

# South Carolina Commission on Higher Education

Finance and Facilities Committee Meeting

June 1, 2023

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## MEETING MINUTES

COMMITTEE ON FINANCE & FACILITIES

JUNE 1, 2023

COMMISSION ON HIGHER EDUCATION

A meeting of the South Carolina Commission on Higher Education's Finance and Facilities Committee was held on June 1, 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 11:06 a.m. and noted the establishment of a quorum of Committee Members. Upon Commissioner Batson's request, Georges Tippens introduced guest attendees.

Committee members present for this meeting were Commissioner Edgar Dyer, Vice Chair; Commissioner Hugh Mobley; and Commissioner Dino Teppara. Commissioner Patrick White did not attend this meeting but had an excused absence. The attending members of the Committee adopted the agenda as presented.

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

Guest attendees from colleges and universities were Laura Stoner, David Watson, Tyler Saas, , Clemson University; President Michael Benson, David Frost, Rein Mungo, Lindsey Loewer, Coastal Carolina; John Morris, 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 and Derek Gruner, University of South Carolina-Columbia; James Grigg, Winthrop University; John Catalano, and Palmetto College;

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

### **2. Approval of Minutes**

Commissioner Dyer motioned for the approval of the minutes from the May 4, 2023, meeting. Commissioner Teppara seconded, and the motion passed unanimously.

### **3. Chair's Report**

Chairman Batson gave remarks regarding the 19 projects on the agenda. Chairman Batson stated the Committee had allotted 3 hours for the meeting so all projects could be presented and any questions from the Committee could be answered, if applicable. Chairman Batson thanked the Spartanburg Community College for hosting the meeting. He also thanked the staff of University of South Carolina-Upstate for hosting meetings and tours during the week. Lastly, Chairman Batson thanked former Chair, Charles Dalton, for his leadership and guidance.

### **4. Permanent Improvement Project Approvals**

The following projects were presented for recommendation and approval:

#### **A. Clemson University**

- i. Computer Court CURF Property Acquisition: Establish Project (Phase I)  
Clemson University sought the recommendation of the Committee on Finance and Facilities to perform due diligence related to receiving 1.1 acres of land from the Clemson University Research Foundation at no cost. Commissioners asked whether

there were future plans for this project. Clemson staff stated there are no plans for future projects for the property. Clemson staff further stated Computer Court CURF property will be combined with adjoining properties owned by the university.

Commissioner Dyer – Moved to Approve  
Commissioner Teppara – Seconded  
The motion carried unanimously.

ii. Tillman Hall Auditorium Renovation: *Increase Budget (Phase II)*

Clemson University sought a recommendation from the Committee on Finance and Facilities to begin the construction phase of a project to renovate approximately 13,000-square feet of the 130-year-old, 95,700-square foot Tillman Hall Auditorium. Commissioners asked questions regarding how this project would affect Clemson's bond rating, and what would be the main source of funding. Clemson staff stated their bond rating would not be affected by the cost of this project. Further, Clemson staff stated the funds would come from maintenance and stewardship funds.

Commissioners asked if excess debt service would affect the university's bond rating, to which the institution replied that its bond rating would not be affected. University staff was also asked by Commissioners how excess debt service is replaced. Clemson staff stated that funds are replaced when enrollment increases and there is less need for planned projects.

Commissioners also inquired about the status of the name change of Tillman Hall. The response given to the Committee was that the name change cannot take place without approval of General Assembly.

Commissioner Dyer – Moved to Approve  
Commissioner Teppara – Seconded  
The motion carried unanimously.

**B. Coastal Carolina University**

i. Indoor Practice Facility Construction: *Increase Budget (Phase II)*

Coastal Carolina University sought a recommendation from the Committee on Finance and Facilities to begin the construction phase of a project to construct an approximately 90,000-square foot indoor football practice facility. Commissioners asked if tuition rates would be affected by the cost of this project. Coastal Carolina staff stated that there would be no increases in tuition rates. Coastal Carolina staff further stated that the source of funding for the project from university funds is auxiliary funds from bookstore commission, food services, and vending services.

Commissioner Dyer – Moved to Approve  
Commissioner Teppara – Seconded  
The motion carried unanimously.

**C. College of Charleston**

i. Grice Marine Lab Annex Renovation: *Establish Project (Phase I)*

The College of Charleston sought a recommendation from the Committee on Finance and Facilities to begin the planning stage to comprehensively renovate Grice Marine Lab, a 7,000-square foot historic building on James Island that College of Charleston owns in partnership with the Medical University of South Carolina used to support the college's marine biology master's degree program. Commissioners asked which programs would be supported by the establishment of this project. College of Charleston staff responded that multiple programs would benefit from this project, including undergraduate programs, graduate programs, the Marine Science program, and summer

research programs. Commissioners inquired about the projected timeline. College of Charleston staff stated they believe project construction will begin within the next 2-3 years.

Commissioner Dyer – Moved to Approve  
Commissioner Teppara – Seconded  
The motion carried unanimously.

- ii. School of Education Exterior Repairs: *Establish Project (Phase I)*  
College of Charleston sought a recommendation from the Committee on Finance and Facilities to begin the planning stage to perform exterior renovations to a 2007 addition to its school of education, which is 21,000-square feet. Included in the scope of work is repairing and/or replacing windows and doors, replacing the 16-year-old roof, and exterior siding and molding work. Commissioners inquired whether the roof had a warranty. College of Charleston staff stated that while the roof did come with a warranty, there were required maintenance and inspections regarding the roof that may not have been consistently performed. College staff added that they are considering pursuing remedies against original parties of the annex construction and briefed Commissioners on the results from a separate litigation involving McAlister Hall.

Commissioner Dyer – Moved to Approve  
Commissioner Teppara – Seconded  
The motion carried unanimously.

- iii. Sottile Theater Envelope, Safety, and HVAC Upgrades: *Establish Project (Phase I)*  
College of Charleston sought a recommendation from the Committee on Finance and Facilities to begin the planning stage to perform exterior renovations, life safety upgrades, and HVAC replacement for the Sottile Theatre, a 59,000-square foot performing arts venue. No questions were asked of the College of Charleston by the Commissioners regarding this project.

Commissioner Dyer – Moved to Approve  
Commissioner Teppara – Seconded  
The motion carried unanimously.

#### D. Medical University of South Carolina

- i. Acquisition of College of Health Professions A,B, Ashley Rutledge Garage and donation of 12 Properties: *Establish Project (Phase I)*  
Medical University of South Carolina sought the recommendation of the Committee on Finance and Facilities to perform due diligence related to acquiring three standalone structures and twelve properties from its foundation. Commissioners asked if the cost of this project would impact the university's bond rating. MUSC staff responded that their bond rating would not be affected because they are using university and hospital reserves as their source of funding for this project. Commissioners inquired about how clinical revenue was generated. MUSC staff responded that clinical revenue was generated by the medical university practice plan which is funded by the professional fees paid by physicians.

Commissioner Dyer – Moved to Approve  
Commissioner Mobley – Seconded  
The motion carried unanimously.

- ii. College of Medicine Office and Academic Building: Increase Budget (Phase II)  
The Medical University of South Carolina (MUSC) sought a recommendation from the Committee on Finance and Facilities to begin construction of a 187,000-square foot building as a new home for its College of Medicine. The cost of the project is \$200 million, and Commissioners asked MUSC if they felt confident that this amount would cover the cost of the project. MUSC staff stated they felt confident that this amount would cover the cost of the project. Further, staff informed Commissioners that any additional cost would be covered by the university's foundation.

Commissioner Mobley – Moved to Approve  
Commissioner Dyer – Seconded  
The motion carried unanimously.

- iii. College of Health Professions President Street Academic Building: Phase II Budget Increase  
The Medical University of South Carolina (MUSC) sought a recommendation from the Committee on Finance and Facilities to increase its already approved \$50,000,000 construction budget by an additional \$20,000,000. Commissioners inquired as to whether initial construction plans had changed causing the university to request an increase in budget. MUSC staff responded that the initial construction plans had not changed. The original estimate was given before a construction manager, who would have more expertise on cost of materials and construction, was brought in to oversee the project.

Commissioner Mobley – Moved to Approve  
Commissioner Dyer – Seconded  
The motion carried unanimously.

#### E. Tri-County Technical College

- i. Pendleton Campus Pickens Hall Renovation: Establish Project (Phase I)  
Tri-County Technical College sought a recommendation from the Committee on Finance and Facilities to begin the planning stage to perform a comprehensive renovation of Pickens Hall, a 60-year-old, 40,200-square foot facility last renovated twenty years ago. Commissioners had no questions regarding this project.

Commissioner Dyer – Moved to Approve  
Commissioner Mobley – Seconded  
The motion carried unanimously.

#### F. University of South Carolina – Aiken

- i. Softball Facility Construction: Increase Budget (Phase II)  
University of South Carolina-Aiken sought a recommendation from the Committee on Finance and Facilities to begin the construction stage to relocate its softball field near its baseball stadium. University staff mentioned that there is a draft proviso to fund the project costs with legislative appropriations. Commissioners asked Georges Tippens if the Board approves this project for \$2.6 million coming from institutional funds if there is a proviso whether the Board need to take additional action. Mr. Tippens responded that staff have authority to approve the source of funds change.

Commissioner Dyer – Moved to Approve  
Commissioner Mobley – Seconded

The motion carried unanimously.

**G. University of South Carolina – Columbia (USC)**

- i. Health Sciences Campus Land Acquisition: *Establish Project (Phase I)*  
University of South Carolina-Columbia sought a recommendation from the Committee on Finance and Facilities to perform due diligence related to receiving 16 acres of land from the University of South Carolina Development Foundation. Commissioners had no questions regarding this project.

Commissioner Mobley – Moved to Approve  
Commissioner Dyer – Seconded  
The motion carried unanimously.

- ii. Norfolk Southern Railway Parcels Land Acquisition – *Establish Project (Phase I)*  
University of South Carolina-Columbia sought a recommendation of the Committee on Finance and Facilities to perform due diligence related to acquiring four parcels, totaling 3.15 acres, from Norfolk Southern Railway. Commissioners had no questions regarding this project.

Commissioner Dyer – Moved to Approve  
Commissioner Mobley – Seconded  
The motion carried unanimously.

- iii. River Property Land Acquisition – *Establish Project (Phase I)*  
University of South Carolina-Columbia sought a recommendation of the Committee on Finance and Facilities to perform due diligence related to acquiring four parcels, totaling 589 acres, from the USC Development Foundation. Commissioners stated that the packet notes \$3.39 million is available in the reserve account and asked USC – Columbia staff if the project would cause the reserve fund to be depleted. USC – Columbia staff stated that the estimated cost of the project is \$3.3 million, and that the university has planned to use the reserve account, which was funded by a different property sale, for this specific purpose.

Commissioner Mobley – Moved to Approve  
Commissioner Dyer – Seconded  
The motion carried unanimously.

- iv. 1114 Pickens Street Land & Building Acquisition – *Scope Revision (Phase II)*  
The University of South Carolina-Columbia sought a recommendation from the Committee on Finance and Facilities to acquire a 0.19-parcel containing a 96-year-old, 5,476-gross square foot building. The 1114 Pickens Street property is owned by the USC Development Foundation, which is donating the property to the university. There were no questions from Commissioners regarding this project.

Commissioner Mobley – Moved to Approve  
Commissioner Dyer – Seconded  
The motion carried unanimously.

- v. Thornwell College Maintenance Renovation: *Increase Budget/Scope Revision (Phase II)*  
The University of South Carolina-Columbia sought a recommendation from the Committee on Finance and Facilities to revise the scope and increase the construction budget of its already approved Phase II project to perform renovations to Thornwell College, a 110-year-old, 38,400-square foot building. Commissioners asked questions regarding what led to the scope change and if the funding source

for this project would be depleted. USC – Columbia staff responded that university leadership wants more students living in the heart of campus, therefore, the university is planning to add more living space to Thornwell. Staff also stated that the funding source is replenished yearly, and other projects would likely be delayed to recover the fund balance.

Commissioner Dyer – Moved to Approve  
Commissioner Mobley – Seconded  
The motion carried unanimously.

#### H. University of South Carolina – Upstate

- i. Rampey Building Expansion and Renovation: *Establish Project (Phase I)*  
University of South Carolina-Upstate sought a recommendation from the Committee on Finance and Facilities to begin the planning stage to construct a 5,000-square foot expansion to its health services facility, which is a 2,400-square foot former house build in 1995. In addition to the expansion, this project will perform minor interior renovations to the area in the current facility connecting to the expansion. Commissioners had no questions regarding this project.

Commissioner Dyer – Moved to Approve  
Commissioner Mobley – Seconded  
The motion carried unanimously.

- ii. 151 Smith Circle Property Acquisition: *Scope Revision (Phase II)*  
The University of South Carolina-Upstate sought a recommendation from the Committee on Finance and Facilities to acquire 1.13 acres of land that contains a 21-year-old, 5,000-square foot building from its foundation. The 151 Smith Circle property is currently leased by USC-Upstate. Lease terms allow the university to acquire the property at no cost. The Commissioners had no questions regarding this project.

Commissioner Mobley – Moved to Approve  
Commissioner Dyer – Seconded  
The motion carried unanimously.

8000 Valley Falls Road Property Acquisition: *Scope Revision (Phase II)*  
The University of South Carolina-Upstate sought a recommendation from the Committee on Finance and Facilities to acquire 6.07 acres of land that contain a 28,336-square foot building along with an annex building. The 8000 Valley Falls Road property is currently leased by USC-Upstate. Lease terms allow the university to acquire the property at no cost. Commissioners had no questions regarding this project.

Commissioner Mobley – Moved to Approve  
Commissioner Dyer – Seconded  
The motion carried unanimously.

#### 5. Other Business

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

Georges Tippens provided the Committee an overview of staff approved projects during May and June for information purposes.

##### B. Other Business

When there were no further remarks or comments, the meeting adjourned at 11:38 a.m.