



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 September 3
DATE: August 24, 2009

Attached are items for your review and consideration at the August 5 Commission meeting. Please note the Committee on Finance and Facilities has not yet acted on items 8.04A and 8.04C but is scheduled to review and develop recommendations at its meeting scheduled for 10:00 a.m. on September 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 Lease

- A. Clemson University
 - i. Computing and Information Technology
 - *lease renewal & future space expansion approval*

8.04B Master Land Acquisition Plan (MLAP) Approval

- A. York Technical College

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

DESCRIPTION OF LEASE FOR CONSIDERATION

September 3, 2009

CLEMSON UNIVERSITY

LEASE NAME: Computing & Information Technology
REQUESTED ACTION: Lease Renewal & Future Space Expansion Approval
REQUESTED ACTION AMOUNT: \$ 712,471 (Renewal); \$222,456 (Future Space)

DESCRIPTION:

The University requests approval of a lease renewal between Eagles Landing Properties, LLC I and II (Landlord) and Clemson Computing and Information Technology (Tenant).

Departmental staff of approximately 80 University employees currently occupies 13, 970 SF of office space at 934 Old Clemson Highway and needs to renew this space. The Clemson Computing and Information Technology (CCIT) group provides applications programming support for university systems as well as contracted services for the SC Department of Health and Human Services (SCDHHS) to process Medicaid claims.

An approval is also requested for additional future space in the same location, Eagles Landing Properties LLC I and II located at 936-A Old Clemson Highway. CCIT needs to add space in the future for an anticipated 20-30 full time staff for a major Medicaid Management Information Systems (MMIS-claims processing) and Medicaid Eligibility Determination System (MEDS-eligibility) contract. This will be a development and implementation project to improve Medicaid claims administration through advances in information technology for uniformity among state programs.

The department requested a three year cost proposal from Eagles Landing Properties to coincide with the government Medicaid contract. The suggested option to renew the lease would be for three years. Proposed rates for operating costs increase approximately 7% on 1/1/2011 for all space, and 6.7% in 2012. These increases represent the first increase in operating costs since 9/1/2003.

1) 934 Lease extension for additional three year term (13,970 SF)

<u>Lease Term</u>	<u>Rent (\$/SF)</u>	<u>Operating Cost (\$/SF)</u>	<u>Tot. Rent & Op. Cost (\$/SF)</u>	<u>Tot. Annual Rent & Op. Cost</u>	<u>Monthly Rent & Op. Cost</u>
1/2011-12/2011	\$13.00	\$3.75	\$16.75	\$233,998	\$19,499.79
1/2012-12/2012	\$13.00	\$4.00	\$17.00	\$237,490	\$19,790.83
1/2013-12/2013	\$13.25	\$4.00	\$17.25	\$240,983	\$20,081.92

2) 936-A Lease for future space (3,588 SF)

<u>Lease Term</u>	<u>Rent (\$/SF)</u>	<u>Operating Cost (\$/SF)</u>	<u>Tot. Rent & Op. Cost (\$/SF)</u>	<u>Tot. Annual Rent & Op. Cost</u>	<u>Monthly Rent & Op. Cost</u>
5/2010-12/2010	\$13.00	\$3.50	\$16.50	\$39,468	\$4,933.50
1/2011-12/2011	\$13.00	\$3.75	\$16.75	\$60,099	\$5,008.25
1/2012-12/2012	\$13.00	\$4.00	\$17.00	\$60,996	\$5,083.00
1/2013-13/2013	\$13.25	\$4.00	\$17.25	\$61,893	\$5,157.75

RECOMMENDATION:

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

MASTER PLAN ACQUISITION PLAN (MLAP) FOR APPROVAL

The Commission has a policy for accepting MLAPs from institutions. The current policy is as follows:

Institutions may present master plans that outline proposed land acquisitions to the Finance and Facilities Committee and the Commission for conceptual approval. The granting of conceptual approval shall be good for an initial five-year period and may be renewed by action of the Commission. If the plan is endorsed by the Commission, then future land acquisitions, provided they were included in the master plan presentation and had received Property Management acceptance for the environmental study and appraisal, and provided that no student fee increase is required, will be considered by the CHE staff and will not require additional review by the Finance and Facilities Committee or the Commission. CHE staff will report any acquisition activity to the Finance and Facilities Committee at least quarterly.

York Technical College

A comprehensive campus master plan was developed to meet the growing needs of York Technical College in Chester County. The master plan outlines the location of current and proposed facilities surrounding the Chester Center and provides a blueprint for recommending future property and growth over the next ten to fifteen years.

The Chester Center Master Land Acquisition Plan is based on acquisitions needed to meet the legislative mandate to support and advance economic development in the Chester County area and to provide a strong educational environment for students attending York Technical College.

The Chester Center is currently located on a 5.32 acre tract and is surrounded by vacant land space and six small partially occupied parcels totaling 5.59 acres. The York Technical College Foundation owns 29.49 acres contiguous to the Center. Chester County owns 5.90 acres near the Center which is planned to be an incubator facility operated by the County for economic development. The remaining property of 209 acres is privately owned by the Frazer's, a local family.

The College has plans for future academic building(s) which would be best served by having road frontage along the highway 9 corridor. Highway 9 is a major link between I-77 and the City of Chester. This property is partially Frazer property and the private parcels listed above.

The County of Chester is currently in negotiations with the Frazer family to acquire about one-half the Frazer property behind the York Technical College and the York Technical College Foundation sites and another parcel to the right of Ballymena road and Highway 9. The purpose of the land acquisition by the county is to create a high quality business and light industrial park for major economic development activities. The county is also seeking a first right refusal on the remaining Frazer property for the same purpose.

The proposed MLAP would allow for the acquisition of new land for two purposes; first, to acquire needed property along Highway 9 for better road presence for the College, and secondly, to ensure that the College can be a partner with the county, if needed, in the development of an enterprise park. The College will not be in the land development business but will be a potential partner to create economic development activities in an area of the state where jobs are needed.

This plan will allow the Chester Economic Development office to be more competitive with other areas of the State in attracting higher quality and more diverse industry to the County of Chester.

INFORMATION ITEM

Capital Projects & Leases Processed by Staff						
August 2009						
Date Approved	Project #	Institution	Project Name	Action Category	Budget Change	Revised Budget
7/30/2009	9886	Clemson	Lee Hall Complex Expansion/Renovation ¹	change source of funds	\$0	\$31,600,000
7/30/2009	9558	Coastal Carolina	Kimbel Library /Information Commons			
			Expansion/Addition ²	change source of funds	\$0	\$6,000,000
7/30/2009	9565	Coastal Carolina	Baseball Batting Facility ³	change source of funds	\$0	\$1,200,000
8/11/2009	6034	USC Columbia	USC ROTC Center Renovations	decrease budget, close project	(\$15,279)	\$674,721
8/11/2009	9782	USC Columbia	Caroliniana Library Repairs	decrease budget, close project	(\$270)	\$1,147,730
8/11/2009	9970	USC Columbia	Koger Center Renovations	decrease budget, close project	(\$62,093)	\$1,137,907
8/11/2009	9983	USC Columbia	McKissick Museum Visitor Center Relocation	decrease budget, close project	(\$121,283)	\$135,217
8/11/2009	9564	Coastal Carolina	Campus Road Realignment	decrease budget, close project	(\$1,000)	\$1,500
8/11/2009	9507	USC Beaufort	Campus Buildings Exterior Repairs	decrease budget, close project	(\$5,271)	\$101,729
8/11/2009	9509	USC Beaufort	Performing Arts Center Renovation ⁴	increase budget	\$5,271	\$125,771
8/11/2009	9504	USC Union	Main Building Parking Lot Repairs ⁵	cancel project	(\$24,870)	\$0
8/11/2009	9505	USC Union	Campus Buildings Exterior Repairs	decrease budget, close project	(\$1,732)	\$88,268
8/11/2009	9506	USC Union	Deferred Maintenance ⁶	increase budget, revise scope	\$26,602	\$126,717
8/17/2009	9562	Coastal Carolina	Kingston Hall & Greenhouse Area Land Acquisition	decrease budget, close project	(\$300)	\$2,200
8/18/2009	9563	Coastal Carolina	Meade Fire Tower Site Acquisition	decrease budget, close project	(\$3,629)	\$1,206,871
8/20/2009	9614	College of Charleston	Dixie Plantation Development Phase I	revise scope	\$0	\$4,500,000

¹Source of funding changed from Institution Bonds to Institutional Capital Project Funds & FY09 Federal Stimulus Funding.

²Source of funding changed from Institutional Capital Project Funds to Institution Bonds. Changes in source of funding will more accurately reflect 2009 bond bill resolution.

³Source of funding changed from Institution Bonds to Institutional Capital Project Funds. Changes in source of funding will more accurately reflect 2009 bond bill resolution.

⁴Transferred funds from project #9507. Additional funding will be used for carpet replacement in corridors.

⁵Transfer funds to #9506. Priorities for maintenance funding have changed. Funding is needed for roof repairs on the Central Building.

⁶Transferred funds from project #9504 & #9505. Increase budget and revise scope to include roof repairs/replacement on Central Building.

Leases Processed by Staff

August 2009

Date Approved	Action	Institution	Project Name	Purpose/Additional Info	Rates	Term
8/21/2009	Renew	MUSC	161 Rutledge Avenue	For 4,000 SF of office space	Rate Per SF - \$14.00; Monthly Rental Rate - \$4666.67; Annual Rental Rate - \$56,000	1 year