



South Carolina Commission on Higher Education

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TO: Mr. Kenneth B. Wingate, Chair, and Members, Commission on Higher Education
FROM: Mr. Jim Sanders, Chair, and Members of the Committee on Finance & Facilities
SUBJECT: Items for Consideration on June 3
DATE: May 28, 2010

Attached are items for your review and consideration at the June 3 Commission meeting. Please note the Committee on Finance and Facilities has not yet acted on these items but is scheduled to review and develop recommendations at its meeting scheduled for 10:00 a.m. on June 3. 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.

8.04A Interim Capital Projects

- A. Clemson University
 - i. Freeman Hall Expansion (Phase I)
- *establish pre-design*
- B. Medical University of South Carolina
 - i. Replace Psych Institute Generators, ATS, & Switchgear (Phase II)
- *establish construction budget*

8.04B Lease

- A. University of South Carolina Columbia
 - i. Carolina Fair Park
- *lease renewal*

8.04C List of Capital Projects & Leases Processed by Staff for May 2010 (For Information)

DESCRIPTION OF INTERIM CAPITAL PROJECTS FOR CONSIDERATION

June 3, 2010

CLEMSON UNIVERSITY

PROJECT NAME: Freeman Hall Expansion (Phase I)
REQUESTED ACTION: Establish Pre-Design
REQUESTED ACTION AMOUNT: \$97,500
INITIAL CHE APPROVAL DATE: N/A

<u>Project Budget</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Professional Service Fees	\$0	\$95,000	\$95,000
Labor Costs	\$0	\$2,500	\$2,500
<i>Total</i>	<i>\$0</i>	<i>\$97,500</i>	<i>\$97,500</i>

<u>Source of Funds</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Institutional Capital Project Fund	\$0	\$97,500	\$97,500
<i>Total</i>	<i>\$0</i>	<i>\$97,500</i>	<i>\$97,500</i>

DESCRIPTION:

The University requests approval to establish a project to add 24,000 SF of office and classroom space to Freeman Hall. Growth in the Industrial Engineering department, the addition of a Master of Engineering, and significant enrollment increases has amplified demand for engineering academic services. This additional space is required to continue to offer the appropriate services to students, faculty, and staff and to allow the program to be nationally competitive.

This project was not included in the institution’s FY 2010-11 CPIP year one. It has become a top priority in response to the significant programmatic growth noted above. The projected project budget is \$6,500,000.

E&G MAINTENANCE NEEDS REDUCTION:

N/A – New Construction

ANNUAL OPERATING COSTS/SAVINGS:

Utilities and maintenance are expected to generate additional operating costs ranging between \$92,500 and \$96,100 in the three years following project completion.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

MEDICAL UNIVERSITY OF SOUTH CAROLINA

PROJECT NAME: Replace Psych Institute Generators, ATS, & Switchgear (Phase II)
REQUESTED ACTION: Establish Construction Budget
REQUESTED ACTION AMOUNT: \$2,515,000
INITIAL CHE APPROVAL DATE: August 18, 2008

Project Budget	Previous	Change	Revised
Professional Service Fees	\$35,000	\$190,000	\$225,000
New Construction (2,000 SF)	\$0	\$2,115,000	\$2,115,000
Contingency	\$0	\$210,000	\$210,000
Total	\$35,000	\$2,515,000	\$2,550,000

Source of Funds	Previous	Change	Revised
Institutional Capital Project Fund	\$35,000	\$1,240,000	\$1,275,000
Hospital Revenue	\$0	\$1,275,000	\$1,275,000
Total	\$35,000	\$2,515,000	\$2,550,000

DESCRIPTION:

The University requests approval to establish the construction budget to replace the generators, automatic transfer switches (ATS), and main switchgear in the Psychiatric Institute Building. The existing equipment is beyond its useful life, unreliable, under-rated for current building loads, and located in a flood zone. The University's main computer data center is located on the third floor. It is critical to the University and Hospital Authority missions that this equipment be relocated out of the flood zone on a new structure at an elevation above twenty feet.

Scope of work will include replacement of the existing emergency power system with a new permanent emergency power system including two new diesel generators, fuel storage tank, transfer switches and parallel switchgear. A temporary emergency power system including portable diesel generator, fuel storage tank, and transfer switches will be used during construction. The new system will be installed above the flood plane on a new architectural steel generator platform.

This project was not included in the institution's FY 2010-11 CPIP year one. It was put on indefinite hold by IT pending the identification of an offsite alternative. This plan was abandoned as offsite locations were determine to be not feasible and the current plan was adopted to respond to the needs of the University/Authority.

E&G MAINTENANCE NEEDS REDUCTION:

The project will alleviate a portion of the \$761,908 in existing maintenance needs.

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

June 3, 2010

UNIVERSITY OF SOUTH CAROLINA COLUMBIA

LEASE NAME: Carolina Fair Park
REQUESTED ACTION: Lease Renewal
REQUESTED ACTION AMOUNT: \$4,581,360

DESCRIPTION:

The University requests approval of a lease renewal for 4,074 parking spaces at the Carolina Fair Park located on George Rogers Boulevard and Shop Road. The spaces are needed to accommodate parking during home football games excluding those games that occur during the State Fair. There is no alternative area that will meet the University's need for providing a desirable parking option for Gamecock Club members.

The annual cost for the first three years of the initial five-year term is \$900,000. At the expiration of the first three years, and for every year thereafter, beginning January 1, 2013, the annual cost will be increased by the cost of living for January of the current year. The requested lease term is five years with the option to extend for five terms of five years each. The total lease cost for the initial five year term is \$4,581,360. Per space rate is \$220.91. The University expects to spend \$155,500 each year on portable restrooms, parking attendants, security, permits, insurance, paint and markings.

Although the lease is structured to allow a maximum duration of thirty years if the continuation of the relationship is desired by both parties, it is terminable by either party on an annual basis. Renewal of this lease will be evaluated annually as the University's parking needs change over the coming years through the development of the Farmers' Market area and surrounding properties.

RECOMMENDATION:

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

INFORMATION ITEM

Capital Projects & Leases Processed by Staff May 2010						
Date Approved	Project #	Institution	Project Name	Action Category	Budget Change	Revised Budget
4/30/2010	New	Greenville TC	IT Parking Lot Acquisition ¹	establish project (environmental study)	\$0	\$15,000
5/5/2010	9568	Winthrop	City of Rock Hill Operations Center Land Acquisition ²	increase budget (purchase property)	\$1,620,000	\$1,670,000
5/6/2010	New	Clemson	Barnett Hall HVAC Renovation ³	establish pre-design	\$0	\$15,000
5/6/2010	6064	USC Columbia	Columbia Campus Elevator Upgrades ³	establish construction budget	\$2,368,500	\$2,400,000
5/6/2010	6069	USC Columbia	Darla Moore School of Business Construction ³	increase budget	\$8,400,000	\$9,750,000
5/6/2010	6071	USC Columbia	Horizon I First Floor Upfit ³	establish construction budget	\$4,070,000	\$4,100,000
5/6/2010	6072	USC Columbia	Harper/Elliott Renovations ³	establish construction budget	\$3,773,750	\$3,830,000
5/6/2010	New	College of Charleston	Robert Scott Small Bld. 2nd Floor Conversion ³	establish pre-design	\$0	\$15,000
5/6/2010	New	College of Charleston	Center for Social Science Research ³	establish pre-design	\$0	\$28,500
5/6/2010	9637	College of Charleston	72 George Street Renovation ³	establish construction budget	\$25,864	\$1,200,000
5/6/2010	9641	College of Charleston	5 College Way Renovation/Repairs ³	establish construction budget	\$22,500	\$1,820,500
5/6/2010	6008	Horry-Georgetown TC	Building 400 ³	establish construction budget	\$13,267,500	\$13,455,000
5/6/2010	6001	TC of the Lowcountry	Mungin Center Renovations ³	establish construction budget	\$1,151,465	\$1,169,000
5/6/2010	New	York TC	Allied Health Building ³	establish pre-design	\$0	\$330,000
5/11/2010	New	Tri-County TC	Highway 76 Land Acquisition ¹	establish project (environmental study)	\$0	\$20,000
5/13/2010	9604	The Citadel	Capers Hall Repairs ⁴	decrease budget	(\$424,000)	\$1,326,000
5/13/2010	9598	SC State	468 Reid Street Land Acquisition ⁵	decrease budget, close project	(\$10,000)	\$0
5/13/2010	9600	SC State	472 Reid Street Land Acquisition ⁵	decrease budget, close project	(\$10,000)	\$0
5/13/2010	9601	SC State	490 Reid Street Land Acquisition ⁵	decrease budget, close project	(\$10,000)	\$0
5/13/2010	9602	SC State	471 Reid Street Land Acquisition ⁵	decrease budget, close project	(\$10,000)	\$0
5/13/2010	9603	SC State	485 Reid Street Land Acquisition ⁵	decrease budget, close project	(\$10,000)	\$0
5/13/2010	9605	SC State	Goff Avenue Land Acquisition Lot #1 ⁵	decrease budget, close project	(\$10,000)	\$0
5/13/2010	9606	SC State	1144 Goff Avenue Land Acquisition ⁵	decrease budget, close project	(\$10,000)	\$0
5/13/2010	9607	SC State	1174 Goff Avenue Land Acquisition ⁵	decrease budget, close project	(\$10,000)	\$0
5/13/2010	9613	SC State	Reid Street Land Acquisition Lot #4 ⁵	decrease budget, close project	(\$10,000)	\$0
5/13/2010	9616	SC State	868 Goff Avenue Land Acquisition ⁵	decrease budget, close project	(\$10,000)	\$0

5/13/2010	9524	Winthrop	Lois Rhame West PE & Wellness Center	close project	\$0	\$27,390,000
5/13/2010	9547	Winthrop	Bancroft Classroom Tower Construction	close project	\$0	\$6,500,000
5/13/2010	9550	Winthrop	Thurmond Auditorium Construction	close project	\$0	\$7,000,000
5/13/2010	9551	Winthrop	Baseball Park Construction Phase II	close project	\$0	\$3,950,000
5/13/2010	9554	Winthrop	Heating/Air Conditioning Infra. Repairs	close project	\$0	\$585,229
5/13/2010	9560	Winthrop	Byrnes Auditorium Renovation	close project	\$0	\$1,000,000
5/19/2010	New	USC Columbia	Close-Hipp Building Renovations ⁶	establish pre-design	\$0	\$450,000
5/21/2010	9867	Clemson	Memorial Stadium - WEZ Component II/ Northwest Plaza Construction Phase II ⁷	increase budget, revise scope	\$1,153,000	\$17,304,061
5/24/2010	New	Coastal Carolina	Prudential Building and Land Acquisition ³	establish project (environmental study)	\$0	\$20,000
5/24/2010	9555	Coastal Carolina	Kingston Hall Annex ⁸	decrease budget, close project	(\$40,000)	\$0

¹See supporting narrative

²Part of MLAP approved by CHE on June 7, 2007.

³Approved by CHE on May 6, 2010 as part of FY 2010-11 CPIP year one.

⁴Bids received came in under original estimate.

⁵Acquisitions will not be pursued at this time.

⁶CHE approved this project on May 6, 2010. The University sent a revised A-1 to include two further renovations of \$5 M each which are required under the Lease document between the University and the Department of Justice after years 10 and 15 of the Lease. The preliminary projected project budget for the first phase of renovations remains at \$30 M. \$15 M will be contributed by the University pursuant to its Lease with the Department of Justice and \$15 M will be contributed by the Department of Justice. Project scope, budget and funding source remain the same.

⁷Revision of scope is to include an additional 9,720 SF of elevated waterproofed double structural slab at the main concourse level and 8,022 SF of enclosed shell space at the second level for future upfit of recruiting, and support space for food service, restrooms, mechanical, exit stair and storage. An additional 2,854 SF of second level space above the visiting locker room, under the plaza to the north of the planned recruiting area, will also be included. Construction is scheduled to start after the 2010 football season, and conclude in the summer of the next year. Project will provide a connection to improve pedestrian flow between the existing west end zone plaza and the North Concourse. The shell space will be constructed during this time for future phases. Construction cost for the Northwest Plaza is estimated at \$2.5 M.

⁸The University has decided to cancel project and address the need for a one-stop-shop for Admissions, Financial Aid, Registrar and Bursar offices through renovation of space in Baxley Hall when space becomes available in 2012.

**Leases Approved by Staff
May 2010**

Date Approved	Lease #	Institution	Project Name	Purpose/Additional Info	Rates	Term
5/12/2010	Renew	College of Charleston	4 Bull Street	Continue to provide residential space for students	Monthly Rental Rate - \$3,756.33; Annual Cost - \$45,076; Total Cost - \$225,380; Cost per SF - \$19.10; Operating Costs will be paid through auxiliary revenue	5 years 7/1/2010-6/30/2015
5/12/2010	Renew	College of Charleston	6 Bull Street	Continue to provide residential space for students	Monthly Rental Rate - \$3,147.83; Annual Cost - \$37,774; Total Cost - \$188,870; Cost per SF - \$17.00; Operating Costs will be paid through auxiliary revenue	5 years 7/1/2010-6/30/2015
5/12/2010	Renew	College of Charleston	8 Bull Street	Continue to provide residential space for students	Monthly Rental Rate - \$3,151.79; Annual Cost - \$37,822; Total Cost - \$189,108; Cost per SF - \$16.75; Operating Costs will be paid through auxiliary revenue	5 years 7/1/2010-6/30/2015
5/12/2010	Renew	College of Charleston	24 Bull Street	Continue to provide residential space for students	Monthly Rental Rate - \$8,333.33; Annual Cost - \$100,000; Total Cost - \$500,000; Cost per SF - \$15.89; Operating Costs will be paid through auxiliary revenue	5 years 7/1/2010-6/30/2015
5/12/2010	Renew	College of Charleston	107 Wentworth Street	Continue to provide residential space for students	Monthly Rental Rate - \$3,623.70; Annual Cost - \$43,484; Total Cost - \$217,422; Cost per SF - \$14.10; Operating Costs will be paid through auxiliary revenue	5 years 7/1/2010-6/30/2015

5/12/2010	Renew	College of Charleston	29 Coming Street	Continue to provide residential space for students	Monthly Rental Rate - \$4,756.67; Annual Cost - \$57,080; Total Cost - \$285,400; Cost per SF - \$19.78; Operating Costs will be paid through auxiliary revenue	5 years 7/1/2010-6/30/2015
5/12/2010	Renew	College of Charleston	31 Coming Street	Continue to provide residential space for students	Monthly Rental Rate - \$5,506.55; Annual Cost - \$66,078.62; Total Cost - \$330,393; Cost per SF - \$14.06; Operating Costs will be paid through auxiliary revenue	5 years 7/1/2010-6/30/2015
5/12/2010	Renew	College of Charleston	16 Bull Street	Continue to provide space for guest housing	Monthly Rental Rate - \$2,143.90; Annual Cost - \$25,727; Total Cost - \$128,634; Cost per SF - \$15.25; Operating Costs - \$8,871	5 years 7/1/2010-6/30/2015
5/12/2010	Renew	College of Charleston	18 Bull Street	Continue to provide office and meeting space for the Office of Alumni Relations	Monthly Rental Rate - \$2,200.33; Annual Cost - \$26,404; Total Cost - \$132,020; Cost per SF - \$16.10; Operating Costs - \$8,528	5 years 7/1/2010-6/30/2015
5/12/2010	Renew	College of Charleston	97 Wentworth Street	Continue to provide office and meeting space for the Office of Greek Life	Monthly Rental Rate - \$2,156.67; Annual Cost - \$25,880; Total Cost - \$129,402; Cost per SF - \$7.90; Operating Costs - \$4,940	5 years 7/1/2010-6/30/2015
5/12/2010	Renew	College of Charleston	112-114 Wentworth Street	Continue to provide office and meeting space for the Office of Political Science	Monthly Rental Rate - \$3,935.40; Annual Cost - \$47,225; Total Cost - \$236,124; Cost per SF - \$10.75; Operating Costs - \$23,613	5 years 7/1/2010-6/30/2015
5/12/2010	Extension	College of Charleston	Gloria Parking Lot	Continue to provide parking space to College faculty and staff and evening and weekend visitors to Sottile Theatre	Monthly Rental Rate - \$5,250; Annual Cost - \$63,000; Cost per space - \$125; Operating Costs - \$1,260	1 year extension 7/1/2010-6/30/2011

**FOR INFORMATION – PROJECT ESTABLISHMENTS PROCESSED BY STAFF
FOR MAY 2010**

Note: At the June, 2008 meeting, the Finance & Facilities Committee clarified staff authority for processing institutional requests to establish capital projects. Accordingly, the following summaries are presented as information.

GREENVILLE TECHNICAL COLLEGE

PROJECT NAME: IT Parking Lot Acquisition (Phase I)
REQUESTED ACTION: Establish Project (*environmental study*)
REQUESTED ACTION AMOUNT: \$15,000
INITIAL CHE APPROVAL DATE: N/A

<u>Project Budget</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Environmental Study, Survey, Appraisal	\$0	\$15,000	\$15,000
<i>Total</i>	<i>\$0</i>	<i>\$15,000</i>	<i>\$15,000</i>

<u>Source of Funds</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Local	\$0	\$15,000	\$15,000
<i>Total</i>	<i>\$0</i>	<i>\$15,000</i>	<i>\$15,000</i>

DESCRIPTION:

The College requests approval to establish a project to begin preliminary land studies to purchase property from the Greenville Technical College Foundation for the purpose of providing parking for the proposed IT/Logistics Building currently in schematic design. The property is currently used as a parking lot. Portions will be used for islands to plant trees as part of the LEED Certification requirements associated with the IT/Logistics design.

This project is not included in the institution's FY 2010-11 CPIP year one, but the IT/Logistics Building associated with this lot is the institution's number one priority.

E&G MAINTENANCE NEEDS REDUCTION:

N/A – Land Acquisition

ANNUAL OPERATING COSTS/SAVINGS:

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

TRI-COUNTY TECHNICAL COLLEGE

PROJECT NAME: Highway 76 Land Acquisition (Phase I)
REQUESTED ACTION: Establish Project (*environmental study*)
REQUESTED ACTION AMOUNT: \$20,000
INITIAL CHE APPROVAL DATE: N/A

Project Budget	Previous	Change	Revised
Professional Service Fees	\$0	\$20,000	\$20,000
Total	\$0	\$20,000	\$20,000

Source of Funds	Previous	Change	Revised
Local	\$0	\$20,000	\$20,000
Total	\$0	\$20,000	\$20,000

DESCRIPTION:

The College requests approval to establish a project to begin preliminary land studies to purchase approximately five acres of land and a 46,000 SF building located five miles from the main campus at 5321 Highway 76 in Anderson County. This property will be used for the relocation of the College's Industrial and Electronic Technology (I&ET), Welding and HVAC programs.

The Welding and HVAC programs are currently housed in the Clarke-McKissick Building. This facility is outdated and obsolete for today's manufacturing standards, requirements, and safety regulations. Renovation is impractical due to its layout and location. Relocation to a suitable facility will save approximately \$2 M over the cost of new construction.

This project is not included in the institution's FY 2010-11 CPIP year one.

E&G MAINTENANCE NEEDS REDUCTION:

N/A – Land Acquisition

ANNUAL OPERATING COSTS/SAVINGS:

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