



August 22, 2005

MEMORANDUM

TO: Dr. Layton McCurdy, Chair, and Members,
Commission on Higher Education

FROM: Rosemary Byerly, Chair, Committee on Finance and Facilities

SUBJECT: Interim Capital Projects for Consideration

Attached are descriptions of interim capital projects for review and consideration at the Commission meeting on September 1. Please note the Committee on Finance and Facilities is has not yet considered these projects. The Committee is scheduled to meet at 9:45 a.m. prior to the Commission meeting to review the projects and formulate its recommendations to the Commission. Staff recommendations are included for your information.

A summary listing of the projects is included below.

College of Charleston			
	Maybank Hall Renovation	\$2,000,000	-establish project
USC-Columbia			
	Steam Line Replacement/Repair	\$1,000,000	-establish project
Midlands TC			
	Campus Accelerator, Northeast	\$5,000,000	-establish project
	Exterior Lighting Upgrades	1,800,000	-establish project
Coastal Carolina University (Lease)		\$ 450,000	-estimated per/year
	Replacement Lease for Myrtle Beach Higher Education Center		

Also attached for information is a list of staff approvals for July 2005.

If you have any questions about the projects, or if you need additional information, please contact me or Lynn Metcalf at (803) 737-2265.

Descriptions of Interim Capital Projects for Consideration
September 1, 2005

College of Charleston

Maybank Hall Renovation	\$ 2,000,000	–establish project
<i>Proposed Budget:</i>	\$ 100,000	–professional service fees
	1,800,000	–renovations, building interior (46,686 SF)
	<u>100,000</u>	–contingency
<i>Total:</i>	\$ 2,000,000	
 Source of Funds:	 \$ 2,000,000	 –excess debt service

Description

The request is to establish a project for the renovation of Maybank Hall. Maybank Hall is a 46,686 square foot (SF) classroom and office building that was built in 1973. The facility has never been renovated. The proposed scope of work includes replacing the entire HVAC system, interior lighting and ceiling system, and upgrading the electrical system. These building systems are at the end of their useful life and require replacement or upgrading to meet today's standards.

The budget includes \$100,000 in professional service fees, \$100,000 in contingency, and \$1,800,000 for renovations to the building systems.

Recommendation

Staff recommends approval of this project as proposed.

USC-Columbia

Steam Line Replacement/Repair	\$ 1,000,000	–establish project
<i>Proposed Budget:</i>	\$ 85,000	–professional service fees
	865,000	–repair/replacement
	<u>50,000</u>	–contingency
<i>Total:</i>	\$ 1,000,000	
 Source of Funds:	 \$ 500,000	 –capital reserve fund (State)
	<u>500,000</u>	–institutional capital project funds
	\$ 1,000,000	

Description

This project is intended to fund an on-going process of repairing and replacing underground utility lines in the University's energy distribution system. The campus has an aging energy distribution system and there is a constant need to repair steam and chilled water leaks. The steam system is the top priority system for repair, because of the cost and severity of collateral damage done by steam leaks.

In addition, USC plans to construct a utility tunnel beneath Wheat Street, from the northwest corner of the Blatt PE Center to the manhole at the southeast corner of South Quad Housing. Work will include construction of a steam vault at the northeast corner of the Blatt PE Center and the replacement of steam, condensate, and chilled water lines in the area with new lines in the utility tunnel. The total projected cost of the project is \$1 million. The Legislature provided \$500,000 of one-time capital reserve funds specifically for this project in the 2005-2006 Appropriations.

Recommendations

Staff recommends approval of this project as proposed.

Midlands Technical College

Campus Accelerator Northeast Campus \$ 5,000,000 –establish project

<i>Proposed Budget:</i>	\$ 350,000	<i>–professional service fees</i>
	700,000	<i>–equipment/ materials (\$500k for IT)</i>
	828,000	<i>–site development</i>
	2,600,000	<i>–new construction (25,000 SF)</i>
	12,000	<i>–landscaping</i>
	10,000	<i>–builder’s risk insurance</i>
	<u>500,000</u>	<i>–contingency</i>
<i>Total:</i>	\$ 5,000,000	

Source of Funds: \$ 5,000,000 –local (county) funds

Description

Midlands TC proposed to construct a 25,000 SF business accelerator with flexible multi-bay space designed to accommodate several emerging businesses or technologies as they ramp up initial production. The facility will have flexible bays designed to accommodate foreseeable technologies that are projected to be key economic sources for the State. It will enable the college to attract businesses that are emerging from incubators at research institutions such as USC, but may not be ready for full scale production. The accelerator will provide the resources for these businesses as they gear up to full production and become a source of high paying, quality jobs. One of the major goals of the State is to compete for quality, high tech jobs. This facility will enable the college to help grow cutting edge technologies and contribute to the economic development of the State. This project, in whole, will be a catalyst for economic development in the region. The facility will provide small businesses with facilities for start-up and training. It will provide training in emerging technologies in conjunction with the Center for Excellence, currently located at the Northeast Campus.

Recommendation

Staff recommends approval of this project as proposed.

Midlands Technical College

Exterior Lighting Upgrades –
Campus-wide

\$ 1,800,000 –establish project

Proposed Budget:

\$ 116,000 –professional service fees

1,504,000 –renovations – utilities

180,000 –contingency

Total:

\$ 1,800,000

Source of Funds:

\$ 1,800,000 –local (county) funds

Description

This project consists of complete replacement of exterior fixtures at the Harbison Campus and selective replacement and installation of additional lighting fixtures at the three other campuses. In early 2005, the College contracted with GWA, inc. to determine exterior illumination levels at all four campuses. There were many instances where the lighting levels were judged to be inadequate. This project is the outcome of the study based on recommendations from the engineers. This project will bring illumination levels up to the Illuminating Engineering Society's design criteria standards that will provide a safe environment for students, faculty, staff, and visitors of the college.

Recommendation

Staff recommends approval of this project as proposed.

LEASE

Coastal Carolina University

Replacement Lease for Myrtle Beach
Higher Education Center

\$ 450,000 –per yr (estimated)

Source of Funds:

\$ 450,000 –revenues from center

Description

For five years, Coastal Carolina University has operated an off-campus site in downtown Myrtle Beach for the offering of credit and non-credit courses. The site serves as a convenience for students, many of whom would not be able to otherwise attend college. The site serves a large working population, both older students and students desiring to complete their degree work. The site does not have permanent faculty offices or other student-support services as it is not a "campus." The Myrtle Beach site has had a steady growth in credit enrollments. In 2001-02, enrollments were at 232. The number rose to 946 enrollments for the 2004-05 academic year.

The Myrtle Beach site has been located in the Myrtle Square Mall, occupying approximately 20,000 sq. ft. The mall has already closed and is scheduled for demolition at the end of the Fall 2005 semester. Through the generosity of Burroughs and Chapin, Coastal was able to make use

of the space at an extremely low rent which did not reach the threshold of required approval of the lease.

However, in considering the continuing needs of the clientele, the institution needs to obtain appropriate instructional space in Myrtle Beach. Coastal is seeking to replace the space through a lease to be bid on the open market. Depending on the location and market rate, the institution anticipates an annual lease cost of approximately \$450,000. The total net revenue generated for FY05, after subtracting direct expenses, was approximately \$800,000. That amount is more than adequate to ensure the site will continue to be at least self-sustaining in offering these services.

As an emergency interim solution to the space problem, Coastal has arranged with Horry-Georgetown Technical College (HGTC) to offer a somewhat reduced schedule of Coastal's ongoing classes for the Spring 2006 semester at HGTC's Myrtle Beach Air Force Base facility. While HGTC can accommodate these limited offerings for the spring and possibly summer semesters, Coastal must find a suitable location by August 2006.

With the assistance of Budget and Control Board staff, an RFP for a suitable lease is being advertised. The institution understands the approval of location and market rate is the responsibility of the Budget and Control Board. In addition, CHE's approval of Coastal's continuing the programmatic offerings will be subject to approval of lease costs by the State Budget and Control Board.

Recommendation

Staff recommends approval of this project as proposed, provided the Budget and Control Board approves the rates and terms of the Lease.

For Information:

List of Permanent Improvement Projects Approved by the Staff – July 2005

PERMANENT IMPROVEMENT PROJECTS						
APPROVED BY STAFF						
Jul-05						
Date Appr.	Project #	Institution	Project Name	Action Category	Budget Chg.	Revised Budget
7/14/2005	9750	Clemson	Fike Recreation/Wellness Ctr/Littlejohn Const/Reno	decrease budget, close	\$ (2,083)	\$ 21,307,917
7/14/2005	9556	Coll. Of Charleston	Outdoor Athletics Ctr. Construction	change source of funds		
7/14/2005	9578	Coll. Of Charleston	Patriots Point Tennis Complex Const.	change source of funds		
7/14/2005	9598	Coll. Of Charleston	Sottile House Renovation	decrease budget, close	\$ (1,058)	\$ 608,942
7/14/2005	9545	Winthrop	Coliseum Improvements	increase budget, close	\$ 60,955	\$ 685,955
7/14/2005	9878	Horry-Georgetown TC	HVAC Renov. Grand Strand	decrease budget, close	\$ (40,986)	\$ 344,014
7/14/2005	9807	Horry-Georgetown TC	Grand Stand LRC Adminis. Renov.	increase budget, close	\$ 32,000	\$ 1,959,650
7/14/2005	9696	Horry-Georgetown TC	Library/Student Support Bldg. Constr.	close		
7/14/2005	9856	Horry-Georgetown TC	Bldg. 100, 200, 500, 800, 900 Renov.	close		
7/14/2005	9857	Horry-Georgetown TC	Parking Resurfacing & Curbing	decrease budget, close	\$ (53,446)	\$ 354,530
7/14/2005	9876	Horry-Georgetown TC	Land/Build. Acq. - Grand Strand	close		
7/14/2005	9890	Orangebg-Calhoun TC	Classroom and Auditorium Constr.	change source of funds		
7/14/2005	New York TC		Hood Center Renovation	establish	\$ 195,192	
7/14/2005	9890	Orangebg-Calhoun TC	Classroom and Auditorium Constr.	increase budget	\$ 475,000	\$ 5,575,000
7/25/2005	9873	Horry-Georgetown TC	Grand Strand - Old Gym Renovations	increase budget/revise scope	\$ 68,446	\$ 1,818,446
7/25/2005	9577	SC State	Campus-Wide Buildings Misc. Repairs	decrease budget	\$ (195,000)	\$ 3,606,000
7/25/2005	New	SC State	Turner Hall Exterior Façade & Roof Rej	establish	\$ 195,000	\$ 195,000
7/25/2005	9905	Spartanburg TC	West Campus Parking Addition	increase budget	\$ 170,000	\$ 167,000
7/25/2005	New	Spartanburg TC	Highway 290 Property Purchase	establish	\$ 10,000	\$ 10,000
7/25/2005	9795	USC-Columbia	South Tower Renovations	decrease budget, close	\$ (85,294)	\$ 664,706
7/25/2005	9536	USC-Aiken	Convocation Center Site Enhancement	decrease budget, cancel	\$ (745,000)	\$ -
7/26/2005	9761	Clemson	President's Park Site Improvements	decrease budget, close	\$ (2,818)	\$ 371,182
7/26/2005	9825	Clemson	Barnett Hall Elevator Renovation	decrease budget, close	\$ (135,742)	\$ 14,258
7/26/2005	9610	Coll. Of Charleston	Jewish Studies Center Purchase	decrease budget, close	\$ (213,251)	\$ 2,036,749
7/26/2005	9597	Coll. Of Charleston	Science Ctr Mechanical System Reno	close		
7/26/2005	9594	Coll. Of Charleston	Stern Student Center Reno	decrease budget, close	\$ (450,606)	\$ 549,394
7/26/2005	9562	Coll. Of Charleston	Campus Security & Fire Safety Syst.	close		
7/29/2005	9832	Clemson	Group Data Ctr. Construct/Land	increase budget, revise scope	\$ 500,000	\$ 15,896,731
7/29/2005	New	SC State	481/485 Buckley St. Land Acq.	establish	\$ 10,000	
7/29/2005	New	SC State	489 Buckley St. Land Acq.	establish	\$ 10,000	
7/29/2005	New	SC State	1096 Goff Ave. Land Acq.	establish	\$ 10,000	
7/29/2005	New	SC State	100 Buckley St. Land Acq.	establish	\$ 10,000	
7/29/2005	New	SC State	Corner Buckley & Russell Sts. Land	establish	\$ 10,000	
7/29/2005	New	SC State	2267 Russell St. Land Acq.	establish	\$ 10,000	
7/29/2005	New	SC State	2277 Russell St. Land Acq.	establish	\$ 10,000	
7/29/2005	9573	SC State	Clyburn Trans. Research & Conf Ctr.	decrease budget	\$ 350,500	\$ 17,245,375
7/29/2005	9584	SC State	1977 Russell & 151 Parker St. Land	increase budget	\$ 120,000	
7/29/2005	9585	SC State	921 & 923 Pearl St. Land Acq.	increase budget	\$ 108,000	
7/29/2005	9586	SC State	132 Oakland St. Land Acq.	increase budget	\$ 10,000	
7/29/2005	9587	SC State	237 Parker St. Land Acq.	increase budget	\$ 72,500	
7/29/2005	9588	SC State	1949 Russell St. Land Acquisition	increase budget	\$ 10,000	
7/29/2005	9589	SC State	1955 Russell St. Land Acquisition	increase budget	\$ 10,000	
7/29/2005	9590	SC State	1981 Russell St. Land Acquisition	increase budget	\$ 10,000	
7/29/2005	9591	SC State	1935 Russell St. Land Acq.	increase budget	\$ 10,000	
7/29/2005	9881	Horry-Georgetown TC	Allied Health Wing Const. Georgetown	increase budget	\$ 295,090	\$ 2,300,000