



March 24, 2005

MEMORANDUM

TO: Dalton B. Floyd, Chair, and Members, Commission on Higher Education

FROM: Rosemary Byerly, Chair
Finance and Facilities Committee

SUBJECT: Interim Capital Projects for Consideration

Attached are the interim capital projects for your consideration on April 7, 2005. Please note, the Finance and Facilities Committee has not yet considered these projects. The Committee will meet at 9:00 a.m., prior to the Commission meeting, to develop recommendations for the full Commission. Staff recommendations have been included for your information.

A list of the February staff approvals is attached for your information.

**Summary
Interim Capital Projects for Consideration
April 7, 2005**

| | | | |
|------------------------|--|---------------------------------|---|
| 1. Coll. of Charleston | 57 Coming Street - Acquisition & Renovation | \$ 690,000 | -increase, revise scope |
| 2. Clemson University | a. Kinard Laboratory HVAC b. Martin Hall HVAC c. Rowing Facility | 1,225,000 600,000 800,000 | -establish -establish -increase, revise scope, change name |
| 3. SC State | Transportation Research Ctr. | 8,474,111 | - increase |
| 4. USC-Columbia | a. Band Hall Construction b. Thomas Cooper Library Rare Books Facility | 5,000,000 17,882,200 | -establish -increase, change source of funds, change name |
| 5. USC-Aiken | Convocation Ctr. Site Enhancement | 745,000 | -establish |

Leases

| | | <u>Annual Amt</u> | <u>Term</u> |
|--------------------------|--|-------------------|-------------|
| 6. College of Charleston | Dixie Plantation Renewal | \$ 100,000 | 20 years |
| 7. College of Charleston | Warehouse Space | 640,000 | 10 years |
| 8. Spartanburg TC | Lease with Purchase Option Gaffney, SC | 160,000 | 20 years |
| 9. Tri-County TC | Lease with Purchase Option Anderson, SC | 700,000 | 20 years |

Information Item

10. USC-Columbia notification of sale of property.

Descriptions of Interim Capital Projects

College of Charleston

57 Coming Street Acquisition/Renov. \$ 690,000 -increase/revise scope
(previous budget = \$5,000)

Source of Funds: \$ 690,000 -institutionally-generated funds

Description

The College received approval to spend \$2,500 to secure an appraisal and a level one environmental assessment in October of 2004. In November 2004, the College increased the budget by an additional \$2,500 to complete the costs for the appraisal and environmental assessment plus additional surveys for lead paint and asbestos.

This request is to increase the project budget to allow the College to move forward with the acquisition and renovation of the facility. The building was in part gifted and in part sold to the College of Charleston Foundation for resale to and use by the College as faculty offices for the Psychology Department. This Department is currently located in the two buildings on either side of 57 Coming Street. This property is one of only a few properties on Coming Street between Beaufain and Calhoun Street not owned or leased by the College.

The lead and asbestos surveys identified some lead paint and asbestos which will be abated prior to the purchase of the building. A verification letter from the firm that completed the surveys will be forwarded to the budget and control board upon completion of the abatement and inspection.

The total cost of \$695,000 is an estimate based on the known condition of the facility. Additional costs may be incurred depending on the extent of the renovation required.

Recommendation

Staff recommends approval of this project as proposed, provided the appraisal and environmental studies are found satisfactory by the Budget and Control Board.

Clemson University

Kinard Laboratory – HVAC Renovation \$ 1,225,000 -establish project

Source of Funds: \$ 1,225,000 -operating revenue

Description

Kinard Hall was constructed in 1961. There have been no significant renovations to the building or systems since that time. The existing HVAC system is worn out and does not meet current requirements for fresh air and was not designed to handle the current load. This project will replace and expand the capacity of the current air handlers, install additional ductwork for better air distribution, and provide all new controls. Once completed, the project will bring the building's fresh air and hood exhaust systems to current code compliance. The anticipated total cost of this project is \$1,225,000. However, detailed engineering design may necessitate a revision to this estimate.

Recommendation

Staff recommends approval of this project as proposed.

Clemson University

Martin Hall HVAC Renovations \$ 600,000 -establish project

Source of Funds: \$ 600,000 -maintenance/renovation/reserve (MR&R) account

Description

Sections M and O of Martin Hall have received HVAC renovations. This request is to provide an HVAC renovation to section E of Martin Hall. Currently, window air-conditioning units must be used to cool portions of the lower level. There are few, if any, HVAC controls in this section. The upgrade will install an up-to-date HVAC system from the main mechanical room in M section, replace the fan coil units, and provide Direct Digital Controls (DDC) that allow control of the system from a remote location. The expected total cost of the project is \$600,000.

Recommendation

Staff recommends approval of this project as proposed.

Clemson University

Rowing Facility Construction \$ 800,000 -increase, revise scope, change name (previous budget \$1,100,000)

Source of Funds: \$ 800,000 -athletic operating funds

Description

In June 2003, Clemson received approval to spend \$100,000 to begin architectural and engineering (A&E) services for a new rowing facility for the women's rowing team. Phase 1 A&E consisted of program verification, site selection, schematic design, cost analysis and a site survey and soil analysis. Preliminary plans called for an approximate 18,000 square foot (SF) enhanced, pre-engineered building to house a locker room, weight room, and lounge. Additionally, the facility was expected to house coaches' offices, finish line viewing tower, and a trailer storage bay. At that time, the approximate cost was estimated to be \$1.750 million.

Clemson increased the budget by \$1 million in February 2005, and revised the scope of the project to reflect a 10,000 SF facility. This request is to increase the project budget by \$800,000 and revise the scope to include the upfit of the open bay space. The name of the project is being changed to reflect the construction phase of the project.

Recommendation

Staff recommends approval of this project as proposed.

SC State University

Clyburn Transportation Res. Ctr. \$ 8,474,111 -increase budget (previous budget = \$9,121,764)

Source of Funds: \$ 1,694,822 -state matching funds
6,779,289 -federal funds
\$ 8,474,111

Description

This project was established and approved by CHE in October 2002 with receipt of a federal highway administration grant of \$8.922 million. The purpose of the grant was to construct a 60,000 SF multidisciplinary research and conference center with an interdisciplinary approach to research and technology transfer to strengthen economic development and quality of life for small and rural communities in SC and in the South. The Center will focus on initiatives to advance transportation policy and evaluation, develop future transportation leaders, and devise new systems and solutions to benefit rural and small communities.

The new facility will include administrative and general offices, conference spaces, training rooms, auditorium, general assembly spaces, computer laboratories, technology transfer labs, general labs, and research space.

In April 2003, a federal HUD grant for \$200k was added and in April 2004, the project was named the James E. Clyburn Transportation Research and Conference Center. SC State has been awarded an additional grant in the amount of \$6,779,289 from the federal highway administration. There is a required state match of \$1,694,822. SC State requests approval to increase the budget by the amount of the additional grant plus the required state match. Copies of the grant award and the state match requirement are on file at CHE.

USC-Columbia

Band Hall Construction \$ 5,000,000 -establish project

Source of Funds: \$ 5,000,000 -institution bonds

Description

This project is to relocate University Bands to the vicinity of Bates House Dormitory and Benson School. The project will include construction of a new building to provide a band practice facility and instrument storage. Site work will include the creation of a practice field and parking. It is currently planned to fund the project with institution bonds. However, other institutional funds may be used in the interim until bonds are issued. The total project cost is anticipated to be \$5 million.

Recommendation

Staff recommends approval of this project as proposed.

USC-Columbia

Thomas Cooper Library Rare Books

Facility Construction \$17,882,200 -increase/change fund source/
(previous budget \$117,800) change project name

Source of Funds: \$ (117,800) -appropriated state funds
14,000,000 -federal funds
4,000,000 -private funds
\$17,882,200

Description

This request is to increase the budget to fully fund the project. The planned facility consists of two wings that will be added on either side of the Thomas Cooper Library. The wings will consist of 72,000 SF. The East Wing will house the Rare Books and Special Collections and the West Wing will house the University's Modern Political Collections.

The proposed facility will provide specialized secure stack areas and climate control to preserve the University's valuable rare books, special research collections and modern political collections as well as provide specialized public space and work areas so that the materials will be fully and responsibly utilized. It is anticipated that the facility will have educational space, exhibit areas, reception areas, office and work spaces, reading rooms, and research offices, as well as the specialized storage areas for the collections.

Existing facilities are no longer adequate for responsible storage of the collections or for changed expectations about how the materials will be handled and used. The collections have grown dramatically over the past fifteen years and storage facilities are full. The aging mixed-use Thomas Cooper Library and the Pearl warehouse are extremely difficult to bring up to recognized standards for climate-controlled storage of material. The existing facilities lack adequate work areas and public space. The total projected costs for construction of the new facility is \$18 million. A copy of the letter guaranteeing availability of the federal and private funding is on file at CHE.

Recommendation

Staff recommends approval of this project as proposed.

USC-Aiken

| | | |
|-------------------------------------|------------|----------------|
| Convocation Center Site Enhancement | \$ 745,000 | -establish |
| Source of Funds: | \$ 745,000 | -City of Aiken |

Description

This project is for additional site enhancements for the Convocation Center at USC-Aiken. Work will include landscaping upgrades, reinforced turf parking, and roadway improvements to support University and Community use of the building. These enhancements will improve roadway safety at a primary site entrance and provide additional accommodations for overflow parking at the multi-purpose facility.

Recommendation

Staff recommends approval of this project as proposed.

Leases

CHE Policy on Lease Requests:

A lease, as defined by the South Carolina Treasurer's Office, is a signed agreement by an institution that commits that institution to future payments for the use of property. Each lease, including renewals, with a term of three or more months in a single fiscal year and at a total annual cost of \$25,000 or more must

be approved by the Commission. Commission staff may approve leases from \$25,000 up to and including \$100,000 per year. All leases over \$100,000 are subject to action by the full Commission.

Lease requests must be submitted concurrently to the Commission and to the Leasing Office of State Building and Property Services. The Commission staff validates the programmatic need for the lease and verifies the source of funds. The Leasing Office assists the institution with meeting the need by ensuring that the rates and terms of the lease are fair. The Leasing Office will not conduct a solicitation without the approval of the Commission. Approval to solicit does not constitute final authorization to execute a lease. Once the Leasing Office has agreed on the terms of the lease, the lease is submitted to the Joint Bond Review Committee (JBRC) and the Budget and Control Board (B&CB) for approval to execute.

College of Charleston

Dixie Plantation Lease Renewal \$ 100,000 -per year for 25 yrs. w/5-yr renewals

Source of Funds: institutionally generated revenues

Description

The College of Charleston requests approval to amend its existing lease agreement for Dixie Plantation. The property is currently owned by the College of Charleston Foundation and the College leases the property for \$100,000 per year with one year renewals. The Plantation consists of over 800 acres of land near Hollywood, SC and currently has a one-story residence (constructed in 1947) and several outbuildings. The property is currently used for science instruction and research but is limited because of the lack of facilities. In January 2005, the Commission approved Phase One of planned development of Dixie Plantation to include a classroom facility, three small field stations linked by a pedestrian/bike path, and upgrades to the utility infrastructure. Subsequent phases will add small academic buildings and student living quarters. Once the renovations are complete, Dixie Plantation can be used for instruction and research in the sciences, archeology, history and the studio arts.

Since the College is preparing to undertake major renovations to the property, it now wishes to amend its annual lease to a 25-year lease with five-year renewals. The first year will be \$100,000 with additional renewals increasing by the consumer price index (CPI).

Recommendation

Staff recommends approval of this request provided the B&CB finds the rates and terms acceptable.

College of Charleston

Lease of Warehouse Space \$ 240,000 per year for 10 years (estimate)

Source of Funds: institutionally generated revenue

The College of Charleston currently leases warehouse space in two separate locations totaling approximately 35,000 SF. The College would like to consolidate its storage into one location of approximately 40,000 SF. It would be more efficient and cost effective for the College to have

all warehouse space in one central location. In addition, some of the space they now lease for storage is not usable due to load concerns. The landlord of one location has indicated that he plans to sell the property and is not interested in continuing the lease to the College on a long-term basis. The College has submitted its request to the B&CB. At this point, the amount of the lease is approximate because the location and cost of the space have not yet been determined. The cost of the lease is expected to be somewhere between \$4 and \$8 per SF. Using an estimate of \$6 per SF, the annual amount of the lease would be approximately \$240,000. The College is requesting a minimum 10 year term, occupancy date of 12-2005, and option to purchase the space.

Recommendation

Staff recommends approval of this request provided the B&CB finds the rates and terms of the lease acceptable.

Spartanburg TC

523 Chesnee Hwy at Gaffney, SC
(lease with purchase option)

\$ 160,000 -per year for 20-years (estimate)

Source of Funds: Cherokee County

Description

The purpose of this project is to provide a facility of approximately 13,816 SF for classroom and training use. The facility will be constructed to the College's design standards and will be located on approximately three (3) acres of land owned by Spartanburg TC's foundation that is adjacent to the future Cherokee County Campus of the College. The facility will be used to offer employee development training for companies as well as general curriculum courses to meet the growing demands in that area.

The term of the lease will be for 20 years beginning with the completion of the building. There is an option to purchase the property and facility at any time during the lease and the price would be based on mutually agreed upon terms included in the lease agreement. The annual cost will be approximately \$12.00 per SF or \$160,000 per year.

Cherokee County is in Spartanburg TC's service area and the establishment of a Cherokee County Campus was approved by CHE and the B&CB in April 2004. The State Board for Technical and Comprehensive Education (SBTCE) has approved this project.

Recommendation

Staff recommends approval of this lease provided the B&CB finds the rates and terms acceptable.

Tri-County TC

Property on Hwy 28, at Stanridge Rd
and Michelin Blvd, Anderson SC
(Lease with Purchase Option)

\$ 700,000 -per year for 20 years (estimate)

Source of Funds: Existing capital fees and funds currently used for Anderson Mall lease.

Description

The purpose of this project is to lease land and a 45,000 SF building to be constructed for the College. The building will be located on approximately 44.72 acres of land owned by the Tri-County TC Foundation in the northwest section of Anderson County.

The term of the lease will be for 20 years beginning with the completion of the building. There is an option to purchase the property at any time during the lease and the price would be based upon mutually agreed upon terms included in the lease agreement. The cost of the lease is calculated at \$12 per SF for the building and \$1500 per acre for the land, totaling approximately \$700,000 annually.

Over the past 10 years, Tri-County TC has experienced enrollment growth of 50 percent, 28 percent of the increase occurring during the last four years. As a result of this enrollment growth, the main campus has reached capacity in existing facilities and parking. Projected enrollment growth through 2004 is 48 percent. In order for the College to meet anticipated enrollment growth in credit and continuing education programs, additional space must be provided.

Currently Tri-County TC leases approximately 5,000 SF of space in the Anderson Mall for continuing education programs. Once the new campus is completed, that lease will be discontinued and the operation will be moved to the new campus. The College will be able to offer additional programs and services in the new facility.

Tri-County TC has requested state bond funding for the acquisition of land and facilities in its Comprehensive Permanent Improvement Plan (CPIP) for three years, but State funds have not been available. The College, therefore, began a process for acquiring the needed facilities through its Foundation. The lease with purchase option has been approved by the Foundation Board, the Tri-County Technical College Commission, and the SBTCE.

Recommendation

Staff recommends approval of this lease provided the B&CB finds the rates and terms acceptable.

Information Item

USC Columbia

Notice of Intent to Sell Property

State Policy on Sale of Property by Higher Education Institutions:

The approval of the Commission on Higher Education is not required for the sale of institutional property. However, institutions provide notification to the Commission for information.

USC notified the Commission by letter on March 7, 2005, of its intent to sell, via public offering, the parcel of land located at 1819 Pendleton Street in Columbia, SC. The purpose of the sale is to comply with the University's 1994 Capital Master Plan which recommended that certain parcels of property adjacent to the Campus, but in the midst of the surrounding residential neighborhood, be returned to the private sector. Additionally, the University entered into an

agreement with the University Neighborhood Association (UNA) in July of 2003, which stated the University would return certain parcels of property back to the private sector in accordance with the Master Plan recommendation. The final sales price for the property will be determined by sealed bids, but in no case will a bid less than the appraised value of the property be accepted.

The sale of this property will be coordinated with the State Building and Property Services.

PERMANENT IMPROVEMENT PROJECTS
APPROVED BY STAFF

Feb-05

| Date Appr. | Project # | Institution | Project Name | Action Category | Budget Chg. | Revised Budget |
|------------|-----------|--------------|--|-------------------------------|--------------|----------------|
| 2/7/2005 | 9815 | Clemson | Rowing Facility Construction (CPIP) | increase budget, revise scope | \$ 1,000,000 | \$ 1,100,000 |
| 2/7/2005 | 9836 | Clemson | Roadway Repairs | decrease budget, close | \$ (58) | \$ 224,942 |
| 2/7/2005 | 9864 | Trident TC | Energy Efficiency Improvements | increase budget | \$ 11,646 | \$ 506,646 |
| 2/8/2005 | 9584 | SC State | Land Acq. 1997 Russell St.&151 Parker St. | change source of funds | | |
| 2/8/2005 | New | Winthrop | Intramural Fields Construction | establish | \$ 500,000 | |
| 2/8/2005 | New | Winthrop | Reroof Thomson Cafeteria | establish | \$ 200,000 | |
| 2/10/2005 | 9819 | Clemson | Summer 2004 Parking Lot Maintenance | decrease budget, close | \$ (144,489) | \$ 200,511 |
| 2/10/2005 | New | USC-Columbia | Bates West Kitchen Upgrades | establish | \$ 225,000 | |
| 2/10/2005 | New | USC-Columbia | Housing Elevator Upgrades | establish | \$ 450,000 | |
| 2/10/2005 | 9949 | USC-Columbia | McBryde Quad F Apartment Constr/Renov. | cancel | \$ (200,000) | |
| 2/10/2005 | 9957 | USC-Columbia | Law School Interior Refurbishment | decrease budget, close | \$ 11,196 | \$ 235,604 |
| 2/16/2005 | 9546 | Winthrop | Phelps Hall Renovations | increase budget, revise scope | \$ 588,000 | \$ 1,341,000 |
| 2/17/2005 | 9663 | MUSC | Basic Science Building Infrastructure Renov. | decrease budget | \$ (238,702) | \$ 7,204,166 |
| 2/17/2005 | 9662 | MUSC | Harper Student Center Renovation | decrease budget | \$ (87,696) | \$ 1,662,304 |
| 2/17/2005 | 9634 | MUSC | College Buildings Exterior Waterproofing | change source of funds | | |
| 2/17/2005 | New | MUSC | Low Voltage Breaker Maintenance | establish | \$ 500,000 | |
| 2/17/2005 | 9947 | USC-Columbia | Sumwalt Mechanical Room Renovation | decrease budget, close | \$ (74,198) | \$ 170,802 |
| 2/17/2005 | 9860 | USC-Columbia | Wade Hampton Window Replacement | decrease budget, close | \$ (31,385) | \$ 218,615 |
| 2/28/2005 | 9590 | The Citadel | Law Barracks Replacement | change source of funds | | |
| 2/28/2005 | New | Clemson | Riggs Hall Window Replacement | establish | \$ 400,000 | |
| 2/28/2005 | New | Clemson | Lowry Hall Elevator | establish | \$ 375,000 | |
| 2/28/2005 | New | Midlands TC | Major Reno./Replace. Collegewide | establish (CPIP) | \$ 3,250,000 | |