



## South Carolina Commission on Higher Education

Mr. Kenneth B. Wingate, Chair  
Dr. Bettie Rose Horne, Vice Chair  
Douglas R. Forbes, D.M.D.  
Mr. Kenneth W. Jackson  
Dr. Raghu Korrapati  
Ms. Cynthia C. Mosteller  
Mr. James R. Sanders  
Mr. Y. W. Scarborough, III  
Mr. Charles L. Talbert, III, CPA  
Mr. Guy C. Tarrant, CCIM  
Mr. Hood Temple  
Charles B. Thomas, Jr., M.D.  
Mr. Neal J. Workman, Jr.  
Dr. Mitchell Zais

Dr. Garrison Walters, Executive Director

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

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

**SUBJECT:** Committee Meeting, January 7

**DATE:** December 21, 2009

A meeting of the Committee is scheduled to be held in the Commission's Main Conference Room at 10:00 a.m. on Thursday, January 7. **Please note the change in time.** The agenda and materials for the meeting are enclosed.

If you have any questions about the materials, please contact me at (803) 737-2155. We look forward to meeting with you on January 7.

*Enclosures*

## **AGENDA**

COMMITTEE ON FINANCE & FACILITIES

JANUARY 7, 2010

10:00 A.M.

MAIN CONFERENCE ROOM

SC COMMISSION ON HIGHER EDUCATION

1333 MAIN STREET, SUITE 200

COLUMBIA, SC 29201

1. Introductions
2. Minutes of December 3 Meeting
3. Interim Capital Project
  - A. Clemson University
    - i. Wind Turbine Drive Train Test Facility (Phase I & II)  
- *establish project with concurrent approval of phase II*
  - B. Coastal Carolina University
    - ii. Athletic Training/Locker Room Renovation (Phase II)  
- *establish construction budget*
4. Leases
  - A. Medical University of South Carolina
    - i. 30 Bee Street  
- *lease renewal*
  - B. College of Charleston
    - i. 284 King Street  
- *lease renewal*
5. Other Business
  - A. List of Capital Projects & Leases Processed by Staff for December 2009 (For Information)

**MINUTES**

SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION  
COMMITTEE ON FINANCE AND FACILITIES  
DECEMBER 3, 2009  
10:00 A.M.  
MAIN CONFERENCE ROOM  
SC COMMISSION ON HIGHER EDUCATION  
1333 MAIN STREET, SUITE 200  
COLUMBIA, SC 29201

**Committee Members Present**

Chairman Jim Sanders  
Mr. Ken Jackson  
Mr. Chuck Talbert

Ms. Donna Collins  
Dr. Anthony Coyne  
Mr. Jim Klauber  
Ms. Angie Leidinger  
Ms. Beth McInnis  
Ms. Sandy Powers  
Mr. Tom Quasney  
Mr. Charles Shawver

**Committee Members Not Present**

Dr. Doug Forbes  
Mr. Neal Workman

**Guests Present**

Mr. Bill Scarborough, Commissioner  
Mr. Guy Tarrant, Commissioner  
Mr. Charles Thomas, Commissioner  
Dr. Kathy Coleman

**Staff Present**

Mr. Gary Glenn  
Ms. Courtney Blake  
Mr. Sidney Brown  
Ms. Stephanie Charbonneau

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

**I. Call to Order**

Chairman Sanders called the meeting to order at 10:05 a.m. Ms. Blake introduced the guests in attendance.

The following matters were considered:

**II. Approval of Minutes of Meeting on November 5, 2009**

A motion was made (Jackson), seconded (Talbert), and carried to approve the minutes of the November 5, 2009 meeting.

**III. Interim Capital Project**

The following project was presented and discussed:

- A.) Piedmont Technical College
  - i. Newberry County Center

Mr. Glenn presented the project stating that this request is for Phase I (pre-design). He noted that the College seeks to use Capital Project Sales Tax (CPST) funding to enable the County to purchase four parcels of land more informally known as the "Old Wal-Mart Complex" located on Wilson Road. He noted that the tract consists of main retail space of 77,000 SF, several retail outlets, and another secondary retail space that was once used as a grocery store. The concept is that the grocery store location would be torn down and usable "green space" would be created for public use. The retail outlets would be retained by the County for office space. The College would occupy the main retail space of 77,000 SF for its operations. One of the small retail spaces

would be reserved for a student bookstore. Mr. Glenn added that this project will help stimulate economic development in the area.

Chairman Sanders asked what the enrollment is on campus. Mr. Jim Klauber, from Piedmont Technical College, replied that enrollment in the Spring was around 5,000 and in the Fall around 5,400. He added that at the Newberry County Center enrollment was up 13% from last year.

With no further questions, it was moved (Talbert), seconded (Jackson), and voted to approve the Piedmont Technical College project as proposed.

#### **IV. Lease**

The following lease was presented and discussed:

- A.) Clemson University
  - i. 55 Camperdown Way in Greenville

Mr. Glenn presented the lease stating that it was approved by the Joint Bond Review Committee (JBRC) on December 2, 2009 contingent upon the approval of the Commission. He noted that the leased space will house the University's Masters in Business Administration (MBA) program and Small Business Development Center and will further accommodate Professional and Continuing Education programs. Mr. Glenn added that this location will permit the University to bring related business programs together in an area where the client base can be better served while providing increased opportunities for both students and faculty to work with local businesses. Mr. Glenn stated that the total lease cost will be \$7,868,778, and is a full service lease.

Chairman Sanders asked if the building is upfitted for classroom space or if additional work will need to be done. Ms. Angie Leidinger, from Clemson University, replied that the building will have minimal upfit needs. Mr. Charles Talbert asked what impact the relocation of the MBA program will have on the Greenville University Center. Ms. Leidinger explained that it will have little impact on the University Center because once the MBA program is moved it will allow for expansion of remaining programs. Chairman Sanders asked when the University plans to start using the facility. Ms. Leidinger replied that they plan to hold classes in the building starting January 2010.

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

#### **V. Other Business**

Mr. Glenn presented a draft of the 2010 Finance and Facilities Committee Meeting schedule for information.

The list of Capital Projects & Leases processed by staff for November 2009 was presented for information. Mr. Glenn drew the committee member's attention to the last two staff approvals on the list for Central Carolina Technical College. He noted that through the efforts of Chairman Sanders, a request was sent from Carol Routh at the Budget and Control Board to all state agencies requesting a list of projects that 1) are "shovel ready", 2) require no design work or design is complete and, 3) have available funding. Through this survey, three projects were identified as shovel ready, two of which were re-roofing projects from Central Carolina Technical College. These projects were staff approved for phase I and II in order to expedite. He noted that JBRC approved the projects at its meeting on December 2, 2009.

Chairman Sanders noted that this is a small victory for the Commission on Higher Education in advancing projects quickly to help stimulate the work force and economy. He gave special thanks to JBRC staff, CHE staff and all involved for their efforts in expediting these projects.

With no further business, Chairman Sanders adjourned the meeting at 10:25 a.m.

Respectfully submitted,

Courtney W. Blake  
Recorder

*\*Attachments are not included in this mailing but will be filed with the permanent record of these minutes and are available for review upon request.*

**DESCRIPTION OF INTERIM CAPITAL PROJECTS FOR CONSIDERATION**

January 7, 2010

**CLEMSON UNIVERSITY**

**PROJECT NAME:** Wind Turbine Drive Train Test Facility  
**REQUESTED ACTION:** Establish Project with Concurrent Approval of Phase II  
**REQUESTED ACTION AMOUNT:** \$64,000,000  
**INITIAL CHE APPROVAL DATE:** N/A

<b><u>Project Budget</u></b>	<b><u>Previous</u></b>	<b><u>Change</u></b>	<b><u>Revised</u></b>
Professional Service Fees	\$0	\$1,400,000	\$1,400,000
Equipment and/or Materials	\$0	\$40,200,000	\$40,200,000
New Construction	\$0	\$1,100,000	\$1,100,000
Interior Renovations	\$0	\$17,500,000	\$17,500,000
Labor Costs	\$0	\$588,000	\$588,000
Other (Misc. Expenses)	\$0	\$270,000	\$270,000
Contingency	\$0	\$2,942,000	\$2,942,000
<b><i>Total</i></b>	<b><i>\$0</i></b>	<b><i>\$64,000,000</i></b>	<b><i>\$64,000,000</i></b>

<b><u>Source of Funds</u></b>	<b><u>Previous</u></b>	<b><u>Change</u></b>	<b><u>Revised</u></b>
Federal	\$0	\$45,000,000	\$45,000,000
State Funds – Department of Commerce	\$0	\$3,000,000	\$3,000,000
Redevelopment Authority	\$0	\$6,000,000	\$6,000,000
State Funds	\$0	\$7,000,000	\$7,000,000
Institutional Capital Project Fund	\$0	\$3,000,000	\$3,000,000
<b><i>Total</i></b>	<b><i>\$0</i></b>	<b><i>\$64,000,000</i></b>	<b><i>\$64,000,000</i></b>

**DESCRIPTION:**

The University requests approval to establish a project for the construction of a Wind Turbine Drive Train Test Facility (CU WTDTF) for highly accelerated testing of drive trains for wind turbines up to twenty megawatts.

The facility will be located in Building 69 at the Charleston Naval Complex, a former DOD Naval base in North Charleston, SC. It will be a part of the Clemson University Research Institute (CURI) campus. Building 69 has access to shipping by water, road and rail, and has potential for expansion. Building 69 will have two test bays, overhead cranes for moving equipment, office and other spaces for personnel and instrumentation. A rail spur will facilitate the delivery and departure of drive train units. The port has infrastructure that provides loading and unloading of drive trains, machine shop facilities and access to more office space.

The test facility will operate under a ‘shared’ model as a non-profit organization with a business model designed for sustainability while providing ongoing state-of-the-art testing to wind turbine manufacturers. The facility’s primary mission is to serve the wind industry with secondary missions of promoting industry/government/university collaboration in research and workforce education. The facility will be manned with a dedicated workforce to serve industry needs with additional services offered by established local industries as needed by customers. Clemson University will establish an experienced team to ensure proper execution of the project and its safe operations. The facility will serve as the catalyst for a wind industry cluster over the next 20 years to form at the Charleston Naval Complex due to the unique industry/research environment at a brown-field site near an existing port, rail infrastructure and supporting industries. The University estimates the facility will create 110 temporary construction jobs and will bring 21 full time operational positions to the area once it is operational. It is anticipated the job creation potential associated with the build-out of a wind energy cluster could be in the 1,000’s.

The University has received a \$45 M grant from the U.S. Department of Energy, combined with \$19 M from state commitments for a construction total of \$64 M.

**E&G MAINTENANCE NEEDS REDUCTION:**

N/A – New Construction

**ANNUAL OPERATING COSTS/SAVINGS:**

Operations and maintenance are expected to generate additional operating costs ranging between \$90,000 and \$284,000 in the three years following project completion.

**RECOMMENDATION:**

Staff recommends approval of this project as proposed.

**COASTAL CAROLINA UNIVERSITY**

**PROJECT NAME:** Athletic Training/Locker Room Renovation (Phase II)  
**REQUESTED ACTION:** Establish Construction Budget  
**REQUESTED ACTION AMOUNT:** \$791,000  
**INITIAL CHE APPROVAL DATE:** May 15, 2009

<b>Project Budget</b>	<b>Previous</b>	<b>Change</b>	<b>Revised</b>
Professional Service Fees	\$9,000	\$81,571	\$90,571
Interior Renovations	\$0	\$675,646	\$675,646
Contingency	\$0	\$33,783	\$33,783
<b>Total</b>	<b>\$9,000</b>	<b>\$791,000</b>	<b>\$800,000</b>

<b>Source of Funds</b>	<b>Previous</b>	<b>Change</b>	<b>Revised</b>
Renovation Reserve/Plant Expansion	\$9,000	\$791,000	\$800,000
<b>Total</b>	<b>\$9,000</b>	<b>\$791,000</b>	<b>\$800,000</b>

**DESCRIPTION:**

The University requests approval to establish the construction budget to renovate the current locker room and training room space in Brooks Stadium. The project will join the two areas together for an expanded training area to accommodate all sports training needs.

The project was not included in the institutions FY 2009-10 CIP because originally the total budget was expected to be less than \$500,000; therefore it would not require approval as a Permanent Improvement Project (PIP). As the institution made decisions to have this area accommodate all of the athletic training needs to free up space in the Williams Brice Building, the project grew to PIP status. The University will be using design-bid-build for the renovation.

**E&G MAINTENANCE NEEDS REDUCTION:**

N/A – Reconfiguring Space

**ANNUAL OPERATING COSTS/SAVINGS:**

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

**RECOMMENDATION:**

Staff recommends approval of this project as proposed.

**DESCRIPTION OF LEASES FOR CONSIDERATION**

January 7, 2010

**MEDICAL UNIVERSITY OF SOUTH CAROLINA**

**LEASE NAME:** 30 Bee Street  
**REQUESTED ACTION:** Lease Renewal  
**REQUESTED ACTION AMOUNT:** \$371,339

**DESCRIPTION:**

The University requests approval to renew the current lease for 9,988 SF on the first floor of 30 Bee Street. The purpose of the lease is to house Student Health, the Counseling and Psychological Services (CAPS) program, some College of Dental Medicine department offices, and the 3 Tesla MRI Neurosciences research operation.

The monthly rental rate will be \$15,472, resulting in an annual cost of \$185,670. The requested lease term is two years with a total lease cost of \$371,339. The per-square-foot rate is \$18.59. Operating expenses are not included in the lease, and the University estimates those costs to be approximately \$129,232 annually in addition to the lease. The operating expenses include utilities, maintenance, housekeeping and insurance.

**RECOMMENDATION:**

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

**COLLEGE OF CHARLESTON**

**LEASE NAME:** 284 King Street  
**REQUESTED ACTION:** Lease Renewal  
**REQUESTED ACTION AMOUNT:** \$1,155,602

**DESCRIPTION:**

The College requests approval to renew the current lease for 9,849 SF of space located at 284 King Street in downtown Charleston. The initial term of the lease was July 1, 2005 to June 30, 2010 with the option to extend for up to three terms of five years each. The current request will provide for the first five-year extension from July 1, 2010 to June 30, 2015.

The purpose of the renewal is to continue to provide space for the Joseph P. Riley, Jr. Center for Urban Affairs and Policy Studies which houses programs of academic study, research, and community service focused on enhancing urban life in the Charleston area. The space also houses the Masters of Environmental Studies program. Future plans for the space include the consolidation of the Masters of Public Administration and the Department of Urban Studies. These programs are currently spread across three different locations. The proposed lease will provide space for faculty and graduate assistant offices, conference rooms, and resource rooms.

In the first year, the monthly rate will be approximately \$18,138.58, resulting in an annual cost of \$217,663. The rent will increase by the Consumer Price Index (CPI) each year for years two through five. The total estimated lease cost is \$1,155,602, which assumes a three percent CPI increase each year. The estimated averaged five-year rate is \$23.47 per SF. The requested lease does not include maintenance, and the College expects to spend \$51,215 (\$5.20 per SF) each year on building envelope, roofing, HVAC, plumbing, fire safety, and security associated with normal occupancy.

**RECOMMENDATION:**

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

**INFORMATION ITEM**

**Capital Projects & Leases Processed by Staff**

**December 2009**

<b>Date Approved</b>	<b>Project #</b>	<b>Institution</b>	<b>Project Name</b>	<b>Action Category</b>	<b>Budget Change</b>	<b>Revised Budget</b>
12/7/2009	New	Coastal Carolina	Public Safety Facility <sup>1</sup>	establish pre-design	\$0	\$15,000
12/7/2009	9572	Coastal Carolina	Quail Creek Golf Course Acquisition <sup>2</sup>	increase budget, revise scope (purchase property)	\$3,180,000	\$3,200,000
12/9/2009	New	Florence-Darlington TC	Acre Lot Adjacent to Cosmetology Center Land Acquisition <sup>1</sup>	establish (environmental study)	\$0	\$20,000
12/11/2009	New	USC Columbia	Spigner House Renovation <sup>1</sup>	establish pre-design	\$0	\$13,500
12/11/2009	9511	USC Beaufort	Library Second Floor Upfit/Hargray Renovation <sup>3</sup>	establish construction budget	\$3,944,139	\$4,000,000

<sup>1</sup>See Supporting Narrative.

<sup>2</sup>Part of approved MLAP.

<sup>3</sup>Approved by CHE on June 4, 2009 as part of FY 2009-10 CPIP year 1.

**FOR INFORMATION – PROJECT ESTABLISHMENTS PROCESSED BY STAFF  
FOR DECEMBER 2009**

*Note: At the June, 2008 meeting, the Finance & Facilities Committee clarified staff authority for processing institutional requests to establish capital projects. Accordingly, the following summaries are presented as information.*

**UNIVERSITY OF SOUTH CAROLINA COLUMBIA**

**PROJECT NAME:** Spigner House Renovation  
**REQUESTED ACTION:** Establish Pre-design  
**REQUESTED ACTION AMOUNT:** \$13,500  
**INITIAL CHE APPROVAL DATE:** N/A

<b><u>Project Budget</u></b>	<b><u>Previous</u></b>	<b><u>Change</u></b>	<b><u>Revised</u></b>
Professional Service Fees	\$0	\$13,500	\$13,500
<b><i>Total</i></b>	<b><i>\$0</i></b>	<b><i>\$13,500</i></b>	<b><i>\$13,500</i></b>

<b><u>Source of Funds</u></b>	<b><u>Previous</u></b>	<b><u>Change</u></b>	<b><u>Revised</u></b>
Auxiliary	\$0	\$13,500	\$13,500
<b><i>Total</i></b>	<b><i>\$0</i></b>	<b><i>\$13,500</i></b>	<b><i>\$13,500</i></b>

**DESCRIPTION:**

The University requests approval to establish a project to renovate the Spigner House. The first floor will provide space for receptions and events which will be managed by Sodexo and served through Carolina Catering. The second floor will be renovated to create offices. Work will include minor reconfiguration of space to meet programmatic requirements, mechanical, plumbing and electrical systems upgrade, and minor exterior repairs including window repairs.

This project was not included in the institution's FY 2009-10 CPIP. At the time the CPIP was submitted, the use of the facility had not been determined; therefore the funding source had not been identified. The total projected budget is \$900,000.

**E&G MAINTENANCE NEEDS REDUCTION:**

N/A – Auxiliary

**ANNUAL OPERATING COSTS/SAVINGS:**

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

**COASTAL CAROLINA UNIVERSITY**

**PROJECT NAME:** Public Safety Facility  
**REQUESTED ACTION:** Establish Pre-design  
**REQUESTED ACTION AMOUNT:** \$15,000  
**INITIAL CHE APPROVAL DATE:** N/A

<b>Project Budget</b>	<b>Previous</b>	<b>Change</b>	<b>Revised</b>
Professional Service Fees	\$0	\$15,000	\$15,000
<b>Total</b>	<b>\$0</b>	<b>\$15,000</b>	<b>\$15,000</b>

<b>Source of Funds</b>	<b>Previous</b>	<b>Change</b>	<b>Revised</b>
One Cent Sales Tax	\$0	\$15,000	\$15,000
<b>Total</b>	<b>\$0</b>	<b>\$15,000</b>	<b>\$15,000</b>

**DESCRIPTION:**

The University requests approval to establish a project to construct a 5,000 SF building to provide fifteen offices, a dispatch/communication center, a training room, and locker room area for Public Safety Officers. In a collaborative effort, the University provides public safety services to Horry-Georgetown Technical College. The Public Safety Department currently resides in Atheneum Hall which is scheduled for renovation into an alumni facility.

This project was included in year two of the institution's FY2009-10 CPIP.

**E&G MAINTENANCE NEEDS REDUCTION:**

N/A – New Construction

**ANNUAL OPERATING COSTS/SAVINGS:**

Utilities, personnel and supplies are expected to generate additional operating costs of \$37,800 in the three years following project completion.

**FLORENCE-DARLINGTON TECHNICAL COLLEGE**

**PROJECT NAME:** Acre Lot Adjacent to Cosmetology Center Land Acquisition  
**REQUESTED ACTION:** Establish (Environmental Study)  
**REQUESTED ACTION AMOUNT:** \$20,000  
**INITIAL CHE APPROVAL DATE:** N/A

<b>Project Budget</b>	<b>Previous</b>	<b>Change</b>	<b>Revised</b>
Land Purchase	\$0	\$20,000	\$20,000
<b>Total</b>	<b>\$0</b>	<b>\$20,000</b>	<b>\$20,000</b>

<b>Source of Funds</b>	<b>Previous</b>	<b>Change</b>	<b>Revised</b>
Local	\$0	\$20,000	\$20,000
<b>Total</b>	<b>\$0</b>	<b>\$20,000</b>	<b>\$20,000</b>

**DESCRIPTION:**

The College requests approval to establish a project to perform an environmental study on an acre lot located on the corner of Palmetto Road and Highway 52. The land is adjacent to the College's Cosmetology Center. Enrollment in this program has experienced tremendous growth over the past few years. The land will be used for expansion of the instructional facility as well as additional parking for the increased number of students.

The land acquisition was not included in the institutions FY 2009-10 CPIP because the property was not available at the time of CPIP submission. The total land purchase will be funded with Local funds.

**E&G MAINTENANCE NEEDS REDUCTION:**

N/A – Land Acquisition

**ANNUAL OPERATING COSTS/SAVINGS:**

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