



South Carolina Commission on Higher Education

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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, May 1

DATE: April 23, 2014

A meeting of the Committee is scheduled to **be held in the Commission's Main Conference Room at 8:30 a.m. on Thursday, May 1. Please note the change in time.** 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 1.

Enclosures

AGENDA

COMMITTEE ON FINANCE & FACILITIES

MAY 1, 2014

8:30 A.M.

MAIN CONFERENCE ROOM

SC COMMISSION ON HIGHER EDUCATION

1122 LADY STREET, SUITE 300

COLUMBIA, SC 29201

1. Introductions
2. Minutes of April 3 Meeting
3. Interim Capital Project
 - A. Coastal Carolina University
 - i. Football Stadium Field Turf
- *establish project*
4. Other Business (*For Information, No Action Required*)
 - A. List of Capital Projects & Leases Processed by Staff for April 2014

MINUTES

COMMITTEE ON FINANCE AND FACILITIES

APRIL 3, 2014

8:30 A.M.

COMMUNITY ROOM

HEALTH & SCIENCE BUILDING

AIKEN TECHNICAL COLLEGE

2276 JEFFERSON DAVIS HIGHWAY

GRANITEVILLE, SC 29829

Committee Members Present

Chairman Bill Scarborough

Commissioner Natasha Hanna (phone)

Commissioner Kim Phillips (phone)

Commissioner Hood Temple

Mr. John McEntire (phone)

Ms. Carla McIntyre (phone)

Ms. Andrea Meadows

Mr. Steve Osborne (phone)

Mr. George Smith (phone)

Mr. Gregg Stapleton

Mr. Ray Switzer

Mr. Marc Tarplee (phone)

Mr. Gerald Vander Mey (phone)

Col. Ben Wham (phone)

Ms. Sandy Williams

Guests Present

Chairman John Finan

Mr. Clarence Bonnette

Ms. Stacie Bowie (phone)

Ms. Lynn Braziel

Mr. Robby Brown (phone)

Ms. Mary Lou Cook

Ms. Aaryne Elias (phone)

Ms. Lyn Ferguson

Mr. John Gardner (phone)

Mr. Derek Gruner

Mr. Doug Hallenbeck (phone)

Mr. Craig Hess

Staff Present

Dr. Richard Sutton

Mr. Gary Glenn

Ms. Courtney Blake

Ms. Julie Carullo

Ms. Yolanda Myers

Ms. Beth Rogers

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 8:30 a.m. Ms. Blake introduced guests in attendance.

The following matters were considered:

II. Approval of Minutes of Meeting on March 6, 2014

A motion was made (Temple), seconded (Phillips), and carried to approve the minutes of the March 6, 2014 meeting.

III. Interim Capital Projects

The following projects were presented and discussed:

A.) Clemson University

i. Student Activities Center Renovation

Mr. Glenn presented the project stating that the University requests approval to establish a project to renovate a 7,000 SF vacated central campus agriculture building, formerly known as the Sheep Barn. He noted that the facility will include large meeting and lecture rooms and spaces for student and academic related functions. Renovations will include making structural improvements to the facility, adding mechanical and electrical systems, and upgrading the building envelope. Mr. Glenn stated that the facility is centrally located adjacent to the Hendrix Student Center and other housing facilities on the east campus. It offers a unique and highly accessible venue for hosting a variety of student activities, entertainment, food options, informal social interactions, and other programs that foster student engagement. Mr. Glenn noted that because of its historic status, the building must be preserved. Renovation into a student activities center will create the best use of the building. He also noted that this project is included in the institution's FY 2014-15 CPIP year one as priority number two. Because the FY 2014-15 CPIP year one list has not been approved by the Commission, the project is being brought through the interim capital project process. Mr. Glenn stated that the building has a current condition code of 43 with existing maintenance needs of \$95,921 over the next twenty years. He added that the project will bring the building to like-new condition.

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

B.) Spartanburg Community College

i. Cherokee Advanced Technology Center

Mr. Glenn presented the project stating that the College requests approval to increase the budget to construct a 27,245 SF Center for Advanced Manufacturing and Industrial Technologies (CAMIT) on the Cherokee County Campus. He noted that the facility will provide industrial training classrooms and labs for machine tool technology, mechatronics and welding technology programs. A 100 space parking lot will be designed adjacent to the building. Mr. Glenn noted that the project budget increased due to construction estimates. After completion of the preliminary design work, the third party cost estimate necessitated an increase to the budget. He also noted that this project is included in the institution's FY 2014-15 CPIP year one as priority number one. Because the FY 2014-15 CPIP year one list has not been approved by the Commission, the project is being brought through the interim capital project process. Mr. Glenn stated that the project will require additional operating costs ranging between \$117,000 and \$170,000 in the three years following project completion. Chairman Finan asked if additional operating costs will be covered by tuition. Mr. Ray Switzer, from Spartanburg Community College, stated that operating costs are covered by the local counties, not tuition.

With no further questions, it was moved (Temple), seconded (Phillips), and voted to approve the Spartanburg Community College project as proposed.

C.) Tri-County Technical College

i. Student Success Center/Central Plant

Mr. Glenn presented the project stating that the College requests approval to establish a project to construct a new Student Success Center, refurbish and repurpose Ruby Hicks Hall, and construct a new Central Plant. He explained that the new Student Success Center will house a Learning Commons and associated group study space, computer labs, campus store, café, and shipping and receiving area. Construction of the Success Center will allow for swing space to vacate Ruby Hicks which will be refurbished and repurposed to become a one-stop student services center. Mr. Glenn added that refurbishment of Ruby Hicks is dependent on the new Central Plant being operational. The new Central Plant will provide cooling for campus buildings, via an energy loop, to substantially reduce energy usage and reduce maintenance costs while improving system reliability.

Mr. Glenn stated that Ruby Hicks has a current condition code of 53 with existing maintenance needs of \$3,937,384 over the next twenty years. He added that the project will bring the building to like-new

condition. Mr. Glenn noted that the project will require additional operating costs ranging between \$86,000 and \$11,000 in the three years following project completion. Commissioner Temple asked why the operating costs dissipate over the three years following project completion. Mr. Gregg Stapleton, from Tri-County Technical College, stated that the project will result in operating reductions. Once the Central Plant comes online, the College will start to phase out individual cooling systems which will reduce operating costs. Chairman Finan asked what will fuel the Central Plant. Mr. Stapleton replied that the chillers will run off electricity. Chairman Finan asked if electric was more expensive than natural gas. Mr. Stapleton affirmed that electric was more expensive than natural gas, but that electric was the most efficient choice for running the chillers.

With no further questions, it was moved (Temple), seconded (Phillips), and voted to approve the Tri-County Technical College project as proposed.

IV. Comprehensive Permanent Improvement Plans (CPIPs)

- A.) Year One Project Approvals
- B.) Years Two, Three, Four and Five Summaries (*For Information*)

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 that the full five-year CPIP has been suspended by proviso since 2009; however, due to changes to the proviso this year (Proviso 117.79 for FY2013-14), the full five-year CPIP is required to be submitted.

Mr. Glenn presented a breakdown of Year One projects separating projects the Committee had already seen from those they had not. Mr. Glenn presented a breakdown of new construction, renovation, and land acquisition projects.

The following Year One projects were presented and discussed:
New Construction

- A.) Clemson University
 - i. Business & Behavioral Sciences Building Construction
 - ii. Outdoor Wellness & Fitness Center Construction

Chairman Finan asked if the use of Institution Bonds was based on current capacity or projected capacity. Ms. Andrea Meadows, from Clemson University, stated that the use of Bonds is based on current capacity.

- B.) University of South Carolina Columbia
 - i. Indoor Tennis Facility

Chairman Scarborough asked how many tennis courts will be constructed through this project. Mr. Derek Gruner, from the University of South Carolina System, stated that the project is projected to construct six tennis courts but the number may vary once pre-design is complete. Chairman Scarborough asked how many seats will be available. Mr Gruner stated that there will be roughly 500 seats constructed in bleacher style.

- C.) Coastal Carolina University
 - i. Baseball/Softball Stadium Improvements

Mr. Glenn presented the project with no questions posed by the members.

- D.) Tri-County Technical College
 - i. Oconee County Workforce & Economic Development Center

Mr. Glenn presented the project with no questions posed by the members.

- E.) York Technical College
 - i. East Perimeter Road & Parking Construction

Mr. Glenn presented the project with no questions posed by the members.

Renovation

- A.) Clemson University
 - 1. Central Energy Facility Boiler Replacement

Mr. Glenn presented the project with no questions posed by the members. He noted that the project will recognize an operating savings that will be quantified during the construction phase of the project.

- 2. Mauldin Hall Renovation

Chairman Finan asked if the funding source of Housing Improvement Funds was based on existing fees or projected fees. Ms. Andrea Meadows, from Clemson University, stated that the funding source is based on existing fees.

- 3. Library District Infrastructure Improvement

Chairman Scarborough asked if the funding source of Maintenance & Stewardship Funds was based on existing fees. Ms. Meadows affirmed that the funding source is based on existing fees.

- B.) University of South Carolina Columbia
 - 1. Classroom/Laboratory Redevelopment – Old Law School

Mr. Glenn presented the project with no questions posed by the members.

- 2. Bates West Renovation

Chairman Finan asked if there are separate fees per dormitory or if there is one campus wide housing fee paid by every student living on campus. Mr. Derek Gruner, from the University of South Carolina System, stated that each dorm has its own fees. He added that this project will be very similar to the recently completed Patterson Hall project.

- 3. South Tower Bathroom Renovation
- 4. Byrnes Air Handler Replacement
- 5. Capstone Student Bathroom Renovation
- 6. Farmers Market West End Site Work
- 7. War Memorial Renovation

Mr. Glenn presented projects 3-7 with no questions posed by the members.

- 8. Blatt Pool Pack

Chairman Finan asked how the allocation between athletics and education and general funds are decided. Mr. Gruner explained that there is a standing agreement of a 1/3 split for project such as this one.

- C.) Medical University of South Carolina
 - 1. Capital Renewal Projects 2014-15

Mr. Glenn presented the project with no questions posed by the members.

- D.) The Citadel
 - 1. Jenkins Hall Exterior Envelope Repair & Window Replacement

Mr. Glenn presented the project with no questions posed by the members.

- E.) Coastal Carolina University
 - 1. Food Service Renovation – University Place

Mr. Glenn presented the project with no questions posed by the members.

- F.) College of Charleston
 - 1. Rutledge Rivers Residence Hall Renovation

Commissioner Hanna asked how many beds are included in the renovation. Mr. Steve Osborne, from the College of Charleston, stated that the building consists of 26,386 SF with 103 beds included in the renovation. Commissioner Hanna stated that the cost per bed comes out to \$106,796. Mr. Osborne affirmed the cost per bed stating that the location of the building is driving the cost. He explained that renovation is more cost effective than demolition and new construction. Mr. Osborne stated that the project cost is a projection and that he would have firmer numbers once the project is established for phase I – pre-design. The Committee agreed to accept this project as part of the institution's FY 2014-15 CPIP year one with the understanding that it will come through the interim capital project process and go before the Committee and Commission for review and approval at the time of submission.

- 2. Physical Plant Renovation
- 3. Lesesne House Renovation

Mr. Glenn presented projects 2 & 3 with no questions posed by the members.

- G.) Greenville Technical College
 - 1. Building 602 Roof Replacement

Mr. Glenn presented the project with no questions posed by the members.

- 2. Building 602 Interior Renovation

Commissioner Hanna asked about the size of the building. Since there were no representatives from Greenville Technical College present, staff agreed to collect this information and report back to the Committee.

- H.) Midlands Technical College
 - 1. Airport Learning Resource Center Renovation

Mr. Glenn presented the project with no questions posed by the members.

- I.) Tri-County Technical College
 - 1. E & IT Expansion at Industrial Technology Center

Mr. Glenn presented the project with no questions posed by the members.

Land Acquisitions

- A.) University of South Carolina Columbia
 - 1. Land Acquisition (SCANA Property east of Assembly Street)

Chairman Finan asked why the Foundation was not going to purchase this property for the University. Mr. Gruner stated that the Foundation is an avenue to explore for acquiring this property. Chairman Finan asked if an environmental study will be done before purchasing the property. Mr. Gruner affirmed that an environmental assessment would be completed before acquisition of the property.

- B.) College of Charleston
 - 1. Potential Land Acquisition

Mr. Glenn presented the project with no questions posed by the members.

Mr. Glenn presented a summary list of CPIP Years Two, Three, Four and Five. He noted these projects illustrate the institutions long-range planning.

With no further questions, it was moved (Temple), seconded (Hanna), and voted to approve Year One CPIP projects that were presented. It was then moved (Temple), and seconded (Hanna) to reaffirm approval of Year One CPIP projects that have been previously considered by the Commission. CPIP Years Two, Three, Four and Five were then offered as information.

V. Other Business

Mr. Glenn presented the quarterly budget stating that the agency is on target at 75%. Chairman Finan stated that some agencies are not adequate in IT protection and asked about the status of CHE's protection. Mr. Glenn affirmed that CHE has adequate protection and pointed out the line item in the budget to cover such expenses. He also noted that CHE is scheduled to be interviewed regarding IT security.

Chairman Finan noted that PASCAL has a large budget. He asked why CHE advocates for additional funding for PASCAL every year if they aren't spending what they currently have. Mr. Glenn explained that the dollars in PASCALs current budget are from unclaimed lottery prize money which is unpredictable. He reassured the Committee that PASCAL has a plan for spending the dollars in their current budget and that CHE should continue to advocate for a stable funding source. Chairman Finan asked about National Guard funding and where it currently stands. Mr. Glenn stated that he would bring a report on National Guard to the Committee at their next meeting on May 1, 2014.

The list of Capital Projects & Leases processed by staff for March 2014 was presented for information. Mr. Glenn noted that Lander University has not advanced their 2013-14 Maintenance Needs project and that staff is still working with them to get that project submitted as soon as possible.

With no further business, Chairman Scarborough adjourned the meeting at 10:10 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 1, 2014

COASTAL CAROLINA UNIVERSITY

PROJECT NAME: Football Stadium Field Turf
REQUESTED ACTION: Establish Project
REQUESTED ACTION AMOUNT: \$1,250,000
INITIAL CHE APPROVAL DATE: N/A

<u>Source of Funds</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Coastal Athletic Foundation Gift	\$0	\$1,250,000	\$1,250,000
<i>Total</i>	<i>\$0</i>	<i>\$1,250,000</i>	<i>\$1,250,000</i>

DESCRIPTION:

The University requests approval to establish a project to replace the grass in Brooks Stadium with artificial turf. Turfing the field will provide additional practice space for varsity sports. Practice field space is currently limited and shared by student intramural, club sports, and varsity teams. Currently, the game field is not used for practice in order to keep the grass intact. In addition to more practice space, the venue can be used for events such as student gatherings, concerts, regional all-star football games, etc. The projected date for execution of the construction contract is December 2014 with a projected completion date of April 2015.

Based on an earlier cost estimate, the University proceeded with design and Office of State Engineer (OSE) review of the project as an internal renovation project under the permanent improvement project (PIP) threshold of \$1M. When the project was bid, the low bid exceeded anticipated project costs taking the project over the PIP threshold.

E&G MAINTENANCE NEEDS:

N/A – Site Development

ANNUAL OPERATING COSTS/SAVINGS:

The project is not expected to generate additional operating costs. The University believes operating costs/savings will cancel each other out. Where there were operating expenses for mowing, painting, fertilizing and irrigating real grass, there will be expenses for cleaning and reworking beads for turf several times a year.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

INFORMATION ITEM

Capital Projects & Leases Processed by Staff April 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								
4/4/2014	9867	USC Columbia	School of Law New Building Construction ¹	revise scope	\$0	\$80,000,000	11/3/1999	-
4/4/2014	9547	USC Aiken	Deferred Maintenance 2012 ²	increase budget	\$153	\$841,914	11/21/2012	-
4/10/2014	9568	Francis Marion	Medical & Health Sciences Complex	establish construction budget	\$15,267,500	\$15,500,000	2/6/2014	-
Close-Outs								
4/2/2014	9633	College of Charleston	McConnell Hall Renovation Phase II	decrease budget, close project	(\$110,349)	\$494,456	12/19/2007	-
4/2/2014	9544	USC Aiken	Etherredge Center Cooling System Repairs/Replacement	decrease budget, close project	(\$4,332)	\$435,668	4/2/2009	-
4/2/2014	9510	USC Beaufort	Science & Technology Building Second Floor Upfit	decrease budget, close project	(\$516,612)	\$2,755,388	11/2/2007	-
4/4/2014	9546	USC Aiken	Deferred Maintenance	decrease budget, close project	(\$153)	\$559,980	11/23/2011	Building condition for Penland Building increased from 75 to 81. Maintenance needs were reduced by 24%. Building condition for Pickens Sally House increased from 89 to 97. Maintenance needs were reduced by 73%.

¹See supporting narrative.
²Increase budget with Capital Reserve Funds transferred from project #9546 - Deferred Maintenance.

UNIVERSITY OF SOUTH CAROLINA COLUMBIA

PROJECT NAME: School of Law New Building Construction
REQUESTED ACTION: Revise Scope
REQUESTED ACTION AMOUNT: \$0
INITIAL CHE APPROVAL DATE: November 3, 1999

Source of Funds	Previous	Change	Revised
Capital Improvement Bonds	\$10,000,000	\$0	\$10,000,000
Institution Bonds	\$48,100,000	\$0	\$48,100,000
Capital Reserve Fund (FY 2011-12)	\$10,000,000	\$0	\$10,000,000
Private	\$11,900,000	\$0	\$11,900,000
Total	\$80,000,000	\$0	\$80,000,000

DESCRIPTION:

The University requests approval to revise the scope of the School of Law New Building Construction project to include demolition of four existing buildings on the site, removal of the non-historic additions to the Taylor House and stabilization of the exterior of the building, and renovation/restoration of the historic Taylor Carriage House. The Carriage House will be connected to the new construction and will accommodate support spaces programmed for food service.

This project, as well as the additional scope of work, was approved by CHE on May 2, 2013 as part of FY2013-14 CPIP year one. Demolition of buildings on the site and renovation of the Taylor House and Taylor Carriage House were approved under separate projects. Under advisement from OSE the institution is including all site work under one project.

The new School of Law Building will be on the site bound by Gervais, Senate, Bull, and Pickens Streets on the northern edge of the campus. The new building will be designed for a projected student population of 660 students and is programmed to consist of three stories and 187,500 SF. The building will be designed to achieve LEED Silver rating and has a projected date for execution of the construction contract in September 2014 with a projected completion date of September 2016.

E&G MAINTENANCE NEEDS:

Based on Fall 2012 data, the Taylor House has a current condition code of 22 with existing maintenance needs of \$3,202,494 over the next twenty years. The exterior wall system is rated at 3.875 out of 5. The renovation is expected to return the exterior of the Taylor House to like-new condition.

ANNUAL OPERATING COSTS/SAVINGS:

Custodial, maintenance, grounds, waste management, utilities, administration, and a onetime equipment cost will require additional operating costs of \$1,633,075 in the first year, and \$1,478,075 in the second and third years following project completion.