

South Carolina Commission on Higher Education

Finance and Facilities Committee Board Meeting

May 6, 2021

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**DRAFT MINUTES**

COMMITTEE ON FINANCE & FACILITIES

MAY 6, 2021

COMMISSION ON HIGHER EDUCATION

Committee Members

Mr. Charles Dalton, Chair  
Ms. Linda Dolny, Vice Chair  
Mr. Paul Batson  
Mr. Edgar Dyer  
Mr. Patrick White

Guests

Rick Petillo  
Carol Routh  
Laura Stoner  
Beth Bell  
John Loonan  
Paul Patrick  
Michael Turner  
Dawn Willan  
Darryl Bridges  
Benjamin Blanks  
Ralph Davis  
Christine Brown  
Patrick Wamsley  
Chris Johnson  
George Hynd  
Justin Oates  
Victoria Cowell  
Doug Hannah

Staff

Mr. Georges Tippens  
Mr. James Vant  
Mr. Bryce Wilson

Clemson University  
Clemson University  
Clemson University  
Clemson University  
College of Charleston  
College of Charleston  
College of Charleston  
College of Charleston  
Francis Marion University  
Francis Marion University  
Francis Marion University  
Medical University of South Carolina  
Medical University of South Carolina  
Winthrop University  
Winthrop University  
Winthrop University  
South Carolina Technical College System  
POND

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

**1. Call to Order**

Chair Dalton called the meeting to order at 10:32 a.m. and noted the establishment of a quorum of committee members.

**2. Approval of Minutes**

Commissioner Dalton requested an approval of the minutes. Commission Dyer motioned for approval of the minutes, which was seconded by Commissioner White.

**3. Chair's Report**

Chair Dalton welcomed everyone in attendance and thanked the committee and institutions for their work. Chair Dalton discussed that he has been pleased with the work that the Deferred Maintenance Task Force has been doing. He noted that Commissioner White will give a brief update in the other business portion of the meeting.

**4. Permanent Improvement Project Approvals**

The following projects were presented:

- A. Clemson University
  - i. NCEES Building Acquisition
    - Establish Project (Phase I)

Clemson University sought recommendation of the Committee on Finance and Facilities to acquire a building from the university's foundation. The project would acquire the facility and conduct minor renovations to the space within the 36,000 square foot facility. The university is requesting to acquire the building to relocate the Facilities division from the main campus to the newly acquired building. This would create more room on the main campus to allow more student orientated functions to be on the campus. Commissioner Dalton requested clarification on Fee Simple Interest, and Clemson answered stating that it is basically the same as Fee Simple Title.

Commissioner Batson asked questions regarding the use of the building and purpose of Clemson acquiring, which staff responded that it would move facilities staff out of the middle of campus and allow the university to repurpose the area. Commissioners asked how the university saved money in acquiring from the university's foundation compared to purchasing from the previous owners. The university explained that because of the terms of the ground lease with the previous owners the purchase price would have been set using 3 appraisals and averaging, thus resulting in a price of \$4.7 million. Because the foundation was not bound to that agreement, the foundation was able to negotiate directly with the seller a lower price and also able to keep the furniture in the facility which was a saving that the university was able to achieve.

Commissioner Dolny wanted to know why this project was being pushed now and why was it prioritized over other projects. Clemson staff stated the university thought it was better for the university to own the building rather than lease it from a non-revenue generating related organization. Staff added that this project is connected to one of the university's top priority project the Campus safety revitalization project, which will enhance safety and save the university money from demolishing the student union.

Commissioner Batson – Moved to Approved  
Commissioner White – Seconded

- B. College of Charleston
  - i. Multicultural Center Renovation
    - Increase Budget(Phase II)

The College of Charleston sought recommendation of the Committee on Finance and Facilities to begin the Phase II construction stage of a project that will renovate the exterior and interior of its Multicultural Center, which is housed in an 8,300-square foot historic building constructed in 1817. The facility houses the college's Office of Multicultural Programs & Student Services and Center for International Education.

Commissioner Dalton questioned whether the \$2 million was enough to complete the renovations. College staff stated they are confident that the money is enough to solve the problems and that the facility will be brought up to code after the complete and full renovation of the facility. Commissioner Dolny wanted an understanding of the \$906 fee structure. The College stated that \$483 of the fee is pledged for debt service; the remainder transfers to the fund and supports capital projects at the college. Commissioner

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Batson wanted to know if the enrollment of 10k students is a strategic plan by the College based on the enrollment statistics as far back as 2015. The College stated that it was not strategic; the institution has had an unwritten agreement with the City of Charleston to have roughly 10k students and the college has been abiding by that for quite some time. Staff added that 2017 was a low year of non-resident students which in turn led to the low statistics in enrollment as that cohort advanced through college. In addition, staff stated that for 2018 the college missed marks on recruitment. Staff then opined that Fall of 2021 is on track to be the largest in school history at 2,642 deposits as of May 3, 2021 and transfer deposits of 516. Staff anticipate enrollment attaining 11,500 in three or four years.

Commissioner Dyer – Moved to Approve

Commissioner Dolny – Seconded

### C. Francis Marion

- i. Medical Education Facility – Final Land & Building Acquisition  
– Increase Budget (Phase II)

Francis Marion University sought recommendation from the Committee on Finance and Facilities to acquire a property donated to the Francis Marion University Education Foundation. The donated property contains two connecting, non-vacant, parcels from the City of Florence.

The commissioners inquired who would be responsible if any environmental issues arise. The university indicated that the foundation, as it stands today, is responsible. However, once ownership is transferred it would be the university. The university also indicated that there is no contingency in place and once purchased they will be liable. The commissioners also asked whether the university's plan is to demolish and reconstruct or renovate the existing property. The university stated that the plan is to rebuild considering the cost to rebuild and renovate is about the same. The university indicated that it is an old building and according to two architects it is not worth to renovate from an engineering or from a safety perspective. Commissioners also asked how this project fits within the university's growth plan, particularly related to health. This is about 6 blocks from buildings in downtown Florence that have been acquired and renovated by the university. Staff stated that this project is a part of the strategic partnership with the city of Florence and foundation to increase medical education in Florence and the revitalization of Downtown Florence. In addition, the university has received support from a private donor, who has committed \$2.5 million for 5 years of program support once the facility is built.

Commissioner Dolny – Moved to Approved

Commissioner White – Seconded

### D. Winthrop University

- i. Joynes Hall Interior Renovation  
– Establish Project (Phase I)

Winthrop University sought recommendation of the Commission on Higher Education to initiate the planning stage of a project seeking to perform interior renovations to Joynes Hall. The university received funds from a donor, who would like the university to convert space within the hall to alumni relations and advancement office space. Commissioners asked about Winthrop's declining enrollment trend and its future plans. Winthrop's president stated undergraduate enrollment has declined and is projected down for this upcoming fall as well; however, graduate enrollment has increased. The president added the university is also exploring other means to increase enrollment and target programs with high demand.

Commissioner Dyer – Moved to Approved

Commissioner Dolny – Seconded

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- ii. Lee Wicker Hall: Auxiliary Building Infrastructure & Building Envelope Upgrade
    - Establish Project – CPIP (Phase I)
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  - iii. Lee Wicker Hall: Auxiliary Building Mechanical System Replacement & Upgrade
    - Establish Project – CPIP (Phase I)
  - iv. Phelps Hall: Auxiliary Building Infrastructure & Building Envelope Upgrade
    - Establish Project – CPIP (Phase I)

\* Due to the similarity of the projects, the Commissioners asked questions and moved on all three projects en bloc.

Comments: Winthrop University sought recommendation of the Committee on Finance and Facilities to initiate the planning stages of three projects affecting its housing auxiliary operations: two projects at Lee Wicker Hall and one project at Phelps Hall. The Commissioners inquired about the timing of the projects and how the projects will affect Winthrop's auxiliary revenues. University staff noted that the Phelps Hall project can be completed during a summer term and therefore will not result in the building's closure while students reside on campus. The university does believe the Lee Wicker's projects will require the hall to be closed for two years, but there are adequate off-campus housing opportunities for students. The university also mentioned that certain existing housing revenue bond debt is rolling off in the next two fiscal years and that the debt it plans to issue for the construction phases of these three projects will result in roughly the same debt service payments the university currently owes. As a result, the university does not anticipate needing to increase student housing fees to pay for these projects outside of the typical inflationary increases it institutes annually.

Commissioner Batson – Moved to Approved  
Commissioner Dolny – Seconded

### **5. Other Business**

#### **A. Permanent Improvement Project Staff Approvals**

Staff gave an overview of the projects they approved during March and April 2021 as an informational item.

#### **B. CHE Third Quarter Budget Analysis**

Mr. Wilson provided an update on the Commission's budget progress through the third quarter of fiscal year 2021.

In addition, Commissioner White gave an update of the work that the Deferred Maintenance Task Force has been doing.

### **Adjournment**

Being no other business before the Committee, Chair Dalton adjourned the meeting at 11:54 a.m.