



South Carolina Commission on Higher Education

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The Honorable Lewis R. Vaughn

Ms. Julie J. Carullo
Acting Executive Director

TO: Mr. Guy Tarrant, Chair, and Members of the Committee on Finance & Facilities

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

SUBJECT: Committee Meeting, June 7

DATE: June 1, 2012

A meeting of the Committee is scheduled to **be held in the President's Board Room in the Carnell Learning Center on the campus of Lander University at 10:30 a.m. on Thursday, June 7.** The agenda and materials for the meeting are enclosed.

Directions to Lander University can be found at the following link:
<http://www.lander.edu/Admissions/Campus-Visit/Visitor-Information.aspx>

Parking will be available in the Visitor Parking Lot adjacent to the Carnell Learning Center at the intersection of Willson and Crews Streets.

If you have any questions about the materials, please contact me at (803) 737-2155. We look forward to meeting with you on June 7.

Enclosures

AGENDA

COMMITTEE ON FINANCE & FACILITIES

JUNE 7, 2012

10:30 A.M.

PRESIDENT'S BOARD ROOM
CARNELL LEARNING CENTER
LANDER UNIVERSITY
320 STANLEY AVENUE
GREENWOOD, SC 29649

1. Introductions
2. Minutes of May 3 Meeting
3. Interim Capital Project
 - A. Medical University of South Carolina
 - i. Walton Research Building Renovation – Floors 2, 3, 6 & 7
- *increase budget*
4. Other Business
 - A. Election of New Committee Chair
 - B. List of Capital Projects & Leases Processed by Staff for May 2012
(For Information, No Action Required)

MINUTES
COMMITTEE ON FINANCE AND FACILITIES
MAY 3, 2012
9:30 A.M.
MAIN CONFERENCE ROOM
SC COMMISSION ON HIGHER EDUCATION
1122 LADY STREET, SUITE 300
COLUMBIA, SC 29201

Committee Members Present

Chairman Guy Tarrant
Mr. Hood Temple
The Honorable Lewis Vaughn

Ms. Beth McInnis
Mr. Charles Shawver

Committee Members Not Present

Ms. Natasha Hanna
Mr. Bill Scarborough

Guests on Phone
Dr. Anand Gramopadhye
Mr. John McEntire
Mr. Robert Ricketts

Guests Present

Ms. Donna Collins
Dr. Anthony Coyne
Ms. Vanessa Gill

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

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 Tarrant called the meeting to order at 9:35 a.m. Ms. Blake introduced guests in attendance.

The following matters were considered:

II. Approval of Minutes of Meetings on April 5, 2012 & April 24, 2012

A motion was made (Vaughn), seconded (Temple), and carried to approve the minutes of the April 5, 2012 & April 24, 2012 meetings.

III. Interim Capital Projects

The following projects were presented and discussed:

- A.) Clemson University
 - i. Kingsmore Stadium Addition
 - ii. Memorial Stadium WEZ Component III
 - iii. Watt Innovation Center
 - iv. Barnett Hall Renovation

- B.) University of South Carolina Columbia
 - i. Outdoor Football Practice Fields Construction

Mr. Glenn stated that these projects are included in the institution's FY 2012-13 CPIP year one as priorities fourteen, eight, three, five, and eleven respectively. Because the FY 2012-13 CPIP year one list had not been approved by the Full Commission, the projects were being brought through the interim capital process. Mr. Glenn noted that these projects have not changed in scope from that presented for approval by the Committee on April 24, and asked Committee members to accept these projects as information.

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

- A.) Clemson University
 - v. Highway 93 Pedestrian Safety Improvements

Mr. Glenn presented the project stating that the request is to increase the budget to cover construction bids exceeding the original construction budget. He noted that the project will make modifications along Highway 93 between Mell Hall parking lot and Williamson Road (approximately 2100 feet). Chairman Tarrant asked why the Department of Transportation funding did not increase. Mr. John McEntire, from Clemson University, explained that the funding received from the Department of Transportation is a limited federal aid grant to support this project.

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

IV. Lease

The following lease was presented and discussed:

- A.) Coastal Carolina University
 - i. University Place

Mr. Glenn presented the lease stating that this is a sublease between the University and Coastal Housing Foundation, LLC. The property consists of 54.38 acres, is located approximately .25 miles from the campus, and will continue to be used as student housing. The property is owned by the Coastal Carolina University Student Housing Foundation and is leased to the LLC. The University currently markets, operates, leases and maintains University Place in accordance with management agreements with the LLC which will terminate as of the commencement date of the lease.

The lease term will be for thirty years commencing July 1, 2012, after which the University may exercise successive optional renewal terms of one year each. Annual rent during the initial term will be equal to 30% above the annual debt service owed by the LLC with annual rent for the first year of the lease not to exceed \$7,983,556.75. Rent for any optional renewal term is \$1 per year. In addition to rent, the University will be responsible for maintenance and renewal estimated at \$383,544.32 for the first year and escalating 3% each year thereafter; as well as, operating costs estimated at \$3,800,000 for the first year.

With no further questions, it was moved (Temple), seconded (Vaughn), and voted to approve the Coastal Carolina University 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 2012 was presented for information.

With no further business, Chairman Tarrant adjourned the meeting at 10:05 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

June 7, 2012

MEDICAL UNIVERSITY OF SOUTH CAROLINA

PROJECT NAME: Walton Research Building Renovation – Floors 2, 3, 6 & 7
REQUESTED ACTION: Increase Budget
REQUESTED ACTION AMOUNT: \$7,121,477
INITIAL CHE APPROVAL DATE: February 2, 2012

<u>Project Budget</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Professional Service Fees	\$94,500	\$505,500	\$600,000
Interior Building Renovations	\$0	\$6,015,977	\$6,015,977
Contingency	\$0	\$600,000	\$600,000
<i>Total</i>	<i>\$94,500</i>	<i>\$7,121,477</i>	<i>\$7,215,977</i>

<u>Source of Funds</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
College of Medicine Clinical Revenue	\$94,500	\$7,121,477	\$7,215,977
<i>Total</i>	<i>\$94,500</i>	<i>\$7,121,477</i>	<i>\$7,215,977</i>

DESCRIPTION:

The University requests approval to establish a project to renovate approximately 25,334 SF of space on floors 2, 3, 6 and 7 in the Walton Research Building. Renovations will include converting space into faculty offices and student study areas for the College of Medicine. The addition of a code compliant egress, a fire suppression system, and upgrades to building mechanical and electrical systems will also be included. Some minor work associated with building support systems will occur on the first floor.

The Walton Research Building is an eight-story facility constructed in 1962. With the exception of floors 4, 5, and 8, this building has not received substantial renovations since its original construction. The building infrastructure has begun to deteriorate and there are several building code compliance issues. A recent feasibility study has determined that the best use of floors 2, 3, 6 and 7 is office space.

This project is included in the institution's FY 2012-13 CPIP year one as priority number three; however, the total project budget has increased by \$915,977 since CPIP submission causing the project to be brought back to the Committee and Commission for approval. The overall scope of work is the same. Cost increases are due to the addition of roof related work, as well as increased estimates for interior construction and HVAC.

E&G MAINTENANCE NEEDS REDUCTION:

The project will alleviate a portion of the \$5,306,794 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.

INFORMATION ITEM

**Capital Projects & Leases Processed by Staff
May 2012**

Date Approved	Project #	Institution	Project Name	Action Category	Budget Change	Revised Budget	Original Approval Date
Routine Staff Approvals							
5/3/2012	New	College of Charleston	Simons Center for the Arts Renovation ¹	establish project	\$0	\$315,000	-
5/3/2012	9640	College of Charleston	School of Science & Mathematics Completion ¹	establish construction budget	\$10,820,000	\$11,000,000	11/5/2009
5/7/2012	6093	USC Columbia	Rutledge College & LeGare/Pinckney Comprehensive Renovation ²	increase budget, revise scope, change project name	\$130,500	\$249,750	10/20/2011
5/11/2012	6035	Piedmont TC	Abbeville County Center Land Purchase ³	revise scope	\$0	\$220,000	8/25/2011
5/17/2012	6088	USC Columbia	Softball Stadium Construction ⁴	change source of funds	\$0	\$8,000,000	5/5/2011
5/18/2012	New	Midlands TC	Library Building Replacement ⁵	establish project	\$0	\$162,000	-
5/18/2012	New	Coastal Carolina	Student Housing Land Acquisition ⁶	establish project	\$0	\$20,000	-
5/29/2012	9821	MUSC	Clinical Sciences Building 9th Floor Renovation ¹	establish construction budget	\$9,848,500	\$10,000,000	2/2/2012
5/29/2012	9587	Coastal Carolina	Tennis Complex Construction ¹	establish construction budget	\$1,970,000	\$2,000,000	5/17/2011
5/29/2012	9589	Coastal Carolina	Tennis Complex Land Donation ⁶	revise scope	\$0	\$20,000	11/14/2011
Close-Outs							
5/2/2012	9873	Horry-Georgetown TC	Old Gym Renovations - Grand Strand Campus	close project	\$0	\$1,818,446	7/3/2003
5/2/2012	9894	Horry-Georgetown TC	Former Base Hospital Building Renovation - Grand Strand Campus	decrease budget, close project	(\$19,343)	\$9,719,657	10/7/2004
5/2/2012	9930	Horry-Georgetown TC	Building 100 Renovation - Georgetown Campus	decrease budget, close project	(\$565)	\$277,285	5/24/2005
5/2/2012	9974	Horry-Georgetown TC	Preliminary Land Acquisition - Grand Strand Campus	decrease budget, close project	(\$18,000)	\$2,000	7/5/2006
5/7/2012	6092	USC Columbia	Rutledge College Comprehensive Renovation	cancel project	(\$130,500)	\$0	10/20/2011
5/8/2012	9601	The Citadel	Campus Wide Energy Performance Contract	decrease budget, close project	(\$121,305)	\$4,684,741	10/17/2007
5/8/2012	9882	Spartanburg CC	Academic/Library Building Construction	decrease budget, close project	(\$32,283)	\$6,283,398	2/5/2004
5/11/2012	9604	The Citadel	Capers Hall Repairs	decrease budget, close project	(\$652)	\$1,325,348	10/19/2009
5/18/2012	9577	Coastal Carolina	Procurement Building & Land Acquisition	decrease budget, close project	(\$51,041)	\$1,376,959	10/18/2010

¹Approved by CHE on May 3, 2012 as part of FY 2012-13 CPIP year one.

²Increase budget, revise scope, and change project name to combine projects #6092 - Rutledge College Comprehensive Renovation and #6093 - LeGare/Pinckney Comprehensive Renovation. Both projects are similar in scope and are on the same timeline for design and construction. Combining the projects will take advantage of economy of scale, insure consistency of design, and provide better coordination of logistics during construction.

³Revise scope to use remaining funds of \$25,919.47 to compile Civil Engineering documents to develop a site plan and satisfy SCDHEC requirements.

⁴Change source of funds from \$120,000 in Athletic Operating to Athletic Revenue Bonds.

⁵Approved by CHE on June 7, 2007 as part of MLAP.

⁶Accept donation of 11.31 acres from the Horry County Higher Education Commission.

**Leases Approved by Staff
May 2012**

Date Approved	Lease #	Institution	Project Name	Purpose/Additional Info	Rates	Term
5/11/2012	New	MUSC	176 Croghan Spur Road	To provide space for Psychiatry's Family Services Research Department that is currently located at McClennan Banks. This lease is necessary to accommodate moves for the ART 7th floor construction project	Cost per SF - \$26.50 (base rent - \$16.00 & operating costs - \$10.50); Monthly Rental Rate - \$16,047.96; Annual Rent - \$192,575.52 (base rent will increase 2% annually)	5 years (7/1/2012 - 6/30/2017)