



South Carolina Commission on Higher Education

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TO: Chairman John L. Finan and Members, S.C. Commission on Higher Education
FROM: Members of the Committee on Finance & Facilities
SUBJECT: Items for Consideration on October 2
DATE: September 26, 2014

Attached are items for your review and consideration at the October 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 9:30 a.m. on October 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 Gary Glenn at (803) 737-2155.

6.05A Interim Capital Projects

- A. The Citadel
 - i. New School of Business Building
 - *establish project*
 - ii. New Capers Hall
 - *establish project*

- B. College of Charleston
 - i. 176 Lockwood Drive Property Acquisition
 - *establish project*
 - ii. 176 Lockwood Drive Renovation
 - *establish project*

6 .05B Lists of Capital Projects & Leases Processed by Staff for August & September 2014 *(For Information, No Action Required)*

DESCRIPTION OF INTERIM CAPITAL PROJECTS FOR CONSIDERATION

October 2, 2014

THE CITADEL

PROJECT NAME: New School of Business Building
REQUESTED ACTION: Establish Project
REQUESTED ACTION AMOUNT: \$17,000,000
INITIAL CHE APPROVAL DATE: N/A

<u>Source of Funds</u>	<u>Phase I (Pre-Design)</u>	<u>Phase II (Construction)</u>	<u>Total Proposed Budget</u>
Donor Gifts	\$250,000	\$16,750,000	\$17,000,000
<i>Total</i>	<i>\$250,000</i>	<i>\$16,750,000</i>	<i>\$17,000,000</i>

DESCRIPTION:

The University requests approval to establish a project to construct a new 56,000 SF Business School to house the School of Business. The School of Business is currently located in Bond Hall. The new building is proposed to be located to the south of Bond Hall in an area where existing housing is currently located. Some or all of these housing units may be demolished to make room for the new Business School Building which will include classrooms, staff offices, conference rooms, and an auditorium capable of seating an entire academic class of cadets (750+). Once the School of Business relocates to the new building, it is proposed that the Education Department will move out of Capers Hall and backfill vacated space in Bond Hall.

This project was not included in the institution's FY 2014-15 CPIP year one because funding was unknown at the time of CPIP submission.

E&G MAINTENANCE NEEDS:

N/A – New Construction (Housing units slated for demolition are not considered E&G.)

ANNUAL OPERATING COSTS/SAVINGS:

Custodial, maintenance, and energy will require additional operating costs of \$85,000 per year following project completion.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

THE CITADEL

PROJECT NAME: New Capers Hall
REQUESTED ACTION: Establish Project
REQUESTED ACTION AMOUNT: \$26 – \$37M
INITIAL CHE APPROVAL DATE: N/A

<u>Source of Funds</u>	<u>Phase I (Pre-Design)</u>	<u>Phase II (Construction)</u>	<u>Total Proposed Budget</u>
Capital Improvement Fees	\$250,000	\$0	\$250,000
Donor Gifts	\$0	\$25.75 - \$36.75M	\$25.75 - \$36.75M
<i>Total</i>	<i>\$250,000</i>	<i>\$25.75 – \$36.75M</i>	<i>\$26 - \$37M</i>

DESCRIPTION:

The University requests approval to establish a project to construct a new Capers Hall. Constructed in 1949, the existing building is 75,116 SF and currently houses the English, History, Math, Psychology, Criminal Justice, and Education Departments. The building design does not meet the requirements of current teaching techniques, and the structure has outlived its useful life. Initial study of the timeline and cost to upgrade the existing facility, as part of a whole building renovation, would take the facility off-line for two academic years, at a cost exceeding \$8M for the seismic upgrades alone.

The new 80 – 96,000 SF Capers Hall will be built directly behind the current building, which will be demolished once construction is complete. The range in square footage and price are dependent upon the availability of donor gifts to fund the New School of Business. Should donor funds be unobtainable for full construction of the new School of Business, the building will not be constructed and Business School functions will remain in Bond Hall and the size of the new Capers Hall will be increased to hold current functions and future growth. Should donor gifts be unobtainable to completely fund the construction of the new Capers Hall, it is anticipated that a combination of accumulated Capital Improvement Fees and/or a long-term debt issuance will fund the remaining balance.

This project was not included in the institution’s FY 2014-15 CPIP year one because of an oversight.

E&G MAINTENANCE NEEDS:

Based on Fall 2013 data, demolition of Capers Hall will eliminate \$4,168,981 in existing maintenance needs over the next twenty years.

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.

COLLEGE OF CHARLESTON

PROJECT NAME: 176 Lockwood Drive Property Acquisition
REQUESTED ACTION: Establish Project
REQUESTED ACTION AMOUNT: \$4,985,000
INITIAL CHE APPROVAL DATE: N/A

Source of Funds	Phase I (Enviro. Study)	Phase II (Purchase Price)	Total Proposed Budget
Appropriated State	\$0	\$2,000,000	\$2,000,000
Institutional Capital Project Funds	\$0	\$2,985,000	\$2,985,000
Total	\$0	\$4,985,000	\$4,985,000

DESCRIPTION:

The College requests approval to establish a project to purchase property at 176 Lockwood Drive. The property is located within the footprint of the Horizon Development Project, approximately 1.5 miles from the campus core. The building is currently occupied by the South Carolina Department of Employment and Workforce. As a result of downsizing and reductions in force, the Department no longer requires the space and will relocate by December 1, 2014. The Division of General Services granted the College the right of first refusal to purchase this property.

The College is in need of additional academic and academic support space in proximity of its downtown Charleston campus. The campus is landlocked in the center of a historic, urban area, and opportunities to reduce its space deficiency are limited. A 2012 utilization study found a space deficiency of approximately 280,000 ASF. The College’s space deficiency is projected to grow to approximately 640,000 ASF by 2020. The Lockwood Drive property would provide 22,980 GSF to help address this shortage immediately. This acquisition would allow the College to relocate three functions from the core campus to the Lockwood Drive property – the Controller’s Office, the Office of Procurement, and the Joseph P. Riley, Jr. Center for Livable Communities. Moving these three functions to the Lockwood Drive property would allow the College to re-purpose space in the campus core for instructional use.

The College has conducted a feasibility study, building condition assessment, and environmental phase I study in order to determine that the property is a sound investment that will suit the institution’s needs. The property purchase price is equal to the appraised underlying land value. The 25 year old building will require renovation in order to meet current codes and College needs, as well as address building and plumbing damage caused by ground settling.

This project was not included in the institution’s FY 2014-15 CPIP year one because this specific land acquisition opportunity was not known at the time of CPIP submission.

E&G MAINTENANCE NEEDS:

N/A - Acquisition

ANNUAL OPERATING COSTS/SAVINGS:

Utilities and maintenance will require additional operating costs of \$160,860 per year following project completion.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

COLLEGE OF CHARLESTON

PROJECT NAME: 176 Lockwood Drive Renovation
REQUESTED ACTION: Establish Project
REQUESTED ACTION AMOUNT: \$5,300,000
INITIAL CHE APPROVAL DATE: N/A

<u>Source of Funds</u>	<u>Phase I (Pre-Design)</u>	<u>Phase II (Construction)</u>	<u>Total Proposed Budget</u>
Institutional Capital Project Funds	\$79,500	\$5,220,500	\$5,300,000
<i>Total</i>	<i>\$79,500</i>	<i>\$5,220,500</i>	<i>\$5,300,000</i>

DESCRIPTION:

The College requests approval to establish a project to renovate the 22,980 GSF building located at 176 Lockwood Drive. The 25 year old building will require renovation to meet College security, safety, and technological infrastructure standards as well as meet current building and ADA codes. A building condition assessment conducted by an external architectural and engineering firm recommends replacing or repairing the HVAC system, main electrical distribution panels, and the low slope roof system. Repairs to the building's exterior and plumbing and sewer systems are needed due to ground settling. The space will be reconfigured to house the Controller's Office, the Office of Procurement, and the Joseph P. Riley, Jr. Center for Livable Communities freeing up space in the core campus that can be re-purposed as instructional space.

E&G MAINTENANCE NEEDS:

N/A – New Acquisition

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

August 2014

Date Approved	Project #	Institution	Project Name	Action Category	Budget Change	Revised Budget	Original Approval Date	Revised Building Condition Survey With Close-out
Close-Outs								
8/5/2014	9550	Coastal Carolina	Deferred Maintenance	close project	\$0	\$2,059,000	3/2/2006	-
8/5/2014	9573	Coastal Carolina	Academic Office/Classroom Building	decrease budget, close project	(\$317,775)	\$11,682,225	11/5/2009	-
8/5/2014	9574	Coastal Carolina	Public Safety Building	close project	\$0	\$1,640,000	12/7/2009	-
8/5/2014	9591	Coastal Carolina	Deferred Maintenance	close project	\$0	\$831,612	1/18/2012	-
8/14/2014	9607	The Citadel	Jenkins Hall Arms Room Renovation	decrease budget, close project	(\$2,858)	\$197,142	11/14/2012	-
8/27/2014	9904	Clemson	McAdams Hall Renovation	close project	(\$83,750)	\$0	9/19/2012	-
8/27/2014	9907	Clemson	Lehotsky Hall Renovation	close project	(\$350,000)	\$0	11/1/2012	-

Capital Projects & Leases Processed by Staff

September 2014

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								
9/5/2014	9919	Clemson	City of Clemson Waste Water/Ballpark Property Exchange ¹	revise scope	\$0	\$20,000	5/27/2014	-
9/10/2014	9916	Clemson	Memorial Stadium Suites Renovation ²	establish construction budget	\$24,625,000	\$25,000,000	2/10/2014	-
9/10/2014	9601	Coastal Carolina	2013-14 Maintenance Needs ³	increase budget	\$118,094	\$900,000	10/23/2014	-
9/10/2014	6094	Horry-Georgetown TC	Acquisition of Land ⁴	revise scope	\$0	\$20,000	7/2/2014	-
9/10/2014	6088	Spartanburg CC	Tyger River Building CBED Renovation ²	establish construction budget	\$1,674,500	\$1,700,000	10/28/2013	-
9/15/2014	6091	Piedmont TC	Event Center Breakout Building & N Building Renovations	establish construction budget	\$886,107	\$898,857	11/7/2013	-
9/15/2014	New	Trident TC	Aeronautical Training Center ⁵	establish project	\$0	\$10,000,000	-	-
Close-Outs								
9/5/2014	9592	The Citadel	Campus Wide Roof & Building Envelope Repairs	close project	\$0	\$1,285,000	6/15/2005	-

¹Revise scope for the final property exchange between Clemson University and the City of Clemson for 4.73 acres of University owned land, a portion of which the City already leases for waste water treatment facilities in exchange for .7 acres of City owned land which the University already leases for baseball parking.

²Approved by CHE on May 1, 2014 as part of FY2014-15 CPIP year one.

³Increase budget so completion of all University roads on campus can be performed at once instead of in phases.

⁴Original project was for a Phase I environmental and building condition assessment on 3.5 acres of land that included two commercial buildings totaling 30,000 SF. The College has since learned that the owner of that property is asking for a purchase price that far exceeds budget and reasonable appraised values. The College has identified a separate 3.5 acre parcel of property (land only), in the same business park as the previous property that would equally suit the College's needs. This project is a revision of scope to begin Phase I environmental study on the 3.5 acres. If the College purchases the property, it is their intention to construct a metal 20 - 40,000 SF building to support the Advanced Manufacturing program.

⁵Project is funded with Capital Reserve Funds which are state-appropriated. These funds supersede CHE approval authority; therefore, the project is staff approved.