

**South Carolina Commission on Higher Education**

Finance and Facilities Committee Board Meeting

May 30, 2019

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**DRAFT MINUTES**

COMMITTEE ON FINANCE AND FACILITIES

MAY 30, 2019

10:00 A.M.

S.C. COMMISSION ON HIGHER EDUCATION

1122 LADY STREET, SUITE 300

COLUMBIA, SC 29201

Committee Members

Commissioner Charles Dalton, Chair

Commissioner Linda Dolny

Commissioner Edgar Dyer

Commissioner Patrick White

Staff

Mr. Georges Tippens

Mr. Bryce Wilson

Ms. Yolanda Myers

Ms. DeVaris Hatten

Guests

Glenn Easterby

Dean Easterlin

Ward Logan

Kevin Bower (via phone)

Beth Bell

Carol Routh

Julianne Cooke

David Frost

Paul Patrick

Michael Turner

Benjamin Blanks

Thomas Welch

Darryl Bridges

Katherine Haltwinger (via phone)

Rachel Jones (via phone)

Greg Weigle (via phone)

Ken Davis (via phone)

Dan Cooper

Steve Eigenbrot

Derek Gruner

Courtney Livingston

Kevin O'Connell

Craig Parks

Justin Oates

David Yansen

The Citadel

The Citadel

The Citadel

The Citadel

Clemson University

Clemson University

Coastal Carolina University

Coastal Carolina University

College of Charleston

College of Charleston

Francis Marion University

Francis Marion University

Francis Marion University

MUSC

MUSC

MUSC

South Carolina State University

Tri-County Technical College

University of South Carolina

University of South Carolina

University of South Carolina

University of South Carolina

University of South Carolina

Winthrop University

POND

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

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## 1. Call to Order

Chair Dalton called the meeting to order at 10:00 a.m.

## 2. Approval of Minutes

A motion was made (White), seconded (Dyer), and carried to approve the minutes of the May 02, 2019 Finance and Facilities Committee meeting.

## 4. Review of Revised Facilities Manual

Georges Tippens gave a brief overview of the contents of the revised facilities manual including changes from previous versions. Chair Dalton asked for a motion to adopt the revised facilities policy and procedures manual, which was made (Dyer), seconded (Dolny), and carried unanimously.

## 5. Permanent Improvement Project Approvals

The following agenda items were presented:

- A. The Citadel
  - i. Supplemental Housing
    - Establish Phase I

Georges Tippens introduced the item. The Citadel sought recommendation of the Committee on Finance and Facilities to establish this project to replace 20-year-old modular trailers with total capacity of 16 beds with modular units that have 50 to 52 bed capacity. The Commissioners asked the University about the specific needs of the project and what the University has been doing with cadets when it lacks space on campus. The Citadel staff stated that the University currently places cadets in leased spaces in downtown Charleston and that it has definite need for the additional barrack space for fall semester before cadets can move into permanent housing based on recent attrition rates of ten percent. The Commissioners also asked about cost sharing, specifically if other departments at the University, such as Athletics, would pay for using the barracks for their programs. The University staff replied they have not established a cost-sharing plan, but may consider it for outside groups using the barrack space. Chair Dalton asked for a motion to recommend the project, which was made (Dolny) and seconded (White). The Committee carried the motion to recommend the project as presented.

- B. Coastal Carolina University
  - i. Academic Enrichment Center and Auditorium Land Donation
    - Establish Phase II Land Acquisition Budget

Georges Tippens introduced the item. Coastal Carolina University sought recommendation of the Committee on Finance and Facilities to acquire a 2.87-acre parcel that it currently leases from its Foundation. Because the Foundation is gifting the parcel to the University there is no dollar increase in relation to this Phase II request. The Commissioners inquired about the status of the companion piece of the

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project, the construction of the academic enrichment center and auditorium. University staff stated that the project is currently on schedule and they hope to start the construction phase of the project within the year after the University finalizes the design. Chair Dalton asked for a motion to recommend the project, which was made (Dyer) and seconded (Dolny). The Committee carried the motion to recommend the project as presented.

### C. College of Charleston

- i. Simons Center for the Arts Renovation
  - Establish Phase II Construction Budget, Change Source of Funds

Georges Tippens introduced the item. The College of Charleston sought recommendation of the Committee on Finance and Facilities to initiate the construction phase of a project to renovate and expand the Simons Center for Arts. The Commissioners inquired whether the change in estimated construction cost (\$21 million to \$50 million) was related to the project being in the design phase for seven years and asked the College to explain other drivers of the budget increase. College officials said yes, they are related, and another cause of the budget increase was the addition of a satellite power facility. The Commissioners also brought up bonding \$45 million for one of the lowest-enrolled schools at the College, the annual \$1,700 fee students pay for capital projects, and whether the new administration will focus on maintaining buildings at a good condition. College of Charleston responded that while The School of Arts does have one of the lowest enrollments for majors, it produces a lot of credit hours for undergraduate students because the institution is a liberal arts college. The College also noted that beginning with the last President in 2014 there has been a commitment on deferred and scheduled maintenance projects and that the College completes many maintenance-related projects on its facilities that the Committee does not see because they fall below the \$1 million permanent improvement project threshold. Chair Dalton asked for a motion to recommend the project, which was made (Dolny) and seconded (White). The Committee carried the motion to recommend the project as presented.

### D. Francis Marion University

- i. Preliminary Land Acquisition for future Ecology Center
  - Establish Phase I/Phase II

Georges Tippens introduced the item. Francis Marion University sought recommendation of the Committee on Finance and Facilities to acquire 8.85 acres of undeveloped, wooded land abutting a pond in which it plans to construct an ecology center from its Foundation. The Commissioners were supportive of the project and only questioned why the property was still on the tax rolls if the Foundation currently owns it. According to Francis Marion University officials, the Foundation only recently acquired the property via donation from a charitable organization and has not yet sought to remove the property from County and School District tax rolls. Chair Dalton asked for a motion to recommend the project, which was made (Dolny) and seconded (White). The Committee carried the motion to recommend the project as presented.

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- ii. FMU Honors Learning Center Construction
  - Increase Phase II Budget

Georges Tippens introduced the item. Francis Marion University sought recommendation of the Committee on Finance and Facilities to increase its Phase II budget by \$944,068. Because the project was originally staff-approved, as it was funded solely by legislative appropriations, the Commissioners asked the University to describe the project and why the University needed a 30 percent budget increase. University staff noted that the project is to centralize its honors program and the budget increase is due to design-build bids coming in higher than anticipated, partly because the estimates were a few years old and the design has changed partially since the estimates were formed. The Commissioners also asked about the health of the University's maintenance reserve account. In response, University staff noted that even after this budget increase that account will have approximately \$8.8 million available and only about \$0.8 million is pledged for planned maintenance work. Chair Dalton asked for a motion to recommend the project, which was made (Dolny) and seconded (Dyer). The Committee carried the motion to recommend the project as presented.

- E. Tri-County Technical College
  - i. Pendleton Campus Fulp Hall Renovation – Predesign
    - Establish Phase I

Georges Tippens introduced the item. Tri-County Technical College sought recommendation of the Committee on Finance and Facilities to establish this project to repurpose academic and faculty office space into two science labs in its health sciences building. The Commissioners asked about the history and demand for the project. According to College officials, Tri-County Technical College has seen and is projecting continued growth in its "Bridge to Clemson" program and as a result has a deficit in science lab space. Clemson staff attending the meeting also noted that approximately three to four thousand applicants receive offers to the Bridge to Clemson program, which in turn, creates demand at the Technical College. Chair Dalton asked for a motion to recommend the project, which was made (White) and seconded (Dolny). The Committee carried the motion to recommend the project as presented.

- F. USC Aiken
  - i. USC Aiken Penland HVAC Renovation
    - Establish Phase II Construction Budget, Change Source of Funds, Revise Scope

Georges Tippens introduced the item. USC Aiken sought recommendation of the Committee on Finance and Facilities to fund the construction budget of a project to replace the HVAC system in Penland Building, a 58,450 square foot academic building. The Commissioners asked University staff about the budget increase from an original \$1.5 million project to \$4.0 million. According to University officials, the project originally was planned to be this comprehensive; however, the University lacked funds. With a \$3.5 million legislative capital reserve fund appropriation, the University was able to design and go forth with its original vision rather than the

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slimmed-down version submitted for Phase I consideration in March 2018. The Commissioners were also pleased that the existing HVAC system has lasted for 46 years and commended USC staff for maintaining and extending the useful life of the asset. Chair Dalton asked for a motion to recommend the project, which was made (Dyer) and seconded (Dolny). The Committee carried the motion to recommend the project as presented.

G. USC Columbia

- i. Intramural Recreation Fields Preliminary Land Acquisition
  - Establish Phase I

Georges Tippens introduced the item. USC Columbia sought recommendation of the Committee on Finance and Facilities to conduct a Level I environmental assessment and appraisal of 300 acres adjacent to the Congaree River, which the University plans to purchase from its Foundation to use as intramural recreation fields and a practice facility for its collegiate golf program. The Commissioners asked about the characteristics of the property and where it is located. University staff stated that the land is adjacent to its newly constructed football operations center and fits well into its master plan. The Commissioners also asked University staff about its Phase II plans, specifically, why the Foundation was selling the property rather than gifting it and whether athletics would provide funds for the project because the golf team will use a portion of the land. University staff stated that they believe the Foundation is selling the property for the acquisition cost due to its financial needs. In addition, while not stating whether Athletics would provide funding for the acquisition of the land, staff did note that Athletics would pay for any costs related to developing the land for its golf program. Chair Dalton asked for a motion to recommend the project, which was made (Dyer) and seconded (Dolny). The Committee carried the motion to recommend the project as presented.

- ii. Taylor House Maintenance Renovation
  - Establish Phase I

Georges Tippens introduced the item. USC Columbia sought recommendation of the Committee on Finance and Facilities to initiate the design phase of a project that will restore the Taylor House, a 111-year-old, 8,000 square foot building. The Commissioners asked University staff about the provenance of the facility. University staff stated that it has been controlled by the Boyd family and at one time was used by the Columbia Museum of Art. Staff stated that the University has been performing minor renovations and maintenance projects to the facility, but this is the first time in which a project results in an estimated cost greater than \$1,000,000. Chair Dalton asked for a motion to recommend the project, which was made (White) and seconded (Dolny). The Committee carried the motion to recommend the project as presented.

- iii. Thornwell College Maintenance Renovation
  - Establish Phase I

Georges Tippens introduced the item. USC Columbia sought recommendation of the Committee on Finance and Facilities to initiate the design phase of a project to

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comprehensively renovate and modernize the Thornwell College Residence Hall, a 106-year-old building. USC staff provided background on the project, noting that the building was last renovated during the 1970s and the primary purpose of the project is to modernize and bring the facility up to the standards of other residence halls on campus, including implementing electronic security. Chair Dalton asked for a motion to recommend the project, which was made (Dyer) and seconded (Dolny). The Committee carried the motion to recommend the project as presented.

iv. Jones PSC Biology Labs Renovation I  
– Establish Phase II Construction Budget

Georges Tippens introduced the item. USC Columbia sought recommendation of the Committee on Finance and Facilities to initiate the construction phase of this project to repurpose and renovate the first floor of Jones Physical Sciences Center from chemistry labs to biology teaching labs. USC staff spoke about how this project fits into its overall plans of improving science lab space at its campus; staff noted that some high school lab space is better than USC's existing labs and that the labs are currently overused based on CHE recommended space standards. Staff stated that the project is essentially the second phase of lab redesign at the University. The first phase created new chemistry labs in the former law school building. This phase is now repurposing the vacated chemistry lab space into biology teaching labs while also performing deferred maintenance during the renovation. Chair Dalton asked for a motion to recommend the project, which was made (White) and seconded (Dyer). The Committee carried the motion to recommend the project as presented.

v. Williams Brice Stadium Renovations  
– Establish Phase II Construction Budget

Georges Tippens introduced the item. USC Columbia sought recommendation of the Committee on Finance and Facilities to initiate the construction phase of this project to renovate certain seating and other spaces at Williams Brice Stadium, the University's 80,000-plus seat football stadium. The Commissioners asked for an overview of the project from USC staff, focusing on whether there was sufficient demand for the premium areas and what will be the cost commitment from fans. University staff confirmed that there is demand and that in addition to the increase in per-game seat cost, the University is seeking a capital commitment from fans who wish to move into the newly-upgraded spaces; current season ticketholders who will be impacted by the upgrades will not be required to pay a capital commitment. The Commissioners also questioned the use of student fees to finance these bonds. If the project is anticipated to be revenue generating and primarily used by alumni, the Commissioners asked why students should be charged a special fee to help finance the debt. USC noted that all three revenue sources, seat surcharges, the student fee, and Athletic Department revenue are used to secure the debt and are used by Wall Street in determining bond ratings. In addition, USC staff noted that annually the Athletic Department transfers \$5 to \$6 million to fund education and general projects on campus, which benefits students. Chair Dalton asked for a motion to recommend the project. Commissioner Dolny requested a special motion that noted the University's proximity to its athletic revenue bond limit. After discussion, the

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Commissioners moved (Dolny) and seconded (White) that staff craft a motion with prefatory language to present to the full Commission on June 6<sup>th</sup>; however, agreeing that the Committee recommends the project with the special language.

H. Winthrop University

- i. Byrnes Roof Fire Restoration
  - Establish Phase I

Georges Tippens introduced the item. Winthrop University sought recommendation of the Committee on Finance and Facilities to initiate Phase I of this project to repair its Byrnes Auditorium facility, which was severely damaged from a fire caused by a contractor installing a new roofing system on the building. University staff noted that the fire occurred in August 2018 and the projected cost of \$4,000,000 is primarily the result of smoke damage; the fire occurred near an HVAC intake and as a result the smoke was transferred throughout the facility even though it was a relatively short-lived fire. Chair Dalton asked for a motion to recommend the project, which was made (Dyer) and seconded (Dolny). The Committee carried the motion to recommend the project as presented.

**6. Lease Approval**

A. MUSC

- i. 1786 Anthony Street
  - 10-Year Lease Renewal

Georges Tippens introduced the item. MUSC sought recommendation of the Committee on Finance and Facilities to extend its lease at 1786 Anthony Street, which is used by its motor pool. The Commissioners asked about the location of the property, particularly if the property is in the floodplain. University officials stated that the subject property is not in the floodplain and is currently a dirt lot and office space. The Commissioners also inquired whether the lessor has a connection to the University to which University staff stated no. Chair Dalton asked for a motion to recommend the project, which was made (Dolny) and seconded (Dyer). The Committee carried the motion to recommend the project as presented.

**7. Other Business**

Georges Tippens stated he processed two institutional requests based on authority the Committee has given staff during May 2019. The first request was a budget transfer between two open projects at Greenville Technical College: \$140,000 from the Building 801 Roof Replacement and HVAC Upgrades project to the Benson Campus Amphitheater and Student Plaza project. College officials requested the transfer because construction bids came in higher than expected for the amphitheater project and the roof replacement and HVAC upgrade project is near completion and had money available. The same funding source was used in both projects. The other institutional request staff processed was decreasing the budget and closing the Piedmont Technical College Newberry County Campus – Land/Building Donations project.

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The project came in \$9,800 under budget for a final cost of \$30,870, which was used for professional service fees.

**Adjournment**

The Committee adjourned the meeting at 11:33 a.m.