

Interim Facilities Projects

Medical University

Hollings Cancer Center Expansion \$ 9,900,000 - increase/change source of funds

Source of Funds:	\$11,512,695 - Federal
	<u>(1,612,695)- private funds</u>
	\$ 9,900,000

Budget:	\$ 4,000,000 - professional service fees
	1,990,000 - site development
	26,421,900 - new construction
	2,640,000 - renovations – building interior
	859,100 - demolition/asbestos removal
	<u>3,989,000 - contingency</u>
Total:	\$39,900,000

Discussion

This project was designed with a total estimated cost of \$39.9 million. CHE approved the revised budget of \$30,000,000 in January 2000. Since that time, the remaining \$9.9 million has been identified and is in the form of federal funding. The bulk of the federal funds, \$8.325 million , was recently awarded to MUSC from the US Department of Commerce, National Institute of Standards and Technology. This brought the amount of federal funds awarded for this project to more than originally anticipated. As a result, the source of funding for this project has changed to show an increase in the amount of federal funding and a decrease in the amount of gift funds.

A copy of the award notice for the additional federal funds is attached.

Recommendation:

Staff recommends approval of this project as proposed.

LEASES

Clemson University

Lease Renewal/Amendment

Term: One (1) year

Rate: \$103,884.90/Year

Discussion

Clemson requests approval to renew leased space for its Department of Regulatory and Public Service currently located at the Center for Applied Technology in Pendleton, SC. The landlord for this space is the Clemson University Research Foundation. The leased property consists of 10,870 square feet with an annual lease of \$99,092.

The Clemson University Department of Regulatory and Public Service currently occupies two areas of this facility. As part of the renewal, they are requesting approval to combine the two spaces. The State Leasing Office has approved an amendment to combine the two spaces. Based on this, the current lease of 10,870 square feet will be amended to add the 382.60 square feet for a new total lease of 11,252.60 square feet. The rates vary on the added space. Therefore, the new total lease rate will be \$103,884.90. The renewal will be for only one year and will be reviewed again in January 2002.

Recommendation:

Staff recommends approval of this request, provided the State Leasing Office finds the terms of the lease satisfactory.

Medical University

Lease of 771 parking spaces – Rutledge Tower Parking Garage and Adjacent Lot (\$52.96 per space)

Term: One (1) year with four (4) one-year renewals

Rate: \$490,000/Year

MUSC requests approval to lease the Rutledge Tower Parking Garage and adjacent surface lot (771 spaces). This parking garage is currently leased by the University Medical Association (UMA) from the Health Sciences Foundation. MUSC is requesting to sub-lease this property from UMA to more efficiently manage parking. The garage serves as parking for employees and patients.

Recommendation:

Staff recommends approval of this request provided the State Leasing Office finds the terms of the lease satisfactory.

Medical University

Lease of 75,100 square feet of warehouse space

Term: One (1) year and eight (8) months

Rate: \$413,602/Annualized with three (3) years and four (4) months renewal

The Medical University requests approval to lease 75,100 square feet of warehouse space at 4295 Arco Lane in order to consolidate services currently housed in two other rented warehouses. The leases on the two other warehouses will not be renewed. The services being consolidated are the MUSC Records Center, University Press, and Materials Management. Extended terms and rates beyond the initial five-year period will be determined at the time of the renewal.

Recommendation:

Staff recommends approval of this request provided the State Leasing Office finds the terms of the lease satisfactory.

Technical College of the Low Country

Lease of Facility in Southern Beaufort/Jasper County

Term: To be determined

Rate: To be determined

The Technical College of the Low Country (TCLC) is requesting approval to lease a facility to support educational programs to serve the students of Southern Beaufort County and Jasper County. The facility is needed beginning August 2001 upon expiration of the current lease on the Hilton Head Center. The new facility lease would continue until completion of at the New River Campus of USC- Beaufort and suitable New River Campus space is assigned to the College. The instructional facility needed would include 12,000 square feet, which would include 5-8 faculty and staff offices, 5-8 classrooms, 3-4 laboratories including 2-computer labs and support space.

TCLC's planning process includes an annual evaluation of facilities needs. An important topic of the current year and prior year planning retreats was the evaluation of the status of the location of the center at its present location. The College concluded that the present location no longer adequately serves the needs of the students in the region. The current location in the Sea Pines area is the Southern most point of the service area. Many of the students are no longer able to travel from the distant areas to the Center and as they no longer can afford to live on the Island, that location does not meet their educational need. In addition, the present facilities do not have sufficient provisions for laboratory space necessary to support planned industrial technology programs, which are needed to support the economic development of that region. The area near the intersection of SC Highway 278 and SC Highway 170 (Okatie/Sun City) is rapidly becoming the population center of that region of Southern Beaufort and Jasper Counties. The College would better serve students from a site in the Okatie area

TCLC plans to transfer programs currently offered at the Sea Pines site to the new site. The College plans to expand offerings in Industrial Technology to include Heating, Ventilation, and Air Conditioning, Building Construction Technology, Computer Assisted Design and also Civil Engineering Technology, upon approval of that program. The College expects to expand its Business and Computer Technology offerings.

Recommendation:

Staff believes the request by TCLC to terminate the lease on the Hilton Head facility when it comes up for renewal in August, and to negotiate an interim lease for a facility in southern Beaufort/Jasper County until completion of the New River Campus of USC-Beaufort, is not in keeping with the spirit of the provisions included in the Commission's October 9, 1997 approval of the New River Site.

TCLC and USC-Beaufort are co-located in Beaufort, approximately two miles apart. The two institutions also share a leased facility in Hilton Head. USC-Beaufort received approval in 1997 to construct an additional facility in the southern Beaufort/Jasper county area at the New River site. The Commission's approval of the New River Facility was contingent upon USC-Beaufort "investigating the possibility of using the New River location for the offering of non-competing courses by USC-Beaufort, Technical College of the Low Country, and other institutions in the State." The leasing of an additional facility in close proximity of the New River Site would create another set of co-located institutions. The provisions of the approval of the New River Site were intended to encourage the institutions to work together, and to prevent the occurrence of additional co-located institutions.

Staff recognizes the growth potential of industrial technology programs at TCLC, and suggests that the institution pursue the possibility of partnering with the Academy for Career Excellence (ACE) to meet growth needs in these programs. ACE currently offers industrial technology programs at the high school level and would be a suitable partner for TCLC in expanding these programs beyond the high school level. The ACE facility is conveniently located less than 10 miles from the New River site.

The staff is committed to working with both institutions to ensure that the educational needs of both Technical College of the Low Country and USC-Beaufort are met in the most appropriate manner. Correspondence with both TCLC and USC-Beaufort (copy attached) indicates that space at the New River site will be available for TCLC as per the provision in the approval. Staff believes the two institutions should continue to work together to ensure that the new site will meet the needs of both institutions.

Given the inconsistency of the proposed lease with the Commission's approval of the New River site, staff recommends that the Commission reaffirm its action of October 9, 1997, encouraging the institutions to work together to meet the needs of both institutions, and that the lease request be disapproved.



SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION

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October 21, 1999

Dr. Anne McNutt
President
Technical College of the Lowcountry
PO Box 1288
Beaufort, SC 29901-1288

Dear Anne:

Thank you for sharing with me a copy of your letter to Ms. Lila Meeks concerning the October 26 meeting at the KRA Office at Hilton Head to review the schematics of the floor plan and elevations at the New River Site.

Anne, I am pleased that this meeting is taking place. It should provide an opportunity to clarify any misunderstanding that may exist regarding availability of space for TCLC at the New River Site. The University has consistently assured me of their intention in this regard. Dr. Chris Plyler wrote to me on February 25 to provide an update on the project. In that letter, a copy of which is enclosed, he states:

"...The conceptual floor plan does include accommodation for distance education receiving and transmitting infrastructure as well as sufficient classroom space in the event that the Technical College of the Lowcountry needs to offer a non-competing course(s) as stipulated in the CHE A&E approval."

As we are all aware, the Commission on Higher Education approved this facility based upon the understanding that certain provisions would be addressed when the University requests approval to proceed with construction. Those provisions are:

- 1) the title to the property will be transferred from the USC Development Foundation to USC;
- 2) the institution will proceed with its goal of consolidating all of USC's low country operations at the New River site; and
- 3) in addition to being a neutral site capable of receiving and/or down-linking distance education broadcasts, the institution will investigate the possibility of using the New River location for the offering of non-competing courses by USC Beaufort, Technical College of the Lowcountry, and other institutions in the State.

The Commission is committed to working with both the Technical College of the Lowcountry and USC Beaufort to ensure that the educational needs of the Beaufort-Hilton Head area are met in the most expeditious manner.

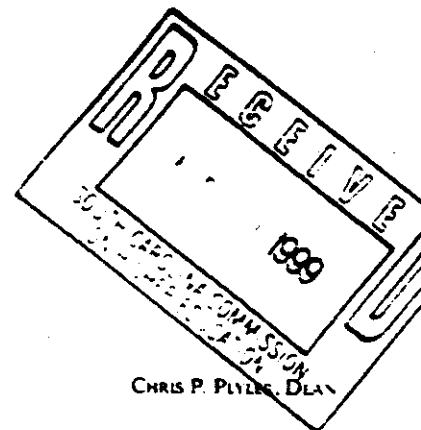
Were I not committed to attend the US-Brazil Partnership for Education Binational dialogue hosted by Secretary Dick Riley, I would personally attend the meeting on October 26. I have asked John Smalls to be present at the meeting to represent CHE. John will already be in Hilton Head to attend the annual meeting of the Government Finance Officers' Association of South Carolina (GFOASC). I look forward to receiving his report when we return to the office.

With kind regards,



Rayburn Barton
Executive Director

cc: Ms. Rosemary Byerly
Gen. Tom Olsen
Mr. Walter J. Conti
Mr. Angus Cotton
Dr. John M. Palms
Dr. James L. Hudgins
Dr. Jerome Odom
Mr. John Smalls
Ms. Lila Meeks
Mr. Terry Keane



February 25, 1999

Dr. C. Rayburn Barton
Executive Director
South Carolina Commission
On Higher Education
1333 Main Street, Suite 200
Columbia, SC 29201

Dear Dr. Barton:

I write to update you on progress made to date on the USC New River project.

Please recall that USC Beaufort received approval to proceed with the program/design phase of development only. That work was completed last January, and we now have a conceptual floor plan and elevations of the 50,000 square foot multi-purpose academic building. The conceptual floor plan does include accommodation for distance education receiving and transmitting infrastructure as well as sufficient classroom space in the event that the Technical College of the Lowcountry needs to offer a non-competing course(s) as stipulated in the CHE A&E approval.

Our fundraising efforts continue for the project and, I am pleased to report that we have raised \$1.9 million toward our \$6 million commitment. Once our fundraising goal has been achieved (fall 1999) and our financial plan is in place, we will move forward with requests for approval to draw construction documents. It is at that juncture when we will request transfer of the eighty- acre parcel from the University of South Carolina Development Foundation to the University. I have been assured that there will be no complications with this forthcoming transfer.

Please advise if additional information is desired. I will be happy to provide such at your request.

With best regards, I remain

Sincerely,

Chris P. Plyler

c: Lynn Metcalf
Charlie Jeffcoat