



## **Board of Directors Meeting**

**June 20, 2018 - 12:00 pm**

Santee-Lynches Regional Council of Governments  
2525 Corporate Way, Sumter, SC 29154

### **NO QUORUM PRESENT**

#### **MINUTES**

**Present:** David Sanders, Jack Barnes, Bobby Boykin, Jeffrey Graham, Alfred Mae Drakeford  
**Excused:** Janson Cox (Chair), George Kosinski, Peggy McLean  
**Not Present:** Jay Schwedler, Earl Wilson, Jay Davis, Jared Smith, Randy Brown  
**Staff Present:** Kathy Powell (Deputy/Finance Director), Kyle Kelly (ECS Director), Rachel Katorkas (Finance Manager), Carrington Meadows (Regional Planner)

- I. Welcome** – Staff called the meeting to order as the committee lacked a quorum to elect a chair. Mr. Kelly began with staff briefings to revisit the approval of the agenda and previous meeting minutes upon quorum.
- II. Adoption of Agenda** – No quorum, the approval of the agenda was not reviewed and has been moved forward to the next meeting for approval.
- III. Approval of Minutes** – No quorum, the approval of previous meeting minutes was not reviewed and has been moved forward to the next meeting for approval.
- IV. Staff Briefings**
  - a. Neighborhood Initiative Program (NIP) Update**

Mr. Kelly briefed the committee on the latest results of the Neighborhood Initiative Program for the City of Sumter and City of Camden/Kershaw County. One final property has been resubmitted for final inspection in Camden and should be completed by the end of June which will conclude the active phase of the project.



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Santee-Lynches staff met with the City of Sumter's Planning Director and Code Enforcement Director earlier in June. Sumter will prepare site suitability analysis for each lot owned by the RDC to determine what restrictions, opportunities, or parameters may be in play, such as setback requirements, buildability due to wetlands or floodplains, and proximity to resources.

The first two Sumter NIP parcels will exit the 3 year lien period on 11/19/2018. By the end of calendar year 2018, 14 lots will be out of lien period. 23 lots will be out of lien period during CY2019, and 30 in CY2020, and 31 in CY2021. Mr. Kelly emphasized to the committee that there will be an opportunity to take action on some of the lots rolling off the lien period in November.

Mr. Kelly noted that there have been a few inquiries regarding the lots from individuals interested in purchasing the land and that staff has been tracking these inquiries for future use. The RDC has also been working with Camden to determine disposition of lots. Mr. Kelly explains that Camden has a different a desire of what the redevelopment planning looks like. Santee-Lynches will consider the two projects, Sumter and Camden, differently based on how each of the two jurisdictions want to approach it. Once clarified, Mr. Kelly will bring the answer to the attention of the board.

#### **b. Pinewood Development Authority Update**

On May 29<sup>th</sup>, the Pinewood Development Authority (Santee-Lynches RDC is fiduciary agent for the Authority) voted on two actions. The first was to enter into a professional services contract with Seamon, Whiteside, and Associates (SW+) to develop a site feasibility study and master plan for the potential relocation of the Central Carolina Technical College (CCTC) Natural Resource Management Facility to Rimini, SC. Mr. Kelly noted that the project is expected to kick off in July and take between 6-9 months. The site targeted is a 150 acre tract of land held by the RDC on behalf of the Authority on Packs Landing Road in Clarendon and Sumter Counties. There will be several stakeholder and public engagement opportunities as well as a comprehensive understanding of how the facility will be positioned on the tract of land by the end of the feasibility study/master plan process. Mr. Kelly further explained that there will be a need for additional fundraising on the behalf of CCTC and other partners as the Pinewood Development Authority's assets will not be sufficient to build anything on the property.



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The Authority also voted to issue a conditional commitment totaling \$608,480 to the Town of Pinewood's planned Rimini-Panola Water Improvements project. The Town of Pinewood proposes to install 38 miles of water mains, a new elevated water storage tank, a booster pump station, and a wholesale connection to the Manning Water System to extend water service into the Rimini and Panola Communities and other areas surrounding Pinewood to serve more than 500 residences. The Authority's condition is that the Town of Pinewood meet the terms outlined in the USDA-Rural Development Letter of Conditions, to include meeting the requirement to certify that at least 632 residential users, 14 non-residential users, and 1 large volume user are using the system or are signed up to use the system once operational.

USDA-Rural Development funds have been committed to the project, including a \$4.92 million grant and a \$4.72 million long-term, low interest loan totaling to \$9.64 million. The Town of Pinewood is responsible for identifying \$150,000 in local matching funds as well as funding to cover tap fees totaling \$94,700. The Town also requires an additional request for a 1 year interest free loan of \$363,780, which will be repaid once construction contracts are awarded and USDA-Rural Development reimbursements are processed. The Authority has issued the conditional commitment and has requests the Town of Pinewood to provide monthly updates on the customer sign up status aiming toward the 75% commitment needed to release funds.

Mr. Graham asked if any of that money would be reimbursed once the USDA money comes through or if that money would be included in the overall project. Mr. Kelly clarified that \$363,780 of the total would be reimbursed to the Authority after one year. The \$150,000 in local match and \$94,700 in tap fees would be grants and would not be reimbursed.

Mr. Graham asked if the Santee-Lynches staff would be in charge of ensuring that the Town of Pinewood meets the USDA requirements. Mr. Kelly stated that the Santee-Lynches is not directly involved in the USDA project and that the Town's engineering consultant is assisting the Town with the plan to obtain the required 75% customer sign ups.

#### **V. Old Business**

##### **a. Current Regional Development Corporation Financial Report**



## **Board of Directors Meeting**

### **June 20, 2018 - 12:00 pm**

Mrs. Powell presented the current RDC Financial Report. The “Administrative and Management Fees on Properties Acquired” have been trending very close to budget with a few reimbursements currently outstanding on 6 or 7 properties. The “Project Cost Reimbursements” for property acquisition, demolition and site improvements are significantly higher than budgeted. Mrs. Powell explained that when Santee-Lynches first budgeted, they tried to track properties anticipating completion in year one while rolling everything else in year two. Property completions, including the obtainment of properties, were much lower in the first year than in the second year which has accounted for the higher trend in both revenues and expenses than budgeted. SC Housing changed the project completion date to the final loan modification date during the project period which moved the 3-year anniversary date further than anticipated. This is why the “Amortized Revenue” reflected so far is so much lower than the budget. The “Interest Earned on Accounts” and the “Property Rental Fees” are trending close to budget with only a small amount left outstanding on the rental fees. She addressed specific expense items such as capital costs, NIP capital outlays and misc expenses, noting that the higher percentage of properties addressed in this last year of the project resulted in higher than anticipated costs. The excess revenues over expenses is predominately being generated because of the amortized revenue so there is not a noticeable increase in cash.

As the amortized revenues, or loan forgiveness, show up each year, the contingent notes payable balance will be reduced. Retaining all the properties throughout their entire 3-year retention period will meet the requirements of SC Housing and therefore, eliminating the “Contingent Notes Payable” owed to SC Housing completely. The balance sheet value of the “Land acquired and improved through NIP” is not a fair market value but represents, instead, the overall investment in the property.

Mr. Kelly noted that the Authority previously voted not to renew annual leases on lots within the Rimini Tract, which is the \$4,880 reflected in the “Property Rental Fees” under revenues. When those annual leases end on August 31, 2018, there will be no additional property rental fees or revenues coming in. The Authority is also likely to incur some cost out of its budget for cleanup and demolition of structures that need to be removed from the tract. The report was taken as information.

## **VI. New Business**

### **a. Proposed FY2018-2019 Regional Development Corporation Budget**



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With no quorum present, no action was taken. Mrs. Powell presented the Proposed FY2018-2019 RDC Budget as information to be acted on at a later date.

Mrs. Powell briefly reviewed the written justification for changes in the budget. Other than amortized revenue and ongoing maintenance and insurance costs for the NIP properties, the other revenues and expenses previously associated with the NIP program are finished. Amortized revenue is projected to be higher than the current year because all properties are now cycling through their retention periods and returning value to the program. Contractual services have decreased significantly because there will no longer be a full time staff member devoted to the NIP program. The "Miscellaneous NIP Expenses" are projected to increase due to property maintenance. General "Miscellaneous Expenses" are significantly increased over the prior year due to the inclusion of costs for a Feasibility Study and Master Plan for the Pinewood Development Authority's tract of land in Rimini. Mrs. Powell projects an estimated excess revenue over expenses of \$884,853 solely reliant on the amortized NIP revenue. This excess revenue will not be cash.

Mr. Graham asked about the Sumter and Camden reimbursements. Mrs. Powell stated that once all the reimbursements are collected and all costs are settled, Santee-Lynches would begin working on reimbursements. Staff is currently in negotiations with the City of Camden for some of the costs Camden has agreed to cover. Once the negotiations are resolved, reimbursements would be issued.

Mr. Kelly informed the committee that the next scheduled meeting is on July 10, 2018 and that a lack of quorum at this meeting means a vote on the budget will be delayed until that time. Mr. Graham asked if the bylaws of the RDC Board allowed for an electronic vote via email to act on the budget proposal before July 10. Mr. Kelly clarified that an electronic vote via email is in the bylaws and available as an option. Mr. Graham requested the board act on the budget proposal via email. Mrs. Powell asked if it would be the pleasure of the board members present to approve the budget as presented. Unanimous favor was noted. Mr. Kelly informed the board that staff would send an email-based voting request to the remaining members to ensure a vote has been submitted by all members on the budget proposal action item.

Subsequent to the meeting, votes on adoption of the FY2018-2019 RDC Budget were solicited via email. Board Members had until Friday, June 22<sup>nd</sup>, 2018 to cast their vote. After the deadline, votes were tallied. The FY2018-2019 RDC Budget passed unanimously with 10 "yea" votes, 0 "nay" votes, and 0 "abstain" votes.

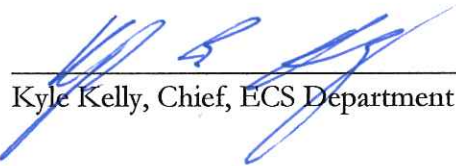


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FY2018-2019 RDC Budget

**VII. Adjournment-** There being no other business, staff called the meeting adjourned at 12:40 pm.

Respectfully submitted,



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Kyle Kelly, Chief, ECS Department