



Dr. Gail Morrison
Interim Executive Director

December 14, 2006

TO: Mr. Daniel Ravenel, Chair, and Members of the Committee on Finance & Facilities
FROM: Ms. Lynn W. Metcalf, Director of Finance, Facilities, & MIS
SUBJECT: Committee Meeting, January 4

A meeting of the Committee is scheduled to be held in the Commission's Conference Room at 9:00 a.m. on Thursday, January 4. Attached are an agenda and materials for the meeting.

As a reminder, the capital projects considered by the Committee at the January meeting will be considered by the Commission at its February meeting.

If you have any questions about the materials, please contact me at (803) 737-2265. We look forward to meeting with you on January 4.

Attachments

A G E N D A
Committee on Finance & Facilities
January 4, 2007
9:00 a.m.
Conference Room
SC Commission on Higher Education
1333 Main Street, Suite 200
Columbia, SC 29201

1. Introductions
2. Minutes of December 6 Meeting
3. Interim Capital Projects
 - A.) College of Charleston
 - a. Grice Marine Laboratory – New Construction -establish project
 - B.) University of South Carolina Columbia
 - a. 1600 Hampton Distributed Data Center Renovations -establish project
 - b. Athletic Master Plan – Phase I Development -establish project
4. Lease
 - A.) Medical University of South Carolina
 - a. Rutledge Tower Parking Garage -lease renewal
5. Other Business
6. Information Items
 - a. List of Staff Approvals for November 2006

MINUTES
SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION
Finance and Facilities Committee Meeting
December 6, 2006
3:00 p.m.
CHE Conference Room

Committee Members Present

Dr. Louis Lynn
Mr. Dan Ravenel
Mr. Jim Sanders
Mr. Neal Workman

Mr. John Irion
Mr. Scott Ludlow
Mr. Phil Mauney
Ms. Jennifer Pearce
Mr. Scott Poelker
Mr. Tim Sinclair

Committee Members Absent

Dr. Doug Forbes
Mr. Ken Wingate

Staff Present

Ms. Camille Brown
Ms. Julie Carullo
Mr. Gary Glenn
Ms. Alyson Goff
Ms. Lynn Metcalf
Dr. Gail Morrison
Ms. Nicole Rowland

Guests Present

Mr. Bill Bragdon
Mr. Al Cope
Mr. Henry Giles
Mr. Craig Hess

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

Mr. Ravenel called the meeting to order at 3:00 p.m.

Mr. Glenn introduced the guests in attendance. The following matters were considered:

I. Approval of Minutes of Meeting on November 1, 2006

Ms. Pearce, from the Medical University of South Carolina, requested to make a revision to the minutes of the November 1 meeting. For the MUSC McClennan Banks, Fourth Floor lease, she noted the lease is from the Hospital Authority and not UMA. The correction was accepted and the minutes were approved.

II. Presentation – SC Manufacturing Extension Partnership (SCMEP)

SCMEP President John Irion and Manufacturing Specialist Tim Sinclair provided the Committee with a brief overview of SCMEP's vision, mission, membership, and history. A copy of the presentation is on file with these minutes.

III. Consideration of Interim Capital Projects

Mr. Ravenel introduced the projects and noted institutional representatives were present to answer questions. The following projects were presented and discussed:

a. Clemson University

- | | | |
|----------------------------|-------------|--------------------|
| 1.) Golf Practice Facility | \$ 693,500 | -establish project |
| 2.) Fernow Street Café | \$1,232,223 | -establish project |

Dr. Lynn asked where the café was located. Mr. Cope, from Clemson University, replied it was located between Sistine and Riggs Halls. He noted the current facility had outgrown its capacity due to its rising popularity. The project is part of a long-term renovation project for the academic facilities surrounding the café. With increased faculty, staff, and students in the area, there is a need for increased dining space.

Dr. Lynn asked if Aramark was the service provider, and Mr. Cope answered yes. Dr. Lynn asked about the source of funds. Ms. Metcalf responded the project was being completed with dining services revenue.

b. Medical University of South Carolina

- | | | |
|--|-------------|--------------------|
| 1.) Parking Garage II Structural Repairs | \$1,250,000 | -establish project |
|--|-------------|--------------------|

Dr. Lynn stated if the structure had crumbling concrete, it was a life-safety issue. Mr. Ravenel noted the area of the garage was in an earthquake zone.

c. Spartanburg Community College

- | | | |
|--|-------------|--|
| 1.) Tyger River Campus AMTC Renovation | \$2,735,497 | -increase budget, revise scope, change source of funds |
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Mr. Sanders asked if there was any comment on the source of private funds. Ms. Metcalf stated the donor wished to remain anonymous. A guarantee letter is on file at CHE which states if the private funds do not become available, the institution will not continue the project.

d. Trident Technical College

- | | | |
|---|--------------|------------------|
| 1.) Culinary Arts/Culinary Institute of Charleston Renovation (Palmer Campus) | \$ 2,375,000 | -increase budget |
|---|--------------|------------------|

Mr. Ravenel noted the Palmer Campus was located in downtown Charleston where a high school used to be. Mr. Sanders asked where the facility was in location to the former Johnson and Wales campus. Mr. Poelker, from Trident Technical College, replied the institution's facility was adjacent to the property.

Dr. Lynn asked if the academic program was in place. Ms. Metcalf replied in the affirmative. Mr. Workman asked about the increase. Mr. Poelker stated the original estimate was made in 2002,

and costs have increased since that time. Mr. Ravenel asked if this was the final phase for the project. Mr. Poelker answered yes, and he noted renovations at the North Charleston campus had already been completed.

Mr. Sanders asked if enrollment in the culinary arts program had increased since Johnson and Wales left. Mr. Poelker stated prior to Johnson and Wales leaving, the College enrolled 350 students. Since the departure, the College now enrolls 600 students. Mr. Poelker stated the institution had conversations with local businesses, and it was realized the industry needs 1,500 to 1,800 graduates a year.

Mr. Ravenel asked about the impact of the Art Institute of Atlanta expanding into the Charleston area. Mr. Poelker replied the institution expected to enroll one-third of its total headcount in the culinary program. Mr. Ravenel stated there was a huge industry in the Charleston area which is demanding graduates. He also noted the salary projections are higher in the area than compared to other regions.

It was moved (Sanders), seconded (Workman), and voted to approve the projects.

IV. Other Business

Mr. Ravenel noted a list of staff approvals for the month of October was included in the materials.

Ms. Metcalf provided the Committee with an information item on the leased education and general (E&G) facility space at the institutions in response to a question at the last meeting. She stated the USC School of Medicine facilities were leased from Veterans Affairs for a nominal amount. At USC Beaufort, the facilities on the South Campus were built by the county, and the facilities would become the property of the institution after repayment in 15 to 20 years. At USC Lancaster, the facilities are rented from the local area commission for a nominal amount.

Ms. Metcalf stated only the net E&G space was included as that is the state's responsibility to maintain. She noted the information illustrates that only a small amount of the institutions' space is leased.

Mr. Ravenel noted USC Beaufort was transitioning from being a two-year institution to a four-year institution. He stated the situation the institution had with the county was unique and working quite well.

Ms. Metcalf provided the Committee with an information item on the debt service capacity of the institutions in response to a question at the last meeting. She stated that after discussions with the State Treasurer's Office, it was determined the requested data was difficult to obtain. She stated institutions chose how much debt service fees to charge and deposit with the State Treasurer, therefore, it was not a clear indication of an institution's capabilities.

Ms. Metcalf stated the debt service fee charged to students has remained comparatively low to the increase in total tuition and fees. She also stated capital improvement bonds have not been

provided by the State for E&G facilities since 2000. As a result, institutions have to use fees to fund these projects.

Ms. Metcalf noted a recent article in the *Business Officer* magazine featured the dining facilities renovation project at USC Columbia. She provided copies to the Committee members.

The Committee discussed the best way to approach the Council of Presidents in regards to the Commission's recommendations for improving the facilities approval process. It was determined to present a resolution to the presidents at the meeting in which they would pledge their support for the initiative. Ms. Metcalf stated staff would draft a resolution for the Committee's approval prior to the meeting with the Council of Presidents the next day.

Ms. Metcalf stated the staff had met with Budget and Control Board (B&CB) and Joint Bond Review Committee (JBRC) staff members in regard to two of the recommendations. On the second recommendation [Routine repair, replacement, and maintenance project approval], Ms. Metcalf stated the B&CB and JBRC staff members did not think the proposed code changes were necessary as the definition of a project is now \$500,000. CHE staff may approve at the staff level routine repair, replacement, and maintenance projects regardless of the amount. Mr. Workman stated JBRC and B&CB approvals were an unnecessary step in the process.

Mr. Sanders asked if it would be appropriate to ask for the support of the institutional legislative liaisons. Ms. Metcalf stated she had already spoken to Clemson representatives about the recommendations, and they reacted favorably.

With no further business, the meeting was adjourned at 4:10 p.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.*

Description of Interim Capital Projects for Consideration

January 4, 2007

College of Charleston

Grice Marine Laboratory – New Construction	\$6,000,000	-establish project
Source of Funds:	\$4,000,000	-appropriated State funds*
	1,550,000	-excess debt service
	450,000	-college fees
Proposed Budget:	\$5,034,862	-new construction (16,000 SF)
	535,000	-furniture, fixtures, equipment, & archeological reclamation
	365,028	-professional services fees
	<u>65,110</u>	-contingency
Total:	<u>\$6,000,000</u>	

Description

The College requests approval to construct approximately 16,000 square feet of space to support the marine biology and environmental studies programs at the College’s Grice Marine Laboratory on James Island. The College utilized a space program report prepared by Stubbs, Muldrow, and Herin in determining the size of the new facility. The cost per square foot is \$315.

The new facility will include a laboratory classroom, a lecture classroom, two meeting rooms, three offices to support the director, the lab manager, and graduate students. The facility will also include 32 beds for students and faculty; a multipurpose room for dining, conferences, and study; a kitchen, and other auxiliary space.

The laboratory has greatly increased its teaching and research activities over the past decade. The facility supports the College’s bachelor’s and master’s Marine Science programs. Doctoral students at MUSC also take courses at Grice. The laboratory is also used for a summer undergraduate research program where students from all over the country study at Grice for a 10-week research experience. The laboratory is also used for several collaborative partnerships.

*Note: The General Assembly appropriated \$4 million in the FY2006-07 appropriations bill specifically for the project.

E&G Deferred Maintenance Reduction:

N/A – New Construction

Annual Operating Costs/Savings:

Maintenance, operation, and utilities will require additional operating costs ranging from \$54,553 to \$109,106 in the three years following project completion. The costs will be absorbed into the existing budget.

Recommendation

Staff recommends approval of this project as proposed.

University of South Carolina

1600 Hampton Distributed Data Center Renovation \$650,000 -establish project

Source of Funds: \$650,000 -institutional funds

Proposed Budget: \$600,000 -interior building renovations
30,000 -professional services fees
20,000 -contingency

Total: \$650,000

Description

The University requests approval to renovate approximately 2,000 square feet on the first floor to construct a redundant data center to house critical computing and enterprise equipment. The project will include the installation of raised flooring, electrical and communication cable trays, new temperature/humidity control, new electrical systems (including generator and UPS system), dry fire suppression system, and new interior finishes.

Currently, the University maintains a single data center. The project will provide a failover for critical systems in the event of an outage. This will reduce the risk of downtime and/or loss of data in the event of a local disaster. It will also provide the capability of equipment upgrades and system maintenance without having to schedule downtime.

E&G Deferred Maintenance Reduction:

The project will not materially affect the facility’s deferred maintenance as the purpose is to upgrade the space for current use.

Annual Operating Costs/Savings:

No additional costs are expected as a result of the project.

Recommendation

Staff recommends approval of this project as proposed.

University of South Carolina Columbia

Athletic Master Plan – Phase I Development \$800,000 -establish project

Source of Funds: \$800,000 -athletic funds

Proposed Budget: \$800,000 -professional services fees

Description

The University requests approval to begin architectural and engineering (A&E) design to proceed through design development for the athletics’ master plan. The 15-year plan proposes redevelopment of the existing 40-acre site referred to as the “Roost Area,” improvements to the Williams-Brice football stadium, and the baseball stadium currently in design.

The implementation of the master plan will provide facilities to allow the University sports to compete at a the highest level, both in the Southeastern Conference and nationally. The redevelopment of the “Roost Area” will allow the consolidation of the athletic programs in one location.

The current estimate to complete the entire master plan is \$194 million which includes the funding previously approved for the baseball stadium. The project will not require an increase in tuition and fees.

E&G Deferred Maintenance Reduction:

N/A – Auxiliary Space

Annual Operating Costs/Savings:

No additional costs are expected as a result of this phase of the project.

Recommendation

Staff recommends approval of this project as proposed.

Lease for Consideration

Medical University of South Carolina

Rutledge Tower Parking Garage	-lease renewal	\$980,000
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Description

The University requests approval to renew its lease for the Rutledge Tower Parking Garage which contains 772 parking spaces. The MUSC Foundation owns the garage and leases this property in its entirety to the University Medical Associates (UMA). UMA subleases the facility in its entirety to the University.

The space is needed to provide parking for the University. The monthly rental rate will be \$40,833, resulting in an annual cost of \$490,000. The requested lease term is for two years with a total lease cost of \$980,000. The per-space, per-month cost is \$53.

Recommendation

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

**Agenda Item 5
Finance & Facilities**

Information Item

PERMANENT IMPROVEMENT PROJECTS						
APPROVED BY STAFF						
November 2006						
Date Appr.	Project #	Institution	Project Name	Action Category	Budget Chg.	Revised Budget
11/2/2006	9732	MUSC	College of Dental Medicine Building ¹	increase budget, revise scope	\$ 10,700,000	\$ 51,000,000
11/2/2006	9960	Aiken TC	Building 100/200 Flooring Renovation	increase budget	\$ 120,000	\$ 510,000
11/8/2006	9901	Midlands TC	Beltline Campus Breezeway Renovation/Expansion	increase budget	\$ 100,000	\$ 1,423,000
11/14/2006	9541	USC Aiken	Student Residence Hall Construction/Land Acquisition	revise scope	\$ -	\$ 16,535,000
11/14/2006	9552	Winthrop	Kinard Annex Roof Replacement	increase budget	\$ 165,000	\$ 565,000
11/14/2006	9553	Winthrop	Alumni Drive Stormwater & Infrastructure Improvements	increase budget	\$ 110,000	\$ 430,000
11/14/2006	New	Winthrop	Tillman Hall Renovations ²	establish project	\$ -	\$ 6,700,000
11/20/2006	9539	Coastal Carolina	Spadoni Park Renovations	close project	\$ -	\$ 150,000
11/20/2006	New	Central Carolina TC	Sumter (Downtown) Preliminary Land Acquisition (Allied Health Project)	establish project	\$ -	\$ 20,000
11/29/2006	6013	USC Columbia	Osborne Provost Suite Renovation	increase budget	\$ 7,000	\$ 157,000
11/29/2006	New	USC Columbia	707 Catawba/350 Wayne Street Acquisition ³	establish project	\$ -	\$ 20,000
11/29/2006	9537	USC Aiken	Science Building Roof Repairs	increase budget	\$ 120,000	\$ 433,000
¹ \$7 million was appropriated by the 2006 General Assembly. The remaining \$3.7 million was approved as it is under 10% of the total budget.						
² The General Assembly appropriated \$6.7 million for the project during the 2006 session.						
³ Part of approved Master Land Acquisition Plan (MLAP)						