



Richland County Council
Transportation Ad Hoc Committee
December 4, 2018 – 1:00 PM
Council Chambers
2020 Hampton Street, Columbia 29204

COMMITTEE MEMBERS PRESENT: Calvin “Chip” Jackson, Chair; Yvonne McBride, Bill Malinowski, Norman Jackson and Paul Livingston

OTHERS PRESENT: Michelle Onley, John Thompson, Eden Logan, Bryant Davis, Mohammed Al-Tofan, Kimberly Toney, and Nathaniel Miller

1. **Call to Order** – Mr. C. Jackson called the meeting to order at approximately 1:00 PM.
2. **Adoption of the Agenda** – Mr. Livingston moved, seconded by Mr. Malinowski, to adopt the agenda as published.

In Favor: Malinowski, C. Jackson, N. Jackson, Livingston and McBride

The vote in favor was unanimous.

3. **Approval of Resolution Authorizing the Issuance and Sale of Not to Exceed \$158M for the General Obligation Bond Anticipation Notes** – Mr. C. Jackson stated we discussed this at our last meeting, and it was not an action item. One of the main reasons for today’s meeting is to take action, and have further discussion regarding the figures.

Dr. Thompson stated there is a breakdown of how they came up with \$158M figure on pp. 4 of the agenda.

Mr. Malinowski inquired about the third item on the list, \$20M to be reimbursed for the time period May 15 – June 30, 2018. He inquired, for clarification, if we have expenditures this long ago that have not been paid.

Dr. Thompson stated they were waiting for permission, in regards to the SCDOR situation, to use the funds. They used the funds from the Penny Sales Tax revenue. Now is an opportunity to use the BAN funds to reimburse the Penny Sales Tax revenues.

Mr. Malinowski stated, for clarification, we have already paid all of the bills out of the Penny Sales Tax funds and now we are going to go borrow money to replenish Penny Sales Tax funds.

Dr. Thompson stated we already have the BAN money. The BAN was released...

Mr. Malinowski stated the BAN money has to be paid back at some point. So, if we have already paid the bills, and we have the BAN, why do we take it and continue to pay interest for a long period of time. Why not just

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put the BAN money back to pay off the BAN, instead of incurring additional interest?

Mr. Gomeau stated the BAN money has already incurred the expense. The \$250 Million BAN was issued last February, so we are accruing the interest expense everyday up until the BANs are reimbursed. This is just a formality to put the money back in the Penny Fund. It is not going to cost us anymore interest. We are going to pay interest on the \$250.

Mr. Malinowski stated he thought the interest continued as long as we keep it.

Mr. Gomeau stated the interest will continue.

Mr. Malinowski inquired if it will not be reduced by reimbursing that.

Mr. Gomeau stated not until we rebate the bonds in February.

Mr. Livingston stated, as he recalls, in December 2017, we got a list of project from the Program Development Team, which was based on the \$250M BAN we are looking at now. Let's assume we do the \$150M, that is being recommended. If it is true that we can get to those program, how are we going to decide which of those projects does not go forward. He stated he can see Council members arguing about details. One thing that concerns him, if we end up getting those projects moving, as was illustrated in December 2017, that may create a problem for us. Secondly, what is the downside of doing the \$250M, in case you need it. And, what is the upside. He thinks the upside is you have a chance to get all the projects done, if you move them fast. In addition, you would get ahead of SCDOT on all their projects; therefore, we will not be stuck with higher costs, if we can get them done. With that said, remember the voters said you could do up to \$450M. He thinks it may be a little risky not to do it. His first question is, what is the cost and problem with going on ahead and doing the \$250M now, as opposed to the \$150M

Mr. Gomeau stated the logical answer to that is we are not going to be able to spend \$250M. You are going to incur interest costs on that \$250 again, just as you did this year. We are going to have \$100M in BAN. We are going to have about \$30M left in the Penny Fund in February. And, we are going to collect another \$65M from the Penny Fund during the year. We are going to have enough money to do Dr. Thompson's projects, and have a balance at the end of December 2019. In borrowing money, and not using it, as we did this year, causes people like the IRS to look at what you are doing with that money. You borrowed \$250M this year, and used very little of it. If you go ahead and do the same thing next year, and you do not use \$250, they are going to look at this thing. You are going out to an investment community asking for money, saying you are going to do projects worth \$250, and you are not doing them. Just from that point of view it is not a good idea. The basic problem is you are going to pay interest that you do not have to pay. You have enough money to do this with the plan that we have in place.

Mr. Livingston stated you would be gaining interest to offset the interest also.

Mr. Gomeau stated you cannot arbitrage the \$250. You get some interest from the Penny Fund, which we think we offset some of the cost of the \$150M, but you are not going to be able to get \$7M in interest earnings to pay off the bond interest. You cannot arbitrage those funds. We are going to be penalized this year, in terms of arbitrage.

Mr. Livingston stated he remembers bond counsel saying that, but, if, he remembers right that penalty was pretty small relative to interest vs. the arbitrage costs. Before this gets to Council, you can give me the difference, but he thought it was small, in terms of what it costs us when you are considering the arbitrage and the interest that you gain on it.

Mr. Gomeau stated it is a precarious practice to be doing that. The IRS is going to look at this, at some point, if you go year after year with arbitrage violations. Are you borrowing money just to make interest, or are you borrowing money to do project? The purpose of the arbitrage regulation, in the 70s, was to offset this. That was what communities were doing. They were borrowing money, investing it and not doing the projects. He stated it is not a good idea. It is going to affect the County's bond rating, at some point if they keep seeing you do this. It is going to have an impact on what we are doing here by taking up time paying money back that we should not have to borrow in the first place.

Mr. Livingston stated, for clarification, we are not considering the information we got about what we can do in 2017, when the Program Development Team gave the projects and the completion dates. What Mr. Gomeau is saying is that he does not think that can happen.

Dr. Thompson stated, based on the PDT's outlay documents, he presented to Administration a drawdown schedule. For the next fiscal year, we are anticipating they will spend a little over a \$100M. With other funds we have from the revenue sales, we will have sufficient monies to carry out all of the projects the PDT has identified.

Mr. Livingston stated, for clarification, Dr. Thompson is going off of something different from what he got in 2017, obviously.

Dr. Thompson stated, absolutely not. We are still looking at their outlays document. Keep in mind, the PDT updates this document on a quarterly basis.

Mr. Livingston stated he was going by the one that was done in December 2017, which spelled out the whole \$250M, for the period of time. Obviously if that has changed, then that is a different story.

Mr. N. Jackson inquired as to the average we spend on projects annually.

Dr. Thompson stated it is increasing. With the last fiscal year, it was a little over \$100M. We expect that for the next fiscal year. This current fiscal year, we are on track for approximately \$100M. We projected \$117M, but he thinks it is going to come at approximately \$90M. Then 2 years from now, we are looking at \$135M - \$145M.

Mr. N. Jackson inquired as to how much we take in with the Penny Tax Program annually.

Dr. Thompson stated \$65M, and it is increasing slightly.

Mr. N. Jackson inquired as to how much we have in the reserve.

Mr. Gomeau stated the last time he looked it was approximately \$29M. was in the Penny Fund Balance.

Mr. N. Jackson inquired if we spent any of the BAN funds.

Dr. Thompson responded in the affirmative.

Mr. Gomeau stated the numbers on the sheet for the payback is the money we are taking out of the BAN.

Mr. N. Jackson stated, for clarification, we have a balance of \$29M, and we are bringing \$65M in annually.

Mr. Gomeau stated we will have an additional \$100M in BAN funds in February 2019. It will give you the

opportunity to look at what you do over 2019. When they come due in February 2020, you can make a decision to bond the \$100M, if you feel you want to do that, at that point, if you have cash needs. If you do not have cash needs, that will give you another year under your belt to look at how fast you are progressing. If you start to progress faster, go ahead and issue the \$100M in bonds, and you can pay those back over 8 – 10 years. If you give you a window to look at how much you are doing. If you are doing that consistently, then you can go out and borrow the money. If you do not need to borrow the money, if you have enough available, then you will not to do it.

Mr. N. Jackson stated that is his concern, to see if eventually we are going need to borrow, or just leave it alone.

Mr. Gomeau stated you will have that ability in early 2020 to look at where you are and make a decision on bonding, at that point.

Ms. McBride stated, in case we need more than the \$158M that has been proposed, what happens then. We have spent all those funds, and have new projects that need to be constructed, and we do not have the money there. Do we have to go back and get the bonds?

Dr. Gomeau stated that is a management decision. Dr. Thompson can look at this schedule, and he can adjust his schedule depending on how he sees the projects coming due, how much cash will be needed, and whether or not he wants to start one, if he does not have the available cash. It is just a simple project financing method that he will use. Dr. Thompson will not put us in a deficit. He will put us in a position where we can keep paying the bills, and if he needs more money, he can go back for the \$100M.

Ms. McBride stated so we have to go back to the \$100M, and we are going to go back at a higher interest rate.

Mr. Gomeau stated you get a low interest rate on the Anticipation Note because it is only for one year. If you bond, it is going to be a little bit higher. It is still not high. You are talking about 3% – 3.5%. It is not going to be onerous for \$100M. It will cost you \$3 - \$4M to borrow that.

Ms. McBride stated, it was her understanding, that based on the numbers that we have and the proposed plans, we have adequate funding with the proposed amount of \$158M.

Dr. Thompson stated for the specified timeframe.

Ms. McBride inquired if that has been agreed upon by all parties.

Dr. Thompson stated those are the numbers they got from the PDT.

Mr. Malinowski inquired about the approximate cost of the arbitrage penalty we are going to have to pay.

Mr. Gomeau stated the bond attorneys are working on that. We will not know until it gets closer to the redemption date.

Mr. Malinowski inquired about a ballpark figure...\$5M or \$1M.

Mr. Gomeau stated it is done by arbitrage company that does this. One of the top auditing firms does that calculation for us. It depends on how we spent the money down in a time period in between, and how much more interest we earned than we actually paid out. It will not be significant, but it is a penalty and it flags the IRS, which is his main concern. It does send a signal out that we are doing these things. We are trying to

make money off of money that we are borrowing, and that is not allowed.

Mr. Livingston stated, he was under the impression, if we did not do the whole \$250M, we lose the ability to issue the remaining \$92M later.

Mr. Gomeau stated bond counsel has advised that we will be limited to the \$100M, but the \$100M is a lot of money.

Mr. Livingston stated, so his assumption is true, that if we only issue \$158M, if we need \$92M, we can no longer issue that later on.

Mr. Gomeau stated you can issue \$100M, one time, or BANs rolling over every year. We have looked at the cash flow schedule, and this is a doable way to do this. You do not need to go ahead and keep borrowing excess amounts of money to just leave there, and not use, in the hopes that you might get a fast spurt in the schedule. This is good management practice for projects like this. He is confident, looking at Dr. Thompson's numbers, that he can manage this thing to the end without getting into any kind of financial difficulty.

Mr. Livingston stated he is concerned about that too, but, at the same time, he is concerned about not holding up the projects, if there is a possibility they can continue on. One thing different too, he thinks we voted, this time, to make sure we spend bond proceeds first. So, that ought to speed up spending bond money too because you are not spending your collectibles. With that in mind, that had him wondering whether or not it there was a possibility of using the whole amount. He stated he shares Mr. Gomeau's concern, but let's think about the concern of needing it, and not having it too.

Mr. N. Jackson stated, since the passing of the gasoline tax, there is a lot more highway projects that have come on board, that is affecting construction companies. There is so much to do now. Before, the Penny Tax was the only source of money for construction, and there was a lot of competition. Do you think, with the Penny Tax projects and programs, and now with so much money available, with the passage of the gasoline tax, and these new projects, and so much construction going on, it will drive prices down or create a shortage of materials, and drive prices up.

Dr. Thompson stated they need to look into that.

Mr. N. Jackson stated he just wanted them to be aware, since the Legislators passed the gasoline tax, and there is so many projects to be done. There is a lot of money available, and the same people we are using, the State is using also.

Dr. Thompson stated, purely from an economic perspective, we expect if the demand continues to go up, then prices will go up.

Mr. N. Jackson stated, when there was less money, there was stiff competition. Now there is so much money, people are turning down jobs.

Mr. Gomeau stated we are blip on the petrol chemical industry though. They are ratcheting up. They have been ratcheting up for the last 4 or 5 years. He does not think we will see a significant difference. We will see some because some are local contractors, but overall we will not see that much difference in the ability to get people to do the work. The price may go up.

Mr. N. Jackson stated, in the State, there was no money for the gasoline tax for 31 years, and highway construction had almost ceased in South Carolina. The Penny Tax was the only source of highway

construction that was happening, until recently. Last year, the Legislators increased the gasoline tax. Now we have this new money, and you have all these roads that we were doing for the State, and being reimbursed later, through the STIP. Now, you have so much work, and some of the contractors may not have enough staff to handle all the work there is.

Mr. Gomeau stated that is assuming the State can do that kind of start-up. He does not know about South Carolina, but most states do not have the ability to start-up that quickly.

Mr. N. Jackson stated it is not about the start-up, but they have the funds. It is just something to consider in your projections.

Mr. Malinowski stated he needs more clarification. The \$250M BAN that was issued, and you are saying we have the money for now, we want to reimburse for our projects that we have already done. And, looking at p. 4, there is 4 items there; #2, #3, and #4 are past items. If you total those up, that is the \$157M. So, that \$157M will come from the initial \$250M BAN, correct?

Mr. Gomeau stated we are spending it out of that. That is why we are paying back \$158M. All we are asking for in the new BAN is \$158M, which incorporates that into it.

Mr. Malinowski stated, for clarification, Mr. Gomeau is saying we are taking \$57M out of the original BAN, and we are still putting \$57M into the upcoming BAN.

Mr. Gomeau stated we are paying the difference. In other words, we do not have enough to pay back the \$250M, so we are getting more money, to include with it, to pay the \$250M back. We are spending money from the \$250M. We have to reimburse the whole \$250M in February.

Mr. Malinowski stated, so that is why you have the \$57M in the new one.

Mr. Gomeau stated we need to come up with the \$250M to rebate the bonds.

Mr. Livingston stated all of his concerns is based on the document that he received in December 2017. That document clearly spells out the projects, even by districts, in terms of, what and how we would spend the \$250M. If he remembers correctly, if we committed to do the bond, we would run out of funding in the first quarter of October 2018. If that is still not the case, his point is irrelevant, but if it is, he needs to know what the list that replaced this to say we do not need the \$250M; there are less projects, or we are doing something different. There ought to be a new list to explain to him why we do not need the \$250M, and explain to him what is not going to make it on this list.

Dr. Thompson stated they will provide him with the list. Again, he pointed to the outlays document that the PDT projects and provides on a quarterly basis. That list clearly articulates all the projects they will do for that particular year, and all the way until the end of the program.

Mr. C. Jackson stated he thinks he is clear, if we only go out for another year of \$158M, then in 2020, if we determine that there is not enough money to do what needs to be done, we would not be able to get another one-year BAN, but we would be able to borrow money using the bond. Is that correct?

Mr. Gomeau stated you could have another \$100M BAN, but it would give you the opportunity to bond the \$100M. If you looked at Dr. Thompson and PDTs schedule, and saw that everything would work, you could borrow \$100M in bonds, pay it off over 8 – 10 years, to match up with the money that you need for the projects.

Mr. C. Jackson stated, the reason he is asking is because the length of the Penny funds coming in, the termination date is 2022, correct?

Mr. Gomeau stated it is 22 years from 2012, or whenever you approved the ordinance.

Mr. C. Jackson stated, for clarification, or the maximum amount of money being \$1.07 Billion. If we max out on the money, but we have not maxed out on the completion of the projects, we make the determination that there will be a need for additional funds, then the Council, or committee, will have to decide whether we do a \$100M period, or we can do more than that by going with a bond.

Mr. Gomeau stated you should be able to do it in the future, if you have decided you are out of the Penny Fund completely. The 2 things you need to look at is, do you want to continue the program on beyond the money you actually receive, and you need to look at having a maintenance program that goes with this program so your \$1 Billion does not get lost. You cannot just put \$1 Billion into what they are doing and not a commitment to a maintenance program, which is going to be expensive. Either way, those 2 things you would have to look at. Do you want to keep going, and you should keep going? You should establish a long-term road program, even without the Penny Fund. You should have the maintenance program that goes with that, so you are not reconstructing roads after they have fallen apart in 15 years. You can keep them maintained for a long period of time.

Mr. C. Jackson stated, it is clear to him, at least from what he has read, that we have more projects on the list than we have funds to complete them all, if we were to try to go down the list as it currently exists. One effort was that the PDT provided us with some recommendations on some modifications on a couple projects, at the end of the list, that would not impact those areas significantly, but would also allow us to complete everything on the list. There were a couple scenarios the PDT presented. He thinks that is the same list, that Mr. Livingston was referring to, where there was a discussion that if we did not borrow the money we would run out of money by a particular date, possibly June/July, and would not be able to continue. He wants to be real clear before we vote, that, if in fact, we are going to try to complete everything on the approved referendum list, his understanding, today, is that we do not have enough money to do that. There is the possibility, next year, recognizing that fact, to bond additional funds to be able to cover that, as well as, maintenance money that Mr. Gomeau referred to. If that is the case, for him all hope is not lost, in order to make sure that we can complete the projects on the list.

Mr. Gomeau stated he agrees completely. He thinks somebody owes the public the ability to try to complete the projects they were told would be completed when they approved the bond resolution for the Penny Fund. If we cannot do it, we need to come up with a reasonable explanation of why we cannot do it. He does not think you can let that thing lie dormant, and not explain it to the public.

Mr. C. Jackson stated he agrees. The only mistake he does not want us to make is that because we do not borrow enough money, we do not complete the projects because we thought we had enough money, and find out later we do not have enough and we cannot go back and get it the second time around. His concern is, when we get to the point of needing more, and realizing when need more, at that point we cannot get more and we have missed the window.

Mr. N. Jackson stated we are limited to the amount of money we can borrow.

Mr. C. Jackson stated that is correct.

Mr. Malinowski stated the amount, or number, of projects to be completed, while they may not all be done, if the funds are not here, they are still on the list to be done in the future.

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Dr. Thompson responded in the affirmative.

Mr. C. Jackson stated his question was how would we fund those.

Mr. Gomeau stated you can establish another road program. You can bond for that in the future. Lots of communities do that. That is not an unusual thing to do because it is a large expense.

Mr. Livingston stated his other main concern is he wants us to get the projects done as quickly as we can. He does not want anything to hold that up because he knows that is going to cost us more in the long run. The voters voted for us to bond the money, so we can get them done quickly.

Ms. McBride stated, this is somewhat different from the budget component that we are discussing now, but why is it we cannot get all of these other projects done. She inquired if there are not enough workers to do the projects, or what is the reason, if we have the funds, but we cannot get the projects done.

Dr. Thompson responded there are for various reasons. One reason is the right-of-way acquisition, so that holds up the process. When he thinks about Sunset, for example, the design work. Utility relocation was a difficult issue with that particular project. There is a laundry list of issues that will hold up a project from going to construction. He wants to reiterate that staff is not trying to hold up any process, in terms of slowing down productivity. We are working closely with the PDT. We want to make sure the funds are there to fund these projects.

Ms. McBride stated that is not an issue with her because she knows staff works hard to get things done, as well as the PDT. Her concern is, going back to Mr. Livingston, she remembers having a long debate over the \$250M, and we were told we could have these projects done. She wants to make sure that we are fiscally responsible, so she agrees with Mr. Gomeau, on that part, but she is not sure, with the other projects forthcoming, if we could run into those same issues that you are telling me, and that could slow the process, and there is no way to remove any of the issues so we could move forward with the projects. She just could not understand the lack of the ability to complete the projects.

Dr. Thompson stated, in his review of the project list, and talking with Mr. Beaty, he is comfortable with investing a little over \$100M for projects for next fiscal year. He does not think that Mr. Beaty will say he will be able to do \$250M worth of projects in one fiscal year.

Mr. Beaty stated the numbers Dr. Thompson has been providing is what the PDT provided; about \$100M - \$150M for the next couple fiscal years. He may be providing more information than Ms. McBride was asking. The Transportation Program, minus the buses, is about \$750M. Our current estimates, to build everything, is about \$900M, so somewhere there is about \$150M of work, based on today's dollars, that either cannot be done, or outside funding is needed. Going back to June, or so, the PDT provided you with 2 - 3 different scenarios of how you could maximize the amount of work. He does want to confirm the numbers in the 2012 referendum were not enough to keep up with inflation and construction moving forward. At some point, Council is going to have to make a decision, if we cannot bring in outside funds, some projects are not going to be able to be funded under this program.

Mr. Livingston moved, seconded by Mr. N. Jackson, to forward to Council without a recommendation.

In Favor: Malinowski, C. Jackson, N. Jackson, Livingston and McBride

The vote in favor was unanimous.

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4. **Approval of Jushi's Letter Requesting Extension for the Shop Road Extension Project** – Dr. Thompson stated they have been approached by Economic Development and China Jushi regarding the addition of a separate employee and truck entrance. This was not thought of at the beginning, in terms of their design. The PDT and the contractors are out there building the Shop Road Extension, and wanted to bring this to the committee's attention. From staff's perspective, our position is, if we delay this project, the County should not be held responsible for one penny of any delays.

Mr. Livingston inquired if Dr. Thompson is referring to the letter in the agenda packet.

Dr. Thompson responded in the affirmative.

Mr. Livingston stated he thought they were requesting for us to hold up extending the road through where their plant is.

Dr. Thompson stated they want to delay the construction.

Mr. Livingston stated, for clarification, they want to delay us from extending the road through where their plant is.

Dr. Thompson responded in the affirmative.

Mr. Livingston inquired as to what costs Dr. Thompson was referring to.

Dr. Thompson stated, in the agenda packet on p. 6, Mr. Beaty provided information that one month of delay is going to cost about \$30,000 for 2 inspectors. He wants you to keep that in mind, as you make a decision about any delays.

Mr. Livingston inquired if that means you have to keep the inspectors on longer, and you have to pay to keep them on longer.

Mr. C. Jackson stated the Vice President of Operations from Jushi, who provided the letter, is here. He requested that he come down to the podium to speak regarding the matter.

Mr. Ray Wierzbowski stated, as far as the request from Jushi, that is our only access into the plant. We want to put a separate lane in for the truck access versus the employee cars, from a safety standpoint. Opening Shop Road, at this point, until we get that installed, will cause a safety issue of installing that turn lane, that was not thought of at the time. He stated they are requesting to delay this until March 31st to give them time to install. Jushi is paying for the turn lane and engineering. They have submitted their plans to SCDOT and are awaiting their approval. As far as the request for additional funding, he was not aware of that.

Mr. Livingston inquired as to when Shop Road is expected to open.

Dr. Thompson stated the end of January.

Mr. Livingston inquired as to the length of the delay.

Dr. Thompson stated it would be approximately a 2-month delay.

Mr. Livingston inquired as to why it would cost that much for the additional inspectors.

Mr. Beaty stated that is the cost for 2 additional inspectors, for 2 months.

Mr. Livingston stated, for clarification, if we were through with the road, what would we be inspecting.

Dr. Thompson stated we will not be through until it is fully inspected, and SCDOT receives the road. Until that time, it is still considered a County project.

Mr. Beaty stated to make sure the SCDOT accepts the road, and any new improvements, it must be inspected. The PDT plans on having 2 inspectors on the job through January. We cannot continue to provide inspectors indefinitely. At some point, we have to stop. If you ask us to have 2 more inspectors, for 2 more months, there is a cost.

Mr. Livingston inquired if there was any way to put up cones, barricades, or make it safe on one side. He stated he sees people work on roads all the time with cars going by.

Mr. Beaty stated he is not positive. He deferred to Mr. Wierzbowski.

Mr. Wierzbowski stated he is not sure if there is an option there, as far as cones.

Mr. Livingston stated he was just using that as an example. It could be anything. He stated he just sees people working on roads, and cars going by.

Mr. Wierzbowski stated, the concern from Jushi is, without the truck access, the turn lane for us...He stated they are the only ones on the road, at this point. Eventually, the industrial park will fill up, and they welcome neighbors. At this point, they are the only ones using this road, when it does open up, so that would limit and cut off our truck access, until they could get the turn lane in. He stated that is their concern with the delay.

Mr. Livingston stated, from the County's perspective, if the costs for the inspectors was covered somehow, would we be okay with holding it up.

Dr. Thompson responded in the affirmative.

Mr. N. Jackson stated, for clarification, Phase II is in design.

Mr. Beaty responded in the affirmative.

Mr. N. Jackson stated, for clarification, Phase I ends at Montgomery Road.

Mr. Beaty stated it ends at Longwood.

Mr. N. Jackson stated, for clarification, the way it is designed, and ends at Longwood, Shop Road Extension is a 5-lane, divided highway.

Mr. Beaty stated it is currently 4-lane, divided; 2 lanes in each direction with a grass median.

Mr. N. Jackson stated, his concern is, Jushi will be only plant for at least 6 months. The level of service for that road will remain "A" until it is opened. He could see if it was complete, with Phase II, then immediately you would have heavy traffic. Right now, with just that plant, and the few cars getting off Bluff Road, it does not make sense to have heavy traffic. He does not see why cones would not help. The amount is negligible. He stated it is a newly opened road, if cones are there, and one lane is open, he does not think it will affect any

traffic. He does not see any reason to stop it, or hold it up.

Mr. Malinowski stated what is being requested, as far as the actual development, is something that is outside of the scope of the Shop Road Project, correct?

Dr. Thompson responded in the affirmative.

Mr. Malinowski stated, if that is case, what is the possibility of going out and hiring inspectors outside of the PDT. Put it out for bid. See if you can get something with a lower cost.

Dr. Thompson stated it being outside of the scope of the project means it is outside of the scope of spending Penny funds.

Ms. McBride inquired if we are required, as a safety issue, to continue to have those inspectors, or is this something that you think is needed.

Mr. Beaty stated he would think the inspectors are needed full-time, while there is active construction going on. Again, the risk you would incur is, if in the SCDOT perspective, the County has entered into an intergovernmental agreement that says, "You will inspect it, appropriately", and it if there were no inspection, then the SCDOT could say, "We do not know what you did. We are not taking the road." To Mr. Malinowski's point, he is correct, the PDT does not have to do the inspection. If you could find another inspector(s) that would be your prerogative.

Ms. McBride stated the funding would be the issue there, unless Jushi is willing to pay for the inspectors.

Mr. Wierzbowski stated he is not prepared to answer that today. He would have to confer with his company.

Ms. McBride stated she thinks that is where we are now, in terms of who will pay for the inspectors. It is not the issue of whether or not to allow Jushi to do what they need to do.

Mr. Malinowski stated, for clarification, Jushi is paying for the additional part of the project.

Mr. Wierzbowski responded in the affirmative. He stated they do not have a finalized number, but the number is going to be close to \$300,000 for the turn lane. They feel that is an important safety factor.

Mr. Livingston inquired as to what staff's recommendation would be.

Mr. C. Jackson stated staff is recommending that we delay it, but that we not cover the costs for the delay.

Mr. N. Jackson stated, for clarification, Jushi wants the project delayed to build the turn lane. The reason they think it should be delayed is because the affect it may have on traffic using that road. From where he sees it, he does not see any traffic. The road will be open, but he does not see the use of the road to a level where it will affect any additional construction. In his years of experience, he cannot see that because there will not be that much traffic on that road until it is fully opened, and Phase II is complete.

Mr. Livingston stated, for clarification, Council will not meet again until December 11th. He inquired if we can move it forward to Council, and have Mr. Wierzbowski approach the company about the possibility of inspectors, and take action on December 11th. It seems to him having to pay the inspectors is the issue.

Mr. N. Jackson stated there are 2 issues. He inquired if it has to be delayed because of the use of the road.

Mr. Livingston stated he said that because staff had no objection with it being delayed. He was supporting that.

Mr. C. Jackson suggested Mr. N. Jackson make a motion not to delay the project and incorporate Mr. Livingston's comments that they investigate ways ameliorate the conditions, while they continue to work on the turning lane.

Mr. N. Jackson moved, seconded by Mr. Livingston, to not delay the project and to have staff, PDT and Jushi find ways either with the inspectors, or with cones, to move forward without affecting the road and safety issues.

Mr. Malinowski requested the motion be restated.

Mr. C. Jackson stated the motion was to not delay the project and have staff work with Jushi to figure out ways to work around the concerns they have regarding safety, as they continue to work on the turning lane, but that the County finish their work on the project at the end of January.

Mr. Malinowski inquired if that is something staff feels we can do.

Dr. Thompson stated, from a safety issue, staff is not comfortable with that. And, as Mr. Beaty, mentioned we will have to have inspectors on the premises until we turn the road over to SCDOT. If we continue with construction, Jushi is going to adversely impact the current project with them installing the turn lane. It is going to impact the grass median.

Mr. Malinowski stated that is what he was thinking. The County is going to be ready to turn this project over before Jushi's portion is completed. As Dr. Thompson stated, the County is not going to be responsible for any costs associated with the delay. It seems like there will delay because the County will be ready to turn it over. Is there any way the County can turn the road over, and Jushi get whatever permits they need and begin building on their own?

Dr. Thompson stated that is an option.

Mr. N. Jackson withdrew his motion. He stated there is not a lot of construction during this season. Construction may not start until March/April, so we have to consider that also.

Mr. Malinowski moved, seconded by Mr. Livingston, when Shop Road Extension is completely, and ready to be turned over, that is so done. Anything that needs to be constructed after that will be the responsibility of Jushi. Jushi can inquire with their company, and provide additional information at the December 11th Council meeting.

In Favor: Malinowski, C. Jackson, N. Jackson, Livingston and McBride

The vote in favor was unanimous.

5. **Approval of Letter Recommending Awarding Bid For Candlewood Neighborhood Improvements** – Mr. Livingston moved, seconded by Mr. Malinowski, to approve staff's recommendation.

In Favor: Malinowski, C. Jackson, N. Jackson, Livingston and McBride

The vote in favor was unanimous.

**Transportation Ad Hoc Committee
December 4, 2018**

6. **Approval of Letter Recommending Awarding Bid for Pedestrian Improvement Package 2** – Mr. Malinowski moved, seconded by Mr. Livingston, to approve staff's recommendation.

Dr. Thompson stated the projects include Assembly Street and Calhoun Street Pedestrian Improvements – District 4, Assembly Street and Gervais Street Pedestrian Improvements – District 4 and 5, etc. There is a total of 17 sub-projects that fall under the category of Package 2.

In Favor: Malinowski, C. Jackson, N. Jackson, Livingston and McBride

The vote in favor was unanimous.

7. **ADJOURN** – The meeting adjourned at approximately 2:04 PM