



July 5, 2006

TO: Mr. Dan Ravenel, Chair, and Members, Committee on Finance and Facilities

FROM: Ms. Lynn W. Metcalf

SUBJECT: Committee Meeting, July 12, 2006

A meeting of the Committee is scheduled to be held in the Commission's Conference Room at 10:00 a.m. on Wednesday, July 12. Attached are an agenda and materials for the meeting.

If you have any questions about the materials, please contact me at (803) 737-2265. We look forward to meeting with you on July 12.

Attachments

A G E N D A
Committee on Finance and Facilities
July 12, 2006
10:00 a.m.
Conference Room
Commission on Higher Education
1333 Main Street, Suite 200
Columbia, SC 29201

1. Introductions
2. Minutes of May 22 and June 1 Meetings
3. Interim Capital Projects
 - A.) Francis Marion University
 - a. Center for Performing Arts Construction -establish project
 - B.) Lander University
 - a. Student Center Facility Construction/Renovation -increase budget
 - C.) University of South Carolina Aiken
 - a. Student Residence Hall Construction -increase budget, revise scope
 - D.) Greenville Technical College
 - a. Northwest Campus Construction -increase budget
- Lease
 - A.) University of South Carolina Upstate
 - a. Spartanburg Housing Authority Building -\$124,000/yr
4. Consideration of Subcommittee to Review the Higher Education Facilities Approval Process Recommendations (Draft copy included in this mailing)
5. Other Business
6. Information Items
 - a. List of Staff Approvals for May & June 2006

MINUTES
SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION
Finance and Facilities Committee Meeting
May 22, 2006
2:10 p.m.
CHE Conference Room

Committee Members Present

Ms. Rosemary Byerly
Mr. Larry Durham
Dr. Doug Forbes
Mr. Dan Ravenel
Mr. Jim Sanders
Mr. Neal Workman

Ms. Karen Jones
Mr. Scott Ludlow
Ms. Amanda Maghsoud
Mr. John Malmrose
Mr. Derron McCormick
Mr. John McEntire
Ms. Beth McInnis
Mr. J.P. McKee
Ms. Diane Newton
Mr. Scott Poelker
Dr. Kay Raffield
Mr. Charles Shawver
Mr. John Smalls
Mr. Gerald Vandermeij

Committee Members Absent

Mr. Jim Konduros

Guests Present

Mr. Reggie Adams
Mr. Bruce Blumberg
Ms. Terry Booth
Mr. Bill Bragdon
Dr. Les Carpenter
Ms. Donna Collins
Mr. Robert Connelly
Dr. Anthony Coyne
Col. Ralph Earhart
Ms. Ruby Flateau
Mr. Steve Fooshe
Mr. Tim Hardee
Mr. Charles Jeffcoat

Staff Present

Ms. Camille Brown
Mr. Mike Brown
Ms. Julie Carullo
Mr. Gary Glenn
Ms. Alyson Goff
Dr. Lynn Kelly
Ms. Lynn Metcalf
Dr. Gail Morrison
Dr. Karen Woodfaulk

For the record, notification of the meeting was made to the public as required by the Freedom of Information Act.

Ms. Byerly, chair of the Committee on Finance and Facilities, called the meeting to order. Mr. Glenn introduced the guests in attendance. The following matters were considered:

I. Approval of Minutes of Meeting on May 4, 2006

Since there were no additions or corrections to the Minutes of the meeting on May 4, the Minutes were approved as written.

II. Consideration of Interim Capital Projects

Ms. Byerly described the projects and noted an institutional representative was present to answer questions. The following projects were presented and discussed:

- a. South Carolina State University
Hodge Hall Renovations & Expansions \$ 9,355,025 -increase budget

Ms. Metcalf noted the institution had enough debt service on hand to service the debt of the project as to not require an increase in tuition and fees. Mr. Workman asked if the building would be LEED certified. Mr. Smalls of South Carolina State University answered that it would not.

- b. South Carolina State University
Engineering/Computer Science Complex \$27,000,000 -establish project

Ms. Byerly stated that there would not be an increase in tuition and fees required for the project. Mr. Workman asked if the project was a restoration, renovation, or a combination. Mr. Smalls answered that it was both. He stated the building was in a historic district recognized by the University and the City of Orangeburg. Mr. Workman asked if the project would be LEED certified. Mr. Smalls answered that it would not.

Mr. Ravenel asked about the institution’s plans for deferred maintenance. Mr. Smalls said the University had about \$40 million in deferred maintenance and had set aside \$5 million each year (since 2003) to address the problems. Mr. Ravenel stated he wanted to encourage institutions to work on addressing deferred maintenance on their respective campuses.

Mr. Ravenel asked about the status of the University’s library. Mr. Smalls stated the facility had some major problems. The institution is currently requesting Capital Improvement Bonds (CIB) to address the problems.

Mr. Sanders asked if the \$5 million each year came from institution funds, and Mr. Smalls answered that it does.

It was moved (Durham), seconded (Ravenel), and voted to approve the projects.

III. Comprehensive Permanent Improvement Plans (CPIP)

- a. Year 1 Project Approvals

Ms. Metcalf explained that Year 1 requests were for projects institutions currently have funds available or are reasonably certain funds will become available in the upcoming fiscal year. Dr. Forbes questioned why College of Charleston’s street improvements project had a \$500,000 contingency. Ms. Metcalf stated institutions are usually asked to include a contingency of up to 20 percent of the total project budget. Ms. Burbage of College of Charleston noted the project included underground infrastructure which is over 200 years old. Dr. Forbes then asked what happened to the contingency funds not used. Ms. Metcalf answered that an institution can direct the funds to another project.

Mr. Workman requested an addendum be added to the Committee’s recommendation of Year 1 projects to state: “The Committee on Finance and Facilities recommends approval of Year 1 Requests, provided that a life-cycle cost analysis be requested and provided for any of the Year 1 projects that are to be LEED certified.” Mr. Sanders asked if any of the Clemson University projects would be LEED certified. Mr. Vanderymey of Clemson University affirmed the University’s policy

that all buildings over 5,000 sq. ft. or projects with a budget of over half of the building's replacement costs be LEED certified. Mr. Workman stated his concern that all institutions would begin to plan LEED-certified buildings when the benefits have not been proven. Mr. Vandermeijer stated Clemson's projects were seeking silver certification which is a less expensive option. He also noted that in the University's experience, certification has been worthwhile. Mr. Sanders asked if the University had completed a life-cycle analysis. Mr. Vandermeijer answered the University had not completed such analysis in the past five or six years as it has proven too costly, and the analysis could not be completed early in the planning process.

Mr. Ravenel asked if it would be possible to make generalizations about LEED benefits to a project based on the building type. Mr. Workman answered dormitories are the best example because the closer a building is to being utilized 24/7 the more beneficial LEED would be. Mr. Workman stated his concern of the ongoing costs of LEED facilities which boost a project's budget between five and 20 percent.

Dr. Forbes asked about South Carolina State University's pool expansion and renovation project. Ms. Metcalf answered that the facility is used for ROTC training. She also noted the facility's poor condition.

It was moved (Workman), seconded (Durham), and voted to approve the projects provided that a life-cycle cost analysis be requested and provided for any of the Year 1 projects that are to be LEED certified.

b. Year Two Project Requests for Capital Improvement Bonds

Ms. Byerly stated the Committee needed to vote on the prioritized list of requests for Capital Improvement Bonds (CIB). The Committee discussed the possibility of recommending a prioritized ranking of each institution's first priority. Mr. Ravenel stated his concern that the Commission needed to take a stand and present a list of statewide needs, but he understood the political expediency of using the first priorities. It was agreed to approve the ranking with each institution's first priority.

Mr. Sanders asked if the \$719 million in total requested projects were all legitimate needs. Ms. Metcalf stated for the most part it was true, but she noted some projects were needed more than others. She also stated that the scoring criteria used did not allow for institutions to score the maximum in every area, and some institutions would do better in certain areas when compared to other institutions.

Mr. Sanders asked about the future capital needs of institutions. Ms. Metcalf stated the summaries of Years 3, 4, and 5 addressed the institutions' planned projects. She stated that, ideally, Year 1 and 2 projects would be funded and completed, thereby allowing institutions to proceed to their planned future projects.

Ms. Metcalf explained the staff's recommendation for a joint-use facility for USC Sumter and Central Carolina Technical College. She stated that while the institutions' proposed facilities were slightly different, a joint building could perhaps be constructed with a common area and separate wings for each institution. She stated the staff believed the recommendation to be the best use of the State's money.

Mr. Ravenel noted the staff recommendation was an example of the collaboration being requested by political entities in the State. Mr. Workman noted precedence for such collaboration was the University Center in Greenville and the Bridge Program at Clemson and Tri-County TC. Mr. Ravenel noted such a recommendation would be an important step for the Committee.

Dr. Raffield, president of Central Carolina TC, spoke against the recommendation. She stated the College's proposed facility was not a lab/science facility, but rather the space would be utilized for Allied Health programs. Mr. McCormick, city manager for the City of Sumter, stated the project was a part of the city's downtown revitalization efforts. Mr. Ravenel asked why the proposed facility was so far from the main campus. Dr. Raffield explained that the College is landlocked. She noted the institution already occupies the Old Federal building in downtown Sumter. She also noted the College's enrollment growth over the past six years and the three satellite campuses that have been established to address the needs. Mr. McCormick stated the project was part of the city's economic development as it would reduce the number of students on the waiting list for the nursing program.

Ms. Byerly asked about the condition of the building being donated by the city. Mr. McCormick stated it was a large piece of property and sturdy. The city is investing a lot of effort into revitalizing the area. Dr. Forbes asked Dr. Raffield if the College would accept the staff's recommendation or have no project at all. Dr. Raffield stated the proposed combined project would address the institution's need for instructional lab space. Dr. Forbes then questioned if Central Carolina TC would allow USC Sumter to use the facility downtown. Dr. Raffield stated USC Sumter's needs were different than those of Central Carolina TC.

Ms. Byerly asked where Central Carolina TC students in the Allied Health programs currently take science classes. Dr. Raffield stated they take classes in a separate facility on campus. Mr. Sanders asked about the value of the city's input. Mr. McCormick answered that so far the city had invested over \$800,000 and planned more streetscape work.

Dr. Carpenter, dean of USC Sumter, spoke against the recommendation. He stated his staff and he were only recently made aware of the recommendation. He further stated the projects were different at the base level. He stated USC Sumter's proposed facility was for instructional lab courses. Dr. Carpenter noted the existing facility was accommodating over two-and-a-half times its designed capacity. He also stated the local high school laboratories were in better condition. He also stated the joint-use recommendation would require the institution to change its master plan.

Mr. Ravenel noted the effects of the staff recommendation on the prioritized statewide ranking. Dr. Forbes asked if the two institutions communicated in order to collaborate. Dr. Carpenter stated they worked together in the past and also have future plans to do so. Mr. Workman stated all institutions were planning individually rather than considering a State vision. He stated the Commission has to approve funding for projects with a State vision in mind with no new funding available. He then encouraged the institutions to begin planning with a holistic vision. Dr. Carpenter stated the two institutions currently have some co-owned land and preliminary plans for a future joint-use facility of some type.

Mr. Sanders asked if the projects were predicated on CIB funding. Dr. Carpenter answered in the affirmative for USC Sumter's proposed facility. Dr. Raffield stated Central Carolina TC was also seeking other funds through Federal grants and local monies.

Ms. Metcalf stated it was a good opportunity for the institutions to look at collaborations and to review program needs in order to get a single building. She stated this was a good idea beyond the current recommendation.

Mr. Sanders asked if the Committee would delay action on the recommendation in order to get more information. Dr. Raffield stated she had concerns over the time delay, as the College had already begun work on the Federal grants. Mr. Fooshe, a lobbyist for the City of Sumter, stated the [State] House and Senate versions of the FY2006-07 budget contained money for the project.

It was moved (Ravenel), seconded (Durham), and voted to defer the recommendation concerning the joint-use facility until June 1 in order to get more information. One opposition (Forbes) was recorded.

It was moved (Workman), seconded (Sanders), and voted to approve the prioritized ranking of each institutions' first priority.

c. Years Three, Four, and Five Summaries

Ms. Byerly noted the summaries were just for information.

d. Approval of CPIP in Concept

It was moved (Durham), seconded (Ravenel), and voted to approve the CPIPs in concept.

IV. Other Business

Ms. Metcalf provided a brief explanation of the Report of Institutional Revenues and Expenditures provided for information. She noted it was difficult to simplify the information into an understandable format. A discussion occurred about depreciation – its definition, how it is reported on the GASB accounting system, and further clarification of its use.

Ms. Byerly noted a list of staff approvals for April was provided for information.

The Committee agreed to meet next on Thursday, June 1, 2006 at 10:30 a.m. to consider the joint-use facility recommendation.

With no further business, the meeting was adjourned at 4:15 p.m.

Respectfully submitted,

Alyson M. Goff
Recorder

Additional Minutes from the June 1, 2006 Meeting

Committee Members Present

Ms. Rosemary Byerly
Mr. Dan Ravenel
Mr. Jim Sanders
Mr. Neal Workman

Committee Members Absent

Mr. Larry Durham
Dr. Doug Forbes
Mr. Jim Konduros

Guests Present

None

Staff Present

Mr. Gary Glenn
Ms. Alyson Goff
Ms. Lynn Metcalf

For the record, notification of the meeting was made to the public as required by the Freedom of Information Act.

Ms. Byerly, chair of the Committee of Finance and Facilities, called the meeting to order at 10:35 a.m.

The purpose of the meeting was to consider the USC Sumter and Central Carolina Technical College joint-use facility recommendation. However, both institutions requested more time and that the consideration be postponed until the August Committee meeting. The Committee agreed to extend the timeline.

Ms. Byerly explained she is resigning her position as Chair of the Committee. She asked the Committee to elect Mr. Ravenel as the new Chair.

It was moved (Workman), seconded (Sanders), and voted to approve Mr. Ravenel as the Chair of the Committee on Finance and Facilities.

The Committee agreed to meet next on Thursday, August 3 at 1:30 p.m.

With no further business, the meeting was adjourned at 10:45 a.m.

Respectfully submitted,

Alyson M. Goff
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.

Descriptions of Interim Capital Projects for Consideration

July 12, 2006

Francis Marion University

Center for Performing Arts Construction \$ 18,000,000 -establish project

Source of Funds: \$ 10,000,000 -private funding gift
 7,000,000 -appropriate State funds
 1,000,000 -city redevelopment funds

Proposed Budget: \$ 14,500,000 -new construction (50,000 GSF)
 1,200,000 -equipment and/or materials
 975,000 -professional services fees
 750,000 -contingency
 300,000 -site development
 250,000 -landscaping
 25,000 -builders risk insurance
Total: \$ 18,000,000

Description

The project is for a new Center for Performing Arts in downtown Florence. The new multi-level facility is estimated to have 50,000 sq. ft. and will be located on 3.93 acres of land adjoining Dargan, Cheves, and Palmetto streets. The cost per sq. ft. is \$290. The land is being donated by the City of Florence.

The facility will house a variety of the University’ fine arts programs, offices, and classrooms. The multi-function facility will include a 1,200 seat performance hall, a secondary 300 seat hall, small exhibit spaces, a concession area, a ticket/box office, and flexible spaces that can be used as dance and performance rehearsal space and/or classrooms. The site plan will include parking, sidewalks, greenway areas, and an outdoor amphitheatre in a park-like setting.

The State has appropriated \$7 million for this project. The City of Florence is donating \$1 million in City Redevelopment Funds. The University has also received a private donation of \$10 million for the project.

E&G Deferred Maintenance Reduction:

N/A – New construction

Annual Operating Costs/Savings:

Utilities and personnel will require an additional operating costs ranging from \$550,000 to \$978,000 in the three years following project completion. The costs will not be absorbed into the existing budget.

Recommendation

Staff recommends approval of this project provided the terms of the Memorandum of Understanding (MOU) between the University and the City remain the same and if the funds expected for city

redevelopment are not fulfilled, the University will use other funds which will not require an increase in tuition and fees. The same provision applies if the private guaranteed funds are not fulfilled.

Lander University

Student Center Facility Construction/
Renovation \$ 2,000,000 -increase budget
(Previous Budget = \$4,500,000)

Source of Funds: \$ 1,005,479 -institutional funds
994,521 -Life Sciences Act funds

Proposed Budget:	\$ 1,650,113	-new construction (3,000 GSF)
	1,564,187	-roofing
	1,235,000	-interior building renovations (47,000 GSF)
	875,000	-utilities renovations
	650,000	-exterior building renovations
	452,200	-professional services fees
	50,000	-contingency
	<u>23,500</u>	-landscaping
Total:	\$ 6,500,000	

Description

The University is seeking an increase in funding after additional building deterioration was discovered in the Grier Student Center. Appropriate corrective action must be taken to ensure the integrity of the work.

There is substantial settling along the building perimeter of the facility. Engineering investigations have determined that the foundation and footer settling is contributing to the cracking of the dining hall floor and the cracking in the brick veneer of the building. As a solution, the exterior sheathing has to be replaced and an Exterior Insulation and Finish System (EIFS) will be applied to the exterior of the second and third floors in lieu of brick veneer.

The renovation project will also include replacing the roof systems on the student center and the adjoining Cultural Center. The two facilities are connected through the room system. The roof systems have failed, and water intrusion is severe. The re-roofing will include removing the entire roof system to include permitted precautions for asbestos abatement and disposal. There is substantial roof decking that must be replaced due to severe corrosion. A modified bitumen roof system will be installed, the skylight systems will be replaced, and accommodations for new roof penetrations and curbing will be constructed.

The dining room’s concrete floor will be demolished, along with existing patio surfaces and concrete stairs (where pedestrian traffic is now prohibited). Renovation of the dining hall will include new flooring, lighting, furniture, décor and serving stations. The University is working closely with Aramark, the food service provider, to provide resources for the interior renovation. During the renovation, the HVAC and electrical utility systems will be expanded, and several restrooms will be retrofitted to conform to ADA standards.

Other repairs and renovations will include a redesign and installation of the insulated exhaust duct from the multiple cooking and serving stations to the roof, Fire Door removal and construction of fire-rated walls, water intrusion, structural steel modifications, additional helical piers for the footings, reworking the underground waste and grease piping of the dining hall and kitchen, replacement of metal stud and gypsum board walls, plumbing changes mandated by DHEC, upgrading the building electrical transformer, and service wiring.

The University received \$3 million of a requested \$8 million for the renovation of the Grier Student Center and the construction of additional space for student affairs in the 2000 Capital Improvement Bond (CIB) Bill. The University is using \$994,521 of funds received from the Life Sciences Act of 2004.

The cost per square foot (including new construction and renovation) is \$57.70.

E&G Deferred Maintenance Reduction:

The renovations will alleviate a portion of the \$2,600,047 in existing deferred maintenance in the building.

Annual Operating Costs/Savings:

Utilities will require additional operating costs of \$15,000 in the three years following project completion. The costs will not be absorbed into the existing budget.

Recommendation

Staff recommends approval of this project as proposed.

University of South Carolina Aiken

Student Residence Hall Construction \$16,500,000 -increase budget
(Previous Budget = \$35,000)

Source of Funds: \$16,500,000 -housing revenue bonds

Proposed Budget:	\$13,000,000	-new construction (100,000 GSF)
	1,300,000	-site development
	900,000	-contingency
	760,000	-professional services fees
	<u>575,000</u>	-other capital outlay
Total:	\$16,535,000	

Description

The University request to increase the budget and scope of the project to include the construction of the residence hall and the acquisition of property. The project had previously been approved at \$35,000 for A&E.

The new 100,000 sq. ft. residence hall of approximately 300 beds is to be constructed on an undeveloped site adjoining its existing campus housing facilities, Pacer Downs and Pacer Commons. The selected site is owned by the Aiken County Commission on Higher Education and is to be transferred to the University upon completion of the project.

The new residence hall is envisioned as a three- to four-story building with approximately 75 apartments and sufficient common space to promote a living-learning community. Each apartment will be comprised of a living/dining area, kitchen, two bathrooms, and two or four bedrooms. The target population for the new residence hall is two-third freshmen and one-third upperclassmen. The facility will enhance the first year experience by allowing all freshmen who live on campus to be housed in one of two communities designed to promote student engagement and adaptation to the rigors of college life. Freshmen in the new facility would be offered double-occupancy bedrooms and upperclassmen would be offered private bedrooms for which there has been a demonstrated demand.

The estimated cost of the project is \$55,000 per bed including site development, financing, A&E fees, construction, and furnishings. The cost per square foot is \$130. *College Planning & Management's* "College Housing 2006 Special Report" found in a survey of 46 residence halls currently under construction, the average cost per student was \$56,449 for an average project size of 105,000 sq. ft. The average cost per square foot was \$171.44.

E&G Deferred Maintenance Reduction:

N/A – New Construction

Annual Operating Costs/Savings:

Utilities, salaries and benefits, administrative operations, building maintenance, and repair/replacement reserves will require additional operating costs ranging from \$330,800 to \$348,225 in the three years following project completion. The costs will not be absorbed into the existing budget.

Recommendation

Staff recommends approval of this project as proposed.

Greenville Technical College

Northwest Campus Construction (Previous Budget = \$16,133,000)	\$2,978,921	-increase budget
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Source of Funds:	\$2,000,000	-federal grants
	978,921	-local funds

Proposed Budget:	\$16,763,921	-new construction (95,200 GSF)
	1,095,000	-site development
	850,000	-professional services fees
	400,000	-contingency
	<u>3,000</u>	-builders risk insurance
Total:	\$19,011,921	

Description

The College is requesting to increase the budget to cover escalating construction costs due to economic conditions. The increase reflects actual bid pricing received on June 21, 2006, through the competitive bid process. The scope of the project has not changed, pricing received as part of the bid process reflects current market pricing. The revised budget has reestablished the cost per square foot for this facility at \$176.09.

The project is in the final phase of a two-phase project to establish a permanent campus in northwestern Greenville County. Program reductions were considered but deemed not appropriate at this time.

E&G Deferred Maintenance Reduction:

N/A – New Construction

Annual Operating Costs/Savings:

Utilities and labor will require additional operating costs ranging from \$150,496 to \$159,661 in the three years following project completion. The costs will be absorbed into the existing budget. (For technical colleges, these costs are paid from local funds.)

Recommendation

Staff recommends approval of this project as proposed.

LEASE

University of South Carolina Upstate

Spartanburg Housing Authority Building \$124,000 -annual lease rate

Description

The purpose of the proposed lease is to provide space for a number of community outreach initiatives to include a University grant program specifically related to that geographic area. The property is located just south of the downtown area of Spartanburg and is owned and occupied by the Spartanburg Housing Authority who will relocate pending finalization of lease arrangements. The property is 2.5 acres with two buildings and 95 paved parking spaces. One building is a concrete one-story office facility with 12,380 sq. ft. with some large classroom and conference areas. The other structure is a complementary metal warehouse facility containing 7,600 sq. ft. of office and storage space.

The lease term is for one five-year period with no renewal. The lease rate is \$124,000 per year, or \$6.21 per sq. ft. The University indicates this rate is well below the average rent rate for property in the area. The University will pay all operating costs and insurance on building contents. The landlord will provide property insurance and make repairs to all major building systems. A property appraisal has been received and reviewed with no major structural problems noted.

Recommendation

Staff recommends approval of this lease provided the rates and terms are approved by the Budget and Control Board.

Subcommittee to Review the Higher Education Facilities Approval Process
Draft Recommendations

Improve Institutional Planning

1.) RECOMMENDATION: Adopt code changes allowing institutions to conduct feasibility/planning studies through schematics (or up to 15%) without requiring State-level approvals to plan. (State Law changes)

RATIONALE: Currently, institutions must seek State approval to do such planning if the planning exercise will likely result in a project. This costs valuable time and money, and requires institutions to establish projects based on very limited knowledge. Institutional project planning should occur before the State-level project approval process is initiated.

Therefore, institutions should be allowed to complete feasibility/planning study prior to seeking State project approval. This study should include: space program; schematics; cost estimate; funding plan, including a funding timeline if all funds are not currently available; a project timeline through occupancy; and a declaration of a procurement methodology.

Institutions are strongly encouraged to pursue a complete architectural and engineering selection process, in accord with State regulations, to select a firm to conduct the aforementioned feasibility/planning study. This will allow the institution to continue with the same architectural and engineering firm for actual design, thereby realizing efficiencies.

2.) RECOMMENDATION: Require each higher education institution to develop and submit for CHE approval a funding plan to bring its *deferred maintenance* to an acceptable level of three to five percent of the total E&G building replacement cost. Institutions failing to develop an adequate deferred maintenance plan with documented annual progress would be denied new construction approval. (CHE Policy change)

RATIONALE: Due to the magnitude of deferred maintenance at some institutions, a multi-year plan may be required to reach this goal. Each plan developed must take into account the current deferred maintenance level plus the projected annual growth (life-cycle replacement). Most are generally aware of the critical deferred maintenance issue facing our institutions. The Comprehensive Permanent Improvement Plan (CPIP) requires that deferred maintenance be addressed. Too often these plans are incomplete or simply statements of the problem offering no long-term solution. The State needs to take this issue seriously as evidenced through its review and acceptance of CPIPs.

Streamline State Approval Process

3.) RECOMMENDATION: Eliminate the project approval requirement for routine repair, maintenance, and replacement of building systems provided the Office of State Engineer and State Procurement requirements remain intact. (State Code change)

RATIONALE: Institutions should be permitted to proceed with identified repair, maintenance, and replacement of building systems detailed in their reinvigorated CPIP without requiring additional State-level approvals of individual projects.

4.) RECOMMENDATION: Eliminate the duplication of forms to the Office of State Budget for capital projects through both the CPIP and its “Detailed Justification for Capital Budget Priorities” portion of the annual State Budget Request.

RATIONALE: The same information is required to be submitted twice by institutions (in somewhat different formats) to the Office of State Budget.

Improve State Planning

5.) RECOMMENDATION: The State’s Comprehensive Permanent Improvement Plan (CPIP) process should be made meaningful. (State Code and/or behavior change)

RATIONALE: CPIP, as initially conceived, has much to offer in support of rational planning and the timely approval of permanent improvement projects. What is largely lacking is a commitment from the State to consider CPIPs, especially projects for the ensuing fiscal year, in a timely manner. The untimely consideration of CPIPs has resulted in a process that has become ineffective.

It is counterproductive for the State to require CPIPs and then approve them midway through the fiscal year the plan addresses. In recent years, CPIPs have not been presented to the State’s Budget and Control Board for review and approval.

CPIP was established in part to ensure the one-time State approval of an institution’s work plan for the ensuing fiscal year (Year 1). Adherence to this principle would allow most of the routine interim permanent approval requests to be processed at staff level.

A reinvigorated CPIP process would have the following benefits:

- Review and approval of all permanent improvement projects for the ensuing fiscal year could be obtained prior to the beginning of the fiscal year. The CPIP process should follow the timeline of the State budget cycle.
- Institutions would annually assess the extent of their deferred maintenance problem and progress.
- Institutions would address how they will maintain existing facilities in an acceptable manner.
- Institutions would define their construction needs.

Year 2 requests in a CPIP constitute an institution’s request for State Capital Improvement Bond funds. The Year 2 projects requested need not be considered by the State on the same timeline as Year 1 projects. Year 2 requests, however, are to be supported with feasibility/planning studies as described above. Further, no request would be approved unless it is consistent with the institution’s facilities master plan and the institution’s approved mission.

Year 3, 4 and 5 proposed projects are more conceptual and give evidence of an institution’s future facility planning.

Establish an Effective Alternative Delivery System [Incomplete]

6.) RECOMMENDATION: If design-build is chosen as the appropriate delivery system, allow selection based on qualifications of teams prior to the development of a space program, building specification, schematic, design, etc. (*State Code change*)

RATIONALE: Currently, space program, site selection, building specification, schematic, etc. are developed before the design-build competition is initiated. This defeats the fundamental purpose and efficiency that can be gained through the sound application of this process.

DRAFT

**Agenda Item 6
Finance and Facilities**

Information Item

PERMANENT IMPROVEMENT PROJECTS						
APPROVED BY STAFF						
May 2006						
Date Appr.	Project #	Institution	Project Name	Action Category	Budget Chg.	Revised Budget
5/8/2006	9861	Clemson	Lightsey Bridget Fire Sprinkler Retrofit/Renovations	increase budget, revise scope	\$ 400,000	\$1,758,300
5/8/2006	9727	USC-Columbia	Jones PSC Renovations*	increase budget	\$ 4,000,000	\$14,849,000
5/8/2006	9727	USC-Columbia	Jones PSC Renovations	change source of funds		\$10,849,000
5/8/2006	9999	USC-Columbia	Columbia Campus Recreational Facilities Development	increase budget	\$ 249,000	\$6,549,000
5/8/2006	6022	USC-Columbia	Beta Research Facility Construction	increase budget, change source of funds	\$ 1,000,000	\$31,564,157
5/9/2006	9533	Citadel	Utility Systems Repair/Replacement	decrease budget, close project	\$ (1)	\$8,013,143
5/9/2006	9871	USC-Columbia	EMP Boiler Replacement-Phase I	decrease budget, close project	\$ (41,968)	\$898,032
5/9/2006	9941	USC-Columbia	Law School Water Pumps & Controls Upgrades	decrease budget, close project	\$ 44,869	\$105,131
5/9/2006	9944	USC-Columbia	West Energy No. 1 Boiler & Deaerator Tank Replacement	decrease budget, close project	\$ (2,587)	\$519,413
5/9/2006	9965	USC-Columbia	Blatt Interior Painting	decrease budget, close project	\$ (123,496)	\$26,504
5/9/2006	9967	USC-Columbia	Blatt Gym Floor Replacement	decrease budget, close project	\$ (6,796)	\$138,204
5/9/2006	9973	USC-Columbia	Harper Elliot Roof Repair/Replacement	decrease budget, close project	\$ (1,036)	\$163,964
5/9/2006	9982	USC-Columbia	Gambrell Hall Elevator Upgrades	increase budget, close project	\$ 52	\$435,052
5/9/2006	9987	USC-Columbia	Gambrell Hall Interior Refurbishment	decrease budget	\$ (52)	\$154,948
5/9/2006	9749	USC-Columbia	Utility Tunnel Repair	change source of funds		\$160,000
5/9/2006	9846	USC-Columbia	School of Public Health Construction	change source of funds		\$31,550,000
5/9/2006	9998	USC-Columbia	Energy Performance Contract- Phase I & II	change source of funds		\$53,390,969
5/9/2006	6015	USC-Columbia	Band Hall Construction	change source of funds		\$6,729,000
5/9/2006	6627	USC-Columbia	Biomedical Block Parking Garage Construction	change source of funds		\$19,000,000
5/9/2006	6030	USC-Columbia	Gambrell Hall Repairs	change source of funds		\$8,200,000
5/9/2006	6031	USC-Columbia	Steamline Replacement/Repair	change source of funds		\$1,000,000
5/17/2006	9951	Winthrop	Baseball Park Phase II	change source of funds, revise scope	\$ 400,000	\$3,200,000
5/17/2006	9998	USC-Columbia	Energy Performance Contract- Phase I & II	change source of funds, revise scope	\$ 249,000	\$53,639,969
5/17/2006	9562	Citadel	Stadium Endzone Building Construction	decrease budget, close project	\$ (12,938)	\$2,832,062
5/17/2006	9930	Horry-Georgetown TC	Georgetown Building 100 Roofing Renovation	increase budget, change name of project	\$ 60,000	\$214,900
5/17/2006	9894	Horry-Georgetown TC	Grand Strand Campus Former Base Hospital*	increase budget	\$ 2,000,000	\$8,500,000
5/19/2006	9585	Citadel	Mark Clark Hall HVAC Replacement	close project	\$ (4,480)	\$425,520
5/19/2006	NEW	College of Charleston	Sottile Theatre Renovation	change project name	-	-
5/30/2006	9620	College of Charleston	Campus Buildings HVAC Systems-Deferred Maintenance	decrease budget, close project	\$ (500,000)	\$0
5/30/2006	9621	College of Charleston	Campus Buildings Roofs-Deferred Maintenance	decrease budget	\$ (725,000)	\$715,000
5/30/2006	9747	MUSC	Thurmond/Gazes Biomedical Research Building Chillers Replacement	increase budget	\$ 200,000	\$11,934,798
LEASES						
Date Appr.	Project #	Institution	Project Name	Terms		Renewal Term
5/8/2006		MUSC	Alpha Genesis Incorporated (95 Castle Hall Road)	Monthly Rate - \$4,166.67; Annual Rate - \$50,000.04; Cost per sq. ft. - \$16.66	<i>Note: 3,000 sq. ft.; land only lease</i>	7/1/2006-6/30-2011
5/25/2006		MUSC	26 Bee Street	Monthly Rate - \$3,313.33; Annual Rate - \$39,760; Cost per sq. ft. - \$14	<i>Note: 2,840 sq. ft.</i>	8/1/2006-7/31/2007
*Previously approved Comprehensive Permanent Improvement Plan (CPIP)						

PERMANENT IMPROVEMENT PROJECTS						
APPROVED BY STAFF						
June 2006						
Date Appr.	Project #	Institution	Project Name	Action Category	Budget Chg.	Revised Budget
6/2/2006	NEW	Clemson	Lee Hall Reroof*	Establish Project		\$ 575,000
6/2/2006	9571	Citadel	McAlister Field House - Female Locker Room Facility Addition	decrease budget, close project	\$ (743)	\$ 914,257
6/2/2006	9999	USC-Columbia	Columbia Campus Recreational Facilities Development	change source of funds	\$ -	\$ 6,549,000
6/2/2006	9751	USC-Columbia	Graduate Science Research Center	increase budget	\$ 116,287	\$ 34,993,008
6/2/2006	9997	USC-Columbia	Russell House Improvements	decrease budget, close project	\$ (4,151)	\$ 1,245,859
6/5/2006	9849	Clemson	Newman Hall Renovation/Addition A&E	increase budget, revise scope	\$ 200,000	\$ 300,000
6/5/2006	9530	Coastal Carolina	Multipurpose Athletic Facility	increase budget	\$ 245,000	\$ 11,935,000
6/5/2006	9538	Coastal Carolina	Athletic Training Facility Construction, Phases I & II	decrease budget	\$ (245,000)	\$ 6,155,000
6/5/2006		Francis Marion	Pee Dee Education Center Acquisition	decrease budget, close project	\$ (3,005)	\$ 1,500
6/14/2006	9589	Citadel	Stadium East Stands Partial Demolition & Repairs	decrease budget, close project	\$ (3,039)	\$ 246,961
6/20/2006	9613	College of Charleston	Patriots Point Athletics Complex Facilities Upgrade	change source of funds	\$ -	\$ 3,500,000
6/20/2006	9928	USC-Columbia	President's House Preservation/Renovation	decrease budget, close project	\$ (19,576)	\$ 18,424
6/20/2006	9987	USC-Columbia	Gambrell Hall Interior Refurbishment	decrease budget, close project	\$ (3,946)	\$ 151,003
6/26/2006	9834	Clemson	Sikes Hall-Windows Replacement	increase budget	\$ 40,000	\$ 500,000
6/26/2006	NEW	SC State	South Buckley Street Beautification Project	Establish Project	\$ -	\$ -
6/26/2006	9957	Midlands TC	Campus Accelerator-Northwest Campus Warehouse/Maintenance Facility Construction	change source of funds	\$ -	\$ 5,000,000
6/26/2006	9663	TC of the Lowcountry	Jasper County Land Purchase	decrease budget, close project	\$ (73,101)	\$ 347,971
6/26/2006	9902	TC of the Lowcountry	Building 10 & 14 Renovations	decrease budget, close project	\$ (197)	\$ 337,803
6/26/2006	9827	TC of the Lowcountry	Student Residence Hall Construction	decrease budget, close project	\$ (485,312)	\$ 1,555,688
6/28/2006	NEW	USC-Aiken	McBryde Hall Phase II-Interior Refurbishment	Establish Project	\$ -	\$ 35,000
6/29/2006	9516	Winthrop	Sims Science Building Addition/Renovation	decrease budget, close project	\$ (189,793)	\$ 50,207
6/29/2006	9520	Winthrop	Athletic Facilities Improvements	decrease budget, close project	\$ (24,872)	\$ 22,208,948
6/29/2006	9523	Winthrop	Wofford Hall Renovation	decrease budget, close project	\$ (940)	\$ 4,449,060
6/29/2006	9529	Winthrop	Richardson Hall Renovation	close project	\$ -	\$ 2,897,355
6/29/2006	9530	Winthrop	Softball Park-Batting Cage Construction	close project	\$ -	\$ 2,618,651
6/29/2006	9538	Winthrop	Energy Performance Contract/Improvements	close project	\$ -	\$ 250,000
6/29/2006	9543	Winthrop	General Maintenance/Alterations/Painting	close project	\$ -	\$ 5,500,000
6/29/2006	9839	Midlands TC	New Student Housing Complex Construction**	decrease budget, close project	\$ (60,986)	\$ 739,014
6/29/2006	9521	Lander	Deferred Maintenance	increase budget	\$ 767,363	\$ 16,030,363
6/30/2006	9963	York TC	Campus Resident Hall Areas-Site Improvement	decrease budget, close project	\$ (33,829)	\$ 119,271
6/30/2006	9818	Clemson	Thomas Cooper Library Special Collections Addition**	decrease budget, close project	\$ (387,473)	\$ 112,527
6/30/2006	9911	USC Columbia	Roofs-Deferred Maintenance	increase budget	\$ 998,941	\$ 18,000,000
6/30/2006	9962	Piedmont TC	Energy Performance Contract Implementation-Phase I & II**	close project	\$ -	\$ 100,000
6/30/2006	9998	USC Columbia	Energy Performance Contract Implementation-Phase I & II**	increase budget, revise scope	\$ 1,265,191	\$ 54,905,160
LEASES						
Date Appr.	Project #	Institution	Project Name	Terms		Renewal Term
6/20/2006	NEW	Coastal Carolina	Student Health Services Building	Monthly Rate - \$6,121; Annual Rate - \$73,450; Cost per sq. ft. - \$9.31	<i>Note: 7,889 sq. ft.</i>	07/01/2006 - 06/30/2011
6/29/2006	NEW	USC Upstate	Valley Falls Rd./Shell Rd. Properties	Monthly Rate - \$7,500; Annual Rate - \$90,000; Cost per sq. ft. - \$25.71	<i>Note: 3,500 sq. ft.</i>	07/01/2006 - 06/30/2007
6/29/2006	NEW	USC Upstate	McAlister Square Mall	Monthly Rate - \$3,864.58; Annual Rate - \$46,375; Cost per sq. ft. - \$17.50	<i>Note: 2,650 sq. ft.; Per sqft cost includes \$2 maint fee</i>	07/01/2006 - 06/30/2007
*Routine repair, replacement & maintenance projects are approved at staff level.						
**Increases of 10% or less of total project budget can be approved by staff.						