



# 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 September 2  
**DATE:** August 27, 2010

Attached are items for your review and consideration at the September 2 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 10:15 a.m. on September 2. 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 Lease**

- A. Medical University of South Carolina
  - i. Charleston Center
    - *new lease*

## **8.04B List of Capital Projects & Leases Processed by Staff for August 2010 (For Information)**

**DESCRIPTION OF LEASE FOR CONSIDERATION**

September 2, 2010

**MEDICAL UNIVERSITY OF SOUTH CAROLINA**

**LEASE NAME:** Charleston Center  
**REQUESTED ACTION:** New Lease  
**REQUESTED ACTION AMOUNT:** \$572,263.56

**DESCRIPTION:**

The University requests approval of a lease for 2,698 SF of space located at Charleston County's Department of Alcohol and Other Drug Abuse Services, more commonly known as the Charleston Center. The purpose of the lease is to provide space for the Department of Psychiatry's Clinical Neuroscience Division. This space is needed to obtain and support a NIH/NIDA grant to examine the effects of exercise and stress reduction and to obtain and support a NIH/NIDA grant related to the treatment of Veterans with PTSD and substance use disorders.

The monthly rental rate will be \$4,946.33, resulting in an annual cost of \$59,356. The requested lease term is three years with the option to renew for two additional years. Rent will increase annually according to the CPI Index with an annual cap of 3%. The per-square-foot rate is \$22.00. This is a full service lease; therefore, there will be no additional operating expenses.

An option to add an additional 2,349 SF of space in January 2011 is included in the lease agreement. Should this space be added the new total monthly rental rate for 5,047 SF will be \$7,817.33, resulting in a new annual rent amount of \$93,807.96 in year one, \$114,365.02 in year two, and \$117,796.98 in year three. The annual lease cost during the extended term will be \$121,329.88 in year one and \$124,963.72 in year two resulting in a total lease cost of \$572,263.56.

**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**

**August 2010**

<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>
7/30/2010	9599	The Citadel	Infirmary Renovation	decrease budget, close project	<b>(\$5,708)</b>	\$1,741,835
8/3/2010	9645	SC State	Campus-Wide Energy Performance Contract <sup>1</sup>	revise scope, change source of funds	\$0	\$300,000

<sup>1</sup>On June 3, 2010 the Commission on Higher Education approved a \$9,300,065 increase to the project to amend Phase I (pre-design) and establish Phase II (construction budget). Because of the state imposed deadline for expenditure of energy stimulus funds by December 15, 2010 the institution requests withdrawal of the June 3 approval. In order to present the full energy performance contract for approval in December, the University requests approval to revise scope to allow for the completion of the investment grade audit for the remainder of facilities and change source of funds from energy stimulus funds to institutional funds. Stimulus funds will be redirected to non-PIP lighting upgrades.