



# 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 December 3

**DATE:** November 24, 2009

Attached are items for your review and consideration at the December 3 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 December 3. 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. Piedmont Technical College
  - i. Newberry County Center (Phase I)  
- *establish pre-design*

## **8.04B Lease**

- A. Clemson University
  - i. 55 Camperdown Way in Greenville  
- *new lease*

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

**DESCRIPTION OF INTERIM CAPITAL PROJECT FOR CONSIDERATION**

December 3, 2009

**PIEDMONT TECHNICAL COLLEGE**

**PROJECT NAME:** Newberry County Center (Phase I)  
**REQUESTED ACTION:** Establish Pre-design  
**REQUESTED ACTION AMOUNT:** \$120,000  
**INITIAL CHE APPROVAL DATE:** N/A

<b><u>Project Budget</u></b>	<b><u>Previous</u></b>	<b><u>Change</u></b>	<b><u>Revised</u></b>
Professional Service Fees	\$0	\$120,000	\$120,000
<b><i>Total</i></b>	<b><i>\$0</i></b>	<b><i>\$120,000</i></b>	<b><i>\$120,000</i></b>

<b><u>Source of Funds</u></b>	<b><u>Previous</u></b>	<b><u>Change</u></b>	<b><u>Revised</u></b>
Local	\$0	\$120,000	\$120,000
<b><i>Total</i></b>	<b><i>\$0</i></b>	<b><i>\$120,000</i></b>	<b><i>\$120,000</i></b>

**DESCRIPTION:**

The College seeks to use Capital Project Sales Tax (CPST) funding to enable the County to purchase four parcels of land more informally known as the “Old Wal-Mart Complex” located on Wilson Road. The tracts consist of a main retail space of 77,000 SF of usable space, several retail outlets, and another secondary retail space that was once used as a grocery store. The concept is that the grocery store location would be torn down and usable “green space” would be created for public use. The retail outlets would be retained by the County for office space. Ideally, the county would place its office of economic development in this area so that industrial prospects could easily tour job training facilities. The College would occupy the main retail space of 77,000 SF for its operations. One of the small retail spaces would be reserved for a student bookstore.

Newberry County would own all tracts of property until the completion of construction and throughout the Capital Project Sales Tax collection period. After the collection of the CPST ends (six years after the referendum) the County will deed the main retail space, the parking lot in front of the facility, and the curtilage at the rear of the building to Piedmont Technical College. Newberry County will retain the remaining parcels which consist of the retail storefronts and the green space (former grocery store).

The College will seek funding of \$6 M before the Newberry County Capital Projects Sales Tax Committee and request that they partner with the County, acquire the site, and fund renovations of the main retail space. Funding of \$1.5 M will be sought from the Economic Development Administration of the U.S. Department of Commerce, and the College will commit \$500,000 of local funds to the renovation of the facility for a project total of \$8,000,000.

This project was included in the institutions FY 2009-10 CPIP as a year three project.

**E&G MAINTENANCE NEEDS REDUCTION:**

N/A – Renovation of New Facility

**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 LEASE FOR CONSIDERATION**

December 3, 2009

**CLEMSON UNIVERSITY**

**LEASE NAME:** 55 Camperdown Way in Greenville  
**REQUESTED ACTION:** New Lease  
**REQUESTED ACTION AMOUNT:** \$7,868,778

**DESCRIPTION:**

The University requests approval to sublease from Clemson University Research Foundation (CURF) 33,355 SF on the entire first floor and a portion of the second floor of the four story Bowater Building (constructed in 1992) located at the corner of Falls Street and Camperdown Way in Greenville. The property is owned by Camperdown Falls Limited Partnership and was leased to the Clemson University Research Foundation (CURF) on November 4, 2009.

The leased space will house Clemson's Masters in Business Administration (MBA) program and Small Business Development Center and will further accommodate Professional and Continuing Education programs. Current classroom space at Clemson is not adequate and this location will also be more convenient for Professional and Continuing Education participants with respect to hotels, restaurants and other accommodations. This location will permit Clemson to bring related business programs together to an area where the client base can be served while providing increased opportunities for both students and faculty to work with local businesses.

The lease term will be 10 years commencing January 1, 2010 and ending December 31, 2019, the same date the lease of the space to CURF ends. Rent will be \$674,438.16 per year (\$20.22 per SF) for the first eight years of the lease. Thereafter, rent increases to \$835,876.32 per year (\$25.06 per SF) for the last two years of the lease. Rent payments include \$250,162.50 (\$7.50 per SF) annually for operating expenses, which are subject to annual increases on a cumulative basis of no more than a total of five percent beginning with the first year of the lease. Assuming operating expenses increase at five percent per year, the maximum rent over the ten year term is \$7,868,778.05.

Clemson may use 100 parking spaces in an adjacent, city-owned, parking garage at no additional cost. Any upfits and alterations are expected to be minimal and will be undertaken by Clemson, which is renting the space in its "as is" condition. CURF has the right to terminate its lease on December 31, 2015, provided it gives a year's notice, and has the option to purchase the entire building (approximately 96,000 SF) at appraised value (but not less than the then-owed mortgage amount) provided it exercises such option no later than the end of the eighth year of the lease and closes on the property no later than January 10, 2019. CURF has the right to assign its purchase option to Clemson or any Clemson-affiliated entity.

Lease payments will be made from a combination of private gifts, private foundation support from Clemson University's Research Foundation and self-generated funds from programs and services. The leased space, which was formerly used as an education training facility by a prior tenant, is currently divided into classroom areas, offices and related facilities, and will accommodate approximately two hundred sixty (260) MBA students, six (6) Small Business Development Center staff, three (3) Professional and Continuing Education staff and fourteen (14) academic staff and faculty.

**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**

November 2009

Date Approved	Project #	Institution	Project Name	Action Category	Budget Change	Revised Budget
11/2/2009	New	Winthrop	City of Rock Hill Operations Center Land Acquisition <sup>1</sup>	establish (environmental study)	\$0	\$50,000
11/3/2009	9978	Spartanburg CC	Gaines Building Renovation <sup>2</sup>	revise scope	\$0	\$1,070,343
11/10/2009	9500	College of Charleston	Avery Institute Purchase & Renovation	decrease budget, close project	(\$140,274)	\$3,532,473
11/10/2009	9552	College of Charleston	Deferred Maintenance	decrease budget, close project	(\$4,770)	\$2,574,716
11/10/2009	9553	College of Charleston	ADA Compliance Renovations	decrease budget, close project	(\$4,595)	\$177,820
11/10/2009	9555	College of Charleston	New Library Construction	decrease budget, close project	(\$4,577)	\$31,954,070
11/10/2009	9556	College of Charleston	Outdoor Athletics Center Construction	decrease budget, close project	(\$21,219)	\$4,683,781
11/10/2009	9578	College of Charleston	Patriots Point Tennis Complex	decrease budget, close project	(\$107)	\$2,259,893
11/10/2009	9579	College of Charleston	Kelly House , New Residence Hall & Parking Garage Acq.	decrease budget, close project	(\$2,026,965)	\$43,728,035
11/10/2009	9581	College of Charleston	84 & 86 Wentworth St. & 14A & 14B St. Philip St. Acq.	decrease budget, close project	(\$31,249)	\$1,968,751
11/10/2009	9582	College of Charleston	207 Calhoun Street Acquisition & Renovation	decrease budget, close project	(\$26,322)	\$1,473,678
11/10/2009	9583	College of Charleston	School of Business New Construction	decrease budget, close project	(\$98,518)	\$9,635,532
11/10/2009	9596	College of Charleston	284 King Street Renovation	decrease budget, close project	(\$22,182)	\$177,818
11/10/2009	9599	College of Charleston	School of Education New Construction	increase budget, close project	\$449,336	\$6,199,336
11/10/2009	9605	College of Charleston	Communications Infrastructure Construction	decrease budget, close project	(\$497)	\$584,503
11/10/2009	9606	College of Charleston	Stern Student Center Expansion & Renovation	decrease budget, close project	(\$2,434)	\$5,997,566
11/10/2009	9607	College of Charleston	New Student Services Center Renovation	increase budget, close project	\$36,666	\$2,106,598
11/10/2009	9608	College of Charleston	Wentworth Street Properties	decrease budget, close project	(\$31,473)	\$143,527
11/10/2009	9609	College of Charleston	Site Development	decrease budget, close project	(\$374,191)	\$625,809
11/10/2009	9611	College of Charleston	57 Coming Street Acquisition & Renovation	decrease budget, close project	(\$291,204)	\$403,796
11/10/2009	9613	College of Charleston	Patriots Point Athletics Complex Facilities Upgrade	increase budget, close project	\$181,575	\$3,681,575
11/10/2009	9616	College of Charleston	Lightsey Center Roof & Chiller Replacement	decrease budget, close project	(\$87,888)	\$1,712,112
11/10/2009	9618	College of Charleston	69 Coming Street Renovation	decrease budget, close project	(\$6,626)	\$128,374
11/10/2009	9621	College of Charleston	Campus Buildings HVAC Roofs - Deferred Maintenance	increase budget, close project	\$210,109	\$925,109
11/10/2009	9623	College of Charleston	Maybank Hall Renovation	increase budget, close project	\$498,610	\$2,623,610
11/10/2009	9624	College of Charleston	George Street Land, Dorm & Apartment Acquisition	decrease budget, close project	(\$252,061)	\$60,947,939
11/10/2009	9625	College of Charleston	Historic Houses Interior & Exterior Repairs & Upgrades	decrease budget, close project	(\$7,511)	\$1,497,489
11/10/2009	9627	College of Charleston	Sottile Theatre Renovation	increase budget, close project	\$357,833	\$1,582,833
11/10/2009	9629	College of Charleston	5 College Way Renovation	decrease budget, close project	(\$910,743)	\$89,257
11/10/2009	9630	College of Charleston	7 College Way Renovation	increase budget, close project	\$68,379	\$1,068,379
11/10/2009	9631	College of Charleston	9 College Way Renovation	decrease budget, close project	(\$245,908)	\$1,504,092
11/10/2009	9632	College of Charleston	34 George Street Land Acquisition	decrease budget, close project	(\$30,012)	\$3,461,538
11/10/2009	9636	College of Charleston	AT&T (Bell) Building Electrical Improvements	decrease budget, close project	(\$155,355)	\$676,145
11/12/2009	9567	Winthrop	Phelps Hall Renovation <sup>3</sup>	increase budget	\$473,371	\$5,177,371
11/13/2009	New	Florence-Darlington TC	Manufacturing Incubator <sup>1</sup>	establish pre-design	\$0	\$50,000
11/18/2009	6058	USC Columbia	Farmers Market Acquisition <sup>4</sup>	increase budget	\$35,000	\$15,085,000
11/18/2009	9506	USC Union	Deferred Maintenance <sup>5</sup>	increase budget	\$20,000	\$146,717
11/19/2009	New	Central Carolina TC	Reroof Building 100 <sup>6</sup>	establish (phase I & II concurrent)	\$0	\$567,000
11/19/2009	New	Central Carolina TC	Reroof Building 400 <sup>6</sup>	establish (phase I & II concurrent)	\$0	\$650,000

<sup>1</sup>See Supporting Narrative.

<sup>2</sup>Upon successfully bidding the project, bids came in considerably under budget and the College requested approval to incorporate a classroom and lab space as well as an entry plaza that were originally planned for the project. During the early conceptual stage the project cost estimate exceeded the planned project budget. Consequently, the project scope was scaled back to not include the requested scope of work.

<sup>3</sup>The Commission approved this project on November 5, 2009 with a budget of \$4,704,000. The University requested a technical amendment to the project to increase the budget to include funding for asbestos removal. The increase is within CHE staff approval authority as the project scope has not changed and the proposed funding source remains the same.

<sup>4</sup>Increase budget to fund legal fees associated with the acquisition of the Farmers Market

<sup>5</sup>Increase budget to fund costs of roof repairs/replacement on Central Building.

<sup>6</sup>Routine Repair, Replacement, and Maintenance.

**FOR INFORMATION – PROJECT ESTABLISHMENTS PROCESSED BY STAFF  
FOR NOVEMBER 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.*

**WINTHROP UNIVERSITY**

**PROJECT NAME:** City of Rock Hill Operations Center Land Acquisition  
**REQUESTED ACTION:** Establish (Phase I – Environmental Study)  
**REQUESTED ACTION AMOUNT:** \$50,000  
**INITIAL CHE APPROVAL DATE:** N/A

<b><u>Project Budget</u></b>	<b><u>Previous</u></b>	<b><u>Change</u></b>	<b><u>Revised</u></b>
Professional Service Fees	\$0	\$50,000	\$50,000
<b><i>Total</i></b>	<b><i>\$0</i></b>	<b><i>\$50,000</i></b>	<b><i>\$50,000</i></b>

<b><u>Source of Funds</u></b>	<b><u>Previous</u></b>	<b><u>Change</u></b>	<b><u>Revised</u></b>
Institutional Capital Project Fund	\$0	\$50,000	\$50,000
<b><i>Total</i></b>	<b><i>\$0</i></b>	<b><i>\$50,000</i></b>	<b><i>\$50,000</i></b>

**DESCRIPTION:**

The University requests approval to establish a project to perform an environmental study and building condition assessment of 12.38 acres and 8 structures with a total of 109,904 SF. The structures include an office complex, an office warehouse, a metal warehouse and various other buildings. The University plans to use this facility for their Facilities Management, Construction Services, Maintenance and Operations, Central Warehouse and motor pool.

Currently, Maintenance and Operations are housed in the former Coca Cola Bottling plant. Facilities Management and Construction Services are located on the extreme other end of campus in the boiler plant. The University does not own a warehouse and has need for space to store furniture, materials and event furniture. Consolidating these many scattered offices and services will allow economy of scale, proper storage facilities, and shared job responsibilities (secretarial, reception, etc.). It will also yield some surplus acreage that the University plans to use for general campus parking. The University is contemplating a land swap for a portion of the purchase price for this property.

**E&G MAINTENANCE NEEDS REDUCTION:**

N/A – Land Acquisition

**ANNUAL OPERATING COSTS/SAVINGS:**

The project is expected to generate additional operating costs ranging between \$100,000 and \$106,626 in the three years following project completion.

**CENTRAL CAROLINA TECHNICAL COLLEGE**

**PROJECT NAME:** Reroof Building 100  
**REQUESTED ACTION:** Establish (Concurrent approval of Phase I and Phase II)  
**REQUESTED ACTION AMOUNT:** \$567,000  
**INITIAL CHE APPROVAL DATE:** N/A

<b><u>Project Budget</u></b>	<b><u>Previous</u></b>	<b><u>Change</u></b>	<b><u>Revised</u></b>
Professional Service Fees	\$0	\$27,925	\$27,925
Roofing	\$0	\$534,075	\$534,075
Contingency	\$0	\$5,000	\$5,000
<b><i>Total</i></b>	<b><i>\$0</i></b>	<b><i>\$567,000</i></b>	<b><i>\$567,000</i></b>

<b><u>Source of Funds</u></b>	<b><u>Previous</u></b>	<b><u>Change</u></b>	<b><u>Revised</u></b>
Stimulus Funds	\$0	\$567,000	\$567,000
<b><i>Total</i></b>	<b><i>\$0</i></b>	<b><i>\$567,000</i></b>	<b><i>\$567,000</i></b>

**DESCRIPTION:**

The College requests approval to establish a project to replace the roof of Building 100. The College has begun to have major leaks in many different locations on this building, and has not been able to resolve with minor repairs. In June 2009, a roofing analysis was conducted by the College's consultant who determined that this roof should be replaced. This project is part of the accelerated approval initiative.

**E&G MAINTENANCE NEEDS REDUCTION:**

The project will alleviate a portion of the \$925,525 in existing maintenance needs.

**ANNUAL OPERATING COSTS/SAVINGS:**

The institution indicates this project will result in savings ranging between \$3,000 and \$6,000 in the three years following project completion.

**CENTRAL CAROLINA TECHNICAL COLLEGE**

**PROJECT NAME:** Reroof Building 400  
**REQUESTED ACTION:** Establish (Concurrent approval of Phase I and Phase II)  
**REQUESTED ACTION AMOUNT:** \$650,000  
**INITIAL CHE APPROVAL DATE:** N/A

<b>Project Budget</b>	<b>Previous</b>	<b>Change</b>	<b>Revised</b>
Professional Service Fees	\$0	\$45,000	\$45,000
Roofing	\$0	\$545,000	\$545,000
Contingency	\$0	\$60,000	\$60,000
<b>Total</b>	<b>\$0</b>	<b>\$650,000</b>	<b>\$650,000</b>

<b>Source of Funds</b>	<b>Previous</b>	<b>Change</b>	<b>Revised</b>
Stimulus Funds	\$0	\$249,953	\$249,953
Local	\$0	\$400,047	\$400,047
<b>Total</b>	<b>\$0</b>	<b>\$650,000</b>	<b>\$650,000</b>

**DESCRIPTION:**

The College requests approval to establish a project to replace the roof of Building 400. The College has begun to have major leaks in many different locations on this building, and has not been able to resolve with minor repairs. In June 2009, a roofing analysis was conducted by the College's consultant who determined that this roof should be replaced. This project is part of the accelerated approval initiative.

**E&G MAINTENANCE NEEDS REDUCTION:**

The project will alleviate a portion of the \$746,262 in existing maintenance needs.

**ANNUAL OPERATING COSTS/SAVINGS:**

The institution indicates this project will result in savings of \$6,000 in the three years following project completion.

**FLORENCE-DARLINGTON TECHNICAL COLLEGE**

**PROJECT NAME:** Manufacturing Incubator (Phase I)  
**REQUESTED ACTION:** Establish Pre-design  
**REQUESTED ACTION AMOUNT:** \$50,000  
**INITIAL CHE APPROVAL DATE:** N/A

<b>Project Budget</b>	<b>Previous</b>	<b>Change</b>	<b>Revised</b>
Professional Service Fees	\$0	\$50,000	\$50,000
<b>Total</b>	<b>\$0</b>	<b>\$50,000</b>	<b>\$50,000</b>

<b>Source of Funds</b>	<b>Previous</b>	<b>Change</b>	<b>Revised</b>
Local	\$0	\$50,000	\$50,000
<b>Total</b>	<b>\$0</b>	<b>\$50,000</b>	<b>\$50,000</b>

**DESCRIPTION:**

The College requests approval to establish a project to construct an approximately 28,000 SF building to foster start-up manufacturing companies in commercializing their ideas. The facility will provide manufacturing space and infrastructure for up to five start-up companies. The building will have an open floor space with industrial utilities in place and will be constructed in a manner that allows for flexibility and reconfiguration of the space. Additionally, the Incubator will be built in close proximity to the Advanced Manufacturing Center of the SiMT. This will allow the Center to provide employee training and make development resources available to start-up companies.

The College is taking a leading role in the economic development activities in the Pee Dee region. Currently the College does not have the facilities to accomplish this task. This facility will provide a competitive advantage and insure a greater than normal success rate for start-up companies.

This project was included in the institutions FY 2009-10 CPIP as a year two CIB request.

**E&G MAINTENANCE NEEDS REDUCTION:**

N/A – New Construction

**ANNUAL OPERATING COSTS/SAVINGS:**

The project is expected to generate additional operating costs ranging between \$140,000 and \$145,000 in the three years following project completion.