



# South Carolina Commission on Higher Education

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**TO:** Dr. Layton McCurdy, 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 November 6  
**DATE:** October 28, 2008

Attached are items for your review and consideration at the November 6 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 8:45 a.m. on November 6. 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.

## **7.04A Interim Capital Projects**

- A. College of Charleston
  - i. 5 College Way Renovation  
*-increase budget, revise scope*
- B. Central Carolina Technical College
  - i. Sumter Health Science Acquisition/ Renovation  
*-establish construction budget, change source of funds, and revise scope*

## **7.04B Leases**

- A. Medical University of South Carolina
  - i. 5900 Core Avenue  
*-renewal*
  - ii. McClellan Banks, Fourth Floor  
*-renewal*

## **7.04C List of Capital Projects & Leases Processed by Staff for October 2008 (For Information)**

**DESCRIPTION OF INTERIM CAPITAL PROJECTS FOR CONSIDERATION**

November 6, 2008

**COLLEGE OF CHARLESTON**

**PROJECT NAME:** 5 College Way Renovation  
**REQUESTED ACTION:** Increase Budget, Revise Scope  
**REQUESTED ACTION AMOUNT:** \$400,000  
**INITIAL CHE APPROVAL DATE:** April 5, 2007

| <b><u>Project Budget</u></b> | <b><u>Previous</u></b>    | <b><u>Revised</u></b>     | <b><u>Change</u></b>    |
|------------------------------|---------------------------|---------------------------|-------------------------|
| Professional Services Fees   | \$85,000                  | \$109,000                 | \$24,000                |
| Equipment and/or Materials   | \$0                       | \$90,200                  | \$90,200                |
| Interior Renovations         | \$675,000                 | \$927,820                 | \$252,820               |
| Roofing                      | \$80,000                  | \$50,000                  | (\$30,000)              |
| Exterior Renovations         | \$80,000                  | \$85,000                  | \$5,000                 |
| Builders Risk Insurance      | \$0                       | \$3,580                   | \$3,580                 |
| Other                        | \$0                       | \$84,400                  | \$84,400                |
| Contingency                  | \$80,000                  | \$50,000                  | (\$30,000)              |
| <b><i>Total</i></b>          | <b><i>\$1,000,000</i></b> | <b><i>\$1,400,000</i></b> | <b><i>\$400,000</i></b> |

| <b><u>Source of Funds</u></b> | <b><u>Previous</u></b>    | <b><u>Revised</u></b>     | <b><u>Change</u></b>    |
|-------------------------------|---------------------------|---------------------------|-------------------------|
| CIPF                          | \$1,000,000               | \$1,400,000               | \$400,000               |
| <b><i>Total</i></b>           | <b><i>\$1,000,000</i></b> | <b><i>\$1,400,000</i></b> | <b><i>\$400,000</i></b> |

**DESCRIPTION:**

The College of Charleston requests approval to increase the project budget to accommodate additions to the original scope of work and to reflect a 37% increase in construction cost since the project was originally established. There is also an increase in A&E fees to reflect the increase in the cost of the construction.

Additions to the original scope include specifying a geothermal system to respond to the state’s mandate to pursue sustainable design for its buildings; furniture, furnishings and equipment; information technology upgrades; permitting and inspection; and builders risk insurance.

**E&G MAINTENANCE NEEDS REDUCTION:**

The project will alleviate a portion of the \$179,149 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.

**CENTRAL CAROLINA TECHNICAL COLLEGE**

**PROJECT NAME:** Sumter Health Science Acquisition/Renovation (Phase II)  
**REQUESTED ACTION:** Establish Construction Budget, Change Source of Funds, Revise Scope  
**REQUESTED ACTION AMOUNT:** \$11,195,087\*  
**INITIAL CHE APPROVAL DATE:** November 20, 2006

| <b>Project Budget</b>      | <b>Previous</b>  | <b>Revised</b>      | <b>Change</b>       |
|----------------------------|------------------|---------------------|---------------------|
| Professional Services Fees | \$700,000        | \$1,205,345         | \$505,345           |
| Equipment and/or Materials | \$0              | \$1,717,792         | \$1,717,792         |
| Site Development           | \$0              | \$1,093,140         | \$1,093,140         |
| Interior Renovations       | \$0              | \$8,289,417         | \$8,289,417         |
| Utilities Renovations      | \$0              | \$176,619           | \$176,619           |
| Roofing                    | \$0              | \$537,742           | \$537,742           |
| Exterior Renovations       | \$0              | \$2,007,949         | \$2,007,949         |
| Landscaping                | \$0              | \$87,126            | \$87,126            |
| Other Capital Outlay       | \$0              | \$1,021,999         | \$1,021,999         |
| Contingency                | \$0              | \$662,871           | \$662,871           |
| <b>Total</b>               | <b>\$700,000</b> | <b>\$16,800,000</b> | <b>\$16,100,000</b> |

| <b>Source of Funds</b>                     | <b>Previous</b>  | <b>Revised</b>      | <b>Change</b>       |
|--|------------------|---------------------|---------------------|
| Allied Health Initiative*                  | \$0              | \$1,604,913         | \$1,604,913         |
| FY 07 Appropriation, Proviso 73.17 (B)(a)* | \$0              | \$2,000,000         | \$2,000,000         |
| FY 08 Supplemental, Proviso 73.12 64(A)*   | \$700,000        | \$2,000,000         | \$1,300,000         |
| Federal                                    | \$0              | \$2,083,564         | \$2,083,564         |
| Transferred Tuition Fees                   | \$0              | \$138,055           | \$138,055           |
| Note Payable (Loan)                        | \$0              | \$5,000,000         | \$5,000,000         |
| Local College Funds                        | \$0              | \$3,973,468         | \$3,973,468         |
| <b>Total</b>                               | <b>\$700,000</b> | <b>\$16,800,000</b> | <b>\$16,100,000</b> |

\*State-appropriated funds supersede CHE approval authority; therefore, the amount of this approval is \$11,195,087.

**DESCRIPTION:**

Central Carolina Technical College requests approval to increase the project budget to provide for design and construction funding as required in Phase II – Construction PIP Submittal. The project was originally staff approved for an environmental study on November 20, 2006. On April 1, 2008 the project was staff approved for an increase of \$680,000, with a change in source of funds, revision of scope, and change of project name. At its meeting on June 5, 2008, the Commission on Higher Education approved the renovation of 44,000 SF of 68,000 SF in the Health Sciences building for \$9,000,000 as part of CPIP Year 1. The remaining renovation of 24,800 SF was included as a CPIP Year 2 project for \$4,500,000. This request revises the approval of June 5 to renovate the entire 68,800 SF building.

The building was donated by the City of Sumter to allow for the relocation of the health sciences programs. The programs are currently housed in a 27,260 SF facility along with the College's science programs. The current facility does not meet accreditation standards and is too small to allow the College to increase the number of graduates. The renovated space will allow the College to increase enrollment in its health sciences programs and science course offerings. The College needs to increase the number of graduates in order to respond to the growing nursing and health care worker shortages in the service area and in the state.

The College originally considered renovating a smaller portion of the existing building, but the majority of the costs are in infrastructure (electrical, roofing, HVAC, plumbing). Therefore, the cost savings did not warrant renovating less of the building.

The College also investigated the cost of demolishing the existing building and replacing it with new construction but found the cost would be \$80-\$100 more per square foot.

**E&G MAINTENANCE NEEDS REDUCTION:**

N/A – Space is being configured for proposed programmatic use.

**ANNUAL OPERATING COSTS/SAVINGS:**

Utilities, insurance, custodial services and supplies, building maintenance, and security will require additional operating costs ranging between \$134,916 and \$150,000 in the three years following project completion.

**RECOMMENDATION:**

Staff recommends approval of this project as proposed, pending approval by the State Board for Technical and Comprehensive Education (SBTCE) on November 12, 2008.

**DESCRIPTION OF LEASES FOR CONSIDERATION**

November 6, 2008

**MEDICAL UNIVERSITY OF SOUTH CAROLINA**

**LEASE NAME:** 5900 Core Avenue  
**REQUESTED ACTION:** Lease Renewal  
**REQUESTED ACTION AMOUNT:** \$162,000

**DESCRIPTION:**

The University requests approval of a lease renewal for 5,404 SF of space located at 5900 Core Avenue in North Charleston. The purpose of the renewal is to continue to provide office space for the Department of Psychiatry, Geriatric Research Center. An initiative is underway to relocate this group back on campus.

The monthly rental rate will be approximately \$9,000, resulting in an annual cost of \$108,000. The requested lease term is 18 months with extended terms to be negotiated. The total lease cost is \$162,000 with a rate of \$19.99 per SF. The requested lease is a full service lease; therefore, there are no additional operating expenses.

**RECOMMENDATION:**

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

**MEDICAL UNIVERSITY OF SOUTH CAROLINA**

**LEASE NAME:** McClennan Banks, Fourth Floor  
**REQUESTED ACTION:** Lease Renewal  
**REQUESTED ACTION AMOUNT:** \$428,400

**DESCRIPTION:**

The University requests approval of a lease renewal for 9,653 SF of space located on the fourth floor of the McClennan Banks building. The purpose of this lease is to continue to provide office space for the Department of Psychiatry, Family Services Research Center.

The monthly rental rate will be approximately \$17,850, resulting in an annual cost of \$214,200. The requested lease term is 2 years, with extended terms of one term, two years, offered under the same terms and conditions. The total lease cost is \$428,400 with a rate of \$22.19 per SF. The requested lease is a full service lease; therefore, there are no additional operating expenses.

**RECOMMENDATION:**

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

**INFORMATION ITEM**

| <b>Capital Projects &amp; Leases Processed by Staff</b> |                  |                       |  |                               |                      |                       |
|---|------------------|-----------------------|--|-------------------------------|----------------------|-----------------------|
| <b>October 2008</b>                                     |                  |                       |  |                               |                      |                       |
| <b>Date Approved</b>                                    | <b>Project #</b> | <b>Institution</b>    | <b>Project Name</b>                              | <b>Action Category</b>        | <b>Budget Change</b> | <b>Revised Budget</b> |
| 9/25/2008   | 9858             | Clemson               | Waste Water Treatment Plant Improvements         | decrease, close               | (\$12,083)           | \$1,187,917           |
| 10/3/2008   | 9562             | Coastal Carolina      | Kingston Hall & Greenhouse Area Land Acquisition | revise scope                  | \$0                  | \$2,500               |
| 10/7/2008   | 6038             | USC Columbia          | Academic Enrichment Center Construction          | change source of funds        | \$0                  | \$12,800,000          |
| 10/7/2008   | 9749             | USC Columbia          | Utility Tunnel Repair                            | decrease, close               | (\$145,850)          | \$14,150              |
| 10/7/2008   | 9846             | USC Columbia          | School of Public Health Construction/Renovation  | change source of funds        | \$0                  | \$31,550,000          |
| 10/22/2008  | 9600             | The Citadel           | Stevens Barracks Renovation                      | increase budget, revise scope | \$150,000            | \$2,400,000           |
| 10/22/2008  | New              | College of Charleston | Craig Cafeteria Kitchen Renovation <sup>1</sup>  | establish pre-design          | \$0                  | \$10,500              |

<sup>1</sup>See supporting narrative.

**FOR INFORMATION – PROJECT ESTABLISHMENTS PROCESSED BY STAFF  
FOR OCTOBER 2008**

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

**COLLEGE OF CHARLESTON**

**PROJECT NAME:** Craig Cafeteria Kitchen Renovation (Phase I)  
**REQUESTED ACTION:** Establish Pre-Design  
**REQUESTED ACTION AMOUNT:** \$10,500  
**INITIAL CHE APPROVAL DATE:** N/A

| <b><u>Project Budget</u></b> | <b><u>Previous</u></b> | <b><u>Revised</u></b>  | <b><u>Change</u></b>   |
|------------------------------|------------------------|------------------------|------------------------|
| Professional Services Fees   | \$0                    | \$10,500               | \$10,500               |
| <b><i>Total</i></b>          | <b><i>\$0</i></b>      | <b><i>\$10,500</i></b> | <b><i>\$10,500</i></b> |

| <b><u>Source of Funds</u></b> | <b><u>Previous</u></b> | <b><u>Revised</u></b>  | <b><u>Change</u></b>   |
|-------------------------------|------------------------|------------------------|------------------------|
| Auxiliary Revenue             | \$0                    | \$10,500               | \$10,500               |
| <b><i>Total</i></b>           | <b><i>\$0</i></b>      | <b><i>\$10,500</i></b> | <b><i>\$10,500</i></b> |

**DESCRIPTION:**

The University is requesting approval to establish a project to allow the College to perform pre-design services for a catering kitchen in the former Craig Cafeteria.

The College moved its central cafeteria to the George Street Complex in August 2007. The majority of the vacated space in the former cafeteria is being renovated for the Admissions operations under a separate project (9635). However, the kitchen and associated service areas of the vacated space are not included in the admissions renovation project.

The new food service operation at the George Street Complex has no central kitchen. All preparation is done in front of the customer at various stations throughout the facility. Therefore, the College is unable to use the new facility for catering purposes. The college intends to renovate the kitchen and associated service areas in the former Craig Cafeteria for use as a catering kitchen for the campus.

**E&G MAINTENANCE NEEDS REDUCTION:**

N/A - Auxiliary

**ANNUAL OPERATING COSTS/SAVINGS:**

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