



## South Carolina Commission on Higher Education

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Mr. Rodney A. Smolka  
Mr. Hood Temple  
The Honorable Lewis R. Vaughn

Dr. Richard C. Sutton  
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, June 6

**DATE:** May 31, 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, June 6.** 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 June 6.

*Enclosures*

**AGENDA**  
**COMMITTEE ON FINANCE & FACILITIES**  
**JUNE 6, 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 May 2 Meeting**
3. **Interim Capital Projects**
  - A. **University of South Carolina Columbia**
    - i. **Carolina Stadium Repair Work**  
*- establish project*
    - ii. **Indoor Practice Facility Construction**  
*- establish construction budget*
  - B. **York Technical College**
    - i. **Building "C" Classroom Addition**  
*- increase budget*
4. **Lease**
  - A. **College of Charleston**
    - i. **North Campus & Lowcountry Graduate Center**  
*- new lease*
5. **Other Business**
  - A. **List of Capital Projects & Leases Processed by Staff for May 2013**  
**(For Information, No Action Required)**

**MINUTES**  
**COMMITTEE ON FINANCE AND FACILITIES**  
**MAY 2, 2013**  
**9:30 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 Kim Phillips  
Commissioner Hood Temple  
Commissioner Lewis Vaughn

Mr. George Hynd  
Ms. Beth McInnis  
Mr. Steve Osborne  
Mr. Charles Shawver

**Committee Members Not Present**

Commissioner Natasha Hanna

**Staff Present**

Dr. Rick Sutton  
Mr. Gary Glenn  
Ms. Courtney Blake  
Ms. Julie Carrulo  
Ms. Stephanie Charbonneau  
Ms. Renea Eshleman  
Ms. Trudy Norton

**Guests Present**

Dr. Kathy Coleman  
Ms. Donna Collins  
Ms. Mary Lou Cook  
Mr. Mike Davis (phone)

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 9:30 a.m. Ms. Blake introduced guests in attendance.

The following matters were considered:

**II. Approval of Minutes of Meeting on April 4, 2013**

A motion was made (Temple), seconded (Vaughn), and carried to approve the minutes of the April 4, 2013 meeting.

**III. Interim Capital Project**

The following project was presented and discussed:

**A.) Clemson University**

**i. ICAR Advanced Powertrain Lab Upgrades**

Mr. Glenn presented the project stating that 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. Mr. Glenn noted that the project is not included in the institutions 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.

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

#### **IV. Leases**

The following leases were presented and discussed:

- A.) College of Charleston
  - i. Fitness Center

Mr. Glenn presented the lease stating that he recently received updates to the numbers for consideration. He explained that this is a new lease of approximately 17,764 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. Currently, the College has two small fitness areas located in the Stern Student and Silcox Centers, and a contract with East Shore Athletic Club (ESAC) ending August 14, 2013. These facilities are inadequate to meet the needs of the student body and are not centrally located. Mr. Glenn noted that once space in the Stern Student and Silcox Centers is vacated, the space will be repurposed for academic and student support needs. Mr. Steve Osborne, from the College of Charleston, added that the termination of the ESAC contract is estimated to free up approximately \$232,000.

Mr. Glenn noted that the 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. When final terms and rates are agreed upon and approved by General Services, the College will forward that information to the Commission. The initial term of the lease is for ten years with at least one renewal period of ten additional years. The cost per square foot will not exceed \$27.31. The College estimates a three percent escalation per year. Based on NTE data, the total estimated lease cost is \$5,561,527 with an average annual cost of \$485,135 to be funded with College Fees. Mr. Glenn added that the College will purchase equipment at an estimated cost of \$500,000. The requested lease does not include maintenance or utilities, and the College estimates an additional \$66,500 will be incurred per year.

Chairman Scarborough asked Mr. Osborne to explain how costs will be absorbed without raising student fees. Mr. Osborne explained that the College will use funds that will be freed up with the termination of the ESAC contract; non-recurring funds will be used for the equipment purchase; and revenue will increase with the addition of a Bachelors of Professional Study at the North Charleston Campus and the addition of 100 students in the Computer Sciences program. It is estimated that the Bachelors of Professional Study program will bring in \$800,000 and the additional Computer Science students will bring in \$1.45M in additional revenue.

Commissioner Temple asked where the athletes worked out. Mr. Osborne stated that the athletes have a gym in the Johnson Center that other students are not allowed to use. Commissioner Temple asked how many students the fitness center will accommodate at one time and if this lease is a permanent solution to the College's fitness needs. Mr. Osborne stated that they estimate 250 students will be able to occupy

the fitness center at one time. He affirmed that the lease will satisfy the College's fitness needs. Commissioner Vaughn asked how far the Medical University of South Carolina (MUSC) is from campus and if fitness facilities are available to College of Charleston students. Mr. Osborne stated that MUSC is roughly 2 miles from campus (30 minute walk) and that their fitness facilities are available to College of Charleston students for a fee.

With no further questions, it was moved (Temple), seconded (Vaughn), and voted to approve the College of Charleston lease provided the rates and terms are approved by the Budget and Control Board.

ii. Fountain Walk

Mr. Glenn presented the lease stating that this is a new lease of approximately 41,000 SF at Fountain Walk located at 100 Aquarium Wharf in downtown Charleston. The facility will be used for swing space during renovations of the Rita Hollings Science Center and Simons Center for the Arts (two major academic buildings), as well as other renovations and reconfigurations of existing space to meet the programmatic needs of academic and administrative units. Mr. Glenn explained that 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.

Mr. Glenn noted that the 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. When final terms and rates are agreed upon and approved by General Services, the College will forward that information to the Commission. 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. 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. Mr. Glenn added that 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. He noted that the requested action amount does not account for this additional square footage. Separate approval of this space will be sought through a lease amendment.

Chairman Scarborough asked how costs will be absorbed without raising student fees. Mr. Steve Osborne, from College of Charleston, explained that the addition of a Bachelors of Professional Study at the North Charleston Campus and the addition of 100 students in the Computer Sciences program will increase revenue. He also stated that by taking the Rita Hollings Science Center off-line to do renovations the College will save approximately \$475,000 per year on utility and maintenance needs.

Commissioner Vaughn asked why the College increases tuition and fees if they are able to absorb these expenses. Mr. Osborne explained that tuition and fees ultimately support capital projects. He noted that the College collects a \$744 per semester capital improvement fee to support bonds. Mr. Glenn added that the institutions use this fee structure to plan for projects that are programmed out over time. He stated that he would like to provide a breakdown of tuition and fees at the Committees next meeting.

With no further questions, it was moved (Temple), seconded (Vaughn), and voted to approve the College of Charleston lease provided the rates and terms are approved by the Budget and Control Board.

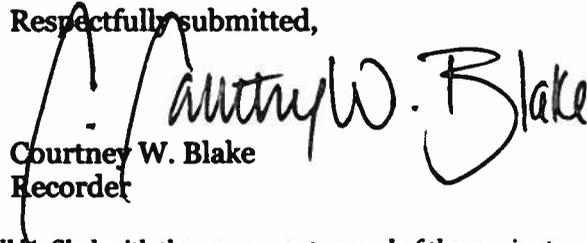
**V. Other Business**

The list of Capital Projects & Leases processed by staff for April 2013 was presented for information.

With no further business, Chairman Scarborough adjourned the meeting at 10:15 a.m.

Respectfully submitted,

Courtney W. Blake  
Recorder

A handwritten signature in black ink that reads "Courtney W. Blake". The signature is written in a cursive style with a large, looped initial "C".

*\*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 PROJECTS FOR CONSIDERATION**

June 6, 2013

**UNIVERSITY OF SOUTH CAROLINA COLUMBIA**

**PROJECT NAME:** Carolina Stadium Repair Work  
**REQUESTED ACTION:** Establish Project  
**REQUESTED ACTION AMOUNT:** \$4,965,000  
**INITIAL CHE APPROVAL DATE:** N/A

<b><u>Source of Funds</u></b>	<b><u>Phase I (Pre-Design)</u></b>	<b><u>Phase II (Construction)</u></b>	<b><u>Total Proposed Budget</u></b>
Athletic Operating Funds	-	-	\$4,965,000
<b>Total</b>	-	-	<b>\$4,965,000</b>

**DESCRIPTION:**

The University requests approval to establish an emergency project to stabilize, replace, and repair construction which has been subject to cracking and settlement and to amend sub-surface geotechnical conditions which have caused these deficiencies at the four-year-old Carolina Baseball Stadium.

Demolition will include removal of the left-field concourse slab, removal of a portion of the seating area with ramps and risers in the left-field corner, and removal of grounds area slab. A micropile system will be installed for structural support, sub-soil stabilization, and new concrete slabs installed. Utilities will be temporarily supported during demolition and then permanently supported as part of installation of slabs. New metal pipe and grout infill will be installed in the existing concrete storm drain pipe and the dewatering system will be expanded. The project will also include removal and reinstallation of incidental items such as bleacher seating, toilet partitions, toilet fixtures, grid ceilings and lights, hand rails and guard rails.

This project began with an investigation of water infiltration into the grounds area through the concrete slab above. Due to the extent of cracking and apparent settlement, a more extensive investigation was conducted. Soil borings revealed settlement and void spaces under the concourse and grounds area. Repairs are required to stabilize sub-surface voids with grout injection, stabilize the structure, and control groundwater movement throughout the area. The University has engaged an attorney to pursue legal action for determining liability for the cost of these repairs. Official notice has been provided to the entities involved in the original project to inform them that the University is pursuing legal remedies to offset the cost of this project.

**E&G MAINTENANCE NEEDS:**

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.

**UNIVERSITY OF SOUTH CAROLINA COLUMBIA**

**PROJECT NAME:** Indoor Practice Facility Construction  
**REQUESTED ACTION:** Establish Construction Budget  
**REQUESTED ACTION AMOUNT:** \$14,340,000  
**INITIAL CHE APPROVAL DATE:** October 6, 2011

<b>Source of Funds</b>	<b>Phase I (Pre-Design)</b>	<b>Phase II (Construction)</b>	<b>Total Proposed Budget</b>
Athletic Revenue Bonds	\$0	\$12,100,000	\$12,100,000
Athletic Operating Funds	\$210,000	\$2,240,000	\$2,450,000
<b>Total</b>	<b>\$210,000</b>	<b>\$14,340,000</b>	<b>\$14,550,000</b>

**DESCRIPTION:**

The University requests approval to establish the construction budget to construct a 100,280 SF indoor football practice facility located at the west end of the former Farmer's Market site. The proposed building will house a full size football field with support facilities such as restrooms, storage, and offices. The facility will provide practice space in inclement weather as well as serve as an important recruiting tool. When the facility is not being used for football, it will be available for use by other University teams. The building will be designed to achieve a LEED Silver rating and is projected for completion in February 2015.

The majority of this project will be funded with athletic revenue bonds. For FY 2012-13, the athletic bond facility fee is \$34.50 per semester.

This project was not included in the institution's FY2013-14 CPIP year one because the project scope and funding were not finalized at the time of CPIP submission.

**E&G MAINTENANCE NEEDS REDUCTION:**

N/A – New Construction

**ANNUAL OPERATING COSTS/SAVINGS:**

Custodial, maintenance, waste management, utilities, administration, and a one-time equipment fee will require additional operating costs of \$214,227.69 in the first year, and \$387,683 in the second and third years following project completion.

**RECOMMENDATION:**

Staff recommends approval of this project as proposed.

**YORK TECHNICAL COLLEGE**

**PROJECT NAME:** Building "C" Classroom Addition  
**REQUESTED ACTION:** Increase Budget  
**REQUESTED ACTION AMOUNT:** \$2,405,744  
**INITIAL CHE APPROVAL DATE:** October 6, 2011

<b>Source of Funds</b>	<b>FY 2013-14 CPIP year one</b>	<b>Change</b>	<b>Establish Construction Budget</b>
Renovation Reserves/Plant Expansion	\$1,116,248	\$2,405,744	\$3,521,992
<b>Total</b>	<b>\$1,116,248</b>	<b>\$2,405,744</b>	<b>\$3,521,992</b>

**DESCRIPTION:**

The College requests approval to establish the construction budget to renovate 7,760 SF and construct a 2,800 SF addition to the C Building. Built in 1964, this 64,163 SF building is the oldest on campus. There are five small 10-15 person classrooms on the front hall of the building which are seldom used because of their size. These renovations will demolish the walls, floor, and ceiling of the classrooms and integrate them into the new addition to create five, 35-40 person classrooms. The addition will also include office space for full-time and adjunct faculty, and a small conference room. Structural problems at the buildings entry will be eliminated through the creation of a new façade and new entrance.

The addition and renovations do not represent more than 50% of the total building value, therefore LEED certification is not being sought. However, energy saving measures will be utilized. The project is projected for completion in June 2014.

This project was approved by CHE on May 2, 2013 as the institution's priority number one on the FY 2013-14 CPIP year one. However, the budget has increased by \$2.4M due to demolition and removal of a substantial portion of the existing standing seam metal roof, addition of a sprinkler system in the renovated/additional space, addition of a flexible industrial/science wet lab, and inclusion of sunshade systems and special glazing at the new south-southwest façade to reduce heat load.

**E&G MAINTENANCE NEEDS REDUCTION:**

Based on Fall 2011 data, Building "C" has a current condition code of 92 with existing maintenance needs of \$864,556 over the next twenty years.

**ANNUAL OPERATING COSTS/SAVINGS:**

Utilities, maintenance, and custodial will require additional operating costs of \$6,529 in the first year, \$6,725 in the second year, and \$6,927 in the third year following project completion.

**RECOMMENDATION:**

Staff recommends approval of this project as proposed.

**DESCRIPTION OF LEASE FOR CONSIDERATION**

June 6, 2013

**COLLEGE OF CHARLESTON**

**LEASE NAME:** North Campus & Lowcountry Graduate Center  
**REQUESTED ACTION:** New Lease  
**REQUESTED ACTION AMOUNT:** \$9,340,541

**DESCRIPTION:**

The College requests approval of a new lease of approximately 46,000 SF in a new facility owned by Durlach & Associates located at 4400 Leeds Avenue in North Charleston to house its North Campus and Lowcountry Graduate Center.

The College currently leases approximately 24,000 SF at 5300 International Boulevard in North Charleston for \$486,216 per year. Boeing has purchased the building, requiring relocation of these functions by July 2014. The additional 22,000 SF will allow for additional space needs. The College will launch a new Bachelors of Professional Studies program in Fall 2013, which is expected to increase enrollment by 100 to 150 students. The new location will also allow the College to offer more undergraduate courses to meet demand that cannot physically be located at the main downtown campus.

This lease is being brought forward while the terms and rates are still being negotiated. Not-to-exceed limits have been agreed upon. The initial term of the lease is for 7 years with at least one renewal period of 7 additional years. The cost per square foot will not exceed \$26.50. 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 \$9,340,541 with an average annual cost of \$1,334,363 to be funded with College Fees.

The requested lease includes parking and operating expenses and real estate taxes up to \$7 per SF. Expenses beyond that will be the responsibility of the College. 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.

**INFORMATION ITEM**

**Capital Projects & Leases Processed by Staff**  
May 2013

Date Approved	Project #	Institution	Project Name	Action Category	Budget Change	Revised Budget	Original Approval Date	Revised Building Condition Survey With Close-out
<b>Routine Staff Approvals</b>								
4/29/2013	9512	USC Beaufort	Deferred Maintenance <sup>1</sup>	Increase budget	\$47,000	\$247,000	1/9/2012	-
4/29/2013	9508	USC Union	Deferred Maintenance 2012 <sup>2</sup>	Increase budget	\$6,000	\$17,001	10/29/2012	-
5/6/2013	9903	Clemson	Wait Innovation Center Construction <sup>3</sup>	Increase budget	\$30,300,000	\$30,543,000	5/3/2012	-
5/7/2013	New	Central Carolina	William B. Byrce Renovation <sup>3</sup>	establish project	\$0	\$34,500	-	-
5/17/2013	6094	USC Columbia	Deferred Maintenance <sup>4</sup>	revise scope	\$0	\$9,115,505	11/9/2011	-
5/28/2013	9534	Lander	Pedestrian Plaza & Vehicular Access Enhancements <sup>5</sup>	Increase budget	\$8,000	\$42,500	10/4/2012	-
5/29/2013	9867	USC Columbia	School of Law New Building Construction <sup>6</sup>	Increase budget, change project name	\$70,000,000	\$80,000,000	11/9/1999	-
<b>Close-Outs</b>								
4/29/2013	9752	Clemson	Copper Library	decrease budget, close project	(\$25,900)	\$5,979,148	2/23/2000	-
5/6/2013	9839	Clemson	Care Campus New Residence Hall Construction	decrease budget, close project	(\$23,773)	\$437,227	6/21/2004	-
5/6/2013	9870	Clemson	Information Technology Facility Construction	decrease budget, close project	(\$344,977)	\$655,023	11/2/2006	-
5/6/2013	9884	Clemson	Dining Hall/Post Office Demolition/Construction	decrease budget, close project	(\$10,941)	\$589,059	3/6/2008	-
5/17/2013	9805	Clemson	Pode Agricultural Center HVAC Upgrades	decrease budget, close project	(\$288,123)	\$3,711,877	11/7/2002	-
5/17/2013	9506	USC Union	Deferred Maintenance	decrease budget, close project	(\$14,160)	\$132,557	10/4/2005	-
5/28/2013	9791	MUSC	Family Medicine HVAC Replacement <sup>7</sup>	decrease budget, close project	(\$1,184,109)	\$65,831	8/23/2007	-
5/28/2013	9825	MUSC	Audley Tower Renovation	close project	\$0	\$5,500,000	2/4/2013	-

<sup>1</sup>Increase budget to provide additional funding for maintenance and repairs to the Art Studio. Additional funding is required to allow work to proceed.  
<sup>2</sup>Increase budget to replace the chiller for the Central Building. Additional funding is required to allow work to proceed.  
<sup>3</sup>Approved by CHE on May 2, 2013 as part of CTRP FY 2013-14 year one.  
<sup>4</sup>Revise scope to include several smaller maintenance projects in place of Guilford House project in order to expedite the utilization of state funding.  
<sup>5</sup>Increase budget to allow for a more thorough topographical survey of the area.  
<sup>6</sup>Approved by CHE on May 3, 2012 as part of CTRP FY 2012-13 year one.  
<sup>7</sup>Project was re-situated.