



South Carolina Commission on Higher Education

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December 21, 2007

TO: Dr. Layton McCurdy, Chair, and Members, Commission on Higher Education
FROM: Mr. Daniel Ravenel, Chair, Committee on Finance & Facilities
SUBJECT: Items for Consideration on January 10

Attached are the interim capital projects and lease for your review and consideration at the January 10 Commission meeting. Please note the Committee on Finance and Facilities has not yet acted on these projects but is scheduled to review and develop recommendations at its meeting scheduled for 9:00 a.m. on January 10. The Committee will bring its recommendations to the Commission for consideration at the Commission meeting. Staff recommendations are included for your information.

If you have any questions about a particular item, or if you need additional information, please contact me or Gary Glenn at (803) 737-2155.

6.04A Interim Capital Projects

- A. College of Charleston
 - i. Rutledge/Buist Residence Halls Renovation, Phase 2
-establish project
 - ii. Craig Cafeteria Conversion and Renovation
-increase budget
- B. Medical University of South Carolina
 - i. Pharmacology Renovations
-decrease budget, change source of funds, revise scope
- C. Winthrop University
 - i. Thomson Complex Fire Sprinkler/Alarm Retrofit
-establish project

6.04B Lease

- A. University of South Carolina Upstate
 - ii. George Dean Johnson Jr. College of Business & Economics
-new lease

6.04C List of Staff Approvals for December 2007

DESCRIPTION OF INTERIM CAPITAL PROJECTS FOR CONSIDERATION

January 10, 2008

MEDICAL UNIVERSITY OF SOUTH CAROLINA

PROJECT NAME: Pharmacology Renovations
REQUESTED ACTION: Decrease Budget, Change Source of Funds, Revise Scope
REQUESTED ACTION AMOUNT: \$8,000,000
INITIAL CHE APPROVAL DATE: July 2, 1999

<u>Project Budget</u>	<u>Previous</u>	<u>Revised</u>	<u>Change</u>
Professional Service Fees	\$1,882,169	\$1,100,000	(\$782,169)
Interior Building Renovations (24,194 SF)	\$15,740,348	\$6,000,000	(\$9,740,348)
Other (Asbestos)	\$90,136	\$300,000	\$209,864
Contingency	\$1,958,169	\$600,000	(\$1,358,136)
Total	\$19,671,822	\$8,000,000	(\$11,671,822)

<u>Source of Funds</u>	<u>Previous</u>	<u>Revised</u>	<u>Change</u>
Federal NIH Grant	\$4,000,000	\$0	(\$4,000,000)
Research University Infrastructure Bonds	\$15,671,822	\$0	(\$15,671,822)
Gift Funds	\$0	\$3,700,000	\$3,700,000
Indirect Cost Recovery	\$0	\$4,300,000	\$4,300,000
Total	\$19,671,822	\$8,000,000	(\$11,671,822)

DESCRIPTION:

The University requests to decrease the budget, change the source of funds, and revise the scope of a project to renovate the third floor of the Basic Sciences Building which houses the Pharmacology department. The project was initially reviewed and approved by the Commission in 1999 as a part of the Annual Permanent Improvement Plan (APIP). (Note: The APIP has since been replaced by the Comprehensive Permanent Improvement Plan (CPIP).)

The original project budget was \$4,000,000 which was increased by \$15,671,822 in May 2005 with Research University Infrastructure Bonds (RUIB). These bonds are authorized under legislation which is outside of the Commission’s legal purview. Since that time, the University has completed some of the work under a separate project, and the federal grant request was not successful. The institution is transferring the RUIBs originally in this project to the Drug Discovery Building project which is authorized under the aforementioned legislation. Given these unique circumstances, CHE staff believes it is necessary for the Committee and Commission to review and consider approval of this request.

The current scope will include renovations to the third floor of the Basic Science Building for the Pharmacology department. Approximately 50 percent of the third floor will be gutted and renovated for state-of-the-art laboratory space, faculty offices, and other support spaces. These renovations are currently underway, and approval of the requested revisions is necessary in order to complete the project.

A guarantee is on file for the private funds.

E&G DEFERRED MAINTENANCE REDUCTION:

N/A – The project is to reconfigure the space for the proposed use.

ANNUAL OPERATING COSTS/SAVINGS:

The project is not expected to generate additional operating costs at this time.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

COLLEGE OF CHARLESTON

PROJECT NAME: Rutledge/Buist Residence Halls Renovation, Phase 2
REQUESTED ACTION: Establish Project
REQUESTED ACTION AMOUNT: \$1,446,332
INITIAL CHE APPROVAL DATE: N/A

<u>Project Budget</u>	<u>Previous</u>	<u>Revised</u>	<u>Change</u>
Professional Service Fees	\$0	\$70,000	\$70,000
Interior Building Renovations (58,350 SF)	\$0	\$800,000	\$800,000
Utilities Renovations	\$0	\$100,000	\$100,000
Exterior Building Renovations	\$0	\$315,000	\$315,000
Contingency	\$0	\$161,332	\$161,332
Total	\$0	\$1,446,332	\$1,446,332

<u>Source of Funds</u>	<u>Previous</u>	<u>Revised</u>	<u>Change</u>
Housing Revenue Bonds	\$0	\$44,168	\$44,168
Auxiliary Funds	\$0	\$1,405,164	\$1,405,164
Total	\$0	\$1,446,332	\$1,446,332

DESCRIPTION:

The College requests to establish a project to perform various renovations in the Rutledge/Buist Residence Halls. In 2002, the institution evaluated several buildings on its campus to assess needed repairs and renovations. With the assistance of an independent consultant, the College developed a multi-year strategy to implement the work based on the most immediate needs and available funding. Therefore, the College has demonstrated the required due diligence and requests approval of the full project.

The new project represents the College’s second phase of addressing work that needs to be completed in these facilities. The College plans to begin the project this summer after students vacate the facilities in May 2008.

At a cost of \$25 per square foot, the project will include:

- Ceiling removal and installation (for ease of HVAC pipe maintenance)
- Buist Hall electrical master panel replacement (to replace 39-year-old panel for code compliance)
- Buist/Rutledge lobby reconfiguration and upgrades (for traffic flow and ADA code compliance)
- Window replacement
- Fire sprinkler system
- Buist Hall HVAC replacement

E&G DEFERRED MAINTENANCE REDUCTION:

N/A – Auxiliary

ANNUAL OPERATING COSTS/SAVINGS:

The project is not expected to generate additional operating costs at this time.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

COLLEGE OF CHARLESTON

PROJECT NAME: Craig Cafeteria Conversion and Renovation
REQUESTED ACTION: Increase Budget
REQUESTED ACTION AMOUNT: \$2,700,000
INITIAL CHE APPROVAL DATE: June 7, 2007

<u>Project Budget</u>	<u>Previous</u>	<u>Revised</u>	<u>Change</u>
Professional Service Fees	\$50,000	\$280,000	\$230,000
Interior Building Renovations (19,890 SF)	\$1,700,000	\$3,190,000	\$1,490,000
Roofing (17 years)	\$0	\$75,000	\$75,000
Landscaping	\$0	\$250,000	\$250,000
Other (Furniture, fixtures, information technology, asbestos)	\$0	\$595,000	\$595,000
Contingency	\$250,000	\$310,000	\$60,000
Total	\$2,000,000	\$4,700,000	\$2,700,000

<u>Source of Funds</u>	<u>Previous</u>	<u>Revised</u>	<u>Change</u>
Institutional Capital Project Funds	\$2,000,000	\$4,700,000	\$2,700,000
Total	\$2,000,000	\$4,700,000	\$2,700,000

DESCRIPTION:

The College requests to increase the project budget to convert the cafeteria in Craig Residence Hall to allow the consolidation of Admissions operations which is currently housed in four different locations. The Commission approved the project in June 2007 as a part of the College’s Year 1 CPIP. Since that time, the College commissioned a professional, independent assessment report by Rosenblum Coe which indicated a total project cost of \$4.7 million. The report was requested in September 2007, prior to the new policy of the Joint Bond Review Committee (JBRC) which requires a formal two-step approval process for new construction or renovation projects. Therefore, the College has completed the required due diligence and requests approval of the full project.

The cafeteria space (19,890 SF) was vacated in August 2007 with the opening of the George Street Complex. The project will require interior reconfiguration as well as mechanical, electrical, plumbing, and information technology upgrades and interior floor finishes. The cost per square foot is \$236.

E&G DEFERRED MAINTENANCE REDUCTION:

N/A – The project is to reconfigure the space for the proposed use.

ANNUAL OPERATING COSTS/SAVINGS:

The project is not expected to generate additional operating costs at this time.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

WINTHROP UNIVERSITY

PROJECT NAME: Thomson Complex Fire Sprinkler/Alarm Retrofit
REQUESTED ACTION: Establish Project
REQUESTED ACTION AMOUNT: \$1,027,600
INITIAL CHE APPROVAL DATE: N/A

<u>Project Budget</u>	<u>Previous</u>	<u>Revised</u>	<u>Change</u>
Professional Service Fees	\$0	\$154,000	\$154,000
Utilities Renovations (112,293 SF)	\$0	\$781,000	\$781,000
Contingency	\$0	\$92,600	\$92,600
<i>Total</i>	<i>\$0</i>	<i>\$1,027,600</i>	<i>\$1,027,600</i>

<u>Source of Funds</u>	<u>Previous</u>	<u>Revised</u>	<u>Change</u>
Student Housing Revenue	\$0	\$567,600	\$567,600
Food Service Revenue	\$0	\$460,000	\$460,000
<i>Total</i>	<i>\$6,500</i>	<i>\$1,027,600</i>	<i>\$1,027,600</i>

DESCRIPTION:

The University requests to establish a project to add a fire sprinkler system and updated fire alarm system including fire standpipes/hose station upgrades to the east and west wings of Thomson Hall, an upperclassmen-residential facility, as well as the cafeteria located between the two wings. The 112,293 SF hall, built in 1964, includes approximately 325 beds.

The project is needed to address life safety issues in Thomson Hall, which is the last of the residential facilities to be upfitted with a fire sprinkler system. Given recent events, there is an increased urgency to ensure that all residential facilities have sprinkler systems. The cost per square foot is \$9. The scope of the project does not necessitate “pre-design” approval under the new JBRC policy. Therefore, the University request approval of the full project.

E&G DEFERRED MAINTENANCE REDUCTION:

N/A – Auxiliary

ANNUAL OPERATING COSTS/SAVINGS:

The project is not expected to generate additional operating costs at this time.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

DESCRIPTION OF LEASE FOR CONSIDERATION

January 10, 2008

UNIVERSITY OF SOUTH CAROLINA UPSTATE

LEASE NAME: George Dean Johnson Jr. College of Business & Economics
REQUESTED ACTION: New Lease
REQUESTED ACTION AMOUNT: \$13,000,000

DESCRIPTION:

The University requests approval for a new lease for 44,110 SF of space in a facility to be constructed by Carolina Piedmont Foundation Properties II, LLC for the George Dean Johnson Jr. College of Business and Economics in the Renaissance Park in downtown Spartanburg. The lease also includes 250 parking spaces adjacent to the facility for use by the institution. The facility is expected to be available for occupancy in January 2010.

This location benefits the University and its students, the City of Spartanburg, and business and corporate entities. The institution will be able to engage in educational activity with the business community and foster employment opportunities for students after graduation. The leased facility will also relieve pressures on restricted space for teaching and learning on the main campus. The institution's utilization data illustrates a need for additional space with 74 assignable square feet (ASF) per full-time equivalent (FTE) student which is below the national standard of 93 ASF/FTE.

The monthly rental rate will be approximately \$54,167, resulting in an annual cost of \$650,000. The requested lease term is 20 years, beginning on the first day of the month after receipt of a certification of occupancy. The total lease cost is \$13 million with a per square foot rate of \$14.74. The University has the right to extend the term of the lease for five years with the same terms and conditions with six months notice prior to expiration of the lease. The lease will not require an increase in student tuition and fees.

RECOMMENDATION:

Staff recommends approval of this lease provided the rates and terms are approved by the Budget and Control Board.

INFORMATION ITEM

PERMANENT IMPROVEMENT PROJECTS APPROVED BY STAFF						
December 2007						
Date Approved	Project #	Institution	Project Name	Action Category	Budget Change	Revised Budget
12/6/2007	New	SC State	Multi-Purpose Warehouse Building Construction	establish project	\$0	\$60,000
12/6/2007	New	SC State	Mays Hall I - HVAC System Repair/Replacement - Phase I	establish project	\$0	\$100,000
12/6/2007	New	SC State	Williams Hall - HVAC System Repair/Replacement - Phase I	establish project	\$0	\$120,000
12/12/2007	9549	Coastal Carolina	Residence Hall Deferred Maintenance & Life Safety	revise scope, change project name	\$0	\$614,000
12/12/2007	New	USC Columbia	Preston College HVAC Renovation	establish project	\$0	\$400,000
12/12/2007	9508	USC Lancaster	Deferred Maintenance	increase budget, change source of funds (from institutional funds to state appropriations)	\$300,000	\$717,510
12/19/2007	9602	College of Charleston	99 Wentworth Street Renovations	close project	\$0	\$337,814
12/19/2007	9600	College of Charleston	McConnell Residence Hall Renovation	close project	\$0	\$3,713,777
12/19/2007	9612	College of Charleston	Rutledge/Buist Residence Halls Renovations	close project	\$0	\$1,967,836
12/19/2007	9560	College of Charleston	College Lodge Renovation	close project	\$0	\$1,147,967
12/19/2007	9619	College of Charleston	Kelly House & Warren Place Fire Alarm System Upgrades	close project	\$0	\$144,796
12/19/2007	9604	College of Charleston	Student Residences Fire Suppressions Systems Installations	close project	\$0	\$269,225
12/19/2007	9590	College of Charleston	Berry Residence Hall Roof & HVAC Replacement	close project	\$0	\$5,628,511
12/19/2007	9625	College of Charleston	Historic House Interior & Exterior Repairs & Upgrades	decrease budget	(\$40,000)	\$1,505,000
12/19/2007	9603	College of Charleston	Craig Hall HVAC & Interior Renovation	increase budget	\$38,088	\$2,673,088
12/19/2007	New	College of Charleston	McConnell Residence Hall Renovation, Phase 2	establish project	\$0	\$591,223
12/19/2007	New	Piedmont Tech	Saluda County Extension Center - Land	establish project	\$0	\$0
12/19/2007	9776	Clemson	Microcreamery - A/E Only	decrease budget, close project	(\$7,540)	\$42,460

LEASES APPROVED BY STAFF

December 2007

Date Approved	Lease #	Institution	Project Name	Purpose/Additional Info	Rates	Term
12/19/2007	New	MUSC	26 Bee Street	2,840 sf for University Legal (currently at 3 Doughty St, which will be sold in near future)	Annual Rate - \$45,440; Monthly Rate - \$3,786.67; Cost per SF \$16.00	1/1/08-12/31/2010 (no extended terms; to be negotiated)
12/19/2007	Renewal	MUSC	56 Courtenay Drive	4,574 sf occupied by College of Dental Medicine's Orthodontic Residency Clinic	Annual Rate - \$88,000; Monthly Rate - \$7,333.33; Cost per SF \$19.24	3/15/2008-3/14/2013 (no extended terms; to be negotiated)