

MINUTES
CONFERENCE CALL MEETING
of the
SOUTH CAROLINA CONSERVATION BANK
Wednesday, September 13, 2017 – 2:00 pm
1201 Main Street – Suite 1820
Columbia, SC 29201

The South Carolina Conservation Bank Board (SCCB) held a conference call meeting on Wednesday, September 13, 2017 at 2:00 pm at 1201 Main Street, Suite 1820, Columbia, South Carolina. Notice of the date, time and place of the meeting was posted and mailed to the news media in accordance with the Freedom of Information Act. Chairman James Roquemore presided at the meeting and members present included Michael G. McShane, Vice Chairman; Andrea Clark; D. Clinch Heyward; Charles Lane; W. Thomas Lavender, Jr.; and William L. Snow, Sr. Members absent were Elliott Close; C. Douglas Harper; and Ex-officio members Cary L. Chastain, Chairman SCDNR Board; Duane Parrish, Director for SCPRT; and Dr. Walt McPhail, SC Forestry Commission Chairman.

I. WELCOME AND CALL TO ORDER

The Chairman called the meeting to order, thanked everyone for taking the time to join, and requested to move to the first item of discussion.

II. GENERAL DISCUSSION

A. The Oakland Club Tract

The Chairman stated that he had received a letter from Dan Breeden requesting that we fund the second payment as soon as possible. The Chairman confirmed with Mr. Davant that the check for the Oakland tract had not yet been sent. The Chairman asked that the Board Members present discuss their thoughts on this grant, starting with Mr. McShane. Mr. McShane asked Mr. Davant what the status was on receiving this FY's revenue. Mr. Davant stated that the SCCB received the first \$5 million two weeks prior to this call but have not received the second \$5 million and may not for quite some time. Mr. McShane asked Mr. Davant if he had spoken to SC Department of Natural Resources' (SCDNR) Director, Mr. Alvin Taylor, regarding the two provisos requiring the SCCB to transfer a total of \$3 million to SCDNR. Mr. Davant stated that he had in fact had a meeting with Director Taylor and has since sent a follow-up letter but has not heard back from him. Mr. Davant stated that the plan discussed with Director Taylor was to transfer \$1 million to SCDNR now to use towards the Pittman Robertson Proviso and the other \$2 million in December, or whenever the SCCB received the second \$5 million. Mr. McShane asked for confirmation that potentially the SCCB has the money to fund the Oakland grant and Mr. Davant confirmed. Mr. McShane asked what that would leave the SCCB with and Mr. Davant stated it was about \$3.5 million. Mr. Davant clarified that this deduction from the first \$5 million in funds also included the Landco (Stevens) Tract at \$555,000. Mr. McShane asked if this would leave the SCCB with enough funds to continue the payment for Gap Creek that was previously discussed and agreed upon to pay. Mr. McShane stated that while he knew the purpose of this meeting was just to discuss this matter and not take any action, he suggested having the conversation regarding the consequences of moving forward with Oakland. Chairman Roquemore stated that it was important to note before going forward that there was concerns from Raleigh West, at Lord Berkeley, regarding the payments. The Chairman asked Mr. Davant exactly how much is the payment under review for the Oakland Tract. Mr. Davant responded by stating the payment would come out around \$993,910. The Chairman, in regards to Mr. McShane's comment, stated that it would be very difficult for the legislature to criticize the Oakland grant considering it comes out to be under \$200 per acre. The Chairman asked Mr. Lane what his thoughts were on the possible ramifications and repercussions. Mr. Lane stated that some may see paying Oakland as insubordination but at the same time Oakland is a

great grant with public access, reduced funding by a third, and a donation to the easement. Mr. Lane also stated that the SCCB has had requests to fund the grant as soon as possible as the cost of updating appraisals is costly. Mr. Lane stated that there has been discussions about withdrawing the grant and selling the property and that waiting to fund this grant could result in losing the chance to get this easement. Mr. Lane pointed out that usual SCCB protocol is to award grants as the due diligence has been received and if we were to wait or not fund this easement, this would be the first time that the SCCB has responded to politics instead of following normal procedures. The Chairman stated that Mr. Lane's comments were very well stated and that he agreed. Mr. Lane stated that if the SCCB goes ahead with funding the Oakland Tract, the Board needs to agree on how to message it. Specifically, that the Board let any legislators know that the SCCB has decided to go ahead with the funding of Oakland and reiterate the reasons that make this a great grant. Mr. McShane asked Mr. Lane to clarify on the exact amount would come back into the state due to this grant, to which Mr. Lane stated that it was close to \$6 million but safer to say \$4 million. Ms. Clark stated that her opinion was to continue our normal procedure and that if the SCCB was to give into political pressure, then there would be legitimate grounds for criticism. Mr. Lavender asked for clarification on the precise terms of the grant. Mr. Davant stated that this grant was originally approved at around \$3.5 million over 3 fiscal years; the SCCB has already paid about \$1.1 million last FY. Mr. Lavender asked if we have made the payment for FY 17-18 and that the commitment has been reduced from approximately \$3.5 million to \$2.1 million. Mr. Davant stated that the SCCB has not paid any payment for the Oakland Club within FY 17-18, that Mr. Lavender was correct in his reduction adjustments, and that Lord Berkeley is only asking for \$993,910. Mr. Davant stated that the difference in price was due to Lord Berkeley finding about \$200,000 in additional funds and getting the final payment of about \$1.1 million from the Volvo Mitigation Fund. Mr. Snow advised the Chairman and Mr. Davant to go ahead and pay the grant. Mr. Heyward stated that he was in support of the direction of this meeting and that the Oakland grant represents the best of what the SCCB does. The Chairman states that as the Board Members present have a complete consensus that the SCCB should continue to close the grant on the Oakland Club Tract with the second payment of \$993,910 and the Board contact any interested parties to inform them of this decision. The Chairman asks the Board for any additional comments, in which there were none. Mr. Davant thanked the Board, stated that he was proud of the Bank Board for standing up for the right thing and also informed the Board of the upcoming Senate Finance Committee Meeting on October, 4th 2017.

III. ADJOURN

The Chairman thanked Mr. Davant and the SCCB Board Members for participating in the conference call and called for a motion to adjourn. Mr. Snow made the motion to adjourn. Ms. Clark seconded and the motion unanimously passed.