

Agenda Item 6.05

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Executive Director



South Carolina Commission on Higher Education

TO: Chairman John L. Finan and Members, S.C. Commission on Higher Education
FROM: Members of the Committee on Finance & Facilities
SUBJECT: Items for Consideration on April 2
DATE: March 26, 2015

Attached are items for your review and consideration at the April 2 Commission meeting. Please note the Committee on Finance and Facilities has not yet acted on these items but is scheduled to review and develop recommendations at its meeting scheduled for 9:30 a.m. on April 2. The Committee will bring its recommendations to the Commission for consideration at the Commission meeting. Staff recommendations are included for your information.

If you have any questions about a particular item, or if you need additional information, please contact Gary Glenn at (803) 737-2155.

6.05A Interim Capital Projects

1. Clemson University
 - a. Electrical Distribution System Upgrades and Replacements
- *establish project*
 - b. Football Operations Facility Construction
- *establish project*

2. University of South Carolina Beaufort
 - a. Hilton Head Island Hospitality Management Facility Construction
- *establish project*

3. Greenville Technical College
 - a. East Faris Road – Land Acquisition
- *increase budget (purchase property)*

6 .05B Lists of Capital Projects & Leases Processed by Staff for February & March 2015 (For Information, No Action Required)

Enclosures

DESCRIPTION OF INTERIM CAPITAL PROJECTS FOR CONSIDERATION

April 2, 2015

CLEMSON UNIVERSITY

PROJECT NAME: Electrical Distribution System Upgrades and Replacement
REQUESTED ACTION: Establish Project
REQUESTED ACTION AMOUNT: \$75,000,000
INITIAL CHE APPROVAL DATE: N/A

<u>Source of Funds</u>	<u>Phase I (Pre-Design)</u>	<u>Phase II (Construction)</u>	<u>Total Proposed Budget</u>
Maintenance and Stewardship Funds*	\$1,125,000	\$73,875,000	\$75,000,000
Total	\$1,125,000	\$73,825,000	\$75,000,000

*Additional funding sources (ICPF et al) will be determined following completion of Phase I(Pre-design).

DESCRIPTION:

The University requests approval to establish a project to upgrade the main campus electrical distribution system that was predominately constructed in the late 1950's through mid-1960. The work will include replacing aging electrical distribution automation capability to all switches to reduce outage durations and developing a central operations location to monitor and control and Distribution Automation System. It will also include converting remaining exposed overhead electrical facilities to underground, adding metering and controls to equipment in campus buildings with aging utility transformers and main gear, and making other modifications to the campus electrical system. The project will be a multi-year project to replace vulnerable sections of the aging electrical infrastructure in areas that have a higher probability of failure impacting major academic, research and student life activities.

This project was to be constructed in two phases and was included in the institution's FY 2014-15 CPIP years three and four. However, the institution has determined that the work should be consolidated and is moving forward with a single project.

According to institutional representatives, the House Ways and Means Committee has adopted a proviso to encourage Duke Energy to enter into negotiations with Clemson to address the feasibility of the development of this project. However, it remains critically important that this project be established for Phase 1 at this time so that Clemson can move forward with the planning.

E&G MAINTENANCE NEEDS:

The project will alleviate a portion of the \$41,352,156 in existing E&G infrastructure maintenance needs associated with electrical utility services over the next twenty years.

ANNUAL OPERATING COSTS/SAVINGS:

The project is not expected to generate additional operating costs at this time. Auxiliaries (Athletics, dorms, food service, etc. will be charged a portion of the costs associated with the system upgrades.)

RECOMMENDATION:

Staff recommends approval of this project as proposed.

CLEMSON UNIVERSITY

PROJECT NAME: Football Operations Facility Construction
REQUESTED ACTION: Establish Project
REQUESTED ACTION AMOUNT: \$62,500,000
INITIAL CHE APPROVAL DATE: N/A

<u>Source of Funds</u>	<u>Phase I (Pre-Design)</u>	<u>Phase II (Construction)</u>	<u>Total Proposed Budget</u>
Private Gifts (Athletic)	\$1,500,000	\$0	\$1,500,000
Athletic Revenue Bonds	\$0	\$61,000,000	\$61,000,000
<i>Total</i>	<i>\$1,500,000</i>	<i>\$61,000,000</i>	<i>\$62,500,000</i>

DESCRIPTION:

The University requests approval to establish a project to construct a football operations facility. The approximately 157,000 square foot facility will house all football operational functions. The facility will include coaches’ offices, team meeting rooms, student-athletic and coaches’ locker rooms, a weight room, training room, equipment room, and related spaces. The facility will be constructed near the Indoor Football Practice Facility and the outdoor practice field and will bring all football activity into close proximity.

The University contracted for a feasibility study for a football operations facility at identified programs in the conference. The study ranked Clemson 8th out of 14 schools that were part of the comparison. Major reasons for Clemson’s ranking included a noncontiguous football building, lack of exclusive training and rehab space for football, food service, and condensed weight room space. The results showed that the current facilities were not sufficient and recommended a 45% increase in square footage for the new football building, which would place it more in line with comparable football facilities across the nation. The study determined it was equally important that the location of the building be adjacent to the current indoor and outdoor football practice facilities. Further, NCAA governance changes have been and will continue to affect both staff sizes and additional programming that the University can provide to its student-athletes. This new building will allow the Athletics Department to better serve the needs of its student-athletes now and will provide needed space in the future as additional governance changes take place.

The Phase I (pre-design) budget is requested at approximately 2.4% of the estimated project cost. The additional amount will allow the University to provide the pre-construction services of a Construction Manager-at-Risk during the pre-design phase of the project and will provide geotechnical investigations, surveys of the site, and the required LEED cost benefit analysis.

E&G MAINTENANCE NEEDS:

N/A - Auxiliary

ANNUAL OPERATING COSTS/SAVINGS:

Utilities and maintenance will require additional operating costs of \$933,000 in the first year, \$960,990 in the second year, and \$989,820 in the third year following project completion.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

UNIVERSITY OF SOUTH CAROLINA BEAUFORT

PROJECT NAME: Hilton Head Island Hospitality Management Facility
 Construction
REQUESTED ACTION: Establish Project
REQUESTED ACTION AMOUNT: \$24,500,000
INITIAL CHE APPROVAL DATE: N/A

Source of Funds	Phase I (Pre-Design)	Phase II (Construction)	Total Proposed Budget
Private Funds	\$367,500	\$24,132,500	\$24,500,000
Total	\$367,500	\$24,132,500	\$24,500,000

DESCRIPTION:

The University requests approval to establish a project that will provide for the site development and construction of an approximately 39,150 square foot facility to house the USC Beaufort third and fourth year Hospitality Management academic program on Hilton Head Island. The building is envisioned to provide classrooms, a culinary lab, a library, office, and support spaces and the Osher Lifelong Learning Institute

Hilton Head Island regards the presence of USC Beaufort and a Hospitality Management program as a vital component to expanding their hospitality driven economy. The Town of Hilton Head is committed to investing \$22,000,000 to substantially assist in the creation of this academic facility on Hilton Head Island. The Beaufort-Jasper Higher Education Commission will add \$1,500,000 and \$1,000,000 will be privately gifted.

This project was included as priority number 4 in year two of the institution’s FY 2014-15 CPIP.

E&G MAINTENANCE NEEDS:

N/A – New Construction

ANNUAL OPERATING COSTS/SAVINGS:

Additional operating costs will be estimated following the completion of Phase 1.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

GREENVILLE TECHNICAL COLLEGE

PROJECT NAME: Greenville-East Faris Rd. – Land Acquisition
REQUESTED ACTION: Increase Budget (Purchase Property)
REQUESTED ACTION AMOUNT: \$179,500.00
INITIAL CHE APPROVAL DATE: December 9, 2014

<u>Source of Funds</u>	<u>Phase I (Enviro. Study)</u>	<u>Phase II (Purchase Price)</u>	<u>Total Proposed Budget</u>
Local Funds	\$20,000	\$179,500	\$199,500
<i>Total</i>	<i>\$20,000</i>	<i>\$179,500</i>	<i>\$199,500</i>

DESCRIPTION:

The College requests approval to increase the budget to purchased land for future expansion of student parking. The site is adjacent to the north entrance of the college. The parking lots for the Michelin Center, Engineering Technology, CAD/CAM Center, and the University Transfer Building are at maximum capacity. This property is adjacent to these lots and could provide relief of the existing overcrowded parking in these lots as well as easy access for students to these buildings.

E&G MAINTENANCE NEEDS:

N/A–Land Purchase.

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.

INFORMATION ITEM

Capital Projects & Leases Processed by Staff								
February 2015								
Date Approved	Project #	Institution	Project Name	Action Category	Budget Change	Revised Budget	Original Approval Date	Revised Building Condition Survey With Close-out
Maintenance Needs Projects using FY 2014-15 Lottery Allocation and Match								
2/11/2015	New	Coastal Carolina	2014-15 Maintenance Needs ¹	establish project	\$0	248,000.00	-	-
Routine Staff Approvals								
1/29/2015	New	Orangeburg-Calhoun TC	Health Science & Nursing Building ²	establish project	\$0	\$1,000,000	-	-
1/29/2015	New	Williamsburg TC	Facilities Management Building ²	establish project	\$0	\$750,000	-	-
2/11/2015	New	TC of the Lowcountry	Building 16 Renovation ²	establish project	\$0	\$975,000	-	-
2/18/2015	New	Winthrop University	Visual & Performing Arts Center Accreditation/ADA Access ²	establish project	\$0	\$750,000	-	-
2/18/2015	New	Winthrop University	Withers/WTS Building-Maintenance & Repair ²	establish project	\$0	\$159,738	-	-
Close-Outs								
1/29/2015	6029	USC Columbia	Honors Residence Hall Construction ³	decrease budget, change source of funds, close project	(\$31,492)	\$47,568,508	6/2/2005	-
1/29/2015	6032	USC Columbia	Harper Elliot Renovations/Fire Protection ⁴	decrease budget, change source of funds, revise scope, close project	(\$34,217)	\$978,247	11/3/2005	-
1/30/2015	9989	Midlands TC	Midlands-Northeast Classroom/Engineering Science-Facility ⁵	decrease budget, close project	(\$5,115,926)	\$22,984,074	10/5/2007	-
2/11/2015	9558	Winthrop University	Tillman Hall Renovation	decrease budget/close project	(\$2,010,000)	\$4,690,000	11/14/2006	-
2/11/2015	9573	Winthrop University	Withers/WTS Building Roof Replacement, Maintenance and Repairs	close project	\$0	\$750,000	9/25/2013	-

¹See supporting narrative.

²Project is funded with Appropriated funds from Proviso 118.16. These funds supersede CHE approval authority; therefore, the project is staff approved.

³Change source of funds from Revenue Bond (-\$475,000) to Housing Maintenance Reserve (+\$443,508) for a net decrease of -\$31,492.

⁴Harper Elliott contains both E&G and housing functions within the building. The original project scope only addressed the housing portion of the building. During the design, it was determined that upgrades for the entire building were necessary and the E&G portions were added to the project along with funding from Institutional Capital Project Funds (ICPF). Institution change source of funds from Housing Maintenance Reserve (-\$259,217) to ICPF (+\$225,000) for a net decrease of \$34,217.

⁵Savings credited to College Funds originally budgeted at \$6,353,392 and decreased to \$1,237,466.

INFORMATION ITEM

Capital Projects & Leases Processed by Staff								
March 2015								
Date Approved	Project #	Institution	Project Name	Action Category	Budget Change	Revised Budget	Original Approval Date	Revised Building Condition Survey With Close-out
Maintenance Needs Projects using FY 2014-15 Lottery Allocation and Match								
3/5/2015	New	SC State University	2014-15 Maintenance Needs ¹	establish project	\$0	\$309,684	-	-
Routine Staff Approvals								
3/13/2015	9916	Clemson University	Memorial Stadium Suites Renovation ²	increase budget	\$1,400,000	\$26,400,000	2/10/2014	-
3/13/2015	9901	Clemson University	Memorial Stadium WEZ Component III Construction ²	decrease budget	(\$1,400,000)	\$6,600,000	5/3/2012	-
3/16/2015	New	USC Beaufort	Hilton Head Island Land Acquisition for a Hospitality Management Facility	establish project	\$0	\$20,000	-	-
3/19/2015	9654	College of Charleston	Rutledge Rivers Residence Hall Renovation	increase budget	\$10,835,000	\$11,000,000	6/3/2014	-
3/19/2015	9659	College of Charleston	11 Glebe Street	increase budget	\$1,083,500	\$1,100,000	1/8/2015	-
3/19/2014	9650	College of Charleston	Simons Center for the Arts Renovation	increase budget	\$529,781	\$844,781	5/3/2012	-
Close-Outs								
3/16/2015	9805	Medical University of SC	BSB-Microbiology & Immunology Renovation	decrease budget, close project	(\$1,927)	\$6,614,847	4/23/2009	-
3/16/2015	9567	Francis Marion University	Medical Health Science Complex	close project	(\$20,000)	\$0	10/30/2013	-
3/16/2015	6095	Technical College of the Lowcountry	114 Elliot Street Purchase	decrease budget, close project	(\$3,476)	\$244,524	10/17/2014	-
¹ See supporting narrative.								
² Moved budget								

COASTAL CAROLINA UNIVERSITY

PROJECT NAME: 2014-15 Maintenance Needs
REQUESTED ACTION: Establish Project
REQUESTED ACTION AMOUNT: \$248,000
INITIAL CHE APPROVAL DATE: N/A

Project Budget	Previous	Change	Revised
Roofing Repair	\$0	\$248,000	\$248,000
Total	\$0	\$248,000	\$248,000

Source of Funds	Previous	Change	Revised
Lottery Appropriation 2014-15*	\$0	\$113,305	\$113,305
Lottery Match-Reno/Res. Plant Expansion	\$0	\$134,695	\$134,695
Total	\$0	\$248,000	\$248,000

**Per lottery proviso 3.5, these funds are allocated for critical equipment repair and replacement and may only be distributed to an institution to the extent the funds are matched (1:1) by the institution. Matching funds exclude supplemental, capital reserve, lottery, or other non-recurring appropriated state funds. Because these funds are appropriated, under the PIP definition for higher education projects, a permanent improvement project must be established. Since these projects are considered legislatively authorized and the matching funds are legislatively mandated, CHE has delegated staff the authority to process submitted projects if the projects are set up to conform to the lottery proviso.*

DESCRIPTION:

The University requests approval to establish a project to replace the aging roof at Coastal Science Center as a preventive measure. The roof is 17 years old and the new roll material will help with solar gain. This will eliminate concerns of leaks that may hinder productivity within the building and is accompanied with a 20 year warranty.

E&G MAINTENANCE NEEDS REDUCTION:

The Coastal Science Center roof has a rating of 3.67 out of 5. This project will alleviate a portion of the \$3,493,351 in existing maintenance needs over the next 20 years.

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: 2014-15 Maintenance Needs
REQUESTED ACTION: Establish Project
REQUESTED ACTION AMOUNT: \$309,684
INITIAL CHE APPROVAL DATE: N/A

Project Budget	Previous	Change	Revised
Building Interior Renovations	\$0	\$309,684	\$309,684
	\$0		
	\$0		
Total	\$0	\$309,684	\$309,684

Source of Funds	Previous	Change	Revised
Lottery Appropriation 2014-15*	\$0	\$154,842	\$154,842
Federal FY 2014-15 Funds	\$0	\$154,842	\$154,842
Total	\$0	\$309,684	\$309,684

**Per lottery proviso 3.5, these funds are allocated for critical equipment repair and replacement and may only be distributed to an institution to the extent the funds are matched (1:1) by the institution. Matching funds exclude supplemental, capital reserve, lottery, or other non-recurring appropriated state funds. Because these funds are appropriated, under the PIP definition for higher education projects, a permanent improvement project must be established. Since these projects are considered legislatively authorized and the matching funds are legislatively mandated, CHE has delegated staff the authority to process submitted projects if the projects are set up to conform to the lottery proviso.*

DESCRIPTION:

The University requests approval to establish a project to install a chiller at the K. W. Green Student Center harvested from Wills Hall and install a gas fired boiler at Hodge Hall/Davis Hall.

E&G MAINTENANCE NEEDS REDUCTION:

The project will alleviate a portion of the \$15,705,293 in combined existing maintenance needs.

ANNUAL OPERATING COSTS/SAVINGS:

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