

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
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SCTIB Board Meeting

Gressette Building – Room 105

Columbia, SC

June 26, 2018

1:00 pm

- | | | |
|-------|---|-----------------------------|
| I. | Call to Order | Chairman John B. White, Jr. |
| II. | Consideration of Minutes of May 7, 2018 | |
| III. | Opening Remarks | Chairman John B. White, Jr. |
| IV. | Evaluation Committee | |
| | A. Report on June 5, 2018 Meeting | Chairman John B. White, Jr. |
| | B. Jasper/Hardeeville Extension (Action needed) | Jim Holly |
| | C. Current Applications Status (Action needed) | |
| | D. Proposed Process Changes (Action needed) | |
| V. | Executive Session (if necessary) | Chairman John B. White, Jr. |
| VI. | Actions on Items from Executive Session (if needed) | |
| VII. | Old Business | |
| | A. Act 98 of 2013 Wind Down (Action needed) | Jim Holly |
| | B. Mark Clark Project Status (Action needed) | Jim Holly |
| VIII. | Adjourn | |

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.

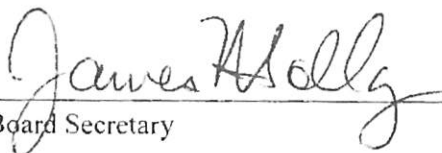
Mr. Limehouse stated he wanted to facilitate a working session with Charleston County and the Bank.

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



MINUTES
South Carolina Transportation Infrastructure Bank
Board Meeting

Room 105, Gressette Building
Columbia, SC 29201

May 7, 2018
1:00 p.m.

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

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

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

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

The meeting was called to order by Chairman White.

Agenda and Consideration of Minutes:

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

Opening Remarks:

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

Administrative Items:

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

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

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

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

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

Financial Status:

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

Fiscal Sufficiency Resolution and Action:

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

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

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

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

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

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

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

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

SCDOT Presentation:

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

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

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

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

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

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

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

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

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

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

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

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

Executive Session:

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

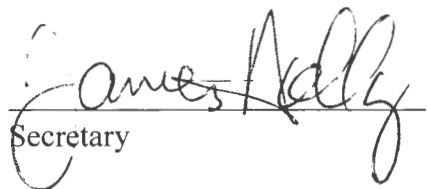
Senator Sandy Senn from District 41 stated that she had a copy of a letter from the Governor and stated that the Bank had one also. She asked for transparency as far as the Mark Clark Project. She asked if it was the Board's intent to come back to the Mark Clark Project discussion post-your retreat after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

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

Old Business:

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

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


Secretary

S. C. TRANSPORTATION INFRASTRUCTURE BANK PRIORITIZATION

JUNE 26, 2018



South Carolina Transportation Infrastructure Bank Enabling Legislation

- ▶ Section 11-43-120 - Creation of the South Carolina Transportation Infrastructure Bank. 11-43-120 (C) " ...purpose of the bank is to select and assist in financing major qualified projects by providing loans and other financial assistance to government units and private entities for construction and improving highway and transportation facilities necessary for public purposes including economic development."
- ▶ Section 11-43-130 - Definitions
 - (5) Eligible Cost – " ...means as applied to a qualified project to be financed from the federal accounts, the costs that are permitted under applicable federal laws, requirements, procedures, and guidelines in regard to establishing, operating, and providing assistance from the bank. As applied to a qualified project to be financed from the state highway account, these costs include the costs for preliminary engineering, traffic and review studies, environmental studies, right-of-way acquisition, legal and financial services associated with the development of the qualified project, construction, construction management, facilities, and other costs necessary for the qualified project."

South Carolina Transportation Infrastructure Bank Enabling Legislation

▶ Section 11-43-130 Definitions

- (6) Eligible Project – Means a highway, including bridges, or transit project which provides public benefit by either enhancing mobility and safety, promoting economic development or increasing the quality of life and general welfare of the public. “Eligible project” also includes mass transit including, but not limited to, monorail and moonbeam mass transit systems.
- (8) Financing Agreement – “...means any agreement entered into between the bank and a qualified borrower pertaining to a loan or other financial assistance.” These are more commonly known as an intergovernmental agreement.
- (9) Government Unit – “ means a municipal corporation, county, special purpose district, special service district, commissioners of public works, or another public body, instrumentality or agency of the State including combinations of two or more of these entities acting jointly to construct, own, or operate a qualified project, and any other state or local authority, board, commission, agency, department, or other political subdivision created by the General Assembly or pursuant to the Constitution and laws of this State which may construct, own, or operate a qualified project.”
- (15) Qualified Borrower – Means a government unit or private entity which is authorized to construct, operate, or own a qualified project.
- (16) Qualified Project – Means an eligible project selected by the bank to receive a loan or other financial assistance from the bank to defray an eligible cost.

South Carolina Transportation Infrastructure Bank Enabling Legislation

- ▶ Section 11-43-150 Revised 12-15-2016 as part of Act 275
(D) Before providing a loan or other financial assistance to a qualified borrower on a qualified project, the board of directors must submit the decision to the Department of Transportation Commission for its consideration. The Department of Transportation Commission can approve or reject the board of directors decision or request additional information from the board of directors. This requirement does not apply to decisions by the board that relate to any payment or contractual obligations that the Department of Transportation has to the bank that are pledged to any bonds issued by the bank.

South Carolina Transportation Infrastructure Bank Enabling Legislation

Revised 12-15-2016 as part of Act 275

- ▶ Section 6. 11-43-180. Minimum project costs
 - (C) The bank may not provide any loans or other financial assistance, including bond proceeds, to any project unless the eligible costs of the project are at least twenty-five million dollars.
- ▶ Section 7. 11-43-265 Prioritization
 - (A) Notwithstanding any other provision of law and subject to the provisions of subsection (B), the bank must prioritize all projects in accordance with the prioritization criteria provided in Section 57-1-370(B)(8).
 - (B) The General Assembly may enact a joint resolution allowing the bank to fund a project without using the prioritization criteria provided in subsection (A). The joint resolution must be specific as to the project and the amount authorized to be funded.

South Carolina Transportation Infrastructure Bank Enabling Legislation – Act 40 of 2017

- ▶ Act 40 of 2017 eliminated the fifty million dollar annual transfer of General Fund dollars provided to the Department of Transportation to transfer nontax dollars to the bank for the purposes of funding Department of Transportation Commission approved interstate projects as part of the Act 98 of 2013 legislation. With the passage of Act 40 of 2017, the Department of Transportation will provide funding for the interstate projects approved under Act 98 of 2013. If revenue bonds are needed to fund these interstate projects, the Department of Transportation will secure a financing agreement with the bank to repay revenue bond proceeds provided for the project(s).

The Evaluation Committee Reviews Applications To Confirm ...

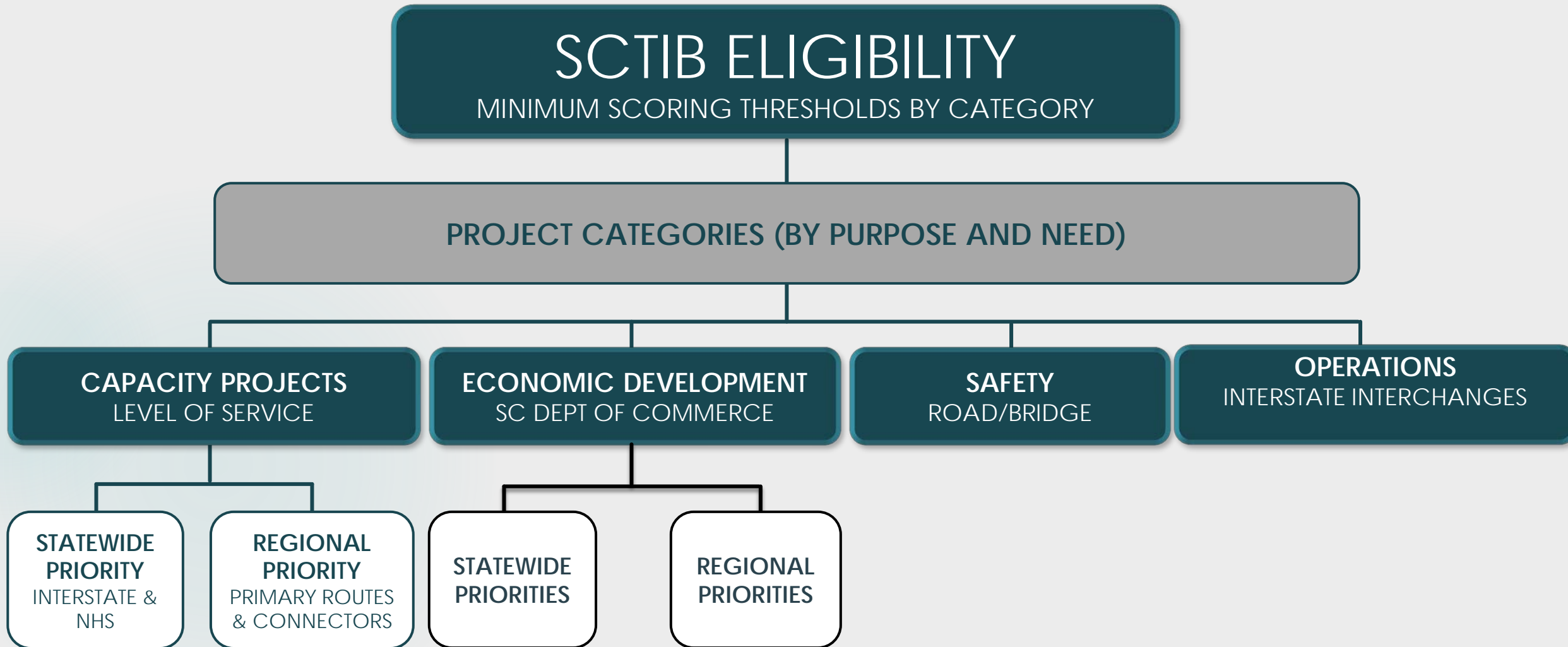
- ▶ Project Eligibility
- ▶ Eligible Project Costs
- ▶ Public Benefit
- ▶ Financial Plan
- ▶ Project Ranking
- ▶ Overall Application Completeness

South Carolina Transportation Infrastructure Bank Prioritization Process

- ▶ Section 57-1-370-B (Act 114 of 2007). Criteria to be considered:
 - financial viability
 - public safety
 - potential for economic development
 - traffic volume and congestion
 - truck traffic
 - pavement quality index
 - environmental impact
 - alternative transportation solutions
 - consistency with local land use plans

South Carolina Transportation Infrastructure Bank Prioritization Process

- ▶ All of the Section 57-1-370-B criteria are not required to be weighted and scored for every category of projects, but all criteria must be considered within each project category.
- ▶ Additional criteria outside of the Section 57-1-370-B criteria can be used within any project category provided the criteria is relevant to the specific project category purpose and need.
- ▶ The project “purpose and need” drives the relevant criteria selected for weighting.
- ▶ The criterion with the highest weighting should be the most relevant for that specific project category (i.e. capacity, safety, operational, or economic development).



PROJECT CATEGORIES

- ▶ CAPACITY (Mobility)
 - Statewide Priorities, typically interstate, National Highway System (NHS) routes
 - Regional Priorities, typically U.S. and S.C. Routes.
- ▶ ECONOMIC DEVELOPMENT
 - Statewide - Infrastructure support for large economic development projects (Ex. Volvo, Greer Inland Port).
 - Regional Economic Development - Infrastructure support for economic development in both urban and rural areas
- ▶ SAFETY (Road and Bridge)
 - Statewide structurally deficient bridges
 - Safety corridors
- ▶ OPERATIONS (Interstate Interchanges)
 - Upgrades to existing interchanges

Interstate Widening Criteria *

Traffic Volume and Congestion	0 – 30 points
Safety	0 – 20 points
Truck Traffic	0 – 10 points
Economic Development	0 – 10 points
Pavement Quality Index	0 – 10 points
Financial Viability	0 – 10 points
Environmental Impacts	0 – 10 points

* This criteria and weighting is from the previous SCDOT Engineering Directive. SCDOT is making updates to the Directive.

Interstate Interchange Criteria *

Interstate Interchange Management System	0 – 80 points
Economic Development	0 – 10 points
Environmental Impacts	0 – 10 points

* This is weighting is from the previous SCDOT Engineering Directive. SCDOT is making updates to the Directive.

Non Interstate Widening Criteria *

Traffic Volume and Congestion	0 – 35 points
Safety	0 – 15 points
Truck Traffic	0 – 10 points
Economic Development	0 – 10 points
Pavement Quality Index	0 – 10 points
Financial Viability	0 – 10 points
Environmental Impacts	0 – 10 points

* This is weighting is from the previous SCDOT Engineering Directive. SCDOT is making updates to this Directive.

NHS Bridge Replacement Criteria

Route Continuity and River Basin Upgrades	0 - 25 points
District Repair Feasibility	0 – 15 points
Improved Emergency Service and Emergency Evacuation Route	0 – 15 points
State Freight Network	0 – 10 points
Strategic Corridor Network	0 – 10 points
New Schools and/or Changes to Bus Routes	0 – 10 points
Known Commercial Routes	0 – 10 points
Future Economic Development	0 – 5 points

Economic Development Criteria

Will work with the SC Department of Commerce and the Department of Transportation to develop project scoring criteria and weighting.

Safety Corridor Criteria

Public Safety

Purpose is the reduction of severe and fatal crashes

Total Crashes

Total number of crashes resulting in serious injury/fatalities

Type of Crash

Road departure crash, defined by a vehicle leaving the travel lane

Average Daily Traffic (ADT)

ADT is the average traffic volume per day.

South Carolina Transportation Infrastructure Bank Prioritization Process

- ▶ The suggestion of minimum threshold scoring by category is to insure the environmental documentation supporting the project will validate the stated purpose and need. This would be supported by both SCDOT statewide project category priorities, as well as local Metropolitan Planning Organization (MPO) and Councils of Government (COG) project category priorities.
- ▶ All ranked projects will be compared together based on their overall score.
- ▶ The current required information supporting Project Eligibility, Eligible Project Costs, Public Benefit, Financial Plan and Project Approach will still be required with all applications.

HOW TO IMPROVE APPLICATIONS

- ▶ Make SCTIB staff available for guidance to applicants before submitting their application.
- ▶ Make sure the applicants project “purpose and need” can be justified.
- ▶ Did the applicant chose the proper purpose and need for their project?
- ▶ How current is the applicants data?
- ▶ If the project is an economic development project, consultation with the South Carolina Department of Commerce is recommended before the application is submitted. Maps of proposed economic development areas along the corridor, as well as projected freight volumes resulting from the development would be helpful in the application.

Questions?

**SOUTH CAROLINA TRANSPORTATION INFRASTRUCTURE BANK
BOARD OF DIRECTORS**

RESOLUTION

WHEREAS, effective as of July 1, 2018, Section 14.B.1 of Act 40 of 2017 repealed Section 4 of Act 98 of 2013, which was codified as South Carolina Code Section 11-43-165, and that section provided that the South Carolina Department of Transportation (SCDOT) transfers \$50 million annually to the South Carolina Transportation Infrastructure Bank ("Bank") to assist SCDOT by funding certain types of interstate improvement projects;

WHEREAS, after the adoption of Act 98 and approvals by the Bank's Board of Directors ("Board"), the SCDOT Commission and the General Assembly's Joint Bond Review Committee, the Bank and SCDOT entered into several Intergovernmental Agreements and other agreements on certain interstate projects using Act 98 funding and amended the Master Funding Agreement between the Bank and SCDOT to establish the process for the annual transfer of the \$50 million;

WHEREAS, SCDOT and the Bank have agreed on a plan for taking actions to end the annual transfer of \$50 million to the Bank by SCDOT as of June 30, 2018, and for SCDOT to continue funding the Act 98 projects that are underway using the remaining Act 98 funds the Bank is holding and other sources of funds and revenues SCDOT has available to it; and

WHEREAS, in order to implement the aforesaid plan, the Bank needs to amend or otherwise revise the aforesaid Intergovernmental Agreements, related agreements, and Master Funding Agreement effective as of July 1, 2018;

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

Section 1. (a) The Board authorizes the Chairman of the Board of the Bank, upon the advice of Bank Counsel, to execute and deliver amendments or otherwise revise the Intergovernmental Agreements and related agreements between the Bank and SCDOT on projects being provided financial assistance by the Bank with funds received by it pursuant to South Carolina Code Section 11-43-165. Those amendments and revisions shall include provisions that the Bank will continue to provide financial assistance to SCDOT on the projects approved to be funded under Section 11-43-165 until the funds received by the Bank from SCDOT pursuant to Section 11-43-165, and any accrued interest thereon, have been exhausted and that SCDOT also will fund those approved projects from other sources of revenues or funds available to it. Those amendments and revisions shall contain such other terms as approved by the Chairman upon advice of Bank Counsel and be in a form acceptable to the Bank.

(b) The Board authorizes the Chairman of the Board of the Bank, upon the advice of Bank Counsel, to execute and deliver amendments or otherwise revise the current Master Funding Agreement between the Bank and SCDOT to give effect to the repeal of Section 11-43-165 and end the annual transfer of \$50 million to the Bank by SCDOT pursuant to that section. Those amendments and revisions shall contain such other terms as approved by the Chairman upon advice of Bank Counsel and be in a form acceptable to the Bank.

(c) The Chairman may undertake any other measures necessary to implement the foregoing authorizations upon advice of Bank Counsel. The Chairman's signature shall be conclusive evidence of the form and content of each final amendment, revision, agreement, instrument or amendment signed by him pursuant to this Resolution.

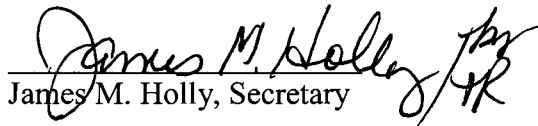
Section 2. The Bank shall notify the Joint Bond Review Committee of this Resolution and the actions taken by the Bank pursuant to this Resolution.

Section 3. This Resolution shall take effect on June 26, 2018.

Adopted by the Board of Directors on June 26, 2018.


Chairman

Attest:


James M. Holly, Secretary

SOUTH CAROLINA TRANSPORTATION INFRASTRUCTURE BANK
BOARD OF DIRECTORS

RESOLUTION ON MARK CLARK EXTENSION PROJECT

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 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.

Adopted by the Board of Directors on June 26, 2018.

Chairman

Attest:

Secretary

SOUTH CAROLINA TRANSPORTATION INFRASTRUCTURE BANK
BOARD OF DIRECTORS
RESOLUTION
ON
CHARLESTON COUNTY MARK CLARK EXTENSION PROJECT

WHEREAS, on June 30, 2006, the Board of Directors of the South Carolina Transportation Infrastructure Bank (the Bank) approved initial financial assistance for the Charleston County Mark Clark Expressway Extension/Interstate 526 Project which then had an estimated total project cost of \$420 million (the Project);

WHEREAS, on August 1, 2006 and March 5, 2008, the Joint Bond Review Committee of the General Assembly approved the aforementioned financial assistance from the Bank for the Project not to exceed a total of \$420 million; and

WHEREAS, Charleston County, the South Carolina Department of Transportation (SCDOT) and the Bank entered into an Intergovernmental Agreement (the IGA) on the Project dated as of June 8, 2007, with total project costs not to exceed \$420 and with Charleston County having an obligation to obtain or provide additional funding to complete the original scope of the Project if the available funding of \$420 million was insufficient for that purpose;

WHEREAS, the IGA and Charleston County's application for financial assistance defined the original scope of the Project as extending the Mark Clark Expressway/Interstate 526 from U.S. Highway 17 (Savannah Highway) across John's Island to SC Highway 171 (Folly Road) on James Island at a total cost not to exceed \$420 million;

WHEREAS, since 2007, the County and SCDOT have been engaged, among other things, in work on preliminary design, redesign and environmental studies and analysis for the Project and in conferring with the Federal Highway Administration on the Project, and the Bank has reimbursed or paid SCDOT approximately \$26 million for such activities and costs, including approximately \$16.5 million in right-of-way acquisition costs and \$9.25 million in engineering fees and costs;

WHEREAS, since 2007, Charleston County and/or SCDOT have determined or have proposed, among other things, that the Project should be changed from an interstate project to a parkway project, and SCDOT determined twice that the total estimated costs of the parkway project have increased substantially with the most recent estimate being approximately \$725 million to \$773 million;

WHEREAS, the IGA requires that all material changes to the Project are subject to the approval of the Bank Board, a number of material changes to the Project have occurred or been proposed, and the Bank Board has not approved those changes; and

WHEREAS, the completion of the original full scope of the Project and the implementation of all of the public benefits from the completion of the Project was the essential purpose of the Bank's decision to commit \$420 million in financial assistance to the Project, and without Charleston County obtaining or providing funds to cover the aforementioned shortfall of \$305 to \$353 million, it will be impossible to complete the original full scope of the Project and implement all of those public benefits.

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

Section 1. The Board will reserve the balance of the \$420 million in financial assistance for the Project subject to the following conditions being met by Charleston County: (a) on or before March 30, 2016, the Charleston County Council adopts a binding resolution in which it sets forth the County's plan to fund, or secure funding for, the aforementioned shortfall for the Project from specified, dedicated revenue sources (other than the Bank) which plan is subject to review and approval by the Bank Board; (b) on or before April 30, 2016, Charleston County approves by a binding resolution or ordinance a new or amended Intergovernmental Agreement among the County, SCDOT and the Bank and any other related instruments requested by the Bank, all in a form and with contents the Bank determines are needed to implement the foregoing actions and protect the interests of the Bank; (c) before December 16, 2016, the

Charleston County Council adopts and implements a legally enforceable ordinance acceptable to the Bank Board putting the aforementioned plan into effect and making those funds available for the Project on a schedule acceptable to the Bank Board.

Section 2. All of the foregoing is subject to the Joint Bond Review Committee of the General Assembly (JBRC) granting the approvals required by the South Carolina Transportation Infrastructure Bank Act, if any, that are necessary to implement the foregoing actions.

Section 3. Until the Charleston County meets all of the foregoing conditions, the Bank in its discretion may delay or mitigate further expenditures of funds on the Project.

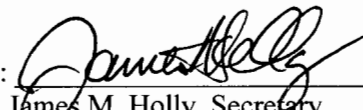
Section 4. If Charleston County fails to meet any of the foregoing conditions by the dates specified above and the Chairman of the Bank Board declares the same in writing, Charleston County, SCDOT and the Bank shall, within sixty (60) days of the date that the Chairman issues such declaration, develop, approve, and implement a plan to end the Project in a manner that allows the Bank the option to direct the sale of the rights-of-way or other property interests acquired for the Project and retain the proceeds of those sales, allows SCDOT and the Bank to apply any acquired environmental mitigation credits to other important transportation projects as determined by SCDOT and the Bank, and takes into account the funds spent by Charleston County on improving state highways. In the event such a plan is not approved and implemented by those three parties within that sixty (60) day period, the Bank shall implement the plan it determines is appropriate to end its participation in the Project. In either event, the aforementioned reserved financial assistance will be released to be used on other projects approved by the Bank and JBRC.

Section 5. The Chairman is hereby authorized, upon the advice of legal counsel for the Bank, to sign any documents and undertake any measures necessary to implement the foregoing actions.

Adopted December 15, 2015.



Vincent G. Graham, Chairman

ATTEST: 

James M. Holly, Secretary

SOUTH CAROLINA TRANSPORTATION INFRASTRUCTURE BANK

BOARD OF DIRECTORS

MARK CLARK PROJECT RESOLUTION

May 26, 2016

Whereas, the Board of Directors of the South Carolina Transportation Infrastructure Bank (the Bank) adopted a Resolution on December 15, 2015, (the Resolution) that set forth the steps and conditions the Charleston County Council (the County Council) should engage in in order to provide or secure funding sources to cover the shortfall in funding determined by the South Carolina Department of Transportation as necessary to complete the full scope of the Mark Clark Extension Project (the Project), and the Board later amended the Resolution to address a concern of the County;

Whereas, after December 15, 2015, representatives of the Bank and the County Council met and had discussions concerning the aforesaid Resolution of the Board;

Whereas, the County failed to meet the initial date of March 30, 2016, in Section 1 of the Resolution by which it was to provide a resolution setting forth its plan to fund or secure funding from specified, dedicated revenue sources to cover the shortfall in funding for the Project, but the Board on this date granted an extension retroactively until April 8, 2016, for the County to provide the described plan;

Whereas, on April 7, 2016, a majority of the County Council adopted Resolution #16-07 which stated that County Council "may explore funding" from various sources to cover the shortfall for the Project, and that resolution on its face does not meet the requirements of Section 1 of the Resolution;

Whereas, County Council has indicated that it may not include the funding necessary to complete the Mark Clark Extension Project in its proposed transportation sales tax referendum that may be held in November of this year;

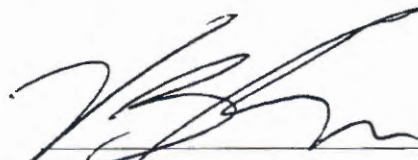
Whereas, County Council failed to meet the date of April 30, 2016, in Section 1 of the Resolution concerning a new or amended Intergovernmental Agreement for the Project;

Whereas, the Chairman of the Board and the Board have determined and hereby declare as of this date that County Council has failed to meet the first two conditions in Section 1 of the Resolution;

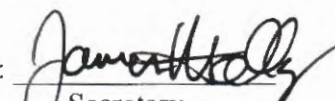
Whereas, the Bank has reserved \$420 million in funding for the Project since June of 2007, a period of nine years, but the Project is still years away from moving to construction in any form; and

Whereas, without the commitment of full funding for the full scope of the Project, the Project will not receive the necessary approvals and permits from federal agencies.

Now, therefore, based on the foregoing and the reasons stated in the Resolution of December 15, 2016, the Board of Directors of the South Carolina Transportation Infrastructure Bank hereby resolves that the Chairman, Director, Bank Counsel and other representatives of the Bank are directed to implement the provisions of Section 4 of the Resolution of December 15, 2015.



Vincent G. Graham, Chairman

ATTEST: 
Secretary

Adopted May 26, 2016