

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

Board Special Meeting
Gressette Building – Room 105
Columbia, SC 29201
October 2, 2018
10:00 am

- | | | |
|-------|--|---|
| I. | Call to Order | Chairman John B. White, Jr. |
| II. | Opening Remarks | Chairman John B. White, Jr. |
| III. | SCDOT Briefing (if available) | |
| IV. | Evaluation Committee
A. Committee Status Report | Chairman John B. White, Jr.
Ron K. Patton, P.E., STV, Inc. |
| V. | FY19-20 Appropriations Budget Request (Action needed) | Tami B. Reed, CFO |
| VI. | Appointment of new Secretary (Action needed) | Chairman John B. White, Jr. |
| VII. | Executive Session (if necessary) | Chairman John B. White, Jr. |
| VIII. | Actions on Items from Executive Session (if needed) | |
| IX. | Consideration of Actions on Projects
A. Mark Clark Project Status
B. City of Aiken Extension Request | Jim Holly, Rob Tyson
Rob Tyson |
| X. | Consideration of Minutes of June 26, 2018 | |
| XI. | Old Business (if needed) | Chairman John B. White, Jr. |
| XII. | Adjourn | |

MINUTES
South Carolina Transportation Infrastructure Bank
Board Meeting

Room 105, Gressette Building
Columbia, SC 29201

October 2, 2018
10:00 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
Dr. Ben H. Davis, Jr.
Senator Hugh K. Leatherman, Sr.
H.B. "Chip Limehouse, III
Representative J. Gary Simrill
Joe E. Taylor, Jr.

Present by phone: Ernest Duncan

Others present: Tami Reed, representing the Bank; Jim Holly, Board Secretary and Bank Counsel; Robert Tyson, Bank Counsel; Ron Patton, Consultant; Christy Hall, Secretary of Transportation; other representatives of SC Department of Transportation (SCDOT); staff 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. Chairman White asked for a moment of silence for the victims of Hurricane Florence. Chairman White then thanked Secretary Hall for her department's hard work during Hurricane Florence.

SCDOT Briefing:

Secretary Hall gave an update on the damage from Hurricane Florence. Secretary Hall stated Hurricane Florence was a massive event for South Carolina. There were two hundred and thirty (230) damaged sites, six bridge projects (6), one hundred and ten closed roads (110), and seventy-five million dollars in damage.

Senator Leatherman thanked Secretary Hall and asked about reimbursement from Federal Emergency Management Agency (FEMA) and Federal Highway Administration (FHWA). Secretary Hall stated that she could not speculate on the amount but will provide the information once she receives the final amount. Mr. Davis thanked Secretary Hall and stated that she kept the SCDOT Commission up to date during the storm. Secretary Hall stated that the integrated approach by county, state and federal agencies for this emergency was the best she had ever seen.

Evaluation Committee:

Ron Patton, a consultant to the Bank, made a presentation on a draft proposal establishing a process and prioritization criteria for review of future potential projects by the Evaluation Committee and the Bank. He explained each step of the review process.

Representative Simrill asked Mr. Patton how many projects were in the evaluation process. Mr. Patton responded five, as of February, 2017.

Mr. Taylor asked how applications will be treated when they ask for more money than the Bank has available. Mr. Patton the review of the proposed projects would have to factor any local match and available Bank funds.

Mr. Limehouse asked if the percentages should be the same across the board. Mr. Patton respond it would depend on size of project and the type of local match. Mr. Holly interjected that without getting into any details, if a local government offers to spend \$50 million in paid bills for construction, that's worth \$50 million in non-tax revenue that can be pledged to bonds which is worth more to the bank and state. Even though the dollars might be the same, one must look and consider the form of the obligation in trying to make the standards as uniform as possible.

FY19-20 Appropriations Budget Request:

Ms. Tami Reed, Chief Financial Officer for the Bank, presented the budget for Fiscal Year 2019-2020. Ms. Reed stated the budget a major component of the budget is the Act 98 projects are not included. Ms. Reed also stated that the budget could change or adjust with new projects. Mr.

Limehouse made the motion and Senator Leatherman seconded the motion. The motion carried with a unanimous vote.

Ms. Reed then gave the results of the Accountability Report and the annual audit for the Bank. She stated that there were no findings in the audit this year. Ms. Reed explained that the Accountability Report and the audit could be found on the Bank's website.

Appointment of New Secretary:

Chairman White recommended Mr. Robert Tyson of Robinson Gray Stepp & Lafitte LLC to serve as secretary for the Bank. Senator Leatherman made the motion and Mr. Limehouse seconded the motion. The motion carried with a unanimous vote. Chairman White thanked Mr. Holly for his years of work and dedication to the Bank.

Executive Session:

Mr. Limehouse made a motion to go into Executive Session to discuss communications and legal issues related to contractual arrangements and attorney client privileged information and legal advice concerning the Mark Clark Extension Project and the City of Aiken Extension Projects. Senator Leatherman seconded the motion. The motion carried with a unanimous vote.

At 12:35 p.m., Mr. Davis moved to bring the Board out of Executive Session. Mr. Limehouse seconded the motion. The motion carried with a unanimous vote.

Consideration of Actions on Projects:

City of Aiken (Whiskey Road) Project Chairman White stated the information had been reviewed concerning the extension of the Intergovernmental Agreement (IGA) with the City of Aiken. Mr. Taylor made a motion to extend the date in the IGA to commence construction by November 2, 2018, and complete construction by July 2019. Further, the motion authorized the Chairman to sign an amended agreement to that effect, subject to the advice of Bank counsel. Senator Leatherman seconded the motion. The motion carried with a unanimous vote.

University Parkway Project. Chairman White asked staff to review the construction schedule and other potential changes with the City of Aiken. Senator Leatherman stated a change in scope potentially could require approval by the Joint Bond Review Committee (JBRC).

Mark Clark. Robert Tyson provided background information on the project leading up through the present. He stated the IGA was approved in 2007. Since then, the cost of the project has

escalated to over \$700 million. At its June 26, 2018 meeting, the Bank Board voted to terminate its participation in the IGA and the project.

A meeting was held with Governor McMaster, Charleston County councilman Summey, Bank staff, SCDOT and attorneys on August 28, 2018. Councilman Summey made a proposal at this meeting indicating Charleston County would agree to pay the entire cost of the project over the Bank's \$420 million contribution. Also, Councilman Summey stated that the legal costs and some of the other costs would be covered by Charleston County.

After Mr. Tyson's background report, Mr. Duncan made a motion for the Bank to reconsider its vote of June 16, 2018 to end participation in the Mark Clark project. Representative Simrill seconded the motion. The motion carried with a 5 to 2 vote. Senator Leatherman and Mr. Taylor voted no.

Based on Councilmember Summey's proposal, a Term Sheet was developed to describe the potential terms of a new agreement. The Term Sheet was marked as Exhibit 1. (Attached).

Mr. Duncan made a motion for Chairman White and staff be authorized to negotiate an amended IGA with the County of Charleston and the Department of Transportation. Discussion ensued. Questions were asked of Council member Summey and Charleston County attorney Joe Dawson. Also, Bank counsel Jim Holly and Rob Tyson answered board member questions.

Representative Simrill made a motion to amend the motion to make it clear that the Bank not only was reconsidering its vote of June 26, 2018, but also taking new action to direct the board. Rep. Simrill's motion was that action taken by the Bank Board on June 26, 2018 is rescinded. Further, Representative Simrill's motion was to negotiate an amended IGA with the cost of no more than \$420 million to the Bank with Charleston County paying any costs over the \$420 million. The IGA would require the Bank to contribute no more than \$420 million. Also, Charleston County has agreed to pay all costs over the \$420 million and to complete the full scope for the Mark Clark extension project, and Charleston County has pledged its full faith and credit to meet that obligation. Representative Simrill's motion authorizes Chairman White to negotiate the terms to legally obligate the county and all other terms that are needed. This motion directs the chairman and staff to negotiate an amended IGA to be completed and approved by the Bank Board, Charleston County Council and the Department of Transportation within 45 days of this vote. Further, once approved by the DOT, the Bank, and Charleston County, the Bank, per its statutory requirements, will submit to the appropriate state agency and the legislative committee for approval. The Term Sheet also will be made public. Mr. Limehouse seconded the motion.

Senator Leatherman maintained the scope of the project has changed significantly since JBRC approval in 2007; thus, any changes would have to be approved by the JBRC.

The motion carried by a 5 to 2 vote. Senator Leatherman and Mr. Taylor voted no.

Consideration of Minutes:

Chairman White asked for a motion to approve the minutes for the June 26, 2018 meeting. Mr. Duncan stated that the minutes should be amended to reflect his attendance at the meeting. Mr. Limehouse made a motion to approve the minutes with the change and Mr. Davis seconded the motion. The motion carried with a unanimous vote.

The meeting was adjourned.



Board Secretary

MINUTES
South Carolina Transportation Infrastructure Bank
Board Meeting

Gressette Building – Room 308
Columbia, SC 29201

June 26, 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
Ernest L. Duncan, Vice Chairman
Dr. Ben H. Davis, Jr.
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; Rob Tyson, attorney; 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 at 1:10 p.m.

Opening Remarks:

Chairman White welcomed everyone to the meeting and reviewed the agenda.

Agenda and Consideration of Minutes:

Mr. Simrill made a motion to approve the minutes of the May 7, 2018 Bank Board meeting. Mr. Taylor seconded the motion. The motion carried with a unanimous vote.

Evaluation Committee Report and Board Action:

Chairman White provided background on the process to revise and further develop the application process and the establishment of project criteria. Ron Patton, a former senior manager at SC DOT was hired as a consultant to produce a report on this process. On June 5, 2018, Patton made a presentation to the Evaluation Committee. Members of the Evaluation Committee include Joe Taylor, Chip Limehouse, Mr. Keys with the DOT, Ernest Duncan, and Chairman White. Also in attendance at the meeting were members of interested parties, Rob Tyson and Jim Holly.

Mr. Patton's presentation focused on new procedures given the recent legislative enactment of Act 275 and other legislation. Overarching the report is the primary objective of increased transparency in evaluating applications.

Mr. Patton described the criteria for future projects. He stated his objectives included making the Bank's criteria more consistent with SCDOT criteria and clarifying the prioritization needs. The five key factors are: project eligibility, eligible project costs, public benefit, financial plan and project ranking.

Questions followed. Senator Leatherman asked if light rail would qualify. Mr. Patton answered that he was not familiar with rail transit but, he thought such a project might qualify.

Chairman White asked whether an interstate interchange project that does not have Federal Highway Administration approval would be considered. Mr. Patton responded the Federal Highway Administration would factor into the approval process because it controls the interstate system.

Mr. Limehouse asked whether the information presented was consistent with DOT criteria. Mr. Patton answered yes. Mr. Limehouse asked a follow up if the Bank's criteria were identical to the DOT criteria. Mr. Patton responded almost every project that the Bank board would see should be ranked on one of these criteria lists that DOT has. Mr. Patton explained that the criteria were developed over time by DOT.

Dr. Davis asked about Secretary Hall's participation. Chairman White answered Secretary Hall had an opportunity to speak at the Evaluation Committee meeting since ultimately projects are subject to the commission's approval. The presentation was completed with the DOT's cooperation.

Mr. Simrill thanked Mr. Patton for developing a clearer path for the Bank.

Chairman White gave Secretary Hall or Mr. Keys of DOT for input. Secretary Hall stated that the SCDOT appreciated the opportunity to be involved in the Evaluation Committee; however, she said that Mr. Patton's presentation was a subset of how the SCDOT prioritizes projects. Two years ago, the SCDOT started focusing more on strategic measures.

Chairman White asked Secretary Hall if communication was better with the Bank now than in the past; Secretary Hall answered absolutely. Secretary Hall commented the Bank should make sure to deliver projects that meet the Bank's strategic objectives.

Jasper/Hardeeville Exit 3

The Jasper/Hardeeville Exit 3 Project is an action item. Chairman White recapped the issue, including the discussion of the project at the Evaluation Committee meeting. Present on behalf of the project was Andrew Fulghum, Jasper County Administrator; Senator Tom Davis; and Hardeeville Mayor Harry Williams.

Senator Davis spoke on the importance of the project to the region. Senator Davis stated there was new progressive leadership in Jasper County and that the Jasper Port will be an economic engine for Jasper, Colleton, Hampton and Allendale counties. He further stated Exit 3 is going to be integral to the infrastructure plan for the Jasper area that historically has had high unemployment rates, low education outcomes and bad healthcare outcomes. He asked for favorable consideration.

Representative Simrill asked Senator Davis about his prior position to abolish the Bank. Senator Davis replied he now supports anything that syncs the objectives and policies of the DOT with that of the Bank. He was encouraged by the testimony today this improved relationship was occurring.

Senator Davis stated the port in Jasper County would not have height restrictions like Charleston and Savannah; thus, it would be able to handle super ships. He stated that the port would be an economic factor as big as Michelin, BMW, and Boeing combined.

Chairman White asked Senator Davis what the estimated date for the completion for the port is now. Senator Davis replied that a couple of years ago it was 2025 but earlier this year the SC Port's Authority indicated it may be 2035.

Board member Joe Taylor asked questions about the unemployment rate in the County. Mr. Fulghum responded only 200 persons receive unemployment checks because Jasper County has one of the lowest unemployment rates in the state. Mr. Fulghum stated the problem was not unemployment but underemployment.

Mr. Limehouse asked if the request was solely an extension of the IGA. Senator Davis replied yes. Mr. Limehouse stated the Ports Authority and the General Assembly should continue to address this region and the port issue.

Mr. Taylor stated the discussions previously had focused on funding the entire project and whether federal approval of the interchange would occur. Mr. Taylor stated some on the Bank Board had voiced in the past that a grant request for state money to pay for an exit ramp that's basically all encompassed by privately owned real estate might not be appropriate.

Mr. Taylor asked about whether the Federal Highway Administration approves interchanges. Senator Davis deferred to Secretary Hall. Secretary Hall who asked if the question was did SCDOT believe the interchange would be justified based on the traffic study. Secretary Hall confirmed permission must be granted from the Federal Government before an interchange can be put on an interstate.

Mr. Taylor asked before you can get a final approval that the project must have permanent funding for the actual construction of the interchange. Secretary Hall responded the Interchange Justification Report(IJR) is one piece of multiple approvals that must happen. The IJR is based upon the traffic studies. The local governments have submitted a draft traffic study that has been reviewed and comments have been provided. The initial review shows that it may be justifiable at full build out assuming all the build out happens as projected within the traffic study. However, additional work has to be done on that study and those comments have been provided to Jasper County.

Mr. Taylor asked for an explanation of "build out." Mr. Taylor asked did build out encompass the interchange or build out of office building, warehouses, i.e., the entire project. Secretary Hall stated full build out entailed traffic generation of features that happen in the area. It could be redirecting of some other traffic that may be using some routes to get to the interstate and other similar factors. Mr. Taylor expressed his concerns that state tax dollars are being used on a primarily private real estate deal. Chairman White agreed.

Senator Leatherman asked if the study includes the traffic from the proposed new port or just the traffic from the Jasper area and the development goes on at that interchange. Secretary Hall stated she did not know the answer.

Chairman White stated the previous IGA expired and payments have been extended in excess of a million and a half dollars to a firm, Michael Baker, that is not present at the meeting. Mr. Fulghum answered that Michael Baker is working for the Corp of Engineers and a representative was precluded from the meeting. Chairman White stated that in the Evaluation Committee meeting, the members asked for a letter from Michael Baker explaining its relationship. Mr.

Fulghum disagreed stating his belief the relationship of the third-party contract was explained and that a representative from Michael Baker was not needed.

Chairman White expressed the Bank's fiduciary duty to the state of South Carolina. Mr. Fulghum spoke again and stated they were not asking for a loan just an extension.

Mr. Limehouse asked Mr. Fulghum what was his specific request. Mr. Fulghum responded they wanted an extension of the IGA to complete the IJR process. Mr. Fulghum stated the initial grant was for \$3.9 million and that the Bank had spent approximately \$1.7 million.

Mr. Taylor asked how much the private developer had spent. Mr. Fulghum stated the local match which was what the developer paid was \$617,000.00 which was over and beyond the \$1.7 million already spent.

Senator Leatherman then asked what Michael Baker's involvement was with the project. Mr. Fulghum answered they were a third-party contractor that is directed by the Corps but under contract with the City of Hardeeville. The way a large-scale project works with the federal permitting process is a third-party contractor has to be approved and hired. The third party in this instance is Michael Baker; once the city hires them they receive directions from the Corps of Engineers throughout the permitting process which is why they can't attend and speak about the project.

Mr. Ocie Vest, a partner with Stratford Land of Dallas, Texas spoke next. Chairman White asked if Mr. Vest's company was willing to step up and finish the project. Mr. Vest stated his company had made a significant investment in the project over and above the \$617,000.00 that was required. Mr. Vest explained his company had spent over \$2 million on the project, primarily resulting from the Corp of Engineer's decision to conduct an Environmental Impact Study, rather than an Environmental Analysis.

A break was called at 2:43 p.m. and Chairman White called the meeting back to order at 2:56 p.m.

The Board asked questions to Mayor Williams of Hardeeville about the other exits on I-95

Mr. Taylor made a motion the Bank decline to extend the date by which the component project must be completed in Section 4.3(b) of the Intergovernmental Agreement with Jasper County and the City of Hardeeville dated July 1, 2013 and the Bank waives its right to recover the funds spent by the Bank on the project to date. Mr. Duncan seconded the motion.

Chairman White asked a vote by raising hands. Dr. Davis voted no, Mr. Taylor voted yes, Senator Leatherman voted yes, Chairman White voted yes, Mr. Duncan voted yes, Mr. Simrill voted no and Mr. Limehouse voted no. Chairman White asked Mr. Holly to tabulate the vote. Mr.

Holly stated four members voted in favor of the motion and three members against. Chairman stated the motion carried.

Current Application Status

Chairman White stated that the activity on eligible applications was suspended in 2017. Mr. Taylor made a motion to end the suspension of applications. Mr. Simrill seconded the motion to include the Act 40 requirements. Discussion ensued. Mr. Taylor stated on the recommendation of the Evaluation Committee, he moved that the Action taken by the board, taken October 24th, 2017 holding in abeyance consideration of completed applications then under review by the bank, be rescinded as of this date, that all applications that haven't been approved by this board be subject to Act 275 requirements and subject to available bonding capacity. Mr. Taylor amended the motion to say Act 40 and 275 requirements.

Chairman White asked for discussion and Mr. Taylor suggested for the bonding capacity to be posted on the website so applicants would know the bonding capacity. A vote was taken and the motion was passed unanimously.

Proposed Amendment and Changes to Operating Agreement

Chairman White stated that Mr. Ron Patton's presentation presented changes to the application process. The Evaluation Committee recommended to the Bank Board it accept the revisions to the Bank's Operating Guidelines developed by Mr. Patton.

Mr. Taylor made a motion to accept the recommendations of the Evaluation Committee. A vote was taken and the motion passed unanimously.

Old Business:

Senator Leatherman stepped out of the meeting due to his obligations as a Senator serving on the Conference Committee for the final Budget.

Per Agenda Item 7(A), Mr. Taylor made a motion for the Bank to adopt the resolution in the agenda package to end Act 98 participation. Mr. Duncan seconded the motion. Chairman White stated that bond counsel was present for questions. Dr. Davis asked Secretary Hall if she had seen the resolution. Secretary Hall stated yes. A vote was taken and was passed unanimously. A copy of the resolution as adopted is contained in the Bank's official records.

Mark Clark Expressway

Senator Leatherman returned to the Bank Board meeting.

Chairman White provided background on the information in the agenda packet. He stated not only were there letters of support; but also, many letters and emails had been sent opposing the project. Mr. Limehouse requested to see the correspondence in opposition to the project. Mr. Limehouse said the correspondence in favor came from a "Who's Who" from Charleston. Mr. Taylor stated the information in the Board member's packet was not the total amount of correspondence provided to the Bank. This correspondence was marked as Exhibit A. As further background, Chairman White stated that the funding for the Mark Clark was the issue. Chairman White stated that the Bank had tried to be fair; he met with Secretary Hall, Chairman Willard, counsel and David Miller the Bank's financial advisor. He stated that he has no evidence of the County's funding obligation; the blame is not at the Bank's feet.

John Tecklenburg, the Mayor of the City of Charleston, spoke in favor of the Mark Clark and stated the City wanted to become a partner to the IGA. Chairman White asked how much money could the City was willing to put in the project; May Tecklenburg stated that he has dedicated monies from their tax increment but the amount would be subject to City Council approval.

Victor Rawl, Chairman of the Charleston County Council, and Joseph Dawson, Charleston County attorney, spoke on behalf of Charleston County. Mr. Dawson said this was not a funding issue, rather a contract issue that could be amended to address the needs of the parties.

Mr. Rawl stated that he understood the Board's wishes was for the County to submit a draft amendment to the IGA. The County did that but has not heard back from the Bank.

At 4:27 p.m. a break was taken and called back in to order at 4:50 p.m.

Bank member Ernest Duncan spoke next. He was appointed by Governor Mark Sanford in 2003. Mr. Duncan stated the board had a duty to the citizens of South Carolina to make the best decision for the state. Mr. Duncan stated that as a banker, he has to make financial decisions on projects that have a financial plan, collateral and trust. He stated that he was not hostage to any particular region but that he did not believe the Mark Clark Project met all aspects of a sound financial plan for the state.

Board member Simrill asked for attorney Jim Holly to provide a summary of actions taken over the past few years. Mr. Holly provided such a summary and discussed the Bank's request the County provide a legally enforceable funding plan to cover the shortfall of approximately \$300 million.

Board member Limehouse asked about the percentage match of Charleston County for the funding of the entire project. Mr. Holly responded the total cost now is approximately \$725 million with the Bank's contribution totaling \$420 million per the existing IGA.

Board member Dr. Davis stated he wanted to ensure that everything had been done between the parties. He encouraged the Bank to get together with the City of Charleston and Charleston County and work toward getting the Project done.

Mr. Taylor made a motion to terminate the Bank's participation in the 2007 Intergovernmental Agreement and the Mark Clark Project, due to repeated financial failures of Charleston County, through adoption of a resolution which read as follows:

NOW THEREFORE, the Board of the Bank hereby resolves that:

Section 1

For the reasons stated in the Bank's December 15, 2015 and May 26, 2016 Resolutions (attached) on the Mark Clark Extension Project (Project), and due to the repeated failures of Charleston County Council to provide a binding, reliable and enforceable funding plan to complete the Project pursuant to those Resolutions and to the 2007 Intergovernmental Agreement between Charleston County, the South Carolina Department of Transportation, and the South Carolina Transportation Infrastructure Bank (Bank), all of which are so substantial and fundamental as to prevent the purpose of the 2007 Intergovernmental Agreement from being accomplished, the Board of Directors of the Bank (Board) hereby terminates the Bank's participation in the Project and the Intergovernmental Agreement.

Section 2

As provided in the 2007 Intergovernmental Agreement, the Board further resolves and certifies that it cannot provide further financial assistance to the Project.

Section 3

The Board hereby authorizes the Chairman to take such further actions and execute such other agreements or instruments on behalf of the Bank that are necessary to implement the foregoing actions by the Board.

Section 4

This Resolution shall take effect on June 26, 2018.

Senator Leatherman seconded the motion.

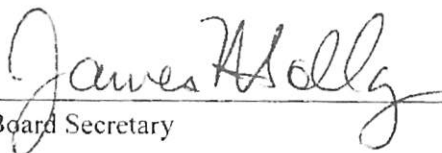
Mr. Limehouse stated he wanted to facilitate a working session with Charleston County and the Bank.

Chairman White called for a vote on the motion. Mr. Limehouse voted no, Mr. Simrill voted no, Mr. Duncan voted yes, Senator Leatherman voted yes, Mr. Taylor voted yes, and Dr. Davis voted no. Mr. Holly stated that four members voted yes, three members voted no; thus, the motion carried.

Chairman White asked for a motion to adjourn. Senator Leatherman so moved and Mr. Simrill seconded the motion. All voted in favor to adjourn.

Closing:

The meeting was adjourned by acclamation at 5:20 p.m.


Board Secretary



SCTIB Budget

	Actual FY17-18	FY2018-19 SCTIB Appropriation Budget	PROPOSED FY2019-20 SCTIB Appropriation Budget
<u>Revenues and Other Sources</u>			
Truck Reg. Fees	\$ 76,362,296	\$ 75,000,000	\$ 77,500,000
DOT Contribution - 1 cent user fee	28,441,793	29,000,000	29,200,000
DOT Act 98 Transfer	50,000,000	-	-
DOT Transfer - Conway Bypass	7,600,000	7,600,000	7,600,000
DOT Transfer - Multi-project agmt. Payments	10,000,000	10,000,000	10,000,000
DOT Transfer - Cooper River Bridge	8,000,000	8,000,000	8,000,000
Motor Vehicle Fees	42,837,944	43,000,000	44,200,000
Electric Power Tax	4,501,616	4,750,000	4,750,000
DOT Transfer - Multi-project agreement	4,693,476	4,693,476	4,693,476
Transfer to DOT - Multi-project agreement	(4,693,476)	(4,693,476)	(4,693,476)
Refund prior year expenditures	470,210	-	-
Receipt from State Ports Authority	1,000,000	1,000,000	1,000,000
DOT Loan Principal Repayment	2,094,704	2,189,625	2,288,848
DOT Loan Interest Repayment	2,885,047	2,790,126	2,690,903
Interest Earnings	612,181	1,000,000	1,000,000
Interest Earnings Act 98 Funds	880,560	1,000,000	-
Receipts from Counties:			
Horry County Uninsured Loan Payment	23,871,134	23,871,134	23,871,134
Charleston County	3,000,000	3,000,000	3,000,000
Other Revenues	6,803	-	-
Transfer to GO Debt Service	(4,000,000)	(4,000,000)	(4,000,000)
Transfer to Pledged Revenue Acct.	(205,576,164)	(210,884,361)	(210,100,885)
Transfer Act 98 Cash	-	134,800,000	-
Transfer from Pledged Revenue Acct.	75,000,000	120,869,346	99,885,600
Total Revenues & Other Sources	\$ 127,988,125	\$ 252,985,870	\$ 100,885,600
<u>Expenditures and Other Uses</u>			
<u>Personal Services</u>			
Personal Services	\$ 202,631	\$ 425,000	\$ 425,000
Employer Contributions	65,060	178,000	178,000
	\$ 267,691	\$ 603,000	\$ 603,000
<u>Contractual Services</u>			
Telephone	\$ -	\$ 400	\$ -
Auditing Services	22,734	30,000	30,000
Attorney Fees	55,519	100,000	100,000
Other Professional Services	46,824	40,000	50,000
Interagency Contracts	54,700	100,000	60,000
Total Contractual Services	\$ 179,777	\$ 270,400	\$ 240,000
<u>Supplies</u>			
Office Supplies	\$ 2,655	\$ 3,000	\$ 3,000
Office Equipment & Rental	-	500	-
Printing	181	200	200
Total Supplies	\$ 2,836	\$ 3,700	\$ 3,200
<u>Insurance & Fees</u>			
Dues & Membership	\$ 100	\$ 200	\$ 200
Rent of Facilities & Parking Spaces	2,420	120	32,500
Insurance	4,962	6,450	5,500
Total Insurance & Fees	\$ 7,482	\$ 6,770	\$ 38,200
<u>Travel</u>			
	\$ 953	\$ 2,000	\$ 1,200
Total Administrative Budget	\$ 458,738	\$ 885,870	\$ 885,600
<u>Project Payouts</u>			
State Highway Account	\$ 76,827,846	\$ 117,300,000	\$ 100,000,000
Bond Proceeds (Non-Act 98)	-	-	-
Act 98 Expenditures	38,310,820	134,800,000	-
Act 98 Bond Proceeds	-	-	-
Total Project Payouts	\$ 115,138,665	\$ 252,100,000	\$ 100,000,000
Total Expenditures & Other Uses	\$ 115,597,404	\$ 252,985,870	\$ 100,885,600

**PROPOSED MATERIAL TERM SHEET ON MARK CLARK EXTENSION PROJECT
(Project)**

WHEREAS, Charleston County (County), South Carolina Department of Transportation (DOT), and South Carolina Transportation Infrastructure Bank (Bank) entered into an Intergovernmental Agreement dated June 8, 2007 (IGA);

WHEREAS, the Parties collectively seek to amend the IGA and add new material terms;

WHEREAS, subject to the approvals by the County Council, Bank Board and SCDOT of this Material Term Sheet, the Parties agree to work promptly to incorporate them and other needed amendments into an amended IGA which will be subject to final review and approval by the Parties. The Parties have agreed to give final approval to the terms of the proposed amended IGA within forty-five (45) days of October 2, 2018.

Proposed Material Terms

- Bank Board will be asked to reconsider its last action on Project and commit \$420M as a maximum to the Project.
- Bank maximum of \$420M contribution for eligible Project costs includes approximately \$40M in previous expenditures by Bank.
- The County agrees to contractually and legally obligate itself to complete the entire Project and to fund Project costs above the Bank's \$420M contribution to deliver the entire scope of the Project from the current terminus of I-526 at US 17 to Folly Road on James Island. The Parties further agree to amend the IGA to include the relevant provisions of this Term Sheet, including but not limited to the County being responsible for all Project costs of the entire Project over the Bank's contribution of \$420M.
- Estimated County funding obligation at present = \$305M based on last SCDOT estimated \$725M Project cost.
- Parties agree to a 50%-50% cost share on the remaining preliminary work (PE, Right of Way acquisition, Mitigation) for the Project. Estimated cost = \$12M each for County and Bank, a total of \$24M.
- County will fund all legal expenses and attorneys' fees associated with litigation or administrative proceedings on Project permitting, Record of Decision, and similar challenges to the Project. County will select attorney after receipt of input on the selection by SCDOT and Bank. This item will be addressed further in the amended IGA.
- County and DOT agree Bank will not have any further liability for Project after it contributes a total of \$420M to the Project. SCDOT, County, and Bank will have the right to participate in



any decisions at any time that would materially reduce the scope of the Project. Relevant provisions will be negotiated in the amended IGA by the Parties.

- Except for the specific eligible costs stated above, the Parties further agree to a 70% Bank – 30% County cost share for the balance of the eligible Project costs until the \$420M SIB maximum contribution is reached for the Bank. The County is to fund all remaining eligible expenses and costs to fully deliver and complete the Project.
- SCDOT to make draw requests for eligible Project costs to Bank for the remainder of the \$420M and to the County based on project cash flow projections and in accordance with Bank-County cost share agreement and relevant provisions to be negotiated in an amended IGA. SCDOT will provide the County and Bank with reports and documentation on Project expenditures needed by them, their external auditors, or other government agencies.
- Bank Board to eliminate the provision in Section 3.1 of the Intergovernmental Agreement (IGA) requiring a reduction in Bank's contribution based on third party funds provided for the Project.
- County will agree to allow SCDOT to place the Design-Build contract(s) in the County's name as the contracting party.
- Upon final approval of the amended IGA, the Bank, County, and DOT are hereby released from prior actions or omissions, including but not limited to any alleged defaults, on the Project. This release language is consistent with the current terms of the IGA.
- The amended IGA to be negotiated by the Parties will contain provisions that are required by law, provide effective remedies to each Party if another party fails to provide its required funding on a timely basis, allow the Bank and County to be reimbursed for ineligible Project costs either paid, and indemnify the Bank from any litigation or claims by third parties on the Project (which is a standard provision in Bank IGA's).

Charleston County Council

South Carolina Department of Transportation

South Carolina Transportation Infrastructure Bank