



South Carolina Commission on Higher Education

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Mr. Guy C. Tarrant, CCIM
Mr. Hood Temple
Charles B. Thomas, Jr., M.D.
Mr. Neal J. Workman, Jr.

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, December 3

DATE: November 19, 2010

A meeting of the Committee is scheduled to be held in the Commission's Main Conference Room at 10:00 a.m. on Friday, December 3. Please note the change in date and 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 December 3.

Enclosures

AGENDA

COMMITTEE ON FINANCE & FACILITIES

DECEMBER 3, 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 November 4 Meeting
3. Interim Capital Projects
 - A. Coastal Carolina University
 - i. Baseball Complex Improvements (Phase I)
- *establish pre-design*
 - ii. Student Center Annex Construction (Phase I)
- *establish pre-design*
4. Other Business
 - A. Draft of 2011 Committee Meeting Schedule
 - B. List of Capital Projects & Leases Processed by Staff for November 2010 (For Information)

MINUTES

SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION
COMMITTEE ON FINANCE AND FACILITIES
NOVEMBER 4, 2010
9:30 A.M.
MAIN CONFERENCE ROOM
SC COMMISSION ON HIGHER EDUCATION
1333 MAIN STREET, SUITE 200
COLUMBIA, SC 29201

Committee Members Present

Chairman Jim Sanders
Dr. Doug Forbes
Mr. Chuck Talbert

Dr. Anthony Coyne
Mr. Tom Covar
Mr. Will Garland
Ms. Joy Gillespie
Mr. John Malmrose
Ms. Beth McInnis
Mr. Tom Quasney
Mr. Charles Shawver
Mr. Adam Taylor
Ms. Sandy Williams

Committee Members Voting By Proxy

Mr. Charles Thomas
Mr. Neal Workman

Committee Members Not Present

Mr. Ken Jackson

Staff Present

Mr. Gary Glenn
Ms. Courtney Blake
Ms. Stephanie Charbonneau
Mr. Jason Cone

Guests Present

Ms. Stacie Bowie
Dr. Kathy Coleman
Ms. Donna Collins

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 9:40 a.m. He stated to the Committee and guests that Mr. Charles Thomas and Mr. Neal Workman gave him their proxy votes for this meeting. Ms. Blake introduced the guests in attendance.

The following matters were considered:

II. Approval of Minutes of Meeting on October 8, 2010

A motion was made (Talbert), seconded (Forbes), and carried to approve the minutes of the October 8, 2010 meeting.

III. Interim Capital Projects

The following projects were presented and discussed:

- A.) Medical University of South Carolina
 - i. Thurmond/Gazes Research Building Air Handler Unit Replacement

Mr. Glenn presented the project stating that the request is for Phase II (construction). He noted that the existing unit serves floors six through eight and is beyond its useful life. This project was included in the institution's FY 2010-11 CPIP year one as priority number one; however, Institution Bonds have been added as a source of funding since CPIP submission causing the project to be brought back to the Committee and Commission for approval. Mr. Glenn added that the project will alleviate a portion of the maintenance needs on campus. Chairman Sanders asked what Indirect Cost Recovery Funds were. Mr. Glenn explained that Indirect Cost Recovery

Funds are funds used to offset additional costs of administering federal grants. He explained that in conversations with MUSC he asked why the institution decided to change the source of funding. He was informed that the project started in 2007 when the economy was still good. When the economy took a downturn there was a reduction in federal grants thus a reduction in indirect cost recoveries. Now the project must move forward because the air handler is at the end of its useful life, thus the change in funding source. Chairman Sanders asked what projects were in the pipeline for the institution. Mr. John Malmrose, from MUSC, explained that the institution is asking for approval of a \$22 M bond from the Budget and Control Board in December. He added that once they receive approval of the bond that money will be used for infrastructure projects such as HVAC repair/replacement, waterproofing, mechanical system upgrades, and other deferred renewal projects. Chairman Sanders asked if the institution anticipates a gain in energy efficiency with the completion of these projects. Mr. Malmrose confirmed that the institution does anticipate energy efficiency; however in many cases they are increasing the capacity so they break even. Chairman Sanders asked the institution how bids are coming in verses budgets planned for projects. Mr. Malmrose stated that bids are not exceeding budgets.

With no further questions, it was moved (Talbert), seconded (Forbes), and voted to approve the Medical University of South Carolina project as proposed.

B.) Coastal Carolina University

i. Academic Office/Classroom Building Construction

Mr. Glenn presented the project stating that the request is for Phase II (construction). He noted that the facility will provide 109 faculty/staff offices along with conference rooms and support spaces, two 125 seat tiered classrooms, one 85 seat tiered classroom, six 25 seat classrooms, six 30 seat classrooms, and 1,700 SF for food service. Mr. Glenn added that many faculty members are currently sharing office space which hinders student counseling and advisement. Several academic departments are currently housed in university leased facilities off the main campus. This facility will enable some of those departments to return to office space on the main campus as well as enable the University to reduce student travel across Highway 501 for classes and advisement. Mr. Glenn explained that the project was included in the institution's FY 2010-11 CPIP year one as priority number one; however, the scope has been revised to include 1,700 SF for food service, and Institutional Capital Project Funds have been added since CPIP submission causing this project to be brought back to the Committee and Commission for approval .

ii. Public Safety Facility

Mr. Glenn presented the project stating that the request is for Phase II (construction). He noted the building will be 5,594 SF and will provide office space, a dispatch/communication center, training room, and a locker room area for Public Safety Officers. Mr. Glenn added that this project was included in the institution's FY 2010-11 CPIP year one as priority number three; however, Renovation Reserves/ Plant Expansion Funds have replaced the One Cent Sales Tax as the source of funding since CPIP submission causing the project to be brought back to the Committee and Commission for approval. Chairman Sanders asked what Renovation Reserve/Plant Expansion funds were. Mr. Will Garland, from Coastal Carolina University, explained that the funds are set aside from tuition and are designated for projects. Dr. Forbes pointed out that the project is over \$200 per SF. He stated that he is currently constructing a new facility with roughly the same square footage and that it is costing \$100 less per SF than this project. He asked why there is such a difference in construction cost. Mr. Garland explained that the building is being constructed to reflect the architectural style of the campus. This includes a slate roof and brick veneer. Ms. Sandy Williams, from Coastal Carolina University, added that there is a dispatcher unit in the building which is also contributing to a higher cost. Chairman Sanders asked how far design has gone on this building. Mr. Garland replied that design is complete. Dr. Forbes stated that he would not approve this project.

With no further questions, it was moved (Talbert), seconded (Proxy), and voted to approve the Coastal Carolina University projects as proposed.

- C.) University of South Carolina Lancaster
 - i. Classroom Building Construction

Mr. Glenn presented the project stating that this request is for Phase I (pre-design). He noted that the project will construct a 30,000 SF building to be used primarily as a general classroom facility featuring state-of-the-art instructional facilities, faculty and staff offices, and common areas. Mr. Glenn added that the last new classroom building on the Lancaster campus was constructed in 1999. Since then, enrollment on campus has increased 54% in headcount requiring additional instructional and office space. This project was not included in the institution's FY 2010-11 CPIP year one because funding was not available at the time of CPIP submission. It was included as a year-two CIB request for FY 2009-10. Chairman Sanders asked what the private funds were. Mr. Tom Quasney, from University of South Carolina System, explained that the private funds are donations from the Lancaster Foundation. He added that the project will be funded with tuition that will be supplanted with private funds from Lancaster Foundation as well as a county property millage increase. Dr. Forbes asked what the price per SF is. Mr. Quasney replied that the building construction cost will be approximately \$8,000,000 which is \$250 per SF. Dr. Forbes stated that he would like to see the institution get the construction cost down to \$5,000,000.

With no further questions, it was moved (Talbert), seconded (Forbes), and voted to approve the University of South Carolina Lancaster project as proposed.

- D.) Tri-County Technical College
 - i. Welding/HVAC Building Renovation

Mr. Glenn presented the project stating that this request is for Phase II (construction). He noted that the project will renovate and upfit a 43,008 SF office/warehouse facility recently acquired to relocate the Welding and HVAC programs. Renovations will adapt the building for educational use by these programs. Mr. Glenn added that the project was not included in the institution's FY 2010-11 CPIP year one as the availability of land and building were not anticipated at the time of CPIP submission. Chairman Sanders asked if this building was on the main campus. Mr. Charles Shawver, from Budget and Control Board, replied that the building is approximately four miles from the main campus. Chairman Sanders asked how important this project is for the institution. Mr. Shawver explained that the programs being moved to this facility are high demand/ high profit programs for the college.

With no further questions, it was moved (Talbert), seconded (Forbes), and voted to approve the Tri-County Technical College project as proposed.

IV. Lease

The following lease was presented and discussed:

- A.) Clemson University
 - i. Eagles Landing

Mr. Glenn presented the lease stating that this is an extension of the current lease of office space (13,940 SF) at 934 Old Clemson Highway Eagles Landing Professional Park as well as an addition of similar quality office space (3,588 SF) at 936 Old Clemson Highway Eagles Landing Professional Park for use by Clemson Computing Information Technology (CCIT). This proposal provides a two-year extension of the current lease at and a two-year lease on the additional space. Mr. Glenn added that the request for additional space for CCIT's Enterprise Applications team is a result of staff increases due to a new project under the DHHS Medicaid Contract, the Medicaid Information Technology Architecture (MITA) project. Approximately thirty new FTE's will need to be hired for this project. The lease term is for two years with the option to extend for

one additional year. The annual cost is \$201,572 (\$11.50 per SF) for a total cost of \$604,716 for the lease period.

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

VI. Other Business

The list of Capital Projects & Leases processed by staff for October 2010 was presented for information. Mr. Glenn drew the Committee member's attention to the Midlands Technical College project stating that the change in source of funds is for \$800,000 and that the total project budget remains unchanged at \$28,100,000. He also noted that the majority of USC Columbia's projects, including the Darla Moore School of Business Construction for \$91,500,000, were on the institution's FY 2010-11 CPIP year one.

Chairman Sanders asked Mr. Glenn to walk through the CPIP process for everyone. Mr. Glenn explained that CPIP year one is presented to the Committee and Commission as one list of projects that the institutions have submitted using funding that is either on hand or will be on hand for the upcoming fiscal year. Once the Committee and Commission has approved the list of CPIP year one projects, CHE Staff is then given the authority to advance the projects as they are presented by the institutions if they have not materially changed. Mr. Glenn added that any CPIP approved project that comes back with an increase over \$500,000 or 10% of the total budget (whichever is greater) or has a material change in scope will be brought back to the Committee and Commission for approval. Mr. Glenn also added that staff determines if the projects have materially changed since CPIP submission and can bring projects back to the Committee and Commission for approval if deemed appropriate.

Dr. Forbes drew attention to the many fire protection upgrades that are being initiated at USC Columbia. He asked if there was a county code that required these upgrades even though there have been no fires in these buildings for thirty years. Mr. Tom Quasney, from the University of South Carolina System, replied that there is no county code causing them to do these upgrades. He explained that the upgrades include putting in sprinkler systems that do not currently exist in these buildings. Dr. Forbes asked if there is a study to show how many lives will be saved by putting in sprinkler systems. Mr. Quasney replied that there have been two recent fires on campus in which the damage would have been significantly reduced had there been sprinkler systems installed. Chairman Sanders asked that going forward institutions should include a note on CPIP with code compliance.

Mr. Tom Quasney, from University of South Carolina System, stated for the record that projects going out for bid are coming back 20% below their estimated value. He added that there has been a study conducted showing that for every million dollars the institution puts out, 20-30 jobs are created. Chairman Sanders thanked him for sharing those statistics.

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

December 3, 2010

COASTAL CAROLINA UNIVERSITY

PROJECT NAME: Baseball Complex Improvements (Phase I)
REQUESTED ACTION: Establish Pre-Design
REQUESTED ACTION AMOUNT: \$120,000
INITIAL CHE APPROVAL DATE: N/A

<u>Project Budget</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Professional Service Fees	\$0	\$120,000	\$120,000
<i>Total</i>	<i>\$0</i>	<i>\$120,000</i>	<i>\$120,000</i>

<u>Source of Funds</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Institutional Capital Project Funds	\$0	\$120,000	\$120,000
<i>Total</i>	<i>\$0</i>	<i>\$120,000</i>	<i>\$120,000</i>

DESCRIPTION:

The University requests approval to establish a project to construct a new baseball stadium and demolish the current stadium.

Currently the University is deficient in stadium and team facilities provided for their baseball program as compared to other Division I baseball programs in South Carolina. Deficiencies include overall seating capacity, ADA required seating and restroom facilities, inadequate media work space, and sub-standard public restrooms and concession areas. These insufficient facilities have forced the University to move baseball events to an off-campus venue, including the NCAA Regional and Super Regional Championships.

This project was not included in the institution’s FY 2010-11 CPIP year one because it was not anticipated at the time of CPIP submission. The University recently had a Title IX consultant come in to look at athletic programs and identified baseball and softball as the sports where the University was most susceptible to Title IX sanctions.

The internal projected cost of the project is \$8, 000,000 to be paid for with \$4,000,000 in Institutional Capital Project Funds and \$4,000,000 in private funds from the Athletic Foundation.

E&G MAINTENANCE NEEDS REDUCTION:

The project will alleviate \$202,854 in existing maintenance needs.

ANNUAL OPERATING COSTS/SAVINGS:

Utilities, supplies, and personnel will require additional operating costs of \$100,300 in the three years following project completion.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

COASTAL CAROLINA UNIVERSITY

PROJECT NAME: Student Center Annex Construction (Phase I)
REQUESTED ACTION: Establish Pre-Design
REQUESTED ACTION AMOUNT: \$360,000
INITIAL CHE APPROVAL DATE: N/A

Project Budget	Previous	Change	Revised
Professional Service Fees	\$0	\$360,000	\$360,000
Total	\$0	\$360,000	\$360,000

Source of Funds	Previous	Change	Revised
Renovation Reserves/Plant Expansion	\$0	\$360,000	\$360,000
Total	\$0	\$360,000	\$360,000

DESCRIPTION:

The University requests approval to establish a project to construct two 50,000 SF annexes adjacent to the current student center.

The Student Center was constructed in 1978 when enrollment was at 1,760 students. As of fall 2010, enrollment has increased to 8,706 students. The student center currently provides 5,652 SF of meeting room, game room, and gathering space. It is predominately used as office space for student activity group leaders, dining space and food service prep. The University is lacking in general social space for students. As the University has grown, smaller social spaces within academic buildings have been renovated to meet other space needs. The University is in need of this student life space to develop a stronger student community on campus.

This project was not included in the institution's FY 2010-11 CPIP year one. However, it was included in the FY 2009-10 CPIP as a year three request. As staff worked through the new Campus Master Plan, it became evident that this project needed to be moved forward to improve space on campus for student activities.

The internal projected cost of the project is \$24, 000,000 to be paid for with \$3,000,000 from Renovation Reserve/Plant Expansion, \$3,000,000 from Institutional Capital Project Funds, and \$6,000,000 in private funds from Horry County Higher Education Commission for the first annex. The second annex will be paid for with \$12,000,000 from the One Cent Sales Tax.

E&G MAINTENANCE NEEDS REDUCTION:

N/A – New Construction

ANNUAL OPERATING COSTS/SAVINGS:

Utilities, supplies, and personnel will require additional operating costs ranging between \$147,500 and \$295,000 in the three years following project completion. The first year reflects opening of the first annex, second and third years reflect opening of the second annex. Utilities and supplies will double in the second and third years and an additional two custodians will be hired.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

FINANCE & FACILITIES COMMITTEE 2011 MEETING SCHEDULE

(All dates and times are subject to change.)

January 6, 2011 – 9:30 a.m.

February 3, 2011 – 9:30 a.m.

March 3, 2011 – 9:30 a.m.

April 7, 2011 – 9:30 a.m.

May 5, 2011 – 9:30 a.m.

June 2, 2011 – 9:30 a.m.

July, 2011 – No Meeting Scheduled

August 4, 2011 – 9:30 a.m.

September 1, 2011 – 9:30 a.m.

October 6, 2011 – 9:30 a.m.

November 3, 2011 – 9:30 a.m.

December 1, 2011 – 9:30 a.m.

All meetings are scheduled to be held in the CHE Main Conference Room unless otherwise noted. Room changes, if necessary, will be noted on the agenda.

INFORMATION ITEM

**Capital Projects & Leases Processed by Staff
November 2010**

Date Approved	Project #	Institution	Project Name	Action Category	Budget Change	Revised Budget
10/27/2010	New	The Citadel	Daniel Library Building Envelope Repairs ¹	establish pre-design	\$0	\$23,232
10/27/2010	9602	The Citadel	Daniel Library Renovations ¹	increase budget, revise scope	\$50,000	\$1,685,000
11/1/2010	New	USC Columbia	Discovery I Third, Fourth and Fifth Floor Upfit ²	establish pre-design	\$0	\$157,500
11/9/2010	6022	Tri-County TC	Welding/HVAC Building Renovation	increase budget	\$488,000	\$2,987,000
11/15/2010	9576	Coastal Carolina	Academic Classroom/Office Building Land Donation ³	revise scope	\$0	\$5,000
11/15/2010	New	Coastal Carolina	Softball Complex Improvements ⁴	establish pre-design	\$0	\$30,000
11/15/2010	New	Coastal Carolina	Student Health Services Building & Land Acquisition ⁵	establish (environmental study)	\$0	\$20,000
11/15/2010	New	Coastal Carolina	Coastal Science Center Building & Land Acquisition ^{2,5}	establish (environmental study)	\$0	\$20,000
11/15/2010	9584	College of Charleston	Deferred Maintenance - Roofs	decrease budget, close project	(\$13,429)	\$986,571

¹Projects were staff approved on September 28, 2010 as one project increasing the budget by \$73,232 using Gift Funds and E&G Student Fees. Since then, the institution has made a revision to split the project into two separate projects. The first establishes a project to renovate the entire building envelope of the Daniel Library for \$23,232 in E&G Student Fees. Scope includes repairs to stucco finish, application of a waterproof coating, replacement of all windows, and limited roof work. The second increases the project by \$50,000 in Gift Funds to replenish the Contingency Allowance which was used to fund additional work to include construction of the Information Commons, additional painting, and flooring replacement.

²Approved by CHE on May 6, 2010 as part of CPIP FY 2010-11 year-one.

³Scope being revised to accept land donation of 3.29 acres from the Coastal Education Foundation.

⁴See supporting narrative.

⁵Approved by CHE on June 7, 2007 as part of Master Land Acquisition Plan.

**FOR INFORMATION – PROJECT ESTABLISHMENTS PROCESSED BY STAFF
FOR NOVEMBER 2010**

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

COASTAL CAROLINA UNIVERSITY

PROJECT NAME: Softball Complex Improvements (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>
Horry County Higher Education Commission	\$0	\$30,000	\$30,000
<i>Total</i>	<i>\$0</i>	<i>\$30,000</i>	<i>\$30,000</i>

DESCRIPTION:

The University requests approval to establish a project to begin renovation and new construction improvements to its softball complex. Project upgrades will include a clubhouse/locker room, a coach's locker room, home dugout improvements, an additional hitting/pitching tunnel with improvements to current tunnel, improved concessions and restrooms for fans, and an upgraded press box.

Currently the University is deficient in stadium, practice, and team facilities provided for the Women's softball program as compared to men's baseball, as well as conference and peer institution softball programs. Deficiencies include lack of a dedicated locker and team room, inadequate hitting and pitching tunnels adjacent to stadium, inefficient media space and fan amenities such as venue restrooms and concession areas. Upgrades are necessary to insure compliance with federally mandated Title IX guidelines.

This project was not included in the institution's FY 2010-11 CPIP year one because it was not anticipated at the time of CPIP submission. The University recently had a Title IX consultant come in to look at athletic programs and identified baseball and softball as the sports where the University was most susceptible to Title IX sanctions.

The internal projected cost of the project is \$2, 000,000 to be paid for with private funds from Horry County Higher Education Commission.

E&G MAINTENANCE NEEDS REDUCTION:

The project will alleviate \$37,318 in existing maintenance needs.

ANNUAL OPERATING COSTS/SAVINGS:

Utilities, supplies, and personnel are expected to generate additional operating costs of \$111,750 in the three years following project completion.