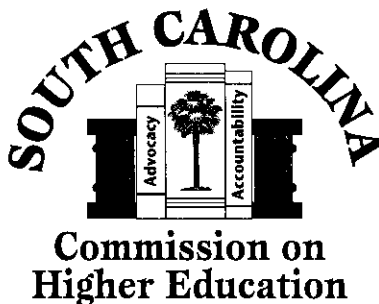


ATT XII

Rayburn Barton
Executive Director

October 23, 2001

MEMORANDUM

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

FROM: Rosemary Byerly, Chair, Committee on Finance and Facilities
RB/jrs

SUBJECT: Capital Projects for Consideration November 1, 2001

Attached are items for consideration at the November 1 Commission meeting. Please note that the Committee on Finance and Facilities has not acted on these items. The Committee will meet to consider these items at 9:30 a.m. on November 1 prior to the Commission meeting. Committee recommendations will be presented to the Commission at the 10:30 a.m. meeting. For your information, staff recommendations are included.

There are five interim projects totaling \$10,740,000. These are summarized below:

<u>Clemson University</u>	
Managed Storage Facility – establish project	\$ 3,600,000
Charleston Land Acquisition – accept donation	-n/a-
<u>University of South Carolina</u>	
Jones Physical Sciences Center Renovation – increase budget	2,600,000
School of Law Building A&E – revise scope to include land acquisition	3,800,000
<u>Greenville TC</u>	
Marshall and Williams Property Acquisition	<u>750,000</u>
	\$10,740,000

Also included are the recommendations for the new growth criterion to be included in the approved Criteria for Evaluating Exceptional Capital Project (ECP) requests.

Attachments

Clemson University

Managed Storage Facility

- Establish Project - \$3,600,000

Source of Funds: \$3,600,000 - Institutional Capital Project Funds (ICPF)

Budget:	250,000	- professional development fees
	100,000	- equipment and/or materials
	2,940,000	- new construction
	10,000	- builders risk insurance
	<u>300,000</u>	- contingency

Total: \$3,600,000

Discussion:

Clemson requests permission to construct a new Managed Storage Facility in order to alleviate the growing amount of storage that is currently occupying main campus space. The facility will be a building(s) located on off-campus property owned by the University. The facility(s) will house materials from the Library and Records storage areas of campus, as well as a wide variety of materials that are rarely used but which are still valuable, or those that must be retained by law. The project will free existing core academic space for use by the Library and other academically-oriented programs.

Recommendation:

Staff recommends approval of this project as proposed.

Clemson University

13 and 15 George Street, Charleston, SC

- Land Acquisition

Discussion:

Clemson University requests approval to accept a land donation from The City of Charleston, at virtually no cost to Clemson. The land, located at 13 and 15 George Street in Charleston, SC, is being conveyed to Clemson for the sum of \$1.00. Clemson University plans to build a facility on the property to house the School of Architecture program, currently operating out of leased space in Charleston. The Clemson University Board of Trustees has approved this transaction contingent on state approval.

The Charleston Architecture program was initiated in 1985 with the support of the College of Charleston, which provided free space for a small undergraduate architecture studio. Through an agreement with the College of Charleston, Clemson architecture students are permitted to take classes in the College and have access to all facilities and dorms. Courses taken at the College by Clemson students transfer to the students' Clemson Academic records. Clemson reimburses the College on a credit basis for the classes taken by Clemson students.

Two years ago, the College of Charleston needed the space that Clemson occupied and the Clemson studio moved to another facility on Franklin Street provided free of charge by the City of Charleston. The building on Franklin Street, however, can only accommodate 15 students. The Mayor of Charleston continues to be a strong supporter of the Clemson presence and program in Charleston and has been instrumental in getting City Council approval for a transfer of land to the University.

Given the success of the program, in 1997-98 the Board of Trustees approved the expansion of the program to include graduate courses so that Clemson graduate students could take advantage of a semester of study in Charleston. The plan that the Board approved was to increase the size of the center to a total of 48 students divided between undergraduate and graduate students.

The School has set a goal to increase the enrollment to the target number over a three-year period once a new facility is in place. It is anticipated that the new building will have to provide between 20-25,000 square feet of floor space to accommodate the needs of the program including design studios, lecture and seminar rooms, project review rooms, faculty offices and administrative and support spaces. A state project has been started to begin preliminary planning and conceptual design for the new facility. The cost of the new facility is estimated to be \$4 million to be funded from bonds and/or private donations.

Copies of the Environmental Report, the Survey, and the Memorandum of Understanding are on file in the CHE offices.

Recommendation

Staff recommends approval of the projects as proposed, provided the Budget and Control Board finds the memorandum of understanding for the donation, the environmental report and any other required documents to be acceptable.

University of South Carolina

Jones Physical Sciences Center Renovation

- Increase Budget/Change Name - \$2,600,000

Source of Funds:

\$2,600,000

- Asbestos Trust Fund

Budget:

400,000

- professional development fees

4,800,000

- renovations, building interior

400,000

- contingency

Total:

\$5,600,000

Discussion:

USC requests approval to increase the budget of the project to level available funding. The project is to abate asbestos and renovate the Jones Physical Sciences Center to provide instructional and support space for the College of Science and Mathematics. The work will be implemented in phases as funding is identified. A feasibility study has estimated total project costs at approximately \$40 million.

Recommendation

Staff recommends approval of this project as proposed.

University of South Carolina

School of Law, New Building (A&E only)		- Revise Scope to include land acquisition
Proposed Cost:	\$1,780,000	- cash (CIB proceeds)
	<u>2,020,000</u>	- value of Pendleton Street property
	\$3,800,000	

Discussion:

USC is requesting approval to revise the scope of its currently approved project for constructing a new law school to include land acquisition for construction of the new building.

USC and the University Development Foundation have been working closely with each other to develop methods and resources to expedite various projects for the Columbia campus. One such project is the proposed School of Law facility. The University has determined that the preferred site for the new Law School is the former Columbia Museum of Art property, bounded by Gervais, Pickens, Senate and Bull Streets. The Development Foundation purchased the property from a private developer and has held it in their real estate inventory until the University is prepared to move forward with land acquisition for the new Law School project.

To secure the property for the Law School project and to provide land resources to the Development Foundation for future development, the University Administration and the Development Foundation propose the following land purchase/swap. Recent real estate appraisals by Rosen Appraisal Associates have determined the market value of the subject properties to be \$4,150,000 for the former museum property - 4.05 acres; and \$2,020,000 for the University's property on Pendleton Street - approximately 2 acres. The University will swap the land it currently owns on Pendleton Street, bounded by Pickens, Pendleton, and Henderson Streets, plus \$1,780,000 cash to the development foundation in exchange for the Columbia Museum of Art property. The cash will be funded from already existing State Capital Improvement Bonds (CIB) currently allocated to the Law School project. The total cost to the University to acquire the museum property is \$3,800,000. The final cost, including cash and land value, is \$350,000 below the appraised value of the property. The Development Foundation, in complete cooperation with the University, will hold the Pendleton Street property for future development. Any future development of the Pendleton Street property will be for the benefit of USC.

USC requested funds for a new Law School building in the 1999 Exceptional Capital Projects and received \$5,000,000 in CIB funds for construction of the new Law School. Originally the new Law School was to be located in an undecided location near "the center of the campus." The Pendleton Street property that is to be exchanged for the museum property was considered as a possible location at one time, but is too small. USC would like the new Law School to be located near the National Advocacy Center, which is on Pendleton Street not far from the former museum site.

CHE has already approved the architectural and engineering (A&E) studies for the development of the design of the new facility. The former Art Museum property is included in USC's Master Land Acquisition Plan (MLAP), which has also been approved by CHE. There are restrictions on the former museum property. The Taylor House and another structure on the proposed 4.4 acre acquisition are historical buildings and will need to be retained. The University believes it can work around these two structures. The smaller structure, the Horry-Guingnard House, is currently being leased and is producing revenue. It is hoped that if the current tenant leaves, another revenue generating tenant can be placed in that facility. The Taylor House is not currently being used and operating expenses are minimal. The University may renovate the Taylor house at a future date, for

use as offices and for special functions. At that point in time, the maintenance and operating expenditures for the Taylor House will be incorporated into the University's inventory and paid University with operating funds.

The legislative line item CIB approval does not restrict USC to using the CIB proceeds for "construction" of the new Law School Building, and it appears that the proceeds could be used for land acquisition as well. USC has pledges of close to \$20 million in private funds for the new Law School but those funds are not available until sometime in the future. That is the primary reason the University has requested to use current CIB funds to acquire the property.

Recommendation

Staff recommends approval of this land acquisition as proposed, provided the Budget and Control Board finds the terms and conditions of the acquisition acceptable, and provided there are no legal impediments to using a portion of the current CIB proceeds for this acquisition.

Greenville TC

Marshall and Williams Property Acquisition - Purchase Property - \$740,000

Source of Funds:	\$ 740,000	- local funds
Budget:	10,000	- appraisal/environmental fees
	<u>740,000</u>	- land purchase
Total:	\$ 750,000	

Discussion:

Greenville TC requests approval to purchase the Marsall & Williams property, which is bordered on three sides by Greenville TC, and on one side by Pleasantburg Drive (Hwy 291). The property will provide valuable road frontage contiguous with the current primary (front) entrance to the College. The existing Marshall and Williams building could provide future square footage for needs of the College.

The property consists of approximately 3.42 acres bordered on three sides by Greenville TC. The buildings consist of a single story masonry office of 7500 sq. ft, and a light-manufacturing and storage facility of approximately 18,342 sq. ft. The institution plans to use the property for expansion of pending programs, storage space for surplus equipment, storage space for operational needs and additional office space for administrative personnel. There are no plans to renovate the facility. It is anticipated the building will be used as is. The College plans to lease the property to a tenant, until it needs the space, for an amount that will cover the annual operating costs of the facility.

The Commission approved a request for the Phase I environmental study and MAI appraisal of the property for Greenville TC's preliminary studies in June. This request is for the actual purchase of the property. This request was approved by the SBTCE at its meeting on September 26, 2001.

Recommendation

Staff recommends approval of this request as proposed, provided the Budget and Control Board finds the appraisal and environmental studies acceptable.