



South Carolina Commission on Higher Education

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Dr. Mitchell Zais

Dr. Garrison Walters, Executive Director

TO: Mr. Jim Sanders, Chair, and Members of the Committee on Finance & Facilities

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

SUBJECT: Committee Meeting, September 3

DATE: August 24, 2009

A meeting of the Committee is scheduled to be held in the Commission's Main Conference Room at 10:00 a.m. on Thursday, September 3. 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 September 3.

Enclosures

AGENDA

COMMITTEE ON FINANCE & FACILITIES

SEPTEMBER 3, 2009

10:00 A.M.

MAIN CONFERENCE ROOM

SC COMMISSION ON HIGHER EDUCATION

1333 MAIN STREET, SUITE 200

COLUMBIA, SC 29201

1. Introductions
2. Minutes of August 5 Meeting
3. Lease
 - A. Clemson University
 - i. Computing & Information Technology
- *lease renewal & future space expansion approval*
4. Other Business
 - A. List of Capital Projects & Leases Processed by Staff for August 2009 (For Information)
 - B. Identification of Construction Delivery Method

MINUTES

SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION
COMMITTEE ON FINANCE AND FACILITIES
AUGUST 5, 2009
9:00 A.M.
MAIN CONFERENCE ROOM
SC COMMISSION ON HIGHER EDUCATION
1333 MAIN STREET, SUITE 200
COLUMBIA, SC 29201

Committee Members Present

Mr. Jim Sanders
Dr. Doug Forbes
Mr. Ken Jackson

Dr. Dennis Gribenas
Mr. Craig Hess
Ms. Diane Newton
Ms. Dorenda Sprowl

Committee Members Not Present

Mr. Chuck Talbert
Mr. Neal Workman

Staff Present

Mr. Gary Glenn
Ms. Courtney Blake
Ms. Julie Carullo
Ms. Stephanie Charbonneau

Guests Present

Ms. Donna Collins

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 Sanders called the meeting to order at 9:10 a.m. Ms. Blake introduced the guests in attendance.

The following matters were considered:

II. Approval of Minutes of Meeting on June 4, 2009

A motion was made (Jackson), seconded (Forbes), and carried to approve the minutes of the June 4, 2009 meeting.

III. Interim Capital Projects

The following projects were presented and discussed:

- A.) Lander University
 - i. Chipley Hall Renovation

Mr. Glenn presented the project noting that the dormitory is one of the oldest buildings on campus. He explained that the project will consist of installing a code compliant Fire Monitoring Alarm System and a Fire Protection Sprinkler System. Building utilities including electrical, plumbing, ventilation and HVAC systems will be addressed to enhance the quality of student life. Lighting throughout the dorm will be converted to fluorescent to reduce energy consumption. Mr. Glenn added that the restrooms will be completely demolished and reconfigured, and the shingled roof, storm water gutters and downspout systems will be replaced.

Dr. Forbes asked why the University is sticking with a shingled roof and not converting to a metal roof. Ms. Diane Newton, from Lander University, replied that, based on the funding

available to support this project, a metal roof would be too expensive and the shingles they are putting on the dorm will be fifty year shingles.

ii. Carnell Learning Center Roof Replacement

Mr. Glenn presented the project noting that after 27 years, the roof performance of the Carnell Learning Center has severely deteriorated and the roof envelope has failed. Water is entering the building on a regular basis and roof patching is no longer effective. He noted that the extensive volume of roof mounted utilities is contributing to some difficulty with the roof replacement.

Chairman Sanders asked if both projects will decrease the amount of maintenance needs on campus. Ms. Diane Newton replied that both projects will reduce the amount of maintenance needs on campus; however, the Carnell Learning Center will be the only project to decrease the State's total amount of maintenance needs because it is E&G space.

It was moved (Forbes), seconded (Jackson), and voted to approve the Lander projects as proposed.

IV. Lease

A.) Lander University

i. Inn on the Square

Mr. Glenn presented the lease stating that Lander University is currently projecting a shortage of 100 beds for the upcoming school year, and the Inn on the Square will provide 102 beds with additional meeting space for students and other University needs. The monthly rental rate will be \$31,000 for ten months which makes the total lease cost \$310,000. He noted that the Inn will provide maintenance and landscaping while the University will be responsible for utilities, custodial, security and additional housing presence.

Chairman Sanders asked if all other dorms on campus were full. Ms Diane Newton replied that they were. She explained that the original housing plan was to pursue an apartment complex consisting of 400 beds. The apartment complex is owned by HUD. They pulled out of the deal at the last minute leaving them with bidding the job and selecting the Inn. She noted that a housing master plan is currently under way.

With no further questions, it was moved (Forbes), seconded (Jackson), and voted to approve the lease provided the rates and terms are approved by the Budget and Control Board.

V. Master Land Acquisition (MLAP) Approval

A.) York Technical College

Mr. Glenn explained the policy which allows institutions to request conceptual approval of a land acquisition plan to expedite the process given the fast nature of purchasing real estate. Chairman Sanders asked for an explanation of the land map included in the meeting materials. Mr. Dennis Gribenas from York Technical College explained that the Chester Center is currently located on a 5.32 acre tract that is surrounded by vacant land and six small partially occupied parcels totaling 5.59 acres. He noted that the York Technical College Foundation owns 29.49 acres contiguous to the center, and Chester County owns 5.90 acres near the Center which is planned to be an incubator facility operated by the County for economic development. The remaining property of 209 acres is privately owned by the Frazier family.

Mr. Jackson asked how the College will partner with the county for economic development. Mr. Gribenas replied that York Technical College is already partnered with the county for economic development. He explained that the College sub-leases some of their land to the County.

It was moved (Jackson), seconded (Forbes), and voted to approve York Technical College's MLAP.

VI. Other Business

Mr. Glenn noted that questions have been presented regarding the use of the 2009 Stimulus Funds. He stated that the stimulus funds must be used within the next two years; however, new projects often take longer than two years from identification to completion. His suggestion to institutions finding themselves in this situation is to take projects already established that are using institutional funding and switch the source to stimulus funds. He added that a change in source of funds can be staff approved which will make the process faster.

Chairman Sanders asked for feedback on the Alternative Delivery Seminar held on June 24, 2009. Ms. Dorenda Sprowl, from Lander University, attended the seminar at the Piedmont Technical College site and said that she found it helpful. Chairman Sanders asked if the University would be using Alternative Delivery Methods for future construction. Ms. Sprowl replied that they will be using alternative methods for upcoming projects; however, their projects are small and won't see much difference. Dr. Gribenas stated that the College has received \$1,100,000 in stimulus funds and they are considering Alternative Delivery Methods for upcoming projects.

The lists of Capital Projects & Leases processed by staff for June and July 2009 were presented for information.

With no further business, Chairman Sanders adjourned the meeting at 9:30 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 LEASE FOR CONSIDERATION

September 3, 2009

CLEMSON UNIVERSITY

LEASE NAME: Computing & Information Technology
REQUESTED ACTION: Lease Renewal & Future Space Expansion Approval
REQUESTED ACTION AMOUNT: \$ 712,471 (Renewal); \$222,456 (Future Space)

DESCRIPTION:

The University requests approval of a lease renewal between Eagles Landing Properties, LLC I and II (Landlord) and Clemson Computing and Information Technology (Tenant).

Departmental staff of approximately 80 University employees currently occupies 13, 970 SF of office space at 934 Old Clemson Highway and needs to renew this space. The Clemson Computing and Information Technology (CCIT) group provides applications programming support for university systems as well as contracted services for the SC Department of Health and Human Services (SCDHHS) to process Medicaid claims.

An approval is also requested for additional future space in the same location, Eagles Landing Properties LLC I and II located at 936-A Old Clemson Highway. CCIT needs to add space in the future for an anticipated 20-30 full time staff for a major Medicaid Management Information Systems (MMIS-claims processing) and Medicaid Eligibility Determination System (MEDS-eligibility) contract. This will be a development and implementation project to improve Medicaid claims administration through advances in information technology for uniformity among state programs.

The department requested a three year cost proposal from Eagles Landing Properties to coincide with the government Medicaid contract. The suggested option to renew the lease would be for three years. Proposed rates for operating costs increase approximately 7% on 1/1/2011 for all space, and 6.7% in 2012. These increases represent the first increase in operating costs since 9/1/2003.

1) 934 Lease extension for additional three year term (13,970 SF)

<u>Lease Term</u>	<u>Rent (\$/SF)</u>	<u>Operating Cost (\$/SF)</u>	<u>Tot. Rent & Op. Cost (\$/SF)</u>	<u>Tot. Annual Rent & Op. Cost</u>	<u>Monthly Rent & Op. Cost</u>
1/2011-12/2011	\$13.00	\$3.75	\$16.75	\$233,998	\$19,499.79
1/2012-12/2012	\$13.00	\$4.00	\$17.00	\$237,490	\$19,790.83
1/2013-12/2013	\$13.25	\$4.00	\$17.25	\$240,983	\$20,081.92

2) 936-A Lease for future space (3,588 SF)

<u>Lease Term</u>	<u>Rent (\$/SF)</u>	<u>Operating Cost (\$/SF)</u>	<u>Tot. Rent & Op. Cost (\$/SF)</u>	<u>Tot. Annual Rent & Op. Cost</u>	<u>Monthly Rent & Op. Cost</u>
5/2010-12/2010	\$13.00	\$3.50	\$16.50	\$39,468	\$4,933.50
1/2011-12/2011	\$13.00	\$3.75	\$16.75	\$60,099	\$5,008.25
1/2012-12/2012	\$13.00	\$4.00	\$17.00	\$60,996	\$5,083.00
1/2013-13/2013	\$13.25	\$4.00	\$17.25	\$61,893	\$5,157.75

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 August 2009						
Date Approved	Project #	Institution	Project Name	Action Category	Budget Change	Revised Budget
7/30/2009	9886	Clemson	Lee Hall Complex Expansion/Renovation ¹	change source of funds	\$0	\$31,600,000
7/30/2009	9558	Coastal Carolina	Kimbel Library /Information Commons Expansion/Addition ²	change source of funds	\$0	\$6,000,000
7/30/2009	9565	Coastal Carolina	Baseball Batting Facility ³	change source of funds	\$0	\$1,200,000
8/11/2009	6034	USC Columbia	USC ROTC Center Renovations	decrease budget, close project	(\$15,279)	\$674,721
8/11/2009	9782	USC Columbia	Caroliniana Library Repairs	decrease budget, close project	(\$270)	\$1,147,730
8/11/2009	9970	USC Columbia	Koger Center Renovations	decrease budget, close project	(\$62,093)	\$1,137,907
8/11/2009	9983	USC Columbia	McKissick Museum Visitor Center Relocation	decrease budget, close project	(\$121,283)	\$135,217
8/11/2009	9564	Coastal Carolina	Campus Road Realignment	decrease budget, close project	(\$1,000)	\$1,500
8/11/2009	9507	USC Beaufort	Campus Buildings Exterior Repairs	decrease budget, close project	(\$5,271)	\$101,729
8/11/2009	9509	USC Beaufort	Performing Arts Center Renovation ⁴	increase budget	\$5,271	\$125,771
8/11/2009	9504	USC Union	Main Building Parking Lot Repairs ⁵	cancel project	(\$24,870)	\$0
8/11/2009	9505	USC Union	Campus Buildings Exterior Repairs	decrease budget, close project	(\$1,732)	\$88,268
8/11/2009	9506	USC Union	Deferred Maintenance ⁶	increase budget, revise scope	\$26,602	\$126,717
8/17/2009	9562	Coastal Carolina	Kingston Hall & Greenhouse Area Land Acquisition	decrease budget, close project	(\$300)	\$2,200
8/18/2009	9563	Coastal Carolina	Meade Fire Tower Site Acquisition	decrease budget, close project	(\$3,629)	\$1,206,871
8/20/2009	9614	College of Charleston	Dixie Plantation Development Phase I	revise scope	\$0	\$4,500,000

¹Source of funding changed from Institution Bonds to Institutional Capital Project Funds & FY09 Federal Stimulus Funding.

²Source of funding changed from Institutional Capital Project Funds to Institution Bonds. Changes in source of funding will more accurately reflect 2009 bond bill resolution.

³Source of funding changed from Institution Bonds to Institutional Capital Project Funds. Changes in source of funding will more accurately reflect 2009 bond bill resolution.

⁴Transferred funds from project #9507. Additional funding will be used for carpet replacement in corridors.

⁵Transfer funds to #9506. Priorities for maintenance funding have changed. Funding is needed for roof repairs on the Central Building.

⁶Transferred funds from project #9504 & #9505. Increase budget and revise scope to include roof repairs/replacement on Central Building.

**Leases Processed by Staff
August 2009**

Date Approved	Action	Institution	Project Name	Purpose/Additional Info	Rates	Term
8/21/2009	Renew	MUSC	161 Rutledge Avenue	For 4,000 SF of office space	Rate Per SF - \$14.00; Monthly Rental Rate - \$4666.67; Annual Rental Rate - \$56,000	1 year