



South Carolina Commission on Higher Education

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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, February 4

DATE: January 27, 2010

A meeting of the Committee is scheduled to be held in the Commission's Main Conference Room at 9:45 a.m. on Thursday, February 4. **Please note the change in time.** The agenda and materials for the meeting are enclosed.

If you have any questions about the materials, please contact me at (803) 737-2155. We look forward to meeting with you on February 4.

Enclosures

AGENDA

COMMITTEE ON FINANCE & FACILITIES

FEBRUARY 4, 2010

9:45 A.M.

MAIN CONFERENCE ROOM

SC COMMISSION ON HIGHER EDUCATION

1333 MAIN STREET, SUITE 200

COLUMBIA, SC 29201

1. **Introductions**
2. **Minutes of January 7 Meeting**
3. **Interim Capital Projects**
 - A. **Medical University of South Carolina**
 - i. **Harborview Office Tower Renovations for Neurosciences Clinic (Phase II)**
- establish construction budget
 - B. **South Carolina State University**
 - i. **Campus-Wide Energy Performance Contract (Phase I)**
- establish pre-design
 - C. **Florence-Darlington Technical College**
 - i. **Manufacturing Incubator Center (Phase II)**
- establish construction budget
 - D. **Horry-Georgetown Technical College**
 - i. **Building 300 (Phase I)**
- establish pre-design
 - E. **Trident Technical College**
 - i. **B950 Renovation – Phase II (Phase I)**
- establish pre-design
4. **Other Business**
 - A. **List of Capital Projects & Leases Processed by Staff for January 2010 (For Information)**

MINUTES

SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION
COMMITTEE ON FINANCE AND FACILITIES
JANUARY 7, 2010
10:00 A.M.
MAIN CONFERENCE ROOM
SC COMMISSION ON HIGHER EDUCATION
1333 MAIN STREET, SUITE 200
COLUMBIA, SC 29201

Committee Members Present

Chairman Jim Sanders (phone)
Dr. Doug Forbes
Mr. Ken Jackson
Mr. Chuck Talbert
Mr. Neal Workman

Ms. Mandy Kibler
Ms. Angie Leidinger
Ms. Beth McInnis
Dr. Frank Osage
Ms. Jennifer Pearce
Dr. David Persky
Ms. Sandy Powers
Mr. Charles Shawver
Ms. Sandy Williams

Guests Present

Ms. Stacie Bowie
Dr. Kathy Coleman
Ms. Donna Collins
Dr. Anthony Coyne
Mr. John Gardner
Mr. Will Garland
Mr. Craig Hess

Staff Present

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

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

I. Call to Order

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

The following matters were considered:

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

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

III. Interim Capital Projects

The following projects were presented and discussed:

- A.) Coastal Carolina University
 - i. Athletic Training/Locker Room Renovation

Mr. Glenn presented the project stating that this request is for Phase II (construction). He noted that the project will join the locker room and training room space at Brooks Stadium together for an expanded training area to accommodate all sports training needs. He added that the project was not included in the institutions FY 2009-10 CPIP because originally the total budget was expected to be less than \$500,000; therefore it would not require approval as a Permanent Improvement Project (PIP). As the institution made decisions to have this area accommodate all

of the athletic training needs, the project grew to PIP status. Mr. Glenn noted that the construction method to be used will be design-bid-build.

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

B.) Clemson University

i. Wind Turbine Drive Train Test Facility

As a result of a special request by Clemson University, an addition to the January 7, 2010 agenda was presented regarding the concurrent approval of a Wind Turbine Drive Train Test Facility to be located on the Clemson University Research Institute (CURI) campus in North Charleston, SC. The facility's primary mission is to serve the wind industry with secondary missions of promoting industry/government/university collaboration in research and workforce education. It is anticipated the job creation potential associated with the build-out of a wind energy cluster could be in the 1000's. Mr. Glenn added that this project is a great opportunity for South Carolina.

Ms. Angie Leidinger, from Clemson University, expanded on the purpose of the Wind Turbine Drive Train Test Facility. Mr. Jackson asked what the timetable for the project looks like. Ms. Leidinger explained that because ARRA funds are being used to construct this facility, the institution is on a short time schedule. She added that construction is set to begin at the end of March 2010.

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

IV. Lease

The following lease was presented and discussed:

A.) Medical University of South Carolina

i. 30 Bee Street

Mr. Glenn presented the lease stating that this request is to renew the current lease for 9,988 SF on the first floor of 30 Bee Street. He added that the purpose of the lease is to house Student Health, the Counseling and Psychological Services (CAPS) program, some College of Dental Medicine department offices, and the 3 Tesla MRI Neurosciences research operation.

Dr. Forbes asked if the Foundation owned the building. Mr. Glenn affirmed. Dr. Forbes asked if the lease cost increased since its last renewal. Ms. Jennifer Pearce, from MUSC, stated that no increases have been incurred.

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

B.) College of Charleston

i. 284 King Street

Mr. Glenn noted that the College requested the lease be pulled from the meeting agenda.

V. Other Business

Mr. Glenn reviewed the Regulatory Relief Bill for four and two year higher education institutions. He noted that with the passage of this bill the Permanent Improvement Project threshold will be raised to \$1 M, it will eliminate the 1.5% requirement for Phase I (pre-design),

and the Research and Comprehensive Teaching Colleges and Universities Board's of Trustees will have the final vote in the approval process.

Chairman Sanders motioned for a formal vote from the Commission in support of the Regulatory Relief Bill as written. It was moved (Workman), seconded (Talbert), and voted to support the Regulatory Relief Bill as written.

The list of Capital Projects & Leases processed by staff for December 2009 was presented for information.

With no further business, Chairman Sanders adjourned the meeting at 10:30 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

February 4, 2010

MEDICAL UNIVERSITY OF SOUTH CAROLINA

PROJECT NAME: Harborview Office Tower Renovations for Neurosciences Clinic (Phase II)
REQUESTED ACTION: Establish Construction Budget
REQUESTED ACTION AMOUNT: \$3,282,000
INITIAL CHE APPROVAL DATE: August 18, 2008

Project Budget	Previous	Change	Revised
Professional Service Fees	\$18,000	\$282,000	\$300,000
Interior Renovations (22,125 SF)	\$0	\$2,700,000	\$2,700,000
Contingency	\$0	\$300,000	\$300,000
Total	\$18,000	\$3,282,000	\$3,300,000

Source of Funds	Previous	Change	Revised
Dean's College Of Medicine Practice Plan	\$18,000	\$3,282,000	\$3,300,000
Total	\$18,000	\$3,282,000	\$3,300,000

DESCRIPTION:

The University requests approval to establish the construction budget to renovate portions of the first and tenth floors of the Harborview Office Tower. The purpose of the renovation is to open and support a Neurosciences Clinic on the first floor, west side of the Office Tower. This new clinic will combine clinical and research functions for MUSC's Department of Neurosciences. Approximately 7,000 SF on the west side of the first floor will be renovated for the new clinic which will include exam rooms, interview rooms, and procedure rooms as well as support space. Approximately 12,125 SF on the tenth floor will be renovated to provide offices for physicians, researchers, and administrative personnel to support the first floor Neurosciences Clinic.

This project was included in the institutions FY 2008-09 CPIP as a year one project. The University will be using design-bid-build for the renovation.

E&G MAINTENANCE NEEDS REDUCTION:

The project will alleviate a portion of the \$6,535,584 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.

SOUTH CAROLINA STATE UNIVERSITY

PROJECT NAME: Campus-Wide Energy Performance Contract (Phase I)
REQUESTED ACTION: Establish Pre-Design
REQUESTED ACTION AMOUNT: \$300,000
INITIAL CHE APPROVAL DATE: N/A

<u>Project Budget</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Professional Service Fees	\$0	\$300,000	\$300,000
<i>Total</i>	<i>\$0</i>	<i>\$300,000</i>	<i>\$300,000</i>

<u>Source of Funds</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Energy Office Stimulus Funds	\$0	\$300,000	\$300,000
<i>Total</i>	<i>\$0</i>	<i>\$300,000</i>	<i>\$300,000</i>

DESCRIPTION:

The University requests approval to establish a project to implement a campus-wide energy performance contract. Phase I (pre-design) will include a detailed energy audit of 50% of the buildings on campus totaling approximately 750,000 SF. The audit will include an assessment of lighting and lighting controls, water conservation, HVAC equipment, energy management systems and controls, steam and condensate optimization and windows.

The University's payment obligations for equipment and services shall be structured in a Performance Contract where in:

- a) The ESCO shall provide a written guarantee that total project costs shall be 100% covered by energy and hard operational savings;
- b) The University shall realize equipment and services without the requirement of capital funding;
- c) The University shall be able to meet its payment obligations through the guaranteed energy and hard operational savings; and
- d) There shall be no carryover of savings from one year to another to make up for any savings shortfall.

The total project cost is estimated at \$20 million.

E&G MAINTENANCE NEEDS REDUCTION:

TBD

ANNUAL OPERATING COSTS/SAVINGS:

Additional operating costs will be offset by energy savings over the contract period.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

FLORENCE-DARLINGTON TECHNICAL COLLEGE

PROJECT NAME: Manufacturing Incubator Center (Phase II)
REQUESTED ACTION: Establish Construction Budget
REQUESTED ACTION AMOUNT: \$3,003,952*
INITIAL CHE APPROVAL DATE: November 13, 2009

Project Budget	Previous	Change	Revised
Professional Service Fees	\$50,000	\$177,411	\$227,411
Equipment and/or Materials	\$0	\$43,000	\$43,000
Site Development	\$0	\$190,938	\$190,938
New Construction (25,664 SF)	\$0	\$3,599,244	\$3,599,244
Landscaping	\$0	\$1,800	\$1,800
Builders Risk Insurance	\$0	\$2,050	\$2,050
Contingency	\$0	\$189,509	\$189,509
Total	\$50,000	\$4,203,952	\$4,253,952

Source of Funds	Previous	Change	Revised
Appropriated State*	\$0	\$1,200,000	\$1,200,000
Federal	\$0	\$2,600,000	\$2,600,000
Local (County)	\$50,000	\$403,952	\$453,952
Total	\$50,000	\$4,203,952	\$4,253,952

**State-appropriated funds supersede CHE approval authority; therefore, the amount of this approval is \$3,003,952.*

DESCRIPTION:

The College requests approval to establish the construction budget to construct an approximately 25,000 SF building to foster start-up manufacturing companies in commercializing their ideas. The facility will provide manufacturing space and infrastructure for up to five start-up companies. The building will have an open floor space with industrial utilities in place and will be constructed in a manner that allows for flexibility and reconfiguration of the space. Additionally, the Incubator will be built in close proximity to the Advanced Manufacturing Center of the SiMT. This will allow the Center to provide employee training and make development resources available.

This project was included in the institutions FY 2009-10 CPIP as a year two request. The College will be using design-build for construction and intends to design the building to meet LEED silver certification.

E&G MAINTENANCE NEEDS REDUCTION:

N/A – New Construction

ANNUAL OPERATING COSTS/SAVINGS:

Utilities and custodial services will require additional operating costs ranging between \$140,000 and \$145,000 in the three years following project completion.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

HORRY-GEORGETOWN TECHNICAL COLLEGE

PROJECT NAME: Building 300 (Phase I)
REQUESTED ACTION: Establish Pre-Design
REQUESTED ACTION AMOUNT: \$187,500
INITIAL CHE APPROVAL DATE: N/A

<u>Project Budget</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Professional Service Fees	\$0	\$187,500	\$187,500
<i>Total</i>	<i>\$0</i>	<i>\$187,500</i>	<i>\$187,500</i>

<u>Source of Funds</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Local (One Cent Tax)	\$0	\$187,500	\$187,500
<i>Total</i>	<i>\$0</i>	<i>\$187,500</i>	<i>\$187,500</i>

DESCRIPTION:

The College requests approval to establish a project to demolish the existing Building 300 consisting of 10,000 SF of academic space, and replace it with a 45,000 SF academic building. The existing building is completely antiquated for instructional use and no longer meets the physical growth or technological needs of the College.

The new facility, which includes three floors of 15,000 SF each, will be dedicated solely to academic classrooms, labs and faculty offices. The proposed new facility will be used for civil, mechanical, and electrical engineering programs, the construction management program, and the aviation mechanics program. The new building will also be used for general education courses and science labs as well as continuing education courses offered throughout the day, evenings and weekends.

This project was included in the institutions FY 2009-10 CPIP as a year two request. The new building will be LEED silver certified and will be operated at virtually the same cost as the existing 10,000 SF structure.

Internal projected cost of the project is \$12,500,000. All (100%) of this project will be 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.

E&G MAINTENANCE NEEDS REDUCTION:

Demolition of existing building will alleviate \$612,214 in existing maintenance needs.

ANNUAL OPERATING COSTS/SAVINGS:

Utilities, custodial services and building maintenance will require operating costs ranging between \$97,500 and \$105,400 in the three years following project completion.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

TRIDENT TECHNICAL COLLEGE

PROJECT NAME: B950 Renovation- Phase II (Phase I)
REQUESTED ACTION: Establish Pre-Design
REQUESTED ACTION AMOUNT: \$84,000
INITIAL CHE APPROVAL DATE: N/A

Project Budget	Previous	Change	Revised
Professional Service Fees	\$0	\$84,000	\$84,000
Total	\$0	\$84,000	\$84,000

Source of Funds	Previous	Change	Revised
Institutional Funds	\$0	\$84,000	\$84,000
Total	\$0	\$84,000	\$84,000

DESCRIPTION:

The College requests approval to establish a project to renovate 29,358 SF of vacant space in a former industrial facility purchased in 2001. Other sections of the building have been renovated by a previous project. The proposed space will be used to expand the media arts program, establish an exercise science program, and provide student study and food service areas.

The media arts program has experienced significant enrollment growth in the past few years. Because of this growth, these programs have been located in several buildings which do not allow for further enrollment growth. The renovated area will be approximately 16,538 SF and will include space for a sound studio, radio labs, a film production studio, editing labs, classrooms, and faculty offices. The media related industries are growing appreciably and have created a demand for trained associates in this career field.

The exercise science program will allow the College to continue its progressive mission of providing the most cutting edge educational opportunities for the surrounding communities. The program will fill a void in the Charleston area. The renovated area will be approximately 8,000 SF and will include classrooms, exercise science labs, and faculty offices.

The student study and food service areas will provide much needed community space on the north side of the main campus. The renovated area will be approximately 5,000 SF and will provide support for training in aircraft manufacturing for Boeing which is located in the same building. Classes for these programs are held from 7:00 am – 10:00 pm, so these students need a place to eat and take breaks. This area is also adjacent to an apprenticeship training facility and the College bookstore, and is consistent with planned future growth.

This project was included in the institutions FY 2009-10 CPIP as a year-two project. The internal estimated cost of this project is \$5,600,000.

E&G MAINTENANCE NEEDS REDUCTION:

N/A – Vacant Space

ANNUAL OPERATING COSTS/SAVINGS:

Utilities, custodial services and building maintenance will require additional operating costs ranging between \$161,761 and \$174,960 in the three years following project completion.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

INFORMATION ITEM

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

Date Approved	Project #	Institution	Project Name	Action Category	Budget Change	Revised Budget
12/22/2009	9787	MUSC	2007 Energy Performance Contract ¹	increase budget, revise scope	\$1,941,305	\$18,341,305
12/22/2009	9552	Coastal Carolina	Waties Island Research Facility ²	revise scope	\$0	\$150,000
1/6/2010	9549	Coastal Carolina	Residence Hall Deferred Maintenance & Life Safety	decrease budget, close project	(\$34,101)	\$688,139
1/12/2010	9604	The Citadel	Capers Hall Repairs (Phase II) ³	establish construction budget	\$1,710,000	\$1,750,000
1/12/2010	9571	SC State	Campus Wide Performance Contract ⁴	decrease budget, close project	(\$2,000,000)	\$0
1/12/2010	6012	Florence-Darlington TC	Cosmetology Center Land Acquisition	increase budget (purchase land)	\$55,000	\$75,000
1/12/2010	9897	Piedmont TC	Saluda County Extension Center	decrease budget, close project	(\$246,619)	\$3,411,381
1/12/2010	9992	Spartanburg CC	Central Plant 700 Ton Chiller	decrease budget, close project	(\$218,631)	\$581,369
1/12/2010	9805	TC of the Lowcountry	Wildy Gym Parking Lot Construction	decrease budget, close project	(\$6,818)	\$268,182
1/12/2010	9845	TC of the Lowcountry	Building 6 & 8 Renovation ⁵	revise scope, change source of funds	\$0	\$1,524,000
1/12/2010	9875	Trident TC	Building 950 Renovation	decrease budget, close project	(\$128,447)	\$5,471,553

¹This project was approved by the Commission on September 30, 2009 contingent upon approval of funding from the SC Energy Office. The University has received an award for ARRA funds. The funding source is slightly revised although the overall total budget remains the same. Project was sent to B&CB for approval.

²Revise scope to allow for the construction of an entrance gate to the Waties Island property. The current budget will cover this expense.

³Approved as part of CPIP FY 2009-10 Year-one.

⁴This project was established in June 2002; no contract resulted.

⁵This project is being revised to include renovation of Building 8 only. Federal funds in the amount of \$190,000 have been allocated to the College toward the renovation of this building.