

South Carolina Transportation Infrastructure Bank

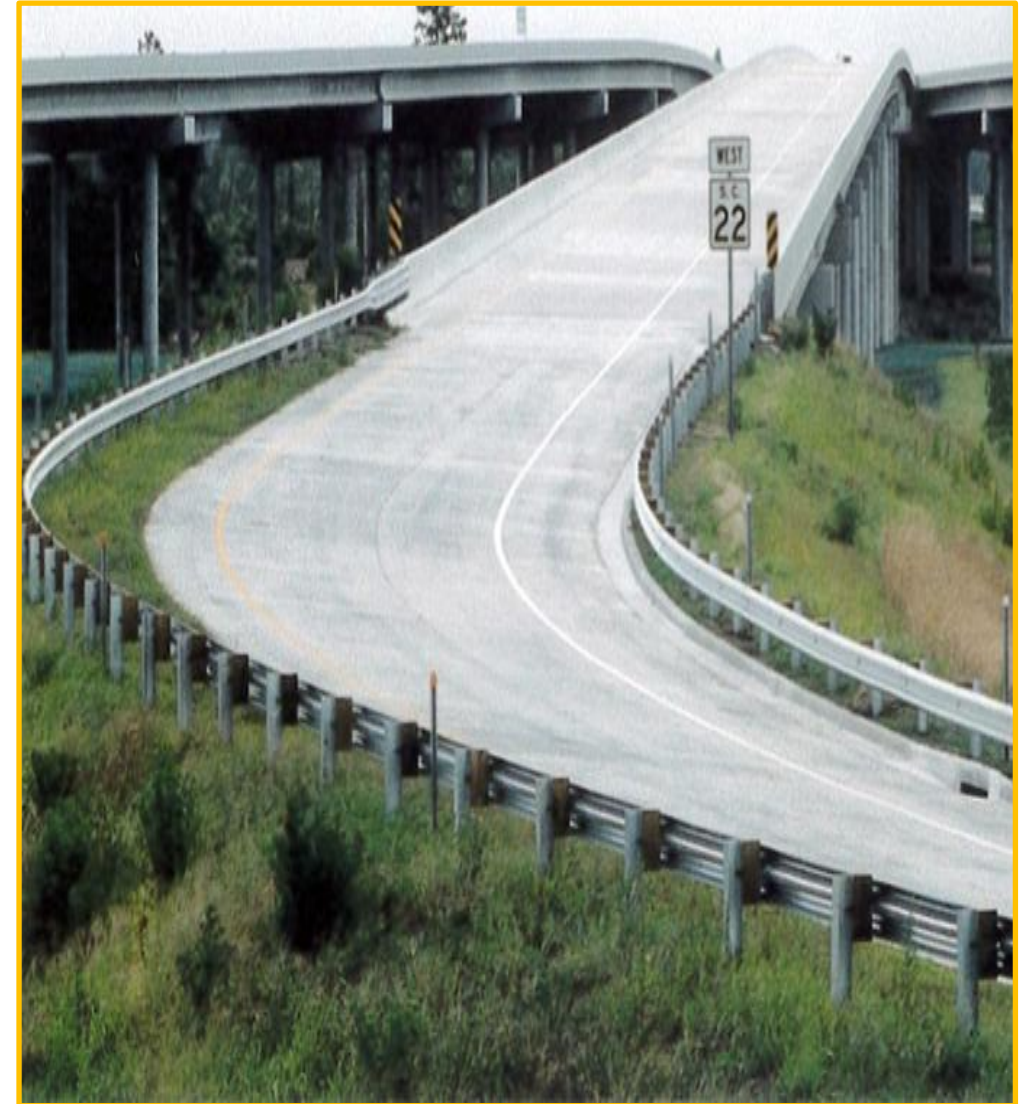
**STATE INFRASTRUCTURE BANK
SYMPOSIUM**

MAY 21, 2025



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KEY OFFICIALS AND STAFF

Board Members

John B. White, Jr., Chairman
Spartanburg, SC

Ernest L. Duncan, Vice Chairman
North Augusta, SC

Andre W. Bauer
Travelers Rest, SC

TJ Johnson
Conway, SC

Representative Chris Murphy
North Charleston, SC

David B. Shehan
Gaffney, SC

Senator C. Ross Turner
Greenville, SC

Staff Listing

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Columbia, SC

Administrative Manager I
Abby L. Hogan
Columbia, SC

Administrative Coordinator I
Hunter L. LaFrage
Columbia, SC

AGENCY OVERVIEW

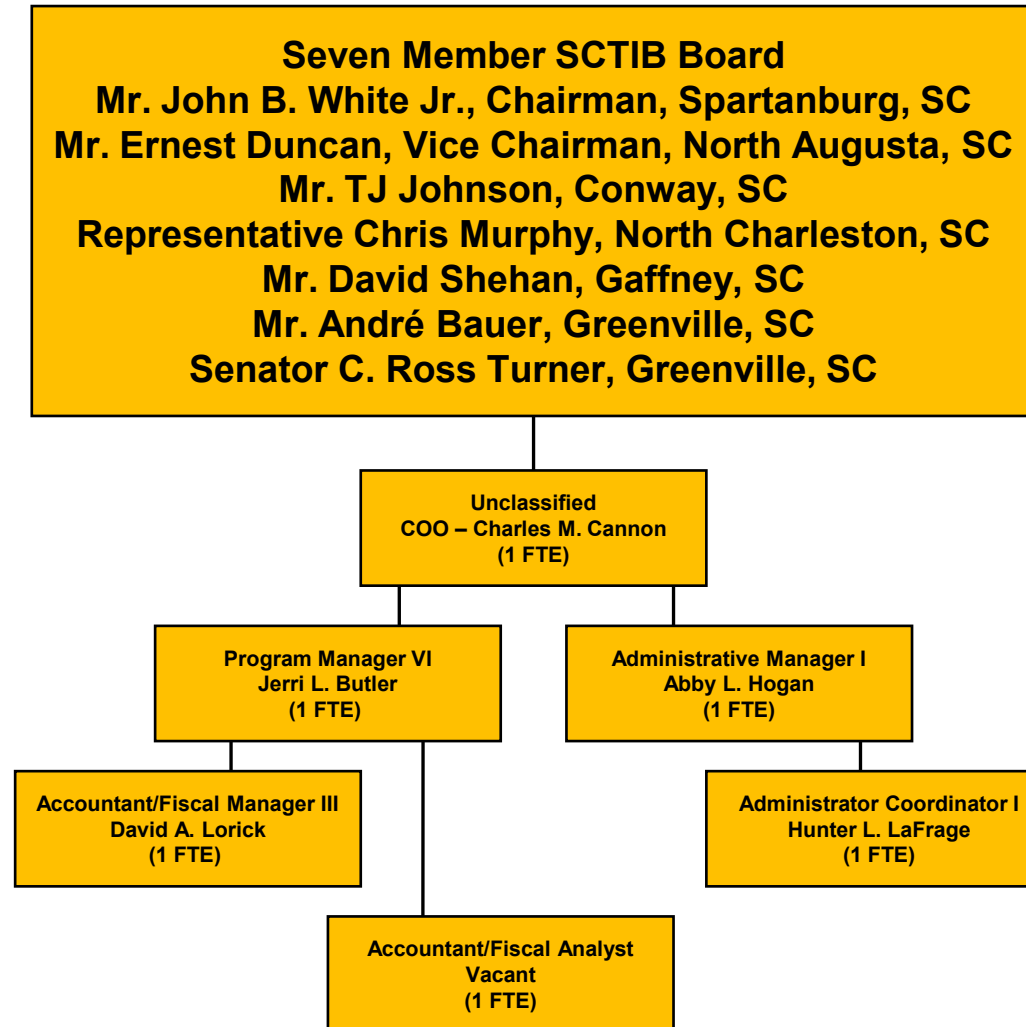
Agency Mission

The corporate purpose of the South Carolina Transportation Infrastructure Bank (SCTIB) is to select and assist in financing major qualified projects by providing loans and other financial assistance to government units and private entities for constructing and improving highway and transportation facilities necessary for public purposes including economic development.

Major Program

Transportation Infrastructure – Provides funding for major transportation projects with public benefit.

ORGANIZATIONAL CHART



THE S.C. TRANSPORTATION INFRASTRUCTURE BANK ACCOUNTABILITY REPORT SUMMARY

The funding sources dedicated to the South Carolina Transportation Infrastructure Bank (SCTIB / the Bank) by the General Assembly, such as truck registration fees, motor vehicle registration fees, electric wholesale power tax and one cent of the gasoline fuel fees, have been used to provide financial assistance to more than \$7.1 billion in highway road and bridge projects since 1997. Issuing bonds for major road construction completes the projects much sooner than with pay-as-you-go funding, thus increasing safety and mobility to the motoring public and improving economic development opportunities.

The success of the Bank is due to partnerships with counties, municipalities, and the South Carolina Department of Transportation (SCDOT). These entities are the applicants to the Bank, and often provide a significant amount of funding to the projects.

The Bank is unique in that it has the ability to issue Revenue Bonds as well as General Obligation Bonds subject to certain approvals. General Obligation Bonds are backed by the "full faith and credit" and subject to the State's constitutional general obligation debt ceiling. The Bank's Revenue Bonds are not backed by the "full faith and credit" and do not count against the State's general obligation debt ceiling. The legislatively dedicated revenue sources received by the Bank, certain loan repayments and some local project contributions are considered revenue that qualify to be pledged to the repayment of the Bank's Revenue Bonds.

Board Achievements:

September 8, 2022

The Bank Board approved the implementation of the Rural Application Process that included:

- The option to set aside a certain dollar amount or establish a specific percentage to be awarded to "rural" projects.
- A Rural project was defined as a county with a population of less than 115,000. Senator Leatherman and the members of the Evaluation Committee supported this definition.
- Authorized additional flexibility for the bundling of projects if they have common attributes.

October 18, 2022

Bank received twelve applications, ranging from rural counties to large counties and from small projects of about \$25 million to larger projects over \$100 million. The following projects were approved for financial assistance by the Bank Board, SCDOT and JBRC:

- City of Aiken, Whiskey Road Connector Project - A grant in the amount of \$21 million.
- Charleston County, SC 41 Project. A grant in the amount of \$62 million.
- Greenwood County, SC Hwy 246 Project. A grant in the amount of \$38 million.
- York County, I-77, Exit 90 Project. A grant in the amount of \$64 million.

The total approved payouts from the Bank for these projects is \$185 million.

THE S.C. TRANSPORTATION INFRASTRUCTURE BANK ACCOUNTABILITY REPORT SUMMARY CONT

October 6, 2023

Moody's reported the SCTIB bond rating has stayed the same (Aa3) remaining a stable outlook which is consistent with the state's outlook and is supported by the likelihood the state will continue to ensure that pledged revenue provides adequate debt service coverage, in view of SCTIB's pivotal role in financing large transportation infrastructure projects.

October 17, 2023

Bank received twelve applications, ranging from rural counties to large counties and from small projects of about \$25 million to larger projects over \$100 million. The following project was approved for financial assistance by the Bank Board, and SCDOT. The JBRC approved the project on January 24, 2024:

- Pickens County, SC 183 Widening Project - A grant in the amount of \$44.7 million.

The Bank Board approved a revised Rural Application Process and committed \$250 million over the next ten years to the Rural Project Program.

October 24, 2023

Fitch upgraded the SCTIB's bond rating to 'AA-' from 'A+' which reflects a solid expansion of system revenues since 2020 that has boosted year over year revenue growth to levels approaching, and occasionally above, U.S. GDP growth. The upgrade also factors in the Bank's management's stated intention to reduce leverage by cash-funding its latest five-year capital plan, which runs through 2028.

February 21, 2024

It was announced at the board meeting that the Bank will hold Rural Project Program workshop on March 8, 2024 to assist potential applicants with any questions or concerns they may have. A rural application round will open on March 18, 2024 through May 17, 2024.

The Board recommended and approved to offer the position of Chief Operating Officer to Mr. Charles Cannon. Mr. Cannon accepted and began his employment on May 2.

March 1, 2024

The Bank held a Rural Project Program Workshop, with approximately thirty-six attendees, representing sixteen counties. The Rural Project Application round opened March 18 through May 17. As a result of the workshop and application round, the Bank received three rural project applications from Fairfield County, Laurens County and Sumter County. These applications are in the review process.

THE S.C. TRANSPORTATION INFRASTRUCTURE BANK ACCOUNTABILITY REPORT SUMMARY CONT

August 30 2024

Moody's Ratings issued a press release upgrading the Bank's outstanding revenue bonds rating from Aa3 to an Aa2, stating the outlook is stable and the upgrade affects nearly \$1 billion of outstanding revenue bonds.

Fitch Ratings issued a press release stated it has assigned a rating of 'AA-' to \$151 million of series 2024A revenue refunding bonds to be issued by the SCTIB, stating the outlook was stable. Fitch Ratings has affirmed all other revenue bonds have remained at 'AA-'

September 24, 2024

the Bank closed on the Series 2024A Revenue Refunding Bond issue. The par amount of the bonds was \$149,660,000 and was issued at a premium of \$13,553,121. The bonds will mature on October 1, 2033. The bond proceeds were used to refund a portion of the 2012B bonds. The present value of total estimated savings is approximately \$9.7 million.

Bank's financial assistance capacity has grown over time due to the following:

- Actual revenues coming in higher than forecast over time;
- Project costs sometimes coming in below preliminary estimates;
- Project expenditures being slower than originally estimated;
- Revenue bond principal being paid down annually; and
- Interest rates lower than projected.

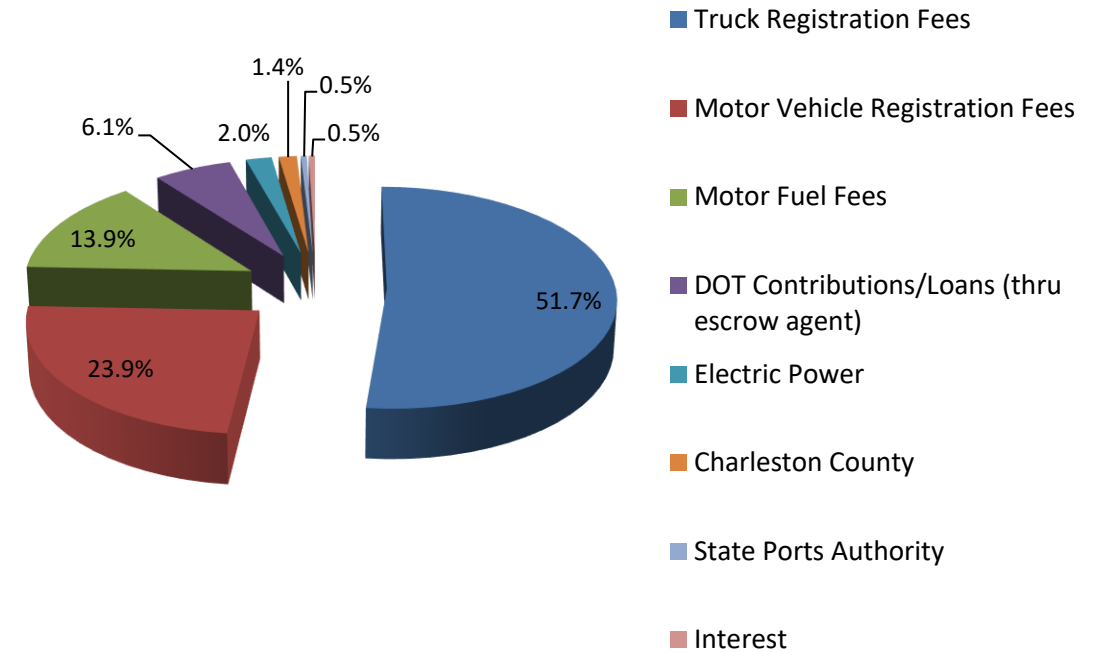
Capacity is not reduced by certain creditworthy project loans and may be increased by those loans if certain conditions are met*:

- Rating agencies must affirm at least an 'A' credit rating for the underlying revenue source to be pledged as a series payment for Revenue Bonds;
- The underlying revenue source must provide at least 1.20x historical coverage over the series payment; and
- Payments may be derived from a hospitality fee, toll, franchise fee, or other available revenue sources, which do not involve a state tax.

*Series Payment requirements found in Master Bond Resolution of Bank

SCTIB Projected Revenues

Truck Registration Fees	51.7%	\$ 110,406,522
Motor Vehicle Registration Fees	23.9%	50,980,043
Motor Fuel Fees	13.9%	29,746,783
DOT Contributions/Loans (thru escrow agent)	6.1%	12,979,751
Electric Power	2.0%	4,306,654
Charleston County	1.4%	3,000,000
State Ports Authority	0.5%	1,000,000
Interest	0.5%	1,000,000
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Total	100.0%	\$ 213,419,753



SCTIB Projected Expenditures

Personal Services	1,050,000	0.8%
Other Operating	583,000	0.5%
SHA Project Payouts	<u>124,936,870</u>	<u>98.7%</u>
Total	126,569,870	100%

