	\$ 136,992,674
Less: Debt Service Fund Interest	\$ (1,156,520)
Annual Debt Service Transferred from Pledged Revenue Fund	\$ 135,836,154
Bond Administrative Expenses	\$ (1,397,817)
Deposit to Revenue Stabilization Fund	\$ 1,397,817
Transfer to Projects Fund	\$ 65,716,510
Total Uses	\$ 201,552,664



SC Transportation Infrastructure Bank  
Senior Lien Debt Service Fund  
FY2020-21

**Principal Account**

Sources of Funds

Transfer from Pledged Revenue Account for Series 2003A Revenue Bonds	-
Transfer from Pledged Revenue Account for Series 2003B Revenue Refunding Bonds	1,650,000
Transfer from Pledged Revenue Account for Series 2004A Revenue Bonds	-
Transfer from Pledged Revenue Account for Series 2004B Revenue Refunding Bonds	-
Transfer from Pledged Revenue Account for Series 2005A Revenue Refunding Bonds	16,880,000
Transfer from Pledged Revenue Account for Series 2007A Revenue Refunding Bonds	-
Transfer from Pledged Revenue Account for Series 2007B Revenue Refunding Bonds	-
Transfer from Pledged Revenue Account for Series 2009A Revenue Refunding Bonds	-
Transfer from Pledged Revenue Account for Series 2012A Revenue Refunding Bonds	13,105,000
Transfer from Pledged Revenue Account for Series 2012B Revenue Refunding Bonds	34,120,000
Transfer from Pledged Revenue Account for Series 2015A Revenue Refunding Bonds	7,660,000
Transfer from Pledged Revenue Account for Series 2016A Revenue Refunding Bonds	4,220,000
Transfer from Pledged Revenue Account for Series 2017A Revenue Refunding Bonds	-
<b>Total Sources</b>	<b>\$ 77,635,000</b>

Uses of Funds

Debt Service - Principal Account Series 2003A Revenue Bonds	-
Debt Service - Principal Account Series 2003B Refunding Revenue Bonds	15,071,515
Debt Service - Principal Account Series 2004A Revenue Bonds	-
Debt Service - Principal Account Series 2004B Refunding Revenue Bonds	-
Debt Service - Principal Account Series 2005A Refunding Revenue Bonds	443,100
Debt Service - Principal Account Series 2007A Refunding Revenue Bonds	-
Debt Service - Principal Account Series 2007B Refunding Revenue Bonds	-
Debt Service - Principal Account Series 2009A Refunding Revenue Bonds	-
Debt Service - Principal Amount Series 2012A Revenue Refunding Bonds	3,747,350
Debt Service - Principal Amount Series 2012B Revenue Refunding Bonds	8,894,169
Debt Service - Principal Amount Series 2015A Revenue Refunding Bonds	6,016,490
Debt Service - Principal Amount Series 2016A Revenue Refunding Bonds	6,797,300
Debt Service - Principal Amount Series 2017A Revenue Refunding Bonds	9,436,250
Debt Service - Principal Amount Series 2019A Revenue Refunding Bonds	8,951,500
<b>Total Uses</b>	<b>\$ 59,357,674</b>

**Interest Account**

Sources of Funds

Transfer from Pledged Revenue Account for Debt Service Interest - All Series	\$ 59,357,674
Debt Service Fund Interest	1,156,520
<b>Total Sources</b>	<b>\$ 60,514,194</b>

Uses of Funds

Debt Service - Interest Account Series 2003A Revenue Bonds	-
Debt Service - Interest Account Series 2003B Refunding Revenue Bonds	15,071,515
Debt Service - Interest Account Series 2004A Revenue Bonds	-
Debt Service - Interest Account Series 2004B Refunding Revenue Bonds	-
Debt Service - Interest Account Series 2005A Refunding Revenue Bonds	443,100
Debt Service - Interest Account Series 2007A Revenue Bonds	-
Debt Service - Interest Account Series 2007B Refunding Revenue Bonds	-
Debt Service - Interest Account Series 2009A Refunding Revenue Bonds	-
Debt Service - Interest Account Series 2012A Refunding Revenue Bonds	3,747,350
Debt Service - Interest Account Series 2012B Refunding Revenue Bonds	8,894,169
Debt Service - Interest Account Series 2015A Refunding Revenue Bonds	6,016,490
Debt Service - Interest Account Series 2016A Refunding Revenue Bonds	6,797,300
Debt Service - Interest Account Series 2017A Refunding Revenue Bonds	9,436,250
Debt Service - Interest Account Series 2019A Refunding Revenue Bonds	8,951,500
<b>Total Uses</b>	<b>\$ 59,357,674</b>

**Debt Service Reserve Account**

Sources of Funds

<b>Total Sources</b>	<b>\$ 138,149,194</b>
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Uses of Funds

<b>Total Uses</b>	<b>\$ 136,992,674</b>
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<b>Increase in Debt Service Reserve Account</b>	<b>\$ 1,156,520</b>
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SOUTH CAROLINA TRANSPORTATION INFRASTRUCTURE BANK  
FISCAL SUFFICIENCY 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.

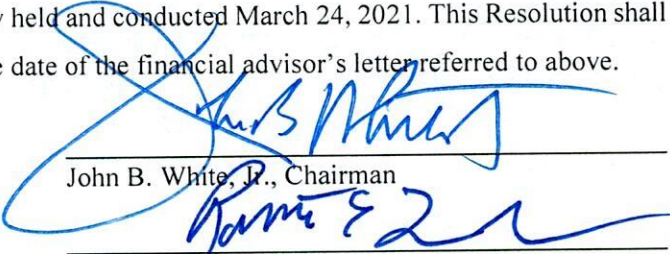
WHEREAS, the Board has been advised by its financial advisor and staff that with respect to the 2021-2022 Fiscal Year (beginning July 1, 2021) the estimates of Pledged Revenues and Supplemental Payments will be sufficient to meet Annual Gross Debt Service, make all required deposits into the Debt Service Reserve Account and Revenue Stabilization Fund, and pay Administrative Expenses as those terms are defined in the Master Revenue Bond Resolution;

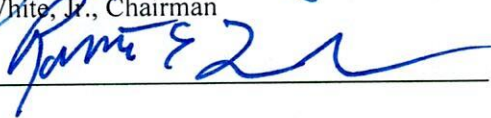
WHEREAS, attached hereto are tables and a letter from the Bank's financial advisor dated January 13, 2021 that provide estimates relevant to the determinations set forth herein;

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 2021-2022 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.

Adopted by the Board at a meeting duly held and conducted March 24, 2021. This Resolution shall be deemed effective from January 13, 2021, the date of the financial advisor's letter referred to above.

  
\_\_\_\_\_  
John B. White, Jr., Chairman

  
\_\_\_\_\_  
Secretary





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300 S. Orange Avenue  
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January 13, 2021

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 1<sup>st</sup> 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 2020 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 bond 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. Rob Tyson

**South Carolina Transportation Infrastructure Bank  
Fiscal Sufficiency of Pledged Revenues - FY 2021**

**Total System Payments**

Fiscal Year	Motor	Wholesale	SCDOT Highway Funds (3)	Truck	Total System Payments
	Vehicle Registration Fees (1)	Electric Power Funds (2)		Registration Fees (4)	
2020	42,829,354	3,951,768	28,303,220	81,189,995	156,274,338
2021	42,177,909	4,037,197	27,598,114	79,326,240	153,139,459
2022	41,463,808	4,109,801	26,863,559	79,377,687	151,814,855
2023	42,874,338	4,393,208	27,503,744	81,432,450	156,203,740
2024	42,841,284	4,531,188	27,211,776	82,824,724	157,408,972
2025	43,483,904	4,749,156	27,347,835	84,722,321	160,303,216
2026	44,136,162	4,970,393	27,484,574	86,170,842	162,761,972
2027	44,798,205	5,194,949	27,621,997	88,145,103	165,760,254
2028	45,470,178	5,422,873	27,760,107	89,652,144	168,305,303
2029	46,152,230	5,654,216	27,898,908	91,706,165	171,411,520
2030	46,844,514	5,889,030	28,038,402	93,274,091	174,046,037
2031	47,547,181	6,127,365	28,178,594	95,411,094	177,264,235
2032	48,260,389	6,369,276	28,319,487	97,042,364	179,991,516
2033	48,984,295	6,614,815	28,461,085	99,265,703	183,325,897
2034	49,719,059	6,864,037	28,603,390	100,962,876	186,149,362
2035	50,464,845	7,116,998	28,746,407	103,276,037	189,604,287
2036	51,221,818	7,373,752	28,890,139	105,041,776	192,527,486
2037	51,990,145	7,634,359	29,034,590	107,448,389	196,107,483
2038	52,769,997	7,898,874	29,179,763	109,285,464	199,134,098
2039	53,561,547	8,167,357	29,325,662	111,789,304	202,843,870
2040	54,364,971	8,439,868	29,472,290	113,700,597	205,977,725
2041	55,180,445	8,716,466	29,619,651	116,305,592	209,822,154

- (1) Actual for FY 2020; Stress Case applied through FY 2024; Escalated at 1.5% per annum thereafter.
- (2) Represents amount due to SCTIB which equals 50% of total Wholesale Electric Power Funds exceeding \$20 million. Actual for FY 2020; Stress Case applied through FY 2024; total Wholesale Electric Power Fund escalated at 1.5% thereafter.
- (3) Actual for FY 2020; Stress Case applied through FY 2024; Escalated at 0.5% per annum thereafter.
- (4) Actual for FY 2019 and FY 2020; Stress Case applied through FY 2024; Escalated at 2.0% biennially thereafter.

**South Carolina Transportation Infrastructure Bank  
Fiscal Sufficiency of Pledged Revenues - FY 2021**

**Total Series Payments**

Fiscal Year	Horry	SCDOT	SCDOT US 17 Project (3)	Multi-Project Funding Agreement (4)		Total Series Payments
	County	Cooper		SCDOT	SCDOT	
	Uninsured Loan II (1)	River Bridge (2)		Loan Payments	Exchange Payments	
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) Payment obligations have been defeased and are now secured by an irrevocable escrow funded with UST obligations.

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

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

(4) 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 2021**

**Pledged Revenues and Net Revenues**

<b>Fiscal Year</b>	<b>Total System Payments</b>	<b>Plus: Transfer from RSF</b>	<b>Plus: Series Payments (1)</b>	<b>Plus Investment Earnings (2)</b>	<b>Equals: Pledged Revenues</b>	<b>Less: Series Payments</b>	<b>Equals: Net Revenues</b>
2020	156,274,338		46,850,885	1,043,076	204,168,299	(46,850,885)	157,317,414
2021	153,139,459	1,397,817	46,850,885	164,502	201,552,663	(46,850,885)	154,701,778
2022	151,814,855		46,850,885	322,207	198,987,948	(46,850,885)	152,137,063
2023	156,203,740		12,979,751	495,159	169,678,649	(12,979,751)	156,698,898
2024	157,408,972		12,979,751	686,064	171,074,787	(12,979,751)	158,095,036
2025	160,303,216		12,979,751	888,423	174,171,389	(12,979,751)	161,191,639
2026	162,761,972		12,979,751	919,793	176,661,515	(12,979,751)	163,681,765
2027	165,760,254		12,979,751	951,881	179,691,886	(12,979,751)	166,712,135
2028	168,305,303		4,979,751	984,518	174,269,572	(4,979,751)	169,289,821
2029	171,411,520		4,979,751	1,017,903	177,409,174	(4,979,751)	172,429,423
2030	174,046,037		4,979,751	1,051,859	180,077,647	(4,979,751)	175,097,896
2031	177,264,235		4,979,751	1,086,593	183,330,579	(4,979,751)	178,350,828
2032	179,991,516		4,979,751	1,121,920	186,093,187	(4,979,751)	181,113,437
2033	183,325,897		4,979,751	1,158,057	189,463,705	(4,979,751)	184,483,954
2034	186,149,362		4,979,751	1,194,812	192,323,925	(4,979,751)	187,344,174
2035	189,604,287		4,979,751	1,232,409	195,816,447	(4,979,751)	190,836,696
2036	192,527,486		4,979,751	1,270,649	198,777,885	(4,979,751)	193,798,134
2037	196,107,483		4,979,751	1,309,764	202,396,998	(4,979,751)	197,417,247
2038	199,134,098			1,349,549	200,483,647		200,483,647
2039	202,843,870			1,390,245	204,234,115		204,234,115
2040	205,977,725			1,431,637	207,409,362		207,409,362
2041	209,822,154			1,473,977	211,296,131		211,296,131

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

(2) Actual investment earnings for FY 2020 and estimated earnings on the Revenue Stabilization Fund thereafter.



**South Carolina Transportation Infrastructure Bank  
Fiscal Sufficiency of Pledged Revenues - FY 2021**

**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
2020	157,317,414	134,267,649	(46,850,885)		87,416,764	1.80x	69,900,650
2021	154,701,778	136,992,674	(46,850,885)	(1,156,520)	88,985,269	1.74x	65,716,509
2022	152,137,063	137,157,400	(46,850,885)	(2,313,699)	87,992,816	1.73x	64,144,246
2023	156,698,898	110,640,540	(12,979,751)	(3,311,447)	94,349,342	1.66x	62,349,556
2024	158,095,036	109,992,034	(12,979,751)	(4,410,075)	92,602,209	1.71x	65,492,828
2025	161,191,639	110,144,810	(12,979,751)	(5,514,121)	91,650,938	1.76x	69,540,701
2026	163,681,765	118,065,685	(12,979,751)	(5,593,330)	99,492,604	1.65x	64,189,161
2027	166,712,135	118,477,613	(12,979,751)	(5,597,449)	99,900,413	1.67x	66,811,723
2028	169,289,821	113,709,280	(4,979,751)	(5,549,766)	103,179,763	1.64x	66,110,058
2029	172,429,423	114,851,904	(4,979,751)	(5,561,192)	104,310,961	1.65x	68,118,462
2030	175,097,896	118,346,829	(4,979,751)	(5,596,142)	107,770,937	1.62x	67,326,959
2031	178,350,828	120,028,861	(4,979,751)	(5,612,962)	109,436,149	1.63x	68,914,679
2032	181,113,437	123,345,786	(4,979,751)	(5,646,131)	112,719,904	1.61x	68,393,533
2033	184,483,954	121,360,175	(4,979,751)	(5,626,275)	110,754,149	1.67x	73,729,805
2034	187,344,174	126,080,766	(4,979,751)	(5,673,481)	115,427,534	1.62x	71,916,641
2035	190,836,696	41,108,413	(4,979,751)	(4,823,757)	31,304,904	6.10x	159,531,792
2036	193,798,134	41,044,825	(4,979,751)	(4,823,122)	31,241,953	6.20x	162,556,182
2037	197,417,247	41,016,975	(4,979,751)	(4,822,843)	31,214,381	6.32x	166,202,866
2038	200,483,647	40,987,200		(4,822,545)	36,164,655	5.54x	164,318,992
2039	204,234,115	42,790,750		(4,840,581)	37,950,169	5.38x	166,283,946
2040	207,409,362	42,744,500		(4,840,118)	37,904,382	5.47x	169,504,980
2041	211,296,131	42,696,375		(4,839,637)	37,856,738	5.58x	173,439,393

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

(2) Includes pledged portions of Horry County 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 is calculated on principal and interest requirements and the Debt Service Reserve Fund Balance ("DSRF"). DSF earnings assume rate of 0.60% in FY2021, annual increases of 60 bps through FY 2025 and a rate of 3.0% in FY 2025 and thereafter. DSF earnings assume rate of 0.70% in FY2021, annual increases of 70 bps through FY 2025 and a rate of 3.5% in FY 2025 and thereafter.

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