



South Carolina Commission on Higher Education

Dr. Bettie Rose Horns, Acting Chair
Ms. Natasha M. Hanna
Ms. Elizabeth Jackson
Dr. Raghu Korrapati
Ms. Leah B. Moody
Vice Admiral Charles Munns, USN (ret.)
Mr. Kim F. Phillips
Mr. Y. W. Scarborough, III
Dr. Jennifer B. Settlemyer
Mr. Rodney A. Smolla
Mr. Hood Temple
The Honorable Lewis R. Vaughn

Ms. Joile J. Carullo
Acting Executive Director

TO: Mr. Bill Scarborough, Chair, and Members of the Committee on Finance & Facilities

FROM:  Mr. Gary S. Glenn, Director of Finance, Facilities, & MIS

SUBJECT: Committee Meeting, May 2

DATE: April 26, 2013

A meeting of the Committee is scheduled to **be held in the Commission's Main Conference Room at 9:30 a.m. on Thursday, May 2.** The agenda and materials for the meeting are enclosed.

If you have any questions about the materials, please contact me at (803) 737-2155. We look forward to meeting with you on May 2.

Enclosures

AGENDA
COMMITTEE ON FINANCE & FACILITIES
MAY 2, 2013
9:30 A.M.
MAIN CONFERENCE ROOM
SC COMMISSION ON HIGHER EDUCATION
1122 LADY STREET, SUITE 300
COLUMBIA, SC 29201

1. **Introductions**
2. **Minutes of April 4 Meeting**
3. **Interim Capital Project**
 - A. **Clemson University**
 - i. **ICAR Advanced Powertrain Lab Upgrade**
- establish project
4. **Leases**
 - A. **College of Charleston**
 - i. **Fitness Center**
- new lease
 - ii. **Fountain Walk**
- new lease
5. **Other Business**
 - A. **List of Capital Projects & Leases Processed by Staff for April 2013**
(For Information, No Action Required)

MINUTES
COMMITTEE ON FINANCE AND FACILITIES
APRIL 4, 2013
9:00 A.M.
MAIN CONFERENCE ROOM
SC COMMISSION ON HIGHER EDUCATION
1122 LADY STREET, SUITE 300
COLUMBIA, SC 29201

Committee Members Present
Chairman Bill Scarborough
Commissioner Natasha Hanna
Commissioner Hood Temple
Commissioner Lewis Vaughn

Mr. Derek Gruner
Mr. Doug Hallenbeck
Ms. Angie Leiding
Mr. John McEntire
Mr. Steve Osborne
Mr. Charles Shawver
Mr. Gregg Stapleton (phone)
Mr. Gerald Vander Mey
Ms. Sandy Williams (phone)

Guests Present
Mr. Robby Brown (phone)
Ms. Stacie Bowie (phone)
Mr. David Cohen
Dr. Kathy Coleman
Ms. Donna Collins
Mr. Brett Dalton
Ms. Jacqui DiMaggio (phone)

Staff Present
Mr. Gary Glenn
Ms. Courtney Blake
Ms. Julie Carrulo

For the record, notification of the meeting was made to the public as required by the Freedom of Information Act.

I. Call to Order

Chairman Scarborough called the meeting to order at 9:00 a.m. Ms. Blake introduced guests in attendance.

The following matters were considered:

II. Approval of Minutes of Meeting on March 7, 2013

A motion was made (Vaughn), seconded (Temple), and carried to approve the minutes of the March 7, 2013 meeting.

III. Interim Capital Projects

The following project was presented and discussed:

- A.) University of South Carolina Columbia
 - i. Athletic Village Tennis Complex Addition

Mr. Glenn presented the project stating that the University requests approval to establish a project to construct men's and women's tennis team meeting, film, and locker room areas below the existing raised viewing concourse of the tennis facility. A visitor team meeting room with restroom will also be installed. Currently, the tennis teams share locker room facilities in the Roost E Building. Mr. Glenn noted that teams are not allowed to leave the competition facility once a match has started, thus there is no opportunity to return to a separate facility in order to meet between matches. He also noted that this

project is included in the institution's FY 2013-14 CPIP year one as priority number twelve. Because the FY 2013-14 CPIP year one list had not been approved by the Commission, the project was brought through the interim capital project process.

With no further questions, it was moved (Vaughn), seconded (Temple), and voted to approve the University of South Carolina Columbia project as proposed.

- B.) Coastal Carolina University
 - i. IT Upgrades Construction Gift

Mr. Glenn presented the project stating that the University requests approval to establish a project to accept an in-kind gift from the Horry Telephone Cooperative for information technology upgrades to the University's main campus. Mr. Glenn noted that as part of the gift agreement, Horry Telephone Cooperative will have naming rights to the University's Student Recreation/Convocation Center.

With no further questions, it was moved (Temple), seconded (Vaughn), and voted to approve the Coastal Carolina University project as proposed.

- C.) College of Charleston
 - i. Adlestone Library Adaptation

Mr. Glenn presented the project stating that the College requests approval to establish a project to add 168 general purpose seats, 3 new group study rooms, and a new 50-seat modular lecture/classroom learning space to Adlestone Library. Space will be increased for rare books and manuscripts provided by the SC Historical Society in order to expand, preserve, and make these unique materials accessible. Mr. Glenn noted that this project is included in the institution's FY 2013-14 CPIP year one as priority number three. Because the FY 2013-14 CPIP year one list had not been approved by the Commission, the project was brought through the interim capital project process.

With no further questions, it was moved (Vaughn), seconded (Temple), and voted to approve the College of Charleston project as proposed.

IV. Comprehensive Permanent Improvement Plans (CPIPs) – Year One Project Approvals

Mr. Glenn provided a summary of CPIP Year One projects. He discussed briefly the purpose of the five year plan and stated the function of each year. Mr. Glenn added, for the past four years, a Proviso change regarding CPIP approval requires submission of only those projects qualifying for submission in Year One.

Mr. Glenn presented a breakdown of Year One projects separating projects the Committee had already seen from those they have not, as well as projects that can be staff approved. Mr. Glenn presented the following Year One projects:

- A.) Clemson University
 - i. Douthit Hills Redevelopment
 - ii. Watt Family Innovation Center
 - iii. Business & Behavioral Sciences
 - iv. Outdoor Wellness & Fitness Center
 - v. Mauldin Hall Renovation

- B.) University of South Carolina Columbia**
 - i. Law Center Renovations**
 - ii. 1244 Blossom Street (UTS) Renovation**
 - iii. War Memorial Renovation**
 - iv. Library Annex Addition**
 - v. Horry-Guignard House Renovation**
 - vi. Taylor House Renovation**
 - vii. Central Steam/Condensate Line Repairs/Replacement**
 - viii. Bates West Comprehensive Renovation**
 - ix. Athletic Village Track & Field Complex Upgrades**
 - x. Soccer Building Construction**
 - xi. Athletic Village Tennis Complex Addition**
 - xii. Williams Brice Stadium Plaza Site Work**
 - xiii. Field House Conversion**
 - xiv. Farmers Market West End Site Work**

- C.) Medical University of South Carolina**
 - i. Clinical Sciences Building Air Handler #2 Replacement**

- D.) Coastal Carolina University**
 - i. Smith Science Building Renovation**
 - ii. Williams Brice Renovation**
 - iii. Academic Classroom/Office Building #2 Construction**

- E.) College of Charleston**
 - i. Addlestone Library Adaptation**
 - ii. Grice Marine Lab Construction**
 - iii. 327 King Street Renovation**

- F.) Greenville Technical College**
 - i. Enterprise Campus Construction**

- G.) Midlands Technical College**
 - i. Airport Campus Library Renovations**

- H.) Spartanburg Community College**
 - i. Cherokee County Land Acquisition**
 - ii. Student Center**
 - iii. Tyger River Building Side Offices Renovation**

- I.) Tri-County Technical College**
 - i. Student Success Center**
 - ii. Central Plaza/Energy Loop**
 - iii. Veterinary Technology Facility**
 - iv. Oconee County Workforce & Economic Development Center**

Following discussion, it was moved (Vaughn), seconded (Temple), and voted to approve Year One CPIP projects that were presented, and reaffirm approval of Year One CPIP projects that had been previously considered by the Commission as proposed.

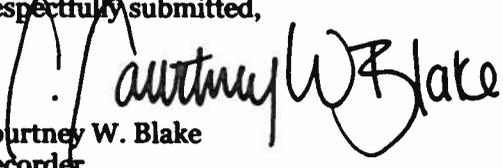
V. Other Business

Mr. Glenn presented the quarterly budget stating that the agency is on target at 70.4%. He noted that a line had been added to the budget to address building security and that the cost would be determined soon.

The list of Capital Projects & Leases processed by staff for February 2013 was presented for information. Mr. Glenn noted that a new column had been added on the staff approvals list to show the revised building condition with project close-outs.

With no further business, Chairman Scarborough adjourned the meeting at 10:35 a.m.

Respectfully submitted,


Courtney W. Blake
Recorder

**Attachments are not included in this mailing but will be filed with the permanent record of these minutes and are available for review upon request.*

DESCRIPTION OF INTERIM CAPITAL PROJECT FOR CONSIDERATION

May 2, 2013

CLEMSON UNIVERSITY

PROJECT NAME: ICAR Advanced Powertrain Lab Upgrade
REQUESTED ACTION: Establish Project
REQUESTED ACTION AMOUNT: \$2,300,000
INITIAL CHE APPROVAL DATE: N/A

Source of Funds	Phase I (Pre-Design)	Phase II (Construction)	Total Proposed Budget
Maintenance & Stewardship Funds	\$75,000	\$2,225,000	\$2,300,000
Total	\$75,000	\$2,225,000	\$2,300,000

DESCRIPTION:

The University requests approval to establish a project to upgrade the electrical power supply for the Campbell Graduate Engineering Center; partition room 120 into three test cells; and install infrastructure for state-of-the-art powertrain research. Upgrades will enable work on the integration of alternative powertrains, investigations of advanced internal combustion engine technologies, energy storage, and vehicle electrification.

Strategic plans of the Department for Automotive Engineering call for the development of the Advanced Powertrain area as one of the pillars of Clemson’s ICAR research enterprise. Research projects developed thus far, as well as future projects, have presented the need for expanding the experimental capabilities in the powertrain area. It is critical that Clemson create three new test cells in full compliance with the latest building and safety codes, as well as upgraded infrastructure for high-power dynamometer installations. The Graduate Engineering Center currently has only one test cell which has become a bottleneck.

This project was not included in the institution’s FY 2013-14 CPIP year one because it was not planned to exceed the \$1M PIP threshold. A feasibility study was performed to obtain a better understanding of the scope and cost of construction. The completed feasibility study came in at the same time CPIP was established. At that time it was uncertain if the project would go forward. Once the project was approved and funding identified, CPIP had already been approved by the Admin Council and submitted to CHE.

E&G MAINTENANCE NEEDS:

Based on Fall 2012 data, the Campbell Graduate Engineering Center has a current condition code of 100 with no 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 LEASES FOR CONSIDERATION

May 2, 2013

COLLEGE OF CHARLESTON

LEASE NAME: Fitness Center
REQUESTED ACTION: New Lease
REQUESTED ACTION AMOUNT: \$6,098,784

DESCRIPTION:

The College requests approval of a new lease of approximately 19,000 SF in a privately owned apartment complex that is currently being constructed at 50 George Street, adjacent to the center of campus. The space will be used as a fitness center. The size and proximity to campus make it an ideal solution to the College's fitness facility needs. The space will be available at the beginning of September 2013 and will be ready for immediate use.

There are currently two small fitness areas located in the Stern Student and Silcox Centers, and the College has a contract with East Shore Athletic Club (ESAC) ending August 14, 2013 (not to be renewed) that provides students non-exclusive access to its 5,000 SF facility located about a half mile from campus. These facilities are inadequate to meet the needs of the student body and are not centrally located. Once space in the Stern Student and Silcox Centers are vacated, the space will be repurposed for academic and student support needs.

The College is working within the constraints of the real estate market and needs to secure this space as soon as possible; therefore, this lease is being brought forward while terms and rates are still being negotiated but not-to-exceed limits have been agreed upon by the College and landlord. The initial term of the lease is for 10 years with at least one renewal period of 10 additional years. The cost per square foot will not exceed \$28. For the purpose of this request, the College estimates a three percent escalation per year. Based on the NTE data, the total estimated lease cost is \$6,098,784 with an average annual cost of \$609,878 to be funded with College Fees.

The College will purchase fitness equipment with an estimated cost of less than \$500,000. Parking is not included as part of the lease. The requested lease does not include maintenance or utilities, and the College estimates an additional \$66,500 will be incurred per year. When final terms and rates are agreed upon and approved by General Services, the College will forward that information to CHE.

RECOMMENDATION:

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

COLLEGE OF CHARLESTON

LEASE NAME: Fountain Walk
REQUESTED ACTION: New Lease
REQUESTED ACTION AMOUNT: \$8,323,000

DESCRIPTION:

The College requests approval to lease approximately 41,000 SF of space at Fountain Walk located at 100 Aquarium Wharf in downtown Charleston. The facility will be used for swing space. This is a prime location as the property is adjacent to a parking garage already used by the College as well as a public transportation stop. The site is also within walking distance of the main campus.

The College will begin the renovation of the Rita Hollings Science Center and Simons Center for the Arts (two major academic buildings) within the next 12 months. This will require the relocation of occupants for the duration of the renovations. There is also the need to complete renovations and reconfigurations of existing space to meet the programmatic needs of academic and administrative units. The College does not have available "swing space" on campus to accommodate the shifts of these departments. Therefore, the College is seeking a long-term lease solution in the immediate downtown Charleston area.

The College is working within the constraints of the real estate market and needs to secure this space as soon as possible; therefore, this lease is being brought forward while terms and rates are still being negotiated but not-to-exceed limits have been agreed upon by the College and landlord. The initial term of the lease is for seven years with at least one renewal period of seven additional years. The cost per square foot will not exceed \$29, and the landlord has agreed to provide \$30/SF in upfit costs. The rate includes all expenses with the exception of utilities, which will be the responsibility of the College. Based on the NTE data, the total estimated lease cost is \$8,323,000. The monthly cost is \$99,083, and the annual cost is \$1,189,000 to be funded with College Fees. When final terms and rates are agreed upon and approved by General Services, the College will forward that information to CHE.

There will be an additional 14,000 SF available for lease in mid to late 2014. The College anticipates a need to lease this space as well. The requested action amount does not account for this additional square footage. Separate approval of this space will be sought through a lease amendment.

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
April 2013**

Date Approved	Project #	Institution	Project Name	Action Category	Budget Change	Revised Budget	Original Approval Date	Revised Building Condition Survey With Close-out
Routine Staff Approvals								
4/10/2013	9890	Clemson	Barnett Hall HVAC & Windows Renovation ¹	change source of funds	\$0	\$4,000,000	5/6/2010	-
4/10/2013	9640	College of Charleston	School of Science & Mathematics Completion ²	change source of funds	\$0	\$11,000,000	11/5/2009	-
4/17/2013	9905	USC Columbia	Hamilton College Renovation ³	establish construction budget	\$14,700,000	\$15,000,000	4/23/2001	-
4/17/2013	6098	USC Columbia	Sumwalt Laboratory Renovation	establish construction budget	\$1,908,500	\$1,934,000	11/1/2012	-
4/17/2013	6099	USC Columbia	Broadcast Studio Construction	establish construction budget	\$1,477,500	\$1,500,000	11/1/2012	-
Close-Outs								
4/10/2013	9550	MUSC	Building E Renovations for Animals	close project	\$0	\$1,570,000	1/18/1990	-
4/10/2013	9557	MUSC	RSB Steam Coil/Pump/Chiller Replacement	close project	\$0	\$655,000	9/10/1990	-
4/10/2013	9654	MUSC	College of Pharmacy Renovations	decrease budget, close project	(\$108,520)	\$2,626,480	4/22/1997	-
4/10/2013	9715	MUSC	Research Lab Renovations	decrease budget, close project	(\$1,466,747)	\$4,833,253	12/7/1999	-
4/10/2013	9776	MUSC	Helipad Relocation	decrease budget, close project	(\$26,724)	\$1,173,276	7/12/2005	-
4/10/2013	9816	MUSC	Quad F Building Cooling Tower Replacement	close project	\$0	\$450,000	12/14/2010	-
4/10/2013	9580	College of Charleston	Science Center Construction ⁴	decrease budget, close project	(\$153,236)	\$57,646,764	10/3/2001	-
4/10/2013	9635	College of Charleston	Craig Cafeteria Conversion & Renovation	decrease budget, close project	(\$449,341)	\$4,230,659	1/10/2008	-
4/22/2013	9865	Clemson	Rhodes Hall Annex Construction	decrease budget, close project	(\$375)	\$11,499,425	3/2/2006	-

¹Change source of funds to include \$150,000 from the Asbestos Settlement Fund.

²Change source of funds to include \$353,236.07 in Capital Improvement Bond (CIB) Funds transferred from project #9580. Institutional Capital Project Funds will be decreased by \$353,236.07.

³Approved by CHE on May 3, 2012 as part of CIP FY 2012-13.

⁴Transfer remaining Capital Improvement Bond (CIB) Funds of \$353,236.07 to project #9640.