



South Carolina Commission on Higher Education

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TO: Mr. Kenneth B. Wingate, Chair, and Members, Commission on Higher Education
FROM: Mr. Jim Sanders, Chair, and Members of the Committee on Finance & Facilities
SUBJECT: Items for Consideration on January 7
DATE: December 30, 2009

Attached are items for your review and consideration at the January 7 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 10:00 a.m. on January 7. 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 me or Gary Glenn at (803) 737-2155.

8.04A Interim Capital Project

- A. Coastal Carolina University
 - i. Athletic Training/Locker Room Renovation (Phase II)
- *establish construction budget*

8.04B Leases

- A. Medical University of South Carolina
 - i. 30 Bee Street
- *lease renewal*
- B. College of Charleston
 - i. 284 King Street
- *lease renewal*

8.04C List of Capital Projects & Leases Processed by Staff for December 2009 (For Information)

DESCRIPTION OF INTERIM CAPITAL PROJECT FOR CONSIDERATION

January 7, 2010

COASTAL CAROLINA UNIVERSITY

PROJECT NAME: Athletic Training/Locker Room Renovation (Phase II)
REQUESTED ACTION: Establish Construction Budget
REQUESTED ACTION AMOUNT: \$791,000
INITIAL CHE APPROVAL DATE: May 15, 2009

<u>Project Budget</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Professional Service Fees	\$9,000	\$81,571	\$90,571
Interior Renovations	\$0	\$675,646	\$675,646
Contingency	\$0	\$33,783	\$33,783
<i>Total</i>	<i>\$9,000</i>	<i>\$791,000</i>	<i>\$800,000</i>

<u>Source of Funds</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Renovation Reserve/Plant Expansion	\$9,000	\$791,000	\$800,000
<i>Total</i>	<i>\$9,000</i>	<i>\$791,000</i>	<i>\$800,000</i>

DESCRIPTION:

The University requests approval to establish the construction budget to renovate the current locker room and training room space in Brooks Stadium. The project will join the two areas together for an expanded training area to accommodate all sports training needs.

The project was not included in the institutions FY 2009-10 CIP because originally the total budget was expected to be less than \$500,000; therefore it would not require approval as a Permanent Improvement Project (PIP). As the institution made decisions to have this area accommodate all of the athletic training needs to free up space in the Williams Brice Building, the project grew to PIP status. The University will be using design-bid-build for the renovation.

E&G MAINTENANCE NEEDS REDUCTION:

N/A – Reconfiguring Space

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.

DESCRIPTION OF LEASES FOR CONSIDERATION

January 7, 2010

MEDICAL UNIVERSITY OF SOUTH CAROLINA

LEASE NAME: 30 Bee Street
REQUESTED ACTION: Lease Renewal
REQUESTED ACTION AMOUNT: \$371,339

DESCRIPTION:

The University requests approval to renew the current lease for 9,988 SF on the first floor of 30 Bee Street. The purpose of the lease is to house Student Health, the Counseling and Psychological Services (CAPS) program, some College of Dental Medicine department offices, and the 3 Tesla MRI Neurosciences research operation.

The monthly rental rate will be \$15,472, resulting in an annual cost of \$185,670. The requested lease term is two years with a total lease cost of \$371,339. The per-square-foot rate is \$18.59. Operating expenses are not included in the lease, and the University estimates those costs to be approximately \$129,232 annually in addition to the lease. The operating expenses include utilities, maintenance, housekeeping and insurance.

RECOMMENDATION:

Staff recommends approval of this lease provided the rates and terms are approved by the Budget and Control Board.

COLLEGE OF CHARLESTON

LEASE NAME: 284 King Street
REQUESTED ACTION: Lease Renewal
REQUESTED ACTION AMOUNT: \$1,155,602

DESCRIPTION:

The College requests approval to renew the current lease for 9,849 SF of space located at 284 King Street in downtown Charleston. The initial term of the lease was July 1, 2005 to June 30, 2010 with the option to extend for up to three terms of five years each. The current request will provide for the first five-year extension from July 1, 2010 to June 30, 2015.

The purpose of the renewal is to continue to provide space for the Joseph P. Riley, Jr. Center for Urban Affairs and Policy Studies which houses programs of academic study, research, and community service focused on enhancing urban life in the Charleston area. The space also houses the Masters of Environmental Studies program. Future plans for the space include the consolidation of the Masters of Public Administration and the Department of Urban Studies. These programs are currently spread across three different locations. The proposed lease will provide space for faculty and graduate assistant offices, conference rooms, and resource rooms.

In the first year, the monthly rate will be approximately \$18,138.58, resulting in an annual cost of \$217,663. The rent will increase by the Consumer Price Index (CPI) each year for years two through five. The total estimated lease cost is \$1,155,602, which assumes a three percent CPI increase each year. The estimated averaged five-year rate is \$23.47 per SF. The requested lease does not include maintenance, and the College expects to spend \$51,215 (\$5.20 per SF) each year on building envelope, roofing, HVAC, plumbing, fire safety, and security associated with normal occupancy.

RECOMMENDATION:

Staff recommends approval of this lease provided the rates and terms are approved by the Budget and Control Board.

INFORMATION ITEM**Capital Projects & Leases Processed by Staff****December 2009**

Date Approved	Project #	Institution	Project Name	Action Category	Budget Change	Revised Budget
12/7/2009	New	Coastal Carolina	Public Safety Facility ¹	establish pre-design	\$0	\$15,000
12/7/2009	9572	Coastal Carolina	Quail Creek Golf Course Acquisition ²	increase budget, revise scope (purchase property)	\$3,180,000	\$3,200,000
12/9/2009	New	Florence-Darlington TC	Acre Lot Adjacent to Cosmetology Center Land Acquisition ¹	establish (environmental study)	\$0	\$20,000
12/11/2009	New	USC Columbia	Spigner House Renovation ¹	establish pre-design	\$0	\$13,500
12/11/2009	9511	USC Beaufort	Library Second Floor Upfit/Hargray Renovation ³	establish construction budget	\$3,944,139	\$4,000,000

¹See Supporting Narrative.²Part of approved MLAP.³Approved by CHE on June 4, 2009 as part of FY 2009-10 CPIP year 1.

FOR INFORMATION – PROJECT ESTABLISHMENTS PROCESSED BY STAFF
FOR DECEMBER 2009

Note: At the June, 2008 meeting, the Finance & Facilities Committee clarified staff authority for processing institutional requests to establish capital projects. Accordingly, the following summaries are presented as information.

UNIVERSITY OF SOUTH CAROLINA COLUMBIA

PROJECT NAME: Spigner House Renovation
REQUESTED ACTION: Establish Pre-design
REQUESTED ACTION AMOUNT: \$13,500
INITIAL CHE APPROVAL DATE: N/A

<u>Project Budget</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Professional Service Fees	\$0	\$13,500	\$13,500
<i>Total</i>	<i>\$0</i>	<i>\$13,500</i>	<i>\$13,500</i>

<u>Source of Funds</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Auxiliary	\$0	\$13,500	\$13,500
<i>Total</i>	<i>\$0</i>	<i>\$13,500</i>	<i>\$13,500</i>

DESCRIPTION:

The University requests approval to establish a project to renovate the Spigner House. The first floor will provide space for receptions and events which will be managed by Sodexo and served through Carolina Catering. The second floor will be renovated to create offices. Work will include minor reconfiguration of space to meet programmatic requirements, mechanical, plumbing and electrical systems upgrade, and minor exterior repairs including window repairs.

This project was not included in the institution's FY 2009-10 CIP. At the time the CIP was submitted, the use of the facility had not been determined; therefore the funding source had not been identified. The total projected budget is \$900,000.

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.

COASTAL CAROLINA UNIVERSITY

PROJECT NAME: Public Safety Facility
REQUESTED ACTION: Establish Pre-design
REQUESTED ACTION AMOUNT: \$15,000
INITIAL CHE APPROVAL DATE: N/A

<u>Project Budget</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Professional Service Fees	\$0	\$15,000	\$15,000
<i>Total</i>	<i>\$0</i>	<i>\$15,000</i>	<i>\$15,000</i>

<u>Source of Funds</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
One Cent Sales Tax	\$0	\$15,000	\$15,000
<i>Total</i>	<i>\$0</i>	<i>\$15,000</i>	<i>\$15,000</i>

DESCRIPTION:

The University requests approval to establish a project to construct a 5,000 SF building to provide fifteen offices, a dispatch/communication center, a training room, and locker room area for Public Safety Officers. In a collaborative effort, the University provides public safety services to Horry-Georgetown Technical College. The Public Safety Department currently resides in Atheneum Hall which is scheduled for renovation into an alumni facility.

This project was included in year two of the institution's FY2009-10 CIP.

E&G MAINTENANCE NEEDS REDUCTION:

N/A – New Construction

ANNUAL OPERATING COSTS/SAVINGS:

Utilities, personnel and supplies are expected to generate additional operating costs of \$37,800 in the three years following project completion.

FLORENCE-DARLINGTON TECHNICAL COLLEGE

PROJECT NAME: Acre Lot Adjacent to Cosmetology Center Land Acquisition
REQUESTED ACTION: Establish (Environmental Study)
REQUESTED ACTION AMOUNT: \$20,000
INITIAL CHE APPROVAL DATE: N/A

<u>Project Budget</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Land Purchase	\$0	\$20,000	\$20,000
<i>Total</i>	<i>\$0</i>	<i>\$20,000</i>	<i>\$20,000</i>

<u>Source of Funds</u>	<u>Previous</u>	<u>Change</u>	<u>Revised</u>
Local	\$0	\$20,000	\$20,000
<i>Total</i>	<i>\$0</i>	<i>\$20,000</i>	<i>\$20,000</i>

DESCRIPTION:

The College requests approval to establish a project to perform an environmental study on an acre lot located on the corner of Palmetto Road and Highway 52. The land is adjacent to the College's Cosmetology Center. Enrollment in this program has experienced tremendous growth over the past few years. The land will be used for expansion of the instructional facility as well as additional parking for the increased number of students.

The land acquisition was not included in the institutions FY 2009-10 CPIP because the property was not available at the time of CPIP submission. The total land purchase will be funded with Local funds.

E&G MAINTENANCE NEEDS REDUCTION:

N/A – Land Acquisition

ANNUAL OPERATING COSTS/SAVINGS:

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