



December 20, 2002

TO: Dalton B. Floyd, Jr., Chair,  
Commission on Higher Education

FROM: Rosemary Byerly, Chair  
Finance and Facilities Committee

SUBJECT: Facilities Agenda Items for Consideration on January 9, 2003

Attached are the Interim Facilities Projects and the Scores for Year 2 Comprehensive Permanent Improvement Plan (CPIP) Requests (2003-2004 Capital Improvement Bond Requests) for consideration at the Committee meeting on January 9, 2003. The Committee on Finance and Facilities has not yet acted on these items. The Committee is scheduled to meet at 9:00 a.m. on January 9, prior to the Commission meeting, to consider these items. Staff Recommendations are included for your information.

A summary of the interim projects is shown below, with descriptions of the individual projects beginning on page 2. A description of the Year 2 CPIP scoring process and project scores begins on page 6.

**Summary of Interim Projects**

<b><u>Institution</u></b>	<b><u>Project</u></b>		<b><u>Amount</u></b>
Clemson University	Adv. Materials Res. Lab. Constr.	-increase	\$ 1,151,218
MUSC	Indoor Air Quality Improvements	-establish	\$ 3,000,000
	Basic Sci. Bldg. Infrastruct. Renov.	-increase	2,700,000
USC-Columbia	Basketball Arena Construction	-increase	\$ 1,200,000
	Campus Food Service Facilities	-increase	1,644,904
Aiken TC	700 Building Renovation	-increase	\$ 2,125,000
Denmark TC	Land and Bldg. Acquisition	-establish	\$ 300,000
Tri-County TC	Paving/Surfacing/Landscaping	-incr./revise	\$ 950,000
<b><u>Lease</u></b>			
MUSC	Rutledge Tower Annex	-renewal	\$ 110,560/yr



the infrastructure components have exceeded their useful life. Further, the building has been adapted over the years on an incremental basis to support research activities. The building was not designed with an infrastructure to support research activities and much work has been done over the past few years to upgrade some of those infrastructure components. MUSC is requesting the project be increased by \$2.7 million to address indoor air quality problems located on the west side of the BSB where the majority of space is devoted to research activities. The recent addition of research labs and hood on the west side of the 4<sup>th</sup> and 5<sup>th</sup> floors has significantly increased the exhaust volume and created an unbalanced air flow within the building. Of the \$2.7 million, an estimated \$1 million will be used to establish air flow controls floor to floor for the entire building and room to room on the west side of the building, and \$1.7 million will be used to abate asbestos on the west side of the building.

Recommendation:

Staff recommends approval of this project as proposed.

**USC-Columbia**

Basketball Arena Construction           \$ 1,200,000 -increase budget  
(\$55,940,000 previously approved)

Source of Funds:                               \$1,200,000     -athletic funds

Description:

USC-Columbia requests approval to increase the project budget to fund change orders to the project. The change orders include sprinkler modifications required by Office of the State Engineer (OSE), additional electrical requirements to meet audio-visual needs of the Center manager, concession changes, field changes to the steel structure, kitchen modifications required by the Department of Health and Environmental Control (DHEC) and addition/upgrade of finishes. The majority of the increase will ultimately be funded from the sale of an additional suite and increased contributions from sales and services, but is currently being funded from Athletic Department funds.

Recommendation

Staff recommends approval of this project as proposed.

**USC-Columbia**

Columbia Campus Food Service Facilities

Renovation/Expansion                   \$1,644,904     -increase budget  
(\$3,350,000 previously approved)

Source of Funds:                               \$ 1,200,000     -cafeteria renovation and reserve funds

Description:

The institution requests an increase to the project budget to correspond to the amount specified in the Food Service Contract. The project involves the renovation of food services facilities located on the Columbia campus. Work includes upgrading building systems, reconfiguring and/or expanding food service areas and providing the necessary infrastructure to support the

improvements completed by the food service vendor. The project is being implemented over a four-year period.

Recommendation:

Staff recommends approval of this project as proposed.

**Aiken TC**

700 Building Renovation                      \$2,125,000    - increase budget  
(\$1,125,000 previously approved)

Source of Funds:                                \$2,125,000    -local funds

Discussion:

Aiken TC requests approval to increase the budget of this project to reflect costs required to bring project up to the new international building code as required by the Office of the State Engineer (OSE). Initial estimates dealt only with the original portion of the building and were performed under a limited scope with regard to deferred maintenance issues. After obtaining the necessary approvals to begin the project, the firm hired to provide the architectural and engineering (A&E) services conducted a design study in conjunction with faculty and staff of the college. The resulting recommendations increased the project cost by enough to trigger the “50%” rule that mandates that all renovation projects that exceed 50% of the replacement cost values must conform to OSE regulations requiring the entire building be brought up to code. The new project budget is estimated to be \$3,250,000 to renovate the building including all changes required under the new code.

Recommendation:

Staff recommends approval of this project as proposed.

**Denmark TC**

Land and Building Acquisition –  
2030 Ellington Rd, Barnwell, SC    \$ 300,000    -establish project

Source of Funds:                                \$ 300,000    -local funds

Discussion:

Denmark TC requests approval to purchase the land and building located at 2030 Ellenton Road, Hwy 178 in Barnwell, SC. The property consists of a building with 20,010 SF of space including 4,510 SF of classroom space. The remaining space is a garage and warehouse building located on 3.05 acres of land. The appraised value of the land and building is \$425,000. Denmark is currently leasing the classroom space in order to provide instructional services to Barnwell County – one of Denmark’s local service area counties. The current owner of the property wants to sell the facility. Should that happen, Denmark TC will lose access to a location and situation that has been very beneficial to the citizens of Barnwell County and to the College. Therefore, Denmark TC proposes to purchase the property and building for \$300,000. The purchase of this building will enable the college to continue to fulfill its educational mission to the State of South Carolina and to the citizens of Barnwell County. The seller is selling the building and property at \$125,000 below the appraised value as a donation to Denmark TC. The

College has the funds available to purchase the property and the local area Commission has approved the purchase. The project is scheduled to be considered by the SBTCE at their January meeting.

Recommendation

Staff recommends approval of the project as proposed, provided the project is also approved by SBTCE in January.

**Tri-County TC**

Paving/Resurfacing/Landscaping      \$ 950,000      - increase budget/revise scope  
    - Phase III  
(\$2,140,000 previously funded)

Source of Funds:                              \$ 950,000      - local funds

Discussion:

The College requests approval to increase the budget and revise the scope of the project to include Phase III implementation of the parking study conducted in 2001. In order to provide additional parking to meet enrollment growth, the College is renovating existing parking areas to maximize utilization and adding parking in other areas to increase the number of parking spaces by 169.

Recommendation:

Staff recommends approval of this project as proposed.

**Lease**

**MUSC**

Rutledge Tower Annex                      \$ 110,560      -annualized lease cost  
    158 Ashley Ave. - Renewal

Discussion

This request is to sub-lease 6,910 square feet in the Rutledge Tower Annex. This lease provides office space for various College of Medicine departments. The original lease of the building was written as a University lease, but the Hospital Authority occupies the majority of the building. It is more appropriate to have the lease of the building to the Hospital Authority and have MUSC as a sub-lease “tenant.” Writing the lease in this manner will also show expenditures more accurately. The initial term of the lease is five years. The per-square-foot lease cost is \$16.00. The monthly rent will be \$9,213.30 resulting in an annual lease cost of \$110,560.

Recommendation:

Staff recommends approval of the lease as proposed, provided the Leasing Office of the Budget and Control Board finds the rates and terms of the lease acceptable.

## **Year 2 of Approved Comprehensive Permanent Improvement Plan, Project Scores**

The Comprehensive Permanent Improvement Plan (CPIP) Process replaced the Annual Permanent Improvement Plan (APIP) and the Overall Permanent Improvement Plan (OPIP), and the Commission's Exceptional Capital Projects (ECP) Process in 2001. This action brought together three separate processes into one comprehensive five-year planning process with Year One becoming a statement of the annual plan, Year Two becoming the requests for capital improvement bond (CIB) funds, and years three, four, and five becoming broad estimates of future needs and plans. The CPIP is updated each year during the spring of the year.

Year Two of the 2002 CPIP included requests for CIB funds for 2003-2004 and was adopted by CHE in June, the Joint Bond Review Committee (JBRC), the Budget and Control Board in August, and submitted to the Legislature. The projects are submitted to the Legislature in institutional priority order with the understanding that once the projects are evaluated and scored by CHE, the scores will also be submitted. Once CPIP has been approved by the JBRC and the Budget and Control Board and submitted to the Legislature, no additional projects may be added to the current Year Two Requests. Any additional projects for which an institution wishes to request CIB funding must be included in the next year's CPIP.

Institutional Project Scores were calculated using the Commission's criteria for scoring institutional capital requests. Criterion 3, revised to include facility utilization and growth data, was adopted in September of 2002. Calculations of the measures for the space factor and assignable square feet (ASF) of academic space per full-time equivalent (FTE) students were based on the fall 2002 data as reported by the institutions. CHE staff made personal visits to the colleges and universities to ensure that institutional staff were familiar with the revised criterion and the calculation methodology. Waiting until the fall 2000 data were submitted also gave the institutions the opportunity to make sure the data were clean before submission.

For required projects (facilities that may not be demolished for historical reasons) where an institution scored less than 25 total points on Criterion 3 and the facility is unsafe for occupancy, application of this Criterion 3 was waived and the full 25 points applied. The only project meeting these conditions for the current year's requests was Lowman Hall at S.C. State.

Many of the projects have been scored previously. Changes in scores for previously scored projects reflect the results of the new criterion and/or changes in deferred maintenance only.

Each institution will be sent a copy of its individual project scores during the first week in January.

### **Project Scores**

A summary listing of each institution's request in institutional priority order, along with the scores, is included as Attachment 1. For your information, an explanation of the scoring criteria and their application is included as Attachment 2.

### **Recommendation:**

The staff recommends approval of the scores for the year two CPIP requests for CIB funding.