



Dr. Gail Morrison
Interim Executive Director

April 23, 2007

TO: Dr. Layton McCurdy, Chair, and Members, Commission on Higher Education
FROM: Mr. Daniel Ravenel, Chair, Committee on Finance and Facilities
SUBJECT: Interim Capital Projects for Consideration on May 3, 2007

The Committee on Finance and Facilities met on April 5 to review the following items:

4.04A Interim Capital Projects

A.) Clemson University

- a. Memorial Stadium West End Zone Component II
-increase budget, revise scope, change project name

B.) Winthrop University

- a. Byrnes Auditorium Renovation
-establish project
b. Ebenezer Avenue Improvements
-establish project
c. Thurmond Auditorium Construction
-increase budget, revise scope

C.) Tri-County Technical College

- a. Pendleton Campus Expansion Land Purchase
-establish project

4.04B Consideration of Institutional Deferred Maintenance Plans for Educational & General Facilities

4.04C List of Staff Approvals for February 2007

If you have any questions about a particular item, or if you need additional information, please contact me or Lynn Metcalf at (803) 737-2265.

DESCRIPTION OF INTERIM CAPITAL PROJECTS FOR CONSIDERATION

May 3, 2007

Clemson University

Memorial Stadium West End Zone Component II (Previous Budget = \$125,000)	\$16,026,061	-increase budget, revise scope, change project name
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Source of Funds:	\$ 5,756,000	-private funds
	5,136,699	-private funds (IPTAY)
	3,788,362	-private funds (Clemson Foundation)
	1,345,000	-athletic revenue bonds

Proposed Budget:	\$11,723,400	-new construction (39,560 GSF)
	1,876,600	-interior building renovations (8,530 GSF)
	1,256,400	-professional services fees
	1,117,261	-contingency
	111,400	-labor costs
	34,000	-equipment and/or materials
	20,000	-master planning charges
	<u>12,000</u>	-builders risk insurance
Total:	\$16,151,061	

Description

The University requests approval to increase the budget and revise the scope for improvements and additions to level one, two, and three of the West End Zone in Memorial Stadium. The changes will include architectural improvements for 8,530 square feet to accommodate coaches' offices and administrative space. The renovation cost per square foot is \$220. The project will add 39,560 square feet which will provide a new weight training and condition area and training facilities as well as an expanded equipment room. The new construction cost per square foot is \$296.

The revised scope will complete the work established by the initial study for Component 2 and centralize all football operations in Memorial Stadium.

Guarantee letters are on file at CHE for the private funds.

E&G Deferred Maintenance Reduction:

N/A – Auxiliary

Annual Operating Costs/Savings:

Operating, maintenance, and utilities will require additional operating costs ranging from \$35,000 to \$45,000 in the three years following project completion. The costs will be absorbed into the existing budget.

Recommendation

The Committee on Finance and Facilities recommends approval of this project as proposed.

Winthrop University

Byrnes Auditorium Renovation	\$1,000,000	-establish project
Source of Funds:	\$1,000,000	-institutional capital project fund
Proposed Budget:	\$ 889,000	-interior building renovations (59,512 GSF)
	100,000	-professional services fees
	10,000	-contingency
	<u>1,000</u>	-bond issue costs
Total:	\$1,000,000	

Description

The University requests approval to establish a project for renovations and repairs in the 1939 Byrnes Auditorium. All wiring, lighting, sound, lights, and electrical systems are 1939 vintage. These systems need to be modernized to current performance standards.

The project includes installing a pit fill unit which will permit the stage area to be enlarged when needed; a sound shell; installation of acoustic panels in the audience chamber; reworking some of the piping and electrical in the fly loft, new performance lights with service platform, and a new sound system with control booth. The renovation cost per square foot is \$15.

E&G Deferred Maintenance Reduction:

The project will alleviate a portion of the \$1,253,612 in existing deferred maintenance in the building.

Annual Operating Costs/Savings:

The project is not expected to generate additional operating costs at this time.

Recommendation

The Committee on Finance and Facilities recommends approval of this project as proposed.

Winthrop University

Ebenezer Avenue Improvements	\$6,500,000	-establish project
Source of Funds:	\$6,500,000	-institutional capital project fund
Proposed Budget:	\$3,695,000	-site development
	1,483,500	-exterior building renovations
	1,000,000	-utilities renovations
	151,000	-contingency
	100,000	-landscaping
	65,000	-professional services fees
	<u>5,500</u>	-bond issue costs
Total:	\$6,500,000	

Description

The University requests approval to establish a project for conversion of vehicular traffic areas in the core campus to pedestrian focus and circulation along with façade improvements to several buildings facing Ebenezer Avenue. The project includes conversion of a roadway to a plaza, a former building site into green space, relocating and repairing/replacing deteriorated utility lines, adding paved pedestrian walkways, street lights, storm drainage improvements, and creating areas to showcase and display student performances and art.

Additional work includes replacing some windows and opening presently enclosed breezeways on buildings facing Ebenezer Avenue and other improvements especially to the rear entrance of Roddey Hall which directly faces Ebenezer Avenue.

The University’s Master Plan calls for growth of the University to move westward which will change what is presently the back of the campus into the center core of the campus. Movement in this direction is already underway with the improvements to Alumni Drive, the construction of the Lois Rhame West Center and the new Campus Center which is scheduled to begin construction in a few months.

E&G Deferred Maintenance Reduction:

N/A – Site Development

Annual Operating Costs/Savings:

The project is not expected to generate additional operating costs at this time.

Recommendation

The Committee on Finance and Facilities recommends approval of this project as proposed.

Winthrop University

Thurmond Auditorium Construction \$3,200,000 -increase budget, revise scope
(Previous Budget = \$2,800,000)

Source of Funds: \$3,200,000 -institutional capital project fund

Proposed Budget: \$4,256,060 -new construction (20,861 GSF)
 1,000,000 -utilities renovations
 394,257 -professional services fees
 349,683 -contingency

Total: \$6,000,000

Description

The University requests approval to increase the budget and revise the project scope to construct a 20,861 GSF free-standing facility to accommodate expanded program needs. The building has been planned through Design Development and is now ready to proceed through the construction phase. The new construction cost per square foot is \$204.

The auditorium originally envisioned in 1999 was to be an extension at the rear of Thurmond. Since that time, building codes have changed which would require the entire facility be brought up to current code standards in order to complete any renovations or additions. Also during that time, program needs have expanded to include a need for a mock stock trading floor, computer labs, and business major mini-labs in addition to the need for the auditorium space. The College of Business Administration is the only academic unit of the University that does not have a dedicated auditorium and meeting space where all majors can assemble to hear special speakers and presentations, interact with professional mentors and role models who are leaders in their professions, and where the University resources and expertise can be offered to members of the region’s business community who are continuing their professional training.

**Note: the General Assembly allocated \$1 million for this project in the 2005 session.*

E&G Deferred Maintenance Reduction:

N/A – Site Development

Annual Operating Costs/Savings:

Maintenance and utilities will require additional operating costs of \$5,000 in the three years following project completion. The costs will be absorbed into the existing budget.

Recommendation

The Committee on Finance and Facilities recommends approval of this project as proposed.

**INSTITUTIONAL DEFERRED MAINTENANCE PLANS
FOR EDUCATIONAL & GENERAL FACILITIES**

As part of the Commission’s recommendations to improve the facilities approval process, a subcommittee of the Facilities Advisory Committee was established to develop parameters within which institutions would establish plans to address deferred maintenance. The Advisory Committee approved the calculation method and policy in February 2007.

Plans will be due to the Commission by July first of each year. Institutions have requested a one-year grace period on developing plans for infrastructure to allow adequate time to evaluate the best manner in which to report replacement costs. CHE staff supports this request and will work with the institutions throughout this process.

ACTION REQUIRED: The Commission is asked to approve the policy and calculation method.

The Committee on Finance and Facilities recommends approval of the policy and calculation method as proposed.

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POLICY

The Commission on Higher Education (CHE), recognizing the magnitude of deferred maintenance for educational and general (E&G) facilities at public institutions of higher learning, has adopted a policy which requires institutions to submit an annual plan which would determine the amount of funding needed to bring maintenance needs to an acceptable level. The plans will allow CHE to review ongoing maintenance needs in addition to the amount of maintenance that has been deferred. Also, the plan will provide interested stakeholders with an understanding of the varying needs on each campus regarding this issue.

CHE staff, in consultation with institution facilities officers, has developed parameters for addressing E&G deferred maintenance. Plans are to be submitted to the Commission for approval by the first of July each year. The following definitions, calculation methods, and elements will be included in the plans:

DEFINITIONS

- “Deferred maintenance” is defined as project-level maintenance that should have been performed but has been postponed until adequate funding is available. This includes equipment or systems that have exceeded their expected service life and equipment or systems that are not performing at an acceptable level even if that condition has occurred prior to the normally-accepted projected service life.
- “Acceptable level” is defined as a building condition code of 90-100 on the CHE Management Information System (CHEMIS) Building Data Summary.

CALCULATION METHOD

➤ E&G BUILDINGS

1. Use CHEMIS building replacement cost (RCB) and building condition code (BCC)¹
2. To Bring to Like-New Condition = $((100-BCC) \times .01) \times RCB$
3. Annual Investment Required to Maintain (APPA Average) = $RCB \times .03$
4. Acceptable Amount of Deferred Maintenance (APPA Standard) = $(RCB \times .10) - \text{Annual Investment Required}$
5. Magnitude of Deferred Maintenance = $\text{Like-New Condition} - (RCB \times .0333)$
6. Deferred Maintenance to Eliminate = $\text{Magnitude} - \text{Acceptable Deferred Maintenance}$
7. Additional Funding Per Year = $\text{Deferred Maintenance to Eliminate} / 20$ (# of years in plan)
8. Total Needed Per Year to Maintain Existing & Eliminate Deferred Maintenance = $\text{Annual Investment Required} + \text{Additional Funding Per Year}$

➤ EXTERNAL INFRASTRUCTURE

1. The replacement cost of infrastructure external to the facility is not readily available to CHE. Institutions will provide this information as well as the amount necessary to bring the infrastructure to like-new condition.
2. The calculation for external infrastructure is consistent with that used for E&G buildings. (Note: The building condition code is not used in this calculation.)

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❖ KEY ELEMENTS OF A PLAN TO ADDRESS E&G DEFERRED MAINTENANCE

1. General information: name of institution, name of contact person (for questions related to the plan), the years covered in the plan, and date submitted.
2. The amount needed per year to maintain existing E&G facilities, eliminate deferred maintenance, and to address external infrastructure needs of the institution. This will be based on the calculation method described above. The plan will cover a 20-year period.
3. The major functions of the facilities being addressed in the plan (i.e. academic, administration, student services, library, etc.).
4. The potential external influences to consider when implementing this plan. (For example, historic buildings on the national register, city or county ordinances?) How the institution plans to work within these external mandates?
5. For buildings with a condition code of 50 or below, an explanation the major system problems.
6. Any life/safety issues, citations and/or warnings, and compliance issues (air, ADA, etc.) that are present in the facilities.
7. The process the institution used in estimating the replacement cost for external infrastructure.
8. The process the institution used in estimating the cost for bringing external infrastructure to like-new condition.
9. The institution's top three to five priorities for the first year of the plan and the rationale for their selection.
10. Any additional information as necessary.

¹ Institutions are responsible for updating these data elements annually.

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Recommended Calculation for E&G Deferred Maintenance Plans¹

<u>Institution</u>	<u>Routine Maintenance Needs Per Year</u>	<u>Additional Amount Needed Per Year to Eliminate Deferred Maintenance</u>	<u>Total Need Per Year (for 20 years)</u>
Clemson	\$15,110,968	\$6,375,195	\$21,486,163
USC Columbia & SOM	\$28,157,801	\$7,230,723	\$35,388,524
MUSC	\$18,079,252	\$5,352,477	\$23,431,729
Citadel	\$4,786,188	\$1,093,011	\$5,879,200
Coastal Carolina	\$3,918,381	\$354,796	\$4,273,177
College of Charleston	\$6,696,094	\$332,740	\$7,028,834
Francis Marion	\$3,771,522	\$480,007	\$4,251,529
Lander	\$2,950,109	\$215,007	\$3,165,117
SC State	\$3,816,911	\$1,835,492	\$5,652,403
USC Aiken	\$3,189,576	\$2,552	\$3,192,128
USC Beaufort	\$369,299	\$113,190	\$482,489
USC Upstate	\$2,589,687	\$190,855	\$2,780,543
Winthrop	\$6,685,961	\$1,235,602	\$7,921,563
USC Lancaster	\$1,313,520	\$456,781	\$1,770,301
USC Salkehatchie	\$467,654	\$143,540	\$611,194
USC Sumter	\$1,038,376	\$349,952	\$1,388,328
USC Union	\$197,757	\$43,615	\$241,373
Aiken TC	\$1,239,886	\$423,863	\$1,663,749
Central Carolina TC	\$1,092,005	\$66,753	\$1,158,758
Denmark TC	\$791,388	\$193,499	\$984,887
Florence-Darlington TC	\$2,057,443	\$502,868	\$2,560,311
Greenville TC	\$4,121,060	\$49,812	\$4,170,872
Horry-Georgetown TC	\$1,946,118	\$522,436	\$2,468,554
Midlands TC	\$2,835,488	\$212,906	\$3,048,395
Northeastern TC	\$574,161	\$3,663	\$577,824
Orangeburg-Calhoun TC	\$852,831	\$18,182	\$871,013
Piedmont TC	\$1,563,840	\$176,634	\$1,740,474
Spartanburg CC	\$1,838,417	\$32,139	\$1,870,556
TC of the Lowcountry	\$682,813	\$146,585	\$829,398
Tri-County TC	\$1,385,403	\$205,509	\$1,590,913
Trident TC	\$3,240,657	\$90,961	\$3,331,618
Williamsburg TC	\$298,573	\$359	\$298,932
York TC	\$1,750,460	\$8,470	\$1,758,930
TOTAL	\$129,409,601	\$28,460,176	\$157,869,777

¹NOTE: The CHEMIS Fall 2006 Building Data Summary was used to compile this report. Only owned facilities were included in these calculations. Institutions are in the process of completing a building condition survey, which is conducted every three years. These data will be reflected in the institutions' fall 2007 data.

INFORMATION ITEM

PERMANENT IMPROVEMENT PROJECTS APPROVED BY STAFF						
February 2007						
Date Approved	Project #	Institution	Project Name	Action Category	Budget Change	Revised Budget
2/9/2007	9554	Francis Marion	Deferred Maintenance - Miscellaneous Renovations	decrease budget, revise scope	(\$181,803)	\$463,791
2/9/2007	9555	Francis Marion	Deferred Maintenance - HVAC Systems	decrease budget, revise scope, close project	(\$210,469)	\$264,531
2/9/2007	9556	Francis Marion	Deferred Maintenance - Indoor Pool Repair	increase budget, revise scope, change project name	\$392,272	\$667,272
2/9/2007	9576	SC State	SHM Pool Equipment Room Repairs	decrease budget, close project	(\$19,395)	\$130,605
2/9/2007	9568	SC State	Crawford Zimmerman Renovations - University Transportation Center Renovation	decrease budget, close project	(\$4,872)	\$363,928
2/13/2007	9786	Clemson	McAdams Hall-Addition/Renovations	decrease budget, close project	(\$218)	\$5,484,883
2/13/2007	9810	Clemson	Jervey Athletic Center/McFadden-Renovation A&E	decrease budget, close project	(\$102,650)	\$1,397,350
2/22/2007	9960	USC Columbia	Woodrow Roof Replacement	increase budget, revise scope	\$247,500	\$847,500
2/22/2007	9505	USC Lancaster	Deferred Maintenance	increase budget	\$300,000	\$417,510
2/22/2007	New	Denmark TC	Roof Replacement	establish project	\$0	\$469,138
2/22/2007	9795	Denmark TC	Learning Resources Center New Construction	decrease budget, close project	(\$469,138)	\$1,530,862
2/22/2007	9941	Orangeburg-Calhoun TC	1400/1500/1600 Roof Replacements Administration, Health Sciences Buildings	decrease budget, change source of funds	(\$159,831)	\$390,169
2/22/2007	9942	Orangeburg-Calhoun TC	HVAC Upgrade	change source of funds	\$44,632	\$145,625
2/26/2007	9856	Clemson	ICAR Parking Structure Construction	increase budget, revise scope	\$200,000	\$21,600,000
2/26/2007	9549	Coastal Carolina	Residence Hall Renovations to Laundry Facility Building	change source of funds, revise scope, change project name	\$0	\$614,000
2/26/2007	9960	Aiken TC	100/200 Flooring Renovation	increase budget	\$100,000	\$610,000
LEASES APPROVED BY STAFF						
Date Approved	Lease #	Institution	Project Name	Purpose/Additional Info	Rates	Term
2/15/2007	Renewal	MUSC	57 Bee Street	MUSC Employee Health Services / 2,614 SF	Annual Rate - \$34,344 / Monthly Rate - \$2,862 / Cost per SF \$13.14	7/01/07-6/30/2012 (May be extended for one term of 5 years; terms to be negotiated)
2/15/2007	Renewal	MUSC	20 Ehrhardt Street	Depts. of Radiology & Neurology, Hollings Cancer Center, Office of EEOC, & Family Medicine	Annual Rate - \$52,308 / Monthly Rate - \$4,359 / Cost per SF \$6.57	4/1/2007-3/31/2008 (May be extended for one term of 5 years; terms to be negotiated)
2/15/2007	Renewal	MUSC	2070 Northbrook Blvd.	Dept. of Pediatrics, Medicaid Outreach Program	Annual Rate - \$38,819 / Monthly Rate - \$3,235 / Cost per SF \$14.07	4/1/2007-3/31/2008 (May be extended for one term of 1 year @ annual rate of \$39,702)