



April 26, 2004

MEMORANDUM

TO: Rosemary Byerly, Chair, and
Members, Committee on Finance and Facilities

FROM: Charles D. FitzSimons, Director
Finance, Facilities, and MIS

Attached are an Agenda and descriptions of Agenda Items for our meeting scheduled to be held in the Commission Conference Room at 9:30 a.m. immediately prior to the Commission meeting on May 6.

A G E N D A

Finance and Facilities Committee Meeting
CHE Conference Room
May 6, 2004
9:30 a.m.

1. Introductions
2. Approval of Minutes of March 30th, 2004
3. Consideration of Interim Capital Projects
 - A. The Citadel, Law Barracks Replacement
 - B. Coastal Carolina, Atlantic Center Improvements
 - C. Clemson, Calhoun Courts Chill Water Lines
 - D. College of Charleston, Program/Academic Conversions, Various Campus Facilities
 - E. USC-Columbia, Kirkland Apartments Renovations
 - F. Tri-County TC, Cleveland Hall Addition
4. Consideration of Higher Education Excellence Enhancement Program Panel Recommendations
5. Other Business
6. Adjourn

MINUTES
SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION
Finance and Facilities Committee Meeting
March 30, 2004
2:30 p.m.
CHE Conference Room

CHE Members Present

Ms. Rosemary Byerly, Chair
Mr. Daniel Ravenel
Dr. Douglas R. Forbes
Mr. Austin Gilbert
Mr. James S. Konduros
Gen. Thomas R. Olsen

Mr. Henry Giles
Ms. Carol Routh
Mr. Charles Shawver
Dr. Dan Terhune
Mr. Richard Williams
Mr. Malone Zimmerman

Staff Present

Guests Present

Mr. Bill Bragdon
Ms. Donna Collins
Dr. Anthony Coyne
Mr. Bob Eisenhower

Mr. Conrad Festa
Mr. Charlie FitzSimons
Ms Betsy Gunter
Ms. Jan Stewart
Ms. Julie Wahl

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

Ms. Byerly, chair of the Committee on Finance and Facilities, called the meeting to order. She reported on the following matters:

I. Approval of Meeting Minutes of February 5, 2004

It was moved (Konduros), seconded, (Durham), and voted to approve the minutes of the meeting of February 5, 2004 as written.

II. Consideration of Interim Capital Projects

The following projects were presented for consideration by the Committee. The staff recommended favorably for each project.

Summary of Interim Capital Projects

<u>Institution</u>	<u>Project Name</u>	<u>Amount</u>	<u>Action</u>
The Citadel	Stadium Repl.-Demol. & Const.	\$5,502,000	increase/revise scope

Clemson	Edwards Hall Renov. A&E	1,300,000	increase/revise scope
	Jervy Athletic Ctr./McFadden Bldg.	1,300,000	increase/revise scope
College of Charleston	New Student Services Renovation	780,000	increase
Medical University	Children's Research Inst. Construct.	5,460,000	increase/chg fund source
	*Charleston County Health Complex Parking Garage	15,900,000	acquisition
SC State	Campus-wide Misc. Repairs	1,801,000	increase
USC-Columbia	School of Public Health Construction and Renovation	7,400,000	increase
Winthrop University	*Track and Track Building Construction	650,000	increase
Florence-Darlington TC	FDTC Tech. Mall/Adv. Mfg. Ctr.	11,150,000	increase

Leases

Medical University	Fishburne Street Parking Lease (Renewal)	236,250	annually
	30 Bee Street Lease (New)	199,168	annually

* Note that these two items were added to the agenda during the Committee meeting. The MUSC project had been under consideration by the Charleston County Council. The project had not been included on the agenda due to the expectation that County Council would not have finished its consideration of the project prior to the Committee's meeting. The Council took final action on the project the evening of March 29th. At the request of MUSC, the project was added to the agenda. The Commission staff was aware of the project well in advance of the meeting, but was withholding its recommendation pending County Council action. The Winthrop University project has been previously acted on by the Commission in September of 2003. The construction bids were received during the week of March 22nd. The bids were above the approved project amount and therefore required reconsideration by the Commission. Because of the Commission's familiarity with the project, the staff was able to prepare a recommendation in a timely fashion.

Information for Additional Agenda Items

Medical University

Charleston County Health Complex
Parking Garage

\$15,900,000 -acquisition

Source of Funds:

\$15,900,000 -parking revenue bonds

Description

MUSC is requesting approval to purchase the Charleston County Health Complex Parking garage located at the intersection of Charleston Center Drive and McClennan Banks Court. The property consists of a 2.309 acre site that is improved with a 7 story parking garage containing 8 parking levels with approximately 536,037 square feet of floored area and 1,587 parking spaces. The garage was constructed in 1993.

The University will pay approximately \$15.9 million for this property and the purchase will be financed entirely with parking revenue bonds. The entire acquisition cost as well as annual maintenance and operations will be paid from collected parking fees. No state or tuition and fee funds are involved.

Three critical issues drive the need for acquisition of this property. First, this 2.309 acre site is an integral portion of the land needed for long-term phased replacement of the University’s hospital. Second, additional University parking is a long-standing critical need which is profoundly exacerbated by the construction of Phase 1 of the replacement hospital, and other new on-campus construction. Third, additional parking capacity in this general area will be essential to the ultimate success of the Phase 1 Hospital.

Recommendation

The staff recommends approval of this project as proposed.

Winthrop University

Track and Track Building Construction

Track and Field Building	\$650,000	-increase
(Previous Budget - \$2,400,000)		

Source of Funds:	\$650,000	-institutional capital project funds
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Description

Winthrop University is requesting an increase in the cost of this project by \$650,000, due to recently received bid proposals in excess of the anticipated costs. The increases are directly attributable to increases in the petroleum and steel markets.

The project is to construct a competition quality track with a rubberized surface surrounding a full-size soccer field. The project also includes the construction of a two-story central structure with locker rooms, offices, and storage areas.

Recommendation

The staff recommends approval of this project as proposed.

It was moved (Konduros), seconded (Durham), and voted to approve the above interim capital projects.

The following project was also presented to the Committee for consideration. This project was considered separately due to its stated purpose of establishing a new campus.

Spartanburg TC

Land Purchase-Cherokee County

670,000 establish

Dr. Dan Terhune addressed the Committee and provided a detailed description of the project, including a discussion of the strength of the county and business community support.

It was moved (Konduros), seconded (Olsen), and voted to approve the above interim capital project.

III. Consideration of Proposed Regulations for Higher Education Excellence Enhancement Program

On February 19th, the Commission staff met with the Presidents and Representatives of the Higher Education Excellence Enhancement Program's eligible institutions. At the meeting, the Presidents were given copies of the proposed regulations which had been submitted for publication in the State Register. The Presidents requested two minor amendments in the language of the regulations. Both amendments are in Article VIII section 62-904. The word "Grants" was changed to "Proposal Evaluation," and a sentence was added "Awards may be made for the amount of the entire proposal or a portion of the proposal, as deemed appropriate by the Commission."

It was moved (Olsen), seconded (Konduros), and voted to approve the proposed regulations for the Higher Education Excellence Enhancement Program.

IV. Review of Life Sciences Act

Mr. FitzSimons gave a synopsis of the Life Sciences Act.

V. Other Business

On behalf of Dr. Festa and CHE staff, Mr. FitzSimons expressed gratitude for Committee members' flexibility of rearranging their schedules to attend this meeting.

There being no other business, the meeting was adjourned at 3:55 p.m.

Respectfully submitted,

Janet K. Stewart
Recorder

Interim Capital Projects

The following interim capital projects are submitted for consideration by the Committee on Finance and Facilities and the Commission on Higher Education. Detailed information on each project may be found on pages 2-4. Staff recommendations are included for your convenience.

Summary			
<u>Institution</u>	<u>Project Name</u>	<u>Amount</u>	<u>Action</u>
A. The Citadel	Law Barracks Replacement	\$ 17,700,000	increase/revise scope
B. Coastal Carolina	Atlantic Center Improvements	1,200,000	establish
C. Clemson	Calhoun Courts-Chill Water Lines	4,400,000	increase/revise scope
D. College of Chas.	Program/Academic Conversions		
	Various Campus Facilities	1,000,000	-increase
E. USC-Columbia	Kirkland Apartments Renovations	1,900,000	establish
F. Tri-County TC	Cleveland Hall Addition	800,000	change scope

Interim Capital Projects

A. The Citadel

Law Barracks Replacement \$ 17,700,000 -increase/revise scope/change name
(Pervious Budget = \$300,000)

Source of Funds: \$ 15,000,000 -revenue bonds
 3,000,000 -auxiliary maintenance reserve
 \$ 18,000,000

Discussion

This request is to increase the budget, revise the scope of work to include replacement costs, and change the name of the project to reflect the replacement of the project rather than the A&E work. The project will include the demolition of the existing Law Barracks and construction of a replacement building on the same site. The structure, which is 64 years old, is constructed of non-reinforced masonry. It has experienced extensive deterioration and does not meet current mechanical, seismic, or life-safety code requirements. Replacement of the project is the most cost effective means of dealing with the building’s problems. Total estimated project cost is \$18,000,000.

Recommendation

Staff recommends approval of this project as proposed.

B. Coastal Carolina

Atlantic Center Improvements \$ 1,200,000 -establish
Source of Funds: \$ 400,000 -appro. state program funds
 400,000 -ICPF¹
 400,000 -renovation reserve funds
 \$ 1,200,000

Discussion

This request is for the renovation of an existing facility into space that will support the expanding College of Natural and Applied Science. The project will consist of renovating approximately 35,500 square feet of warehouse and office space in the old Atlantic Center to provide classrooms, faculty and support staff offices, and laboratory space for the science programs. The number of science majors continues to expand and the additional space is necessary to accommodate the student population. The science disciplines currently meet in temporary locations awaiting the construction of a large science facility.

Recommendation

Staff recommends approval of this project as proposed.

¹ Institutional Capital Project Funds

C. Clemson University

Calhoun Courts – Chill Water

Lines Replacement \$ 4,400,000 -increase/revise scope

(Previous Budget = \$250,000)

Source of Funds:	\$ 2,400,000	-housing revenue bonds
	<u>2,000,000</u>	-housing improvement fund
	\$ 4,400,000	

Discussion

This request is to add funds to amend the A&E contract to proceed past design development and to provide the design for new life safety systems including fire alarms and sprinklers. The scope is also being revised to include replacing fan coil units.

Recommendation

Staff recommends approval of this project as proposed.

D. College of Charleston

Program/Academic Conversions

Various Campus Facilities \$ 1,000,000 -increase

(Previous Budget = \$1,947,000)

Source of Funds: \$ 1,000,000 -ICPF

Discussion

This project was established over ten years ago to enable the College to systematically respond to changing needs on the campus. The ability to convert space in response to changing needs is critical to the mission of the College. Past projects have included converting space for needed classrooms, labs and offices. The requested increase will be used primarily to adapt space in the old library, areas in the Lightsey Center and the Bell South Building to accommodate departments either being temporarily or permanently displaced due to renovations. These departments include student life personnel, School of Sciences and Mathematics functions, and School of the Arts faculty and activities.

Recommendation

Staff recommends approval of this project as proposed.

E. USC-Columbia

Kirkland Apartments \$ 1,900,000 -establish

Source of funds \$ 1,900,000 -federal

Discussion

This project is for the renovation of the Kirkland Apartments, a three-story, 14,173 square foot building currently owned by the USC Development Foundation. The University will lease the facility from the Foundation for a nominal fee, renovate it, and then will make it available to the

Department of Justice to be used by the staff of the National Advocacy Center. The project is to renovate and restore the interior and exterior of the facility. The total cost of the project is expected to be \$1.9 million.

Recommendation

Staff recommends approval of this project as proposed.

F. Tri-County TC

Cleveland Hall-Economic Dev.

Center Addition (Significant

change in scope) \$ 800,000 -change project name/revise scope

Source of Funds: \$ 800,000 -local funds

Discussion

The purpose of this request is to change the scope from deferred maintenance for four facilities to construction of additional space for one of the facilities. Under normal circumstances, changes in scope may be approved at staff level unless there are significant changes to the project.

The project was originally approved to upgrade the four facilities for mechanical, electrical, interior renovations, life safety and code compliance. In the interim, however, deferred maintenance for one of the facilities was completed through a separate project, and deferred maintenance at the remaining three buildings will also be addressed separately. The institution now proposes to construct an addition to Cleveland Hall, consisting of two classrooms and a 5500 square foot multi-purpose technology training lab.

The new space is needed to accommodate significant enrollment increases that will provide training to meet business and industry needs in the area. The project budget and source of funds has not changed. The College requests approval to change the name and scope of the project to reflect a new purpose.

The State Board for Technical and Comprehensive Education (SBTCE) will consider this scope change at its May meeting.

Recommendation

Staff recommends approval of the change in scope as described, pending SBTCE approval.

**Consideration of Higher Education Excellence Enhancement Program
Panel Recommendations**

During the 2003 Legislative Session, the General Assembly passed Act. 24, creating the Higher Education Excellence Enhancement Program. At the April Commission meeting, the proposed regulations for that program were approved. Those proposed regulations are currently proceeding through the Legislative approval process. In an effort to expedite the implementation of that program, the Commission staff has convened the review panel called for in the regulations process.

The panel will be meeting on Thursday April 29, 2004 to develop its recommendations. The panel will be considering a total of seven proposals received from five institutions. The relative merits of each proposal will be considered in developing recommendations to be presented to the Committee for consideration. The recommendations will be distributed to Committee and Commission members upon completion, and also posted on the Commission's webpage for public review.

The panel's recommendations will be presented to the Committee and Commission for consideration during their respective May 6, 2004 meetings. Any action by the Commission will be contingent upon final approval of the proposed regulations by the General Assembly, if such action has not occurred prior to the Commission meeting.