

MEETING MINUTES

COMMITTEE ON FINANCE & FACILITIES

AUGUST 4, 2023

COMMISSION ON HIGHER EDUCATION

A meeting of the South Carolina Commission on Higher Education's Finance and Facilities Committee was held on August 4, 2023. This meeting was advertised in accordance with the South Carolina Freedom of Information Act.

1. Call to Order

Commissioner Paul Batson, Chair, called the meeting to order at 10:30 a.m. and noted the establishment of a quorum of Committee Members. Upon Commissioner Batson's request, Scheri Eichelberger introduced guest attendees.

Committee members present for this meeting were Commissioner Paul Batson; Commissioner Edgar Dyer, Vice Chair; Commissioner Hugh Mobley; Commissioner Dino Teppara (via Zoom); and Commissioner Patrick White. The members of the Committee adopted the agenda as presented.

Other Board of Commissioners members present for this meeting were Commissioner Terrye Seckinger; Commissioner Doug Snyder; and Commissioner Bettie Rose Horne.

Commission on Higher Education staff that attended this meeting were Dr. Rusty Monhollon; Georges Tippens; Bryce Wilson; Yolanda Myers; and Scheri Eichelberger.

Guest attendees from colleges and universities were Laura Stoner, David Watson, Tyler Saas, and Beth Bell, Clemson University; John Loonan, College of Charleston; Dr. Zoher Kapasi, Julie Parrish, Jennifer Nall, Christine Brown, Phil Mauney, Medical University of South Carolina; Cam Reagin, University of South Carolina-Aiken; Craig Parks, University of South Carolina-Columbia; and James Grigg, Winthrop University.

Other guests included Jennifer Lopresti and Michael Hughes, Department of Administration; and Victoria Cowell, South Carolina Technical College System.

2. Approval of Minutes

Chairman Batson called for approval of the minutes. Commissioner Dyer motioned for the approval of the minutes from the June 1, 2023, meeting. Commissioner Mobley seconded, and the motion passed unanimously.

3. Chair's Report

Chairman Batson thanked the Spartanburg Community College and the University of South Carolina-Upstate for hosting events for the meetings held in June. Chair Batson also introduced Scheri Eichelberger, the new Operations Analyst in the Commission on Higher Education's Office of Internal Operations and Administration.

4. Permanent Improvement Project Approvals

The following projects were presented for recommendation and approval:

A. Clemson University

Charleston Property Acquisition: Establish Project (Phase I)

Clemson University sought the recommendation of the Committee on Finance and Facilities to procure necessary studies related to acquiring three properties which total 1.12 acres and square footage of 22,390. Commissioners asked the institution questions regarding its plans for the properties in Charleston. Commissioners also

inquired if the Clemson Foundation is donating the properties to the university after purchasing, or if Clemson will be purchasing the land from the Foundation. The university stated their intent to relocate the Clemson Design Center from its current leased space to eliminate cost. Further, the university will purchase the properties from the Foundation with revenue obtained from selling a former property owned by the university.

Commissioner Mobley moved to approve, and the motion was seconded by Commissioner Dyer. By a vote of 4 to 1, the motion carried. *Please note that Commissioner White voted 'No' for this project because Clemson University could explore other properties that would still provide the desired urban landscape for their design center with less expensive price tags than property in Downtown Charleston.*

B. College of Charleston

- i. McAlister Residence Hall 2021 Renovation: (Phase II Budget Increase)
College of Charleston sought a recommendation from the Committee on Finance and Facilities to increase the budget for renovations to McAlister Hall. An increase was previously approved in 2021. Commissioners inquired about the request for a second budget increase. College staff indicated that multiple issues such as water intrusion and mold were found as the renovation process was taking place. The college also listed cost escalation as another reason they are requesting a budget increase. The college further stated that by addressing all issues now, it does not anticipate another renovation of McAlister Hall of this magnitude for approximately 20 years.

Commissioner White moved to approve, and the motion was seconded by Commissioner Mobley. The motion carried unanimously.

- ii. Stern Student Center: Increase Budget (Phase II)
College of Charleston sought a recommendation from the Committee on Finance and Facilities to begin the construction stage of renovating Stern Student Center, which is used for multiple, student-oriented purposes, including dining, event space, and a planned relocation of the student fitness center. Commissioners asked the college about the \$42 million cost of the project. College staff stated that issues such as cost escalation and unanticipated interior and exterior issues attribute to much of the cost of the project.

Commissioner Mobley moved to approve, and Commissioner White seconded the motion. The motion carried unanimously.

C. Francis Marion University

- i. Smith University Center Renovations/Improvements: Phase II Budget Increase
Francis Marion University sought a recommendation from the Committee on Finance and Facilities to increase its already approved project budget by \$865,000. According to the university, as renovations were in progress, the institution realized that it would need to increase its budget to make all renovations and improvements included in this project scope. After hearing an introduction from staff, commissioners did not pose any questions regarding this project.

Commissioner Dyer moved to approve, and Commissioner Mobley seconded the motion. The motion carried unanimously.

D. Horry-Georgetown Technical College

- i. Renovation/Expansion of Grand Strand Building 100: Increase Budget (Phase II)
Horry-Georgetown Technical College sought a recommendation from the Committee on Finance and Facilities to renovate and expand a facility on its Grand Strand Campus. Included in this project is the renovation of 14,000 square feet of existing space and construction of 10,000 additional square feet. Commissioners asked about the programs that the facility would house. College staff stated the facility would primarily house its health care programs and that it expects to see the program expand over the next three years. Commissioners also asked if the institution felt confident with its \$1.5 million contingency amount. College staff stated they are confident with the contingency amount since the contractor for the project will absorb any additional cost above the projected amount for renovation and construction.

Commissioner Dyer moved to approve, and Commissioner White seconded the motion. The motion carried unanimously.

E. South Carolina State University

- i. Reserve Officers Training Corp Center: Establish Project (Phase I)
South Carolina State University sought a recommendation from the Committee on Finance and Facilities to begin the planning stage to construct a 47,000 square foot replacement ROTC facility. The university is anticipating receipt of federal funds to cover the cost of construction. Commissioners asked when the university expects to receive the federal funds. University staff stated that being able to apply for the federal funds is contingent upon state approval to establish the pre-design stage and that they anticipate notification in December 2023.

Commissioner Mobley moved to approve, and the motion was seconded by Commissioner White. The motion carried unanimously.

F. The Citadel

- i. Engineering Replacement Building: Establish Project (Phase I)
The Citadel sought a recommendation from the Committee on Finance and Facilities to begin the planning stage to replace LeTellier Hall, its 86-year-old engineering building, with a new construction. The new building will be 100,000 square feet, providing a modern space for students, faculty, and staff. Commissioners asked questions regarding funding for the project. Institution staff stated they will use state appropriations and gifts. The Citadel stated it has been banking state funds for this particular project and does not anticipate the need to issue bonds.

Commissioner Dyer moved to approve, and Commissioner Mobley seconded the motion. The motion carried unanimously.

G. University of South Carolina – Columbia

- i. Green and Garnet I – Energy Optimization: Establish Project (Phase I)
The University of South Carolina – Columbia sought a recommendation from the Committee on Finance and Facilities to perform campus-wide energy upgrades. Commissioners asked the institution if it anticipated any risks with this project. The university stated it did not anticipate any risks with this project because its proposed contractor, Siemens, is guaranteeing returns. As a result, if the energy

improvements do not lead to projected cost savings, Siemens will absorb the costs. Commissioner Dyer moved to approve, and Commissioner Mobley seconded the motion. The motion carried unanimously.

5. Leases

A. Medical University of South Carolina

i. Fishburne Ballpark Parking Lot: *Two-Year Term*

The Medical University of South Carolina sought a recommendation from the Committee on Finance and Facilities to continue leasing parking spaces from the City of Charleston. In March 2021, the Commission approved leasing 1,143 spaces; that lease included an option for the university to extend the lease up to two more years. This request is to invoke that option. The maximum amount over the two-year term is \$1.37 million, which depends on the rate of inflation. Commissioners asked if the use of the parking lot generates funds for the institution. University staff stated that there is no charge for usage of the parking lot, but parking revenue supports the institutions parking system.

Commissioner White moved to approve, and Commissioner Dyer seconded the motion. The motion carried unanimously.

6. Other Business

A. Permanent Improvement Projects Staff Approvals: June and July

Georges Tippens provided an overview of the projects staff approved during June and July as an informational item.

B. CHE Annual Budget Report

Mr. Bryce Wilson provided the Committee an update on CHE End of Year budget report for FY23.

C. Other Business

Commissioners had a brief discussion regarding updating the Finance and Facilities Committee's statement of purpose. Commissioner Batson asked that Commissioners Dyer and White work with the Commission on Higher Education staff to develop a draft version for the Committee to use as a starting point for discussion.

When there were no more comments or remarks, the meeting adjourned at 11:52 a.m.