

Capital Improvements
Joint Bond Review Committee

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JOINT BOND REVIEW COMMITTEE MEETING

DATE: Wednesday, April 22, 2015
TIME: 9:00 a.m.
LOCATION: Room 105, Gressette Building

AGENDA

	<u>PAGE</u>
1. Update on Department of Social Services' Child Support Enforcement System.....	1
2. The Citadel, Not Exceeding \$14,000,000 Athletic Facilities Taxable Refunding Revenue Bonds.....	13
3. Clemson University, Request to Purchase Aircraft.....	19
4. Permanent Improvement Projects	26
5. Meeting Schedule	35

JOINT BOND REVIEW COMMITTEE
Meeting of April 22, 2015

Item Number 1

AGENCY: Department of Social Services

PROJECT/SUBJECT: CFS (Child Support Enforcement, Family Court Case Management, and State Distribution Unit Systems) Project Presentation

At its February 24 meeting, the Joint Bond Review Committee requested the Department of Social Services to provide an update on the status of the development of the Child Support Enforcement System.

DSS has submitted a PowerPoint presentation for the Committee's information; Jimmy Earley, Chief of the CFS Project Team, will address the Committee regarding the project.

(At the February meeting, JBRC approved the lease of additional office space at DSS' Browning Road location. However, after review of the issue by new DSS Director Susan Alford, DSS has withdrawn that request.)

COMMITTEE ACTION:

Receive as information.

ATTACHMENTS:

CFS Project Presentation

CFS Project

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES



Agenda

- Browning Road Office Space Request
- HP Project
- Xerox Project Summary
- Federal Certification
- Project Timeline
- Project Cost

Browning Road Office Space Request

- CFS project office now resides at Browning Rd. facility
- Earlier this year, DSS submitted request to lease additional office space
- New Executive Director reevaluated this request
- Request has been withdrawn and removed from B&C Board agenda
- Current lease expires in October. DSS now working with B&C Board to bid renewal of current workspace

History of the HP Project

- RFP awarded to Saber Corporation in 2007; Saber was acquired by EDS who, in turn, was acquired by HP
- HP was paid \$50 million for work on project (\$29 million Federal/\$21 million State)
- Project Schedule was extended 3 times in an attempt to complete system
- State and HP entered into a contract controversy in October of 2012. The contract was terminated in July of 2013

HP Settlement

- Contract dispute with Hewlett Packard (HP) was resolved through State Procurement Office
- HP and the State reached a settlement agreement in January of 2015
- State received \$44.1 million from HP. State had received \$33.3 million (for penalty payments) from HP in prior agreements . Total received from HP - \$77.4 million
- HP hardware/software transferred to State
- HP Contract was assigned to Xerox Corporation

Xerox Project Summary

- DSS waiting on required federal approval from Department of Health and Human Services, Office of Child Support Enforcement (OCSE)
 - Project will start upon federal approval
- Xerox will deliver two systems through the project:
 - Child Support Enforcement System (CSES) - system will be transferred from Delaware
 - Family Court Case Management System (FCCMS) - Xerox commercially available system

Xerox Project – A Different Approach

DSS is adopting another state’s system and proven technology

- In previous projects, the State has attempted to develop a custom application for Child Support Enforcement and Family Court Case Management
- Through the new project, Xerox will deliver a system that they recently implemented in the state of Delaware. Versions and components of this same system are also being used in Arkansas, New Jersey, Massachusetts, Maine and Michigan
- The state project team will be focused on adopting Delaware business practices whenever possible in order to minimize required system changes
- The FCCMS system that will be implemented for the County Clerks of Court is a COTS (Commercial off the Shelf) product named “AgileCourt”. This reduces project risk related to system development and ensures that the State will receive a proven solution with broad user base

Xerox Project – A Different Approach

Project Management

- Project Management/Oversight structure has changed
- Authority for managing the project has been removed from multiagency Executive Steering Committee and assigned solely to DSS (Proviso 38.26 in 2015 Budget)
- Susan Alford is new DSS Director
- New Project Leadership

Vendor Experience

- Xerox team has over 20 years of Child Support Experience
- Child Support program implementation/support in 6 states

Federal Certification

- DSS will apply for Federal Certification in 2019
- Federal DHHS allows states to apply for certification when system is available statewide
- All opportunities to accelerate certification process will be explored
- Federal penalties are suspended upon State application for certification
- Ninety (90) percent of the penalty payment made for the federal fiscal year in which certification is requested will be refunded to the State when certification is achieved

Project Timeline

Project timeline for system development, testing, and implementation is 4 years:

- System development and data conversion will take 2 years
- System testing will occur over a 9 month period
- System will be implemented statewide in a 12 month timeframe
- Three years of systems maintenance are included after implementation

Project Cost

- Total Contract cost is \$137 million; Feds pay for 66% of CSES system

PROJECT COSTS (State Dollars)		FY15	FY16	FY17	FY18	FY19	FY20	FY21	Total
Xerox Contractual Cost	Costs to modify, implement and maintain the Child Support System and the FCCMS system	\$1,594,450	\$6,857,528	\$7,119,179	\$9,932,235	\$10,887,528	\$9,385,946	\$3,840,504	\$49,617,370
Agency Operating Costs	Staff, operating costs, hardware/software and maintenance	\$2,788,137	\$2,592,400	\$3,020,761	\$5,217,675	\$2,642,762	\$1,196,697	\$838,812	\$18,297,244
TOTAL PROJECT COST		\$4,382,587	\$9,449,928	\$10,139,940	\$15,149,910	\$13,530,290	\$10,582,643	\$4,679,316	\$67,914,614

- Annual penalties to be paid through 2019 range from \$12 to \$16 million; 30% of prior FY federal funding for Child Support

AGENCY: The Citadel

PROJECT/SUBJECT: Not Exceeding \$14,000,000 Athletic Facilities Taxable Refunding Revenue Bonds, Series 2015

The Citadel requests approval to issue Athletic Facilities Taxable Refunding Revenue Bonds in an amount not to exceed \$14,000,000 to reduce its annual debt service payments and capture savings on interest costs. The proceeds will pay the current outstanding balance of Series 2010 bonds as well as the cost of issuance. Net present value savings of \$2,072,578 are anticipated.

The bonds were originally issued to pay for renovations to Johnson Hagood stadium. The refunding bonds will not extend the term of the Series 2010 bonds and will mature in 2031.

The bonds will be secured by special student fees and revenue from skybox leases, club seat sales, and rental of the club seat concourse area at Johnson Hagood Stadium.

As directed by Section 59-121-360 of the South Carolina Code of Laws, the bonds will not commit the faith and credit of the state.

COMMITTEE ACTION:

Review and approve The Citadel's request for issuance of Athletic Facilities Taxable Refunding Revenue Bonds in an amount not to exceed \$14,000,000.

ATTACHMENTS:

- 1) Summary of Refinancing Proposal
- 2) Letter from Haynsworth Sinkler Boyd, P.A., dated April 7, 2015
- 3) Board of Visitors Petition
- 4) South Carolina Code of Laws Sections 59-121-330, 340, and 360

DOCUMENTS AVAILABLE UPON REQUEST:

- 1) Bond Resolution Providing for Issuance and Sale of Athletic Facilities Revenue Bonds for The Citadel, Adopted by Board of Visitors on September 14, 2002
- 2) Series 2015 Resolution Providing for Issuance and Sale of Athletic Facilities Taxable Refunding Revenue Bonds, which is expected to be adopted by the Board of Visitors on April 25, 2015

Summary of Refinancing Proposal for
The Citadel

Outstanding bonds proposed to be refinanced	Approximately \$11,895,000 Taxable Refunding Revenue Bonds, Series 2010 of The Citadel, the Military College of South Carolina
Interest rate of bonds refinanced	6.94%
Interest rate of refinancing bonds	4.48%
Projected net present value savings (net of costs)	\$2,072,578
Projected net present value savings as a percentage of the bonds refinanced	17.4%
Estimated costs (costs as a percentage of refinancing bonds, costs as a percentage of refinancing savings)	0.4%
	1.4%
Underwriting	0
Legal fees	\$18,750
Rating agency fees	0
Advisory fees	\$25,000
Bond trustee/registrar	0
Accounting and verification	0
Credit enhancement/bond insurance	0
Publication, printing, contingencies and all other expenses	0
Total	\$43,750

Prepared by: Jeremy L. Cook, Haynsworth Sinkler Boyd, P.A., Jay Glover/Emily Abrantes, PFM, and Jay Puchir, The Citadel

Date: April 6, 2015

April 7, 2015

The Honorable Hugh K. Leatherman, Sr.
Chairman
Joint Bond Review Committee
P. O. Box 142
Columbia, South Carolina 29202

Re: Not Exceeding \$14,000,000 Athletic Facilities Taxable Refunding Revenue Bond of The Citadel, the Military College of South Carolina

Dear Senator Leatherman:

The Citadel is seeking authority to issue athletic facilities taxable refunding revenue bonds in the principal amount of not exceeding \$14,000,000, the proceeds of which will be used to refund previous athletic facilities taxable refunding revenue bonds issued by The Citadel in 2010. The Citadel is undertaking this refunding to reduce its annual debt service payments.

The bonds will be secured by a pledge of the special student fees and the revenue from skybox leases, club seat sales and the rental of the club seat concourse area at Johnson Hagood stadium received by The Citadel and will be issued pursuant to a series resolution which is expected to be adopted by the Board of Visitors on April 25, 2015.

I understand that the Joint Bond Review Committee needs to review this action, and respectfully request that this matter be placed on the agenda for the Committee's upcoming meeting.

Enclosed are the documents that are also being sent to the Budget and Control Board for inclusion in the agenda for its April 28th. Please let me know if I or anyone at The Citadel can provide you with any additional information.

Thank you very much for your assistance.

With best regards, I remain

Sincerely,

HAYNSWORTH SINKLER BOYD, P.A.


Jeremy L. Cook

Enclosures

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

TO THE SOUTH CAROLINA STATE

BUDGET AND CONTROL BOARD

PETITION

This Petition of the Board of Visitors of The Citadel (the "Board of Visitors"), acting pursuant to Article 3, Chapter 121, Title 59, of the Code of Laws of South Carolina 1976, and particularly Section 59-121-340 thereof, as the same may be amended from time to time (the "Act"), respectfully shows:

1. The Act, among other things, empowers The Citadel, the Military College of South Carolina ("The Citadel"), to make provision for the issuance of revenue bonds, subject to obtaining the approval of the South Carolina State Budget and Control Board (the "State Board"), from time to time in order to raise funds to defray the cost of financing or refinancing in whole or in part the cost of the acquisition, construction, renovation, and equipping of certain athletic facilities identified under the Act and now owned or hereafter acquired by The Citadel, and to refund bonds that may from time to time be outstanding pursuant to the provisions of the Act.

2. The Board of Visitors has determined to undertake the refunding of certain outstanding athletic facilities taxable refunding revenue bonds which were issued by The Citadel in 2010 (the "Series 2010 Bonds"); and

3. The Board of Visitors is expected to approve on April 25, 2015 the issuance of refunding taxable revenue bonds (the "Bonds") in the principal amount of not exceeding \$14,000,000 in one or more series to defray the cost of refunding the Series 2010 Bonds.

4. The Board of Visitors has determined that:

(a) It is in the best interests of The Citadel to issue the Bonds as authorized by the Act and to use the proceeds thereof to pay all or a portion of the costs of refunding the Series 2010 Bonds and of the costs of issuance of the Bonds.

(b) The refunding of the Series 2010 Bonds serves authorized purposes within the scope of the Act, and has a cost of approximately \$14,000,000.

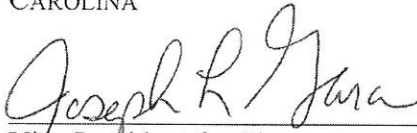
(c) The revenues that are to be pledged to the payment of the Bonds are the monies received by The Citadel as special student fees and from skybox leases, club seat sales and the rental of the club seat concourse area at Johnson Hagood stadium.

5. The Bonds will be sold to such purchaser and upon such terms as the Board of Visitors has determined in a Series Resolution.

Upon the basis of the foregoing, and subject to the April 25, 2015 approval of the Board of Visitors, The Citadel respectfully prays that the State Board (i) accept the filing of this Petition and the documents submitted herewith, (ii) make any review it deems advisable, and (iii) approve the issuance of the Bonds by The Citadel pursuant to the Act to defray all or a portion of the cost of refunding the Series 2010 Bonds and of the costs of issuance of the Bonds.

Respectfully submitted,

THE CITADEL, THE MILITARY COLLEGE OF SOUTH
CAROLINA



Vice President for Finance

SECTION 59-121-330. Visitors authorized to acquire, construct, renovate and equip athletic facilities; bond management costs.

The visitors are authorized to acquire, construct, and equip additional athletic facilities and to improve, renovate, and equip existing athletic facilities to the extent they shall determine to be necessary, and the proceeds of bonds authorized by this article are made available for that purpose. The visitors also are authorized to refund bonds that may from time to time be outstanding pursuant to this article by exchange, or otherwise. A portion of the proceeds of bonds issued for any of the above purposes also may be used to fund, establish, or replenish any bond reserve fund, to pay interest on the bonds as provided in Section 59-121-440(1), or to pay costs of issuance of the bonds or of any credit enhancement for the bonds as may be deemed necessary by the visitors.

SECTION 59-121-340. Authorization to borrow funds and issue bonds; amount limitations.

Upon receiving the approval of the state board and upon review by the Joint Bond Review Committee, the visitors may from time to time borrow such sums as necessary to accomplish the purpose of this article and to evidence such borrowings by bonds issued pursuant to this article in such aggregate principal amount as they determine, except that other provisions of this article to the contrary notwithstanding, there must not be outstanding at any time bonds issued pursuant to this article in excess of thirty-five million dollars.

SECTION 59-121-360. Liability of State and persons signing bonds for payment of principal and interest.

The faith and credit of the State must not be pledged for the payment of the principal and interest of such bonds, and there must be on the face of each bond a statement plainly worded to that effect. Neither the visitors nor any other person signing the bonds is personally liable therefor.

AGENCY: Clemson University

PROJECT/SUBJECT: Aircraft Purchase

Section 1-11-405 of the South Carolina Code of Laws states:

No aircraft may be purchased, leased, or lease-purchased for more than a thirty-day period by any state agency without the prior authorization of the State Budget and Control Board and the Joint Bond Review Committee.

Clemson University is requesting approval to purchase a 2006 or newer Citation CJ2+ aircraft for use by the University and the Athletics Department.

Historically, Clemson has owned two aircraft; however, a 1977 Commander 690B was sold in 2011 due to unavailability of replacement parts, the need for a major overhaul, and the retirement of one of Clemson's pilots. Since 2011, Clemson has used charter services and its remaining airplane for its flight needs.

Clemson reports that increasing demand and the unpredictable coaches' recruiting schedules support the need for an additional university-owned aircraft and that the addition of a second aircraft will nearly eliminate the need to use charter services.

An assessment of the used aircraft market concludes that the best selection is a 2006 or newer Citation CJ2+, an eight-passenger, turbo fan jet. This aircraft flies significantly faster than Clemson's existing airplane, is efficient for medium- and long-distance travel, has comparatively low operating costs, has a reputation for reliability, will require only one additional staff pilot, and is readily available in the used aircraft market.

IPTAY has committed \$4,500,000 to purchase the aircraft. If the purchase price exceeds \$4,500,000, the Athletic Department may request the additional funds from IPTAY or use Athletic Department revenues if IPTAY funds are not available.

The Athletic Department will pay all operating and maintenance costs from athletic revenues. The additional fixed costs for pilots' salaries, insurance, and overhead are estimated to be \$330,289 annually, and direct costs for fuel and engine overhaul are estimated at \$379,126 a year, based on 365 hours.

COMMITTEE ACTION:

Authorize Clemson to purchase a new aircraft per Code Section 1-11-405.

ATTACHMENTS:

1. Executive Budget Office Agenda Item
2. Letter dated April 2, 2015, from Graham Neff, Associate Director of Athletics/CFO, Clemson University
3. Market Summary for Citation CJ2+

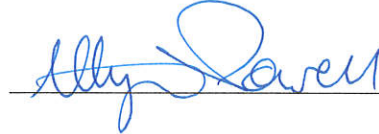
JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: April 22, 2015

Regular Agenda

1. Submitted By:

- (a) Agency: Executive Budget Office
- (b) Authorized Official Signature:



2. Subject: Clemson Airplane Purchase

3. Summary Background Information:

Code Section 1-11-405 states that no aircraft may be purchased, leased, or lease-purchased for more than a thirty-day period by any state agency without the prior authorization of the Budget and Control Board and the Joint Bond Review Committee. Clemson University requests approval to purchase an aircraft to serve the needs of its Athletic Department.

Clemson Athletics currently owns and operates one aircraft, a 1998-model King Air C90-B airplane. Historically, Clemson has owned two aircraft for Athletic Department and university use. However, one of the aircraft, a 1977 Commander 690B, was sold in 2011 due to increasing maintenance needs and difficulty securing replacement parts. Since then, Clemson has been conducting business using only one aircraft supplemented by charter services. The demand for the existing aircraft is very high, and the unpredictable nature of recruiting schedules makes charter flights both difficult to schedule and expensive. The purchase of an additional aircraft would allow the department to be more cost-efficient for longer haul trips than the existing aircraft or charter options.

Clemson is proposing the purchase of a 2006 or newer Citation CJ2+. This is a turbo fan jet aircraft that seats up to 8 passengers and flies at speeds significantly faster than the agency's existing aircraft. This aircraft will be more efficient for medium and long distance travel, has low operating costs compared to other aircraft, and will require only one additional staff pilot. These aircraft are also readily available in the used aircraft market.

The target cost of the aircraft is \$4.5 million. IPTAY has committed \$4.5 million for the purchase of the aircraft, and if the purchase price exceeds \$4.5 million the university has the opportunity to request additional funds from IPTAY. If IPTAY funds are not available for the entire purchase amount, athletic revenues will be used to make up the difference. As the plane will be used primarily for athletics, the athletics department will pay all operations and maintenance costs from athletic revenues. Annual fixed costs for pilot salaries, insurance and overhead are estimated at \$330,289 and annual direct costs per hour for fuel, maintenance and engine overhauls are estimated at \$379,126 annually.

4. What is JBRC asked to do?

Authorize Clemson to purchase an airplane.

5. What is the recommendation of the Budget Office?

Consider authorizing Clemson to purchase an airplane.

6. List of Supporting Documents:

1. Letter from Clemson, dated April 2, 2015
2. Market Price Summary for Citation CJ2+



April 2, 2015

Ms. Allyn Powell
Manager, Capital Budgeting
Executive Budget Office
1205 Pendleton Street, Suite 529
Columbia, SC 29201

Dear Ms. Powell:

Clemson University requests approval from the Budget and Control Board and the Joint Bond Review Committee to acquire an aircraft under the provisions of SC Code Section 1-11-405. The proposed aircraft acquisition, description, justification, cost, source of funding, and other relevant information are provided below.

Historically, Clemson has owned two aircraft for Athletic Department and university use. In 2011, one of the aircraft, a 1977 model Commander 690B, was sold due to the unavailability of replacement parts and the need for a major overhaul. At the same time, one of the university's pilots retired. Due to the unavailability of replacement parts and the desire not to replace the retired pilot at that time, Clemson chose to conduct business with one plane and the use of charter services.

Clemson Athletics currently owns and operates one aircraft, a 1998-Model King Air C90-B airplane. The existing aircraft is used primarily by the Athletic Department. The increasing high demand for this aircraft and the unpredictability of usage has created an environment where the Athletic Department and the university would benefit from purchasing an additional aircraft. Specifically, sudden flight changes and the unpredictable nature of coaches' recruiting schedules support the need for an additional university-owned aircraft. This additional aircraft would allow the department to be more cost-efficient for longer haul trips than our existing aircraft and would result in reducing and nearly eliminating the need for private charters.

Considering that Clemson's primary aircraft use is, and will continue to be, for the Athletic Department, our initial assessment regarding aviation services considered the following:

1. Availability and distance of charter services
2. Predictability of travel requirements
3. Ability for short notice changes
4. Cost of operations vs. charter service fees
5. Potential cost of acquisition
6. Availability of funds

Powell Letter
Page 2
April 2, 2015

Taking these factors into consideration, the Athletic Department conducted an assessment of the used aircraft market place to find the appropriate aircraft to meet the university's needs within our budget. As a result, we conclude that a 2006 or newer Citation CJ2+ would be the best selection for a new aircraft. This aircraft is a turbo fan jet that seats up to 8 passengers and flies at speeds significantly faster than the King Air. This aircraft is efficient for medium and long distance travel, has comparatively low operating costs, has a reputation for reliability within the aviation industry, and will only require one additional staff pilot. The Citation CJ2+ is also readily available in the used aircraft market (see Appendix 1 for Market Summary information).

The exact airplane and costs associated with its purchase has not been determined as approval to make a specific offer on a specific plane requires approval from the Budget and Control Board and the Joint Bond Review Committee. Upon approval from both JBRC and the Budget and Control Board, we will engage an aviation broker service to analyze and evaluate current available aircraft based on age, price, total hours flown, maintenance schedules, etc., and make the purchase for us, based upon our parameters.

IPTAY has committed \$4.5 million for the purchase the new aircraft. If the purchase price exceeds \$4.5 million, the Athletic Department has the opportunity to request additional funds from IPTAY. If additional IPTAY funds are not available, the amount above \$4.5 million will be provided from athletic revenues.

As the plane will be used primarily for athletics, the Athletic Department will pay all operations and maintenance costs from athletic revenues, as it does for the existing plane. Annual fixed costs for pilots' salaries, insurance and overhead are estimated at \$330,289 and annual direct costs per hour for fuel maintenance and engine overhaul, based on 365 hours, are estimated at \$379,126, totaling \$709,415 annually.

Please let me know if you need additional information in preparing this item for approval.

Sincerely,



Graham Neff
Associate Director of Athletics / CFO

Attachments

Appendix 1: Market Summary

Market Summary for CITATION/CJ2+
Market Summary (Aircraft Available For Sale)

	14-Aug	14-Sep	14-Oct	14-Nov	14-Dec	15-Jan	Average
Aircraft for Sale	15	12	11	11	12	13	12
For Sale by End User	6	4	4	4	5	5	5
For Sale w/ Exclusive Broker	5	5	3	3	3	3	4
For Sale with Dealer	4	3	4	4	4	5	4
Domestic	6	4	4	4	5	6	5
International	9	8	7	7	7	7	8
Average Asking Price	\$ 4,514,038	\$ 4,436,758	\$ 4,862,051	\$ 4,770,663	\$ 4,944,854	\$ 4,887,711	\$ 4,736,013
High Asking Price	\$ 5,950,000	\$ 5,950,000	\$ 5,950,000	\$ 5,950,000	\$ 5,950,000	\$ 5,950,000	\$ 5,950,000
Low Asking Price	\$ 3,510,000	\$ 3,510,000	\$ 3,510,000	\$ 3,450,000	\$ 3,450,000	\$ 3,250,000	\$ 3,446,667
Average Year	2009	2008	2009	2009	2010	2010	2009
Average Airframe TT	1194	1451	1459	1413	1266	1335	1357
Average Engine TT	1172	1516	1562	1469	1151	1254	1374
Aircraft New To Market	3	1	2	1	3	1	2

AGENCY: Executive Budget Office - Capital Budgeting Unit

PROJECT/SUBJECT: Permanent Improvement Project Requests

There are 15 Permanent Improvement projects pending as follows:

- 8 Establish Phase I, Pre-Design Budget
- 4 Establish Phase II, Construction Budget
- 2 Increase Phase II, Construction Budget
- 1 Establish Project for Preliminary Land Studies

COMMITTEE ACTION:

Review and approve projects for transmittal to Budget and Control Board.

ATTACHMENTS:

Project Requests Worksheet - Summary 6-2015

**Executive Budget Office – Capital Budgeting Unit
Summary of Permanent Improvement Project Actions Proposed by Agencies
January 24, 2015 through April 3, 2015**

Item 1. Agency: H12 Clemson University Project: 9922, Football Operations Facility Construction

CHE Approval Date: 04/09/15
Committee Review Date:
B&C Board Approval Date:

Action Proposed: Establish Project for A&E Design

Budget After Action Proposed

<u>Total budget</u>	<u>Amount</u>
[9] Other, Private Athletic Gifts.....	1,500,000.00
	1,500,000.00

Purpose: To begin design work to construct a football operations facility at Clemson. Football operations facilities are a major component of competitiveness in the conferences in which Clemson competes for student athletes. Currently, the majority of Clemson's facilities are located in the west end zone of Memorial Stadium, with some functions shared with other programs. The best practice is to have one operations center adjacent to the indoor and outdoor practice fields. The current facilities do not have exclusive training and rehabilitation space for football, co-located food services or a weight room comparable with other football facilities throughout the nation. As NCAA governance changes impact the staffing and programming provided to student athletes, more space will be needed to accommodate these changes. The project will include the construction of an approximately 157,000 square foot facility to house all football operation functions, including coaches' offices, team meeting rooms, student-athlete and coach locker rooms, a weight room, a training room, an equipment room and related spaces. It will be constructed near the indoor and outdoor football practice facilities and will serve 120 players, 10 coaches and 50 support staff.

Ref: Supporting document pages 1-6

Item 2. Agency: H12 Clemson University Project: 9923, Electrical Distribution System Upgrades and Replacements

CHE Approval Date: 04/09/15
Committee Review Date:
B&C Board Approval Date:

Action Proposed: Establish Project for A&E Design

Budget After Action Proposed

<u>Total budget</u>	<u>Amount</u>
[9] Other, Maintenance & Stewardship Funds.....	1,125,000.00
	1,125,000.00

Purpose: To begin design work to upgrade the main campus electrical distribution system at Clemson. A majority of Clemson's electric infrastructure was constructed in the 1950's and 1960's. More than 70% of the main substation gear and manual switching, transformers, electrical conductors and system protection equipment are beyond a 50 year life. These components are subject to failure and, because older systems do not have as many built in redundancies, the failure of a single piece of equipment has in multiple cases resulted in a power outage to the entire campus. This multi-year project will replace much of the electrical distribution system, creating a redundant loop feed system to eliminate single point system failures and adding automation capability to all switches. This will reduce outage durations and allow the new central operations location to monitor and control an automated distribution system. The remaining outdoor overhead infrastructure will be relocated underground. Additional metering and controls equipment will also be installed in some buildings. The project will also make modifications to the campus electrical system to improve system reliability in areas which have a higher probability of failure impacting major academic research and student life activities.

Ref: Supporting document pages 7-12

Executive Budget Office – Capital Budgeting Unit
Summary of Permanent Improvement Project Actions Proposed by Agencies
January 24, 2015 through April 3, 2015

Item. 3. Agency: H36 USC - Beaufort Project: 9516, Hilton Head Island Hospitality Management Facility Construction 04/09/15
CHE Approval Date:
Committee Review Date:
B&C Board Approval Date:

Action Proposed: Establish Project for A&E Design

Total budget.....\$367,500.00
 [9] Other, Private Funds.....\$367,500.00

Purpose: To begin design work to construct an academic facility to house the third and fourth year Hospitality Management Program at USC Beaufort. Currently, hospitality management courses are only taught at the USC Bluffton campus. The new 39,150 square foot facility will be located on Hilton Head Island and will include classrooms, a culinary lab, a library, offices and support spaces. It will also house the Osher Lifelong Learning Institute, which offers support for mature students and continuing education. The town of Hilton Head sees this program as a vital component of expanding their hospitality driven industries and the local industry has expressed an interest in expanding the available facilities for this program. The Town of Hilton Head, the Beaufort-Jasper Higher Education Commission and private donors have all made commitments to donate funding to assist with the construction of this facility. The facility will serve 200 students, 30 faculty and staff, and 1,600 clients annually.

Source Amount
 Other, Private Funds 367,500.00
 Total Funds 367,500.00

Budget After Action Proposed

Ref: Supporting document pages 13-18

Item. 4. Agency: F03 Budget and Control Board Project: 9950, North Towers/DSS Building Window and Roof Replacements N/A
CHE Approval Date:
Committee Review Date:
B&C Board Approval Date:

Action Proposed: Establish Project for A&E Design

Total budget.....\$22,275.00
 [9] Other, Depreciation Reserve.....\$22,275.00

Purpose: To begin design work to replace the roof and windows on the North Tower building at the Department of Social Services in Columbia. The 133,818 square foot building is 42 years old and the roof and windows are both original to the building. It houses approximately 500 staff and serves 1,500 clients annually. The roof is experiencing leaks of increasing frequency and complexity and is in need of replacement. The windows are also experiencing frequent leaks. General Services had a feasibility study done by a building envelope consultant to study the various issues with the windows and the study recommended the windows be replaced. The scope of the project will include replacing the existing roof and coping, removing and replacing all existing windows, replacing sealant at precast concrete wall panel joints, power washing existing precast wall panels and replacing the penthouse wall panels.

Source Amount
 Other, Depreciation Reserve 22,275.00
 Total Funds 22,275.00

Budget After Action Proposed

Ref: Supporting document pages 19-24

Item. 5. Agency: F03 Budget and Control Board Project: 9951, PEBA - Modification of Existing HVAC CHE Approval Date: N/A
 Committee Review Date:
 B&C Board Approval Date:

Action Proposed: Establish Project for A&E Design Budget After Action Proposed

<u>Total budget</u>	<u>Amount</u>
[9] Other, PEBA.....	34,250.34
	34,250.34

Purpose: To begin design work to modify the HVAC system at the Gressette Collins Building in Columbia, which houses the Public Employee Benefits Authority (PEBA). The 65,500 square foot facility serves 203 staff. The existing 79 water source units, located in the building above the ceilings, are over 20 years old and in need of replacement. As these systems are all reaching the end of their useful life, General Services and the agency are looking at a comprehensive overhaul of the system to make it more efficient and to eliminate problems with the flow of water throughout the system and contaminants in the cooling water. These contaminants have impacted both the water source units and the two cooling towers installed in 2008. The scope of the project will involve modifications to the ceilings and ceiling lighting, as well as the installation of new piping and duct work throughout the building. The agency is exploring two potential solutions to the water flow issue. One would involve adding a heat exchanger and modifying piping to create a closed loop system while the other would involve replacing the two cooling towers installed in 2008. The solution to be used will be determined during pre-design.

Ref: Supporting document pages 25-30

Item. 6. Agency: F03 Budget and Control Board Project: 9952, PEBA - Carpet Replacement CHE Approval Date: N/A
 Committee Review Date:
 B&C Board Approval Date:

Action Proposed: Establish Project for A&E Design Budget After Action Proposed

<u>Total budget</u>	<u>Amount</u>
[9] Other, PEBA.....	6,093.75
	6,093.75

Purpose: To begin design work to replace the carpet at the Gressette Collins Building in Columbia, which houses PEBA. The facility serves 203 staff. The existing carpet in the 65,500 square foot facility is 27 years old, is worn and is wrinkling in many places creating a trip hazard for employees. The new carpeting will have a rubber base to help prevent similar problems in the future. Approximately 62,302 square feet of carpet will be replaced in the project.

Ref: Supporting document pages 31-36

Item. 7. Agency: H73 Vocational Rehabilitation Department Project: 9608, Rehabilitation Engineering & ITTC Parking Lots and Road Repaving N/A

Action Proposed: Establish Project for A&E Design

Total budget.....	\$10,000.00	<u>Amount</u>
[7] Federal.....	\$10,000.00	10,000.00

Purpose: To begin design work to repair and resurface parking lots and roadways at the Vocational Rehabilitation Department's State Office Complex in West Columbia. The existing parking lots and roadways are over 29 years old and are in need of repair and resurfacing. This project will include approximately 14,000 square yards of roadway and parking lot that serves seven buildings and approximately 200 vehicles weekly. During the pre-design phase, subsurface investigations and borings will be performed to determine the depth of the deterioration of the roadways and the amount of roadway to be repaired and resurfaced.

Budget After Action Proposed

<u>Source</u>	<u>Amount</u>
Federal	10,000.00
Total Funds	10,000.00

Ref: Supporting document pages 37-42

Item. 8. Agency: P28 Department of Parks, Recreation & Tourism Project: 9754 Hunting Island State Park Beach Restoration N/A

Action Proposed: Establish Project for A&E Design

Total budget.....	\$105,000.00	<u>Amount</u>
[9] Other, Park Revenue.....	\$105,000.00	105,000.00

Purpose: To begin design work to renourish the beach at Hunting Island State Park in Beaufort County. The beach was last renourished in 2007 and six groins were installed in 2008. The project has performed as designed and has slowed erosion significantly. However, additional renourishment and groins are needed to maintain a safe high tide beach for park visitors. The park serves between 1 million and 2 million visitors annually and renourishment will impact approximately two miles of beach in the campground and day use areas and will install two new 400 foot groins. Pre-design work will include surveys, soil samples of underwater sediments and permit applications.

Budget After Action Proposed

<u>Source</u>	<u>Amount</u>
Other, Park Revenue	105,000.00
Total Funds	105,000.00

Ref: Supporting document pages 43-47

Item. 9. Agency: H15 College of Charleston Project: 9654, Rutledge Rivers Residence Hall Renovation

CHE Approval Date: 03/19/15
 Committee Review Date:
 B&C Board Approval Date:

Action Proposed: Establish Construction Budget for \$11,000,000.00

Source	Amount
Excess Debt Service	8,000,000.00
Other, Housing Revenue	2,000,000.00
Other, College Fees	1,000,000.00
Total Funds	11,000,000.00

Budget After Action Proposed

Purpose: To renovate the Rutledge Rivers Residence Hall at the College of Charleston. Rutledge Rivers is a 26,386 square foot residence hall that was vacated during the fall of 2013 following the discovery of moisture intrusion and leaking water pipes. The renovation will include repairs to address condensation problems and water pipe leaks, as well as the remediation of mold, mildew and asbestos containing materials. Portions of the interior of the facility will also be reconfigured to bring the facility into compliance with current ADA standards. Many of the existing mechanical, electrical and plumbing systems are original to the building, which is 41 years old. The facility cannot be used by students until it is repaired, as previous repairs revealed asbestos containing materials that would create a potential airborne hazard to the building's occupants. Previous attempts at a less comprehensive repair and remediation effort met with limited success. A feasibility study conducted by an independent architectural and engineering firm recommended a comprehensive renovation in order to permanently resolve the facility's extensive health and safety concerns. The renovation will include demolishing all existing systems within the building and replacing them with an energy efficient HVAC system, a new plumbing system to include supply piping, waste piping and water efficient fixtures, a new electrical distribution system with energy efficient lighting fixtures and controls and a fire suppression system. The new equipment will be seismically retained in accordance with code requirements and the interior of the facility will be reconfigured to meet current ADA standards. It will serve 107 residents and include 10 ADA compliant spaces. The renovation will be performed to Green Globes Two Globe certification. The project was approved for pre-design in June 2014, which is now complete. The agency reports the total projected cost of this project is \$11,000,000 with savings of \$4,500 annually as a result of this project. The agency also reports the projected date for the execution of the construction contract is May 2015 with completion of construction in May 2016.

Ref: Supporting document pages 48-57

**Executive Budget Office – Capital Budgeting Unit
Summary of Permanent Improvement Project Actions Proposed by Agencies
January 24, 2015 through April 3, 2015**

Item. 10. Agency: H15 College of Charleston Project: 9656, Physical Plant Renovation
CHE Approval Date: 04/09/15
Committee Review Date:
B&C Board Approval Date:

Action Proposed: Establish Construction Budget for \$3,555,000.00	
(Add	\$3,502,000.00 [9] Other, College Fees)
<u>Source</u>	<u>Amount</u>
Other, College Fees	3,555,000.00
Total Funds	3,555,000.00

Purpose: To begin renovate the interior of the Physical Plant building, located at 133 Calhoun Street. The 122 year old 22,770 square foot building was purchased by the College 40 years ago. The renovations will address building and fire code deficiencies as well as ADA compliance issues. These renovations will include a new first floor, rear exits and stairs, a commercial fire sprinkler system and upgraded fire alarm system, new ADA bathrooms on the first floor and ADA access between the multi-level second floor spaces. The renovations will also create new office spaces within the existing footprint to allow the consolidation of the Physical Plant Department, which was newly expanded to include Residence Life facilities staff. In total, the facility will house 191 staff. The project was approved for pre-design in October 2014, which is now complete. The agency reports the total projected cost of this project is \$3,555,000 with no additional operating costs or savings as a result of this project. The agency also reports the projected date for the execution of the construction contract is October 2015 with completion of construction in October 2016.

Ref: Supporting document pages 58-68

Item. 11. Agency: H15 College of Charleston Project: 9659, 11 Glebe Street Renovation
CHE Approval Date: 03/19/15
Committee Review Date:
B&C Board Approval Date:

Action Proposed: Establish Construction Budget for \$1,100,000.00	
(Add	\$1,100,000.00 [9] Other, College Fees)
(Subtract	\$ 16,500.00 [9] Other, Capital Project Institution Fund)
<u>Source</u>	<u>Amount</u>
Other, College Fees	1,100,000.00
Total Funds	1,100,000.00

Purpose: To renovate the historic house at 11 Glebe Street at the College of Charleston. The renovation will convert the 3,230 square foot building from student housing to academic support offices in an effort to better preserve the historic building and address E&G space shortages. Built in 1854, the building has significant structural and asbestos issues. The building is not currently on the College's IT network or fire alarm system, and as such network cabling and a fire sprinkler installation will need to be installed to support this building's use as an E&G facility. The renovation will slightly modify the interior layout to make it more functional as office space and to make the building ADA accessible. Building systems will also be replaced. The renovated facility will house the School of Language, Culture, and World Affairs Dean and six staff members. The Dean's Office serves as the central office to address the needs of students and faculty within the school. The renovated building will serve six staff and 6,500 students. The project was approved for pre-design in January 2015, which is now complete. The agency reports the total projected cost of this project is \$1,100,000 with no additional operating costs or savings as a result of this project. The agency also reports the projected date for the execution of the construction contract is September 2015 with completion of construction in March 2016.

Ref: Supporting document pages 69-79

Executive Budget Office – Capital Budgeting Unit
Summary of Permanent Improvement Project Actions Proposed by Agencies
January 24, 2015 through April 3, 2015

Item. 12. Agency: R40 Department of Motor Vehicles Project: 9609, Orangeburg DMV Renovation N/A
Committee Review Date:
B&C Board Approval Date:

Action Proposed: Establish Construction Budget for \$350,000.00

(Add \$345,125.00 [9] Other, DMV Miscellaneous Revenue) Amount

Purpose: To renovate the Orangeburg office of the Department of Motor Vehicles. The project will renovate the entire 2,500 square foot facility and will include data, telephone, and building renovations along with asbestos abatement. The renovations will increase the flow of customers through the office by increasing the number of customer service counters by 25% and creating a dedicated enclosed testing area for knowledge testing. The renovation will also address ADA deficiencies in the office area, create two new offices, replace the HVAC system and duct work, and upgrade the building electrical system. The current facility was built in 1975 and has not undergone significant renovation since that time. The office serves 19 employees and processes 92,000 transactions annually. The agency reports the total projected cost of this project is \$350,000 with operating savings of \$1,000 annually as a result of this project. The agency also reports the projected date for the execution of the construction contract is March 2015 with completion of construction in July 2016.

Budget After Action Proposed 350,000.00

Other, DMV Miscellaneous Revenue 350,000.00

Total Funds 350,000.00

Ref: Supporting document pages 80-90

Item. 13. Agency: L12 John de la Howe School Project: 9515, Cafeteria Roof and Plumbing Replacement N/A
Committee Review Date:
B&C Board Approval Date:

Action Proposed: Increase Budget from \$247,632.00 to \$351,300.00

(Add \$103,668.00 [9] Other, EIA Fund) Amount

Purpose: To repair the cafeteria roof at John De La Howe school and to replace plumbing throughout the facility. The project was initiated as a staff level project in February 2013 and increased in July 2014. The scope of the project includes the replacement and re-design of the existing 44 year old roof as well as replacing cast iron sewage piping below the concrete floors, which has collapsed in several locations making the restrooms unusable. It also includes the replacement of the rooftop air handler units and associated duct work. After the budget was increased in July, the Office of the State Engineer (OSE) worked with John de la Howe to prepare the project for bidding. OSE noted some concerns regarding the original A&E in regards to the plumbing improvements and the proposed roof changes. With guidance from OSE, John de la Howe had some additional detailed A&E work done. This detailed A&E work resulted in a scope change and a projected cost of \$247,632.47, including a 10% contingency. John de la Howe proceeded to put the project out for bid, with the air handler units bid as an option. When the project was bid, the lowest bid, with contingency, came in at \$351,300 due to the complexity and location of the project. The agency reports the total projected cost of this project is \$351,300, including the air handler units, with no additional operating costs or savings as a result of this project. The agency also reports the projected date for the execution of the construction contract is May 2015 with completion of construction in August 2015.

Budget After Action Proposed 351,300.00

Other, EIA Fund 351,300.00

Total Funds 351,300.00

Ref: Supporting document pages 91-98

**Executive Budget Office – Capital Budgeting Unit
 Summary of Permanent Improvement Project Actions Proposed by Agencies
 January 24, 2015 through April 3, 2015**

Item 14. Agency: P16 Department of Agriculture Project: 9513, State Farmers Market Signage N/A
 CHE Approval Date:
 Committee Review Date:
 B&C Board Approval Date:

Action Proposed: Increase Budget from \$241,069.00 to \$363,779.00

(Add) \$50,931.00 [9] Other, Accrued Interest	<u>Amount</u>
(Add) \$71,779.00 [9] Other, Tobacco	292,000.00
	71,779.00
	363,779.00

Purpose: To construct a sign for the State Farmers Market adjacent to the facility in Lexington County. The project was initiated as a staff level project in February 2013 and was increased for construction in July 2014. The project will include the construction of a sign on the east side of US Highway 321 at the SC State Farmers Market in Lexington County. The agency plans to construct a double sided monument entry sign of metal and stone construction with a full color message board, and lettering designating the location as the SC State Farmers Market. The sign will be visible during the day and at night to drivers traveling in both directions. After the project was increased for construction, the agency procured final design work for the project. The design work cost \$38,080 more than originally budgeted and the construct estimate was \$59,427 more than originally budgeted. The agency is also requesting an increase cover added contingency and inspection costs. The agency reports that these differences are due to the fact that the cost of a large complex sign is highly dependent on the exact final design chosen. The agency is also requesting an increase cover added contingency and inspection costs. The agency reports the total projected cost of this project is \$363,779. No additional operating costs or savings are anticipated to result from the project. The anticipated date for the execution of the construction contract is May 2015, with completion of construction in December 2015.

Ref: Supporting document pages 99-104

Item 15. Agency: H36 USC - Beaufort Project: 9517, Hilton Head Island Hospitality Management Facility Land Acquisition N/A
 CHE Approval Date:
 Committee Review Date:
 B&C Board Approval Date:

Action Proposed: Establish Project for Preliminary Land Studies

Total budget.....	<u>Amount</u>
[9] Other, Private Funds.....	20,000.00
	20,000.00

Purpose: To procure investigative studies required to adequately evaluate property on Hilton Head Island prior to purchase. The town of Hilton Head has offered to donate approximately nine acres of land near the intersection of Office Park Road and Pope Avenue to USC Beaufort to accommodate the construction of an academic facility to house the third and fourth year Hospitality Management Program. The town of Hilton Head and other local entities have also committed to donate funding to assist with the construction of the facility. The local community sees this program as a vital component of expanding their hospitality driven industries and local industry has expressed an interest in expanding the available facilities for this program.

Ref: Supporting document pages 105-113

JOINT BOND REVIEW COMMITTEE
Meeting of April 22, 2015

Item Number 5

AGENCY: Joint Bond Review Committee

PROJECT/SUBJECT: Future Meeting Schedule

January 2015

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 2015

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 2015

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 2015

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		

May 2015

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

June 2015

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				

July 2015

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	

August 2015

Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
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23	24	25	26	27	28	29
30	31					

September 2015

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			

October 2015

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

November 2015

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 2015

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		

Next tentatively-scheduled meeting of the Budget & Control Board is June 16, 2015.

COMMITTEE ACTION:
Schedule next meeting.

ATTACHMENTS:
None