



South Carolina Commission on Higher Education

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Mr. Guy C. Tarrant, CCIM
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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, November 5

DATE: October 28, 2009

A meeting of the Committee is scheduled to be held in the Commission's Main Conference Room at 9:00 a.m. on Thursday, November 5. 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 November 5.

Enclosures

AGENDA

COMMITTEE ON FINANCE & FACILITIES

NOVEMBER 5, 2009

9:00 A.M.

MAIN CONFERENCE ROOM

SC COMMISSION ON HIGHER EDUCATION

1333 MAIN STREET, SUITE 200

COLUMBIA, SC 29201

1. Introductions
2. Minutes of September 30 Meeting
3. Interim Capital Projects
 - A. University of South Carolina Columbia
 - i. Horizon I First Floor Laboratory Upfit (Phase I)
- *establish pre-design*
 - ii. Discovery I Upfit (Phase I)
- *establish pre-design*
 - iii. Maxcy College Renovation (Phase I)
- *establish pre-design*
 - iv. Harper/Elliott Renovations (Phase I)
- *establish pre-design*
 - v. Jones PSC North Tower Ceiling Asbestos Removal (Phase II)
- *establish construction budget*
 - vi. DeSaussure Fire Protection/Renovation (Phase II)
- *establish construction budget*
 - B. The Citadel
 - i. Bond Hall Building Envelope Repairs (Phase II)
- *establish construction budget*
 - C. Coastal Carolina University
 - i. Academic Office/Classroom Building (Phase I)
- *establish pre-design*
 - ii. Central Cooling & Heating Plant (Phase II)
- *establish construction budget*
 - iii. Commons Dining Hall Addition (Phase II)
- *establish construction budget*
 - D. College of Charleston
 - i. School of Science & Mathematics Second Floor Completion (Phase I)
- *establish pre-design*
 - E. University of South Carolina Upstate
 - i. Hodge Center Renovation/Addition (Phase I)
- *establish pre-design*
 - ii. Palmetto Villas Renovations
- *increase budget, revise scope*
 - F. Winthrop University
 - i. Phelps Hall Renovation (Phase II)
- *establish construction budget*
 - G. Midlands Technical College
 - i. Northeastern Classroom/Engineering Science Facility (Phase II)
- *establish construction budget*
 - H. Northeastern Technical College
 - i. Dillon Campus Construction (Phase II)
- *establish construction budget*

- I. York Technical College
 - i. Griffin Motors Property Acquisition (Phase II)
- *increase budget, revise scope (Purchase Land)*

- 4. Other Business
 - A. List of Capital Projects & Leases Processed by Staff for October 2009 (For Information)
 - B. Deferred from September 30, 2009 Meeting: Review and discuss CHE's Legal Responsibility for Facilities Project Approvals (For Information)

MINUTES

SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION
COMMITTEE ON FINANCE AND FACILITIES
SEPTEMBER 30, 2009
9:00 A.M.
MAIN CONFERENCE ROOM
SC COMMISSION ON HIGHER EDUCATION
1333 MAIN STREET, SUITE 200
COLUMBIA, SC 29201

Committee Members Present

Dr. Doug Forbes
Mr. Ken Jackson
Mr. Chuck Talbert

Dr. Anthony Coyne
Mr. Ralph Davis
Mr. Craig Hess
Mr. John Malmrose
Ms. Beth McInnis
Mr. Charles Shawver

Committee Members Not Present

Mr. Jim Sanders
Mr. Neal Workman

Staff Present

Mr. Gary Glenn
Ms. Courtney Blake
Ms. Julie Carullo
Ms. Stephanie Charbonneau

Guests Present

Dr. Kathy Coleman
Ms. Donna Collins
Ms. Teresa Cook

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

I. Call to Order

Vice Chairman Forbes called the meeting to order at 9:05 a.m. Ms. Blake introduced the guests in attendance.

The following matters were considered:

II. Approval of Minutes of Meeting on September 3, 2009

A motion was made (Jackson), seconded (Talbert), and carried to approve the minutes of the September 3, 2009 meeting.

III. Interim Capital Projects

The following projects were presented and discussed:

A.) Clemson University

- i. Golf Practice Facility Construction – Phase III

Mr. Glenn presented the project stating that this is the final phase of a three-phase project to improve facilities for the golf team. He noted that the project has advanced quickly due to very successful private fund raising. Vice Chairman Forbes asked if the entire project was being paid for with IPTAY funds. Dr. Kathy Coleman, from Clemson University, confirmed.

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

B.) Medical University of South Carolina

- i. Energy Performance Contract

Mr. Glenn presented the project stating that the increase to the budget is being funded by stimulus money. He noted that this project will be adding a new Energy Efficiency Measure (EEM) to the existing Energy Performance Contract to replace the electric reheat system in the Clinical Sciences Building with a new hot water reheat system. The new EEM will result in a guaranteed annual savings of approximately \$91,000. John Malmrose, from the Medical University of South Carolina, stated that the Energy Office has not formally approved the project for funding, but \$2.2M is targeted for MUSC for projects that have a 2.5 return on investment or better. He added that the proposed project has a return on investment of 2.68.

With no further questions, it was moved (Talbert), seconded (Jackson), and voted to approve the MUSC project contingent upon the approval of funding from the Energy Office.

C.) Francis Marion University
i. Athletic Complex Construction

Mr. Glenn presented the project stating that this request is for Phase I (pre-design). He noted that a new Athletic Complex is needed for the University to meet the basic needs for an NCAA division one athletic program. Mr. Glenn added that the 82 acres of land for the Athletic Complex were donated to the University from the Francis Marion University Real Estate Foundation at no cost. Vice Chairman Forbes asked if the State will be responsible for any costs for the project. Mr. Glenn stated that the Complex will be paid for through Athletic Revenue Bonds and will not cost the State.

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

D.) Horry-Georgetown Technical College
i. Building 400

Mr. Glenn presented the project stating that this request is for Phase I (pre-design). He noted that the project will consist of demolition of the existing Building 400 and construction of a new 45,000 SF academic building. Mr. Glenn added that this project will be fully funded with local money from the Educational Capital Sales and Use Tax or “penny tax.” There will be no Federal or State money in the construction of this building, nor will there be any tuition increase associated with construction. Mr. Jackson asked who shared the “penny tax.” Mr. Glenn clarified that the “penny tax” is shared between K-12, Horry-Georgetown Technical College, and Coastal Carolina University.

ii. Speir Building Allied Health Expansion

Mr. Glenn presented the project noting that this request is for Phase II (construction). He stated that the College found an additional need and funding for a third floor during pre-design. He stressed again that there will be no Federal or State money in the construction of this building, nor will there be any tuition increase associated with construction.

With no further questions, it was moved (Talbert), seconded (Jackson), and voted to approve the Horry-Georgetown Technical College projects as proposed.

IV. Other Business

The lists of Capital Projects & Leases processed by staff for September 2009 were presented for information.

Mr. Glenn drew the Committees attention to the staff approval for the 82 acres of land for Francis Marion University’s Athletic Complex.

Committee members were provided information regarding the legal and legislative duties of the Committee as requested by Chairman Sanders at the Committee’s previous meeting. As

Chairman Sanders was unable to attend, the members agreed to defer this subject until the next meeting on November 5, 2009.

With no further business, Vice Chairman Forbes adjourned the meeting at 9:30 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

November 5, 2009

UNIVERSITY OF SOUTH CAROLINA COLUMBIA

PROJECT NAME: Horizon I First Floor Laboratory Upfit (Phase I)
REQUESTED ACTION: Establish Pre-design
REQUESTED ACTION AMOUNT: \$30,000
INITIAL CHE APPROVAL DATE: N/A

<u>Project Budget</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Professional Service Fees	\$0	\$30,000	\$30,000
<i>Total</i>	<i>\$0</i>	<i>\$30,000</i>	<i>\$30,000</i>

<u>Source of Funds</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Institutional Funds	\$0	\$30,000	\$30,000
<i>Total</i>	<i>\$0</i>	<i>\$30,000</i>	<i>\$30,000</i>

DESCRIPTION:

The University is requesting approval to establish a project to upfit the first floor of the Horizon I Building. The upfit will provide space for the Innovista Wet-Lab Incubation Facility. It will include twenty labs in a space of 14,000 to 16,000 SF.

The Horizon I building is used by entrepreneurs/researchers to develop new technologies. The space will contribute significantly to the commercialization of technology for endowed chairs and researchers. It will also aid the recruitment and retention of outstanding faculty and students interested in the commercialization of their work.

Internal estimates project a cost of \$2,000,000.

E&G MAINTENANCE NEEDS REDUCTION:

N/A – Upfit Existing Facility

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.

UNIVERSITY OF SOUTH CAROLINA COLUMBIA

PROJECT NAME: Discovery I Upfit (Phase I)
REQUESTED ACTION: Establish Pre-design
REQUESTED ACTION AMOUNT: \$150,000
INITIAL CHE APPROVAL DATE: N/A

Project Budget	Previous	Change	Revised
Professional Service Fees	\$0	\$150,000	\$150,000
Total	\$0	\$150,000	\$150,000

Source of Funds	Previous	Change	Revised
Grant Generated Funds	\$0	\$150,000	\$150,000
Total	\$0	\$150,000	\$150,000

DESCRIPTION:

The University is requesting approval to establish a project to upfit approximately 40,000 SF of space in the Discovery I Building. The completed space will be used to relocate the office functions of the Arnold School of Public Health that currently occupy the Health Sciences Building.

Internal estimates project a cost of \$10,000,000.

E&G MAINTENANCE NEEDS REDUCTION:

N/A – Upfit Existing Facility

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.

UNIVERSITY OF SOUTH CAROLINA COLUMBIA

PROJECT NAME: Maxcy College Renovation (Phase I)
REQUESTED ACTION: Establish Pre-design
REQUESTED ACTION AMOUNT: \$56,250
INITIAL CHE APPROVAL DATE: N/A

Project Budget	Previous	Change	Revised
Professional Service Fees	\$0	\$56,250	\$56,250
Total	\$0	\$56,250	\$56,250

Source of Funds	Previous	Change	Revised
Housing Maintenance Reserve	\$0	\$56,250	\$56,250
Total	\$0	\$56,250	\$56,250

DESCRIPTION:

The University is requesting approval to establish a project to renovate Maxcy College. Work is to include improvements to kitchens, creation of a scholar-in-residence suite, and creation of faculty offices. Upgrades to the HVAC system, including replacement of fan coil units with a duct system and installation of new air handler will also be incorporated into the project.

The renovation will convert the facility to an International House of Living Learning Center. The HVAC upgrades will address air quality, humidity control and efficiency in operational costs.

This project was not included in the institution's FY 2009-10 CPIP. Internal estimates project a cost of \$3,750,000.

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.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

UNIVERSITY OF SOUTH CAROLINA COLUMBIA

PROJECT NAME: Harper/Elliott Renovations (Phase I)
REQUESTED ACTION: Establish Pre-design
REQUESTED ACTION AMOUNT: \$56,250
INITIAL CHE APPROVAL DATE: N/A

Project Budget	Previous	Change	Revised
Professional Service Fees	\$0	\$56,250	\$56,250
Total	\$0	\$56,250	\$56,250

Source of Funds	Previous	Change	Revised
Housing Maintenance Reserve	\$0	\$56,250	\$56,250
Total	\$0	\$56,250	\$56,250

DESCRIPTION:

The University is requesting approval to establish a project to renovate Harper Elliott College. Renovations will include interior refurbishment, upgrades to building systems and exterior repairs. This project will address items required to maintain the facility.

This project was not included in the institution's FY 2009-10 CPIP. Internal estimates project a cost of \$3,750,000.

E&G MAINTENANCE NEEDS REDUCTION:

The project will alleviate a portion of the \$2,204,520 in existing maintenance needs.

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.

UNIVERSITY OF SOUTH CAROLINA COLUMBIA

PROJECT NAME: Jones PSC North Tower Ceiling Asbestos Removal (Phase II)
REQUESTED ACTION: Establish Construction Budget
REQUESTED ACTION AMOUNT: \$5,450,000
INITIAL CHE APPROVAL DATE: April 21, 2009

Project Budget	Previous	Change	Revised
Professional Service Fees	\$50,000	\$329,000	\$379,000
Interior Building Renovations	\$0	\$3,865,387	\$3,865,387
Other Capital Outlay (Relocation Costs)	\$0	\$392,000	\$392,000
Other (Inflation, Owner Costs)	\$0	\$168,155	\$168,155
Contingency	\$0	\$695,458	\$695,458
Total	\$50,000	\$5,450,000	\$5,500,000

Source of Funds	Previous	Change	Revised
Federal ARRA Grant	\$0	\$5,450,000	\$5,450,000
Institutional Capital Project Fund (ICPF)	\$50,000	\$0	\$50,000
Total	\$50,000	\$5,450,000	\$5,500,000

DESCRIPTION:

The University is requesting approval to establish the construction budget to remove the friable, sprayed-on fire proofing insulation above the ceilings on the north and basement portions of the Jones Physical Science Center. The scope of work will include removal of the existing suspended ceilings, light fixtures, and fire proofing containing asbestos. After demolition is completed, new ceilings, light fixtures, and two hour fire protection will be installed. Existing floor and wall finishes will be repaired as necessary.

The current fire proofing contains asbestos and is delaminating and falling on to the top of the ceiling. Upon completion of the work, all sprayed on fire proofing will be removed and asbestos risks greatly reduced.

E&G MAINTENANCE NEEDS REDUCTION:

The project will alleviate a portion of the \$18,409,982 in existing maintenance needs.

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.

UNIVERSITY OF SOUTH CAROLINA COLUMBIA

PROJECT NAME: DeSaussure Fire Protection/Renovation (Phase II)
REQUESTED ACTION: Establish Construction Budget
REQUESTED ACTION AMOUNT: \$4,477,000
INITIAL CHE APPROVAL DATE: April 18, 2008

Project Budget	Previous	Change	Revised
Professional Service Fees	\$350,000	\$59,000	\$409,000
Interior Building Renovations	\$0	\$3,546,611	\$3,546,611
Other Capital Outlay (FF&E)	\$0	\$220,412	\$220,412
Other (Escalation)	\$0	\$470,746	\$470,746
Contingency	\$0	\$180,231	\$180,231
Total	\$350,000	\$4,477,000	\$4,827,000

Source of Funds	Previous	Change	Revised
Housing Maintenance Reserve	\$350,000	\$3,559,870	\$3,909,870
Institutional Capital Project Fund (ICPF)	\$0	\$917,130	\$917,130
Total	\$350,000	\$4,477,000	\$4,827,000

DESCRIPTION:

The University is requesting approval to establish the construction budget to renovate DeSaussure College and install a fire protection system. Constructed in 1809, DeSaussure College is the second oldest building on campus. Work will include the installation of a new fire protection system, fire alarm upgrades, HVAC/electrical/plumbing upgrades, kitchen renovations and interior finishes. This project will modernize the building to meet current life safety code requirements.

This project was approved as part of CPIP FY 2009-10 Year-one with a total budget of \$3,500,000.

E&G MAINTENANCE NEEDS REDUCTION:

The project will alleviate a portion of the \$2,503,698 in existing maintenance needs.

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.

THE CITADEL

PROJECT NAME: Bond Hall Building Envelope Repairs (Phase II)
REQUESTED ACTION: Establish Construction Budget
REQUESTED ACTION AMOUNT: \$565,000
INITIAL CHE APPROVAL DATE: January 12, 2009

<u>Project Budget</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Professional Service Fees	\$25,000	\$5,000	\$30,000
Exterior Building Renovations	\$0	\$540,000	\$540,000
Contingency	\$0	\$20,000	\$20,000
<i>Total</i>	<i>\$25,000</i>	<i>\$565,000</i>	<i>\$590,000</i>

<u>Source of Funds</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Institutional Capital Project Funds (ICPF)	\$25,000	\$0	\$25,000
E&G Student Fees	\$0	\$565,000	\$565,000
<i>Total</i>	<i>\$25,000</i>	<i>\$565,000</i>	<i>\$590,000</i>

DESCRIPTION:

The University is requesting approval to establish the construction budget to repair the Bond Hall building envelope.

Bond Hall has experienced extensive termite damage. One of the main contributing factors to the termite problem is moisture penetrating the building envelope through cracks in the stucco, deteriorated window and door frames, and other moisture related problems. This project will repair the entire building envelope and prevent further moisture intrusion and related termite damage.

E&G MAINTENANCE NEEDS REDUCTION:

The project will reduce the amount of maintenance needs by \$428,093. There will be a 2nd tier of savings in that the University is battling active termite entry in Bond Hall that is partially attributed to water entry through the existing exterior walls. Cutting off the water source through the exterior renovation will allow reduction in termite activity and damage.

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.

COASTAL CAROLINA UNIVERSITY

PROJECT NAME: Academic Office/Classroom Building (Phase I)
REQUESTED ACTION: Establish Pre-design
REQUESTED ACTION AMOUNT: \$165,000
INITIAL CHE APPROVAL DATE: N/A

Project Budget	Previous	Change	Revised
Professional Service Fees	\$0	\$165,000	\$165,000
Total	\$0	\$165,000	\$165,000

Source of Funds	Previous	Change	Revised
One Cent Sales Tax	\$0	\$165,000	\$165,000
Total	\$0	\$165,000	\$165,000

DESCRIPTION:

The University is requesting approval to establish a project to construct a 46,000 SF academic office and classroom building. The facility will provide 112 faculty/staff offices, three 120 seat tiered classrooms, six 25 seat classrooms and six 30 seat classrooms.

The University is in need of faculty/staff office space and classroom space to support the expanding student population and faculty growth. Office space has been carved out of every academic building on campus to provide for this growth. Additionally, many faculty members are sharing office space which hinders student counseling and advisement. Several academic departments are currently housed in university leased facilities off of the main campus. This facility will enable some of those departments to return to office space on the main campus.

This project was not included in the institution's FY 2009-10 CPIP; however, there is a drive to reduce portable use and get faculty back on campus.

The project will be funded by the one cent sales tax and the total internal estimate for the project is \$11,000,000.

E&G MAINTENANCE NEEDS REDUCTION:

N/A – New Construction

ANNUAL OPERATING COSTS/SAVINGS:

Utilities, supplies, and personnel will require additional operating costs of \$155,000 in the three years following project completion.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

COASTAL CAROLINA UNIVERSITY

PROJECT NAME: Central Cooling and Heating Plant (Phase II)
REQUESTED ACTION: Establish Construction Budget
REQUESTED ACTION AMOUNT: \$6,340,000
INITIAL CHE APPROVAL DATE: April 23, 2009

Project Budget	Previous	Change	Revised
Professional Service Fees	\$60,000	\$455,808	\$515,808
Site Development	\$0	\$1,835,666	\$1,835,666
New Construction	\$0	\$3,724,523	\$3,724,523
Other (Furniture, Fixtures, & Equipment)	\$0	\$45,993	\$45,993
Contingency	\$0	\$278,010	\$278,010
Total	\$60,000	\$6,340,000	\$6,400,000

Source of Funds	Previous	Change	Revised
Institutional Capital Project Fund (ICPF)	\$60,000	(\$60,000)	\$0
One Cent Sales Tax	\$0	\$6,400,000	\$6,400,000
Total	\$60,000	\$6,340,000	\$6,400,000

DESCRIPTION:

The University is requesting approval to establish the construction budget to construct a 7,200 SF facility to house a 1,000 ton Central Cooling and Heating Plant. The plant will service the Science Annexes Phase I and II, the Smith Science Building, the Library Annex and Kimbel Library, the Student Center, and Wheelwright Auditorium. The plant is sized for future service to additional main campus buildings.

Currently each building on campus has its own cooling and heating equipment. The central plant will maximize available land, provide internal space savings, provide long term utility savings, maximize equipment service life and increase operational workforce efficiency.

E&G MAINTENANCE NEEDS REDUCTION:

The project will reduce the amount of maintenance needs by \$1,328,703.

ANNUAL OPERATING COSTS/SAVINGS:

The institution indicates this project will result in a yearly savings of \$65,500.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

COASTAL CAROLINA UNIVERSITY

PROJECT NAME: Commons Dining Hall Addition (Phase II)
REQUESTED ACTION: Establish Construction Budget
REQUESTED ACTION AMOUNT: \$1,970,000
INITIAL CHE APPROVAL DATE: April 23, 2009

<u>Project Budget</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Professional Service Fees	\$30,000	\$126,000	\$156,000
New Construction	\$0	\$1,364,000	\$1,364,000
Other (Furniture, Fixtures, & Equipment)	\$0	\$250,000	\$250,000
Contingency	\$0	\$230,000	\$230,000
<i>Total</i>	<i>\$30,000</i>	<i>\$1,970,000</i>	<i>\$2,000,000</i>

<u>Source of Funds</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Food Service Auxiliary	\$30,000	\$1,970,000	\$2,000,000
<i>Total</i>	<i>\$30,000</i>	<i>\$1,970,000</i>	<i>\$2,000,000</i>

DESCRIPTION:

The University is requesting approval to establish the construction budget to construct a 5,400 SF addition to the Commons Dining Hall. The addition will increase the interior dining room seating capability by 175 and outdoor dining of 36 seats for a total of over 600 seats to service students, guests and participants in summer activities. In addition, the new space will add a new food concept, a new beverage station and improve space flow for the entire facility.

The main consideration for the addition is the need for additional seating. With student enrollment growth and the requirement that freshmen living in on-campus housing purchase a meal plan, the approximately 430 seats currently available are no longer sufficient to meet the dining halls demands.

E&G MAINTENANCE NEEDS REDUCTION:

N/A – New Construction

ANNUAL OPERATING COSTS/SAVINGS:

Utilities and supplies will require additional operating costs of \$47,000 in the three years following project completion.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

COLLEGE OF CHARLESTON

PROJECT NAME: School of Science & Mathematics Second Floor Completion (Phase I)
REQUESTED ACTION: Establish Pre-design
REQUESTED ACTION AMOUNT: \$180,000
INITIAL CHE APPROVAL DATE: N/A

Project Budget	Previous	Change	Revised
Professional Service Fees	\$0	\$180,000	\$180,000
Total	\$0	\$180,000	\$180,000

Source of Funds	Previous	Change	Revised
College Fees	\$0	\$180,000	\$180,000
Total	\$0	\$180,000	\$180,000

DESCRIPTION:

The College requests approval to establish a project to complete the pre-design to finish eleven offices on the first floor of the School of Science and Mathematics and to design the upfit of the second floor. The College has applied for an NIH grant, which will provide space for biology offices, labs, and lab support space. The grant will provide the majority of project funding with the balance to be supplied through ARRA stabilization funds received by the College. The NIH award notification is expected by mid-2010. If the College does not receive the award, an internal review will be made to decide if the space will be used for biology or geology.

Internal estimates project a cost of \$12,000,000.

E&G MAINTENANCE NEEDS REDUCTION:

N/A – New Construction

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.

UNIVERSITY OF SOUTH CAROLINA UPSTATE

PROJECT NAME: Hodge Center Renovation/Addition (Phase I)
REQUESTED ACTION: Establish Pre-design
REQUESTED ACTION AMOUNT: \$130,000
INITIAL CHE APPROVAL DATE: N/A

Project Budget	Previous	Change	Revised
Professional Service Fees	\$0	\$130,000	\$130,000
Total	\$0	\$130,000	\$130,000

Source of Funds	Previous	Change	Revised
Private	\$0	\$130,000	\$130,000
Total	\$0	\$130,000	\$130,000

DESCRIPTION:

The University is requesting approval to establish a project to renovate major portions of the Hodge Center. The project scope will include expansion of the building by approximately 9,000 SF, modernization of athletic service areas, building entrances and classrooms, and addressing the HVAC and electrical systems.

Renovations to the facility are included in years three and five of the institution's FY 2009-10 CPIP. Internal estimates project a cost of \$7 - \$9 million.

E&G MAINTENANCE NEEDS REDUCTION:

The project will alleviate a portion of the \$2,849,009 in existing maintenance needs.

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.

UNIVERSITY OF SOUTH CAROLINA UPSTATE

PROJECT NAME: Palmetto Villas Renovations
REQUESTED ACTION: Increase Budget, Revise Scope
REQUESTED ACTION AMOUNT: \$1,500,000
INITIAL CHE APPROVAL DATE: June 7, 2007

Project Budget	Previous	Change	Revised
Professional Service Fees	\$150,000	\$100,000	\$250,000
Site Development	\$0	\$150,000	\$150,000
Interior Building Renovations	\$1,850,000	\$850,000	\$2,700,000
Exterior Building Renovations	\$0	\$400,000	\$400,000
Total	\$2,000,000	\$1,500,000	\$3,500,000

Source of Funds	Previous	Change	Revised
Housing Revenue Bonds	\$2,000,000	\$1,500,000	\$3,500,000
Total	\$2,000,000	\$1,500,000	\$3,500,000

DESCRIPTION:

The University is requesting approval to increase the budget and revise scope to continue renovations and improvements to the Palmetto Villas. The planned work includes renovations to the exterior, roof replacement, creation of a central service area for the Villas, and parking lot improvements. As funding allows, mechanical systems in the units will also be replaced.

This project was initially approved as one component of the Housing Acquisition Construction and Renovation project. The New Residence Hall Construction project #9537 is nearing close-out with funds remaining in the approved budget. In an effort to fully utilize available funds, a portion of the remaining balance will be transferred to fund additional improvements to the Palmetto Villas.

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.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

WINTHROP UNIVERSITY

PROJECT NAME: Phelps Hall Renovation (Phase II)
REQUESTED ACTION: Establish Construction Budget
REQUESTED ACTION AMOUNT: \$4,644,000
INITIAL CHE APPROVAL DATE: July 8, 2009

Project Budget	Previous	Change	Revised
Professional Service Fees	\$60,000	\$234,000	\$294,000
New Construction	\$0	\$4,200,000	\$4,200,000
Contingency	\$0	\$210,000	\$210,000
Total	\$60,000	\$4,644,000	\$4,704,000

Source of Funds	Previous	Change	Revised
Higher Education Revenue Bonds	\$60,000	\$4,644,000	\$4,704,000
Total	\$60,000	\$4,644,000	\$4,704,000

DESCRIPTION:

The University requests approval to establish the construction budget to renovate Phelps Hall. The project includes full renovation of the residence hall bathrooms, the addition of a hydraulic elevator and the installation of new accessible ramps in the lobby on the ground floor. The proposed work will properly ventilate all bathrooms and provide full access to all floors.

This project was not included in the institution's FY 2009-10 CPIP; however, it was deemed as an unanticipated critical need by the institution in July 2009. Plumbing problems have become intolerable and must be addressed immediately.

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.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

MIDLANDS TECHNICAL COLLEGE

PROJECT NAME: Northeastern Classroom/Engineering Science Facility
REQUESTED ACTION: Establish Construction Budget
REQUESTED ACTION AMOUNT: \$27,605,000
INITIAL CHE APPROVAL DATE: October 5, 2007

Project Budget	Previous	Change	Revised
Professional Service Fees	\$495,000	\$1,920,534	\$2,415,534
Equipment and/or Materials	\$0	\$2,600,000	\$2,600,000
Site Development	\$0	\$1,291,911	\$1,291,911
New Construction (68,000SF)	\$0	\$17,606,628	\$17,606,628
Builders Risk Insurance	\$0	\$13,000	\$13,000
Contingency	\$0	\$4,172,927	\$4,172,927
Total	\$495,000	\$27,605,000	\$28,100,000

Source of Funds	Previous	Change	Revised
Institution Bonds	\$0	\$14,198,157	\$14,198,157
Appropriated State	\$495,000	\$505,000	\$1,000,000
Institutional Capital Project Funds (ICPF)	\$0	\$9,331,616	\$9,331,616
Local	\$0	\$3,570,227	\$3,570,227
Total	\$495,000	\$27,605,000	\$28,100,000

DESCRIPTION:

The College is requesting approval to increase the budget to construct a 68,000 SF facility to include engineering technology labs, classrooms, faculty offices, and administrative spaces. Utility infrastructure and parking will be expanded. The facility will be immediately adjacent to the existing Center of Excellence for Technology and will house the remainder of the engineering technologies relocated from the Lindau Engineering Technology (LET) Building on the Beltline campus. The relocation will create a focal point for all high-technology engineering instruction and development for the College. The facility will be predominately instructional with minimal administrative space. Once the facility is constructed, the LET Building can be renovated or replaced. The LET building has severe seismic, mechanical, air quality and safety code deficiencies.

This project was included as priority #1 in year-two of the institution's FY 2009-10 Comprehensive Permanent Improvement Plan (CPIP). Energy efficiency measures are being undertaken to meet LEED Silver standard. The projected date for execution of the construction contract is November 2011 with completion by October 2013.

E&G MAINTENANCE NEEDS REDUCTION:

N/A – New Construction

ANNUAL OPERATING COSTS/SAVINGS:

Utilities, maintenance, custodial, insurance, security, and information technology will require additional operating costs ranging between \$426,000 and \$452,000 in the three years following project completion.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

NORTHEASTERN TECHNICAL COLLEGE

PROJECT NAME: Dillon Campus Construction (Phase II)
REQUESTED ACTION: Establish Construction Budget
REQUESTED ACTION AMOUNT: \$1,110,329
INITIAL CHE APPROVAL DATE: April 24, 2009

<u>Project Budget</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Professional Service Fees	\$16,091	\$68,909	\$85,000
Site Development	\$0	\$40,000	\$40,000
New Construction (4,800 SF)	\$0	\$870,800	\$870,800
Contingency	\$0	\$130,620	\$130,620
Total	\$16,091	\$1,110,329	\$1,126,420

<u>Source of Funds</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Appropriated State	\$16,091	\$304,594	\$320,685
Federal	\$0	\$645,000	\$645,000
Allied Health Funding/Lottery 08-09	\$0	\$160,735	\$160,735
Total	\$16,091	\$1,110,329	\$1,126,420

DESCRIPTION:

The College requests approval to establish the construction budget to construct a new building adjacent to the existing facility on its ten acre satellite campus in Dillon County. The new building will be approximately 4,800 SF and will be of traditional and customary construction and will match the existing building size, scale, and appearance. The lack of training labs and an increasing need for RN's in the health care industry requires more space at the campus.

This project was included as priority #2 in year-one of the institution's FY 2009-10 Comprehensive Permanent Improvement Plan (CPIP). Phase I (pre-design) was processed as an interim capital project in April 2009 in an effort to expedite; therefore, it was removed from CPIP and requires full Commission approval.

E&G MAINTENANCE NEEDS REDUCTION:

N/A – New Construction

ANNUAL OPERATING COSTS/SAVINGS:

Utilities, operations & maintenance, supplies, and part time employees will require additional operating costs of \$44,543 in the three years following project completion.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

YORK TECHNICAL COLLEGE

PROJECT NAME: Griffin Motors Property Acquisition (Phase II)
REQUESTED ACTION: Increase Budget, Revise Scope (Purchase Land)
REQUESTED ACTION AMOUNT: \$2,487,500
INITIAL CHE APPROVAL DATE: July 21, 2009

<u>Project Budget</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Building & Land Purchase – Parcel 1	\$0	\$1,000,000	\$1,000,000
Building & Land Purchase – Parcel 2	\$0	\$1,500,000	\$1,500,000
Professional Service Fees	\$20,000	(\$12,500)	\$7,500
<i>Total</i>	<i>\$20,000</i>	<i>\$2,487,500</i>	<i>\$2,507,500</i>

<u>Source of Funds</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
College Reserve Fund	\$20,000	\$2,487,500	\$2,507,500
<i>Total</i>	<i>\$20,000</i>	<i>\$2,487,500</i>	<i>\$2,507,500</i>

DESCRIPTION:

The College requests approval to purchase two properties contiguous to the south side of campus.

Parcel one is a closed Mitsubishi dealership with two buildings on 2.18 acres. Parcel two is a closed Pontiac, Buick and GMC dealership with two buildings on 6.28 acres. Both properties are adjoining each other with no break between them. The College has plans to use the Mitsubishi dealership property for operations and operations support. The Pontiac, Buick and GMC property will be used for the automotive technology program and a planned automotive body repair program along with classrooms for other programs planned at the site. The parking lot of both parcels will be used for the professional truck driver training program and the vacant land will be used for the electrical line worker training program. The College has completed a boundary land survey, a property cost appraisal, a building condition assessment, a phase I site assessment and an automobile lift appraisal on both parcels. The property has no environmental hazards.

E&G MAINTENANCE NEEDS REDUCTION:

N/A – Land/Building Acquisition

ANNUAL OPERATING COSTS/SAVINGS:

One full-time custodian, utilities, insurance and maintenance will require additional operating costs of \$69,336 in the first year following project completion.

RECOMMENDATION:

Staff recommends approval of this project contingent upon the approval of State Board for Technical and Comprehensive Education (SBTCE) on November 17, 2009.

INFORMATION ITEM

**Capital Projects & Leases Processed by Staff
October 2009**

Date Approved	Project #	Institution	Project Name	Action Category	Budget Change	Revised Budget
9/22/2009	New	TC of the Lowcountry	111 Elliott Street Land Acquisition ¹	establish (phase I - environmental study)	\$0	\$20,000
10/14/2009	9567	Coastal Carolina	Student Recreation/Convocation Center Land Donation ²	revise scope	\$0	\$2,500
10/19/2009	New	The Citadel	Capers Hall Repairs ³	establish pre-design	\$0	\$40,000
10/19/2009	New	Coastal Carolina	Quail Creek Golf Course Acquisition ¹	establish (phase I - environmental study)	\$0	\$20,000
10/20/2009	New	USC Columbia	Moore School of Business New Facility Construction ³	establish pre-design	\$0	\$1,350,000
10/20/2009	New	Lander	104 Court Avenue Property Acquisition ¹	establish (phase I - environmental study)	\$0	\$45,000
10/20/2009	New	USC Aiken	Pedestrian Bridge Construction ¹	establish pre-design	\$0	\$15,000
10/20/2009	9537	USC Upstate	New Residence Hall Construction ⁴	decrease budget	(\$1,500,000)	\$19,500,000
10/21/2009	6065	USC Columbia	Williams Brice Stadium West Side Suite Renovations ³	establish construction budget	\$3,058,000	\$3,100,000
10/27/2009	New	College of Charleston	5 College Way ¹	establish pre-design	\$0	\$22,500
10/27/2009	New	College of Charleston	Hungry Cougar Renovation & Expansion ¹	establish pre-design	\$0	\$15,000
10/27/2009	9566	Winthrop	Softball Complex Upgrade ³	establish construction budget	\$981,756	\$996,756

¹See Supporting Narrative.

²This is a request to accept the donation of 10.09 acres of land from the Coastal Educational Foundation for construction of the Student Recreation/Convocation Center.

³Approved by Commission on June 4, 2009 as part of CPIP FY 2009-10 Year-One.

⁴Transfer funds to project #9538 Palmetto Villas Renovation.

Leases Processed by Staff

October 2009

Date Approved	Action	Institution	Project Name	Purpose/Additional Info	Rates	Term
10/13/2009	Renew	MUSC	Cannon Park Place, Third Floor	To continue to provide space for Senator Hollings and the Office of Development and Alumni Affairs	Cost Per SF - \$18.90; Monthly Rental Rate - \$6,900.78; Annual Rent - \$82,809.41	1 year
10/21/2009	New	USC Upstate	Valley Falls Road Property	To resolve campus storage problems and provide for more effective master planning development as track and field facilities are designed and constructed in the sector.	Monthly Rental Rate - \$6,500; Annual Rent - \$78,000	10 years

**FOR INFORMATION – PROJECT ESTABLISHMENTS PROCESSED BY STAFF
FOR OCTOBER 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.

COASTAL CAROLINA UNIVERSITY

PROJECT NAME: Quail Creek Golf Course Acquisition
REQUESTED ACTION: Establish (Phase I – Environmental Study)
REQUESTED ACTION AMOUNT: \$20,000
INITIAL CHE APPROVAL DATE: N/A

<u>Project Budget</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Professional Service Fees	\$0	\$20,000	\$20,000
<i>Total</i>	<i>\$0</i>	<i>\$20,000</i>	<i>\$20,000</i>

<u>Source of Funds</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Operating Budget	\$0	\$20,000	\$20,000
<i>Total</i>	<i>\$0</i>	<i>\$20,000</i>	<i>\$20,000</i>

DESCRIPTION:

The University requests approval to establish a project to perform an environmental study and building condition assessment of 188.08 acres of land to include a golf course and driving range as well as a club house and maintenance facility.

The owners of the golf course and driving range have offered the facility to the University at a cost significantly below market value. The University is currently leasing the property to support its Professional Golf Management Program. As of Fall 2009, approximately 255 students are enrolled in this program. Additionally, the golf course is utilized with a shared academic program with Horry-Georgetown Technical College. The College trains over 80 students enrolled in the Turf Management Program at this facility.

E&G MAINTENANCE NEEDS REDUCTION:

N/A – Land Acquisition

ANNUAL OPERATING COSTS/SAVINGS:

The project is not expected to generate additional operating costs as the University currently leases this facility and already covers utilities, supplies, and personnel costs associated with it in the current operating budget.

COLLEGE OF CHARLESTON

PROJECT NAME: 5 College Way Renovation (Phase I)
REQUESTED ACTION: Establish Pre-design
REQUESTED ACTION AMOUNT: \$22,500
INITIAL CHE APPROVAL DATE: N/A

Project Budget	Previous	Change	Revised
Professional Service Fees	\$0	\$22,500	\$22,500
Total	\$0	\$22,500	\$22,500

Source of Funds	Previous	Change	Revised
College Fees	\$0	\$22,500	\$22,500
Total	\$0	\$22,500	\$22,500

DESCRIPTION:

The College requests approval to establish a project to complete the design to renovate 5 College Way, a 4,821 SF facility, which was built in 1826. The building was vacated by School of Education faculty members in March 2007. The facility has not received a major renovation in over 30 years. Upon completion of the project, the space will be used by School of Humanities and Social Sciences faculty members.

The College established a renovation project for this facility in May 2007. However, bids received came in over budget, coupled with a dramatic change in the economic climate, the College made the decision to suspend the project. With the federal stimulus funds, the College can now move forward with this project.

The projected internal estimate of this project is \$1,500,000.

E&G MAINTENANCE NEEDS REDUCTION:

The project will alleviate a portion of the \$579,580 in existing maintenance needs.

ANNUAL OPERATING COSTS/SAVINGS:

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

COLLEGE OF CHARLESTON

PROJECT NAME: Hungry Cougar Renovation & Expansion (Phase I)
REQUESTED ACTION: Establish Pre-design
REQUESTED ACTION AMOUNT: \$15,000
INITIAL CHE APPROVAL DATE: N/A

Project Budget	Previous	Change	Revised
Professional Service Fees	\$0	\$15,000	\$15,000
Total	\$0	\$15,000	\$15,000

Source of Funds	Previous	Change	Revised
Auxiliary	\$0	\$15,000	\$15,000
Total	\$0	\$15,000	\$15,000

DESCRIPTION:

The College requests approval to establish a project to renovate and expand the Hungry Cougar.

The Hungry Cougar is a food service facility located on the ground floor of the Joe E. Berry Jr. residence hall in the north central area of campus. This facility was last updated in 2002 to serve as a retail operation and provide a convenient dining alternative to the 600 students residing in Berry Hall. The College has added over 1,000 beds to the northern quadrant of campus. Many residents choose the Hungry Cougar as their primary dining location due to its proximity to their residence halls. Additionally, 59% of academic traffic is closer to the Hungry Cougar or equidistant from the College’s main cafeteria. As a result, the demand for meals at the Hungry Cougar has soared and 1,735 meals on average are served at the facility each day.

The dining facility is in need of a major renovation in order to meet the demand for meals served and to ensure customer satisfaction among students and faculty/staff. The systems in place are meant to serve approximately half of the current number of diners. The Hungry Cougar is functioning as a residential dining facility with 89% of students using meal equivalency versus paying cash or using dining dollars. When Hungry Cougar is updated, it will be converted from a retail operation into a residential location providing an all-you-care-to-eat meal alternative.

The projected internal estimate of this project is \$1,000,000.

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.

LANDER UNIVERSITY

PROJECT NAME: 104 Court Avenue Property Acquisition
REQUESTED ACTION: Establish (Phase I – Environmental Study)
REQUESTED ACTION AMOUNT: \$45,000
INITIAL CHE APPROVAL DATE: N/A

Project Budget	Previous	Change	Revised
Professional Service Fees	\$0	\$25,000	\$25,000
Other: Environmental Study, Building Condition Assessment, Survey	\$0	\$20,000	\$20,000
Total	\$0	\$45,000	\$45,000

Source of Funds	Previous	Change	Revised
Property Acquisition Fund	\$0	\$45,000	\$45,000
Total	\$0	\$45,000	\$45,000

DESCRIPTION:

The University requests approval to establish a project to perform an environmental study and a building condition assessment for a 36,543 SF, three story building accompanied by a .45 acre parking lot located at 104 Court Avenue in Greenwood, SC. The business operating the building is known as Inn on the Square. Currently, the Inn is in a state of bankruptcy and has ceased operations. The University obtained an approval to lease the building and is currently housing 92 students in the former hotel.

The University experienced a substantial increase for campus housing requests for the Fall 2009 semester. The housing requests exceeded the University’s available housing facilities. In an attempt to meet the student requests, the University entered into a lease agreement for the Inn. This project will allow for the fundamental property investigations to be conducted as a first step in determining the value of the property and subsequent Building Code compliance requirements. The University is interested in evaluating available housing options, to include the possible purchase of the property and the conversion into student housing.

E&G MAINTENANCE NEEDS REDUCTION:

N/A – Land Acquisition

ANNUAL OPERATING COSTS/SAVINGS:

Electrical, water/sewer, and natural gas for utilities will require additional operating costs ranging between \$67,500 and \$70,227 in the three years following project completion.

UNIVERSITY OF SOUTH CAROLINA AIKEN

PROJECT NAME: Pedestrian Bridge Construction
REQUESTED ACTION: Establish Pre-design
REQUESTED ACTION AMOUNT: \$15,000
INITIAL CHE APPROVAL DATE: N/A

Project Budget	Previous	Change	Revised
Professional Service Fees	\$0	\$15,000	\$15,000
Total	\$0	\$15,000	\$15,000

Source of Funds	Previous	Change	Revised
Institutional Funds	\$0	\$15,000	\$15,000
Total	\$0	\$15,000	\$15,000

DESCRIPTION:

The University requests approval to establish a project to construct an elevated walkway to span the Robert Bell Highway. The crosswalk will be high enough to permit unrestricted traffic flow below it, as well as wide enough to permit planned expansion of the highway in years to come.

The University's baseball field and convocation center are located on property west of the main campus. The Robert Bell Highway, which separates these facilities from the main campus, is a 55 mile per hour major throughway. This creates potential safety issues for students attending athletic events, concerts, and community activities at these facilities.

This project is included in year-three of the institution's FY 2009-10 CIP. The projected internal estimate of this project is \$1,000,000.

E&G MAINTENANCE NEEDS REDUCTION:

N/A – Site Development

ANNUAL OPERATING COSTS/SAVINGS:

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

TECHNICAL COLLEGE OF THE LOWCOUNTRY

PROJECT NAME: 111 Elliott Street Land Acquisition
REQUESTED ACTION: Establish (Phase I – Environmental Study)
REQUESTED ACTION AMOUNT: \$20,000
INITIAL CHE APPROVAL DATE: N/A

Project Budget	Previous	Change	Revised
Preliminary Acquisition Costs	\$0	\$20,000	\$20,000
Total	\$0	\$20,000	\$20,000

Source of Funds	Previous	Change	Revised
Local	\$0	\$20,000	\$20,000
Total	\$0	\$20,000	\$20,000

DESCRIPTION:

The College requests approval to establish a project to perform an environmental study of .43 acres of land and a house of approximately 1,073 SF. The property is contiguous to the College’s property and is the final parcel of four properties which are located between Elliott Street and Reynolds Street. The college plans to use the land for future expansion. The property is currently listed on the market for \$175,000.

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.

COMMITTEE ON FINANCE & FACILITIES

The Committee has several responsibilities which are covered in the following broad areas:

Facilities Evaluation & Approval

- Approval of Comprehensive Permanent Improvement Plans (CPIP)
- Recommendations for Capital Improvement Bond (CIB) Funding
- Acquisition of Facilities & Leases
- Establishment & Increases of Capital Projects

Financial Analysis

- Mission Resource Requirement (MRR) Funding Calculation
- Performance Funding
- Review of Institutional Budgets & Recommendations of State Appropriations

Special Subcommittees on Relevant Topics

CHE LEGAL RESPONSIBILITY FOR FACILITIES

The Commission is legally charged with the following responsibilities concerning facilities:

Section 59-103-55 – Making recommendations to the Governor’s Office and the General Assembly concerning policies, programs, curricula, *facilities*, administration, and financing of all state-supported institutions of higher learning

Section 59-103-70 – Making reports to the Governor and the General Assembly at least annually on the status and progress of higher education with appropriate recommendations (*including capital projects*)

Section 59-103-110 – No institution is authorized to *construct or purchase any new permanent facility* at any location other than on a currently approved campus or on property immediately contiguous unless it has been approved by CHE

Section 2-47-30 – Each institution’s *Comprehensive Permanent Improvement Plan (CPIP)* is to be submitted through the Commission on Higher Education to the Joint Bond Review Committee (JBRC) and the Budget and Control Board (B&CB).

Section 2-47-40 – CHE is charged with *prioritizing capital project requests* submitted to the JBRC and the B&CB.

Section 50-53-57 – Technical colleges are eligible to receive state funds for capital facilities. There is a minimum of *20% matching requirement from local funds for each new construction project*.

Section 59-101-370 – The *20% match is not required for renovations, repair, replacement, or maintenance* at the technical colleges.

FACILITIES DEFINITIONS & POLICY DETAIL

Capital or Permanent Improvement Projects

Capital or Permanent Improvements are defined as:

1. any acquisition of land, regardless of cost;
2. any acquisition, as opposed to the construction, of buildings or other structures, regardless of cost;
3. construction of facilities and any work on existing facilities including their renovation, repair, maintenance, alteration or demolition in those instances where the total cost of all work involved is \$500,000 or more;
4. architectural and engineering and other types of planning and design work, regardless of cost, which is intended to result in a permanent improvement project. Master plans and feasibility studies are not permanent improvement projects and, therefore, are not to be included;
5. capital lease purchase of any facility acquisition or construction; and
6. equipment that either becomes a permanent fixture of a facility or does not become permanent but is included in the construction contract.

Any permanent improvement project that meets the above definition must become a project regardless of the source of funds. However, an institution of higher learning that has been authorized or appropriated capital improvement bond funds, capital reserve funds, or state-appropriated funds, or state infrastructure bond funds by the General Assembly for capital improvements shall process a permanent improvement.

These definitions focus on the significance rather than on the types of improvements being made. Significance is measured primarily in terms of the magnitude of funds being spent. For example, a \$500,000 renovation is considered significant, as is a \$500,000 project to replace a roof.

The State Board for Technical and Comprehensive Education (SBTCE) and the technical colleges are eligible to receive state funds for capital facilities. Section 50-53-57 requires that SBTCE shall obtain and transfer to the State Treasurer a certificate from the appropriate official at the technical college stating that a minimum of 20 percent of each project cost has been provided by the local support area. Amounts above 20 percent are subject to the Commission's approval process. Section 59-101-370 exempts funds for deferred maintenance and renovations.

CAPITAL OR PERMANENT IMPROVEMENT PROGRAMS

Two methods are used by the institutions in requesting capital or permanent improvements. These are the Comprehensive Permanent Improvement Plans (CPIP) and Master Land Acquisition Plans (MLAP).

1.) Comprehensive Permanent Improvement Plan (CPIP)

Each institution responsible for providing and maintaining physical facilities is required to submit a Comprehensive Permanent Improvement Plan (CPIP). Each institution's complete CPIP covers five fiscal years and is submitted to the Commission on Higher Education for consideration each year. The entire CPIP of each college and university is submitted to CHE to review and forward recommendations to the Joint Bond Review Committee and the Budget and Control Board.

The first year of the CPIP (Year 1) includes all permanent improvement projects expected to be advanced with funds already available or expected to be available during FY2009-10. The purpose is to provide the approval authorities an opportunity to review and approve at one time each institution's anticipated permanent improvement projects for the coming year. Once Year 1 projects are approved, institutions may initiate the projects, with staff concurrence, at any time during the year if no substantive changes are involved. Since 2003, the JBRC and the B&CB have not availed themselves of this opportunity.

The second year of the CPIP (Year 2) includes, but is not limited to, requests for capital improvement bonds for FY2010-11. These projects are scored and ranked by CHE staff according to established criteria. The prioritized list is presented to the Committee and Commission as information with further action pending CHE's initiative to develop a capital funding strategy and garner support for a bond bill, which the state has lacked for eight years.

The third, fourth, and fifth years of the CPIP represent the institutions' long term plans and are presented for information only.

2.) Master Land Acquisition Program (MLAP)

Any public college or university seeking authorization to acquire land will be permitted to present master plans that outline proposed land acquisitions to the Commission for conceptual approval. The granting of conceptual approval shall be good for an initial five-year period and may be renewed by action of the Commission. If the plan is endorsed by the Commission, then future land acquisitions, provided they were included in the master plan presentation and had received State Building and Property Services acceptance of the environmental study and appraisal, and provided no student fee increase is required, will be considered by the CHE Staff and will not require additional review by the Commission. Any acquisition activity is presented quarterly, for information, to the Commission's Finance and Facilities Committee.

INTERIM PERMANENT IMPROVEMENT PROJECT APPROVALS

During the fiscal year after the CPIP has been approved by the Commission, an institution may, on occasion, need to amend its program to cover emergencies and unanticipated critical needs. Projects submitted for interim approval are subject to the same requirements that are applicable to the CPIP. Projects submitted for interim approval will be considered monthly according to the CHE meeting schedules. Interim projects of \$500,000, or increases up to \$500,000 or 10% of the total budget, whichever is greater, may be approved by CHE staff. All interim projects greater than \$500,000, or increases greater than 10% of the total budget, are subject to action by the full Commission. Project close-outs and changes in funding sources, regardless of the amount, are also approved by CHE staff. Projects approved by the CHE Staff will be submitted to the Commission on a monthly basis.

LEASES

A lease, as defined by the South Carolina Treasurer's Office, is a signed agreement by an institution that commits that institution to future payments for the use of property. Each lease, including renewals, with a term of three or more months in a single fiscal year and at a total annual cost of \$25,000 or more must be approved by the Commission. CHE staff may approve leases from \$25,000 up to and including \$100,000. All leases over \$100,000 are subject to action by the full Commission.

Lease requests must be submitted concurrently to the Commission and to the Leasing Office of State Building and Property Services. The Commission staff validates the programmatic need for the lease and verifies the source of funds. The Leasing Office assists the institution with meeting the need and by ensuring that the rate and terms of the lease are fair. The Leasing Office will not conduct a solicitation without the approval of the Commission. Approval to solicit does not constitute final authorization from the Commission to execute a lease. Once the Leasing Office has agreed on the terms of the lease, the lease is submitted to the Commission for approval to be executed by either the staff or the Commission.

SALE OF PROPERTY

The Commission has no legislative authority over the sale of property by an institution of higher learning. However, CHE requests that institutions notify CHE of such sales.

ROUTINE REPAIR, REPLACEMENT, & MAINTENANCE

Routine repair, replacement, and maintenance projects may be submitted to CHE staff at any time. The projects are approved at staff level and presented to the Commission in summary form at the next scheduled CHE meeting. However, if CHE staff believes that particular characteristics of a project require further consideration, the staff will refer that project to the full review and approval process of the Finance and Facilities Committee and the Commission.

Examples of Routine repair, replacement, and maintenance:

- Roof repair/replacement
- Building system modifications (HVAC, plumbing, electrical, etc.)
- Interior refurbishment (without major reconfiguration or interior space)
- Exterior refurbishment (waterproofing, window replacement, etc.) excluding additions beyond approximately 1,000 square feet.
- Renovations up to \$500,000 that do not result in major building use change or additions beyond approximately 1,000 square feet.
- Code compliance (ADA, elevator, fire, electrical, etc.) infrastructure modification/replacement, sewers, waterlines, steam lines, communications systems, etc.).

CHE'S GENERAL RESPONSIBILITY FOR PROJECT EVALUATION

CHE does not evaluate construction costs, lease rates and terms, appraisals, environmental studies, or institutional bond capacity. Those evaluations and approvals are primarily under the purview of the State Engineers Office, the Capital Budgeting Unit, the State Treasurer, the JBRC and B&CB. CHE's review and approval is for programmatic requirements, mission requirements, service area needs, and compatibility with the institutions approved master plan. CHE also verifies private and federal sources of funding.

THE APPROVAL PROCESS FOR CAPITAL PROJECTS

A. Overview of Capital Project Approval Process:

1. Institutional Board of Trustees approves feasibility study for project.
2. Institution prepares Phase I (pre-design)¹ estimate of cost based on 1.5% of the internal projected cost of the project.
3. Institution identifies possible sources of funding.
4. Institution submits request for Phase I (pre-design) of a permanent improvement project (PIP) to CHE. All projects exceeding \$250,000 or that have the potential to exceed that amount must go through the entire PIP approval process. *(Sometimes there is a gap of several years between the feasibility study and the request for A&E)*
5. **CHE considers the Phase I (pre-design) PIP request. If approved, CHE submits to Budget and Control Board (B&CB) staff.**
6. B&CB staff considers request. If approved, staff assigns a project number and submits to Joint Bond Review Committee (JBRC).
7. JBRC considers request. If approved, submits to the B&CB.
8. B&CB considers request. If approved, B&CB staff sends approved project form to State Engineer. Institution must follow all of the state procurement guidelines as set forth in the Manual for Planning and Execution of State Permanent Improvement Projects Part II. *(To this point, project approval has taken between 3-4 months because CHE, JBRC and B&CB meet on different schedules)*
9. Institution advertises for A&E proposals (2 weeks).
10. Institution accepts proposals (2 weeks)
11. Institution evaluates proposals (2 weeks).
12. Institution prepares a "short list" of at least five bidders.
13. Institution interviews short listed firms and makes a choice.
14. Institution negotiates a contract and hires A&E for design services. At this point, better cost estimates can begin. *(To this point, approval to hire an architect has taken 6 months)*
15. Architectural firm develops program, schematic design, design development and construction and bid documents. This process takes 4 to 9 months.
16. **Institution prepares Phase II (construction)² estimate of final project budget.**
17. If necessary, Institution submits request for Phase II (construction) to the Institutional Board of Trustees for approval. If approved, Institutions must begin step 5 through step 8.
18. Institution receives approval to borrow funds, issue bonds, etc. from the State Treasurers Office.
19. After Construction documents are completed, the project is advertised for bid in South Carolina Business Opportunities (SCBO). This must be advertised for two weeks, then a site visit, then two more weeks for bid. Assuming an acceptable bid is given, an agency cannot award until a 16 day waiting period (for potential protests) has expired. *(It takes approximately one year to get to the construction stage of the project, provided all approvals have been received and barring any complications).*

State Board for Technical & Comprehensive Education (SBTCE) Approvals

CHE will not accept for consideration any project from a technical college that has not first been approved by the SBTCE.

¹ **Phase I – Construction PIP Submittal:** The Phase I – Construction PIP Submittal is a request for approval to acquire professional services for pre-design services (as necessary) and/or design services, through development of concept design and preparation of a project budget for complete project design and construction. The product of these services shall be a statement of project scope and budget used to support a request, consistent with Section 2-47-40, for approval of the Phase II – Construction PIP Submittal: Design and Construction Budget. The budget of a pre-design phase of a permanent improvement project should be determined using the internal projected cost of the project. The amount of the budget for pre-design should be determined by multiplying 1.5% (15% of 10%) by the internal projected cost of the project. This percentage and the resulting budget will accommodate all pre-design work defined in the November 15, 2007 JBRC policy, including any additional pre-design work required for buildings that must comply with green building requirements and any geotechnical studies that may be needed. Any request to establish a pre-design project for an amount exceeding 1.5 % of the internal projected cost of the project must be accompanied by a statement detailing why the proposed pre-design budget exceeds the guideline and the reasons for the budget amount above the 1.5%.

²**Phase II – Construction PIP Submittal:** The Phase II – Construction PIP Submittal is a request for approval to acquire professional services to prepare complete design and construction documents and to acquire construction. Such request must be supported by a complete program statement, a statement of the scope of work, concept design documents, an estimate of the cost prepared by a party independent of the agency/institution, projected date for the execution of the construction contract, projected date for completion of the construction, and any other information required by Section 2-47-40. At the time of the construction PIP submittal, the agency/institution will be expected to complete execution of the construction contract by the projected date designated. If the construction contract is not in place by the projected date, the agency/institution must report to the Joint Bond Review Committee the reason(s) said contract is not in place and the projected impact the delay will have on the project's costs and funding. In the event of a protest of the successful bid, the requirement to complete a construction contract by the projected date is suspended until the protest is resolved. The agency should notify the Capital Budgeting Unit in the event of a protest.

CHE STAFF APPROVAL LEVELS

1. Projects of \$100,000 up to and including \$500,000, or 10% of the total budget, whichever is greater
2. Leases of \$25,000 up to and including \$100,000 per year
3. Routine repair, replacement, and maintenance projects¹
4. Change in funding source¹
5. Revisions in scope¹
6. Project name changes
7. Project closures

PROJECTS HELD, RETURNED, RESUBMITTED, OR WITHDRAWN

Projects can be held, returned, resubmitted, or withdrawn due to:

- Errors on the original submitted form
- Problems with funding sources
- Additional information needed before proceeding
- Other reasons as deemed appropriate by CHE staff

¹Although staff approval is authorized, application of this authority is determined on a case by case basis.

ADDITIONAL INFORMATION ON FUNDING SOURCES

1. **Institution Bonds** are guaranteed by the full faith and credit of the state. Institution bonds are used for educational and general (E&G) projects. Each institution has a bonding capacity and the B&CB and State Treasurer must approve the use of institutional bonds.
2. **Revenue Bonds** must be secured by an institutional revenue stream. They can be used for E&G projects (tuition or fees) or for auxiliary projects (athletic or parking revenues). The B&CB and the State Treasurer must approve the use of revenue bonds.
3. **Capital Improvement Bonds (CIBs)** are issued by the State and the state pays the debt service on the bonds. Institution's request capital improvement bond funds in their CPIP. The Legislature determines when and how CIBs will be issued. CHE submits recommendations for CIB funding to the Legislature on behalf of the institutions.
4. **Local Funds** are funds received from the county or a municipality (government subdivision) allocated to an institutional project. Technical colleges receive local funds from counties in their service areas. These are usually provided through tax revenues.
5. **Federal Grants** are sometimes provided for capital projects. Institutions must provide documentation of the intent to award from the awarding entity to CHE, JBRC, and B&CB prior to project approval.
6. **Private Funds** are sometimes donated to a project by an individual or organization. Institutions must provide documentation guaranteeing the private funding to CHE, JBRC, and B&CB prior to project approval.
7. **Institutionally Generated Funds** may be funds set aside in a special account by the institution for use on capital projects. These may be generated by tuition, special fees, or other institutionally generated revenue. Some examples are institutional capital project funds (ICPF), renovation/reserve account funds, excess debt service, etc.

CHE Legal RESPONSIBILITY for Higher Education

The Commission is legally charged with the following responsibilities concerning funding:

Section 59-103-45 – Develop funding formula based entirely on an institution’s achievement of the standards set for the performance indicators.

Section 59-103-35 – Receive annual budget requests from institutions and state technical college system and submit the budget request annually on behalf of the public higher education system.

Section 59-103-35 – Receive, review, and submit on behalf of institutions supplemental appropriation requests. Institutions for which CHE does not agree with request may have their case heard before the appropriate legislative committee. CHE may present its case and recommendations at any such hearing.

Section 59-118-80 – Provide procedures and administration of program for matching endowment funds.

PERFORMANCE FUNDING

In 1996, legislation was enacted that required the CHE to implement an accountability mechanism for funding for higher education. Under the legislation, commonly referred to as “Performance Funding,” CHE was charged to develop a system over a three-year phase-in period that based institutional funding entirely on performance using 37 indicators categorized across nine critical success areas – mission focus, quality of faculty, classroom faculty, cooperation and collaboration, administrative efficiency, entrance requirements, graduates’ achievements, user-friendliness, and research funding. The system developed has two parts: 1) The Mission Resource Requirement (MRR) that identifies institutional need to operate at acceptable levels and 2) An evaluation component that assesses institutions on how they perform on a defined number of indicators that are outcome driven. Over the years, the measurement system evolved from measuring all 37 indicators and judging performance against individual institutionally defined benchmarks to measuring a reduced number of indicators with institutional performance compared to peer-driven standards. Each year since 1996, performance reports have been produced with performance since 2005 being monitored as considerations of recommendations from the 2003 study *Foundations for the Future: Higher Education in SC* and lessons learned from Performance Funding were taken into account for developing a revised accountability system for higher education.

MISSION RESOURCE REQUIREMENT (MRR)

The Mission Resource Requirement (MRR) is the model used to identify funding requirements for costs associated with Education and General (E&G) activities of the institutions for which the State is responsible.