

**Capital Improvements
Joint Bond Review Committee**

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JOINT BOND REVIEW COMMITTEE MEETING

DATE: Wednesday, April 26, 2017
TIME: 9:00 a.m.
LOCATION: Room 105, Gressette Building

AGENDA

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JOINT BOND REVIEW COMMITTEEMeeting of April 26, 2017**Item Number 1**

AGENCY: Department of Administration, Facilities Management and Property Services

PROJECT/SUBJECT: Clemson University Proposed Lease, 934 Old Clemson Highway, Seneca

Clemson University is requesting approval to continue leasing 17,588 square feet of office space located at 934 Old Clemson Highway in Seneca from Eagle Landing Properties I, LLC. The agency has leased the space since 1999 for its Computing and Information Technology Medicaid Services staff, which provides applications programming support for university systems, support for the contract with the SC Department of Health and Human Services (DHHS) to process Medicaid claims, and for DHHS' Medicaid Information Technology Architecture project.

A solicitation was conducted, and the selected location was the only response received.

The term will be three years beginning on May 2, 2017. The rate will be \$15.75 per square foot for the entire term, for a total of \$829,616. All operating costs except janitorial services are included in the rate. (The rate is an increase of \$0.50 per square foot over the existing lease.) Ample parking is available adjacent to the building at no additional cost.

The Department of Administration's Real Property Services reports comparable lease rates of similar office space in the area range from \$16.50 to \$25.00 per square foot.

Lease payments will be funded from proceeds of the contract with DHHS. Clemson has reported that there will be no student fee increase associated with the proposed lease. According to the Budget Approval Form submitted, there are adequate funds for the lease.

The lease was approved by the Clemson Board of Trustees on July 15, 2016, and by the Commission on Higher Education on March 16, 2017.

COMMITTEE ACTION:

Review and make recommendation regarding the proposed lease agreement for Clemson University.

ATTACHMENTS:

- 1) Department of Administration, Real Property Services Lease Summary dated April 26, 2017
- 2) Letter from Brett A. Dalton, Vice President, Finance & Operations, Clemson University, dated March 1, 2017
- 3) Sections 1-11-55 and 1-11-56 of the South Carolina Code of Laws

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: April 26, 2017

Regular Agenda

1. Submitted by:

- (a) Agency: Department of Administration
- (b) Authorized Official Signature:


Ashlie Lancaster, Director
Facilities Management and Property Services

2. Subject: Clemson University Lease at 934 Old Clemson Highway in Seneca

3. Summary Background Information:

Clemson University requests approval to continue leasing 17,588 square feet of office space located at 934 Old Clemson Highway in Seneca from Eagle Landing Properties I, LLC. The agency has leased this space since 1999 and it will continue to be used to accommodate Clemson Computing and Information Technology (CCIT) Medicaid IT Services Staff, which provides applications programming support for university systems, support for the contract with the SC Department of Health and Human Services (DHHS) to process Medicaid claims, and for the DHHS Medicaid Information Technology Architecture (MITA) project. The value of these contracts to Clemson University is approximately \$25M annually.

A solicitation was conducted, and the selected location was the only response received. The term of the lease will be three (3) years beginning on May 2, 2017 due to the nature of the underlying contractual work supporting this request. The rate will be \$15.75/SF for a total of \$829,615.50 over the term as shown in the table below. This rate represents a \$0.50/SF increase over the previous term.

Period	Annual Rent	Rent PSF
5/2/2017-5/1/2018	\$276,538.50	\$15.75
5/2/2018-5/1/2019	\$276,538.50	\$15.75
5/2/2019-5/1/2020	\$276,538.50	\$15.75
Total		\$829,615.50

The rate includes all operating costs with the exception of janitorial services, which are estimated at \$18,588 annually.

The following chart represents comparable lease rates of similar space near the Clemson University Campus:

Tenant	Location	Rate/SF
Clemson University	511 Westinghouse Road, Pendleton	\$16.50
Clemson University	135 Old Greenville Highway, Clemson	\$21.60
Vacant	111 Earle Street, Clemson	\$25.00

Lease payments will be funded through the DHHS contract. Clemson University has indicated that no student fee increase will be associated with this lease, and there are adequate funds for the lease according to the Budget Approval Form submitted. The lease was approved by the Clemson University Board of Trustees on July 15, 2016 and by the Commission on Higher Education on March 16, 2017.

4. What is JBRC asked to do? Approve the proposed lease for Clemson University at 934 Old Clemson Highway in Seneca.

5. What is recommendation of the Department of Administration? Approve the propose lease for Clemson University at 934 Old Clemson Highway in Seneca.

6. List of Supporting Documents:

- SC Code of Laws Section 1-11-55 and 1-11-56
- Clemson University Letter Dated March 1, 2017



March 1, 2017

Ms. Ashlie Lancaster
Assistant Director
Division of General Services
Department of Administration
1200 Senate Street, Suite 408
Columbia, SC 29201

Finance and Operations

Clemson University
G06 Sikes Hall
Box 345302
Clemson, SC
29634-5302

P 864-656-2421
F 864-656-2008

SUBJECT: Clemson University Lease for Space in Seneca, SC
934 and 936A Old Clemson Highway

Dear Ms. Lancaster:

Clemson University requests approval by the Joint Bond Review Committee and the State Fiscal Accountability Authority (SFAA) at their meetings on April 26 and May 2, 2017, respectively, for the attached lease renewal between Eagles Landing Properties I, LLC and Clemson University for space located at 934 and 936A Old Clemson Highway in Seneca, South Carolina. The enclosed lease was approved by the Clemson University Board of Trustees on July 15, 2016.

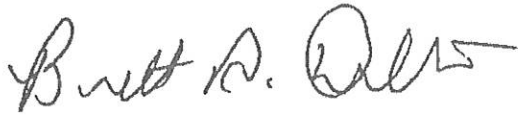
Clemson University requests approval to renew the current lease of office space consisting of 17,558 square feet at 934 and 936A Old Clemson Highway Eagles Landing Professional Park for a three-year term beginning on May 2, 2017. The University is seeking a three-year lease due to the nature of the underlying contractual work supporting this request.

Necessity has required that Clemson Computing and Information Technology (CCIT) lease office space off-campus to accommodate much of its Medicaid IT Services staff. This group provides applications programming support for university systems and support for the contract with the SC Department of Health and Humans Services (DHHS) for the DHHS Medicaid Information Technology (MIT) project.

A solicitation was conducted and the Eagles Landing Properties response was the only one received. Additionally, the data network required by the programmers is beyond standard needs due to the large volume of data to be processed for DHHS and moving to another facility would likely require AT&T or other service providers to lay additional cables to increase bandwidth to the building. This addition could cause a delay in the building being serviceable to the programmers, and not having the higher bandwidth would cause processing delays and increased costs to DHHS as it pertains to this project.

Once approved, please send two of the originals back to my office for distribution. If you should have any questions or need any further documentation, please do not hesitate to contact me or Laura Stoner at (864) 283-7107.

Thank you,

A handwritten signature in black ink, appearing to read "Brett A. Dalton", with a stylized flourish at the end.

Brett A. Dalton
Vice President, Finance & Operations

Enclosure

Cc: Carol Routh
Laura Stoner

SECTION 1-11-55. Leasing of real property for governmental bodies.

(1) "Governmental body" means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, agency, government corporation, or other establishment or official of the executive branch of this State. Governmental body excludes the General Assembly, Legislative Council, the Legislative Services Agency, the judicial department and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The Division of General Services of the Department of Administration is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this section. However, a technical college, with the approval by the State Board for Technical and Comprehensive Education, and a public institution of higher learning, may enter into any lease agreement or renew any lease agreement up to one hundred thousand dollars annually for each property or facility.

(3) When any governmental body needs to acquire real property for its operations or any part thereof and state-owned property is not available, it shall notify the Division of General Services of its requirement on rental request forms prepared by the division. Such forms shall indicate the amount and location of space desired, the purpose for which it shall be used, the proposed date of occupancy and such other information as General Services may require. Upon receipt of any such request, General Services shall conduct an investigation of available rental space which would adequately meet the governmental body's requirements, including specific locations which may be suggested and preferred by the governmental body concerned. When suitable space has been located which the governmental body and the division agree meets necessary requirements and standards for state leasing as prescribed in procedures of the department as provided for in subsection (5) of this section, General Services shall give its written approval to the governmental body to enter into a lease agreement. All proposed lease renewals shall be submitted to General Services by the time specified by General Services.

(4) The department shall adopt procedures to be used for governmental bodies to apply for rental space, for acquiring leased space, and for leasing state-owned space to nonstate lessees.

(5) Any participant in a property transaction proposed to be entered who maintains that a procedure provided for in this section has not been properly followed, may request review of the transaction by the Director of the Division of General Services of the Department of Administration or his designee.

SECTION 1-11-56. Program to manage leasing; procedures.

(A) The Division of General Services of the Department of Administration, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of a governmental body. The department must submit regulations for the implementation of this section to the General Assembly as provided in the Administrative Procedures Act, Chapter 23, Title 1. The department's regulations, upon General Assembly approval, shall include procedures for:

(1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;

(2) establishing standards for the quality and quantity of space to be leased by a requesting agency;

(3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:

(a) a nonappropriation for the renting agency;

(b) a dissolution of the agency; and

(c) the availability of public space in substitution for private space being leased by the agency;

(4) rejecting an agency's request for additional space or space at a specific location, or both;

(5) directing agencies to be located in public space, when available, before private space can be leased;

(6) requiring the agency to submit a multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and

(7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.

(B) Leases or rental agreements involving amounts below the thresholds provided in subsection (A)(7) may be executed by the Department of Administration without this prior review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.

(C) The threshold requirements requiring review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority as contained in subsection (A)(7) also apply to leases or rental agreements with nonstate entities whether or not the state or its agencies or departments is the lessee or lessor.

JOINT BOND REVIEW COMMITTEE**Item Number 2**Meeting of April 26, 2017

AGENCY: Department of Administration, Facilities Management and Property Services

PROJECT/SUBJECT: Medical University of South Carolina Proposed Lease, 22 WestEdge, Charleston

The Medical University of South Carolina is requesting approval to lease 25,000 square feet of space located at 22 WestEdge in Charleston from HPIB Devco, LLC, to provide space for MUSC's Bioinformatics Program, which is a research-based function that develops methods and software tools for understanding biological data. (MUSC's Bioinformatics is currently located at 135 Cannon Street and is being relocated to allow that space to be used for clinical purposes to meet new Medicaid/Medicare requirements.)

A solicitation was conducted, and the selected location was the only response received.

The term for the proposed lease will be ten years beginning upon completion of construction. Rent for the first year will be \$36 per square foot, which includes all operating and maintenance costs. Thereafter, the rent will increase annually by 2.5%, for a total payout of \$10,083,044 over the ten-year term. The lease also provides an option for MUSC to lease up to 50 parking spaces at a rate of \$175 per space per month. If MUSC exercises the option to lease the parking spaces, the maximum payout over the ten-year term will be \$11,133,044. (The lease contains three optional five-year extensions; however, MUSC is not requesting approval of the extensions at this time.)

The landlord is providing a tenant improvement allowance of \$1,000,000.

The Department of Administration's Real Property Services reports comparable lease rates of similar space in the Charleston area range from \$34 to \$39 per square foot.

Lease payments will be funded from grant, contract, and clinical revenues. MUSC has reported that there will be no student fee increase associated with the proposed lease. According to the Budget Approval Form submitted, there are adequate funds for the lease.

The lease was approved by the MUSC Board of Trustees on February 10, 2017, and by the Commission on Higher Education on April 6, 2017.

COMMITTEE ACTION:

Review and make recommendation regarding the proposed lease agreement for Medical University of South Carolina.

ATTACHMENTS:

- 1) Department of Administration, Real Property Services Lease Summary dated April 26, 2017
- 2) Letter from Rachel Jones, MUSC Leasing Manager, April 4, 2017
- 3) Sections 1-11-55 and 1-11-56 of the South Carolina Code of Laws

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: April 26, 2017

Regular Agenda

1. Submitted by:

- (a) Agency: Department of Administration
- (b) Authorized Official Signature:



Ashlie Lancaster, Director
Facilities Management and Property Services

2. Subject: Medical University of South Carolina Lease- 22 WestEdge in Charleston

3. Summary Background Information:

The Medical University of South Carolina (MUSC) is requesting approval to lease 25,000 square feet (SF) located at 22 WestEdge in Charleston from the HP1B Devco, LLC to provide space for MUSC Bioinformatics. MUSC Bioinformatics is currently located at 135 Cannon Street. Because 135 Cannon Street meets new Medicaid/Medicare insurance requirements that limit MUSC's ability to expand clinical space, it will be used for clinical purposes.

To combat community deterioration in and around the WestEdge Project Area, the MUSC campus and the Medical District, the Medical University of South Carolina Foundation, its affiliated nonprofit foundations and supported organizations, including MUSC, and the City of Charleston have partnered to create economic development opportunities and improve quality of life in its neighborhoods through the WestEdge Project.

While MUSC requested an exemption from the solicitation process, Real Property Services conducted a solicitation and the proposal from HP1B Devco, LLC was the only bid received. The lease will support the WestEdge partnership between the City of Charleston and MUSC for the development of the Hospital Medical District, as the Medical University Hospital Authority will sublease approximately half of this space from MUSC for its Hospital Analytics Office.

The Term of the lease shall be ten (10) years beginning following the completion of construction by the Landlord. The lease contains three (3) optional five (5) year Extended Terms; however, MUSC is not requesting approval for the Extended Terms at this time. Rent for the first year of the Term shall be \$36.00/SF, which includes all operating and maintenance costs. Thereafter, basic rent shall increase annually by two and one-half (2 ½) percent. As such, the maximum amount MUSC could pay over the Term is as follows:

<u>INITIAL TERM</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
LEASE YEAR 1	\$ 900,000.00	\$75,000.00	\$36.00
LEASE YEAR 2	\$ 922,500.00	\$76,875.00	\$36.90
LEASE YEAR 3	\$ 945,562.50	\$78,796.88	\$37.82
LEASE YEAR 4	\$ 969,201.56	\$80,766.80	\$38.77
LEASE YEAR 5	\$ 993,431.60	\$82,785.97	\$39.74
LEASE YEAR 6	\$1,018,267.39	\$84,855.62	\$40.73

LEASE YEAR 7	\$1,043,724.08	\$86,977.01	\$41.75
LEASE YEAR 8	\$1,069,817.18	\$89,151.43	\$42.79
LEASE YEAR 9	\$1,096,562.61	\$91,380.22	\$43.86
LEASE YEAR 10	\$1,123,976.67	\$93,664.72	\$44.96
TOTAL	\$10,083,043.59		

The following chart represents comparable lease rates of similar space in the downtown Charleston area:

Tenant	Location	Rate
Clemson University	701 East Bay Street	\$34.59/SF
Vacant	550 King Street	\$34.00/SF
Vacant	205 King Street	\$39.00/SF

Above rates are subject to base rent and operating expense escalations over the term.

The Landlord is providing a tenant improvement allowance of \$1M. The lease also contains an option for MUSC to lease up to fifty (50) parking spaces at a rate of \$175/month. Should MUSC exercise this option, the additional cost would be \$1,050,000 over the Term.

The lease was approved by the MUSC Board of Trustees on February 10, 2017 and the Commission on Higher Education on April 6, 2017.

4. **What is JBRC asked to do?** Approve the proposed lease for the Medical University of South Carolina at 22 WestEdge in Charleston.

5. **What is recommendation of the Department of Administration?** Approve the propose lease for the Medical University of South Carolina at 22 WestEdge in Charleston.

6. **List of Supporting Documents:**

- SC Code of Laws Section 1-11-55 and 1-11-56
- MUSC Letter Dated April 4, 2017



Office of Institutional Resources &
Research
28 Ehrhardt Street, MSC 205
Charleston, SC 29425
843-792-5996

April 4, 2017

Ashlie Lancaster
Innovations Director
Office of the Executive Director
Department of Administration
1200 Senate Street, Suite 460
Columbia, SC 29201

RE: Request for Leased Space / 22 WestEdge

Dear Ms. Lancaster:

The Medical University of South Carolina (MUSC) requests to lease approximately 25,000 square feet of space at 22 WestEdge, Charleston, SC from the Horizon Project Foundation (HPF) for MUSC Bioinformatics.

MUSC Bioinformatics is a combined effort with the Medical University Hospital Authority Analytics Office and will co-locate at 22 WestEdge. MUSC Bioinformatics is currently located at 135 Cannon Street and MUHA Analytics located at Harborview Office Tower. Due to the new Medicaid/Medicare insurance requirements 135 Cannon Street will need to be used for clinical purposes. The lease payment for 22 WestEdge will be divided between MUSC and MUHA through a sublease agreement.

Current Lease Information:

135 Cannon Street

MUSC leases the entire building from the MUSC Foundation and subleases a portion to the Medical University Hospital Authority (MUHA). This lease will not be terminated. The sublease between MUSC and MUHA will be amended to include the additional 1st floor space.

Landlord: MUSC Foundation

Tenant: MUSC

Occupant: MUSC Bioinformatics

Lease Term: 4/1/2009-3/31/2039

Cost per RSF: \$24.15

Square Footage: 14,053 ASF [1st floor only space]

Annual Rent: \$339,355.10 [1st floor only]

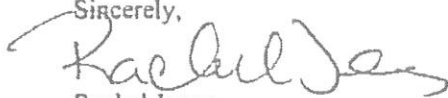
Lease Type: NNN

Requested Lease Term:

Landlord:	HPIB DEVCO, LLC
Tenant:	Medical University of South Carolina
Occupant:	MUSC Bioinformatics Department
Lease Term:	10 Years
Square Footage:	25,000
Annual Rent:	\$900,000.00
Cost per SF:	\$36.00
Annual Increase:	2.5%
Lease Type:	Full Service
IT Allowance:	\$1,000,000.00 (\$40.00 RSF)

Please let me know if you have any questions.

Sincerely,



Rachel Jones
Medical University of South Carolina
Leasing Manager

attachment:
Budget Approval Form

SECTION 1-11-55. Leasing of real property for governmental bodies.

- (1) "Governmental body" means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, agency, government corporation, or other establishment or official of the executive branch of this State. Governmental body excludes the General Assembly, Legislative Council, the Legislative Services Agency, the judicial department and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.
- (2) The Division of General Services of the Department of Administration is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this section. However, a technical college, with the approval by the State Board for Technical and Comprehensive Education, and a public institution of higher learning, may enter into any lease agreement or renew any lease agreement up to one hundred thousand dollars annually for each property or facility.
- (3) When any governmental body needs to acquire real property for its operations or any part thereof and state-owned property is not available, it shall notify the Division of General Services of its requirement on rental request forms prepared by the division. Such forms shall indicate the amount and location of space desired, the purpose for which it shall be used, the proposed date of occupancy and such other information as General Services may require. Upon receipt of any such request, General Services shall conduct an investigation of available rental space which would adequately meet the governmental body's requirements, including specific locations which may be suggested and preferred by the governmental body concerned. When suitable space has been located which the governmental body and the division agree meets necessary requirements and standards for state leasing as prescribed in procedures of the department as provided for in subsection (5) of this section, General Services shall give its written approval to the governmental body to enter into a lease agreement. All proposed lease renewals shall be submitted to General Services by the time specified by General Services.
- (4) The department shall adopt procedures to be used for governmental bodies to apply for rental space, for acquiring leased space, and for leasing state-owned space to nonstate lessees.
- (5) Any participant in a property transaction proposed to be entered who maintains that a procedure provided for in this section has not been properly followed, may request review of the transaction by the Director of the Division of General Services of the Department of Administration or his designee.

SECTION 1-11-56. Program to manage leasing; procedures.

(A) The Division of General Services of the Department of Administration, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of a governmental body. The department must submit regulations for the implementation of this section to the General Assembly as provided in the Administrative Procedures Act, Chapter 23, Title 1. The department's regulations, upon General Assembly approval, shall include procedures for:

(1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;

(2) establishing standards for the quality and quantity of space to be leased by a requesting agency;

(3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:

(a) a nonappropriation for the renting agency;

(b) a dissolution of the agency; and

(c) the availability of public space in substitution for private space being leased by the agency;

(4) rejecting an agency's request for additional space or space at a specific location, or both;

(5) directing agencies to be located in public space, when available, before private space can be leased;

(6) requiring the agency to submit a multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and

(7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.

(B) Leases or rental agreements involving amounts below the thresholds provided in subsection (A)(7) may be executed by the Department of Administration without this prior review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.

(C) The threshold requirements requiring review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority as contained in subsection (A)(7) also apply to leases or rental agreements with nonstate entities whether or not the state or its agencies or departments is the lessee or lessor.

JOINT BOND REVIEW COMMITTEE

Item Number 3

Meeting of April 26, 2017

AGENCY: Department of Administration, Facilities Management and Property Services

PROJECT/SUBJECT: Medical University of South Carolina Proposed Lease, 165 Cannon Street, Charleston

The Medical University of South Carolina is requesting approval to lease a 438,000 square foot facility to be located at 165 Cannon Street in Charleston from 165 Cannon Street Associates, LLC. The facility will consist of 10,672 square feet of office space and 1,400 parking spaces.

(At its meeting on January 26, 2016, the State Fiscal Accountability Authority approved a request from MUSC to sell the property at 165 Cannon Street, also known as the "M" Lot, to the MUSC Foundation for the Foundation to construct a parking garage and lease parking spaces to MUSC's Parking Management Services to support additional traffic at the MUSC Hospital Authority's Shawn Jenkins Children's Hospital, as well as future growth of MUSC's clinical enterprise. The associated office space will accommodate MUSC Public Safety staff. The Foundation subsequently formed 165 Cannon Street Associates, LLC, a single-purpose entity whose sole member is the Foundation, to secure financing to construct the Facility.)

The term for the proposed lease is 20 years beginning upon completion of construction. Rent will be fixed at \$2,649,440 per year (or \$220,787 per month), which is equivalent to the debt service and reserve incurred by the landlord. The rate equates to \$20 per square foot for the office space and \$145 per parking space. The total payout over the 20-year term will be \$52,988,800.

The lease contains an option for MUSC to purchase the property at any time during the term for a price equal to the outstanding indebtedness. The lease also provides for rent to cease when all debt on the property is paid in full. (The lease contains three optional five-year extensions; however, MUSC is not requesting approval of the extensions at this time.)

MUSC will be responsible for operating and maintenance costs, which are estimated to be \$200,000 annually.

The Department of Administration's Real Property Services reports comparable lease rates in the Charleston area range from \$34 to \$39 per square foot for office space and \$150 to \$225 per parking space.

Lease payments will be funded from parking management and public safety revenues. MUSC has reported that there will be no student fee increase associated with the proposed lease. According to the Budget Approval Form submitted, there are adequate funds for the lease.

The lease was approved by the MUSC Board of Trustees on February 10, 2017, and by the Commission on Higher Education on April 6, 2017.

COMMITTEE ACTION:

Review and make recommendation regarding the proposed lease agreement for Medical University of South Carolina.

ATTACHMENTS:

- 1) Department of Administration, Real Property Services Lease Summary dated April 26, 2017
- 2) Letter Rachel Jones, MUSC Leasing Manager, dated February 8, 2017
- 3) Sections 1-11-55 and 1-11-56 of the South Carolina Code of Laws

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: April 26, 2017

Regular Agenda

1. Submitted by:

- (a) Agency: Department of Administration
- (b) Authorized Official Signature:



Ashlie Lancaster, Director
Facilities Management and Property Services

2. Subject: MUSC Lease- 165 Cannon Street in Charleston

3. Summary Background Information:

The Medical University of South Carolina ("MUSC") requests approval to lease from 165 Cannon Street Associates, LLC a 438,000 square foot parking garage consisting of 1,400 parking spaces and 10,672 square feet of office space to be built at 165 Cannon Street in Charleston.

At its meeting on January 26, 2016, the State Fiscal Accountability Authority approved a request from MUSC to sell the property at 165 Cannon Street, also known as the "M" Lot, to the MUSC Foundation (the "Foundation") for the Foundation to construct a parking garage (the "Facility") and lease parking spaces to the University's Parking Management Services to support additional traffic at the Medical University Hospital Authority's Shawn Jenkins Children's Hospital, as well as future growth of MUSC's clinical enterprise. The associated office space will accommodate MUSC Public Safety staff. The Foundation subsequently formed 165 Cannon Street Associates, LLC (Landlord), a single purpose entity whose sole member is the Foundation, to secure financing to construct the Facility.

The term of the lease will be twenty (20) years beginning upon completion of the Facility and issuance of a certificate of occupancy. MUSC will pay monthly installments of \$220,786.67 for an annual amount of \$2,649,440.00 for the space, which is equivalent to the debt service and debt service reserve to be incurred by the Landlord. This equates to \$145/month per parking space and \$20/SF for the office space. Rent shall be fixed for the term of the lease; however, rent payments will cease if all debt on the property is paid in full. The estimated total rent to be paid over the term is \$52,988,800. In addition to rent, MUSC is responsible for all operating and maintenance costs. Operating costs are estimated to be \$200,000 annually.

The lease contains provisions for three (3) five (5) year extended terms, subject to any required governmental approvals at the time such terms are exercised.

The following charts represent comparable lease rates of similar space near the MUSC Campus:

Parking:

Location	Rate/Space
194 East Bay Street	\$225.00
159 Rutledge Avenue	\$165.00
55 Pitt Street	\$165.00

62 Gadsden Street	\$150.00
-------------------	----------

Office:

Tenant	Location	Rate
Clemson University	701 East Bay Street	\$34.59/SF
Vacant	550 King Street	\$34.00/SF
Vacant	205 King Street	\$39.00/SF

The lease contains an option for MUSC to purchase the property from Landlord at any time during the term of the lease for a price equal to the outstanding indebtedness owed on the property at the time MUSC exercises such option to purchase.

Lease payments will be funded from parking management and public safety revenues. MUSC has indicated that no student fee increase will be associated with this lease, and there are adequate funds for the lease according to a Budget Approval Form submitted by MUSC.

The lease was approved by the MUSC Board of Trustees on February 10, 2017 and by the Commission on Higher Education on April 6, 2017.

4. What is JBRC asked to do? Approve the proposed lease for the Medical University of South Carolina at 165 Cannon Street in Charleston.

5. What is recommendation of the Department of Administration? Approve the proposed lease for the Medical University of South Carolina at 165 Cannon Street in Charleston.

6. List of Supporting Documents:

- SC Code of Laws Section 1-11-55 and 1-11-56
- MUSC Letter Dated February 8, 2017



Office of Institutional Resources &
Research
28 Ehrhardt Street, MSC 205
Charleston, SC 29425
843-792-5996

February 8, 2017

Ashlie Lancaster
Innovations Director
Department of Administration
1200 Senate Street, Suite 460
Columbia, SC 29201

RE: Request for Leased Space / 165 Cannon Street Garage

Dear Ms. Lancaster:

The Medical University of South Carolina (MUSC) requests to lease 1,400 parking spaces within the 165 Cannon Street Parking Garage from 165 Cannon Street, LLC. This lease is critical to several community initiatives taking place at the Medical University of South Carolina. This lease agreement will provide support for MUSC employee and guest parking associated with the new Shawn Jenkins Children's Hospital. This property shall also provide 10,672 square feet of office space for Public Safety needed to accommodate their move to facilitate the Greenway Project and 'activate' the street. In addition, it is expected that 700 parking spaces currently leased by CareAlliance Health at 21 Courtenay Drive shall transfer to this parking garage.

Please prepare this lease for the May 2017 SFAA meeting.

Number of spaces:	1,400 parking spaces
Cost per space:	\$145.00
Cost per SF/Public Safety:	\$20.00
Annual Rent:	\$2,649,440.00
Annual rent increase:	None
Estimated Start Date:	October 2018
Lease Term:	20 Years
Extended Term:	3 Terms, 5 Years Each
Total Including Extensions:	\$92,730,400.00

Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Rachel Jones".

Rachel Jones
Medical University of South Carolina
Leasing Manager

SECTION 1-11-55. Leasing of real property for governmental bodies.

(1) "Governmental body" means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, agency, government corporation, or other establishment or official of the executive branch of this State. Governmental body excludes the General Assembly, Legislative Council, the Legislative Services Agency, the judicial department and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The Division of General Services of the Department of Administration is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this section. However, a technical college, with the approval by the State Board for Technical and Comprehensive Education, and a public institution of higher learning, may enter into any lease agreement or renew any lease agreement up to one hundred thousand dollars annually for each property or facility.

(3) When any governmental body needs to acquire real property for its operations or any part thereof and state-owned property is not available, it shall notify the Division of General Services of its requirement on rental request forms prepared by the division. Such forms shall indicate the amount and location of space desired, the purpose for which it shall be used, the proposed date of occupancy and such other information as General Services may require. Upon receipt of any such request, General Services shall conduct an investigation of available rental space which would adequately meet the governmental body's requirements, including specific locations which may be suggested and preferred by the governmental body concerned. When suitable space has been located which the governmental body and the division agree meets necessary requirements and standards for state leasing as prescribed in procedures of the department as provided for in subsection (5) of this section, General Services shall give its written approval to the governmental body to enter into a lease agreement. All proposed lease renewals shall be submitted to General Services by the time specified by General Services.

(4) The department shall adopt procedures to be used for governmental bodies to apply for rental space, for acquiring leased space, and for leasing state-owned space to nonstate lessees.

(5) Any participant in a property transaction proposed to be entered who maintains that a procedure provided for in this section has not been properly followed, may request review of the transaction by the Director of the Division of General Services of the Department of Administration or his designee.

SECTION 1-11-56. Program to manage leasing; procedures.

(A) The Division of General Services of the Department of Administration, in an effort to ensure that funds authorized and appropriated for rent are used in the most efficient manner, is directed to develop a program to manage the leasing of all public and private space of a governmental body. The department must submit regulations for the implementation of this section to the General Assembly as provided in the Administrative Procedures Act, Chapter 23, Title 1. The department's regulations, upon General Assembly approval, shall include procedures for:

(1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;

(2) establishing standards for the quality and quantity of space to be leased by a requesting agency;

(3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:

(a) a nonappropriation for the renting agency;

(b) a dissolution of the agency; and

(c) the availability of public space in substitution for private space being leased by the agency;

(4) rejecting an agency's request for additional space or space at a specific location, or both;

(5) directing agencies to be located in public space, when available, before private space can be leased;

(6) requiring the agency to submit a multiyear financial plan for review by the department with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and

(7) requiring prior review by the Joint Bond Review Committee and the requirement of State Fiscal Accountability Authority approval before the adoption of any new or renewal lease that commits more than two hundred thousand dollars annually in rental or lease payments or more than one million dollars in such payments in a five-year period.

(B) Leases or rental agreements involving amounts below the thresholds provided in subsection (A)(7) may be executed by the Department of Administration without this prior review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority.

(C) The threshold requirements requiring review by the Joint Bond Review Committee and approval by the State Fiscal Accountability Authority as contained in subsection (A)(7) also apply to leases or rental agreements with nonstate entities whether or not the state or its agencies or departments is the lessee or lessor.

JOINT BOND REVIEW COMMITTEEMeeting of April 26, 2017**Item Number 4****AGENCY:** Department of Administration, Executive Budget Office**PROJECT/SUBJECT:** Clemson University, College of Business Construction

Clemson University is requesting approval for full design and construction of a new building to house the College of Business. The project was legislatively authorized with a \$5 million appropriation in Act 93 of 2015 (Capital Reserve Fund appropriation bill). The remainder of the funding for the project will be State Institution Bonds.

Permanent Improvement Project

The proposed 162,000 sq. ft. facility will allow relocation of the School of Business from Sirrine Hall, which was built in 1938 and is no longer adequate for modern instructional methods. The new facility will include a variety of classrooms and learning laboratories, faculty and administrative offices, study and gathering spaces, student services spaces, and common areas that encourage collaboration among students, faculty, staff, and business partners.

The current enrollment of the College of Business is 4,319 students with 242 faculty and staff.

The new facility will be constructed to meet LEED Silver Certification standards with projected operating savings of \$3,438,395 over a 30-year period. Maintenance and operating costs are estimated to be \$1,053,000 to \$1,095,541 per year and will be paid from existing operating funds.

This request will add \$82,500,000 to the project, bringing the total cost to \$87,500,000. The source of funds for the project is \$5,000,000 in a CRF appropriation and \$82,500,000 from State Institution Bonds. (Clemson has requested a \$25 million appropriation from the General Assembly; if the request is funded, the amount of the State Institution Bonds will be reduced by a like amount.)

Clemson projects July 2017 for execution of the construction contract with completion of construction expected in August 2019.

State Institution Bonds

Clemson is requesting issuance of not exceeding \$84,000,000 in General Obligation State Institution Bonds to cover the construction of the permanent improvement project, reimburse the University for expenses incurred in anticipation of the Bond issuance, and pay expenses associated with issuance of the Bonds.

The South Carolina Constitution authorizes the issuance of general obligation bonds for state higher education institutions provided the bonds are secured by a pledge of revenues derived from the tuition fees of the institution. The maximum annual debt service may not exceed 90%

of the tuition fees received for the fiscal year. Title 59, Chapter 107, of the South Carolina Code of Laws requires the State Treasurer to set aside the tuition fees to pay the debt service.

The term of the proposed bond issuance is 20 years. Clemson's tuition fees totaled \$33,682,064 for the fiscal year which ended June 30, 2016. Exhibit A reflects the debt service requirements for all of Clemson's existing and proposed State Institution Bonds; the maximum composite debt service is \$20,851,784. Holding FY 2015-16 revenues constant, the debt service is projected to range from 17% to 62% of pledged revenues (Exhibit B).

While the project is not expected to result in any quantifiable additional revenue, it will allow Clemson to continue accommodating enrollment growth in the College of Business (which has increased 20 percent in the past five years).

No student tuition or fee increase will be required for the project.

Clemson reports that the current tuition levels are more than sufficient to pay the debt service. In order for current tuition levels to be insufficient, enrollment would have to decrease by more than 35 percent. Clemson's enrollment has increased every year since 2002 and has grown almost 50 percent in the past ten years.

Pursuant to Article X, Section 13, of the South Carolina Constitution and Section 59-107-100 of the South Carolina Code of Laws, the full faith, credit, and taxing power of the State will be pledged to pay the principal and interest on the bonds.

Information regarding Clemson's issuance of General Obligation State Institution Bonds is provided in accordance with JBRC policy adopted October 7, 2014, and amended on September 13, 2016.

COMMITTEE ACTION:

Review and make recommendation regarding Clemson University's request for Phase II, Full Design and Construction of a new building to house the School of Business funded in part with the issuance of not exceeding \$84,000,000 in General Obligation State Institution Bonds.

ATTACHMENTS:

- 1) Department of Administration Agenda Item Worksheet dated April 26, 2017
- 2) A-1, A-49, Questionnaire, and LEED Cost-Benefit Analysis
- 3) Letter from Pope Flynn Law Firm, dated March 21, 2017 (including Bond Information Report and Exhibits A and B)

AVAILABLE UPON REQUEST:

- 1) Article X, Section 13, of the South Carolina Constitution
- 2) Title 59, Chapter 107, of the South Carolina Code of Laws

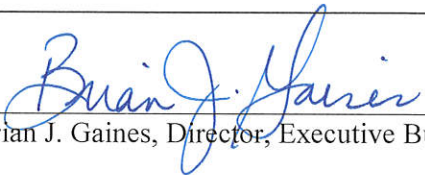
JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: April 26, 2017

Regular Agenda

1. Submitted By:

- (a) Agency: Department of Administration
(b) Authorized Official Signature:


Brian J. Gaines, Director, Executive Budget Office

2. Subject: Business and Behavioral Sciences Building / Surrine Hall Replacement

3. Summary Background Information:

To establish the construction budget to construct an approximately 162,000 square foot building to relocate the College of Business (previously called the College of Business and Behavioral Sciences), from Surrine Hall, which was built in 1938. This project was included in their FY16 CIP with the priority 1 of 6. This project was established in January 2016 for Phase I, which is now complete. The facility will be constructed to meet LEED Silver Certification standards and \$3,438,395 in anticipated operating cost savings over a 30 year life are expected. The facility will include a variety of classrooms and learning laboratories, faculty and administrative offices, study and gathering spaces, student services spaces and common areas that will encourage greater collaboration among students, faculty, staff and business partners. The new facility will provide enhanced interface between academics and industry, accommodate growth, and provide flexibility to adapt to advancements in technology and instructional methods. The antiquated Surrine Hall facility no longer provides adequate space for planned growth of modern instructional delivery methods. The College of Business is currently co-located with other academic programs in Surrine Hall. The new facility will become the dedicated, recognizable home for all business and related disciplines within the College of Business and will provide space for the college's administrative offices, outreach and research institutes. Construction of the new facility will also allow Surrine Hall to be utilized as swing space to allow for major renovations. A floor-by-floor, phased renovation of Surrine Hall was considered as an alternative to this project. However, a phased renovation would take many years to complete, would create disruptions to academic activity, and would increase construction costs. Clemson University has requested \$25 million for this project from the General Assembly for 2017-18. If the request is funded, the \$82.5 million in institution bonds in the project budget will be reduced by the amount of the appropriation. The agency estimates that the completed project will cost approximately \$87,500,000 with additional annual operating costs of \$1,053,000 in year 1, \$1,074,060 in year 2, and \$1,095,541 in year 3. The agency also reports the projects date for execution of the construction contract is July 2017 and for completion of construction is August 2019.

4. What is JBRC asked to do?

Consider approval of the Permanent Improvement Project Phase II and bond authorization.

5. What is the recommendation of the Executive Budget Office?

The EBO has determined that the item is complete and ready for JBRC review.

6. List of Supporting Documents:

- a) Permanent Improvement Project Phase II Project approval
b) Bond Authorization

FOR DEPARTMENT USE ONLY

CHE _____
 JBRC _____
 SFAA _____
 JBRC Staff _____
 ADMIN Staff _____
 A-1 Form Mailed _____
 SPIRS Date _____
 Summary _____

RECEIVED MAR 16 2017

K6

(For Department Use Only)

SUMMARY NUMBER

FORM NUMBER

PERMANENT IMPROVEMENT PROJECT REQUEST

1. AGENCY

Cod H12 Name Clemson UniversityContact Person John McEntire Phone 864-656-1238

2. PROJECT

Project # 9929 Name Business and Behavioral Sciences Building / Sirrine Hall Replacement

Facility # _____ Facility Name _____

County Code	39
New/Revised Budget	\$87,500,000.00

Project Type	Construct Additional Facility
Facility Type	Academic

3. CPIP PROJECT APPROVAL FOR CURRENT FISCAL Y

CPIP priority number 1 of 6 for FY 2016

4. PROJECT ACTION PROPOSED (Indicate all requested actions by checking the appropriate boxes.)

Establish Project		Decrease Budget		Close Project	
Establish Project - CPIP		Change Source of Funds		Change Project Name	
Increase Budget	X	Revise Scope		Cancel Project	

5. PROJECT DESCRIPTION AND JUSTIFICATION

(Explain and justify the project or revision, including what it is, why it is needed, and any alternatives considered. Attach supporting documentation/maps to fully convey the need for the request.)

This request is to establish the construction budget to construct an approximately 162,000 square foot building to relocate the College of Business (previously called the College of Business and Behavioral Sciences) from Sirrine Hall, built in 1938. The facility will include a variety of classrooms and learning laboratories, faculty and administrative offices, study and gathering spaces, student services spaces and common areas that will encourage greater collaboration among students, faculty, staff and business partners. The new facility will provide enhanced interface between academics and industry, accommodate growth, and provide flexibility to adapt to advancements in technology and instructional methods.

The antiquated Sirrine Hall facility no longer provides adequate space for planned growth or modern instructional delivery methods. The College of Business is currently co-located with other academic programs in Sirrine Hall. The new facility will become the dedicated, recognizable home for all business and related disciplines within the College of Business and will provide space for the college's administrative offices, outreach and research institutes. Construction of the new facility will also allow Sirrine Hall to be utilized as swing space to allow for major renovations. A floor-by-floor, phased renovation of Sirrine Hall was considered as an alternative to this project. However, a phased renovation would take many years to complete, would create disruptions to academic activity, and would increase construction costs.

Clemson University has requested \$25 million for this project from the General Assembly for 2017-18. If the request is funded, the \$82.5 million in institution bonds in the project budget will be reduced by the amount of the appropriation.

6. OPERATING COSTS IMPLICATIONS

Attach Form A-49 if any additional operating costs or savings will result from this request. This includes costs to be absorbed with current funding.

7. ESTIMATED PROJECT SCHEDULE AND EXPENDITURES

Estimated Start Date: January 2016 Estimated Completion Date: June 2020
 Estimated expenditures: Thru current FY: \$ 1,000,000.00 After current FY: \$ 86,500,000.00

8. ESTIMATES OF NEW/REVISED PROJECT COSTS

PROJECT #

9929

1. _____ Land Purchase ---->
2. _____ Building Purchase ---->
3. \$6,500,000.00 Professional Services Fees
4. _____ Equipment and/or Materials ---->
5. _____ Site Development
6. \$66,200,000.00 New Construction ---->
7. _____ Renovations - Building Interior -->
8. _____ Renovations - Utilities
9. _____ Roofing - _____ Roof Age
10. _____ Renovations - Building Exterior
11. _____ Other Permanent Improvements
12. _____ Landscaping
13. _____ Builders Risk Insurance
14. \$7,000,000.00 Other Capital Outlay
15. _____ Labor Costs
16. _____ Bond Issue Costs
17. _____ Other: _____
18. \$7,800,000.00 Contingency

Land: _____ Acres
 Floor Space: _____ Gross Square Feet

Information Technology \$ _____

Floor Space: 162,000 Gross Square Feet

Floor Space: _____ Gross Square Feet

ENVIRONMENTAL HAZARDS

Identify all types of significant environmental hazards (including asbestos, PCB's, etc.) present in the project and the financial impact they will have on the project
 Type: _____

Cost Breakdown

Design Services \$ _____

Monitoring \$ _____

Abate/Remed \$ _____

Total Costs \$ _____

\$ 87,500,000.00 TOTAL PROJECT BUDGET

9. PROPOSED SOURCE OF FUNDING

Source	Previously Approved Amount	Increase/Decrease	Original/Revised Budget	Transfer to/from Proj. #	Rev Object Code	Treasurer's ID Number	Rev Sub Fund	Exp Sub Fund
(0) Capital Improvement Bonds, Gro ____					8115		3043	3043
(1) Dept Capital Improvement Bonds Group ____					8115		3143	3143
(2) Institution Bonds		\$ 82,500,000.00	\$ 82,500,000.00		8111	28800100	3235	3235
(3) Revenue Bonds								3393
(4) Excess Debt Service Type								3497
(5) Capital Reserve Fund	\$ 5,000,000.00		\$ 5,000,000.00		8895	50300399	3603	3603
(6) Appropriated State Program Source -					8895	68800100	1001	3600
(7) Federal						78800100		5787
(8) Athletic						88800100		3807
(9) Other (Specify)						98800100		3907
TOTAL BUDGET	\$ 5,000,000.00	\$ 82,500,000.00	\$ 87,500,000.00					

10. SUBMITTED BY:

Brett A. Dalton
 Signature of Authorized Official and Title

Date

Brett A. Dalton, Executive Vice President for Finance and Operations

11. APPROVED BY:

(For Department Use Only)

Authorized Signature and Title

Date

Revised 2 23 16

ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY
 Code H12 Name Clemson University

2. PROJECT
 Project # 9929 Name Business and Behavioral Sciences Building / Sirrine Hall Replacement

3. ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS. (Check whether reporting costs or savings.)

XX ☒ COSTS

☐ SAVINGS

☐ NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2019-20	\$	\$	\$1,053,000.00	\$1,053,000.00
2) 2020-21	\$	\$	\$1,074,060.00	\$1,074,060.00
3) 2021-22	\$	\$	\$1,095,541.00	\$1,095,541.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

University Operating Funds

6. Will the additional costs be absorbed into your existing budget? XX ☒ YES ☐ NO
 If no, how will additional funds be provided?

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

<u>COST FACTORS</u>		<u>AMOUNT</u>
1. <u>Utilities</u>		<u>\$526,500.00</u>
2. <u>Maintenance</u>		<u>\$526,500.00</u>
3. _____		
4. _____		
5. _____		
6. _____		
7. _____		
8. _____		
TOTAL		<u>\$1,053,000.00</u>

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. _____

9. Submitted By: Brett A. Dalton _____
 Signature of Authorized Official and Title Date

**PERMANENT IMPROVEMENT PROJECT INFORMATION FORMAT FOR
PHASE II CONSTRUCTION BUDGET**

**Business and Behavioral Sciences Building / Sirrine Hall Replacement
February 9, 2017**

1. What is the total projected cost of the project and what is it based on? Please attach a summary of the costs prepared during the A&E pre-design phase to support the total cost. \$87,500,000
2. What is/are the source(s) of funds for the construction? If any private or federal funds are included, please attach a letter guaranteeing the availability of the funds.

State Institution Bonds and State Capital Reserve Funds

3. What is your agency/institution's definition of each fund source to be used for construction? (If any type of fee makes up a portion of the source, what is the fee called, what is the fee amount, and when it was put in place. If there is a statutory authority authorizing the use of the funds for capital projects, please cite the code section.)

State Institution Bonds are long-term debt instruments issued by the State Treasurer's Office in the name of the University and are pledged to be repaid with tuition fees.

Capital Reserve Funds are state funds that were appropriated to Clemson University specifically for this project by the General Assembly by Act 93 in 2015-16.

Note: Clemson University has requested \$25 million for this project from the General Assembly for 2017-18. If the request is funded, the \$82.5 million in institution bonds in the project budget will be reduced by the amount of the appropriation.

4. What is the current uncommitted balance of funds for each source listed in 3 above?

There is currently no bond balance for Institution Bonds. The bond resolution will be submitted for approval by the Joint Bond Review Committee and State Fiscal Accountability Authority concurrently with Phase II construction budget approval in Spring 2017.

The Capital Reserve Fund appropriation for this project was \$5 million, which established the legislatively authorized budget of this project. As of 12/31/16, \$673,803 had been spent on design work for the project and \$4,326,197 has been committed to and remains to be spent on the project.

5. If institution or revenue bonds are included as a source, when were the bonds issued? If not issued yet, when is the bond resolution expected to be brought for State Fiscal Accountability Authority approval?

The bond resolution will be submitted for approval by the Joint Bond Review Committee and State Fiscal Accountability Authority concurrently with Phase II construction budget approval in Spring 2017.

6. If a student fee is used to fund debt service, what is the current amount of the fee annually or by semester? Please specify which.

It is estimated that the debt service for the College of Business project will equate to approximately \$80 per in-state undergraduate, however as addressed in our answer to question 7, no increase will be required for this facility. Existing tuition and fees are sufficient to cover any costs associated with this project.

7. Will the use of any funds for construction require an increase in any student fee or tuition? If so, please explain in detail.

No student tuition or fee increase will be required for construction of this facility. Existing tuition and fees, including the FY 16-17 increase, are sufficient to cover any costs associated with this project.

8. Will the project be LEED certified for energy savings and conservation and if so, at what level will it be certified? For projects requiring or using LEED certification, please attach the required cost benefit analysis and a checklist of items to be used to achieve LEED points or a description of the energy measures to achieve LEED.

The project will be constructed to LEED Silver Certification. The cost benefit analysis and checklist of items used to achieve LEED points are attached.

9. What energy savings/conservation measures will be implemented within the project if the project will not be LEED certified? For projects that do not require/use LEED, please provide a paragraph on energy savings measures to be implemented as part of the project. If there are no energy savings measures included, please state that and explain why. N/A – Project will be LEED certified.

10. What is the projected date (month and year) for execution of the construction contract? July 2017

11. What is the projected date (month and year) for completion of construction? August 2019

12. What program(s) are to be included in the constructed or renovated space?

The new facility will become the dedicated, recognizable home for all business and related disciplines within the College of Business (previously called the College of Business and Behavioral Sciences).

13. What is the total square footage of the building to be renovated or constructed?

Approximately 162,000 square feet

14. If a portion of the building is to be renovated, what is the square footage of the portion that will be included in the renovation? N/A

15. What is the current age of the building or building systems to be renovated? N/A

16. If any new space is being added to the facility, please provide demand/usage data to support the need.

Since the current Sirrine Hall facility was constructed, University enrollment has grown from 2,150 to 23,406. Current CHE space standards suggest 193,000 square feet is appropriate, however, this building is more efficient with 162,000 square feet and less costly. The University also currently lacks any swing space to allow for major repair and renovation of existing facilities without significantly disrupting instruction or research. Moving the College of Business out of Sirrine Hall will provide this much-needed swing space.

17. What are the estimated numbers of students, faculty, staff and/or clients that are expected to use the space affected by the project or the entire building? (Answer for as many as are applicable.)

Current enrollment in the College of Business is 4,319, which represents a 32% increase since 2007. In addition, approximately 2,800 students from other colleges took classes this year in the College of Business. The College of Business employs 162 faculty and 80 staff who will also use the facility.

18. If the construction cost increased significantly from the internal estimate (30% or more), what factors caused the cost to increase? N/A
19. If the contingency is more than 10%, please explain why. N/A
20. If funds are being transferred from another project, what is the current status of the project from which funds are being transferred? N/A
21. Has the project been included in a previous year's CPIP? If so, what was the last year the project was included and for which year, 1-5? 2016 CPIP, Year 1
22. What are the economic impacts of the project, including job creation and retention? If there are none, please explain.

The economic impact of this project will be substantial. Approximately \$87.5 million in new construction will mean a large number of jobs for architects, engineers, builders and tradesmen.

23. How will your agency/institution address and fund maintenance of this facility construction/renovation?

The University has a comprehensive maintenance stewardship fund as well as a designated fund for maintenance, repair and renovation. Annual prioritization resulting from objective building assessments determines the planned investments in asset stewardship on a building by building and project by project basis. The University targets balances for this maintenance stewardship fund required to adequately protect the physical assets of the University. It is a long range planning tool/fund and, in that respect, the planned balances match the anticipated needs for annual and long range stewardship.

24. If your agency/institution has a deferred maintenance account, what is the name of the account and what is its current uncommitted balance?

The University has Maintenance and Stewardship Funds (MSF) comprised of tuition, matriculation, and other debt retirement and plant fund revenues that are restricted to support capital investments and that are not formally obligated to fund debt service in the current period. These funds are consciously planned for maintenance and renovation needs and are responsibly transferred to and managed by the State Treasurer until the time the State Treasurer approves a qualified use of these funds. As of 12/31/16, the balance of MSF held by the State Treasurer and not currently committed to identified capital projects is \$43,436,489.

25. If how maintenance will be addressed and funded for this facility construction/renovation has not been determined yet, what steps are in place to begin to address how your agency/institution will fund maintenance to this and other agency/institution facilities? N/A

Clemson University
 New College of Business Building
 Clemson, South Carolina
 Schematic Estimate

Project No: 16-01130.00
 Date: 02/07/17

Construction Cost Summary

Ref	Description	SF-age	\$ / SF	TOTAL
A. Building Costs				
A1.	New College of Business Building	170,600 SF	\$326.06	\$55,625,947
A2.	Sitework	6 Acre	\$331.50	\$6,774,198
Total Construction Cost		170,600 SF	\$365.77	\$62,400,145
B. Additional Costs				
B1.	Audio Video Allowance	170,600 SF		N/A
B2.	Phasing / Sequencing	-	1.00%	\$624,000
B3.	Escalation (Q1 / 2018)	-	5.00%	\$3,120,000
Total Construction Cost		-	-	\$3,744,000
Total Construction Cost (Combined)				\$66,144,145

Clemson University

Clemson, South Carolina
Schematic Estimate

02/07/17

PROJECT SUMMARY - New College of Business Building

Element		Total	Cost / SF
1 Program Reduction		(\$5,037,480)	(\$29.53)
2 Sitework			
3 Concrete		\$5,322,842	\$31.20
4 Masonry		\$726,840	\$4.26
5 Metals		\$6,701,110	\$39.28
6 Wood & Plastics		\$850,500	\$4.99
7 Thermal & Moisture		\$4,387,826	\$25.72
8 Doors & Windows		\$4,994,845	\$29.28
9 Finishes		\$8,805,579	\$51.62
10 Specialties		\$1,240,180	\$7.27
11 Equipment			
12 Furnishings		\$316,152	\$1.85
13 Special Construction			
14 Conveying		\$1,709,500	\$10.02
15 Mechanical		\$8,876,894	\$52.03
16 Electrical		\$5,328,780	\$31.24
17 Special Systems			
Subtotal		\$44,223,567	\$259.22
General Conditions	9.0%	\$3,980,121	\$23.33
Subtotal		\$48,203,688	\$282.55
Bonds & Insurance	2.0%	\$964,074	\$5.65
Subtotal		\$49,167,762	\$288.20
General Contractor Fee	2.85%	\$1,401,281	\$8.21
Subtotal		\$50,569,043	\$296.42
Design Contingency	10.0%	\$5,056,904	\$29.64
TOTAL ESTIMATED CONSTRUCTION COST		\$55,625,947	\$326.06

Total Area: 170,600 SF

LEED Cost Benefit Analysis

Certification Level Threshold: LEED Silver
Building Area (Gross Square Footage)

175,000

Administrative & Equipment Cost Summary

Certification Costs				\$204,150
Registration Fees			\$900	
Certification Review Fees			\$8,750	
Design	\$0.04	\$7,000		
Construction	\$0.01	\$1,750		
LEED Professional Administration Costs			\$107,500	
Fundamental & Enhanced Commissioning Costs			\$72,000	
Energy Modeling			\$15,000	
Increased Equipment & Construction Costs				\$228,000
Total Premium Costs for Certification				\$432,150

Operational Cost Summary

	Annual \$/GSF	Annual Costs	Life Cycle Costs (30 yrs)
Baseline Annual Building Operation Costs			
Building Systems Utility Costs	\$13.7	\$240,031	\$7,200,943
Potable Water	\$0.02	\$38,500	\$1,155,000
Building Maintenance	\$1.0	\$262,500	\$7,875,000
Total Costs			\$16,230,943
Certified Building Estimated Operational Costs			
Building Systems Utility Costs (26% reduction)	\$10.1	\$177,623	\$5,328,698
Potable Water (30% reduction)	\$0.01	\$26,950	\$808,500
Building Maintenance (10% reduction)	\$0.9	\$236,250	\$7,087,500
Total Costs			\$13,224,698

Payback Analysis

Operational Costs Savings	\$3,006,245
Administrative & Equipment Costs	-\$432,150
Net Savings	\$3,438,395

Increased equipment & construction costs include:
High Efficiency HVAC Equipment & Control Systems
LED/High Efficiency Lighting & Control Systems; Daylighting
High Efficiency Glazing and Building Envelope
Solar Heat Gain Mitigation
Sustainable Material Selections & Low VOC Products

02/07/17

PROJECT SUMMARY - Site Development

Element		Total	Cost / Acre
1 General Conditions (Incl. Below)			
2 Sitework		\$5,385,602	\$897,600.27
3 Concrete			
4 Masonry			
5 Metals			
6 Wood & Plastics			
7 Thermal & Moisture			
8 Doors & Windows			
9 Finishes			
10 Specialties			
11 Equipment			
12 Furnishings			
13 Special Construction			
14 Conveying			
15 Mechanical			
16 Electrical			
17 Special Systems			
Subtotal		\$5,385,602	\$897,600.27
General Conditions	9.0%	\$484,704	\$80,784.02
Subtotal		\$5,870,306	\$978,384.30
Bonds & Insurance	2.0%	\$117,406	\$19,567.69
Subtotal		\$5,987,712	\$997,951.98
General Contractor Fee	2.85%	\$170,650	\$28,441.63
Subtotal		\$6,158,362	\$1,026,393.62
Design Contingency	10.0%	\$615,836	\$102,639.36
TOTAL ESTIMATED CONSTRUCTION COST		<u>\$6,774,198</u>	\$1,129,032.98

Total Area: 6 acre



LEED 2009 for New Construction and Major Renovations

Project Checklist

Clemson University Sirmine Hall Replacement

07/09/2016

20 5 1 Sustainable Sites Possible Points: 26

Y	N	Prereq	Credit	Points
Y		Prereq 1	Construction Activity Pollution Prevention	
1		Credit 1	Site Selection	1
5		Credit 2	Development Density and Community Connectivity	5
	1	Credit 3	Brownfield Redevelopment	1
6		Credit 4.1	Alternative Transportation—Public Transportation Access	6
1		Credit 4.2	Alternative Transportation—Bicycle Storage and Changing Rooms	1
3		Credit 4.3	Alternative Transportation—Low-Emitting and Fuel-Efficient Vehicles	3
2		Credit 4.4	Alternative Transportation—Parking Capacity	2
1		Credit 5.1	Site Development—Protect or Restore Habitat	1
1		Credit 5.2	Site Development—Maximize Open Space	1
1		Credit 6.1	Stormwater Design—Quantity Control	1
1		Credit 6.2	Stormwater Design—Quality Control	1
1		Credit 7.1	Heat Island Effect—Non-roof	1
1		Credit 7.2	Heat Island Effect—Roof	1
1		Credit 8	Light Pollution Reduction	1

4 3 3 Water Efficiency Possible Points: 10

Y	N	Prereq	Credit	Points
Y		Prereq 1	Water Use Reduction—20% Reduction	
2	2	Credit 1	Water Efficient Landscaping	2 to 4
	2	Credit 2	Innovative Wastewater Technologies	2
2	1	Credit 3	Water Use Reduction	2 to 4

13 2 20 Energy and Atmosphere Possible Points: 35

Y	N	Prereq	Credit	Points
Y		Prereq 1	Fundamental Commissioning of Building Energy Systems	
Y		Prereq 2	Minimum Energy Performance	
Y		Prereq 3	Fundamental Refrigerant Management	
8	11	Credit 1	Optimize Energy Performance	1 to 19
	7	Credit 2	On-Site Renewable Energy	1 to 7
2		Credit 3	Enhanced Commissioning	2
2		Credit 4	Enhanced Refrigerant Management	2
1	2	Credit 5	Measurement and Verification	3
	2	Credit 6	Green Power	2

6 2 6 Materials and Resources Possible Points: 14

Y	N	Prereq	Credit	Points
Y		Prereq 1	Storage and Collection of Recyclables	
	3	Credit 1.1	Building Reuse—Maintain Existing Walls, Floors, and Roof	1 to 3
	1	Credit 1.2	Building Reuse—Maintain 50% of Interior Non-Structural Elements	1
2		Credit 2	Construction Waste Management	1 to 2
	2	Credit 3	Materials Reuse	1 to 2

Materials and Resources, Continued

Y	N	Credit	Points
2		Credit 4	Recycled Content 1 to 2
2		Credit 5	Regional Materials 1 to 2
1		Credit 6	Rapidly Renewable Materials 1
1		Credit 7	Certified Wood 1

10 5 Indoor Environmental Quality Possible Points: 15

Y	N	Prereq	Credit	Points
Y		Prereq 1	Minimum Indoor Air Quality Performance	
Y		Prereq 2	Environmental Tobacco Smoke (ETS) Control	
1		Credit 1	Outdoor Air Delivery Monitoring	1
	1	Credit 2	Increased Ventilation	1
1		Credit 3.1	Construction IAQ Management Plan—During Construction	1
1		Credit 3.2	Construction IAQ Management Plan—Before Occupancy	1
1		Credit 4.1	Low-Emitting Materials—Adhesives and Sealants	1
1		Credit 4.2	Low-Emitting Materials—Paints and Coatings	1
1		Credit 4.3	Low-Emitting Materials—Flooring Systems	1
1		Credit 4.4	Low-Emitting Materials—Composite Wood and Agrifiber Products	1
1		Credit 5	Indoor Chemical and Pollutant Source Control	1
1		Credit 6.1	Controllability of Systems—Lighting	1
1		Credit 6.2	Controllability of Systems—Thermal Comfort	1
1		Credit 7.1	Thermal Comfort—Design	1
1		Credit 7.2	Thermal Comfort—Verification	1
1		Credit 8.1	Daylight and Views—Daylight	1
1		Credit 8.2	Daylight and Views—Views	1

3 3 Innovation and Design Process Possible Points: 6

Y	N	Credit	Points
1		Credit 1.1	Innovation in Design: Sustainable Education 1
1		Credit 1.2	Innovation in Design: Green Cleaning 1
	1	Credit 1.3	Innovation in Design: MRC4 Exemplary Performance 1
	1	Credit 1.4	Innovation in Design: Specific Title 1
1		Credit 1.5	Innovation in Design: Specific Title 1
1		Credit 2	LEED Accredited Professional 1

3 1 Regional Priority Credits Possible Points: 4

Y	N	Credit	Points
1		Credit 1.1	Regional Priority: WEC3 Water Use Reduction 1
1		Credit 1.2	Regional Priority: SSC6.1 Storm Water Quantity Control 1
1		Credit 1.3	Regional Priority: SSC4.1 Public Transportation Access 1
	1	Credit 1.4	Regional Priority: EAC1 Optimize Energy Performance 1

59 20 31 Total Possible Points: 110

Certified 40 to 49 points Silver 50 to 59 points Gold 60 to 79 points Platinum 80 to 110



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March 21, 2017

Ms. Dianne Carraway
Senate Finance
111 Gressette Building
Columbia, South Carolina 29202

Re: Not Exceeding \$84,000,000 of General Obligation State Institution Bonds
(Issued on Behalf of Clemson University), Series 2017 of the State of South
Carolina (the "Bonds")

Dear Dianne:

In accordance with the policy adopted by the Joint Bond Review Committee following its October 7, 2014 meeting regarding any agency/institution request for a project approval that results in the addition of bond funds to the project budget, please find enclosed the required documentation detailing the proposed financing. On behalf of Clemson University, we respectfully request that the Joint Bond Review Committee consider the request for approval of the use of bond funds from the proceeds of the proposed Bonds at its April 26, 2017 meeting.

Please let us know should you require anything further or if you have any questions regarding the enclosed.

Very truly yours,

Gary T. Pope, Jr.

c: Rick Petillo, Director of Debt and Capital Financing, Clemson University
Kevin Kibler, Senior Assistant State Treasurer, Office of State Treasurer

Enclosures

Clemson University Bond Information Report

Prepared in Connection with the Proposed Authorization of

Not Exceeding \$84,000,000 of State of South Carolina General Obligation
State Institution Bonds (Issued on Behalf of Clemson University),
Series 2017

April 26, 2017

Amount and Type of Bond. Clemson University (the “University”) is making application to the South Carolina State Fiscal Accountability Authority for the issuance of not exceeding \$84,000,000 of State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2017 (the “Bonds”), in order to provide funds to: (i) defray the costs of constructing and equipping an academic facility to house the University’s College of Business; (ii) reimburse the University for expenses incurred in anticipation of the issuance of the Bonds ((i) and (ii), the “Project”); and (iii) pay for expenses related to the issuance of the Bonds.

Revenues Pledged to Pay the Bonds. Tuition revenues of the University and the full faith, credit, and taxing power of the State of South Carolina would be pledged to the payment of the Bonds. Article X, Section 13, Paragraph (6)(b) of the South Carolina Constitution provides that general obligation bonds for any state institution of higher learning designated by the General Assembly (“State Institution Bonds”) may be issued, if such bonds shall be additionally secured by a pledge of the revenues derived from the tuition fees received by the particular institution of higher learning for which such State Institution Bonds are issued; provided, that the maximum annual debt service on all State Institution Bonds so additionally secured issued for such state institution thereafter to be outstanding shall not exceed 90% of the sums received by such state institution of higher learning from tuition fees for the fiscal year next preceding. Title 59, Chapter 107 of the South Carolina Code (the “Enabling Act”) provides for the authorization of State Institution Bonds. Section 11-29-30 of the South Carolina Code requires the State Treasurer to set aside from the tuition fees collected by such state institution and received in each fiscal year in which interest on and principal of the Bonds become due, so much of such revenues from such tuition fees as may be necessary in order to pay the interest on and principal of all State Institution Bonds issued on behalf of the University and due in each fiscal year, and the State Treasurer thereafter applies such moneys to the punctual payment of such principal and interest as they become due. In the event revenues derived from the tuition fees so pledged prove insufficient to meet the payments of interest on and principal of the Bonds in such fiscal year, then the State Treasurer is authorized and directed to set aside so much of the general tax revenues received in each fiscal year as may be necessary to pay the principal of and interest on the Bonds due in such year and to apply the same to the punctual payment of such principal and interest.

The sum of tuition fees, for the purposes of the Enabling Act, for the fiscal year ended June 30, 2016, totaled \$33,682,064. The debt service requirements on all existing, authorized, and proposed State Institution Bonds (Issued on Behalf of Clemson University) are attached as Exhibit A. Exhibit B reflects maximum annual debt service of \$20,851,784 in fiscal year 2020, and debt service coverage ranging from 17% to 62% of fiscal year ended June 30, 2016 tuition fees. The

University will covenant that the schedule of tuition fees now in effect at the University will be revised from time to time and whenever necessary in order to provide the annual principal and interest requirements of all State Institution Bonds now or hereafter to be outstanding, which have been or will be issued on behalf of the University.

New Revenue Generation. The project is not expected to result in any discretely quantifiable revenue stream, however it will enable the University to continue accommodating enrollment growth. Enrollment in the College of Business has increased 20% in the past 5 years and this space will enable the College to continue enrollment growth, resulting in more revenue. No student tuition or fee increase will be required for construction of this facility. Existing tuition and fees, including the FY16-17 increase, are sufficient to cover any costs associated with this project.

Other Funds Available to Pay Bonds. Current tuition levels are more than sufficient to pay the debt service on the bonds. In order for current tuition levels to be insufficient, enrollment would need to decrease by more than 35%. Clemson's enrollment has increased every year since 2002 and has grown almost 50% in the past 10 years.

Student Fees, Credit of the State, Mortgages. The full faith and credit of the State of South Carolina would be pledged to the payment of the Bonds. No Special Student Fee is authorized to be imposed in connection with the Bonds. No mortgage or lien has been or will be given in connection with the issuance of the Bonds.

Exhibit A

Clemson University - State Institution Bonds - Composite Debt Service

Fiscal Year	Existing Debt Service	Debt Service on Authorized but Unissued	Proposed Issue		Composite Debt Service
			Principal	Interest	
6/30/2017	\$ 10,069,069	\$ -	\$ -	\$ -	\$ 10,069,069
6/30/2018	13,211,413		3,415,000	2,302,034	18,928,447
6/30/2019	12,678,613		3,450,000	2,267,201	18,395,814
6/30/2020	15,137,363		3,490,000	2,224,421	20,851,784
6/30/2021	14,902,413		3,545,000	2,172,420	20,619,833
6/30/2022	12,675,163		3,600,000	2,113,218	18,388,381
6/30/2023	12,675,413		3,670,000	2,046,618	18,392,031
6/30/2024	12,675,663		3,740,000	1,973,952	18,389,615
6/30/2025	12,704,913		3,820,000	1,893,916	18,418,829
6/30/2026	12,455,663		3,905,000	1,807,584	18,168,247
6/30/2027	12,246,963		4,000,000	1,715,036	17,961,999
6/30/2028	12,032,613		4,100,000	1,616,236	17,748,849
6/30/2029	11,801,813		4,210,000	1,504,716	17,516,529
6/30/2030	11,555,775		4,335,000	1,381,363	17,272,138
6/30/2031	11,306,325		4,470,000	1,246,544	17,022,869
6/30/2032	6,054,269		4,615,000	1,100,822	11,770,091
6/30/2033	6,053,944		4,770,000	944,374	11,768,318
6/30/2034	6,054,881		4,940,000	777,424	11,772,305
6/30/2035	3,671,569		5,115,000	599,584	9,386,153
6/30/2036	3,671,950		5,305,000	410,840	9,387,790
6/30/2037	-		5,505,000	210,842	5,715,842
Totals	<u>\$ 213,635,788</u>	<u>\$ -</u>	<u>\$ 84,000,000</u>	<u>\$ 30,309,139</u>	<u>\$ 327,944,927</u>

Exhibit B

Clemson University - State Institution Bonds - Coverage

Fiscal Year	FY16 Tuition			
	Composite Debt	Pledged to Debt	Pro Forma	Pro Forma
	Service	Service	Pledged Tuition	Coverage Percentage
6/30/2017	\$ 10,069,069	\$ 33,682,064	\$ -	30%
6/30/2018	18,928,447	33,682,064	-	56%
6/30/2019	18,395,814	33,682,064	-	55%
6/30/2020	20,851,784	33,682,064	-	62%
6/30/2021	20,619,833	33,682,064	-	61%
6/30/2022	18,388,381	33,682,064	-	55%
6/30/2023	18,392,031	33,682,064	-	55%
6/30/2024	18,389,615	33,682,064	-	55%
6/30/2025	18,418,829	33,682,064	-	55%
6/30/2026	18,168,247	33,682,064	-	54%
6/30/2027	17,961,999	33,682,064	-	53%
6/30/2028	17,748,849	33,682,064	-	53%
6/30/2029	17,516,529	33,682,064	-	52%
6/30/2030	17,272,138	33,682,064	-	51%
6/30/2031	17,022,869	33,682,064	-	51%
6/30/2032	11,770,091	33,682,064	-	35%
6/30/2033	11,768,318	33,682,064	-	35%
6/30/2034	11,772,305	33,682,064	-	35%
6/30/2035	9,386,153	33,682,064	-	28%
6/30/2036	9,387,790	33,682,064	-	28%
6/30/2037	5,715,842	33,682,064	-	17%
Total	\$ 327,944,927			

JOINT BOND REVIEW COMMITTEE

Meeting of April 26, 2017

Item Number 5

AGENCY: Department of Administration, Executive Budget Office

PROJECT/SUBJECT: Additional Permanent Improvement Project Requests

There are 18 additional Permanent Improvement projects pending as follows:

- 8 Establish Phase I, Pre-Design Budget
- 8 Establish Phase II, Construction Budget
- 1 Establish Preliminary Land Acquisition
- 1 Final Land Acquisition

COMMITTEE ACTION:

Review and make recommendation of permanent improvement projects for transmittal to State Fiscal Accountability Authority or Department of Administration.

ATTACHMENTS:

Project Requests Worksheet - Summary 7-2017

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Executive Budget Office – Capital Budgeting Unit

SUMMARY 7-2017

Summary of Permanent Improvement
Project Actions Proposed by Agencies
January 26, 2017 through March 17, 2017

Forwarded to JBRC 4/26/2017

Permanent Improvement Projects

Summary Background Information:

Establish Project for A&E Design

- (a) Summary 7-2017: JBRC Item 1. (H59) Greenville Technical College
Project: 6131, Greenville – Bldg. 801 Roof Replacement & HVAC Upgrades
Included in Annual CPIP: Yes – CPIP Priority 2 of 3 in FY17
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: 4/10/17

Ref: Supporting document pages 1-5

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Local Govt. Contrib. to Plant Maint. Fund	0.00	0.00	0.00	21,367.50	21,367.50
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>21,367.50</u>	<u>21,367.50</u>

Funding Source: \$21,367.50 Other, Local Government Contributions to Plant Maintenance Fund, which is an accumulation of appropriated funds from Greenville County that are used to perform maintenance and renovations to physical facilities of Greenville Technical College.

Request: Establish project and budget for \$21,367.50 (Other, Local-College's Plant Maintenance Fund) to establish a project to replace the largest portion, Section C, on Bldg. 801, McKinney Automotive Center at Greenville Technical College as identified in a roof evaluation report prepared by ADC Engineering. In conjunction with the roof replacement, the roof mounted HVAC units are in need of replacement. Facilities maintenance personnel as well as contractors, have attempted to repair leaks in the roof but excessive deterioration, as identified in ADC Engineering's report, pounding of water and major leaks occurring with each rain event, are exposing equipment and materials inside the building to potential damage. Water saturated roof insulation may also be developing a potential health risk hazard for occupants. Consultation with Peritus Mechanical Engineers regarding the existing roof mounted HVAC units that will be affected by the roof replacement, revealed the need for replacing these units. As part of Phase I, a study of the HVAC system for the affected interior space will be conducted to ensure the essential needs of heating, ventilation, and air conditioning are being met to current air quality standards. This project includes a total of 56,000 square feet (Section "C"), of the total 91,000 square foot

building. The building, constructed in 1965, is 52 years old. The existing roof is estimated to be 16-20 years old and the HVAC units are approximately 19+ years old. The facility is used to house the curriculum programs in automotive training in maintenance of motors, transmissions and body repair and it utilized by 246 students and faculty. The agency estimates that the completed project will cost approximately \$1,424,500 and additional annual operating costs savings of \$3,000 in year 1 and \$5,000 in years 2 and 3 are expected.

- (b) Summary 7-2017: JBRC Item 2. (D50) Department of Administration
 Project: 9987, Fire Station 8 - Renovation
 Included in Annual CIP: Yes – CIP Priority 2 of 3 in FY17 (R36 – LLR)
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages 6-15

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, LLR Operating Revenue Account	0.00	0.00	0.00	15,350.00	15,350.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>15,350.00</u>	<u>15,350.00</u>

Funding Source: \$15,350 Other, LLR Operating Revenue Account, which is primarily funded by Fire Insurance Inspection Taxes.

Request: Establish project and budget for \$15,350 (Other, Other, Operating Revenue Account) to establish a project to obtain a Phase I design and cost estimate for the renovation of the existing “fire house” structure on the state owned property at LLR’s Monticello Road location which houses the Division of Fire and Life Safety. The Phase I amount requested is 2.26% of the estimated construction cost because of additional structural features including masonry block wall that must be analyzed to determine if they are capable of supporting the 2nd floor structure. The intent of the renovation is to construct additional training classrooms within the existing fire station bay area. The renovation would consist of walling in one of the 6 fire truck bay areas, which would yield a two story addition adding much needed classroom/learning space for 4 firefighter 8 week recruit programs that reside within this building annually, as well, provide additional classroom space for additional fire programs throughout the year. At a minimum, the additional space will serve 4 - 8 week recruit schools, (30 students at a time) as well, an additional 50 classes with 18 students in each class. The fire station was constructed in 1994 and is 23 years old. 3,850 square foot of the 10,950 square foot facility will receive renovations to create the two classrooms. In 2017, this structure houses 4 Recruit classes annually of 25-30 basic firefighting recruit students that reside in this building for 8 straight weeks. The agency estimates that the completed project will cost approximately \$756,920 and no additional annual operating costs will result from the project.

- (c) Summary 7-2017: JBRC Item 3. (N04) Department of Corrections
 Project: 9739, Campbell PRC - Demolition
 Included in Annual CPIP: No
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages 16-20

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Insurance Funds	0.00	0.00	0.00	3,750.00	3,750.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>3,750.00</u>	<u>3,750.00</u>

Funding Source: \$3,750 Other, Insurance Funds, which is associated with insurance claim #98344 where \$180,159.88 was received for the claim. The original Campbell project, #9708 spent \$25,834.49, which leaves \$154,325.39 to be used on this project.

Request: Establish project and budget for \$3,750 (Other, Insurance Funds) to establish a project to demolish and remove the Campbell Pre-Release Center (the main central building). The 42 year old Campbell Pre-Release Center was constructed in 1975 and is no longer in use due to a roof-truss failure that occurred in 2013 in one of the housing units. Upon inspection by a structural engineer, it was reported that the entire facility is experiencing significant truss web member deficiencies including numerous truss plates connections that are tearing from the members. The cost to repair the deficiencies and renovate the institution into a functional and practical facility was estimated at \$2,935,000. SCDC determined that this is not a cost efficient repair/renovation of the structures. Therefore, it is desired that the 14,045 square foot building space be demolished due to safety concerns. The site will be re-purposed at a later date. The SCDC maintenance program will monitor and maintain the vacant property once the buildings have been demolished and removed. The agency estimates that the completed project will cost approximately \$250,000 and no additional annual operating costs will result from the project.

- (d) Summary 7-2017: JBRC Item 4. (N04) Department of Corrections
 Project: 9740, Campbell – Renovate Housing Unit for Office Space
 Included in Annual CPIP: No
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages 21-25

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Appropriated State, FY16 Carryforward Funds	0.00	0.00	0.00	25,100.00	25,100.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>25,100.00</u>	<u>25,100.00</u>

Funding Source: \$25,100 Appropriated State, FY16 Carryforward Funds, which are from the remaining FY16 Personnel Services funds.

Request: Establish project and budget for \$25,100 (Appropriated State, FY16 Carryforward Funds) to establish a project to renovate the inmate housing unit at Campbell Pre-Release Center for use as office space. The housing unit has not been used for housing inmates since the Pre-Release Center closed in 2015. The scope of work converts the institutional housing structure to general office use which will facilitate procurement and human resource services outside the security fence boundary but still within the SCDC Broad River Complex. Approximately 26 to 30 staff members will be assigned to offices and standing cubicles. The 11,150 square foot facility is approximately 25 years old. The agency estimates that the completed project will cost approximately \$1,700,000 and additional annual operating costs have not yet been determined.

- (e) Summary 7-2017: JBRC Item 5. (N12) Department of Juvenile Justice
 Project: 9601, Juvenile Detention Center Fire Alarm System Replacement
 Included in Annual CPIP: Yes – CPIP Priority 3 of 5 in FY18
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages 26-31

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Appropriated State, FY16 Carryforward Funds	0.00	0.00	0.00	32,500.00	32,500.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>32,500.00</u>	<u>32,500.00</u>

Funding Source: \$32,500 Appropriated State, FY16 Carryforward Funds.

Request: Establish project and budget for \$32,500 (Appropriated State, FY16 Carryforward Funds) to establish a project for the replacement of the fire alarm system at the SCDJJ Juvenile Detention Center, located at 1725 Shivers Road in Columbia. The panel, when initially installed, was inadequate for the number of devices that the building needed. Before it would pass initial inspection, the Fire Marshall required more devices to be set in places that weren't covered by the board that was ordered and installed. There have been issues from the very beginning with the system being stretched beyond its capabilities. The system is currently on its last leg. The floating grounds are constant and there is no way to correct them. False alarms are becoming more frequent no matter how often the detectors are cleaned or changed. At the present time it is required that SCDJJ comply with new code requirements which call for removing all parts of the old Fire Alarm System, including the panel and wiring, then replace them with updated equipment. All of this must now be run in conduit. The Phase I amount requested is greater than 1.50% of the estimated total project cost due to the design fees for architectural and electrical engineering services. The 16 year old building was constructed in 2001 and is approximately 30,317 square feet. The facility is utilized by 165 juveniles and staff. The agency estimates that the completed project will cost approximately \$482,500 and no additional annual operating costs will result from the project.

- (f) Summary 7-2017: JBRC Item 6. (P24) Department of Natural Resources
 Project: 9966, Richland – Wateree Range Improvements
 Included in Annual CPIP: No
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages 32-37

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Federal – Hunter Education Grant	0.00	0.00	0.00	13,500.00	13,500.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>13,500.00</u>	<u>13,500.00</u>

Funding Source: \$13,500 Federal, Hunter Education Grant, which are funds provided by the US Fish & Wildlife Service and allocated for Hunter Education and Wildlife Restoration. These funds are derived from the Pittman-Robinson Act which is a federal excise tax on ammunitions, firearms, archery equipment, etc.

Request: Establish project and budget for \$13,500 (Federal, Hunter Education Grant) to establish a project for improvements to the Wateree Range. The project, located at the existing Wateree Range on US Hwy 378 in lower Richland County near the Town of Eastover, entails the design, site development, and construction of improvements to the Wateree Range. The projects purpose is to renovate the existing rifle and pistol range to bring the facility into compliance with Americans with Disabilities Act (A.D.A.) and the safety standards set forth by the National Rifle Association (NRA) and the DNR. The scope of work for the pre-design phase includes the engineering and design work necessary to estimate the costs to complete the project. Ultimately, the project will entail the site preparation, berm development, construction of firing line sheds, road and parking lot construction for a 16 position 100 yard rifle range and 18 position 50 yard pistol range. The SCDNR objectives include (1) a safe area for constituents to participate in recreational shooting or to practice shooting prior to going hunting; and (2) an area that the agency can utilize for hands-on training for hunter education students and recruitment for hunters and recreational shooters. The square footage to be renovated includes one, 1,220 square foot open sided Pistol shed and one, 1,630 square foot open sided Rifle shed. The range is utilized by 1 staff person and approximately 40 guests per day. The agency estimates that the completed project will cost approximately \$900,000 and no additional annual operating costs will result from the project.

- (g) Summary 7-2017: JBRC Item 7. (P28) Department of Parks, Recreation & Tourism
 Project: 9763, Little Pee Dee State Park Dam Repair
 Included in Annual CPIP: No
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages 38-46

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Motion Picture Incentive Funds	0.00	0.00	0.00	9,736.00	9,736.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>9,736.00</u>	<u>9,736.00</u>

Funding Source: \$9,736 Other, Motion Picture Incentive Funds, which are funds provided by Proviso 49.9 from FY14, and can be used by the department for capital improvements to the state's Welcome Centers, for deferred maintenance and capital projects at state parks, and for marketing/advertising.

Request: Establish project and budget for \$9,736 (Other, Motion Picture Incentive Funds) to establish a project for pre-design work for repairs to the swimming lake dam at Little Pee Dee Beach State Park. The 75 year old dam at Little Pee Dee was compromised by flood waters of Hurricane Matthew and no longer retains water. The lake is the main attraction for visitors to this park which receives 50,000 visitors each year. FEMA reimbursement at approximately 75% is anticipated. The agency estimates that the completed project will cost approximately \$649,080 and no additional annual operating costs will result from the project.

- (h) Summary 7-2017: JBRC Item 8. (R36) Department of Labor, Licensing and Regulation
 Project: 9510, Sewer Force Main
 Included in Annual CPIP: Yes – CPIP Priority 1 of 13 in FY17
 JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages 47-53

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, SC Fire Academy Bank Account	0.00	0.00	0.00	200,000.00	200,000.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>200,000.00</u>	<u>200,000.00</u>

Funding Source: \$200,000 Other, SC Fire Academy Bank Account, which is funded by Other Operating Funds which include the Fire Insurance Inspection Tax.

Request: Establish project and budget for \$200,000 (Other, SC Fire Academy Bank Account) to establish a project for the evaluation of the underground sewer system that removes sanitary waste from the Divisions site at 141 Monticello Trail in Columbia, and delivers it to the City of Columbia sewer outfall at Crane Creek located near I-20 at Monticello Road. The Division of Fire and Life Safety has operated and maintained a 22,856' force sewer main for 22 years. Since the system is 22 years old, the Division feels it is necessary to conduct an evaluation/assessment in order to determine if there are any internal operational issues as well as review for any potential leakage in the line. The Division of Fire & Life Safety facility is used by over 12,000 – 14,000 firefighting students annually. The agency estimates that the completed project will cost approximately \$405,000 and no additional annual operating costs will result from the project.

Establish Construction Budget

- (i) Summary 7-2017: JBRC Item 9. (H12) Clemson University
 Project: 9931, IPTAY Center Expansion/Renovation
 Included in Annual CIP: Yes – CIP Priority 6 of 6 in FY17
 JBRC/SFAA Phase I Approval: September 2016

CHE Recommended Approval: 3/9/17

Ref: Supporting document pages 54-62

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Athletic Private Gifts	250,000.00	0.00	250,000.00	9,750,000.00	10,000,000.00
All Sources	<u>250,000.00</u>	<u>0.00</u>	<u>250,000.00</u>	<u>9,750,000.00</u>	<u>10,000,000.00</u>

Funding Source: \$10,000,000 Other, Athletic Private Gifts, which are contributions received from individuals, corporations, and other entities that are to be expended for their restricted purposes.

Request: Increase budget to \$10,000,000 (add \$9,750,000 Other, Athletic Private Gift funds) to establish the Phase II construction budget to renovate and expand facilities for IPTAY at Memorial Stadium. The IPTAY Center at Memorial Stadium is approximately 14,000 square feet, built in the late 1980's, and is approximately 28 years old. The current IPTAY space is not sufficient to house the increased and growing development staff, and has not had any major renovations since constructed in the late 1980's. The space will be expanded to include office space for staff working with major gifts, annual fund, gifts and estate planning, stewardship and ticketing, and will also include support spaces. The existing facilities will be updated to improve interior finishes and functionality to enhance the overall fundraising capabilities of IPTAY. In addition, the work will include the creation of premium lounge areas adjacent to and accessible from Memorial Stadium for use on football game days that will allow for new revenue generation for the Athletic Department. Currently, all premium spaces in the stadium are sold out with wait lists. The total square footage of the building to be renovated and expanded is 21,500 square feet. Of that, approximately 14,000 square feet is used for the IPTAY Center. The expansion for IPTAY will be approximately 9,600 square feet. Renovations will be made to approximately 18,000 square feet of the existing facility. The facility will be constructed to meet Green Globes Certification standards and \$457,511 in anticipated operating cost savings over a 30 year life are expected. The renovated space will house 20 fulltime IPTAY staff along with dozens of part-time and student workers. Additionally, up to 300 high level IPTAY members will be able to use the space for football game day functions, as meeting space throughout the year, and for other related events. The agency estimates that the completed project will cost approximately \$10,000,000 with additional annual operating costs of \$62,400 in year 1, \$63,648 in year 2, and \$64,921 in year 3. The agency also reports the projects date for execution of the construction contract is July 2017 and for completion of construction is July 2018.

Establish Construction Budget & Change Source of Funds

- (j) Summary 7-2017: JBRC Item 10. (H17) Coastal Carolina University
 Project: 9609, Soccer Complex
 Included in Annual CPIP: Yes – CPIP Priority 3 of 3 in FY18
 JBRC/SFAA Phase I Approval: November 2015

CHE Recommended Approval: 3/16/17

Ref: Supporting document pages 63-88

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Institution Capital Project Funds	75,000.00	0.00	75,000.00	(75,000.00)	0.00
Other, Gift – Student Housing Foundation	0.00	0.00	0.00	3,500,000.00	3,500,000.00
Other, Gift – Coastal Athletic Foundation	0.00	0.00	0.00	1,500,000.00	1,500,000.00
All Sources	<u>75,000.00</u>	<u>0.00</u>	<u>75,000.00</u>	<u>4,925,000.00</u>	<u>5,000,000.00</u>

Funding Source: \$3,500,000 Other, Gift – Student Housing Foundation. \$1,500,000 Other, Gift – Coastal Athletic Foundation. These gifts are monetary sources of funds received from outside the university. These are funds pledged and/or received from the foundations for the purpose of supporting the university and are not connected to fees.

Request: Increase budget to \$5,000,000 (add \$4,925,000 Other, Gifts) to establish the Phase II construction budget to begin construction of the new soccer complex to be located on the East Campus. There are two buildings planned for the site in addition to the land improvements for the soccer field. The first building will be 1,596 square feet and will be a single story building that will serve as a public restroom and storage. The second building will be 7,778 square feet and will have men's and women's locker rooms, coaches offices, team meeting rooms, press box areas, broadcast room, both a sound a video both and restrooms. There are 750 bleacher seats planned for this part of the project, as well as field lights for night games. In past years, the University has hosted NCAA soccer playoff events for their nationally ranked men's soccer team, but could only accommodate a total of 500 spectators. The current complex is lacking support facilities, including on-site locker rooms due to property constraints. The new facility will provide a better game day experience by incorporating fan-related amenities. Currently the men's soccer team has 26 players and 3 coaches. The women's soccer team list 18 players and 3 coaches. The agency estimates that the completed project will cost approximately \$5,000,000 with additional annual operating costs of \$64,900 in years 1 thru 3. The agency also reports the projects date for execution of the construction contract is December 2017 and for completion of construction is November 2018.

Establish Construction Budget

- (k) Summary 7-2017: JBRC Item 11. (E24) Office of the Adjutant General
 Project: 9796, Olympia Armory New Gravity Sewer Construction
 Included in Annual CIP: No
 JBRC/SFAA Phase I Approval: January 2017

CHE Recommended Approval: N/A

Ref: Supporting document pages 89-103

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Appropriated State, Armory Operations	54,998.00	0.00	54,998.00	195,002.00	250,000.00
All Sources	<u>54,998.00</u>	<u>0.00</u>	<u>54,998.00</u>	<u>195,002.00</u>	<u>250,000.00</u>

Funding Source: \$250,000 Appropriated State, Armory Operations.

Request: Increase budget to \$250,000 (add \$195,002 Appropriated State, Armory Operations) to begin construction of a new 8-inch gravity sewer line (approximately 565 LF) with 3 manholes with 6-inch service line, along Granby Lane to support the existing Armory. New sewer will connect to the existing City of Columbia sanitary sewer system near the intersection of Granby Lane and Bluff Road. The Olympia Armory was constructed in the 1930's and is presently supported by a septic tank and tile field. Due to the age of the tile field, failure of the field has occurred and routine pump-out of the existing septic tank is required to allow for continued use of the Armory by the State Guard. The new gravity sewer line will allow for uninterrupted service of the Armory by connecting the sewer collection system owned and operated by the City of Columbia. The agency estimates that the completed project will cost approximately \$250,000 with additional annual operating costs of \$100 in year 1, \$110 in year 2, and \$115 in year 3. The agency also reports the projects date for execution of the construction contract is April 2017 and for completion of construction is December 2017.

- (l) Summary 7-2017: JBRC Item 12. (J04) Department of Health & Environmental Control
Project: 9527, DHEC Re-Roofing of Multiple Flat Roofs
Included in Annual CIP: Yes - CIP Priority 1 of 1 in FY17
JBRC/SFAA Phase I Approval: January 2017

CHE Recommended Approval: N/A

Ref: Supporting document pages 104-109

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Capital Reserve Fund, FY07-08	0.00	0.00	0.00	82,925.05	82,925.05
Appropriated State, FY16 Carryforward Funds	4,500.00	0.00	4,500.00	328,374.95	332,874.95
All Sources	<u>4,500.00</u>	<u>0.00</u>	<u>4,500.00</u>	<u>411,300.00</u>	<u>415,800.00</u>

Funding Source: \$82,925.05 FY08 Capital Reserve Fund. \$332,874.95 Appropriated State, FY16 Carryforward Funds.

Request: Increase budget to \$415,800 (add \$82,925.05 FY08 Capital Reserve & \$328,374.95 FY16 Carryforward Funds) for the replacement of the built up flat roofs at 3 buildings on the State Park Campus. The roofs are between 25 to 40 years old, some with multiple additions. All the roofs are leaking to some degree and have been patched where possible. The roofs have reached the end of their life and leaks are becoming more common threatening equipment and structural building components. The buildings are in good shape and a new roof would prove beneficial to lower maintenance cost and time, as well as help provide a more efficient building system by maintaining their insulation value. The intent is to provide a low maintenance water tight roof surface. A 3 ply asphalt built up roof with granular surface modified bitumen cap sheet with a 20 year minimum warranty will be installed. The total roof square footage affected is approximately 14,442 square feet. Building 5 is 25 years old with a 25 year old roof. Building 20 is 83 years old with a 39 year old roof. Building 23 is 76 years old with a 35 year old roof. Approximately 45 employees work in the 3 buildings being re-roofed. The agency estimates that the completed project will cost approximately \$415,800 and additional operating cost savings have not yet been determined. The agency also reports the projects date for execution of the construction contract is July/August 2017 and for completion of construction is October/November 2017.

- (m) Summary 7-2017: JBRC Item 13. (N04) Department of Corrections
 Project: 9737, Security Perimeter Netting System at Level 2 & 3 Correctional Institutions
 Included in Annual CPIP: No
 JBRC/SFAA Phase I Approval: January 2017

CHE Recommended Approval: N/A

Ref: Supporting document pages 110-116

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Appropriated State, FY16 Carryforward	113,400.00	0.00	113,400.00	7,446,600.00	7,560,000.00
All Sources	<u>113,400.00</u>	<u>0.00</u>	<u>113,400.00</u>	<u>7,446,600.00</u>	<u>7,560,000.00</u>

Funding Source: \$7,560,000 Appropriated State, FY16 Carryforward funds, which are from the remaining FY16 Personnel Services funds.

Request: Increase budget to \$7,560,000 (add \$7,446,600 FY16 Carryforward Funds) to furnish and install a Security Perimeter Netting System around the security fence perimeter of all the Level 3 and most of the Level 2 Correctional Institutions (total of 11 institutions), to reduce the extensive contraband that SCDC is receiving into the institutions from criminal elements by "throw-overs" of the perimeter fence disguised as footballs, packs, etc. This is another measure making the institutions a more secure environment for the security staff and the inmates. There are approximately 12,626 inmates and 2,346 staff at these institutions. The netting system will consist of fifty-foot (50') high engineered poles with netting which is made of 1" polyester mesh with a breaking strength of 160lbs. and a 3/8" solid rope border with breaking strength of 5,500 lbs. The netting panels are custom built to meet each correctional institution's requirements and come with a full 5 year warranty. The agency estimates that the completed project will cost approximately \$7,560,000 and no additional annual operating costs will result from the project. The agency also reports the projects date for execution of the construction contract is November 2017 and for completion of construction is December 2018.

- (n) Summary 7-2017: JBRC Item 14. (N04) Department of Corrections
Project: 9738, Security Upgrades to Housing Unit Inmate Cells at Level 3 Correctional Inst.
Included in Annual CPIP: Yes – CPIP Priority 1 of 7 in FY17
JBRC/SFAA Phase I Approval: March 2017

CHE Recommended Approval: N/A

Ref: Supporting document pages 117-122

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Appropriated State, FY16 Carryforward Funds	15,000.00	0.00	15,000.00	985,000.00	1,000,000.00
All Sources	<u>15,000.00</u>	<u>0.00</u>	<u>15,000.00</u>	<u>985,000.00</u>	<u>1,000,000.00</u>

Funding Source: \$1,000,000 Appropriated State, FY16 Carryforward Funds, which are from general fund personnel and fringe lines of the last two budget years.

Request: Increase budget to \$1,000,000 (add \$985,000 FY16 Carryforward Funds) to furnish and install several Security Upgrades to Housing Unit Inmate Cells at Level 3 Correctional Institutions. These renovations and upgrades will consist of security window frames and glazing, opaque glazing, food flaps, cuff ports, etc. This scope of work will provide additional security to the inmate cells, housing units and correctional facility, but will also directly impact SCDC's efforts to deter contraband from entering the institutions. There are approximately 7,720 inmates, 540 non-uniformed and 1,060 uniformed positions located at these institutions. The agency estimates that the completed project will cost approximately \$1,000,000 and no additional annual operating costs will result from the project. The agency also reports that this work will be accomplished by in-house/inmate construction forces with the projected construction activities starting in October 2017 and for completion of construction is October 2019.

- (o) Summary 7-2017: JBRC Item 15. (P28) Department of Parks, Recreation & Tourism
 Project: 9759, Huntington Beach State Park Education Center Reconstruction
 Included in Annual CPIP: No
 JBRC/SFAA Phase I Approval: November 2016

CHE Recommended Approval: N/A

Ref: Supporting document pages 123-128

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Park Revenue	13,377.00	0.00	13,377.00	241,912.00	241,912.00
Other, Insurance Reserve Fund	0.00	0.00	0.00	599,900.00	599,900.00
All Sources	<u>13,377.00</u>	<u>0.00</u>	<u>13,377.00</u>	<u>841,812.00</u>	<u>855,189.00</u>

Funding Source: \$241,912 Other, Park Revenue, which is revenue generated by the SC State Park Service through admissions, cabins, camping, retail sales, etc. \$599,900 Other, Insurance Reserve Fund, which is proceeds from insurance claims.

Request: Increase budget to \$855,189 (add \$841,812 Other, Park Revenue & Insurance Reserve Fund) to establish the construction budget for the replacement of the Education Center along with associated site improvements at Huntington Beach State Park. The previous 15 year old Nature Center burned to the ground due to a lightning strike on July 20, 2016 and the insurance funding has been received for this claim. The new facility will be 3,300 square feet. The original architect has been contacted and the original plans will be updated to meet current code criteria and reconstruct the original facility. Annual park attendance is around 600,000 with many visitors utilizing this facility. The agency estimates that the completed project will cost approximately \$855,189 and no additional annual operating costs will result from the project. The agency also reports the projects date for execution of the construction contract is September 2017 and for completion of construction is May 2018.

- (p) Summary 7-2017: JBRC Item 16. (P28) Department of Parks, Recreation & Tourism
Project: 9760, Edisto Beach State Park – Hurricane Matthew Recovery
Included in Annual CIP: No
JBRC/SFAA Phase I Approval: November 2016

CHE Recommended Approval: N/A

Ref: Supporting document pages 129-137

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, State Park Revenue	15,000.00	0.00	15,000.00	0.00	15,000.00
Other, PARD	0.00	0.00	0.00	480,406.00	480,406.00
All Sources	<u>15,000.00</u>	<u>0.00</u>	<u>15,000.00</u>	<u>480,406.00</u>	<u>495,406.00</u>

Funding Source: \$480,406 Other, PARD, which are Park and Recreational Development Funds allocated annually to each county area on a per capita basis according to the population estimates for counties prepared annually by the Bureau of the Census and published in "Current Population Reports", with the remainder allocated to the Department of Parks, Recreation and Tourism. Funds allocated to the account must be used for planning, development, and renovation of new state parks and recreation facilities located therein.

Request: Increase budget to \$495,406 (add \$480,406 Other, PARD) to establish the construction budget for the reconstruction and repair efforts needed for the main/beachfront campground at Edisto Beach State Park as a result of Hurricane Matthew. Hurricane Matthew caused severe damage to the main/beach front campground, roads, the septic system and comfort stations at the park. Due to the storm surge floodwaters resting in the 68 campsite beach front campground (with 2 comfort stations), the entire electrical utility infrastructure needs to be replaced and plumbing repairs are needed. In addition, all campsite fixtures were lost so there will be a replacement cost for 64 picnic tables, fire rings/grills, etc. The roads were heavily damaged and need replacement surface material. The two comfort stations were damaged and require repairs to include painting, roofing, fixtures and walkways. The comfort stations were constructed in 1973 but were renovated within the last 5 years. The park receives 90,000 visitors at the beach front campground each year. When brought for phase I, the total projected cost of the project was \$1,000,000. The agency reports that the original estimate was made based on limited observation after the storm by non-technical personnel. The current estimate is based on actual assessment and examination by technical personnel. Funding is anticipated to be reimbursed at 75% by FEMA. The agency reports that the completed project will cost approximately \$495,406 and no additional annual operating costs will result from the project. The agency also reports the projects date for execution of the construction contract is June 2017 and for completion of construction is September 2017.

Preliminary Land Acquisition

- (q) Summary 7-2017: JBRC Item 17. (N04) Department of Corrections
Project: 9741, Wateree River CI – Durai Property Acquisition
Included in Annual CPIP: No
JBRC/SFAA Phase I Approval: N/A

CHE Recommended Approval: N/A

Ref: Supporting document pages 138-144

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Other, Canteen	0.00	0.00	0.00	20,000.00	20,000.00
All Sources	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>20,000.00</u>	<u>20,000.00</u>

Funding Source: \$20,000 Other, Canteen Funds, which is revenue derived wholly from the canteen operations within the Department of Corrections on behalf of the inmate population, which may be retained and expended by the department for the continuation of the operation of said canteens and the welfare of the inmate population or, at the discretion of the Director, used to supplement costs of operations.

Request: Establish project and budget for \$20,000 (Other, Canteen Funds) to procure investigative studies required to adequately evaluate property prior to purchase. The agency is considering the acquisition of 192.85+/- (parcel # 073-0006-002), which is located at 400 Boykin Mill Road in Rembert, SC. This property includes irrigation, grain storage, and agricultural shop/sheds which are approximately 10,000 square feet. The buildings located on the property are usable in their current condition and will not need to be renovated. If acquired, the property will be utilized as farmland. The age of the buildings located on the property is unknown at this time but will be determined during the Phase I process. The agency is in need of additional irrigated land and grain storage. The present grain storage at Wateree River CI is antiquated and does not provide ample storage for harvested grain. The additional irrigated land and grain storage will enable SCDC to increase farming operations and reduce cattle and poultry food costs. The use of farm grown grain is a money saving investment in feeding Wateree River Farm's cattle and poultry. In addition, having the flexibility to store grain for future use enables SCDC to condition the grain for maximum dollar value as well as anticipate and take advantage of market forecasts when selling commodities. The goal of SCDC is to obtain irrigation on all productive lands; irrigated land is more productive than dry land and therefore provides a higher per acre yield. The agency estimates that the land acquisition will cost approximately \$1,500,000 and additional annual operating costs have not yet been determined.

Final Land Acquisition

- (r) Summary 7-2017: JBRC Item 18. (N04) Department of Parks, Recreation & Tourism
 Project: 9758, Caesars Head – Greylogs Acquisition
 Included in Annual CPIP: No
 JBRC/SFAA Phase I Approval: September 2016

CHE Recommended Approval: N/A

Ref: Supporting document pages 145-155

<u>Source of Funding</u> <u>Detail</u>	<u>Original Budget</u> <u>Amount</u>	<u>Cumulative</u> <u>Changes Since</u> <u>Original Budget</u>	<u>Current Budget</u>	<u>Current Budget</u> <u>Adjustment</u> <u>Requested</u>	<u>Total Budget</u> <u>After Current</u> <u>Adjustment</u>
Appropriated State, Conservation Land Bank	0.00	0.00	0.00	250,000.00	250,000.00
Other, Recreation Land Trust Fund	5,000.00	0.00	5,000.00	0.00	5,000.00
All Sources	<u>5,000.00</u>	<u>0.00</u>	<u>5,000.00</u>	<u>250,000.00</u>	<u>255,000.00</u>

Funding Source: \$250,000 Appropriated State, Conservation Land Bank. \$5,000 Other, Recreation Land Trust Fund, which are funds to be used for the purpose of acquiring recreational land, the development of utilities and roads on lands owned or controlled by SCPRAT, and for professional and technical services, fees, or other costs involved in the acquisition of such lands.

Request: Increase budget to \$255,000 (add \$250,000 FY16 Appropriated State, Conservation Land Bank) for the acquisition of a 17.23 acre tract adjacent to Caesars Head State Park in the Mountain Bridge Wilderness Area. The property has been purchased by Naturaland Trust and PRT now desires to purchase the property from them for a purchase price of \$250,000.00. This land is a key component of the overall Mountain Bridge vision for connecting over 50,000 acres of mountain lands from Table Rock Watershed to the Poinsett Watershed. Additionally, this property is needed to protect the boundaries of Caesars Head State Park from adverse development and to allow for future development of parking areas and trails for access to the Mountain Bridge area. The agency reports that the total projected cost of the project is \$255,000 and no additional annual operating costs will result from this acquisition. Normal patrol and trash pickup costs will be included in the current duty ranger routine. The agency reports the estimated date to complete the land acquisition is June 2017.

JOINT BOND REVIEW COMMITTEEMeeting of April 26, 2017**Item Number 6****AGENCY:** Joint Bond Review Committee**PROJECT/SUBJECT:** Future Meeting Schedule

The next tentatively-scheduled meeting of the State Fiscal Accountability Authority is June 13, 2017.

2017**January**

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

February

Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

March

Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

April

Su	Mo	Tu	We	Th	Fr	Sa
						1
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23	24	25	26	27	28	29
30						

May

Su	Mo	Tu	We	Th	Fr	Sa
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21	22	23	24	25	26	27
28	29	30	31			

June

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
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18	19	20	21	22	23	24
25	26	27	28	29	30	

July

Su	Mo	Tu	We	Th	Fr	Sa
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16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

August

Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
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20	21	22	23	24	25	26
27	28	29	30	31		

September

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
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24	25	26	27	28	29	30

October

Su	Mo	Tu	We	Th	Fr	Sa
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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

November

Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

December

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
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10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Designed by Amy, amystudio.com

COMMITTEE ACTION:

Schedule next meeting.

ATTACHMENTS:

None