

ASK SCNHC:

Question: If the State Board is not able to secure a partnership for the operations of the Discovery Centers, when will the Centers close?

Answer: The Discovery Centers will close June 25th as the staff will be working the International Heritage Development Conference in Charleston.

Question: Regarding budget for Discovery Center please provide clarification of the \$150,000/annual figure that has been discussed in the past and the \$79,000 that was included in Chad's email to the State Board.

Answer: The original budget for operation of the Discovery Centers at full capacity was \$150,000. Over the past number of years the organization has taken measures to decrease operational costs such as closing on Mondays, purchasing less gift shop inventory and selling more consignment pieces, limiting events to one per quarter, mailing less brochure fulfillment pieces and assigning one supervisor to cover both centers instead of one supervisor at each center. Along with these decreases in expenditures, the \$79,000 quoted is the bare minimum to operate the center. This number does not include marketing and promotion, special events, gift shop management, full time supervisor/manager, special building maintenance projects or extensive brochure fulfillment.

Question: Regarding staff office space, what expenses do the SCNHC cover for these offices (to include rent, computer, phone, electricity, equipment)?

Answer: The SCNHC operational budget covers all costs related to staff office space, computers, phones, office supplies, etc. In most cases, office space and utilities are donated.

Question: What amount of money is spent on mileage reimbursement and where is the staff traveling?

Answer: Year-to-date mileage reimbursement is approximately \$21,000. SCNHC has taken measures to decrease staff travel with minimum interruption to the services the SCNHC provides. Even with limits on travel, servicing 17 counties still requires travel time and dollars. SCPRT Finance reviews and approves all travel, including the purpose of the trip, to ensure that state requirements are met before staff is reimbursed for travel expenses which are first paid for out-of-pocket by the staff member.

Question: What parallel cuts are being made in Regions I and IV, to those in Regions II and III?

Answer: There has been no direct appropriation of expenditures from this program budget area into Region Four as the Discovery Center concept for that region never materialized. They are actually still waiting on the rollout of their Discovery System. The appropriation into Region One from this program area was for a period of 2 years (from June 2001 – June 2003) when the Region One Center closed.

Question: What are the specifics of the leases with the Region II and Region III Discovery Centers, including who owns the buildings and the contents (displays, etc)?

Answer: Please see attached lease agreements.

Question: What is the amount of insurance we pay on the Discovery Centers? And does the insurance cover the cost of the contents? (Updated 6/10/10)

Answer: The Region Two Discovery Center annual insurance cost is \$5,209. The Region Three Discovery Center insurance cost is \$985.00. The Region Two Center contains special collections and therefore has a higher premium. Yes, the insurance covers the cost of the contents. The annual fire alarm system cost is \$685.00.

Question: What is the status of the mold and rodent issue at the Region Three Discovery Center?

Answer: The massive bee hives located in the walls of the second floor have been removed and the walls replaced and painted. A contract with Orkin has removed the rodent infestation and following DEHC regulations, all contaminated inventory was destroyed and new shelving was built to keep inventory off of the ground. Gutters and awnings were recently placed on the Region Three Center to control the moisture that is causing the mold issue. The next step is to purchase an industrial grade dehumidifier which will further eliminate the growth of the mold.

Question: Are the Discovery Centers currently packing boxes and preparing to move/close?

Answer: Currently the Discovery Center gift shops are closing out. Consignment artists have been contacted to pick up their pieces by June 25th. This does not impact the work of the museum or the visitor services/travel services that will remain available to the traveling public until June 25th.

Question: Clarification requested on the overall program budget for next FY as there is confusion between the \$500,000 that was discussed at the State Board meeting and the proposed budget offered by Charlie Thornton.

Answer: The Board discussed the very real possibility of reduced funding for next FY. The Board identified the following areas in terms of program priorities (Grants, Technical Assistance and Promotion). Based on the assumption that the federal appropriations will be \$500,000 next FY, and with the Board's input on funding of priorities, Chad directed staff to craft a balanced budget that included \$250,000 allocated to a matching grants program requiring a 2-to-1 private match and \$250,000 allocated to staff and operations.

Following the Board meeting, Charlie Thornton sent to the Board a suggested budget for consideration.

SCPRT plans to review all recommendations and input received by staff and Board members and present a balanced budget plan at the next State Board meeting.

Question: Does Charlie Thornton's email and budget mean that we have more money to spend next year? And if so, does that mean the SCNHC will be able to operate the Discovery Centers? If not, what is Chad's budget requirement to keep the Centers open?

Answer: The staff has been directed to craft a balanced budget based on the assumption that the federal appropriations will be \$500,000. There is a difference between the appropriation and cash-on-hand. Although we cannot speak to Charlie's number or recommendation, the direction the staff has taken, based on the Board's and SCPRT's input, is to craft a budget based on \$500,000.

Unless a partnership agreement is reached, the Discovery Centers will be closing June 25th.

In Chad's letter to the State Board, dated May 25th, he did not state a required budget for the partnership, but rather parameters of the partnership in terms of operations and expectations. They are:

- Partner responsible for all operating costs of the Discovery Center including staff, operations, facility maintenance, etc.
- Partner will be the "employer" for all Discovery Center staff and/or volunteers
- Partner will operate the Discovery Center a minimum of 5 days a week, 10am – 5pm
- Partner will ensure that a quality visitor experience is offered at the Discovery Center
- Partner will agree to promote and distribute collateral for all SCNHC-designated counties and any statewide promotional materials provided by SCPRT
- SCNHC will provide training Discovery Center staff and volunteers to ensure that the staff is knowledgeable and familiar with all 17 counties
- SCNHC will allow Partner to use the name and branding of the South Carolina National Heritage Corridor and center will be designated as an "Official Discovery Center of the South Carolina National heritage Corridor"
- SCNHC will promote the Discovery Center on its website and any other promotional materials or media, as appropriate.

Currently, the two Centers are managed and operated as a system, for example one full-time position oversees both Centers. Since the two Centers will likely be operated independently in the future through a partnership with the local communities, it would be difficult to estimate a "required budget."

Question: What is the average visitation to each Discovery Center? What is the total children's visitation to the Region Three Center? (Updated 6/22/10)

Answer: The average annual visitation for the Region Two Discovery Center is 4,500. The average for the Region Three Discovery Center is 3,100. Prior to January 2008 adults and scheduled children's tour groups were not counted separately.

Total children in tour groups Jan. 2008-May 2010: 1,776.

State of South Carolina

Lease Agreement

County of Edgefield

This Agreement ("Agreement") is made as of this 20th day of April, 2004, by and between the Edgefield County Historical Society ("ECHS"), of P.O. Box 174, Edgefield, S.C. 29824 and the South Carolina National Heritage Corridor ("SCNHC"), of 1205 Pendleton Street, Columbia, S.C. 29201.

Whereas, ECHS is the owner of a lot and building located at 400 Main Street, Edgefield, S.C., known as the Joanne T. Rainsford Heritage Center, containing approximately 1.35 Acres, more or less, and being bounded on the north by the right-of-way of Simkins Street, on the East by the property known as the Dr. E.J. Mims House, on the South by the right-of-way of Main Street, and on the West by the right-of-way of Bacon Street, and

Whereas, SCNHC is a non-profit corporation created to develop and publicize the historical, cultural and natural history aspects of a federally designated area stretching from Pickens and Oconee Counties in the South Carolina mountains to Charleston County on the Atlantic Ocean; and

Whereas, the SCNHC is divided into four regions, with Region II consisting of Abbeville, Greenwood, McCormick and Edgefield Counties; and

Whereas, the Joanne T. Rainsford Heritage Center in Edgefield has been selected as the "Discovery Center" for Region II;

Now Therefore, the Parties hereto do agree as follows:

Article 1 – Property

ECHS hereby agrees to lease the Heritage Center to the SCNHC, and the SCNHC agrees to take the Heritage Center from ECHS.

Article 2 – Term

This Term of this Lease shall be for a period of forty years, commencing on May 1, 2004, and ending on April 30, 2044, and shall be renewable at the option of the SCNHC for a second term beginning on May 1, 2044 and ending on April 30, 2054.

Article 3 – Use

The SCNHC shall have the exclusive right to use and operate the Premises solely for the SCNHC Region II Discovery Center interpretive exhibits, retail shop and service areas as designed.

Article 4 – Assignments and Subletting

The SCNHC may not assign this Lease Agreement or any rights under it, or sublet the Premises to any other party, without the express written consent of ECHS, which consent shall be entirely within the discretion of the ECHS.

Article 5 – Services

SCNHC shall be responsible for paying for and overseeing the following: (1) all interior maintenance and cleaning, (2) all exterior maintenance, including maintenance of the grounds, and the building exterior, including painting and repairs, (3) for all utility costs, including electricity, gas, telephone, and other utility costs, (4) for all personnel and operating costs of the center, (5) for all insurance costs for the building, including fire and casualty insurance and liability, (6) for any *ad valorem* taxes which might be due on the building and (7) for any other costs associated with the building. It is specifically understood that the intent of this provision is to make clear that, given the nominal rent set forth in Article 6 below, ECHS is to have no responsibility to pay for *any* costs related to this property, and that SCNHC is to be responsible for *all* maintenance for the property and all other costs related thereto.

Article 6 – Rent

The SCNHC will pay ECHS for the Premises the sum of \$1.00 annually.

Article 7 – ECHS's Representations and Warranties

ECHS represents and warrants to the SCNHC that (1) it is the owner of the Premises in fee simple; (2) that the Premises are not subject to any defects or encumbrances which could adversely affect the use of the Center as contemplated by this Agreement; (3) that it has the full right, power, and authority to execute and deliver this Agreement and to grant to SCNHC the use and possession of the Premises as contemplated herein; (4) that the user of the Heritage Center contemplated by this Agreement will be a permitted use under all applicable statutes, codes, rules, regulations, and ordinances now in effect and, to the best of ECHS's knowledge, there are no pending proceedings or plans to change such statutes, codes, rules, regulations, and ordinances; (5) and that the land, the Buildings, or the Heritage Center, or any portion thereof, are being condemned or taken by eminent domain and, to the best of ECHS's knowledge, no such proceedings are contemplated by any lawful authority.

ECHS acknowledges that the SCNHC is relying upon each of the representations and warranties set forth above and that the matters represented and warranted by ECHS are substantial and material to the SCNHC. In the event that such representations and warranties shall be breached by ECHS, the SCNHC, at its sole election, may terminate this Agreement.

Article 8 – Tenant’s Covenants

The SCNHC covenants and agrees (1) that it shall pay any costs or expenses required by this Agreement; (2) that it shall maintain the Premises in a clean and good condition and return the Premises in a clean and good condition to ECHS at the termination of this Agreement; (3) that it will comply with all statutes, codes, ordinances, rules, and regulations applicable to the Heritage Center; (4) that it will give ECHS reasonable and timely written notice of any accident, damage, destruction or occurrence affecting the Premises; (5) that it will give ECHS unrestricted access to the Premises for inspection purposes; (6) that it takes the Premises in an “as is” condition; and (7) that it will keep the Discovery Center open and staffed a minimum of forty-eight (48) hours per week in order to provide visitors with the kind of visitor experience contemplated by the Discovery System of the SCNHC.

Article 9 – Additions, Improvements and Alterations

It is understood that the SCNHC will up-fit the building to accommodate the exhibits for the Discovery Center, and to otherwise prepare the building for its intended usage, with work to include the addition of HVAC and electrical systems and wall, ceiling and floor finishes, and the installation of offices and kitchen improvements in the northeast gallery for the SCNHC staff, all as has been designed and specified by Davis & Floyd Engineers. Any further additions, improvements and alterations shall be subject to the approval of ECHS.

Article 10 – Termination

This Lease Agreement may be terminated at any time by mutual agreement of the parties. Additionally, it is specifically understood and agreed that if SCNHC becomes unable to operate the Discovery Center as contemplated (defined for these purposes as keeping the center open for a minimum of thirty (30) hours per week); then the Lease Agreement shall be deemed to be terminated.

The SCNHC specifically agrees that at the termination of this lease, by agreement, by operation of law or by the end of the lease term, the improvements to the building, together with the exhibits installed in it, shall become the property of ECHS.

In Witness Whereof, the parties hereto have executed this Lease Agreement the day and place above written.

Witness:

Michelle McAllen
R. M. Joy

South Carolina National Heritage Corridor
Neal Workman, Chairman
By: Neal Workman, Chairman

Attest:

June H. Murff
June H. Murff, Secretary

By:

Edgefield County Historical Society

Lucia Glenn

Stephen S. Tillman
By: Stephen S. Tillman

Carolyn A. Ludd

Attest:
Bette C. Rainsford
By: Bette C. Rainsford

Lease Agreement

This agreement ("Agreement") is made as of this 8th day of March, 2006, by and between the **Agricultural Heritage Center ("AHC")**, having an address at c/o William H. Craven, Jr., P.O. Box 37, Blackville, SC 29817 and the **South Carolina National Heritage Corridor ("SCNHC")** of 1205 Pendleton Street, Columbia, SC 29201.

Whereas, AHC is the lease tenant of Building Number 8513 (Visitor's Center), (and grounds extending 50 feet in all directions from the foundations of the building) located at the Edisto Research and Education Center, Blackville, Barnwell County, South Carolina; and

Whereas, SCNHC is a non-profit corporation created to develop and publicize the historical, cultural and natural history aspects of a federally designated area stretching from Pickens and Oconee Counties in the South Carolina Mountains to Charleston County on the Atlantic Ocean; and

Whereas, the SCNHC is divided into four regions, with Region Three consisting of Aiken, Barnwell, Bamberg and Orangeburg Counties; and

Whereas, the Visitor's Center leased by the Agricultural Heritage Center has been selected as the "Discovery Center" for Region Three;

Now Therefore, the Parties hereto do agree as follows:

Article 1 – Property

AHC hereby agrees to lease the Visitor's Center to the SCNHC, and the SCNHC agrees to take the Visitor's Center from AHC.

Article 2 – Term

The Term of this lease shall be for a period of five years, commencing on December 1, 2005, and ending on November 30, 2010, and shall be renewable at the option of the SCNHC for a second term beginning on December 1, 2010 and ending on November 30, 2015.

Article 3 – Use

The SCNHC shall have the exclusive right to use and operate the Premises solely for the SCNHC Region Three Discovery Center interpretive exhibits, retail shop and service areas as designed.

Article 4 – Assignments and Subletting

The SCNHC may not assign this Lease Agreement or any rights under it, or sublet the Premises to any other party, without the express written consent of AHC, which consent shall be entirely within the discretion of the AHC.

Article 5 – Services

SCNHC shall be responsible for paying for and overseeing all interior maintenance and cleaning, for electricity, gas, telephone, and other utility costs, and for all personnel and operating costs of the center. SCNHC will also be responsible for maintenance and repairs to the air conditioning and heating system and equipment.

AHC shall be responsible for paying for and overseeing all exterior maintenance of the grounds and the building exterior including painting and repairs.

Article 6 – Rent

The SCNHC will pay AHC for the Premises the sum of \$1 dollar per year payable in full at the signing of the contract.

Article 7 – AHC's Representations and Warranties

7.1 AHC represents and warrants to SCNHC that:

(a) AHC is the primary leaser of the Land and Building in fee simple, that the title is marketable and not subject to any defects or encumbrances which could adversely affect the use of the Demised Premises as contemplated by this lease; that AHC has full right, power, and authority to execute and deliver this Lease and to grant to SCNHC the exclusive use and possession of the Demised Premises;

(b) The use of the Demised Premises contemplated by this Lease will be a permitted use under all applicable statutes, codes, rules, regulations, and ordinances now in effect and, to the best of AHC's knowledge, there are no pending proceedings or plans to change such statutes, codes, rules, regulations and ordinances;

(c) Neither the Land, the Building, nor the Demised Premises, nor any portion thereof, is being condemned or taken by eminent domain and, to the best of AHC's knowledge, no such proceedings are contemplated by any lawful authority;

7.2 AHC acknowledges that the SCNHC is relying upon each of the representations and warranties set forth above and that the matters represented and warranted by AHC are substantial and material to the SCNHC. In the event that such representations and warranties shall be breached by AHC, the SCNHC, at its sole election, may terminate this Agreement.

Article 8 – Tenant's Covenants

The SCNHC covenants and agrees (1) that it shall pay any costs or expenses required by this Agreement; (2) that it shall maintain the Premises in a clean and good condition and return the Premises in a clean and good condition to AHC at the termination of this Agreement; (3) that it will comply with all statutes, codes, ordinances, rules, and regulations applicable to the Center; (4) that it will give AHC reasonable and timely written notice of any accident, damage, destruction or occurrence affecting the Premises; (5) that it will give AHC unrestricted access to the Premises for inspection purposes; (6) that it takes the Premises in a "as is" condition; and (7) that it will keep the Discovery Center open and staffed a minimum of forty hours per week in order to provide visitors with the kind of visitor experience contemplated by the Discovery System of the SCNHC.

Article 9 – Additions, Improvement, and Alterations

It is understood that the SCNHC will up-fit the building to accommodate the exhibits for the Discovery Center, and to otherwise prepare the building for its intended usage. Any further additions, improvements and alterations shall be subject to the approval of AHC.

Article 10 – Insurance

The SCNHC shall at all times maintain fire, property and liability insurance with extended coverage for the Building of which the Demised Premises is a part in an amount not less than One Million.

SCNHC shall be solely responsible for insurance on any of SCNHC property contained on or within the Demised Premises.

Article 11 – Surrender

Upon the expiration or termination of this Lease, the SCNHC shall surrender the Demised Premises to AHC in good order and condition, except for ordinary wear and tear, permitted additions, improvements or alterations made by SCNHC and the results of any undertaking.

Article 12 – Holdover

In the event that SCNHC shall remain in the Demised Premises after the Initial Term has expired and SCNHC has failed to give notice to AHC to intent to extend this Lease in accordance with Article 2, SCNHC shall be deemed to be a tenant from month to month and SCNHC shall pay rent in the amount of \$500.00 per month until either the AHC or the SCNHC, by 30 days written notice to the other, shall terminate this Lease, whereupon the above rent and all charges payable by the SCNHC hereunder shall be apportioned as of such date of termination.

Article 13 – Termination

This Lease Agreement may be terminated at any time by mutual agreement of the parties.

Article 14 – Indemnity

SCNHC shall indemnify AHC against, and hold AHC, its Board of Directors, officers, directors, and agents, harmless from any and all claims, actions, damages, expenses (including court costs and reasonable attorney's fees), obligations, losses, liabilities and liens, imposed or incurred by, or asserted against the SCNHC occurring as a result of the SCNHC's use of the Demised Premises or as a result of, or in connection with, any event sponsored in whole or part by the SCNHC and held on the Demised Premises.

In Witness Whereof, the parties have executed this Lease Agreement the day and place above written.

SOUTH CAROLINA NATIONAL HERITAGE CORRIDOR:

Board Chairman: *Neal Workman*

Date: 3-8-06

Witness: *Alison Fowler*

Date: 3/8/06

AGRICULTURAL HERITAGE CENTER:

Board Chairman: *[Signature]*

Date: 3/17/06

Witness: *Rhonda J. Burke*

Date: 3-17-06