



South Carolina Commission on Higher Education

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Mr. Hood Temple
Dr. Evans Whitaker

Ms. Julie J. Carullo
Interim Executive Director

TO: Mr. Hood Temple, Chair, and Members of the Committee on Finance & Facilities

FROM: Mr. Gary S. Glenn, Director of Fiscal Affairs

SUBJECT: Committee Meeting, June 4

DATE: May 29, 2015

A meeting of the Committee is scheduled to **be held in the Commission's Palmetto Conference Room at 9:30 a.m. on Thursday, June 4. Please note the change in time.** The agenda and materials for the meeting are enclosed.

If you have any questions about the materials, please contact me at (803) 737-2155. We look forward to meeting with you on June 4.

Enclosures

AGENDA
COMMITTEE ON FINANCE & FACILITIES
JUNE 4, 2015
9:30 A.M.
PALMETTO CONFERENCE ROOM
SC COMMISSION ON HIGHER EDUCATION
1122 LADY STREET, SUITE 300
COLUMBIA, SC 29201

1. Introductions
2. Minutes of May 7 Meeting
3. Interim Capital Project
 - A. Clemson University
 1. East Campus Water Tower Construction
- *establish project*
 - B. USC Aiken
 1. Pedestrian Bridge Construction
-increase budget
 - C. York Technical College
 1. Trimnal Lane Land Acquisition
4. Presentation – South Carolina State University
Mr. Ed Patrick, Chief Financial Officer
5. Other Business (*For Information, No Action Required*)
 - A. List of Capital Projects & Leases Processed by Staff for May 2015

MINUTES

COMMITTEE ON FINANCE AND FACILITIES
MAY 7, 2015
10:00 A.M.
MAIN CONFERENCE ROOM
SC COMMISSION ON HIGHER EDUCATION
1122 LADY STREET, SUITE 300
COLUMBIA, SC 29201

Committee Members Present

Chairman Hood Temple
Commissioner Dianne Kuhl
Commissioner Louis Lynn
Commissioner Clark Parker
Commissioner Kim Phillips
Commissioner Paul Batson

Mr. Morgan O'Donnell
Mr. Steve Osborne (Phone)
Mr. Edward Patrick
Ms. Allyn Powell
Mr. Jack Roach
Ms. Carol Routh

Guests Present

Ms. Beth Bell
Ms. Stacie Bowie (Phone)
Ms. Lynn Brazell (Phone)
Mr. Ken Davis
Ms. Joellen Forgeng
Mr. Derek Gruner
Ms. Joy Gillespie
Mr. Kim Huff
Mr. Rein Mungo (Phone)

Staff Present

Mr. Gary Glenn
Ms. Yolanda Myers

For the record, notification of the meeting was made to the public as required by the Freedom of Information Act.

I. Call to Order

Commissioner Temple called the meeting to order at 10:05 a.m. Ms. Myers introduced guests in attendance.

The following matters were considered:

II. Approval of Minutes of Meeting on May 7, 2015

A motion was made (Phillips), seconded (Batson), and carried to approve the minutes of the May 7, 2015 meeting.

III. Interim Capital Projects

The following projects were presented and discussed:

A.) Coastal Carolina University

i. Smith Science Building Renovation

Mr. Glenn presented the project stating that the University requests approval to establish the construction budget to add an additional \$5,125,000 to address the renovation of the Smith Science

Building. He shared that the University plans to improve the academic facility by selective demolition, interior cosmetic improvements, and a new two-story entry addition that relates to the courtyard. He further explained that the focus will be on re-roofing, replacement of windows, repair of trim work, and repair of cracks in masonry to make the building seismically stronger. Mr. Glenn stated that this project was to be constructed in two phases and was included as priority # 1 in year 2 of the institution's FY 2014-15 CPIP.

Chairman Temple asked Mr. Glenn to explain the CPIP process for the new members. Mr. Glenn shared that the Comprehensive Permanent Improvement Plan (CPIP) is a planning document that each institution provides to the Commission. He further explained that the Plan itself is divided into two parts and that Year One of the CPIP includes projects the institution intends to execute in Phase I and /or in Phase II in the coming fiscal year. He also shared that Years 2-5 provide the long range plans of the institution and the types of buildings and maintenance projects they anticipate over that period of time. These projects are presented as information. Mr. Glenn shared that the afternoon session will address new projects presented for the up-coming fiscal year.

Mr. Glenn continued to share that the renovation of the Smith Science Building will include state of the art teaching labs, classrooms, tutoring areas, office space to accommodate 68 staff and faculty, 13 labs/classrooms, conference rooms, and lounges; and that this project will eliminate a portion of the existing maintenance needs.

Commissioner Khul asked for clarity on spending \$2,000,000 in Phase I and will the total include the computers and the labs? Mr. Glenn shared that it is the costs that actually put the student in the seat and that it does include the purchasing of the computers. Ms. Stacie Bowie also shared that the amount was established in 2006 when there was not an establish Phase I process and that they had re-evaluated the project which is now a \$7,750,000, which includes interior and exterior renovations.

Chairman Temple asked that Ms. Stacie Bowie contact Commissioner Khul to further address her concerns about the increased project cost.

With no further questions, it was moved (Phillips), seconded (Lynn), and voted to approve the Coastal Carolina University project as proposed.

B.) Florence Darlington Technical College

i. Automotive & HVAC Technology Center - Phase II Construction

Mr. Glenn presented the project stating that the College requests approval to establish the Phase II construction budget of \$6,750,000 for a new Automotive, Auto Body, and HVAC Technologies Training Center. He explained that the college's programs in these areas are currently in need of more space and are constrained by existing facilities, creating a waiting list of approximately 200 students wanting to enter the Automotive, Auto Body, HVAC, Diesel and Welding programs. Mr. Glenn shared that this project was included in the institution's CPIP for FY 2015-16 as priority 1 that will be discussed this afternoon. He also stated that this project would not address maintenance needs because it is new construction.

Chairman Temple requested that he be recused from the vote because of his affiliation with FDTC. With no further questions, it was moved (Phillips), seconded (Khul), and voted to approve the Florence-Darlington Technical College project as proposed.

C.) Orangeburg-Calhoun Technical College

i. Re-Roofing Project – Building A thru J and Connecting Corridors

Mr. Glenn presented the project stating that the College requests approval to establish Phase I of a roof replacement for Buildings A thru J and connecting corridors.

With no questions, it was moved (Lynn), seconded (Phillips), and voted to approve the Orangeburg-Calhoun Technical College project as proposed.

IV. Approval of SmartState® Operating Budget for FY 2015-16

Mr. Glenn presented the operating budget and stated that it has already been vetted by the SmartState board. He stated that legislation requires that they submit it to us for approval. He shared that we have worked with the SmartState board and their operating budget is similar to what they had last year with a little tweaking of salaries and fringe due to the 2% percent cost of living raise and noted that the increase was offset somewhat by a decrease in rent.

With no questions, it was moved (Kuhl), seconded (Parker), and voted to approve the SmartState operating budget as proposed.

V. Comprehensive Permanent Improvement Plans (CPIP)

- A.) Year One Project Approvals
- B.) Years Two, Three, Four and Five Summaries (*For Information*)

Mr. Glenn presented a breakdown of Year One projects separating projects the Committee had already considered from those they had not yet seen. He explained the purpose of the five year plan and presented a breakdown of new construction, renovation, and land acquisition projects.

The following Year One projects were presented and discussed:

New Construction

A. Clemson University

1. Child Care Center Construction
2. Outdoor Wellness & Fitness Center Construction

Mr. Glenn presented the projects with no questions posed by the members.

B.) USC Columbia

1. Outdoor Recreational Space/Golf Practice Facility Development

Chairman Temple asked what is the source of the institutional funds. Mr. Glenn shared that these funds are derived from tuition and fees. He stated that was appropriate because the area will be used by other students as well as the golf team as there is a student service component to this facility. Commissioner Lynn asked if there were private donors related to the development. Mr. Glenn responded that private funds were not included. Mr. Glenn stated that the existing course in Blythewood would continue to be used as their site for competition and for formal practices and that the institution needed a site closer to the university to be used more spontaneously to keep from having to make the 1/2 hour drive to Blythewood, SC. Commissioner Temple and Commissioner Kuhl shared concerns about construction costs as well as concerns about the additional operating cost each year that would be shared with the students. Mr. Glenn stated that USC has a problem because the intramural spaces are limited and that this facility will support that type of activity as well as the golf team. He further shared that it will not change student fees and will be a combination of revenues from the athletic operations, student affairs, and institutional funds. Commissioner Batson asked if the facility will be available to other students. Mr. Glenn stated that the area will be available to other students, thus the \$2,000,000 will be covered by Students Fees. He noted that because of the current concerns, the Committee could pull this project at this time in order to receive more information and that the institution could bring it back to the Committee as an Interim Project in future. With consent from the members, the project was removed from the CPIP Year 1 process.

2. North Energy Plant Expansion & Chilled Water Loop Extension

Commissioner Lynn asked if the City of Columbia contributes any cost for the North Energy Plant Expansion & Chilled Water Loop Extension. Mr. Glenn shared that the City of Columbia does not contribute to this component which is air conditioning and heating and is the responsibility of the University.

3. Emergency Generators for Critical Research

Mr. Glenn presented the project with no questions posed by the members.

C.) Medical University of South Carolina

1. University Center at Ft. Johnson

Chairman Temple asked that University General Funds be defined. Mr. Glenn explained that University General Funds are funds that come from tuition and fees and general fund support from the state. Commissioner Lynn asked if the University owned the land. Mr. Glenn stated that they do own the land.

D.) USC-Aiken

1. Solar Farm

Mr. Glenn presented the project with no questions posed by the members.

E.) Greenville Technical College

1. Aircraft, Diesel Maintenance, Truck Driver Training Construction

Mr. Glenn shared that this is a joint project between the South Carolina National Guard and Greenville Technical College. He stated that Greenville Tech has invested \$6,000,000 and the SC National Guard has invested \$15,260,150. He noted that this project will not need to come back to this Committee for Phase I and II because the National Guard will be the fiscal agent and it will go through their process.

F.) Horry-Georgetown Technical College

1. Advanced Manufacturing Center – Georgetown

As this was the final new construction project, Chairman Temple asked that the Committee vote on these projects with the exception of the Outdoor Recreational Space/Golf Practice Facility Development coming from the University of South Carolina.

With no further questions, it was moved (Phillips), seconded (Kuhl) and voted to approve the projects as proposed.

Renovation

G.) USC Columbia

1. Close-Hipp Renovation

2. Capstone Student Bathroom Renovation/Window Replacement

Commissioner Kuhl asked how many bathrooms were being renovated. Mr. Glenn stated that he was not sure but he would follow-up with USC. He then stated that the building is 48 years old and needs some care at this point. The institution will be abating hazardous materials, repairing plumbing, exhaust, and ventilation systems, tub enclosures, floors and replacing wall tile. He further explained that the windows will be replaced for the entire residence hall and that the project also included the repair/replacement of damaged/missing caulking.

3. Cliff Apartments Replacement of Domestic Water Lines

Commissioner Kuhl asked Mr. Glenn to compare this project to the Capstone Renovation. Mr. Glenn shared that this project focuses on the plumbing system whereas the Capstone project was more a renewal of the furniture & fixtures in the individual bathrooms.

4. Woodrow College Renovation

Mr. Glenn presented the project with no questions posed by the members.

H.) Medical University of South Carolina

1. Capital Renewal Projects 2015-16
2. Jonathan Lucas St. Garage Waterproofing & Masonry Repair

Mr. Glenn presented the projects with no questions posed by the members.

I.) The Citadel

1. Replace Duckett Hall HVAC System

Commissioner Lynn asked if any projects will be dropped if the bond bill is approved. Mr. Glenn stated that the funding will be flipped, the project itself will remain, and the priority will be to find funding that does not affect tuition and fees. Commissioner Batson asked if the committee approves the current funding specified and it is not approved, will this project come back to this committee. Mr. Glenn stated that if the funding affects student tuition and fees, it would be brought back to this Committee.

2. Renovate Byrd Hall Organic Chemistry Lab (rooms 410/412)

Mr. Glenn stated that like Duckett Hall, if the Capital Reserve fund is not approved, this project will also be brought back to this Committee.

J.) College of Charleston

1. 123 Bull Street Renovation
2. 13 Coming Street Renovation

Mr. Glenn presented the projects with no questions posed by the members.

3. Silcox Physical Education & Health Center Renovation

Mr. Steve Osborne from the College of Charleston stated that the College is currently going through a campaign and is raising the funds. He stated that they may have to shift the funding source during the course of the year and would like to have it approve with that contingency. Mr. Osborne stated that the College would like to be able to do Phase I in the first year with 1.5% of the projected total cost.

K.) Greenville Technical College

1. Building 112 Roof Replacement

Mr. Glenn presented the project with no questions posed by the members.

L.) Orangeburg-Calhoun Technical College

1. Re-Roofing Projects – Building A-J and Connecting Corridors (Coming thru as an Interim Capital Project)

Mr. Glenn reminded the members that this project had been approved as an interim capital project during the morning session and that further discussion was not necessary.

M.) Spartanburg Community College

1. Relocation/Renovation Culinary Program

Mr. Glenn presented the project with no questions posed by the members.

As this was the final renovation project, Chairman Temple asked the committee to vote on these projects.

With no further questions, it was moved (Phillips), seconded (Khul), and voted to approve the projects as proposed.

Land Acquisitions

Mr. Glenn stated that all Land Acquisitions have to come through the Commission regardless of cost, and all have to secure an Environmental Assessment, which is step 1 in that process. He shared that once the environmental assessment is cleared, the institution is permitted to purchase the land.

N.) College of Charleston

1. Potential Land Acquisitions

Commissioner Kuhl asked if the College is hoping to one day purchase the properties or would they like to purchase the properties now. Mr. Glenn stated that they are not currently for sale, but if they become available, the College would like to purchase them.

Mr. Steve Osborne stated that there are two pieces of property that they think may come on the market during the course of the year with one being in the \$2.5 million range and other in the range of \$1 million and that they have \$4 million set aside so that if the property becomes available they can move quickly.

O.) Denmark Technical College

1. Land Purchase "Smith Property"

Mr. Glenn presented the projects with no questions posed by the members.

Chairman Temple asked that the committee vote on these projects.

With no further questions, it was moved (Phillips), seconded (Khul), and voted to approve the projects as proposed.

VI. Other Business

Mr. Glenn presented the Quarterly Budget Report and Capital Projects approved by the staff for information and the meeting was adjourned at 3:25 p.m.

Respectfully submitted,

Yolanda L. Myers
Recorder

**Attachments are not included in this mailing but will be filed with the permanent record of these minutes and are available for review upon request.*

DESCRIPTION OF INTERIM CAPITAL PROJECT FOR CONSIDERATION

June 4, 2015

CLEMSON UNIVERSITY

PROJECT NAME: East Campus Water Tower Construction
REQUESTED ACTION: Establish Project
REQUESTED ACTION AMOUNT: \$3,500,000
INITIAL CHE APPROVAL DATE: N/A

| <u>Source of Funds</u> | <u>Phase I (Pre-Design)</u> | <u>Phase II (Construction)</u> | <u>Total Proposed Budget</u> |
|-----------------------------------|--|---|---|
| Maintenance and Stewardship Funds | \$70,000 | \$3,430,000 | \$3,500,000 |
| <i>Total</i> | <i>\$70,000</i> | <i>\$3,430,000</i> | <i>\$3,500,000</i> |

DESCRIPTION:

The University requests approval to establish a project for Phase I at 2% of the estimated project cost to construct a new water tower on the east campus of Clemson University. The additional amount will allow the University to conduct geotechnical studies and surveys during the pre-design phase. The new water tower will be a one million gallon elevated storage tank that will replace the existing Kite Hill water tank and provide additional capacity required for growth the University's water distribution system. The new water tower will be constructed on the site of the Kite Hill tank on the east campus, which will be demolished when the new tower is completed.

The University's water distribution system is a state licensed water system serving the entire campus population with drinking water and fire protection. The Kite Hill water tank is more than 56 years old and does not meet the needs of the east campus. Campus population and facility growth on this system will require water storage capacity improvements by 2018 to meet state regulations for storage reserve required for peak hour water usage and fire protection.

This project was not included in the 2016 CPIP because, after the CPIP was completed and submitted, design work on the Douthit Hills Student Community project and feasibility work on the Serrine Hall Replacement indicated an increase in the density and demand for water on the east campus over what is currently in place. Constructing a larger one million gallon water tower will provide for current and future needs for the increasing on-campus student population.

E&G MAINTENANCE NEEDS:

Central E&G funds for utilities and utility recoveries from chargeback to campus units will fund maintenance, operation and capital renewal of this 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.

USC AIKEN

PROJECT NAME: Pedestrian Bridge Construction
REQUESTED ACTION: Increase Budget
REQUESTED ACTION AMOUNT: \$1,500,000
INITIAL CHE APPROVAL DATE: May 6, 2010

| <u>Source of Funds</u> | <u>Previous</u> | <u>Change</u> | <u>Revised</u> |
|-------------------------------|---------------------------|---------------------------|---------------------------|
| SCDOT Aiken County | \$500,000 | \$0 | \$500,000 |
| Transportation Commission | \$200,000 | \$0 | \$200,000 |
| ICPF | \$300,000 | \$0 | \$300,000 |
| Institutional Funds | \$300,000 | \$1,500,000 | \$1,800,000 |
| <i>Total</i> | <i>\$1,300,000</i> | <i>\$1,500,000</i> | <i>\$2,800,000</i> |

DESCRIPTION:

The University requests a budget increase of \$1,500,000 to construct an elevated pedestrian bridge to span the Robert Bell Highway. The bridge will be high enough to permit unrestricted traffic flow below it, as well as long enough to permit planned expansion of the highway in years to come. This project will include ADA compliant access ramps, stairs at each end of the bridge, sidewalks and lighting.

At USC Aiken, the Roberto Hernandez Baseball Field and the Convocation Center are located on property west of the main campus. The Robert Bell Highway, which separates these facilities from the main campus, is a 55 mile per hour roadway. Crossing this roadway creates safety issues for students attending athletic events, concerts, and community activities at these facilities.

Currently approved funds of \$1,300,000 have proven to be insufficient for the construction of the bridge based on the results of a 2014 competitive construction bid. Subsequent cost estimation by third party estimators and cost reduction efforts confirm that the bridge cannot be constructed with the previously approved funding. The project is expected to be completed by August 2017.

E&G MAINTENANCE NEEDS:

N/A

ANNUAL OPERATING COSTS/SAVINGS:

The project is not expected to generate additional operating costs.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

YORK TECHNICAL COLLEGE

PROJECT NAME: Trimnal Lane Land Acquisition
REQUESTED ACTION: Establish Project
REQUESTED ACTION AMOUNT: \$20,000
INITIAL CHE APPROVAL DATE: N/A

| <u>Source of Funds</u> | <u>Phase I (Enviro. Study)</u> | <u>Phase II (Purchase Price)</u> | <u>Total Proposed Budget</u> |
|------------------------------|------------------------------------|--------------------------------------|----------------------------------|
| College Capital Reserve Fund | \$20,000 | \$0 | \$20,000 |
| Total | \$20,000 | \$0 | \$20,000 |

DESCRIPTION:

The University requests approval to establish a project to perform the initial Environmental Site assessment, Survey, and appraisal to consider purchase of the property. The property, consisting of three parcels totaling 5.81 acres, has close proximity to Dave Lyle Boulevard which is a major access road into the future Enterprise of the College. The purpose is to acquire property contiguous to the College in support of the future Campus Master Plan for future expansion as needed for parking lots, facility improvements, and the Enterprise Campus. The College has not considered any other alternatives at this time because this is the only property contiguous to the campus that is currently for sale. The College was contacted by the owners in 2014 who offered to sell it at a price of \$215,000.

E&G MAINTENANCE NEEDS:

N/A

ANNUAL OPERATING COSTS/SAVINGS:

This site is unimproved so there are no current costs to maintain the property since it is a wood area. The site will be used for campus expansion and growth. There would be no additional annual operating costs until the land is improved.

RECOMMENDATION:

Staff recommends approval of this project as proposed.

INFORMATION ITEM

| Capital Projects & Leases Processed by Staff | | | | | | | | |
|---|------------------|-------------------------------|--|-------------------------------|----------------------|-----------------------|-------------------------------|---|
| May 2015 | | | | | | | | |
| Date Approved | Project # | Institution | Project Name | Action Category | Budget Change | Revised Budget | Original Approval Date | Revised Building Condition Survey With Close-out |
| Routine Staff Approvals | | | | | | | | |
| 5/6/2015 | 9660 | College of Charleston | Lesesne House Renovation | establish construction budget | \$2,758,000 | 2,800,00 | 1/8/2015 | - |
| 5/6/2015 | New | Spartanburg Community College | Spartanburg-Academic Student Services Building ¹ | establish project-CPIP | \$0 | \$750,000 | 5/6/2015 | - |
| 5/13/2015 | New | Spartanburg Community College | Spartanburg-Central Student Success Center Renovation ¹ | establish project-CPIP | \$0 | \$750,000 | 5/6/2015 | - |
| 5/14/2015 | 6109 | USC Columbia | Men's Basketball Office and Team Spaces Renovation ³ | increase budget | \$3,940,000 | \$4,000,000 | 11/6/2014 | - |
| 5/18/2015 | New | USC Columbia | Emergency Generators for Critical Research ² | establish project | \$0 | \$22,500 | 5/18/2015 | - |
| 5/18/2015 | New | USC Columbia | North Energy Plant Expansion and Chilled Water Loop Extension ² | establish project | \$0 | \$177,750 | 5/18/2015 | - |
| 5/20/2015 | 6100 | Piedmont Technical College | PTC Financial Aid/Admissions/Student Support-B Bldg. Renovation | increase budget | \$2,208,000 | \$2,238,000 | 1/8/2015 | - |
| | | | | | | | | |
| Close-Outs | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| ¹ Project is funded with Appropriated funds from Proviso 118.16. These funds superseded CHE approval authority; therefore, the project is staff approved. ² Approved by CHE on 5/7/2015 as part of FY 2015-16 CPIP year one. ³ Approved by CHE on 11/10/2014. Source of funds will come from Athletic Operating funds. | | | | | | | | |

| Leases Processed by Staff | | | | | | |
|----------------------------------|---------------|--------------------|---------------------|--------------------------------|--------------|-------------|
| May 2015 | | | | | | |
| Date Approved | Action | Institution | Project Name | Purpose/Additional Info | Rates | Term |
| | | | | | | |