



Dr. Gail Morrison  
Interim Executive Director

March 30, 2007

**TO:** Mr. Daniel Ravenel, Chair, and Members of the Committee on Finance & Facilities  
**FROM:** Ms. Lynn W. Metcalf, Director of Finance, Facilities, & MIS  
**SUBJECT:** Committee Meeting, April 5

A meeting of the Committee is scheduled to be held in the Commission's Conference Room at 9:00 a.m. on Thursday, April 5. Attached are an agenda and materials for the meeting.

If you have any questions about the materials, please contact me at (803) 737-2265. We look forward to meeting with you on April 5.

Attachments

## AGENDA

COMMITTEE ON FINANCE & FACILITIES

APRIL 5, 2007

9:00 A.M.

CONFERENCE ROOM

SC COMMISSION ON HIGHER EDUCATION

1333 MAIN STREET, SUITE 200

COLUMBIA, SC 29201

1. Introductions
2. Minutes of March 1 Meeting
3. Interim Capital Projects
  - A.) Clemson University
    - a. Memorial Stadium West End Zone Component II  
*-increase budget, revise scope, change project name*
  - B.) Winthrop University
    - a. Byrnes Auditorium Renovation  
*-establish project*
    - b. Ebenezer Avenue Improvements  
*-establish project*
    - c. Thurmond Auditorium Construction  
*-increase budget, revise scope*
  - C.) Tri-County Technical College
    - a. Pendleton Campus Expansion Land Purchase  
*-establish project*
4. Consideration of Institutional Deferred Maintenance Plans for Educational & General Facilities
5. Other Business
6. Information Items
  - a. List of Staff Approvals for February 2007

**MINUTES**

**SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION  
COMMITTEE ON FINANCE AND FACILITIES**

**MARCH 1, 2007**

**9:00 A.M.**

**CHE CONFERENCE ROOM**

**Committee Members Present**

Dr. Doug Forbes  
Dr. Louis Lynn  
Mr. Dan Ravenel  
Mr. Jim Sanders  
Mr. Ken Wingate  
Mr. Neal Workman (proxy to Sanders)

Mr. Charles Jeffcoat  
Mr. Scott Ludlow  
Mr. John Malmrose  
Ms. Diane Newton  
Mr. Steve Osborne  
Mr. Tom Sinclair  
Mr. Charles Shawver

**Guests Present**

Mr. Bill Bragdon  
Ms. Missy Coker  
Ms. Kathy Coleman  
Ms. Donna Collins  
Mr. Al Cope  
Mr. Craig Hess  
Ms. Betty Jenkins

**Staff Present**

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

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

Mr. Ravenel called the meeting to order at 9:10 a.m. Mr. Glenn introduced the guests in attendance.

The following matters were considered:

**I. Approval of Minutes of Meeting on February 8, 2006**

Since there were no additions or corrections to the Minutes of the meeting on February 8, the Minutes were approved as written.

**II. Consideration of Interim Capital Projects**

Mr. Ravenel asked Ms. Metcalf to describe the projects. Ms. Metcalf noted institutional representatives were present to answer questions. The following projects were presented and discussed:

**a. Clemson University**

- 1.) ICAR Technology Neighborhood One Plaza Construction      \$ 945,000      -increase budget, revise scope

b. College of Charleston.

- |                               |              |                    |
|-------------------------------|--------------|--------------------|
| 1.) 5 College Way Renovations | \$ 1,000,000 | -establish project |
| 2.) 7 College Way Renovations | \$ 1,000,000 | -establish project |
| 3.) 9 College Way Renovations | \$ 1,750,000 | -establish project |

Mr. Ravenel noted the three projects from the College were similar in nature. He asked where the facilities were located on the campus. Mr. Osborne, from the College of Charleston, answered they were next to Randolph Hall.

Mr. Ravenel noted the three projects would eliminate a portion of the facilities' deferred maintenance. He asked how much deferred maintenance the College had in total. Mr. Osborne answered that in the short-term the College had about \$9 to \$10 million and in the long-term the total was around \$50 million. Ms. Metcalf stated CHE staff was in the process of conducting a study on deferred maintenance.

Dr. Forbes asked if the renovation per square foot for all three projects was around \$200 per square foot. Mr. Osborne answered that was correct, and he noted the Charleston Board of Architectural Review required original reproduction to replace components of the facilities.

c. Medical University of South Carolina

- |  |            |                    |
|--|------------|--------------------|
| 1.) Hazardous Weather Upgrades – Phase I | \$ 855,998 | -establish project |
|--|------------|--------------------|

Mr. Sanders asked if the University was going to leave the fixed generators in their current location and operate with three movable generators. Mr. Malmrose, from the Medical University of South Carolina, answered the movable generators were to be used as a temporary means in order to relocate the fixed generators. The University will then keep the portable generators for future needs. Dr. Lynn asked if the project was a life/safety issue. Ms. Metcalf responded yes, and she noted other institutions had completed similar projects.

Mr. Sanders asked how the price for the generators was obtained. Mr. Malmrose responded quotes were received by phone. Mr. Wingate asked for the projected total cost for the three remaining phases of the project. Mr. Malmrose answered he did not have the exact cost, but he estimated the total cost was around \$13 to \$15 million. He stated the institution hoped to complete all phases of the project in the next four years, but the timeline would depend upon the availability of funds. Mr. Wingate stated it would be helpful to the Committee if proposed phased projects included approximate costs for each phase and an estimated timeline.

Dr. Lynn asked if another entity was providing funding for the project. Mr. Malmrose stated the project would support the institution and the hospital and at a later point in the project, the hospital would incur costs.

- |  |              |                                |
|--|--------------|--------------------------------|
| 2.) College of Nursing Clinical Teaching<br>Lab Construction | \$ 1,000,000 | -increase budget, revise scope |
|--|--------------|--------------------------------|

Mr. Ravenel and Mr. Wingate noted the high cost per square foot. Mr. Sanders stated that the cost was typical for lab space. He noted while it was high, the market was driving the cost.

d. South Carolina State University

- 1.) Lowman Hall Renovations \$ 2,044,000 -increase budget

Dr. Lynn stated the project was good in that it was restoring and preserving the character of a historic site.

e. University of South Carolina Columbia

- 1.) Athletic Master Plan Phase I Development \$12,000,000 -increase budget, revise scope

Mr. Ravenel asked about the \$4.5 million in the project from private funds. Mr. Jeffcoat, from the University of South Carolina Columbia, answered the funds were a private gift, and the University was in receipt of the gift. Mr. Wingate asked where the academic center would be located. Mr. Jeffcoat answered the project would create an athletic horseshoe across from the current location of the soccer field. Dr. Lynn asked if the Committee had previously approved this project. Mr. Jeffcoat responded that the Committee had approved \$800,000 for architectural and engineering services.

- 2.) Band Hall & Dance Facility Construction \$ 3,100,000 -increase budget, revise scope, change project name

Mr. Ravenel asked if a space utilization analysis was available to indicate the need for a third dance studio. Ms. Metcalf responded the data could be obtained, and she stated staff would provide the information to the Committee at its next meeting. Dr. Lynn asked if the project was a part of the University approved Master Land Acquisition Plan (MLAP). Ms. Metcalf stated the institution was not acquiring new property under this project, and she noted the institution already owned the land where the studio would be built.

- 3.) Patterson Hall Renovation \$ 3,000,000 -increase budget

Mr. Wingate noted the renovation cost per square foot was low.

- 4.) 1321 Pendleton Street Renovations \$ 1,800,000 -establish project

Mr. Ravenel noted his concern over approving the project without the institution's Board of Trustees' approval. Ms. Metcalf stated the Committee's approval would be contingent upon the Trustees' approval. Mr. Jeffcoat stated the approval was necessary to ensure other projects contingent upon the renovation of this facility.

- 5.) Omega II Research Facility Construction \$ 4,000,000 -increase budget, revise scope

Mr. Ravenel asked what type of research would be conducted in the facility. Mr. Jeffcoat responded the space was currently customized for medical research on cancer and nutrition. He noted that each floor was customized for the particular needs of the research.

- 6.) Beta Research Facility Construction \$ 4,335,000 -increase budget, revise scope

Mr. Jeffcoat noted the facility had been customized for alternative fuel research and engineering research. Dr. Lynn asked if the budget increase was due to cost overruns. Mr. Jeffcoat responded that it was not, but that the space was being customized for a specific type of research.

Mr. Jeffcoat requested the Committee approve the \$4 million budget increase and remove the \$335,000 from current consideration. He stated the University was waiting to receive a letter confirming a federal grant totaling of \$335,000. Ms. Metcalf stated the staff could approve the \$335,000 when the guarantee letter became available. The Committee agreed to do so.

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

### **III. Leases**

#### **a. Clemson University**

1.) Library Storage & Offices \$ 120,175/yr -lease renewal

Mr. Ravenel stated a revised lease agreement had been provided to the Committee to indicate a renewal request of three years with an option to renew for an additional two years. He stated negotiations had been difficult so the University had to change its request.

#### **b. Medical University of South Carolina**

1.) 4295 Arco Lane \$ 136,800/yr -lease renewal

Mr. Ravenel noted the rent cost per square foot was extremely low and noted it was a good deal for the University.

It was moved (Sanders), seconded (Wingate), and voted to approve the leases.

### **IV. Other Business**

Mr. Ravenel noted a list of staff approvals for January 2007 was presented as information. Mr. Wingate asked why staff approved a \$1.4 million increase for the Greenville Technical College Northwest Campus Construction project. Ms. Metcalf responded that staff had the authority to approve projects with a budget of \$500,000 or less or increases 10 percent or less of the total project budget. She stated at times the staff brought forward projects it believed the Committee needed to review. Mr. Wingate asked if the 10 percent approval was a one-time approval. Ms. Metcalf answered that it was not, but she also noted staff did not do many of these approvals a year. Mr. Ravenel suggested Mr. Wingate meet with Ms. Metcalf to discuss the issue.

With no further business, the meeting was adjourned at 9:55 a.m.

Respectfully submitted,

Alyson M. Goff  
Recorder

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

**DESCRIPTION OF INTERIM CAPITAL PROJECTS FOR CONSIDERATION**

April 5, 2007

**Clemson University**

Memorial Stadium West End Zone Component II (Previous Budget = \$125,000)	\$16,026,061	-increase budget, revise scope, change project name
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Source of Funds:	\$ 5,756,000	-private funds
	5,136,699	-private funds (IPTAY)
	3,788,362	-private funds (Clemson Foundation)
	1,345,000	-athletic revenue bonds

Proposed Budget:	\$11,723,400	-new construction (39,560 GSF)
	1,876,600	-interior building renovations (8,530 GSF)
	1,256,400	-professional services fees
	1,117,261	-contingency
	111,400	-labor costs
	34,000	-equipment and/or materials
	20,000	-master planning charges
	<u>12,000</u>	-builders risk insurance
Total:	\$16,151,061	

**Description**

The University requests approval to increase the budget and revise the scope for improvements and additions to level one, two, and three of the West End Zone in Memorial Stadium. The changes will include architectural improvements for 8,530 square feet to accommodate coaches' offices and administrative space. The renovation cost per square foot is \$220. The project will add 39,560 square feet which will provide a new weight training and condition area and training facilities as well as expanded equipment room. The new construction cost per square foot is \$296.

The revised scope will complete the work established by the initial study for Component 2 and centralize all football operations in Memorial Stadium.

Guarantee letters are on file at CHE for the private funds.

**E&G Deferred Maintenance Reduction:**

*N/A – Auxiliary*

**Annual Operating Costs/Savings:**

*Operating, maintenance, and utilities will require additional operating costs ranging from \$35,000 to \$45,000 in the three years following project completion. The costs will be absorbed into the existing budget.*

**Recommendation**

Staff recommends approval of this project as proposed.

**Winthrop University**

Byrnes Auditorium Renovation	\$1,000,000	-establish project
Source of Funds:	\$1,000,000	-institutional capital project fund
Proposed Budget:	\$ 889,000	-interior building renovations (59,512 GSF)
	100,000	-professional services fees
	10,000	-contingency
	<u>1,000</u>	-bond issue costs
Total:	\$1,000,000	

Description

The University requests approval to establish a project for renovations and repairs in the 1939 Byrnes Auditorium. All wiring, lighting, sound, lights, and electrical systems are 1939 vintage. These systems need to be modernized to current performance standards.

The project includes installing a pit fill unit which will permit the stage area to be enlarged when needed; a sound shell; installation of acoustic panels in the audience chamber; reworking some of the piping and electrical in the fly loft, new performance lights with service platform, and a new sound system with control booth. The renovation cost per square foot is \$15.

E&G Deferred Maintenance Reduction:

*The project will alleviate a portion of the \$1,253,612 in existing deferred maintenance in the building.*

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**

Ebenezer Avenue Improvements	\$6,500,000	-establish project
Source of Funds:	\$6,500,000	-institutional capital project fund
Proposed Budget:	\$3,695,000	-site development
	1,483,500	-exterior building renovations
	1,000,000	-utilities renovations
	151,000	-contingency
	100,000	-landscaping
	65,000	-professional services fees
	<u>5,500</u>	-bond issue costs
Total:	\$6,500,000	

Description

The University requests approval to establish a project for conversion of vehicular traffic areas in the core campus to pedestrian focus and circulation along with façade improvements to several buildings facing Ebenezer Avenue. The project includes conversion of a roadway to a plaza, a former building site into green space, relocating and repairing/replacing deteriorated utility lines, adding paved pedestrian walkways, street lights, storm drainage improvements, and creating areas to showcase and display student performances and art.

Additional work includes replacing some windows and opening presently enclosed breezeways on buildings facing Ebenezer Avenue and other improvements especially to the rear entrance of Roddey Hall which directly faces Ebenezer Avenue.

The University’s Master Plan calls for growth of the University to move westward which will change what is presently the back of the campus into the center core of the campus. Movement in this direction is already underway with the improvements to Alumni Drive, the construction of the Lois Rhame West Center and the new Campus Center which is scheduled to begin construction in a few months.

E&G Deferred Maintenance Reduction:

*N/A – Site Development*

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.





**INSTITUTIONAL DEFERRED MAINTENANCE PLANS  
FOR EDUCATIONAL & GENERAL FACILITIES**

As part of the Commission’s recommendations to improve the facilities approval process, a subcommittee of the Facilities Advisory Committee was established to develop parameters within which institutions would establish plans to address deferred maintenance. The Advisory Committee approved the calculation method and policy in February 2007.

Plans will be due to the Commission by July first of each year. Institutions have requested a one-year grace period on developing plans for infrastructure to allow adequate time to evaluate the best manner in which to report replacement costs. CHE staff supports this request and will work with the institutions throughout this process.

The Committee on Finance and Facilities is asked to approve the policy. Once approved, the policy will be presented to the Commission for approval.

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**POLICY**

The Commission on Higher Education (CHE), recognizing the magnitude of deferred maintenance for educational and general (E&G) facilities at public institutions of higher learning, has adopted a policy which requires institutions to submit an annual plan which would determine the amount of funding needed to bring maintenance needs to an acceptable level. The plans will allow CHE to review ongoing maintenance needs in addition to the amount of maintenance that has been deferred. Also, the plan will provide interested stakeholders with an understanding of the varying needs on each campus regarding this issue.

CHE staff, in consultation with institution facilities officers, has developed parameters for addressing E&G deferred maintenance. Plans are to be submitted to the Commission for approval by the first of July each year. The following definitions, calculation methods, and elements will be included in the plans:

**DEFINITIONS**

- “Deferred maintenance” is defined as project-level maintenance that should have been performed but has been postponed until adequate funding is available. This includes equipment or systems that have exceeded their expected service life and equipment or systems that are not performing at an acceptable level even if that condition has occurred prior to the normally-accepted projected service life.
- “Acceptable level” is defined as a building condition code of 90-100 on the CHE Management Information System (CHEMIS) Building Data Summary.

## **CALCULATION METHOD**

### ➤ **E&G BUILDINGS**

1. Use CHEMIS building replacement cost (RCB) and building condition code (BCC)<sup>1</sup>
2. To Bring to Like-New Condition =  $((100-BCC) \times .01) \times RCB$
3. Annual Investment Required to Maintain (APPA Average) =  $RCB \times .03$
4. Acceptable Amount of Deferred Maintenance (APPA Standard) =  $(RCB \times .10) - \text{Annual Investment Required}$
5. Magnitude of Deferred Maintenance =  $\text{Like-New Condition} - (RCB \times .0333)$
6. Deferred Maintenance to Eliminate =  $\text{Magnitude} - \text{Acceptable Deferred Maintenance}$
7. Additional Funding Per Year =  $\text{Deferred Maintenance to Eliminate} / 20$  (# of years in plan)
8. Total Needed Per Year to Maintain Existing & Eliminate Deferred Maintenance =  $\text{Annual Investment Required} + \text{Additional Funding Per Year}$

### ➤ **EXTERNAL INFRASTRUCTURE**

1. The replacement cost of infrastructure external to the facility is not readily available to CHE. Institutions will provide this information as well as the amount necessary to bring the infrastructure to like-new condition.
2. The calculation for external infrastructure is consistent with that used for E&G buildings. (Note: The building condition code is not used in this calculation.)

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## ❖ **KEY ELEMENTS OF A PLAN TO ADDRESS E&G DEFERRED MAINTENANCE**

1. General information: name of institution, name of contact person (for questions related to the plan), the years covered in the plan, and date submitted.
2. The amount needed per year to maintain existing E&G facilities, eliminate deferred maintenance, and to address external infrastructure needs of the institution. This will be based on the calculation method described above. The plan will cover a 20-year period.
3. The major functions of the facilities being addressed in the plan (i.e. academic, administration, student services, library, etc.).
4. The potential external influences to consider when implementing this plan. (For example, historic buildings on the national register, city or county ordinances?) How the institution plans to work within these external mandates?
5. For buildings with a condition code of 50 or below, an explanation the major system problems.
6. Any life/safety issues, citations and/or warnings, and compliance issues (air, ADA, etc.) that are present in the facilities.
7. The process the institution used in estimating the replacement cost for external infrastructure.
8. The process the institution used in estimating the cost for bringing external infrastructure to like-new condition.
9. The institution's top three to five priorities for the first year of the plan and the rationale for their selection.
10. Any additional information as necessary.

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<sup>1</sup> Institutions are responsible for updating these data elements annually.

# FOR DRAFT PURPOSES ONLY!

## Recommended Calculation for E&G Deferred Maintenance Plans<sup>1</sup>

<u>Institution</u>	<u>Total Need Per Yr. (for 20 years) to Maintain &amp; Eliminate Deferred Maintenance</u>
Clemson	\$21,464,901
USC Columbia & SOM	\$34,784,057
MUSC	\$23,431,729
Citadel	\$5,879,200
Coastal Carolina	\$4,273,177
College of Charleston	\$6,141,479
Francis Marion	\$4,251,529
Lander	\$3,019,966
SC State	\$11,167,923
USC Aiken	\$3,192,128
USC Beaufort	\$482,489
USC Upstate	\$2,780,543
Winthrop	\$7,921,563
USC Lancaster	\$1,770,301
USC Salkehatchie	\$618,783
USC Sumter	\$1,388,328
USC Union	\$241,373
Aiken TC	\$1,663,749
Central Carolina TC	\$1,158,758
Denmark TC	\$984,887
Florence-Darlington TC	\$2,560,311
Greenville TC	\$4,170,872
Horry-Georgetown TC	\$2,468,554
Midlands TC	\$3,048,395
Northeastern TC	\$577,824
Orangeburg-Calhoun TC	\$871,013
Piedmont TC	\$1,740,474
Spartanburg CC	\$1,870,556
TC of the Lowcountry	\$696,837
Tri-County TC	\$1,590,913
Trident TC	\$3,331,618
Williamsburg TC	\$297,442
York TC	\$2,085,175
<b>TOTAL</b>	<b>\$161,926,843</b>

<sup>1</sup>NOTE: The facilities data represented in this summary is intended for **discussion purposes only**. The CHEMIS Fall 2006 Building Data Summary was used to compile this report, and the data is in the process of being verified. Only owned facilities were included in these calculations. Facilities with condition codes of "-999" are null values, and therefore, are not calculated.

**Agenda Item 6  
Finance & Facilities**

**INFORMATION ITEM**

<b>PERMANENT IMPROVEMENT PROJECTS APPROVED BY STAFF</b>						
<b>February 2007</b>						
<b>Date Approved</b>	<b>Project #</b>	<b>Institution</b>	<b>Project Name</b>	<b>Action Category</b>	<b>Budget Change</b>	<b>Revised Budget</b>
2/9/2007	9554	Francis Marion	Deferred Maintenance - Miscellaneous Renovations	decrease budget, revise scope	(\$181,803)	\$463,791
2/9/2007	9555	Francis Marion	Deferred Maintenance - HVAC Systems	decrease budget, revise scope, close project	(\$210,469)	\$264,531
2/9/2007	9556	Francis Marion	Deferred Maintenance - Indoor Pool Repair	increase budget, revise scope, change project name	\$392,272	\$667,272
2/9/2007	9576	SC State	SHM Pool Equipment Room Repairs	decrease budget, close project	(\$19,395)	\$130,605
2/9/2007	9568	SC State	Crawford Zimmerman Renovations - University Transportation Center Renovation	decrease budget, close project	(\$4,872)	\$363,928
2/13/2007	9786	Clemson	McAdams Hall-Addition/Renovations	decrease budget, close project	(\$218)	\$5,484,883
2/13/2007	9810	Clemson	Jervey Athletic Center/McFadden-Renovation A&E	decrease budget, close project	(\$102,650)	\$1,397,350
2/22/2007	9960	USC Columbia	Woodrow Roof Replacement	increase budget, revise scope	\$247,500	\$847,500
2/22/2007	9505	USC Lancaster	Deferred Maintenance	increase budget	\$300,000	\$417,510
2/22/2007	New	Denmark TC	Roof Replacement	establish project	\$0	\$469,138
2/22/2007	9795	Denmark TC	Learning Resources Center New Construction	decrease budget, close project	(\$469,138)	\$1,530,862
2/22/2007	9941	Orangeburg-Calhoun TC	1400/1500/1600 Roof Replacements Administration, Health Sciences Buildings	decrease budget, change source of funds	(\$159,831)	\$390,169
2/22/2007	9942	Orangeburg-Calhoun TC	HVAC Upgrade	change source of funds	\$44,632	\$145,625
2/26/2007	9856	Clemson	ICAR Parking Structure Construction	increase budget, revise scope	\$200,000	\$21,600,000
2/26/2007	9549	Coastal Carolina	Residence Hall Renovations to Laundry Facility Building	change source of funds, revise scope, change project name	\$0	\$614,000
2/26/2007	9960	Aiken TC	100/200 Flooring Renovation	increase budget	\$100,000	\$610,000
<b>LEASES APPROVED BY STAFF</b>						
<b>Date Approved</b>	<b>Lease #</b>	<b>Institution</b>	<b>Project Name</b>	<b>Purpose/Additional Info</b>	<b>Rates</b>	<b>Term</b>
2/15/2007	Renewal	MUSC	57 Bee Street	MUSC Employee Health Services / 2,614 SF	Annual Rate - \$34,344 / Monthly Rate - \$2,862 / Cost per SF \$13.14	7/01/07-6/30/2012 (May be extended for one term of 5 years; terms to be negotiated)
2/15/2007	Renewal	MUSC	20 Ehrhardt Street	Depts. of Radiology & Neurology, Hollings Cancer Center, Office of EEOC, & Family Medicine	Annual Rate - \$52,308 / Monthly Rate - \$4,359 / Cost per SF \$6.57	4/1/2007-3/31/2008 (May be extended for one term of 5 years; terms to be negotiated)
2/15/2007	Renewal	MUSC	2070 Northbrook Blvd.	Dept. of Pediatrics, Medicaid Outreach Program	Annual Rate - \$38,819 / Monthly Rate - \$3,235 / Cost per SF \$14.07	4/1/2007-3/31/2008 (May be extended for one term of 1 year @ annual rate of \$39,702)