



South Carolina Commission on Higher Education

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Mr. Rodney A. Smolla
Mr. Guy C. Tarrant, CCIM
Mr. Hood Temple
The Honorable Lewis R. Vaughn

Ms. Julie J. Carullo
Acting Executive Director

TO: Mr. Guy Tarrant, Chair, and Members of the Committee on Finance & Facilities

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

SUBJECT: Committee Meeting, May 3

DATE: April 26, 2012

A meeting of the Committee is scheduled to **be held in the Commission's Main Conference Room at 9:30 a.m. on Thursday, May 3.** 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 May 3.

Enclosures

AGENDA

COMMITTEE ON FINANCE & FACILITIES

MAY 3, 2012

9:30 A.M.

MAIN CONFERENCE ROOM

SC COMMISSION ON HIGHER EDUCATION

1122 LADY STREET, SUITE 300

COLUMBIA, SC 29201

1. Introductions
2. Minutes of April 5 & April 24 Meetings
3. Interim Capital Projects
 - A. Clemson University
 - i. Kingsmore Stadium Addition (*On FY 2012-13 CPIP Year One*)
- *establish project*
 - ii. Memorial Stadium WEZ Component III (*On FY 2012-13 CPIP Year One*)
- *establish project*
 - iii. Watt Innovation Center (*On FY 2012-13 CPIP Year One*)
- *establish project*
 - iv. Barnett Hall Renovation (*On FY 2012-13 CPIP Year One*)
- *increase budget*
 - v. Highway 93 Pedestrian Safety Improvements
- *increase budget, revise scope*
 - B. University of South Carolina Columbia
 - i. Outdoor Football Practice Fields Construction (*On FY 2012-13 CPIP Year One*)
- *establish project*
4. Lease
 - A. Coastal Carolina University
 - i. University Place
- *new lease*
5. Other Business
 - A. List of Capital Projects & Leases Processed by Staff for April 2012
(For Information, No Action Required)

MINUTES

COMMITTEE ON FINANCE AND FACILITIES
APRIL 5, 2012
9:15 A.M.
MAIN CONFERENCE ROOM
SC COMMISSION ON HIGHER EDUCATION
1122 LADY STREET, SUITE 300
COLUMBIA, SC 29201

Committee Members Present

Chairman Guy Tarrant
Ms. Natasha Hanna
Mr. Bill Scarborough
Mr. Hood Temple
The Honorable Lewis Vaughn

Ms. Angie Leidinger
Mr. John McEntire
Ms. Beth McInnis
Mr. John Malmrose
Ms. Toni Marshall
Mr. Steve Osborne
Mr. Nick Rigas
Mr. Charles Shawver
Mr. Adam Taylor
Mr. Gerald Vander Mey
Ms. Sandy Williams

Guests Present

Ms. Stacie Bowie
Dr. Kathy Coleman
Ms. Donna Collins
Dr. Anthony Coyne
Dr. Gail DiSabatino
Mr. Derek Gruner
Dr. Doug Hallenbeck
Mr. Andy Jordan

Staff Present

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

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 Tarrant called the meeting to order at 9:15 a.m. Ms. Blake introduced guests in attendance.

The following matters were considered:

II. Approval of Minutes of Meeting on March 1, 2012

A motion was made (Vaughn), seconded (Scarborough), and carried to approve the minutes of the March 1, 2012 meeting.

III. Interim Capital Projects

The following projects were presented and discussed:

- A.) Clemson University
 - i. Douthit Hills Redevelopment

Mr. Glenn presented the project stating that the request is for establishment of the project in its entirety. He noted that the project will construct a total of 551,733 SF of space to include residence halls, a residential dining hall, retail food service, additional retail space anchored by the campus bookstore, additional parking areas and infrastructure redevelopment to support

the project. Through this project, approximately 1,450 residents will be housed in the area east of the Clemson House. Two sections are planned. The western portion will accommodate upperclassmen in apartment settings, and the section to the east will be a series of residence halls to be occupied by Bridge students. Mr. Glenn added that this project will increase access to on-campus housing for upperclassmen and provide “swing space” that will minimize displacement of students when Johnstone and the Clemson House are renovated or replaced. He added that the student population at the University has increased nearly 30% over the last ten years and no new student housing has been added. Mr. Glenn stated that there will be no increase in housing fees associated with this project. The development is designed to be a self-sustaining financial enterprise. He noted that this project is included in the institution’s FY 2012-13 CPIP year one as priority number two. Because the FY 2012-13 CPIP year one list had not been approved by the Commission, the project was being brought through the interim capital project process.

Chairman Tarrant asked if representatives from Clemson University would like to add anything. Dr. Kathy Coleman, from Clemson University, stated that this project is part of a long range plan. This is the first phase in a planned transformation of student housing. She added that the University would like to have students in this housing unit by 2015. Commissioner Temple asked if this facility will replace or be an addition to other residential halls. Dr. Coleman stated that this is an addition to existing residential halls on campus. Commissioner Vaughn asked what kind of retail space will be included in the project. Dr. Doug Hallenbeck, from Clemson University, stated that approximately 36,000-52,000 SF will consist of retail space. He added that the majority of retail space will consist of restaurants and food service. Commissioner Vaughn asked if these operations will be run by the University. Dr. Hallenbeck stated that they would not. He explained that retail space will be leased to vendors. Commissioner Vaughn asked how living on campus will enhance student performance. Dr. Hallenbeck stated that studies have been conducted which show a higher retention rate and higher academic performance from students living on campus. Commissioner Vaughn asked how the University calculated a 30% increase in student population over ten years. Ms. Angie Leiding, from Clemson University, stated that she did not have the calculations with her but that she would be happy to provide them to the Committee. Commissioner Vaughn asked for confirmation that housing fees will not increase as a result of this facility. Ms. Leiding confirmed that there is no housing fee increase associated with this project. She clarified that a housing fee will be established for this facility, but it will not increase existing housing fees. Commissioner Vaughn asked what a student pays to live at Johnstone and what a student will pay to live in Douthit. Dr. Hallenbeck stated that the housing fee at Johnstone is roughly \$360 per month and the housing fees for Douthit will be roughly \$600 per month. He noted that comparing Johnstone to Douthit is not the same. Cost of living in Douthit is in line with other upperclassmen resident halls, Johnstone is a first year dorm and does not cost as much. Commissioner Vaughn asked what the occupancy rate must be for Douthit to be considered self-sustaining. Dr. Hallenbeck stated that the facility must be 96% occupied before it is considered self-sustaining. Commissioner Vaughn asked what would happen if the facility does not occupy 96% of its space. Dr. Hallenbeck explained that the University housing would have to cut operating costs to sustain the building. Commissioner Hanna asked if the University owns the property where the development will be constructed. Ms. Leiding affirmed that the University owns the property. Commissioner Vaughn asked if the University supplied CHE staff with alternatives to new construction. Ms. Leiding replied that they did not. Commissioner Vaughn stated that he would like to see alternative options before approving a project. Commissioner Scarborough stated that he used to sit on the College of Charleston’s Board of Trustees and assured Commissioner Vaughn that all options are vetted before the institution’s Board approves a project and advances it to CHE, JBRC, and B&CB for approval.

ii. Wind Turbine Drivetrain Test Facility/Grid Simulator

Mr. Glenn presented the project stating that the request is to increase the budget and revise the scope to construct a 15 megawatt hardware-in-the-loop (HIL) grid simulator to serve as a platform for testing and certifying new technology that supports the country's future electrical energy goals and to educate the workforce of the future in power systems engineering. He noted that the grid simulator will be a separate test bed, allowing electrical testing of other devices when the wind turbines are under mechanical testing in the adjoining test beds. Mr. Glenn added that the facility will generate revenue and operate under a "shared facility" model that allows innovators to schedule time at the facility to complete their studies and/or certification while working with students and faculty. The grid simulator will have capability that mimics real-world transients such as wide-area power disruptions, frequency fluctuations, voltage drops, and cyber or physical attacks without "real-world risk." Mr. Glenn noted that this project is included in the institution's FY 2012-13 CPIP year one as priority number one. Because the FY 2012-13 CPIP year one list had not been approved by the Commission, the project was being brought through the interim capital project process.

Chairman Tarrant asked if representatives from Clemson University would like to add anything. Ms. Angie Leidinger, from Clemson University, stated that this project is a phenomenal opportunity for the University. She explained that the concept of adding a grid simulator came from a Clemson electrical engineering graduate student who was helping with the development of the drivetrain test facility. He determined that the facility already had the infrastructure in place to add a grid simulator. Ms. Leidinger added that this is a one-of-a-kind facility and that there will not be another wind turbine drivetrain test facility and grid simulator in the United States. Commissioner Vaughn asked how operating costs will be recovered. Ms. Leidinger stated that the grid simulator is expected to generate \$1 M/year and the drivetrain is expected to generate \$4.3 M/year. This revenue will help offset operating expenses.

With no further questions, it was moved (Vaughn), seconded (Temple), and voted to approve the Clemson University projects as proposed.

B.) Medical University of South Carolina

i. Basic Science Building Craniofacial Biology Research Renovation

Mr. Glenn presented the project stating that the request is for establishment of the project in its entirety. He noted that the project will renovate approximately 9,000 SF of space on the east end of the second floor in the Basic Sciences Building (BSB). This space will be converted into research, educational, and office space for the Department of Craniofacial Biology. Mr. Glenn added that the converted area will consolidate research space for NIH funded investigators in oral cancer and other oral health related research activities. The renovation will include approximately 190 linear feet of wet lab benches and various support space including tissue culture rooms, an autoclave room, a dark room, a microscopy room, and lab technician space. He noted that this project is included in the institution's FY 2012-13 CPIP year one as priority number four. Because the FY 2012-13 CPIP year one list had not been approved by the Commission, the project was being brought through the interim capital project process.

ii. College of Nursing Interior Renovation Floors 2-5

Mr. Glenn presented the project stating that the request is for Phase II (construction). He noted that the project will renovate 36,000 SF in the College of Nursing Building. The interior floor space will be demolished and reconfigured to meet the current needs of the College. A student services area and separate computer lounge, as well as additional conference room, multipurpose rooms and offices will be incorporated. Renovations will also include replacement of HVAC, plumbing, electrical, and fire alarm distribution systems on each floor. A new fire sprinkler system will be installed and the building's roof and crawl space piping will be replaced along with elevators. Mr. Glenn added that phase II (construction) is being brought through the

interim capital project process for approval because phase I (pre-design) was approved prior to the implementation of the revised approval process. This project is also included in the institution's FY 2012-13 CPIP year one as priority number one.

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

- C.) Coastal Carolina University
 - i. Hicks Dining Hall Expansion

Mr. Glenn presented the project stating that the request is for establishment of the project in its entirety. He noted that the project will construct a 6,700 SF addition and outdoor patio to Hicks Dining Hall. The addition will provide for three new food stations, a beverage station, and approximately 175 additional seats. Mr. Glenn added that the University has received approval to begin pre-design of additional student housing (1,270 beds) for planned occupancy in Fall 2014 to accommodate enrollment growth. These housing units will be located adjacent to Hicks Dining Hall. The dining hall will provide these additional student residents with the majority of their food service. He noted that this project is included in the institution's FY 2012-13 CPIP year one as priority number three. Because the FY 2012-13 CPIP year one list had not been approved by the Commission, the project was being brought through the interim capital project process.

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

- D.) Aiken Technical College
 - i. Center for Energy & Advanced Technology

Mr. Glenn presented the project stating that the request is for establishment of the project in its entirety. He noted that the project will construct a 27,600 SF Center for Energy and Advanced Manufacturing to replace buildings 400 and 500. The buildings to be replaced do not provide sufficient space to house modern equipment needed to train a skilled workforce. Assessments and cost evaluations from outside sources concluded that it would be a better use of resources to construct a new facility for Industrial Technology programs rather than engage in a high cost renovation project. Mr. Glenn added that demolition of Buildings 400 and 500 will eliminate \$4,387,728 in existing maintenance needs. He noted that the project is included in the institution's FY 2012-13 CPIP year one as priority number one. Because the FY 2012-13 CPIP year one list had not been approved by the Commission, the project was being brought through the interim capital project process. Commissioner Vaughn asked where the Local source of funds comes from. Mr. Andy Jordan, from Aiken Technical College, stated that Local funds come from Aiken County millage.

With no further questions, it was moved (Scarborough), seconded (Temple), and voted to approve the Aiken Technical College project as proposed.

IV. Comprehensive Permanent Improvement Plans (CPIP's) – Year One Project Approvals

Mr. Glenn provided a summary of CPIP Year One projects. He discussed briefly the purpose of the five year plan and stated the function of each year. Mr. Glenn added, for the past three years, a Proviso change regarding CPIP approval requires submission of only those projects qualifying for submission in Year One. Mr. Glenn noted that the summary list on page 13 of the agenda listed institutional priorities in order by funding source.

Mr. Glenn presented a breakdown of Year One projects separating projects the Committee had already seen from those they have not, as well as projects that can be staff approved. He noted that projects not seen by the Committee are located on pages 14-45 of the agenda.

Because of the interim status of the Greenville One lease approval, Commissioner Vaughn stated that he did not feel comfortable approving the Clemson University Greenville One Building Upfit project as part of CPIP. Ms. Angie Leidinger, from Clemson University, replied that the University would withdraw the project from the FY 2012-13 CPIP year one list until all questions have been vetted.

Due to time constraints, the Committee made the decision to carry over FY 2012-13 CPIP year one to a separate meeting where more time could be spent discussing each project. Staff was asked to select a meeting date so that CPIP approval could remain on schedule and be submitted to the full Commission for consideration at the May 3, 2012 meeting.

V. Other Business

The list of Capital Projects & Leases processed by staff for March 2012 was presented for information.

With no further business, Chairman Tarrant 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.*

MINUTES
COMMITTEE ON FINANCE AND FACILITIES
APRIL 24, 2012
2:00 P.M.
MAIN CONFERENCE ROOM
SC COMMISSION ON HIGHER EDUCATION
1122 LADY STREET, SUITE 300
COLUMBIA, SC 29201

Committee Members Present

Ms. Natasha Hanna

Committee Members Present (Phone)

Chairman Guy Tarrant
Mr. Bill Scarborough
The Honorable Lewis Vaughn

Committee Members Not Present

Mr. Hood Temple

Guests Present

Dr. Kathy Coleman
Ms. Donna Collins
Ms. Vanessa Gill
Mr. Derek Gruner
Mr. Craig Hess
Ms. Angie Leidinger

Mr. David LeGrande

Ms. Beth McInnis

Mr. Charles Shawver

Mr. Marc Tarplee

Mr. Adam Taylor

Guests Present (Phone)

Ms. Stacie Bowie

Ms. Alyson Goff

Mr. Steve Osborne

Mr. Gerald Vander Mey

Ms. Sandy Williams

Col. Dewey Yeatts

Staff Present

Mr. Gary Glenn

Ms. Courtney Blake

Ms. Julie Carullo

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 Tarrant called the meeting to order at 2:10 p.m. Ms. Blake introduced guests in attendance.

The following matters were considered:

II. Comprehensive Permanent Improvement Plans (CPIPs) – Year One Project Approvals

Mr. Glenn provided a summary of CPIP Year One projects. He discussed briefly the purpose of the five year plan and stated the function of each year. Mr. Glenn added, for the past three years, a Proviso change regarding CPIP approval requires submission of only those projects qualifying for submission in Year One. Mr. Glenn noted that the summary list on page 5 of the agenda listed institutional priorities in order by funding source.

Mr. Glenn presented a breakdown of Year One projects separating projects the Committee had already seen from those they have not, as well as projects that could be staff approved. He noted that projects not seen by the Committee were located on pages 6-36 of the agenda. He also noted that due to timing, several projects listed on the FY 2012-13 CPIP year one list had been approved as interim capital projects at the April meeting. These projects have been annotated on the following page.

Mr. Glenn presented the following Year One projects:

- A.) **Clemson University**
 - i. **Wind Turbine Drivetrain Test Facility/Grid Simulator***
 - ii. **Douthit Hills Redevelopment***
 - iii. **Watt Innovation Center**
 - iv. **Business & Behavioral Sciences Project**
 - v. **McAdams Hall Renovation**
 - vi. **Memorial Stadium – West End Zone – Component III**
 - vii. **Core Campus Development**
 - viii. **Martin Hall HVAC Renovation**
 - ix. **Lehotsky Hall HVAC Renovation**
 - x. **Outdoor Recreation Facility**
 - xi. **Kingsmore Stadium Addition**

- B.) **University of South Carolina Columbia**
 - i. **Bates West Renovation**
 - ii. **Farmer’s Market Football Practice Fields Construction**

- C.) **Medical University of South Carolina**
 - i. **Craniofacial Biology Research Space Renovation***

- D.) **The Citadel**
 - i. **Deferred Maintenance – Campus-Wide**

- E.) **Coastal Carolina University**
 - i. **Hicks Dining Hall Expansion***
 - ii. **Singleton Building Renovation**
 - iii. **Williams Brice Renovation**

- F.) **College of Charleston**
 - i. **Simons Center for the Arts Renovation**

- G.) **Aiken Technical College**
 - i. **Center for Energy and Advanced Manufacturing***

- H.) **Greenville Technical College**
 - i. **Technical Resource Center Renovation – Barton Campus**

- I.) **Horry-Georgetown Technical College**
 - i. **Academic Building (Culinary Arts) – Grand Strand**
 - ii. **New General Purpose Building – Conway Campus**

- J.) **Midlands Technical College**
 - i. **Library Building Replacement – Beltline Campus**

- K.) **Spartanburg Community College**
 - i. **Student Center**
 - ii. **Tyger River Building Side Offices Renovation**

- L.) **Tri-County Technical College**
 - i. **Student Success Center**
 - ii. **Central Plaza/Energy Loop**
 - iii. **Veterinary Technology Facility**

M.) York Technical College

- i. Library Expansion & Learning Commons
- ii. Building C Classroom Addition

*Approved as interim capital projects at the April CHE meeting.

Questions from the Commissioners were vetted throughout the discussion of the CPIP projects. Following questions, it was moved (Hanna), seconded (Tarrant), and voted to approve Year One CPIP projects as proposed.

With no further business, Chairman Tarrant adjourned the meeting at 3:15 p.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

May 3, 2012

CLEMSON UNIVERSITY

PROJECT NAME: Kingsmore Stadium Addition
REQUESTED ACTION: Establish Project
REQUESTED ACTION AMOUNT: \$7,000,000
INITIAL CHE APPROVAL DATE: N/A

<u>Project Budget</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Professional Service Fees	\$0	\$630,000	\$630,000
New Construction	\$0	\$4,970,000	\$4,970,000
Other Capital Outlay	\$0	\$616,000	\$616,000
Other	\$0	\$224,000	\$224,000
Contingency	\$0	\$560,000	\$560,000
<i>Total</i>	<i>\$0</i>	<i>\$7,000,000</i>	<i>\$7,000,000</i>

<u>Source of Funds</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Private Gift	\$0	\$7,000,000	\$7,000,000
<i>Total</i>	<i>\$0</i>	<i>\$7,000,000</i>	<i>\$7,000,000</i>

**This project is included in the institution's FY 2012-13 CPIP year one as priority number fourteen. Because the FY 2012-13 CPIP year one list has not been approved by the Commission, the project is being brought through the interim capital project process.*

DESCRIPTION:

The University requests approval to establish a project to construct a 20,000 SF addition to the Doug Kingsmore Baseball Stadium. The addition will be three levels with player amenities located adjacent to the current locker room area on the stadium's north side directly behind the first-base stands. Additional amenities will include new locker rooms, recruiting offices and facilities, equipment storage, strength and conditioning equipment, lounge space, and group study areas.

The current facility is small and outdated. It falls short of the new, modern facilities that exist at competing institutions. Playing at the national level demands a better facility that meets today's needs and will serve in future recruitment.

E&G MAINTENANCE NEEDS REDUCTION:

N/A – New Construction

ANNUAL OPERATING COSTS/SAVINGS:

Utilities and maintenance will require additional operating costs of \$120,000 in the first year, \$123,600 in the second year, and \$127,308 in the third year following project completion. Additional operating costs will be funded with operating funds.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

CLEMSON UNIVERSITY

PROJECT NAME: Memorial Stadium – West End Zone – Component III
REQUESTED ACTION: Establish Project
REQUESTED ACTION AMOUNT: \$15,000,000
INITIAL CHE APPROVAL DATE: N/A

<u>Project Budget</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Professional Service Fees	\$0	\$1,350,000	\$1,350,000
New Construction	\$0	\$10,650,000	\$10,650,000
Other Capital Outlay	\$0	\$1,320,000	\$1,320,000
Other	\$0	\$480,000	\$480,000
Contingency	\$0	\$1,200,000	\$1,200,000
Total	\$0	\$15,000,000	\$15,000,000

<u>Source of Funds</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Private Gifts	\$0	\$15,000,000	\$15,000,000
Total	\$0	\$15,000,000	\$15,000,000

**This project is included in the institution's FY 2012-13 CPIP year one as priority number eight. Because the FY 2012-13 CPIP year one list has not been approved by the Commission, the project is being brought through the interim capital project process.*

DESCRIPTION:

The University requests approval to establish a project to construct a 6,000 SF addition to the WestZone Complex at Memorial Stadium. The addition will include the One Clemson Museum and entrance, known as the Oculus. This addition will complete the final phase of the WestZone Complex at Memorial Stadium and showcase the University's athletic, academic, and military heritage. The four-level structure will be a landmark and monument to Clemson's spirit creating a gateway to the University's history. The WestZone Oculus and One Clemson Museum will include a lobby, interactive exhibits, displays from the University's storied past, a rooftop terrace for family gatherings on game days, theater seating for 75-100, and galley space.

E&G MAINTENANCE NEEDS REDUCTION:

N/A – New Construction

ANNUAL OPERATING COSTS/SAVINGS:

Utilities and maintenance will require additional operating costs of \$36,000 in the first year, \$37,080 in the second year, and \$38,192 in the third year following project completion. Additional operating costs will be funded with operating funds.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

CLEMSON UNIVERSITY

PROJECT NAME: Watt Innovation Center
REQUESTED ACTION: Establish Project
REQUESTED ACTION AMOUNT: \$16,200,000
INITIAL CHE APPROVAL DATE: N/A

Project Budget	Previous	Change	Revised
Professional Service Fees	\$0	\$1,458,000	\$1,458,000
New Construction	\$0	\$10,502,000	\$10,502,000
Building Utilities Renovations	\$0	\$1,000,000	\$1,000,000
Other Capital Outlay	\$0	\$1,425,600	\$1,425,600
Other	\$0	\$518,400	\$518,400
Contingency	\$0	\$1,296,000	\$1,296,000
Total	\$0	\$16,200,000	\$16,200,000

Source of Funds	Previous	Change	Revised
State Institution Bonds	\$0	\$7,000,000	\$7,000,000
Institutional Capital Project Fund	\$0	\$4,200,000	\$4,200,000
Private Gift	\$0	\$5,000,000	\$5,000,000
Total	\$0	\$16,200,000	\$16,200,000

**This project is included in the institution's FY 2012-13 CPIP year one as priority number three. Because the FY 2012-13 CPIP year one list has not been approved by the Commission, the project is being brought through the interim capital project process.*

DESCRIPTION:

The University requests approval to establish a project to construct a 40,000 SF Innovation Center. The facility will be three stories tall and will provide a significant amount of additional space for teaching and research in science, technology, and engineering. The building will serve the needs of an increasingly diverse student community and accommodate current and emerging technologies with minimal cost and effort. Classes to be held in this facility will meet the demands of continued enrollment growth and expansion of programs within the College of Engineering and Science.

Located in the middle of campus, immediately south of Cooper Library, the facility will be in an area with an existing utility tunnel that is in need of renovation. The extent of renovation is unclear at this point in time. It is likely that the project cost will increase based upon detailed engineering of the system.

E&G MAINTENANCE NEEDS REDUCTION:

N/A – New Construction

ANNUAL OPERATING COSTS/SAVINGS:

Utilities and maintenance will require additional operating costs of \$240,000 in the first year, \$247,200 in the second year, and \$254,616 in the third year following project completion.

RECOMMENDATION:

Staff recommends approval of this project as proposed

CLEMSON UNIVERSITY

PROJECT NAME: Barnett Hall Renovation
REQUESTED ACTION: Increase Budget
REQUESTED ACTION AMOUNT: \$3,985,000
INITIAL CHE APPROVAL DATE: May 6, 2010

Project Budget	Previous	Change	Revised
Professional Service Fees	\$13,000	\$267,000	\$280,000
Interior Building Renovations	\$0	\$3,160,000	\$3,160,000
Labor Costs	\$2,000	(\$2,000)	\$0
Other	\$0	\$240,000	\$240,000
Contingency	\$0	\$320,000	\$320,000
Total	\$15,000	\$3,985,000	\$4,000,000

Source of Funds	Previous	Change	Revised
Housing Improvement Fund	\$15,000	\$3,985,000	\$4,000,000
Total	\$15,000	\$3,985,000	\$4,000,000

**This project is included in the institution's FY 2012-13 CPIP year one as priority number five. Because the FY 2012-13 CPIP year one list has not been approved by the Commission, the project is being brought through the interim capital project process.*

DESCRIPTION:

The University requests approval to establish the construction budget to demolish the existing two-pipe HVAC system and replace it with a four-pipe system that will provide better temperature control in Barnett Hall. Scope of work will also include replacement of all single-pane glass with thermal pane glass throughout the facility. Built in 1964, the residence hall has not received a mechanical or window renovation since construction. In order to renovate the HVAC system, removal of hazardous material including asbestos will be necessary. Removal and replacement of existing, built-in furniture will also be addressed.

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.

CLEMSON UNIVERSITY

PROJECT NAME: Hwy 93 Pedestrian Safety Improvements
REQUESTED ACTION: Increase Budget
REQUESTED ACTION AMOUNT: \$700,000
INITIAL CHE APPROVAL DATE: October 18, 2010

Project Budget	Previous	Change	Revised
Professional Service Fees	\$300,000	\$0	\$300,000
Site Development	\$3,000,000	\$700,000	\$3,700,000
Labor Costs	\$182,000	\$0	\$182,000
Contingency	\$270,000	\$0	\$270,000
Total	\$3,752,000	\$700,000	\$4,452,000

Source of Funds	Previous	Change	Revised
Institutional Capital Project Funds	\$1,063,200	\$700,000	\$1,763,200
Pickens County Transportation Committee	\$200,000	\$0	\$200,000
SC DOT	\$800,000	\$0	\$800,000
Athletic Department	\$1,688,800	\$0	\$1,688,800
Total	\$3,752,000	\$700,000	\$4,452,000

DESCRIPTION:

The University requests approval to increase the budget to make modifications along Highway 93 between Mell Hall parking lot and Williamson Road (approximately 2,100 feet) as a result of construction bids exceeding the original construction budget.

The project, which includes the construction of retaining walls, landings and walkways, is needed to improve safety for pedestrians at this location which has long been recognized by the City, University, and SCDOT. In the last five years, four pedestrian/vehicle accidents have occurred in this vicinity according to the SC Department of Public Safety. A partnership with the Pickens County Transportation Committee and SCDOT has leveraged \$1,000,000 in grant support for this project.

E&G MAINTENANCE NEEDS REDUCTION:

N/A – Site Development

ANNUAL OPERATING COSTS/SAVINGS:

Utilities and maintenance will require additional operating costs of \$20,000 in the third year following project completion.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

UNIVERSITY OF SOUTH CAROLINA COLUMBIA

PROJECT NAME: Outdoor Football Practice Fields Construction
REQUESTED ACTION: Establish Project
REQUESTED ACTION AMOUNT: \$3,000,000
INITIAL CHE APPROVAL DATE: N/A

Project Budget	Previous	Change	Revised
Professional Service Fees	\$0	\$250,000	\$250,000
Site Development	\$0	\$2,500,000	\$2,500,000
Contingency	\$0	\$250,000	\$250,000
Total	\$0	\$3,000,000	\$3,000,000

Source of Funds	Previous	Change	Revised
Athletic Operating Funds	\$0	\$3,000,000	\$3,000,000
Total	\$0	\$3,000,000	\$3,000,000

**This project is included in the institution's FY 2012-13 CPIP year one as priority number eleven. Because the FY 2012-13 CPIP year one list has not been approved by the Commission, the project is being brought through the interim capital project process.*

DESCRIPTION:

The University requests approval to establish a project to develop two football practice fields on the west end of the former Farmer's Market site. Work will include grading, drainage, turf, irrigation, lighting, film towers, and goal posts. Existing fields are located on leased property. Rather than invest in improvements to leased facilities, it has been decided to develop permanent facilities on property owned by the University. The lease for the current football practice fields will be terminated once the new fields on the Farmer's Market site are completed and ready for practice.

E&G MAINTENANCE NEEDS REDUCTION:

N/A – Auxiliary

ANNUAL OPERATING COSTS/SAVINGS:

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

RECOMMENDATION:

Staff recommends approval of this project as proposed.

DESCRIPTION OF LEASE FOR CONSIDERATION

May 3, 2012

COASTAL CAROLINA UNIVERSITY

LEASE NAME: University Place
REQUESTED ACTION: New Lease
REQUESTED ACTION AMOUNT: \$408,877,691.46

Coastal Carolina University requests approval to sublease from Coastal Housing Foundation, LLC (LLC) 54.38 acres with improvements, located approximately 0.25 miles from the campus in Conway for continued use as student housing. The leased property consists of an apartment complex commonly known as *University Place*, containing 46 apartment buildings, an office building with food service and two pool/activity houses with a collective area of approximately 708,481 square feet, as well as two pools, parking and common grounds. The leased property has 2,425 bedrooms, including 67 bedrooms reserved for resident advisors and staff, and is expected to provide housing for approximately 2,312 students for the Fall 2012 semester in 295 double occupancy bedrooms and 1,784 single occupancy bedrooms.

The property is owned by the CCU Student Housing Foundation (Foundation) and leased to the LLC. The Foundation purchased the property in phases between 2003 and 2009. Coastal Housing Foundation, LLC is a South Carolina Limited Liability Company, of which the Foundation is the sole member. The University currently markets, operates, leases and maintains *University Place* in accordance with management agreements with the LLC. The University currently directs students to *University Place* pursuant to support agreements signed in 2005 and 2009. The management agreements will terminate as of the commencement date of the lease, contingent upon the approval of the lease by the Joint Bond Review Committee and the Budget and Control Board; however, the 2005 and 2009 support agreements will not.¹

The lease term will be thirty (30) years commencing July 1, 2012, after which the University may exercise successive optional renewal terms of one (1) year each. Annual rent during the initial term will be equal to 30% above the annual debt service owed by the LLC with annual rent for the first year of the lease not to exceed \$7,983,556.75. The portion of rent paid above the debt service payment will be allocated by the LLC to a surplus fund, expenditures from which will be restricted to such amounts necessary to defray the cost of capital assets, major property expenses, capital expenses requested by the University to improve student living (such as food service or fitness facility upgrades), and operating expenses of the Foundation, including all expenses relating to the bonds secured by the Foundation for *University Place*. Rent for any optional renewal term is \$1.00 per year. In addition to rent, the University will be responsible for paying an amount for "Maintenance and Renewal" estimated at \$383,544.32 for the first year and escalating 3% each year thereafter, which amounts may be adjusted according to the actual use of this escrow fund. All amounts in the Maintenance and Renewal fund will be available for reimbursement to the University of approved expenses for capital improvements and/or routine maintenance expenses. Additionally, the University will be responsible for all operating costs for the property which is estimated at \$3,800,000 for the first year, and includes the cost of employees, security services, maintenance supplies, insurance, telephones, cable, utilities, etc. Based on the maximum rent the University can pay under the lease, the expected Maintenance and Renewal fee, and the expected operating costs, the estimated maximum amount the University will pay over the term is as follows:

¹ The 2005 Student Housing Support Agreement was subject to the South Carolina Consolidated Procurement Code. At the University's request, and pursuant to regulation, the Procurement Services Division has ratified the University's execution of the 2005 Student Housing Support Agreement.

Year	Period	Rent	Maintenance & Renewal ²	Operating ³	Total	Cost Per Bed
1	7-1-12 to 6-30-13	\$ 7,983,556.75	\$ 383,544.32	\$ 3,790,891.69	\$ 12,157,992.75	\$ 5,258.65
2	7-1-13 to 6-30-14	\$ 7,981,249.25	\$ 395,050.64	\$ 3,862,874.08	\$ 12,239,173.97	\$ 5,293.76
3	7-1-14 to 6-30-15	\$ 7,982,191.10	\$ 406,902.16	\$ 3,936,181.05	\$ 12,325,274.31	\$ 5,331.00
4	7-1-15 to 6-30-16	\$ 7,986,124.25	\$ 419,109.23	\$ 4,010,835.65	\$ 12,416,069.13	\$ 5,370.27
5	7-1-16 to 6-30-17	\$ 7,986,091.75	\$ 431,682.51	\$ 4,086,861.27	\$ 12,504,635.53	\$ 5,408.58
6	7-1-17 to 6-30-18	\$ 7,981,671.75	\$ 444,632.98	\$ 4,164,281.67	\$ 12,590,586.40	\$ 5,445.76
7	7-1-18 to 6-30-19	\$ 7,985,246.75	\$ 457,971.97	\$ 4,243,120.97	\$ 12,686,339.69	\$ 5,487.17
8	7-1-19 to 6-30-20	\$ 7,987,814.25	\$ 471,711.13	\$ 4,323,403.67	\$ 12,782,929.05	\$ 5,528.95
9	7-1-20 to 6-30-21	\$ 7,985,393.00	\$ 485,862.46	\$ 4,405,154.64	\$ 12,876,410.10	\$ 5,569.38
10	7-1-21 to 6-30-22	\$ 7,981,623.00	\$ 500,438.34	\$ 4,488,399.10	\$ 12,970,460.44	\$ 5,610.06
11	7-1-22 to 6-30-23	\$ 7,984,223.00	\$ 515,451.49	\$ 4,573,162.70	\$ 13,072,837.19	\$ 5,654.34
12	7-1-23 to 6-30-24	\$ 7,985,978.00	\$ 530,915.03	\$ 4,659,471.44	\$ 13,176,364.47	\$ 5,699.12
13	7-1-24 to 6-30-25	\$ 7,986,563.00	\$ 546,842.48	\$ 4,747,351.72	\$ 13,280,757.20	\$ 5,744.27
14	7-1-25 to 6-30-26	\$ 7,984,405.00	\$ 563,247.76	\$ 4,836,830.33	\$ 13,384,483.09	\$ 5,789.14
15	7-1-26 to 6-30-27	\$ 7,986,062.50	\$ 580,145.19	\$ 4,927,934.46	\$ 13,494,142.15	\$ 5,836.57
16	7-1-27 to 6-30-28	\$ 7,986,225.00	\$ 580,145.19	\$ 5,038,096.05	\$ 13,604,466.24	\$ 5,884.28
17	7-1-28 to 6-30-29	\$ 7,984,600.00	\$ 580,145.19	\$ 5,150,460.88	\$ 13,715,206.07	\$ 5,932.18
18	7-1-29 to 6-30-30	\$ 7,980,895.00	\$ 580,145.19	\$ 5,265,073.00	\$ 13,826,113.19	\$ 5,980.15
19	7-1-30 to 6-30-31	\$ 7,981,220.00	\$ 580,145.19	\$ 5,381,977.36	\$ 13,943,342.55	\$ 6,030.86
20	7-1-31 to 6-30-32	\$ 7,981,626.25	\$ 580,145.19	\$ 5,501,219.81	\$ 14,062,991.25	\$ 6,082.61
21	7-1-32 to 6-30-33	\$ 7,983,251.58	\$ 580,145.19	\$ 5,622,847.11	\$ 14,186,243.88	\$ 6,135.92
22	7-1-33 to 6-30-34	\$ 7,985,282.50	\$ 580,145.19	\$ 5,746,906.96	\$ 14,312,334.65	\$ 6,190.46
23	7-1-34 to 6-30-35	\$ 7,987,070.00	\$ 580,145.19	\$ 5,873,448.00	\$ 14,440,663.19	\$ 6,245.96
24	7-1-35 to 6-30-36	\$ 7,981,382.50	\$ 580,145.19	\$ 6,002,519.87	\$ 14,564,047.56	\$ 6,299.33
25	7-1-36 to 6-30-37	\$ 7,985,607.50	\$ 580,145.19	\$ 6,134,173.17	\$ 14,699,925.86	\$ 6,358.10
26	7-1-37 to 6-30-38	\$ 7,987,362.50	\$ 580,145.19	\$ 6,268,459.54	\$ 14,835,967.23	\$ 6,416.94
27	7-1-38 to 6-30-39	\$ 7,985,380.00	\$ 580,145.19	\$ 6,405,431.63	\$ 14,970,956.82	\$ 6,475.33
28	7-1-39 to 6-30-40	\$ 7,984,892.50	\$ 580,145.19	\$ 6,545,143.17	\$ 15,110,180.86	\$ 6,535.55
29	7-1-40 to 6-30-41	\$ 7,984,210.00	\$ 580,145.19	\$ 6,687,648.93	\$ 15,252,004.12	\$ 6,596.89
30	7-1-41 to 6-30-42	\$ 7,981,642.50	\$ 580,145.19	\$ 6,833,004.82	\$ 15,394,792.51	\$ 6,658.65
Total for 30 Years		\$239,528,841.18			\$408,877,691.46	
Average for 30 Years		\$7,984,294.71			\$13,629,256.38	\$5,895.01

² Bonds require a 3% increase yearly in Maintenance and Renewal, calculated per bedroom, unless revisited by an external consultant. A 3% escalation is assumed for the first fifteen (15) years. The University intends to have the required reserve amount revisited regularly.

³ Assumes a 2% operating expense increase per year.

Rent for comparable apartments near the University is more expensive and, as off-campus housing, does not offer many of the services of on-campus housing such as shuttle services, security and resident assistants.

The University has adequate funds for the lease according to a Budget Approval Form submitted January 10, 2012, which also includes a multi-year plan. Lease payments will be made from revenue received from student housing fees collected for *University Place*, which is \$6,620 per bed for a single occupancy bedroom or \$5,890 per bed for a double occupancy bedroom collectively for the fall and spring semesters of the 2012-2013 school year. Assuming an annual average occupancy at *University Place* of 85%, the University will realize a positive cash flow of approximately \$485,000 in the first year of the lease, which will be used for increased programming and residential academic opportunities. The University has the option to purchase the property at the expiration of the initial term or during any extended term for \$1.00 plus any costs remaining to satisfy outstanding bond obligations on the property. Environmental assessments dated September 9, 2005 and September 30, 2009 revealed no on-site environmental conditions associated with the property.

RECOMMENDATION:

Staff recommends approval of this lease provided the rates and terms are approved by the Budget and Control Board. This lease was approved by JBRC on April 25, 2012 contingent upon the approval of the Commission on Higher Education (CHE).

INFORMATION ITEM

**Capital Projects & Leases Processed by Staff
April 2012**

Date Approved	Project #	Institution	Project Name	Action Category	Budget Change	Revised Budget	Original Approval Date
Routine Staff Approvals							
4/6/2012	6048	USC Columbia	Preston College HVAC Renovation	decrease budget	(\$249,900)	\$3,750,100	12/12/2007
4/6/2012	6073	USC Columbia	Maxcy College Renovation ¹	increase budget	\$249,900	\$3,999,900	11/5/2009
4/6/2012	9511	USC Lancaster	Deferred Maintenance ²	change source of funds	\$0	\$160,228	11/9/2011
4/19/2012	New	USC Columbia	Williams Street Acquisition ³	establish project	\$0	\$25,000	-
4/19/2012	6085	USC Columbia	Women's Quadrangle Renovations ⁴	establish construction budget	\$26,792,000	\$27,200,000	10/19/2010
4/19/2012	9810	MUSC	Storm Eye Institute Sanitary Sewer Riser Replacement ⁵	increase budget	\$435,000	\$995,000	7/1/2010
4/19/2012	9541	USC Upstate	Administration Building Repairs & Renovations ⁴	establish construction budget	\$3,940,000	\$4,000,000	10/19/2010
4/19/2012	New	Central Carolina TC	Sumter Land Acquisition (Former Walmart Property) ³	establish project	\$0	\$25,000	-
4/25/2012	6051	USC Columbia	DeSaussure Fire Protection/Renovation ⁶	decrease budget, revise scope	(\$248,000)	\$4,579,000	4/18/2008
4/25/2012	6072	USC Columbia	Harper/Elliott Renovations ⁷	increase budget, revise scope	\$248,000	\$4,228,000	11/5/2009
Close-Outs							
4/3/2012	9552	MUSC	Family Practice Chiller Replacement	decrease budget, close project	(\$2,391)	\$132,609	7/16/1990
4/3/2012	9579	MUSC	OSHA Safety Showers & Eye Wash Stations	decrease budget, close project	(\$23,633)	\$139,367	10/15/1991
4/3/2012	9580	MUSC	BSB Environmental Rooms Renovation	close project	\$0	\$100,000	11/1/1992
4/3/2012	9590	MUSC	ADA Modifications	decrease budget, close project	(\$366,499)	\$131,734	10/23/1992
4/3/2012	9611	MUSC	Library Renovations	decrease budget, close project	(\$234,483)	\$2,159,071	8/27/1993
4/3/2012	9688	MUSC	Storm Eye Institute Renovation	decrease budget, close project	(\$536,688)	\$1,263,312	3/8/1999
4/3/2012	9699	MUSC	Pharmacology Renovations	decrease budget, close project	(\$2,112,675)	\$5,887,325	7/2/1999
4/6/2012	9811	USC Columbia	SOM Building No. 3 Renovation	decrease budget, change source of funds, close project	(\$222,467)	\$9,127,533	1/16/1996
4/6/2012	6083	USC Columbia	Capstone Campus Room Renovations ⁸	cancel project	(\$10,500)	\$0	10/19/2010
4/6/2012	9508	USC Lancaster	Deferred Maintenance	decrease budget, close project	(\$348)	\$717,162	10/4/2005
4/6/2012	9890	Orangeburg-Calhoun TC	Classroom & Auditorium Building Construction	close project	\$0	\$5,575,000	2/23/2004
4/6/2012	9941	Orangeburg-Calhoun TC	Buildings 1400/1500/1600 Roof Replacement	close project	\$0	\$390,169	6/2/2005
4/6/2012	9942	Orangeburg-Calhoun TC	Administration, Health Sciences Buildings HVAC Upgrade	close project	\$0	\$145,625	6/1/2005
4/6/2012	9885	Trident TC	Building 700& 800 Renovations	decrease budget, close project	(\$224)	\$149,776	2/11/2004
4/6/2012	9996	Trident TC	Building 940 Roof Replacement	decrease budget, close project	(\$254,672)	\$385,328	11/7/2008
4/11/2012	9565	Coastal Carolina	Baseball Batting Facility	decrease budget, close project	(\$33,732)	\$1,166,268	5/7/2009
4/11/2012	9559	Francis Marion	Ervin Dining Hall Renovation	decrease budget, close project	(\$2,293)	\$1,497,707	9/9/2009
4/25/2012	9751	USC Columbia	Graduate Science Research Center	close project	\$0	\$34,993,008	10/10/1995

¹Increase budget with Housing Maintenance Reserve Funds from project #6048 to provide sufficient construction contingency to allow construction to proceed.

²Change source of funds of \$347.99 in Renovation Reserves to Appropriated State. Funds transferred from project #9508.

³Preliminary land acquisition.

⁴Approved by CHE on May 26, 2011 as part of FY 2011-12 CPIP year one.

⁵Project under PIP threshold. Coming through CHE because of the use of State Institution Bonds.

⁶Decrease budget to provide additional funding for project #6072 - Harper/Elliott Renovations. Reduction in scope includes removal of window replacement, exterior door replacement, and key card access installation.

⁷Major structural defects were encountered during the first phase of work. Increase budget and revise scope to fix rotted beams, rafters, flooring, and subflooring, and remove asbestos and mold in walls and ceiling.

⁸Cancel project because total budget is below the new PIP threshold.

Leases Approved by Staff
April 2012

Date Approved	Action	Institution	Project Name	Purpose/Additional Info	Rates	Term
4/17/2012	Renew	MUSC	Fishburne Street Parking Lot	To continue to provide 794 parking spaces for MUSC employees and students	Cost per Space per month - \$33.00; Monthly Rental Rate - \$26,202 (rounded); Annual Cost - \$314,424 (rent will increase 3% annually)	6/1/2012 to 5/31/2015
4/17/2012	Renew	MUSC	5900 Core Avenue	To continue to provide 5,404 SF of space for the Department of Psychiatry, Geriatric Research Center	Cost per SF - \$20.98 (rounded); Monthly Rental Rate - \$9,450; Annual Cost - \$113,400	7/1/2012 to 6/30/2013