

Agenda Item 4.04

February 21, 2006

MEMORANDUM

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

FROM: Rosemary Byerly, Chair, Committee on Finance and Facilities *R Byerly / BBR*

SUBJECT: Interim Capital Projects for Consideration on March 2, 2006

Attached are the interim capital projects for your review and consideration at the March Commission meeting. Please note the Committee on Finance and Facilities has not yet acted on these projects but is scheduled to review and develop recommendations at its meeting scheduled for 9:30 a.m. on March 2. The Committee will bring its recommendations to the Commission for consideration at the 11:00 Commission meeting. Staff recommendations are included for your information.

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

Summary of Interim Capital Projects

Clemson University

1) Rhodes Hall Annex Construction A&E only	\$ 1,000,000	Establish
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Coastal Carolina University

1) Instructional Space Renovation	\$ 4,323,000	Establish
2) Deferred Maintenance	2,013,000	Establish
3) Campus Development/Infrastructure	2,300,000	Establish
4) Athletic Training Facility -Phase II	5,235,000	Increase
5) Student Center Deferred Maintenance	618,000	Increase

SC State University

1) Campus-wide Buildings Misc Repairs	\$ 1,500,000	Increase
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For Information:

1) MUSC Notification of Sale of Land	- Attachment 1
2) List of Staff Approvals for January 2006	- Attachment 2
3) CHE Permanent Improvement Recommendation and Transmittal	- Attachment 3

Descriptions of Interim Capital Projects for Consideration

March 2, 2006

Clemson University

Rhodes Hall Annex Construction

Architectural & Engineering (A&E)	\$ 1,000,000	-establish project
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Source of Funds: \$ 1,000,000 -institutional capital
project funds (ICPF)

Proposed Budget:	\$ 800,000	-professional service fees
	75,000	-labor costs
	<u>125,000</u>	-contingency
	\$ 1,000,000	

Discussion

Clemson University requests approval for A&E services to construct a 24,000 square foot Annex to Rhodes Hall. The annex is being constructed adjacent to the existing building to provide adequate space for research faculty associated with Clemson's emphasis area of bioengineering and biomedical sciences. This department is a top generator of research and is a growing department in terms of graduate students and a recently developed, high demand undergraduate program. The A&E work will be initiated on the proposed project with additional funds being added at the appropriate time to initiate the construction phase of the project. Clemson is seeking to have existing capital improvement bond (CIB) funding reallocated to this project from two lower priority facility projects. The total project cost is estimated to be \$10 million, bringing the estimated project costs to about \$240 per square foot. According to the 2005 College Construction Report, current costs per square foot for science facilities range from \$201.83 to \$294.05 with a median cost of \$240.

Recommendation

Staff recommends approval of the project as proposed.

E&G Deferred Maintenance Reduction:

None – New Space

Annual Operating Costs/Savings:

Utilities and maintenance are expected to increase by approximately \$90,000 in the first six months of 2009.

Coastal Carolina University
Instructional Space Renovation

\$ 4,323,000 -establish project

Source of Funds: \$ 4,323,000 -institution bonds¹

Proposed Budget: \$ 4,323,000 -renovations, building interior

Description

Coastal plans to renovate existing instructional space as well as add classroom space to keep pace with the enrollment growth at the University. The most pressing needs involve the renovation of existing space to house an Ecology Laboratory, a Chemistry Laboratory, and an Environmental Quality Laboratory, as well as the construction of classrooms from existing unfinished space. The renovations will include space in the Science Building, the Center for Marine and Wetland Studies, and the Coastal Science Center. The laboratories will serve faculty and students in the Marine Science Departments as well as the research and teaching activities associated with the Master's Program in Coastal Marine and Wetland Studies. The most immediate goals will be to create one teaching laboratory, an ultra-clean trace metals laboratory, an instrumentation room, a general purpose wet laboratory, and a microbiology facility, all of which are to be housed in separate rooms with hoods, and a sample and field equipment storage space which can be locked. Other instructional space needs include renovations in the Wall College of Business, Wheelwright Auditorium, and the Kimble Library.

E&G Deferred Maintenance Reduction:

The renovations will alleviate a portion of existing deferred maintenance in several campus buildings.

Annual Operating Costs/Savings:

This project will not affect annual operating costs.

Recommendation

Staff recommends approval of this project as proposed.

Coastal Carolina University
Deferred Maintenance

\$ 2,013,000 -establish project

Source of Funds: \$ 2,013,000 -institution bonds¹

Proposed Budget: \$ 2,013,000 -renovations – building interior

Description

Due to the facilities' age and the lack of maintenance funds, there are multiple buildings on campus which need HVAC repairs, roof repairs, chillers and boilers, and routine painting and general interior refurbishment. The Buildings include the Science Building, Williams Brice Physical Education Center, Kimbel Library, Prince Building, Wheelwright Auditorium, Wall College of Business, Edwards College of Humanities and Fine Arts, and the EM Singleton Administration Building.

¹ The Coastal Carolina Board of Trustees approved an \$11.3 million institution bond beginning in 2006-2007 for a variety of infrastructure and deferred maintenance projects. This bond will not require an increase in tuition and fees.

The deferred maintenance included in this project, by project type and building, is listed on the following page.

Estimate of Maintenance and Repairs included in Project

Category/Building	Type of Maintenance
HVAC	
Kimbel Library	HVAC Repairs/Boiler
Jackson Student Center	Chiller and Boiler Replacement
Edwards Humanities Building	Chiller Upgrade
Foundation Center	Controls Replacement
Singleton Building	HVAC Replacement and Controls
Science Building	HVAC Uplift, Phase II
Wheelwright Auditorium	HVAC, Renovations
Electrical	
Jackson Student Center	Electrical Upgrades
Prince Building	Electrical Upgrades
Science Building	Electrical Upgrades
Wall Building	Electrical Upgrades
Williams-Brice Building	Electrical Upgrades
Roof	
Foundation Center	Roof
Science Building	Roof
Kimbel Arena	Roof Repairs
Painting	
Singleton Building	Painting
Window Replacement	
Science Building	Window Replacement
Wheelwright Auditorium	Replacement of 57 Windows, Materials & Labor
Exterior-Singleton, Science, Hampton	Soffits and Boxing
Refurbishment	
Wall Building	Auditorium Refurbishment
Edwards Humanities Building	Edwards Theater
Pool	
Williams-Brice Building	Repair Bottom/Walls of Swimming Pool
Williams-Brice Building	Replace Pool Exterior 18' Glass Doors & Lights

E&G Deferred Maintenance Reduction:

The renovations will alleviate a portion of existing deferred maintenance in several campus buildings.

Annual Operating Costs/Savings:

This project will not affect annual operating costs.

Recommendation

Staff recommends approval of this project as proposed.

Coastal Carolina

Campus Development /Infrastructure \$ 2,300,000 -Establish Project

Source of Funds:	\$ 1,400,000	-Institution Bonds ¹
	<u>900,000</u>	-renovation reserve funds
Total:	\$ 2,300,000	

Proposed Budget: \$ 2,300,000 -renovations – exterior

Description

This project includes some badly needed paving and parking lot improvements and numerous projects to improve the safety and security of the campus, including lighting, security cameras, and call boxes. Other infrastructure needs include additional landscaping, irrigation, and sidewalks.

E&G Deferred Maintenance Reduction:

N/A- infrastructure outside the buildings

Annual Operating Costs/Savings:

This project will not affect annual operating costs.

Recommendation

Staff recommends approval of this project as proposed.

Coastal Carolina

Athletic Training Facility Construction, Phase II \$ 5,235,000 -increase budget
(previous budget = \$1,165,000)

Source of Funds:	\$ 1,000,000	-institution bonds ¹
	3,000,000	-gift funds
	<u>1,235,000</u>	-renovation reserve/ICPF
Total:	\$ 5,235,000	

Proposed Budget:	\$ 25,000	-professional services fees
	6,350,000	-new construction
	<u>25,000</u>	-contingency
Total:	\$6,400,000	

¹ The Coastal Carolina Board of Trustees approved an \$11.3 million institution bond beginning in 2006-2007 for a variety of infrastructure and deferred maintenance projects. This bond will not require an increase in tuition and fees.

This project was originally approved by the Commission in July of 2003. After review by University officials and the State Engineer's Office, it was determined to be more cost effective to define the original work as Phase I of a multi-phased project which would address both current and projected needs. Approaching the structure in this way maximizes the opportunity for gifts and fund-raising to help complete the project as it is ultimately desired.

The third phase of the project will complete the upper floor of the building wall and is anticipated to be funded primarily through gifts and pledges.

N/A – new construction

This project is estimated to increase annual operating costs by approximately \$135,000 when complete.

Staff recommends approval of this project as proposed.

Student Center Deferred Maintenance	\$ 618,000	-increase budget, revise scope
(previous budget = \$482,480)		

Source of Funds:	\$ 118,000	-excess debt service
	<u>500,000</u>	-gift funds
Total:	\$ 618,000	
Proposed Budget:	\$ 668,000	-renovations - building interior
	<u>432,480</u>	-renovations - building exterior
Total:	\$ 1,100,480	

The Student Center building needs roof and other repairs such as the replacement of the chiller/HVAC system. The project was originally established with deferred maintenance funds from the Research Infrastructure Bond Act. Since then, additional funds have been received through a gift. The gift funds, plus the addition of some excess debt service will allow the project to be expanded to include some interior renovations to the building.

N/A – routine repair/replacement

Annual Operating Costs/Savings:

This project will not affect annual operating costs

Recommendation

Staff recommends approval of the project as proposed.

South Carolina State University

Campus-wide Miscellaneous Repairs
(previous budget = \$3,606,000)

\$ 1,500,000 -increase budget

Source of Funds: \$ 1,500,000 -renovation reserve funds

Proposed Budget:	\$ 400,000	-professional service fees
	200,000	-site development
	1,500,000	-renovations-building interior
	1,100,000	-renovations-utilities
	600,000	-roofing (30+ years old)
	400,000	-renovations-building exterior
	300,000	-other permanent improvements
	175,000	-landscaping
	100,000	-labor costs
	<u>331,000</u>	-contingency

Total: \$ 5,106,000

Description

This project is to provide for miscellaneous repairs to correct deferred maintenance in educational and general (E&G) buildings campus-wide. The repairs include:

Window repair/replacement;	emergency lighting upgrades;
Stairway repair;	fire/safety systems upgrades;
Floor repairs and replacements;	roof repair/replacement;
HVAC/mechanical repairs/replacements;	general structural repairs;
Plumbing repairs;	sewer system repairs;
Road repairs;	general electrical repairs and upgrades;
Hot water heater repairs/replacements;	miscellaneous A&E costs associated with the general repairs.

These additional repair items that have been identified must be addressed in order to accommodate university programs and services, to prevent further deterioration of assets, to prevent threats to student health and safety, and to prevent E&G operating costs from increasing.

E&G Deferred Maintenance Reduction:

The renovations will alleviate a portion of existing deferred maintenance in several campus buildings

Annual Operating Costs/Savings:

This project will not affect annual operating costs

Information Item

Medical University of SC – Sale of Land

The Medical University has notified the Commission of its intent to sell 5,590 square feet of land to the University's Health Sciences Foundation. A recent appraisal sets the fair market value at \$180,000. The unimproved land is located immediately to the south and west of Harborview Office Tower. The Health Sciences Foundation has been working to control additional land in this northwest area of the Charleston peninsula for the ultimate expansion of the University. The Foundation will in turn convey this land as a partial consideration to obtain ownership rights of 31,240 square feet of unimproved land contiguous to a current Foundation holding. This move will be advantageous for the future development of the University.

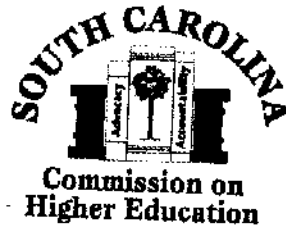
Information ItemPERMANENT IMPROVEMENT PROJECTS
APPROVED BY STAFF

Jan-06

Date Appr.	Project #	Institution	Project Name	Action Category	Budget Chg.	Revised Budget
1/6/2006	New	Coll. Of Charleston	Berry Hall Exterior Repair and Upgrades	establish	\$ 220,000	
1/6/2006	9886	USC-Columbia	Bates House Renovation	decrease budget, close	\$ (303,108)	\$ 3,246,892
1/6/2006	New	Greenville TC	Barton Campus Deferred Roadway Repairs	establish	\$ 100,000	
1/6/2006	New	Horry-Georgetown TC	Conway Bldg 200 Renovations	establish	\$ 50,000	
1/6/2006	New	Horry-Georgetown TC	Conway Bldg 100 Renovations	establish	\$ 50,000	
1/17/2006	9940	Northeastern TC	Ingram Hall Bathrooms Renovations	revise scope, change name		
1/17/2006	New	TCLC	Bldg. 12 HVAC Improvements	establish	\$ 75,410	
1/17/2006	9954	York TC	Hood Center Renovation	increase budget	\$ 22,033	\$ 217,225
1/23/2006	9896	USC-Columbia	NAC Guest Lower Level Corridors Replac.	decrease budget, close	\$ (218,146)	\$ 81,854
1/23/2006	9924	USC-Columbia	Russell House Entry/Lobby Refurbishment	decrease budget, close	\$ (8,264)	\$ 107,736
1/23/2006	9992	USC-Columbia	737 Gadsden Parking Lot Construction	decrease budget, close	\$ (6,395)	\$ 105,605
1/23/2006	9503	USC-Beaufort	Deferred Maintn/Reno Beaufort Coll. Bldg	decrease budget, close	\$ (35,774)	\$ 1,632,226
1/23/2006	New	Florence-Darlington TC	Mullins Tech. Center Expansion	establish (Legislative Appropriation)	\$ 500,000	
1/30/2006	9530	Coastal Carolina	Multipurpose Athletic Facility	increase budget	\$ 250,000	\$ 11,700,000
1/30/2006	9619	SC-SU	489 Buckley St Land Acquisition	increase budget	\$ 20,000	\$ 30,000
1/30/2006	9945	TCLC	Building 12 HVAC Replacement	increase budget	\$ 75,410	\$ 190,000
LEASE						
1/11/2006	New	MUSC	1791 Herbert Street (for Univ. Transp. Motor Pool)	SqFt - \$18.75/Monthly - \$7,500	Automatic 3% annual rate increase	\$ 90,000

Information Item

[Forwarded to the Budget and Control Board on February 10]



February 10, 2006

Mr. Frank Fusco
Executive Director
SC Budget and Control Board
PO Box 12444
Columbia, SC 29211

Dear Mr. Fusco:

The Commission on Higher Education (CHE) is concerned about time-to-completion and costs of permanent improvement projects for the public higher education institutions. Currently, a means to address these concerns is not within CHE's legislated authority. Accordingly, CHE adopted the enclosed recommendation for review and consideration by the Board. CHE is prepared to offer any information and assistance in this regard the Board deems necessary.

Thank you for your consideration.

Sincerely,

Conrad Festa

Enclosure (1)

[Note: The Budget and Control Board includes Capital Budgeting Office, State Procurement Services, Office of the State Engineer. The Chairman of the Joint Bond Review Committee is also a member of the Budget and Control Board.]



RECOMMENDATION

The Commission recommends, in the absence of statewide policies concerning construction costs of all buildings to include LEED (Leadership in Energy and Environmental Design) buildings, the Budget and Control Board, the Joint Bond Review Committee, and all other appropriate agencies study construction costs, comparative cost benefits analyses, and the life cycle costs of facilities prior to approving the project. The Commission on Higher Education is concerned that the State may not be realizing the most efficient construction and operation costs for State facilities. The Commission further recommends that a review of the entire process be conducted with the goal to reduce the timeline for capital projects from conception to completion. The Commission also recommends alternative delivery methods be made available to the institutions for capital projects.

Adopted by Commission on Higher Education on February 2, 2006