

## **DESCRIPTION OF INTERIM CAPITAL PROJECT FOR CONSIDERATION**

November 2, 2017

### **USC-COLUMBIA**

**PROJECT NAME:** Speech and Hearing Up-fit for the Department of Communication Sciences and Disorders

**REQUESTED ACTION:** Establish Project (Phase I)

**REQUESTED ACTION AMOUNT:** \$30,000 (1.5%)

*Internal Estimated Cost:* \$2,000,000

**PREVIOUS CHE ACTIONS:** N/A

### **DESCRIPTION:**

The University of South Carolina requests to establish a project to renovate and up-fit 20,000SF of available space in the Close-Hipp Building. This project was included as priority 4 of 9 for Year 1 on the 2017 CPIP, and the budget for Phase I is proposed at 1.5%. The majority of the budget will be funded with private donations, the Foundations will advance \$1.5M for the project as pledged funds are received in annual installments of \$300,000, with the remaining budget sourced with Institutional Funds from the Department. Department funds are available from the current tuition and fee structure and patient revenues.

This project will enable the Speech and Hearing Department, which has been located off-campus since its inception over 40 years ago, to relocate both the academic and research functions back to campus from private lease space. The current lease for 17,719SF of off-campus space ends in the summer of 2019, at which time the Department will be displaced due to a change in building ownership. The Department has been paying annual operating costs of approximately \$53,000 at the leased location with patient fees and Department funds, and expects the renovated on-campus space to be more cost-effective.

The space in Close-Hipp was previously used as the Library for the Darla Moore School of Business, and has been underutilized since 2015. It will be renovated and up-fitted to create additional academic space, computer labs, clinical exam rooms, and faculty offices to accommodate program growth. Students and staff will be absorbed into the university parking system, and will incur the standard parking costs for on-campus parking.

### **E&G MAINTENANCE NEEDS:**

Maintenance of the renovated space will be funded from the Education and General Maintenance Reserve, which is replenished annually to address planned capital renewal projects.

### **ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS:**

At this time, no additional operating costs are expected.

FOR DEPARTMENT USE ONLY	
CHE	_____
JBRC	_____
SFAA	_____
JBRC Staff	_____
ADMIN Staff	_____
A-1 Form Mailed	_____
SPIRS Date	_____
Summary	_____

(For Department Use Only)
SUMMARY NUMBER
FORM NUMBER

**PERMANENT IMPROVEMENT PROJECT REQUEST**

1. AGENCY Code H27 Name USC Columbia  
 Contact Person Derek S. Gruner Phone (803) 777-1184
2. PROJECT Project # \_\_\_\_\_ Name Speech and Hearing Upfit for the Department of Communication Sciences and Disorders  
 Facility # 036 Facility Name Close-Hipp Building

County Code	40 - Richland
New/Revised Budget	\$30,000.00

Project Type	3 - Repair/Renovate Existing Facilities/Systems
Facility Type	2 - Program/Academic

3. CPIP PROJECT APPROVAL FOR CURRENT FISCAL YEAR  
 CPIP priority number 4 of 9 for FY 2018.

4. PROJECT ACTION PROPOSED (Indicate all requested actions by checking the appropriate boxes.)

Establish Project	<input checked="" type="checkbox"/>	Decrease Budget	<input type="checkbox"/>	Close Project	<input type="checkbox"/>
Establish Project - CPIP	<input type="checkbox"/>	Change Source of Funds	<input type="checkbox"/>	Change Project Name	<input type="checkbox"/>
Increase Budget	<input type="checkbox"/>	Revise Scope	<input type="checkbox"/>	Cancel Project	<input type="checkbox"/>

5. PROJECT DESCRIPTION AND JUSTIFICATION  
 (Explain and justify the project or revision, including what it is, why it is needed, and any alternatives considered. Attach supporting documentation/maps to fully convey the need for the request.)

ACTION: Establish Project

DESCRIPTION: The project will renovate and upfit up to 20,000 square feet of available space in the Close-Hipp academic building to accommodate the Speech and Hearing Department of Communication Science and Disorders. The Speech and Hearing Department currently resides in private lease space on Lady Street in the City of Columbia and their lease term ends in the summer of 2019. The renovation and upfit will create academic space, computer labs, clinical exam rooms, faculty offices and allow for needed growth in the program. The project will enable the Speech and Hearing Department to avoid future lease payments and improve connectivity with the campus benefiting the students and faculty in the academic program.

JUSTIFICATION: The project will relocate an academic and research program to available campus space, eliminate future lease payments and be more convenient for students and faculty.

BUDGET: The total projected cost for this project is \$2,000,000 to be 80 % funded with private gifts.

6. OPERATING COSTS IMPLICATIONS  
 Attach Form A-49 if any additional operating costs or savings will result from this request. This includes costs to be absorbed with current funding.

7. ESTIMATED PROJECT SCHEDULE AND EXPENDITURES  
 Estimated Start Date: December 2017 Estimated Completion Date: June 2019  
 Estimated Expenditures: Thru Current FY: \$30,000.00 After Current FY: \$1,970,000.00

8. ESTIMATES OF NEW/REVISED PROJECT COSTS

<b>PROJECT #</b>	
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- |                     |                                       |                        |                   |
|---------------------|---------------------------------------|------------------------|-------------------|
| 1. _____            | Land Purchase ---->                   | Land: _____            | Acres             |
| 2. _____            | Building Purchase ---->               | Floor Space: _____     | Gross Square Feet |
| 3. <u>30,000.00</u> | Professional Services Fees            |                        |                   |
| 4. _____            | Equipment and/or Materials ---->      | Information Technology | _____             |
| 5. _____            | Site Development                      |                        |                   |
| 6. _____            | New Construction ---->                | Floor Space: _____     | Gross Square Feet |
| 7. _____            | Renovations - Building Interior ----> | Floor Space: _____     | Gross Square Feet |
| 8. _____            | Renovations - Utilities               |                        |                   |
| 9. _____            | Roofing - _____ Roof Age              |                        |                   |
| 10. _____           | Renovations - Building Exterior       |                        |                   |
| 11. _____           | Other Permanent Improvements          |                        |                   |
| 12. _____           | Landscaping                           |                        |                   |
| 13. _____           | Builders Risk Insurance               |                        |                   |
| 14. _____           | Other Capital Outlay                  |                        |                   |
| 15. _____           | Labor Costs                           |                        |                   |
| 16. _____           | Bond Issue Costs                      |                        |                   |
| 17. _____           | Other: _____                          |                        |                   |
| 18. _____           | Contingency                           |                        |                   |

\$30,000.00 TOTAL PROJECT BUDGET

ENVIRONMENTAL HAZARDS	
Identify all types of significant environmental hazards (including asbestos, PCB's, etc.,) present in the project and the financial impact they will have on the project.	
Type: _____	_____
<u>Cost Breakdown</u>	
Design Services	\$ _____
Monitoring	\$ _____
Abate/Remed	\$ _____
Total Costs	\$ _____ 0.00

9. PROPOSED SOURCE OF FUNDING

Source	Previously Approved Amount	Increase/Decrease	Original/Revised Budget	Transfer to/from Proj. #	Rev Object Code	Treasurer's ID Number	Rev Sub Fund	Exp Sub Fund
(0) CIB, Group			0.00 0.00		8115		3043	3043
(1) Dept. CIB, Group			0.00 0.00		8115		3143	3143
(2) Institution Bonds			0.00 0.00					3235
(3) Revenue Bonds			0.00 0.00					3393
(4) Excess Debt Service			0.00 0.00					3497
(5) Capital Reserve Fund			0.00 0.00		8895		3603	3603
(6) Appropriated State			0.00 0.00		8895	68800100	1001	3600
(7) Federal			0.00 0.00			78800100		5787
(8) Athletic			0.00 0.00			88800100		3807
(9) Other (Specify) Gifts	30,000.00		30,000.00 0.00 0.00			98800100		3907
<b>TOTAL BUDGET</b>	<b>\$30,000.00</b>	<b>\$0.00</b>	<b>\$30,000.00</b>					

10. SUBMITTED BY: D Bruner Director, Planning and Programming September 28, 2017  
 Signature of Authorized Official and Title Date

11. APPROVED BY: \_\_\_\_\_  
 (For Department Use Only) Authorized Signature and Title Date



**PERMANENT IMPROVEMENT PROJECT INFORMATION FORMAT  
FOR PHASE I A&E PRE-DESIGN PROJECTS**

**Speech and Hearing Upfit for the Department of Communication Sciences and Disorders**

1. What is the internal projected cost of the project?

The total internal projected cost for this project is \$2,000,000.

2. What is/are the source(s) of funds to be used for A&E pre-design?

The source of funds for A&E pre-design are Private Gifts.

3. What is your agency/institution's definition of the source(s) of funds used for the A&E pre-design? (Please be specific for each source and if there is a statutory authority authorizing the use of the funds for capital projects for the source, please cite the code section. If a source includes any type of fee, what is the fee called, what is the fee amount and when was it put in place?)

Private gifts are funds received from a private donor. In this case, they are reserved specifically for this project.

4. What is the current fund balance of uncommitted funds in the source of funds for A&E pre-design?

The current fund balance is \$30,000.

5. What is the source(s) of funds to be used for construction?

\$1,500,000 of Private Gifts and \$500,000 of Institutional Funds.

6. What is your agency/institution's definition of the source(s) of funds to be used for construction? (Please be specific for each if different from those in 3 above. If there is statutory authority authorizing the use of the funds for capital project, please cite the code section and if a source includes a fee, what is the fee called, what is the fee amount and when was it put in place?)

Private gifts are funds received from a private donor.

Institutional Funds are funds available to the University from a variety of sources including tuition and fees, sales and services activities, and other miscellaneous sources. There is no specific statutory authority other than the general authority to charge fees as necessary for operations (59-117-40(9)).

7. What is the current fund balance of uncommitted funds in each source to be used for construction?

Total private gifts donated specifically for this project currently have an uncommitted balance of \$1,500,000.

Total Institutional Funds from the Department currently have an uncommitted balance of \$500,000 available for use in funding this project.

8. Will the use of any funds for A&E pre-design or for construction require an increase in any student fee or tuition?

No increase in student fees is required.

9. If the use of any funds for A&E pre-design or construction will require any student fee or tuition increase, please explain and include the amount of the fees annually or by semester, what the fee is called and when it was put in place.

The question is not applicable to this project.

10. What is the total square footage of the building to be renovated or constructed?

The total square footage of the Close-Hipp Building is 341,000.

11. If a portion of the building is to be renovated, what is the square footage of the portion that will be included in the renovation?

The project will renovate up to 20,000 square feet in the Close-Hipp Building. This project is separate from the larger ongoing maintenance renovation of building systems in Close-Hipp.

12. What program(s) will use the space to be renovated/constructed?

The Department of Communication Sciences and Disorders within the Arnold School of Public Health

13. What is the current age of the building to be renovated?

The Close Building was built in 1973 and the Hipp Building was built in 1983, making them 44 years and 34 years, respectively.

14. What is the current age of the building system(s) to be renovated or replaced?

44 years and 34 years

15. If any new space is being added to the facility, please provide demand/usage data to support the need.

No new space is being added to the facility.

16. If the A&E pre-design request is above 1.5% of the internal estimated cost of the project, what is the reason the amount exceeds 1.5%?

The A/E pre-design request is not above 1.5%.

17. What are the estimated numbers of students, faculty, staff and/or clients that are expected to use the space affected by the project or for the entire building? (Answer for as many as are applicable.)

Estimated students that will use the space are 80 with an additional 135 students involved through distance education. 25 Faculty members will use the space. Clients who visit the clinic will make an estimated 6000 visits annually based on previous data.

18. Has the project been included in a previous year's CPIP? If so, what was the last year the project was included and for which year, 1-5?

The project is included in Year 1 of the 2017 CPIP. It was listed as priority number 4 of 9, however, the urgency of occupying the renovated space ahead of the lease termination in 2019 requires submittal ahead of CPIP priorities 1-3.

19. What are the economic impacts of the project, including job creation and retention? If there are none, please explain.

This project will provide economic activity through the construction project itself. Construction creates and/or retains jobs in three ways: 1) it creates direct jobs that are involved in the construction project; 2) it creates indirect jobs through the manufacturing of building materials and systems and the provision of key services in areas like design professions, legal, and accounting services; and 3) it creates induced jobs in other service areas whereby income from the first two categories is spent on goods and services in other areas of the economy. It is estimated that this project will generate 40 jobs.

20. How will your agency/institution address and fund maintenance of this facility construction/renovation?

Maintenance will be funded from the Education and General Maintenance Reserve.

21. If your agency/institution has a deferred maintenance account, what is the name of the account and what is its current uncommitted balance?

Education and General Maintenance Reserve. At this time, there is no uncommitted balance in the E&G Maintenance Reserve Fund account after factoring in all planned projects. The E&G Maintenance Reserve Fund is replenished annually.

22. If how maintenance will be addressed and funded for this facility construction/renovation has not been determined yet, what steps are in place to begin to address how your agency/institution will fund maintenance to this and other agency/institution facilities?

The funding of maintenance is described in the answers to questions 20 and 21.



UNIVERSITY OF  
**SOUTH CAROLINA**

University Foundations

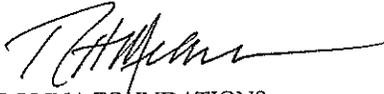
Russell H. Meekins, CPA  
Executive Director

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INTEROFFICE MEMORANDUM

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**TO:** DEREK S. GRUNER, RA, LEED AP, NCARB  
UNIVERSITY ARCHITECT

**FROM:** RUSSELL H. MEEKINS, CPA  
EXECUTIVE DIRECTOR   
UNIVERSITY OF SOUTH CAROLINA FOUNDATIONS

**SUBJECT:** ADVANCE OF \$1,500,000 TO THE DEPARTMENT OF COMMUNICATION SCIENCES  
AND DISORDERS RENOVATION FUND

**DATE:** MAY 24, 2017

**CC:** DAVID SOJOURNER, THOMAS CHANDLER, KENN APEL, JANCY HOUCK, CHRIS  
MYERS, ELEANOR FOSTER SWARAT

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The University of South Carolina Foundations ("Foundations") is willing to advance \$1,500,000 to be added to The Department of Communication Sciences and Disorders Renovation Fund that was established by a Gift Agreement between the Arnold School of Public Health and the University of South Carolina Development Foundation, dated April 21, 2017 (Exhibit A). This commitment is based on future payment of \$1,500,000 ("Pledge Obligation") to the Foundations by the Montgomery Family Foundation to be paid on or before December 31, 2022 in annual installments of \$300,000 beginning on December 31, 2018 as evidenced in separate letter (Exhibit B). Additionally, Al and Marcia Montgomery jointly and severally guarantee the payment of this Pledge Obligation (Exhibit C).

Please submit this memorandum and related exhibits in order to obtain the necessary approvals to begin this renovation and upfitting of the second floor of the Hipp Building and a portion of the second floor of the Close Building at 1705 College Street in Columbia, South Carolina. I understand that the Department of Communication Sciences and Disorders as well as the University of South Carolina Speech and Hearing Research Center will reside in this space. With respect to dedicated parking in the lower level of the parking garage by the Close-Hipp Building, I understand that you will be handling this procurement.

# EXHIBIT A

## GIFT AGREEMENT

### TO ESTABLISH

#### THE DEPARTMENT OF COMMUNICATION SCIENCES AND DISORDERS RENOVATION FUND

THIS AGREEMENT is made this 21<sup>st</sup> day of APRIL, 2017, to summarize the mutual understanding of the Arnold School of Public Health ("Arnold School") and the University of South Carolina Development Foundation ("Foundation") regarding the establishment of a fund. This agreement will be made part of the Foundation's permanent records and is intended to serve as a guide to those who will administer this fund in the future.

#### Description of the Gift

Numerous donors plan to make private contributions to establish an unendowed fund in the Foundation to be known as The Department of Communication Sciences and Disorders Renovation Fund ("Fund"). The Foundation agrees that the Fund will be used as outlined by this document. Additional contributions may be made to this Fund at any time.

#### Purpose and Administration of the Fund

The purpose of this Fund is to provide support for the renovation and upfitting of the second floor of the Hipp Building and a portion of the second floor of the Close Building at 1705 College Street in Columbia, South Carolina for space to be shared by the Department of Communication Sciences and Disorders and the University of South Carolina Speech and Hearing Research Center to include, but not limited to, furnishings, equipment and improvements. This will create a synergy between the clinical endeavors and research for students and faculty. All disbursements from the Fund shall be authorized by the Dean of the Arnold School of Public Health in Columbia, South Carolina or his or her designee.

The Foundation or its appointee(s) shall have full authority and discretion to manage said funds contributed by the donors either separately or pooled with other funds held in its fiduciary capacity.

This unendowed fund shall be disbursed according to the Foundation's Accounts Payable Policy.

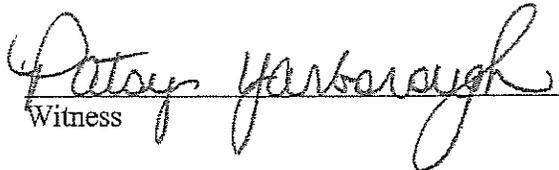
#### Unforeseeable Circumstances

University of South Carolina ("University") and Foundation naming opportunities, including named funds, shall only bear the name of individuals or entities that exemplify attributes of integrity, character and leadership consistent with the highest values of the University. Should those standards be violated, the University and the Foundation reserve the right to remove the donors'/honoree's name from such naming opportunity.

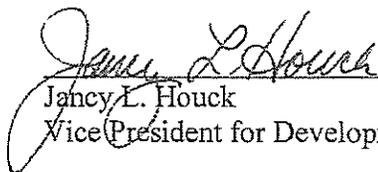
The Fund shall at all times be subject to the power of the Board of Directors of the Foundation to eliminate or modify any restriction, condition, or limitation imposed with respect to the Fund if, in the judgment of the Board of Directors, in consultation with appropriate University administration, such restriction, condition, or limitation becomes impracticable, unnecessary, incapable of fulfillment, or inconsistent with the educational or scholarship needs of the University. In such event, the Fund shall be used for such educational uses and purposes as the Board of Directors, in consultation with appropriate University administration, shall deem necessary and advisable. The Board of Directors will keep in mind the intent and purpose for which the Fund was originally established and will act in accordance with the South Carolina Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). This agreement may be amended in writing, signed by all parties.



G. Thomas Chandler  
Dean  
Arnold School of Public Health



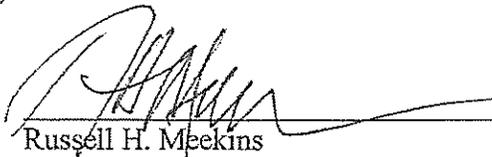
Witness



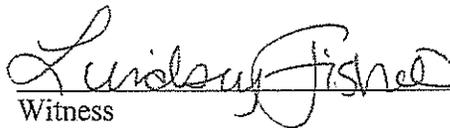
Jancy L. Houck  
Vice President for Development



Witness



Russell H. Meekins  
Executive Director  
University Foundations



Witness

# EXHIBIT B

Montgomery Family Foundation  
6732 Cary Lane  
Columbia, SC 29206

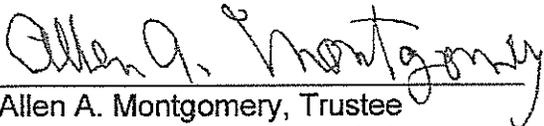
May 18, 2017

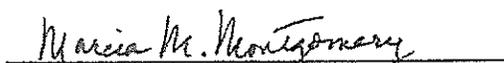
Mr. Russell H. Meekins  
Executive Director  
USC Foundations  
1027 Barnwell Street  
Columbia, SC 29208

Dear Russ:

This letter will confirm the Montgomery Family Foundation's pledge of \$1,500,000 to the University of South Carolina Development Foundation to be added to the Department of Communication Sciences and Disorders Renovation Fund which was established by a Gift Agreement between the Arnold School of Public Health and the University of South Carolina Development Foundation dated April 21, 2017.

This commitment will be paid on or before December 31, 2022. It is the Montgomery Family Foundation's intent to pay this pledge in five annual installments of \$300,000 each with the first installment due on December 31, 2018.

  
Allen A. Montgomery, Trustee  
Montgomery Family Foundation

  
Marcia M. Montgomery, Trustee  
Montgomery Family Foundation

cc: Eleanor Foster Swarat, Esquire  
Associate Vice President of Development

# EXHIBIT C

**Allen A. Montgomery  
Marcia M. Montgomery  
6732 Cary Lane  
Columbia, SC 29206**

**May 18, 2017**

Mr. Russell H. Meekins  
Executive Director  
USC Foundations  
1027 Barnwell Street  
Columbia, SC 29208

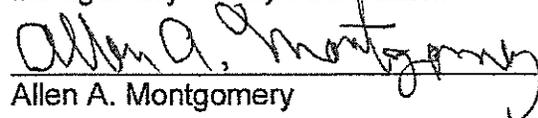
Dear Russ:

By separate letter, the Montgomery Family Foundation has made a pledge of \$1,500,000 to the University of South Carolina Development Foundation to be added to the Department of Communication Sciences and Disorders Renovation Fund which was established by a Gift Agreement between the Arnold School of Public Health and the University of South Carolina Development Foundation dated April 21, 2017 (the "Pledge Obligation"). The Pledge Obligation is to be paid on or before December 31, 2022 and the Montgomery Family Foundation has stated its intent to pay the commitment in five annual installments of \$300,000 each with the first installment due on December 31, 2018.

The undersigned hereby jointly and severally guarantee the payment of this Pledge Obligation and acknowledge that this guarantee is binding upon the undersigned and their personal representatives and successors and that this guarantee shall remain in full force and effect until the Pledge Obligation is satisfied and paid in full.

Any gifts or other payments made by the undersigned to the University of South Carolina Development Foundation while the Pledge Obligation is outstanding shall be applied to the Pledge Obligation regardless of whether such gifts or payments have been made voluntarily or have been demanded pursuant to this guarantee.

In the event that the undersigned make any gifts or other payments that are applied to this Pledge Obligation, the undersigned hereby waive any claims that they may otherwise have for reimbursement, subrogation, indemnification or contribution from the Montgomery Family Foundation.

  
Allen A. Montgomery

  
Marcia M. Montgomery

cc: Eleanor Foster Swarat, Esquire  
Associate Vice President of Development