

STATE OF SOUTH CAROLINA
State Budget and Control Board
OFFICE OF STATE BUDGET

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EXECUTIVE DIRECTOR

1201 MAIN STREET, SUITE 870
COLUMBIA, SOUTH CAROLINA 29201
(803) 734-2280
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LES BOLES
DIRECTOR

February 10, 2009

The Honorable Hugh K. Leatherman, Sr., Chairman
Joint Bond Review Committee
111 Gressette Senate Office Building
Columbia, South Carolina 29201

Dear Senator Leatherman:

The Office of State Budget submits the following items for review at the February 18, 2009 meeting of the Joint Bond Review Committee.

From the General Services Division:

- 1) Workers Compensation Commission Lease of 1333 Main Street
- 2) Medical University of South Carolina Lease of 135 Cannon Street
- 3) Medical University of South Carolina Lease of 21 Courtenay Drive Parking Garage
- 4) Medical University of South Carolina Lease of 155 Spring Street Parking Lot
- 5) Department of Commerce Lease of Keenan Complex

From the Office of State Budget:

- 6) Summary 5-2009, including 22 permanent improvement project requests and four land acquisitions.

If you have any questions or need additional information on these items, please do not hesitate to call me at 803-737-0699.

Sincerely,

A handwritten signature in cursive script that reads "Carol P. Routh".

Carol P. Routh
Assistant Director, Capital Budgeting

Enclosures

cc: George Dorn, Tim Rogers, Lib Croft, Scott English, Grant Gillespie, Brandon Gaskins, Frank Rainwater, Rick Harmon, Nat Kaminski, Les Boles, Charles Shawver, Stephen Gardner, John White, Patricia Dennis, Courtney Blake, Dewey Yeatts, Tom Quasney, Mandy Kibler, Bob Howard, Dan Marlow, Russell Long, Sandy Williams, John Malmrose

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: February 18, 2009

Regular Agenda

1. Submitted by:

- (a) Agency: General Services Division
- (b) Authorized Official Signature:


M. Richbourg Roberson, Director

2. Subject: Workers Compensation Commission Lease of 1333 Main Street

3. Summary Background Information:

The Workers Compensation Commission (WCC) requests approval to lease from Vista Investments, LLC (Landlord), the fifth floor of 1333 Main Street in Columbia consisting of 28,963 square feet. Landlord is a South Carolina Limited Liability Company consisting of five individual members. WCC's lease at its current location expires April 30, 2009. Even with the expense of moving and state network wiring costs, the proposed lease will save WCC approximately \$541,466 over the term of the lease compared with its current location by obtaining a more favorable lease rate and being able to consolidate into less and more efficient space over its current location. The leased space will accommodate all of the needs of WCC to support its mission of providing a system of benefits to injured workers.

The lease term will be seven years commencing on May 1, 2009. Rent will be \$31,979.98 per month or \$383,759.75 per year (\$13.25 per square foot) for the first year of the lease. Thereafter, base rent increases at an average rate of 2.95% per year (rate varies each year).

Comparables of similar state agency office space leased in the Columbia area are as follows:

Lease Date	Agency/Location	Rate
8-07	Health & Human Services 1813 Main St., Suite 3-C	\$14.00
9-08	Office of Regulatory Staff 1401 Main St. 8 & 9 th fl.	\$13.50
3-07	Department of Insurance 1201 Main St., 10 th Floor	\$15.62

Landlord is offering all 81 requested parking spaces at a cost to Tenant employees of \$10 per space, per month. Landlord is absorbing up to \$1.90 per square foot annually for parking (\$70 for nine surface parking spaces and \$55 for 72 garage parking spaces). The normal rate for the offered parking spaces is \$80 per space, per month for surface parking and \$65 per space, per month for garage parking. Landlord will make all renovations to the leased space. WCC is not responsible for any additional costs above the rent. No option to purchase the property is included in the lease.

Year	Date	Base	Operating	Rate/SF	Rent
1	5-1-09	\$6.60	\$6.65	\$13.25	\$383,759.75
2	5-1-10	\$6.75	\$6.92	\$13.67	\$395,924.21
3	5-1-11	\$7.10	\$7.19	\$14.29	\$413,881.27
4	5-1-12	\$7.10	\$7.48	\$14.58	\$422,280.54
5	5-1-13	\$7.25	\$7.78	\$15.03	\$435,313.89
6	5-1-14	\$7.60	\$8.09	\$15.69	\$454,429.47
7	5-1-15	\$7.85	\$8.41	\$16.26	\$471,938.38
	Total				\$2,977,527.51
	Average			\$14.68	\$425,361.07

Operating cost increases are capped at four percent per year beginning with the second year of the lease. Assuming operating expenses increase at four percent per year, the maximum rent over the term of the lease is as follows:

WCC has adequate funds for the lease according to a Budget Approval Form submitted January 12, 2009, which also includes a multi-year plan. Lease payments will be made from revenue primarily from fines and hearing fees. The space allocation of the new lease is 11,880 square feet of office space for 72 employees. The remaining 17,083 square feet is to be utilized for conference rooms, reception area, printing/duplication area, copy/fax area, storage, file cabinets, work areas, break room, computer server area, court room, full commission hearing room, waiting room, full commission conference room, records room, bulk mail room, bookcases, microfilm room and common areas.

The building was constructed in 1983. An environmental assessment dated June 1, 2004 recommends no further assessment is necessary. The lease was approved by Gary Thibault, Executive Director of WCC and Ronald O. Swinson, Managing Member of Vista Investments, LLC, Landlord.

4. **What is JBRC asked to do?** Approve the proposed seven year lease.

5. **What is recommendation of the General Services Division?** Approval of the proposed seven year lease.

6. **List of Supporting Documents:**

- (a) Letter from Worker's Compensation Commission dated January 15, 2009
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56

State of South Carolina

1612 Marlon Street
P.O. Box 1715
Columbia, S.C. 29202-1715



TEL: (803) 737-5700
FAX: (803) 737-5768

Workers' Compensation Commission

January 15, 2009

Lisa Catalanotto, Program Manager/Attorney
Real Property Services
General Services Division
State Budget and Control Board
1201 Main Street, Suite 420
Columbia, South Carolina 29201

Re: Lease - 1333 Main Street

Dear Ms. Catalanotto:

The South Carolina Workers' Compensation Commission requests Joint Bond Review Committee and State Budget and Control Board approval of the following lease agreement for 28,963 rentable square feet of space at 1333 Main Street, Columbia, S.C.

Landlord:	Vista Investments, LLC
Lease Term:	Seven (7) years, May 1, 2009 – April 30, 2016
Square Feet:	28,963
Annual Rent:	\$383,760
Operating Expenses:	Included
Cost per Sq. Ft.:	\$13.25, averaging \$14.41 over seven years

This location currently houses, among other tenants, two other state agencies, the South Carolina Education Lottery Commission and the South Carolina Commission on Higher Education. I, along with Kristi Hornsby, Director of Administration, will attend the meetings of the Joint Bond Review Committee and the State Budget and Control Board when this request is considered.

The Commission is currently located at 1612 Marion Street and paying \$16.25 per square foot for 32,320 rentable square feet at an annual cost of \$525,200. The current landlord proposed \$15.50 per square foot increasing \$.25 per square foot annually and averaging \$16.25 over seven years. The current site was not selected because of the higher cost and the difficulty encountered in resolving day-to-day maintenance problems which continued to require an inordinate amount of administrative time.

Ms. Lisa Catalanotto
January 15, 2009
Page Two

The lease is for space to house the offices and hearing rooms of the Workers' Compensation Commission. The Commission's mission is to provide an equitable and timely system of benefits to injured workers in the most responsive, accurate and reliable manner possible. The Commission annually monitors approximately 80,000 claims, holds over 2,000 single commissioner hearings, 900 appellate hearings and approximately 4,000 informal conferences. It also has regulatory functions in coverage, compliance, self-insurance and medical services.

The location was approved by the Commission at a business meeting held on December 22, 2009, and will result in a savings, when compared to our current location, of \$582,466 over the seven year term of the lease. The downtown location also will be convenient for those attending hearings at the Commission. The lease will be funded through earned funds and will be signed by the executive director of the Commission.

Please let me know if any additional information is needed.

Sincerely,



Gary R. Thibault
Executive Director

GRT:t

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, legislative body, agency, government corporation, or other establishment or official of the executive, judicial, or legislative branches of this State. Governmental body excludes the General Assembly, Legislative Council, the Office of Legislative Printing, Information and Technology Systems, and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The Budget and Control Board 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.

(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 Office of General Services of its requirement on rental request forms prepared by the office. 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 office agree meets necessary requirements and standards for state leasing as prescribed in procedures of the board 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 board 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 Office of General Services or his designee.

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

The State Budget and Control Board, 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 state agencies. The board'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 multi-year financial plan for review by the board's budget office with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period; and

(7) requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: February 18, 2009

Regular Agenda

1. Submitted by:

- (a) Agency: General Services Division
- (b) Authorized Official Signature:


M. Rightourg Roberson, Director

2. Subject: Medical University of South Carolina Lease of 135 Cannon Street

3. Summary Background Information:

The Medical University of South Carolina (MUSC) requests approval to lease from 135 Cannon Street Associates, LLC (Landlord), the entire building located at 135 Cannon Street in Charleston consisting of 80,253 square feet. Landlord is a single purpose entity whose sole member is the MUSC Foundation. Landlord purchased the property in January 2008. MUSC currently occupies 33,385 square feet of the building under a lease agreement with the prior owner. Landlord is refinancing the present loan that is partially secured by this property and the lender requires a new lease.

The lease term will be 30 years commencing on March 1, 2009. The per square foot rate for this lease is \$24.15 which results in a monthly rent amount of \$161,501.34 and an annual rent amount of \$1,938,016. 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 \$58,140,480. In addition to rent, MUSC is responsible for all operating and maintenance costs. The estimated annual operating costs for the building are \$484,390 or \$6.04 per square foot, 58.4 percent of which will be recouped from the Medical University Hospital Authority (MUHA) under its sublease, estimated at \$282,884.

This lease will continue to provide space in the building for both MUSC and MUHA departments. MUSC departments to be housed at this location consist of Environmental Biosciences Program, Biostatistics & Informatics and Public Relations. MUSC will sublease 46,868 of hospital-related space to MUHA at the same rate MUSC will pay under the proposed lease, resulting in an annual rent income of \$1,131,801.34.

Comparables of similar state agency and commercial office space leased in the Charleston area are as follows:

Lease Date	Agency/Location	Rate	Operating Costs
03/08	MUSC 125 Doughty Street	\$25.00	Full Service
Commercial	N/A-Landom Liberty (Owner) 151 Meeting Street	\$ 30.00	Full Service
Commercial	University Medical Associates 261 Calhoun Street	\$ 25.00	NNN

Although there is no option to purchase, the lease contains an option for Landlord to gift the property to MUSC upon the full payment of the outstanding indebtedness subject to the approval of the Joint Bond Review Committee and the Budget and Control Board.

MUSC has adequate funds for the lease according to a Budget Approval Form submitted December 30, 2008, which also includes a multi-year plan. Lease payments will be made from indirect cost recoveries from federal grants and contracts. The space allocation of the new lease is 15,698 square feet of office space for 117 employees and 17,687 square feet allocated for conference rooms, reception areas, work rooms, break room, storage room, computer server room, copy room, classrooms, laboratories, libraries and interior walls/common areas. The remaining 46,868 square feet will be subleased to MUHA. The building was constructed in 2001. An environmental assessment dated November 16, 2007 recommends no further assessment is necessary given the use of the property is not scheduled to change. This lease was approved by Thomas P. Anderson on behalf of Landlord and by the MUSC Board of Trustees and Lisa P. Montgomery on behalf of MUSC. The lease was approved by CHE on December 4, 2008.

4. What is JBRC asked to do? Approve the proposed 30 year lease.

5. What is recommendation of the General Services Division? Consider the request of MUSC to approve the proposed 30 year lease.

6. List of Supporting Documents:

- (a) Letter from MUSC dated February 6, 2009
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56



Office of Integrated Planning
and Assessment
28 Ehrhardt Street
MSC 205
Charleston SC 29425-2050
Tel 843 792 5995
Fax 843 792 5992
www.musc.edu

February 6, 2009

Lisa H. Catalanotto
South Carolina State Budget and
Control Board
General Services Division
1201 Main Street, Suite 420
Columbia, SC 29201

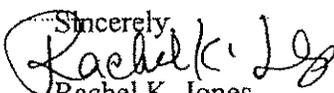
RE: 135 Cannon Street (Building)

Dear Mrs. Catalanotto:

The Medical University of South Carolina (MUSC) requests BCB & JBRC approval of the following lease agreement for 80,253 square feet of space at 135 Cannon Street, Charleston, South Carolina. This property is currently occupied by the following University department on floors three and a portion of the fourth floor: Environmental Biosciences Program (EBP), Biostatistics & Informatics (Biometry) and Public Relations. Floors one, two and a portion of four are occupied by various Medical University Hospital Authority (MUHA) departments. 135 Cannon Street was purchased by the Medical University of South Carolina Foundation in January 2008. A new lease agreement is being requested due to the refinancing of this property.

There is currently a sub-lease agreement between the University Medical Associates (UMA) and the Medical University of South Carolina (MUSC). UMA sub-leases a portion of the building to MUSC and the MUHA. MUSC will sublease 46,868 square feet of the total building to MUHA resulting in an annual rent income of \$1,131,801.34 that will be applied to the total lease cost payment by MUSC.

Landlord:	135 Cannon Street Associates, LLC
Square Feet:	80,253
Lease Term:	Thirty (30) years 3/1/2009-2/28/2039
Annual Rent:	\$1,938,016.00 NNN
Cost per SF:	\$24.15 (rounded)
Operating Expenses:	\$484,390.00 (estimated)
Extended Terms:	N/A, to be determined

Sincerely,

Rachel K. Jones
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, legislative body, agency, government corporation, or other establishment or official of the executive, judicial, or legislative branches of this State. Governmental body excludes the General Assembly, Legislative Council, the Office of Legislative Printing, Information and Technology Systems, and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The Budget and Control Board 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.

(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 Office of General Services of its requirement on rental request forms prepared by the office. 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 office agree meets necessary requirements and standards for state leasing as prescribed in procedures of the board 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 board 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 Office of General Services or his designee.

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

The State Budget and Control Board, 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 state agencies. The board'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 multi-year financial plan for review by the board's budget office with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period; and
- (7) requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: February 18, 2009

Regular Agenda

1. Submitted by:

- (a) Agency: General Services Division
- (b) Authorized Official Signature:


M. Richard Roberson, Director

2. Subject: Medical University of South Carolina Lease of 21 Courtenay Drive Parking Garage

3. Summary Background Information:

The Medical University of South Carolina (MUSC) requests approval to lease from Parking Garage Associates, LLC (Landlord), a 1,525 space parking garage containing 3,846 square feet of office space located at 21 Courtenay Drive in Charleston. Landlord is a single purpose entity whose sole member is the MUSC Foundation. Landlord purchased the property in 2004. Landlord is refinancing the present loan secured by this property and the lender requires a new lease.

The lease term will be 30 years commencing on March 1, 2009. The rate per space, per month for this lease is \$98.41 (rounded). The monthly rental rate will be \$150,074.33, resulting in an annual rent amount of \$1,800,892. 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 \$54,026,760. In addition to rent, MUSC is responsible for all operating and maintenance costs. The estimated annual operating costs for the garage are \$156,164 or \$8.53 per space, per month.

This lease will provide parking for patients and visitors as well as MUSC employees and students. MUSC will sublease 560 spaces and 3,846 square feet of office space under existing arrangements that transferred with the sale of the property. The subleases will result in an annual rent income of \$767,185 through the expiration of the subleases as indicated below:

Care Alliance Health	4/1/07 – 3/31/10	400 spaces	\$548,592 (renewal option)
Charleston County EMS	9/1/04 – Indefinite	6 spaces	\$7,200
Charleston County EMS Station	9/1/04 – Indefinite	3,846 square feet	\$26,593
Charleston County Health	9/1/04 – Indefinite	104 spaces	\$124,800
SC DHEC	9/1/04 – Indefinite	30 spaces	\$36,000
Specialty Hospital	12/1/07 – 11/30/09	20 spaces	\$24,000

MUSC will also recoup \$854,192 annually from parking revenues received from patients, visitors, employees and students who park there.

Comparables of similar state agency and commercial parking space leases in the Charleston area are as follows:

Lease Date	Agency/Location	Monthly Rate per Space
Commercial	N/A-CLC, LLC (Owner) 61 Gadsden Street	\$125.00
03/07	College of Charleston Gloria Parking Lot, Charleston	\$119.98
Commercial	N/A-City of Charleston (Owner) Charleston County Aquarium Garage	\$110.00

Although there is no option to purchase, the lease contains an option for Landlord to gift the property to MUSC upon the full payment of the outstanding indebtedness subject to the approval of the Joint Bond Review Committee and the Budget and Control Board.

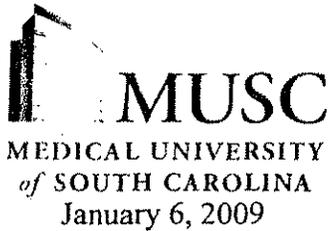
MUSC has adequate funds for the lease according to a Budget Approval Form submitted December 31, 2008, which also includes a multi-year plan. Lease payments will be made from parking revenues. The parking garage was constructed in 1993. An environmental assessment dated June 28, 2004 recommends no further assessment is necessary. This lease was approved by Thomas P. Anderson on behalf of Landlord and by the MUSC Board of Trustees and Lisa P. Montgomery on behalf of MUSC. The lease was approved by CHE on December 4, 2008.

4. What is JBRC asked to do? Approve the proposed 30 year lease.

5. What is recommendation of the General Services Division? Consider the request of MUSC to approve the proposed 30 year lease.

6. List of Supporting Documents:

- (a) Letter from MUSC dated January 6, 2009
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56



Office of Integrated Planning
 and Assessment
 28 Ehrlich Jr Street
 MSC 205
 Charleston SC 29425-2050
 Tel 843 792 5995
 Fax 843 792 5992
 www.musc.edu

Lisa H. Catalanotto
 South Carolina State Budget and
 Control Board
 General Services Division
 1201 Main Street, Suite 420
 Columbia, SC 29201

RE: 21 Courtenay Drive

Dear Mrs. Catalanotto:

The Medical University of South Carolina requests BCB & JBRC approval of the following lease agreement for a 1,525 space parking garage located at 21 Courtenay Drive, Charleston, South Carolina. This request is made for the following lease terms.

Landlord: Parking Garage Associates, LLC
 Lease Term: 30 years
 3/1/2009-2/28/2039
 Parking Spaces: 1,525
 Square Feet 532,062
 Annual Rent: \$1,800,892.00
 Cost per Sq Ft \$3.39
 Cost per Space \$98.41
 Operating Expenses: \$156,164.00
 Extended Terms: N/A, to be determined

The current lease agreement for this property is between Parking Garage Associates, LLC and the Medical University Hospital Authority (MUHA). Parking Management manages this garage, therefore; it is in the University's best interest to have the lease agreement be between Parking Garage Associates, LLC and the Medical University of South Carolina.

MUHA sub-leases parking spaces to local and State governmental agencies as required by the purchase of this parking garage from the County of Charleston by Parking Garage Associates, LLC in 2004. The Medical University of South Carolina will also need to assume these current lease agreements and uphold their existing lease terms.

Care Alliance Health	4/1/07-3/31/10	400 spaces	\$548,592	\$114.29 per space
Charleston County	9/1/04-Indefinite	6 spaces	\$7,200	\$100.00 per space
Charleston County Station	9/1/04-Indefinite	3,846 sf	\$26,593	\$6.91 per sf (NNN)
Charleston County Health	9/1/04-Indefinite	104 spaces	\$124,800	\$100.00 per space
SC DHEC	9/1/04-Indefinite	30 spaces	\$36,000	\$100.00 per space
Specialty Hospital	12/1/08-11/30/09	20 spaces	\$24,000	\$100.00 per space
*SC Dept. of Mental Health	9/1/2004-2/15/09	8 spaces	\$9,600	\$100.00 per space

*this lease will not be renewed

Sincerely,

Rachel K. Jones
 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, legislative body, agency, government corporation, or other establishment or official of the executive, judicial, or legislative branches of this State. Governmental body excludes the General Assembly, Legislative Council, the Office of Legislative Printing, Information and Technology Systems, and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

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(4) The board 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 Office of General Services or his designee.

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(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 multi-year financial plan for review by the board's budget office with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period; and

(7) requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: February 18, 2009

Regular Agenda

1. **Submitted by:**

- (a) Agency: General Services Division
- (b) Authorized Official Signature:


M. Richbourg Roberson, Director

2. **Subject:** Medical University of South Carolina Lease of 155 Spring Street Parking Lot

3. **Summary Background Information:**

The Medical University of South Carolina (MUSC) requests approval to lease from 135 Cannon Street Associates, LLC (Landlord), the entire surface parking lot located at 155 Spring Street in Charleston consisting of 153 parking spaces. The parking lot is located directly across the street from and provides parking for 135 Cannon Street. Landlord is a single purpose entity whose sole member is the MUSC Foundation. Landlord purchased the property in January 2008. MUSC currently leases 81 of the 153 parking spaces under a sublease agreement with University Medical Associates and will assume the remaining parking spaces under the proposed lease. Landlord is refinancing the present loan that is partially secured by this property and the lender requires a new lease. The new lease arrangement will save MUSC approximately \$9.68 per space monthly compared with its existing lease.

The lease term will be 30 years commencing on March 1, 2009. The rate per space, per month for this lease is \$119.50 (rounded). The monthly rental rate will be \$18,283.17, resulting in an annual rent amount of \$219,398. 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 \$6,581,940. In addition to rent, MUSC is responsible for all operating and maintenance costs. The estimated annual operating costs for the building are \$23,021 or \$12.54 per space per month.

This lease will provide parking for patients and visitors as well as MUSC employees and students. MUSC will sublease 16 spaces to a private entity under existing arrangements that transferred with the sale of the property. Rent for the subleased spaces will be at the same rate MUSC will pay under the proposed lease, resulting in an annual rent income of \$22,944 through the expiration of the subleases on December 31, 2017. In addition, MUSC will recoup \$100,980 of annual rent from its employees and students who park there.

Comparables of similar state agency and commercial parking space leases in the Charleston area are as follows:

Lease Date	Agency/Location	Monthly Rate per Space
Commercial	N/A-CLC, LLC (Owner) 61 Gadsden Street	\$125.00
03/07	College of Charleston Gloria Parking lot, Charleston	\$119.98
Commercial	N/A-City of Charleston (Owner) Charleston County Aquarium Garage	\$110.00

Although there is no option to purchase, the lease contains an option for Landlord to gift the property to MUSC upon the full payment of the outstanding indebtedness subject to the approval of the Joint Bond Review Committee and the Budget and Control Board.

MUSC has adequate funds for the lease according to a Budget Approval Form submitted December 30, 2008, which also includes a multi-year plan. Lease payments will be made from parking revenues. An environmental assessment dated November 16, 2007 recommends no further assessment is necessary given the use of the property is not scheduled to change. This lease was approved by Thomas P. Anderson on behalf of Landlord and by the MUSC Board of Trustees and Lisa P. Montgomery on behalf of MUSC. The lease was approved by CHE on December 4, 2008.

4. What is JBRC asked to do? Approve the proposed 30 year lease.

5. What is recommendation of the General Services Division? Consider the request of MUSC to approve the proposed 30 year lease.

6. List of Supporting Documents:

- (a) Letter from MUSC dated January 6, 2009
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56



Office of Integrated Planning
and Assessment
28 Ehrhardt Street
MSC 205
Charleston, SC 29425-2050
Tel 843 792 5995
Fax 843 792 5992
www.musc.edu

January 6, 2009

Lisa Catalanotto
South Carolina State Budget and
Control Board
General Services Division
1201 Main Street, Suite 420
Columbia, SC 29201

RE: Surface Parking Lot (across from 135 Cannon Street)

Dear Mrs. Catalanotto:

The Medical University of South Carolina requests BCB & JBRC approval of the following lease agreement for 153 parking spaces across the street from 135 Cannon Street, with an address of 155 Spring Street Charleston, South Carolina. 135 Cannon Street and the associated parking lot was purchased by the Medical University of South Carolina Foundation in January 2008. A new lease agreement is being requested due to the refinancing of this property.

There are five existing subleases that transferred with the sale of the property for a total of sixteen parking spaces. The lease agreements for these spaces expire December 31, 2017 and are attached for your records.

Landlord:	135 Cannon Street Associates, LLC
Lease Term:	Thirty (30) years 3/1/2009-2/28/2039
Annual Rent:	\$219,398.00
Cost per Space:	\$119.50
Operating Expenses:	\$23,021.00 (estimated)
Extended Terms:	N/A, to be determined

Sincerely,

A handwritten signature in cursive script that reads "Rachel K. Jones".

Rachel K. Jones
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, legislative body, agency, government corporation, or other establishment or official of the executive, judicial, or legislative branches of this State. Governmental body excludes the General Assembly, Legislative Council, the Office of Legislative Printing, Information and Technology Systems, and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts.

(2) The Budget and Control Board 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.

(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 Office of General Services of its requirement on rental request forms prepared by the office. 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 office agree meets necessary requirements and standards for state leasing as prescribed in procedures of the board 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 board 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 Office of General Services or his designee.

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

The State Budget and Control Board, 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 state agencies. The board'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 multi-year financial plan for review by the board's budget office with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period; and

(7) requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period.

JOINT BOND REVIEW COMMITTEE AGENDA ITEM WORKSHEET

Meeting Scheduled for: February 18, 2009

Regular Agenda

1. Submitted by:

- (a) Agency: General Services Division
- (b) Authorized Official Signature:


M. Richbourg Roberson, Director

2. Subject: Department of Commerce Lease of Keenan Complex

3. Summary Background Information:

The Department of Commerce (DOC) requests approval to lease a total of 35,897 square feet on the third floor of contiguous and connected buildings at 1330 Lady Street, 1310 Lady Street and 1224 Sumter Street in Columbia. The demised premises consists of 18,200 square feet owned by Lady Street Associates at 1330 Lady Street, and 17,697 square feet owned by The Keenan Building, LLC at 1310 Lady Street and 1224 Sumter Street. The landlords are a general partnership and a limited liability company domiciled in South Carolina. Two lease agreements are necessary because of the dual ownership of the properties.

DOC's current lease of 45,962 square feet at 1201 Main Street expires September 30, 2009. After considering moving expenses and the cost of state network wiring, the proposed leases will save DOC approximately \$1,129,250.46 over the term of the lease compared with the lease proposed for its current location because of the favorable lease rate and downsizing of the agency into more efficient space. The leased spaced will accommodate all of the needs of DOC to accomplish its mission.

The lease term will be seven years commencing October 1, 2009. Rent will be \$41,159.38 per month or \$493,912.50 per year (\$13.76 per square foot average) for the first year. Thereafter, rent increases at an average rate of 1.51 percent per year (rate varies each year and is different for each of the two leases).

Comparables of similar state agency office space leased in the Columbia area are as follows:

Lease Date	Agency/Location	Rate
8-07	Health & Human Services 1813 Main St., Suite 3-C	\$14.00
9-08	Office of Regulatory Staff 1401 Main St. 8 th & 9 th floors	\$13.50
3-07	Department of Insurance 1201 Main St., 10 th floor	\$15.62

The Landlords have committed to upfit and convert the leased space to an open landscape workspace at their expense. In the attached garage, 135 parking spaces will be provided at a reduced rate of \$45 per month, per space. Of this cost, \$25 is included in the rent paid by

DOC, and comprises \$1.13 per square foot of the annual rent. DOC's employees will pay \$20 per month for parking. The normal monthly rate for parking spaces at this location is \$55 per space for uncovered reserved parking and \$75 per space monthly for covered, reserved parking.

Operating cost increases are capped at four percent per year, beginning with the second year. Assuming operating expenses increase at four percent per year, the maximum rent over the term of the leases is as follows:

1310 Lady Street & 1224 Sumter Street

Year	Date	Base	Operating	Rate/SF	Rent
1	10-1-09	\$6.90	\$5.60	\$12.50	\$221,212.50
2	10-1-10	\$7.04	\$5.82	\$12.86	\$227,583.42
3	10-1-11	\$7.18	\$6.06	\$13.24	\$234,308.28
4	10-1-12	\$7.32	\$6.30	\$13.62	\$241,033.14
5	10-1-13	\$7.46	\$6.55	\$14.01	\$247,934.97
6	10-1-14	\$7.60	\$6.81	\$14.41	\$255,013.77
7	10-1-15	\$7.74	\$7.09	\$14.83	\$262,446.51
	Total				\$1,689,532.59
	Average			\$13.64	\$241,361.80

1330 Lady Street, Columbia, South Carolina

Year	Date	Base	Operating	Rate/SF	Rent
1	10-1-09	\$8.36	\$6.62	\$14.98	\$272,636.00
2	10-1-10	\$8.36	\$6.88	\$15.24	\$277,368.00
3	10-1-11	\$8.64	\$7.16	\$15.80	\$287,560.00
4	10-1-12	\$8.64	\$7.45	\$16.09	\$292,838.00
5	10-1-13	\$8.78	\$7.74	\$16.52	\$300,664.00
6	10-1-14	\$8.92	\$8.05	\$16.97	\$308,854.00
7	10-1-15	\$8.92	\$8.38	\$17.30	\$314,860.00
	Total				\$2,054,780.00
	Average			\$16.13	\$293,540.00

DOC has adequate funds for the leases according to a Budget Approval Form submitted February 5, 2009, which also includes a multi-year plan. Lease payments will be made from a combination of state appropriations, federal funding, grant administration funds and other departmental generated revenue. The space allocation of the new lease is 20,125 square feet of office space for 135 employees. The remaining 15,772 square feet is to be utilized for conference rooms, reception areas, copy/fax area, storage, file cabinets, work areas, break room/kitchenette areas, computer server room and common areas.

No option to purchase the property is included in the leases. The ten story structure at 1310 Lady Street was constructed in 1954, 1224 Sumter Street was constructed in 1983, and 1330 Lady Street was constructed in 1987. An environmental assessment dated May 4, 2004 states there are no recognized environmental conditions except the past use of the property for two gas stations and an auto dealership/maintenance facility as well a three offsite recognized environmental conditions. An asbestos survey for 1310 Lady Street and 1224 Sumter Street dated September 4, 2002 reveals some asbestos containing materials on the third floor in the tile and mastic that will need to be monitored during the renovation of this area for DOC. An asbestos survey for 1330 Lady Street reveals there are no asbestos containing materials. The

leases were approved by Joe E. Taylor, Jr. Secretary of Commerce and by Walter M. Keenan, Jr. on behalf of the landlords.

4. What is JBRC asked to do? Approve the two, seven year leases proposed.

5. What is recommendation of the General Services Division? Approval of the two, seven year leases proposed.

6. List of Supporting Documents:

- (a) Letter from the Department of Commerce dated February 5, 2009
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56



Mark Sanford
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Joe E. Taylor, Jr.
Secretary

February 5, 2009

Rich Roberson
Office of General Services
1201 Main Street, Suite 420
Columbia, SC 29201

Dear Mr. Roberson:

The South Carolina Department of Commerce requests the Joint Bond Review Committee and the State Budget and Control Board approval of the following lease agreement for 35,897 rentable square feet of space at 1310 Lady Street and 1330 Lady Street, Columbia, South Carolina.

Landlord:	Keenan Building, LLC and Lady Street Associates
Lease Term:	Seven (7) years, October 1, 2009 – September 30, 2016
Square Feet:	35,897
Annual Rent 1 st Year:	\$493,913
Operating Expenses:	Included
Cost per sq. Ft.:	\$13.76 first year, averaging \$14.40 over seven years

This location allows our agency to reduce the amount of square footage it currently occupies by 22%. It allows occupancy of one entire floor versus office space being spread among several floors. This location has an attached multi-level parking facility with enough parking spaces to accommodate our entire staff at reduced market rates. In addition, the Landlord has agreed to construct agency-requested improvements at its sole cost and expense.

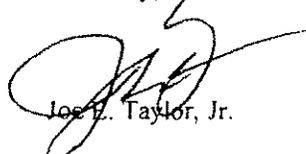
Commerce is currently located at 1201 Main Street on the fifteenth, sixteenth, and a portion of the eighteenth floors and pays \$18.69 per square foot for 45,962 rentable square feet at an annual cost of \$859,030. The current landlord proposed a comparable 7 year lease for \$16.40 per square foot increasing 2.5% per square foot annually and averaging \$17.68 over seven years. This site was not selected because of its higher cost and parking issues.

This lease is for office space for employees of the South Carolina Department of Commerce. Our mission is to promote economic opportunity for individuals and businesses. As South Carolina's leading economic development agent, the Department of Commerce works to recruit new businesses and help existing businesses grow.

Chris Huffman, Director of Administration, and myself will attend the Joint Bond Review Committee and the State Budget and Control Board when this request is considered. The lease will be funded with a combination of state appropriations, federal funds, and agency revenue accounts.

Please let me know if any additional information is needed.

Sincerely,



Joe E. Taylor, Jr.

JET/ch/vw

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

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(b) a dissolution of the agency, and

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(7) requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period.

**State Budget and Control Board, Office of State Budget – Capital Budgeting Unit
 Summary of Permanent Improvement Project Actions Proposed by Agencies
 October 25, 2008 through January 14, 2009**

Item 1. Agency: H09 The Citadel Project: 9603, Bond Hall Building Envelope Repairs

CHE Approval Date: 12/10/08
 Committee Review Date:
 B&C Board Approval Date:

Action Proposed: Establish Project for A&E Design Funding

Total budget \$25,000.00
 [9] Other, Institutional Capital Project Funds \$25,000.00

Budget After Action Proposed

<u>Source</u>	<u>Amount</u>
Other, Institutional Capital Project Funds	25,000.00
Total Funds	25,000.00

Purpose: To begin design work to repair and reseal the stucco building envelope on Bond Hall at The Citadel. Bond Hall has experienced termite damage due to moisture penetrating the building envelope through cracks in the stucco, deteriorated window and door frames, and other moisture-related problems. Some damage is being repaired, but the building's exterior needs to be sealed to stop water intrusion and prevent additional termite damage. The work will include repairing the stucco, caulking windows and doors, repairing metal flashing and related envelope repairs. During the design phase, additional termite damage and repair needs will also be assessed through infrared and other testing.

Ref: Supporting document pages 1-4

Item 2. Agency: H27 USC - Columbia Project: 6059, McClintock Renovation/Fire Protection

CHE Approval Date: 11/12/08
 Committee Review Date:
 B&C Board Approval Date:

Action Proposed: Establish Project for A&E Design Funding

Total budget \$75,000.00
 [9] Other, Housing Maintenance Reserve \$75,000.00

Budget After Action Proposed

<u>Source</u>	<u>Amount</u>
Other, Housing Maintenance Reserve	75,000.00
Total Funds	75,000.00

Purpose: To begin design work to perform life safety upgrades and modernize the McClintock residence hall at USC. The work will include upgrading the emergency lighting, installing a new fire protection system and alarms, repairing the interior, installing new finishes, and upgrading the plumbing, mechanical and electrical systems. The design work will also include evaluating conversion of existing rooms to suite style rooms. The life safety upgrades are needed to meet current code requirements and protect the safety of students housed in the facility. The building system and general interior upgrades are needed due to the age and condition of the facility and to keep the facility in desirable condition.

Ref: Supporting document pages 5-7

**State Budget and Control Board, Office of State Budget – Capital Budgeting Unit
 Summary of Permanent Improvement Project Actions Proposed by Agencies
 October 25, 2008 through January 14, 2009**

Item 3. Agency: H27 USC - Columbia Project: 6060, Davis College HVAC Replacement

CHE Approval Date: 11/12/08
 Committee Review Date:
 B&C Board Approval Date:

Action Proposed: Establish Project for A&E Design Funding

Total budget \$30,000.00
 [9] Other, Institutional Funds..... \$30,000.00

Budget After Action Proposed

<u>Source</u>	<u>Amount</u>
Other, Institutional Funds	30,000.00
Total Funds	30,000.00

Purpose: To begin design work to replace the HVAC system in Davis College at USC. The work will include replacing the air handlers, pumps, piping and associated electrical work, installing attic insulation, and replacing fire sprinkler heads and ceilings. The existing mechanical system in Davis College, which houses the School of Library and Information Science, does not have the ability to introduce sufficient outside air into the building to manage the moisture level in the air and indoor air quality is poor. Replacement will provide a new HVAC system to bring in fresh air and control humidity in the building.

Ref: Supporting document pages 8-10

Item 4. Agency: H27 USC - Columbia Project: 6061, Computer Annex Back-Up Power Installation

CHE Approval Date: 11/12/08
 Committee Review Date:
 B&C Board Approval Date:

Action Proposed: Establish Project for A&E Design Funding

Total budget \$16,500.00
 [9] Other, Institutional Funds..... \$16,500.00

Budget After Action Proposed

<u>Source</u>	<u>Amount</u>
Other, Institutional Funds	16,500.00
Total Funds	16,500.00

Purpose: To begin design work to install a new back-up generator in the Computer Annex at USC. The work will include upgrading the existing electrical equipment and installing a new 750 kilowatt generator. The Computer Annex houses the computer and telephone infrastructure for the Columbia campus. Currently, there is no back-up power for the computer system and inadequate back-up power for the telephone system. By providing reliable back-up power, computer services and telephone communications can be maintained in the event of power failure.

Ref: Supporting document pages 11-13

**State Budget and Control Board, Office of State Budget – Capital Budgeting Unit
 Summary of Permanent Improvement Project Actions Proposed by Agencies
 October 25, 2008 through January 14, 2009**

Item 5. Agency: H27 USC - Columbia Project: 6062, Woodrow College Façade Improvements/Window Upgrades

CHE Approval Date: 11/24/08
 Committee Review Date:
 B&C Board Approval Date:

Action

Proposed: Establish Project for A&E Design Funding

Budget After Action Proposed

Total budget \$31,500.00
 [9] Other, Housing Maintenance Reserve..... \$31,500.00

<u>Source</u>	<u>Amount</u>
Other, Housing Maintenance Reserve	31,500.00
Total Funds	31,500.00

Purpose: To begin design work to make façade and window improvements on the Woodrow College residence hall at USC. The work will include enclosing the open emergency stairs on the south façade of the building and repairing or replacing approximately 168 windows and window sills. Enclosing the emergency stairs will improve occupant safety by protecting emergency egress from inclement weather. Window replacements and repairs are needed because of deterioration of the old windows and will improve energy efficiency.

Ref: Supporting document pages 14-16

Item 6. Agency: H27 USC - Columbia Project: 6063, South Sumter Street Streetscaping

CHE Approval Date: 11/24/08
 Committee Review Date:
 B&C Board Approval Date:

Action

Proposed: Establish Project for A&E Design Funding

Budget After Action Proposed

Total budget \$15,000.00
 [9] Other, Institutional Funds..... \$15,000.00

<u>Source</u>	<u>Amount</u>
Other, Institutional Funds	15,000.00
Total Funds	15,000.00

Purpose: To begin design work to make streetscaping and pedestrian safety improvements on South Sumter Street from Rocky Branch Creek to Whaley Street on the USC campus. The work will include narrowing traffic lanes, removing on-street parking, installing pedestrian scale lighting and emergency call stations, creating tree zones, installing new walkways and irrigation, and improving service areas and service access. This work continues streetscaping efforts on the Columbia campus to improve safety and traffic flow. In addition to new traffic resulting from the new Band/Dance Building, the area currently does not have sidewalks or street lighting and is used by students going from dormitory facilities to the Engineering Building, Fitness Center, and Athletic Village area.

Ref: Supporting document pages 17-19

**State Budget and Control Board, Office of State Budget – Capital Budgeting Unit
 Summary of Permanent Improvement Project Actions Proposed by Agencies
 October 25, 2008 through January 14, 2009**

Item 7. Agency: H34 USC - Upstate Project: 9539, Track and Field Complex Construction CHE Approval Date: 11/12/08
 Committee Review Date:
 B&C Board Approval Date:

Action
Proposed: Establish Project for A&E Design Funding

Budget After Action Proposed

Total budget	\$60,000.00	<u>Source</u>	<u>Amount</u>
[9] Other, Private	\$60,000.00	Other, Private	60,000.00
		Total Funds	60,000.00

Purpose: To begin design work to construct a track and field complex at USC-Upstate. The complex will be constructed in phases as funding is identified. Phase I will provide the basic track portion of the complex, including access, infrastructure, the track, fencing and a remote parking lot for students. Future phases will include completing the track and adding lighting, seating, restrooms, a press box, parking lots, a throwing area, and a storage facility. The track and field program at USC-Upstate currently uses facilities off campus throughout Spartanburg County and the program is growing at a fast rate, especially with entry into Division I of the NCAA. Locating the facility on campus will be more cost effective and will allow for more participation by athletes and the campus community.

Ref: Supporting document pages 20-23

Item 8. Agency: H59 State Board for Technical and Comprehensive Education Project: 9996, Trident - B940 Roof Replacement CHE Approval Date: 11/07/08
 Committee Review Date:
 B&C Board Approval Date:

Action
Proposed: Establish Project for A&E Design Funding

Budget After Action Proposed

Total budget	\$8,475.00	<u>Source</u>	<u>Amount</u>
[9] Other, Local	\$8,475.00	Other, Local	8,475.00
		Total Funds	8,475.00

Purpose: To begin design work to replace the roof on Building 940 at Trident Tech. The roof on the building, which houses academic, administrative and warehouse space, is almost 30 years old. The roof leaks, causing damage to the building's interior finishes. Numerous repairs have been made, but the existing roof is at the end of its expected life and needs to be replaced.

Ref: Supporting document pages 24-26

**State Budget and Control Board, Office of State Budget – Capital Budgeting Unit
 Summary of Permanent Improvement Project Actions Proposed by Agencies
 October 25, 2008 through January 14, 2009**

Item 9. Agency: H59 State Board for Technical and Comprehensive Education Project: 9999, Horry-Georgetown - Speir Building Allied Health Expansion

CHE Approval Date: 01/28/09
 Committee Review Date:
 B&C Board Approval Date:

Action

Proposed: Establish Project for A&E Design Funding

Budget After Action Proposed

Total budget \$82,500.00
 [9] Other, HGTC Foundation..... \$82,500.00

<u>Source</u>	<u>Amount</u>
Other, HGTC Foundation	82,500.00
Total Funds	82,500.00

Purpose: To begin design work to construct an approximately 20,000 square foot addition to the Speir Allied Health Building on Horry-Georgetown Tech's Grand Strand Campus. The addition will allow for the expansion and relocation of the Dental program on the Grand Strand Campus where all other Allied Health programs are offered. The addition will include dental classrooms, labs and a dental clinic and space for the respiratory care and occupational therapy programs. Existing facilities cannot accommodate expansion of the Dental or Allied Health programs. In addition, continuing to have all health sciences programs consolidated in one building reduces operating costs.

Ref: Supporting document pages 27-31

Item 10. Agency: P36 Patriots Point Development Authority Project: 9529, Patriots Point Museum Ship Repairs

CHE Approval Date: N/A
 Committee Review Date:
 B&C Board Approval Date:

Action

Proposed: Establish Project for A&E Design Funding

Budget After Action Proposed

Total budget \$380,000.00
 [9] Other, Rent of State-owned Property \$380,000.00

<u>Source</u>	<u>Amount</u>
Other, Rent of State-owned Property	380,000.00
Total Funds	380,000.00

Purpose: To begin design work to repair the four museum ships at Patriot Point. The ships range from 65 to 72 years old and require significant maintenance to extend their serviceable lives as museum ships. Three of the ships, the Yorktown, Laffey, and Clamagore, have never been dry docked for hull repairs since coming to Patriots Point. The Ingham was dry docked in 1995, but those repairs are failing. The hulls have deteriorated and corroded and are very fragile.

Ref: Supporting document pages 32-35

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Item 11. Agency: P36 Patriots Point Development Authority Project: 9530, Landside Infrastructure Improvements

CHE Approval Date: N/A
 Committee Review Date:
 B&C Board Approval Date:

Action Proposed: Establish Project for A&E Design Funding

Total budget \$76,500.00
 [9] Other, Rent of State-owned Property \$76,500.00

Budget After Action Proposed

<u>Source</u>	<u>Amount</u>
Other, Rent of State-owned Property	76,500.00
Total Funds	76,500.00

Purpose: To begin design work for landside infrastructure improvements at Patriots Point. The work will include increasing flood protection for the electrical system and upgrading the emergency generator on the Yorktown, constructing a retaining wall and backfilling it along the shoreline, and moving and constructing a new surface parking lot. The electrical system work will allow the Yorktown to remain fully functional for emergency response personnel in the event of a significant storm. The retaining wall is needed to prevent and reclaim land from shoreline erosion. Moving and constructing a new parking lot will allow valuable waterfront property, which generates minimal revenue now, to be developed to its highest and best use.

Ref: Supporting document pages 36-39

Item 12. Agency: H09 The Citadel Project: 9602, Daniel Library Renovations

CHE Approval Date: 12/10/08
 Committee Review Date:
 B&C Board Approval Date:

Action Proposed: Establish Construction Budget for \$1,590,000.00

(Add \$1,440,000.00 [9] Other, Gifts)

Budget After Action Proposed

<u>Source</u>	<u>Amount</u>
Other, Gifts	1,590,000.00
Total Funds	1,590,000.00

Purpose: To renovate the Daniel Library at The Citadel. The project was established in November 2007 to begin pre-design work which is now complete. The work will include reconfiguring space, improving the HVAC and electrical systems, upgrading the fire alarm system, replacing the ceiling system and carpet, and painting the interior. The library was constructed in 1960 and has not had a major renovation since. The facility has antiquated technology and systems which do not meet current building code requirements and its size and functions are not adequate for proper operation. Energy efficient light fixtures will be installed in the facility, but will be done under the Energy Performance Contract project. The agency reports the total projected cost of this project is \$1,590,000 and additional annual operating costs of \$5,000 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is May 2009 and for the completion of construction is September 2009.

Ref: Supporting document pages 40-44

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Item 13. Agency: H27 USC - Columbia Project: 6049, Cliff Apartments Kitchen Renovations

CHE Approval Date: 02/05/09
 Committee Review Date:
 B&C Board Approval Date:

Action Proposed: Establish Construction Budget for \$850,000.00

(Add \$700,000.00 [9] Other, Housing Maintenance Reserve)

Budget After Action Proposed

<u>Source</u>	<u>Amount</u>
Other, Housing Maintenance Reserve	850,000.00
Total Funds	850,000.00

Purpose: To do kitchen and bathroom renovations in USC’s Cliff Apartments, which serves family and graduate student housing needs. The project was established in March 2008 for pre-design services which are now complete. The work will include installing new cabinets, countertops, appliances, sinks and faucets in the apartment kitchens and replacing vanities in the bathrooms of the 105-unit facility. The renovations are needed to improve the quality of the cabinetry, which has exceeded its life cycle in the 1973 building, and to improve the living accommodations for the graduate housing residence. Energy conservation measures will include installing Energy Star-rated appliances and eliminating garbage disposals, which are a major source of energy consumption. The agency reports the total projected cost of this project is \$850,000 and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is June 2009 and for completion of construction is November 2009.

Ref: Supporting document pages 45-49

Item 14. Agency: H59 State Board for Technical and Comprehensive Education Project: 9987, Lowcountry - Beaufort Bluff Stabilization

CHE Approval Date: 12/05/08
 Committee Review Date:
 B&C Board Approval Date:

Action Proposed: Establish Construction Budget for \$983,000.00

(Add \$303,000.00 [9] Other, Local)

Budget After Action Proposed

<u>Source</u>	<u>Amount</u>
Other, Local	983,000.00
Total Funds	983,000.00

Purpose: To construct a breakwater wall along 1,500 feet of the Beaufort River bluff which forms a boundary of Lowcountry Tech’s Beaufort campus. The project was established in December 2007 for pre-design services which are now complete. The work will include constructing a breakwater wall and backfilling it with rock to stabilize erosion along the shore line and establish a protective boundary against storm damage. The progress of erosion has resulted in the need to construct more wall with a more expensive anchor system than originally planned. Erosion has caused two buildings to shift, resulting in structural damage, and is threatening to damage a third building. The agency reports the total projected cost of this project is \$983,000 and annual operating cost savings of \$15,000 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is April 2009 and for completion of construction is September 2009.

Ref: Supporting document pages 50-53

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Item 15. Agency: H59 State Board for Technical and Comprehensive Education Project: 9993, Greenville - Student Center Renovation

CHE Approval Date: 02/05/09
 Committee Review Date:
 B&C Board Approval Date:

Action Proposed: Establish Construction Budget for \$3,713,188.00

Budget After Action Proposed

(Add \$3,563,188.00 [9] Other, Local)

<u>Source</u>	<u>Amount</u>
Other, Local	3,713,188.00
Total Funds	3,713,188.00

Purpose: To renovate approximately 33,347 square feet of space in the Student Center on Greenville Tech’s main campus. The project was established in May 2008 for pre-design services which are now complete. The renovation will convert space, currently used for administrative offices and a cafeteria, to student center space. The student center has evolved to primarily administrative space due to continuous growth and the lack of adequate space for support areas. Students congregate in small spaces throughout campus and have no central area for their organizations and activities. Student retention and student life will be enhanced with the renovation. The work will include creating a food court, student lounges, game rooms and meeting rooms, renovating restrooms, upgrading the mechanical, electrical and information technology systems, and installing energy efficient windows and lighting. The building will be renovated to LEED Silver standard for energy efficiency and conservation. The agency reports the total projected cost of this project is \$3,713,188 and additional annual operating costs ranging from \$6,000 to \$6,490 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is September 2009 and for completion of construction is May 2010.

Ref: Supporting document pages 54-58

Item 16. Agency: H59 State Board for Technical and Comprehensive Education Project: 9995, Greenville - University Transfer Building Auditorium Renovation

CHE Approval Date: 02/05/09
 Committee Review Date:
 B&C Board Approval Date:

Action Proposed: Establish Construction Budget for \$668,630.00

Budget After Action Proposed

(Add \$651,330.00 [9] Other, Local)

<u>Source</u>	<u>Amount</u>
Other, Local	668,630.00
Total Funds	668,630.00

Purpose: To renovate the auditorium and lobby area in the University Transfer Building on Greenville Tech’s main campus. The project was established in November 2008 to begin pre-design work which is now complete. The work will include upgrading the HVAC, electrical and lighting systems with more energy efficient systems, upgrading the sound system, and replacing fixtures and finishes in the 4,800 square foot area. The auditorium is 38 years old and in poor condition from heavy use. It cannot meet the indoor air quality, information technology, audio visual or accessibility needs required for current instructional methods. The agency reports the total projected cost of this project is \$668,630 and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is June 2009 and for completion of construction is September 2009.

Ref: Supporting document pages 59-62

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Item 17. Agency: H59 State Board for Technical and Comprehensive Education Project: 9997, Greenville - Industrial Complex B Renovation

CHE Approval Date: 02/05/09
 Committee Review Date:
 B&C Board Approval Date:

Action Proposed: Establish Construction Budget for \$1,505,438.00

Budget After Action Proposed

(Add \$1,490,438.00 [9] Other, Local)

<u>Source</u>	<u>Amount</u>
Other, Local	1,505,438.00
Total Funds	1,505,438.00

Purpose: To renovate approximately 6,500 square feet of space in the Industrial Complex B Building at Greenville Tech's main campus to house a welding program. The project was established in December 2008 to begin pre-design work which is now complete. The work will include converting space into 40 welding booths, a grinding area, a cutting area, and new restroom facilities, installing new HVAC, welding gas, and compressed air systems, and upgrading the electrical system. The welding stations were originally planned for a new facility on the Northwest Campus which will not be constructed due to cost cutting measures. The demand for welders will continue to rise and expansion of the current welding program in existing space will help meet those needs. The agency reports the total projected cost of this project is \$1,505,438 and additional annual operating costs ranging from \$9,000 to \$9,550 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is August 2009 and for completion of construction is November 2009.

Ref: Supporting document pages 63-66

Item 18. Agency: F03 Budget and Control Board Project: 9871, Columbia Mills Building Chillers 1 and 2 Replacements

CHE Approval Date: N/A
 Committee Review Date:
 B&C Board Approval Date:

Action Proposed: Establish Construction Budget for \$1,940,500.00

Budget After Action Proposed

(Add \$1,916,740.00 [9] Other, Depreciation Reserve)

<u>Source</u>	<u>Amount</u>
Other, Depreciation Reserve	1,940,500.00
Total Funds	1,940,500.00

Purpose: To replace two chillers in the Columbia Mills Building. The project was established in November 2008 for pre-design services which are now complete. The work will include replacing two 800-ton chillers with new, energy efficient chillers. Numerous attempts have been made to repair the existing chillers. Because they are past their expected lives, the possibility of failure is high and one has already failed. The chillers must be reliable to protect the visiting public and museum artifacts in the building from temperature and humidity extremes. The agency reports the total projected cost of this project is \$1,940,500 and annual operating cost savings of \$45,000 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is September 2009 and for completion of construction is December 2009.

Ref: Supporting document pages 67-71

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Item 19. Agency: N20 Criminal Justice Academy Project: 9607, CJA Village Construction

CHE Approval Date: N/A
 Committee Review Date:
 B&C Board Approval Date:

Action Proposed: Establish Construction Budget for \$12,125,000.00

(Add \$12,000,000.00 [9] Other, Third Party Loan)

Budget After Action Proposed

<u>Source</u>	<u>Amount</u>
Other, Third Party Loan	12,000,000.00
Other, Surcharges	125,000.00
Total Funds	12,125,000.00

Purpose: To construct a basic law enforcement training complex at the Criminal Justice Academy. The project was established in November 2008 to begin pre-design work which is now complete. The complex will consist of four buildings totaling 68,011 square feet and include a classroom building, a dining facility with kitchen, a gymnasium, and a four-story dormitory. The complex is needed to meet the increasing demand for city, county and state law enforcement training and to improve the quality and length of existing training. The complex will be constructed to LEED Silver standard for energy efficiency and conservation. The agency reports the total projected cost of this project is \$12,125,000 and additional annual operating costs ranging from \$801,763 to \$850,590 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is January 2010 and for completion of construction is January 2012.

Ref: Supporting document pages 72-79

Item 20. Agency: H17 Coastal Carolina University Project: 9549, Residence Hall Deferred Maintenance and Life Safety

CHE Approval Date: 11/18/08
 Committee Review Date:
 B&C Board Approval Date:

Action Proposed: Increase budget from \$614,000.00 to \$722,240.00

(Add \$108,240.00 [9] Other, Housing Auxiliary Fund)

Budget After Action Proposed

<u>Source</u>	<u>Amount</u>
Other, Housing Auxiliary Fund	722,240.00
Total Funds	722,240.00

Purpose: To complete installation of fire sprinkler systems in the Woods dormitories at Coastal Carolina. The project was established in 2006 to construct a laundry facility for dormitory students. The project scope was changed in December 2007 to use approved funding instead for installing fire sprinkler systems and HVAC work in the six dorms. The fire sprinkler installation was planned to be completed over two summers. The increase is needed to complete the fire sprinkler installation anticipated for Summer 2009. The dorms were constructed in 1987 and are the last remaining Coastal Carolina dorms without sprinkler systems, which will improve life safety for students. The agency reports the total projected cost of this project is \$722,240 and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is May 2009 and for completion of construction is August 2009.

Ref: Supporting document pages 80-83

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Item 21. Agency: State Board for Technical and Comprehensive Education **Project:** 9990, Tri-County - Occupational Center Building Replacement

CHE Approval Date: 02/05/09
 Committee Review Date:
 B&C Board Approval Date:

Action Proposed: Increase budget from \$6,067,200.00 to \$8,567,200.00

Budget After Action Proposed

(Add \$2,500,000.00 [9] Other, Local)

<u>Source</u>	<u>Amount</u>
Other, Local	8,567,200.00
Total Funds	8,567,200.00

Purpose: To construct site infrastructure to change the location for construction of the Occupational Center Building for Tri-County Tech. The project was established in December 2007 with Capital Reserve Funds appropriated by the General Assembly to construct the new center. The building was planned for the Pendleton campus, but will now be moved to the Easley campus where the topography is more conducive to construction and there is room for student parking. The move will also allow Tri-County Tech to create program delivery synergies with a recent Department of Commerce "Quick Jobs" grant awarded to Pickens County to construct a training center. The budget increase is needed for site preparation, clearing and grading, water, sewer and electrical power lines, roads, parking lots, telephone and communications cabling. The building will be constructed to LEED Silver standards for energy efficiency and conservation. The agency reports the total projected cost of this project is \$8,567,200 and a net operating margin of \$265,000 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is April 2009 and for completion of construction is August 2010.

Ref: Supporting document pages 84-87

Item 22. Agency: P36 Patriot Points Development Authority **Project:** 9520, Pier Structural Inspection, Mooring Improvements and Repairs

CHE Approval Date: N/A
 Committee Review Date:
 B&C Board Approval Date:

Action Proposed: Increase budget from \$300,000.00 to \$482,000.00

Budget After Action Proposed

(Add \$182,000.00 [9] Other, Admissions Revenue)

<u>Source</u>	<u>Amount</u>
Other, Admissions Revenue	482,000.00
Total Funds	482,000.00

Purpose: To complete pier repairs at Patriots Point. The project was established in December 2002 to inspect all piers and ship moorings and make needed repairs. Several evaluations, engineering work and mooring repairs have been completed, but repairs are still needed to the piers. The work will include repairing structural damage in one area near the Laffey/Ingham pier and repairing cracks and spalls in many other areas of the piers. The repairs are needed to preserve the piers and lengthen their serviceable lives. The agency reports the total projected cost of this project is \$482,000 and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is June 2009 and for completion of construction is November 2009.

Ref: Supporting document pages 88-93

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Item 25. Agency: H17 Coastal Carolina University Project: 9564, Campus Road Alignment Land Acquisition

CHE Approval Date: 11/18/08
 Committee Review Date:
 B&C Board Approval Date:

Action Proposed: Final Land Acquisition

Budget After Action Proposed

Purpose: To acquire .22 acres of former right-of-way land by donation to Coastal Carolina University from the Department of Transportation. The parcel is adjacent to Coastal Carolina's Welcome Center. The donation is part of a multiple transfer of properties between the university, the Department of Transportation and the Coastal Educational Foundation needed for use in realigning the road and intersection of University Boulevard with US 501. The realignment was undertaken to improve traffic safety at the intersection and access to the Atlantic Center by Coastal students. The Office of State Budget has reviewed the environmental study and approves its use in granting this request. The agency reports the total projected cost of this project is \$2,500 for the study and no additional annual operating costs will result from the acquisition.

<u>Source</u>	<u>Amount</u>
Other, Operating Budget	2,500.00
Total Funds	2,500.00

Ref: Supporting document pages 112-118

Item 26. Agency: H51 Medical University of SC Project: 9804, Bioengineering Property Acquisition

CHE Approval Date: 01/05/09
 Committee Review Date:
 B&C Board Approval Date:

Action Proposed: Final Land Acquisition

Budget After Action Proposed

Purpose: To acquire approximately .03 acres of land for the Medical University from the City of Charleston to construct the Bioengineering Building. The property is needed to meet building siting requirements for construction of the building that were negotiated with the City of Charleston during design development. The property is a portion of the City's right-of-way that will be transferred to the university by abandonment. The Office of State Budget has reviewed the environmental study and approves its use in granting this request. The agency reports there is no projected cost for this acquisition and no additional annual operating costs will result from the acquisition.

<u>Source</u>	<u>Amount</u>
Total Funds	0.00

Ref: Supporting document pages 119-124