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University of South Carolina  
BOARD OF TRUSTEES  
Buildings and Grounds Committee  
February 23, 2006

The Buildings and Grounds Committee of the University of South Carolina Board of Trustees met on Thursday, February 23, 2006, at 10:30 a.m. in the 1600 Hampton Street Board Room.

Members present were: Mr. William C. Hubbard, Chairman; Mr. Arthur S. Bahnmuller; Mr. James Bradley; Mr. Mark W. Buyck, Jr.; Mr. John W. Fields; Dr. C. Edward Floyd; Mr. Samuel R. Foster, II; Mr. William C. Hubbard; Mr. William W. Jones, Jr.; and Mr. Toney J. Lister; Mr. Herbert C. Adams, Board Chairman and Mr. Miles Loadholt, Board Vice Chairman. Other Trustees present were: Ms. Rita M. McKinney; Mr. M. Wayne Staton; Mrs. Inez M. Tenenbaum; Mr. John C. von Lehe, Jr.; Mr. Eugene P. Warr, Jr.; and Mr. Othniel H. Wienges, Jr.

Others present were: President Andrew A. Sorensen; Secretary Thomas L. Stepp; Executive Vice President for Academic Affairs and Provost Mark P. Becker; Vice President and Chief Financial Officer Richard W. Kelly; Vice President for Research and Health Sciences Harris Pastides; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice President for Student Affairs Dennis A. Pruitt; Vice President for Human Resources Jane M. Jameson; General Counsel Walter (Terry) H. Parham; Vice Provost and Executive Dean for Regional Campuses and Continuing Education Chris P. Plyler; Dean of USC Lancaster John Catalano; Executive Dean of the South Carolina College of Pharmacy Joseph DiPiro; Executive Associate Dean, Arnold School of Public Health, Cheryl Addy; Assistant Treasurer Susan Hanna; Director of Finance and Budget, Division of Business and Finance, William P. Bragdon; Director, Department of Internal Audit Alton McCoy; Assistant to the Vice President, Division of Business and Finance, Ken Corbett; Director for Financing & Reporting, Office of the Controller John H. Campbell; Controller Patrick M. Lardner; University Legislative Liaison John D. Gregory; Executive Director, Office of Foundations, Susie H. VanHuss; Campus Planning and Construction Director & University Architect Charles G. Jeffcoat; Campus Planning and Construction Executive Assistant Donna Collins; Director of Periodicals, University Publications Chris Horn; Chief Financial Officer, Office of Foundations, Russell H. Meekins; Professor in the College of Pharmacy and Chair of the Faculty Senate C. Eugene Reeder; Director of Facility Services James D. Demarest; Chair of the Development Foundation Thomas E. Suggs; Public Information Officer, Office of Media Relations, Karen Petit; Student Government Association President Justin Williams; Holder Properties representatives Clark Gove, Nathan Hedges, John Holder

and Tim Bright; Director of University Communications, Division of University Advancement, Russ McKinney, Jr.; and members of the media.

Chairman Hubbard called the meeting to order and stated that notice of the meeting had been posted and the press notified as required by the Freedom of Information Act; the agenda and supporting materials had been circulated to the members; and a quorum was present to conduct business.

Chairman Hubbard welcomed everyone. Mr. McKinney introduced members of the media who were in attendance.

Chairman Hubbard called on Mr. Kelly for a special presentation and introductions. Mr. Kelly stated that for the past three years efforts had been made to improve the physical appearance of the Columbia Campus. Many students and their families who had visited the campus had commented on the attractiveness of the campus. Efforts to maintain it are ongoing. Mr. Kelly stated that last year, Mr. Hubbard requested him, Tom Knowles and Joe Rodgers to visit the Vanderbilt campus, because it was a model campus and was established as a national Arboretum. USC applied for that same recognition and received notification that the Columbia campus was designated as having Arboretum status by the American Association of Botanical Gardens and Arboreta (AABGA). Also, the University was one of two recipients to receive the Grand Award of Higher Education Ground Management which was presented by the Professional Grounds Management Society (PGMS) and Landscape Management Magazine.

The Grand Award was the acknowledgement of the grounds and facilities as being the best in the nation. Mr. Kelly introduced Tom Knowles who introduced the rest of his team. He thanked his team for their support over the past several years. They were greeted by applause from the Board.

In addition, Mr. Hubbard expressed his appreciation for all of their hard work and stressed the importance of their jobs to the University as we try to attract new faculty, students and staff and maintain an excellent living/learning environment.

#### Open Session

I. 1321 Pendleton Street Acquisition: Mr. Hubbard called on Mr. Kelly who reported that this project was to acquire the property located at 1321 Pendleton Street, Columbia, SC. The property was a 0.24 acre (10,263 square feet) site improved with a 16,240 gross square foot two-story office building constructed in 1952. There was no on-site parking for the property.

The property was currently leased by the University of South Carolina and was occupied by the South Carolina Institute of Archeology and Anthropology.

A Phase I Environmental Site Assessment had been performed. Problems included one heating oil UST, vehicle tire, acetone, and paint. No Phase II Environmental Site Assessment recommended provided the items of concern were removed. The property had been appraised at \$690,000. The University had been offered the right of first refusal to purchase the property for up to \$550,000. Once the project received Board approval the next step in the process was to receive approval from the S.C. Budget and Control Board.

Mr. Bradley made an inquiry as to how much the University was paying to lease the property now and whether the University was better off leasing or buying. Mr. Kelly stated, off hand, he was unsure of the leased cost; however, the owner was going to sell the property to some party there were other people interested in purchasing the property.

Mr. Bahnmuller inquired about parking. Mr. Kelly stated that parking was limited. Currently, the S.C. Institute of Archeology and Anthropology was housed on the property and their staff could use University parking that is available elsewhere.

Mr. Hubbard called for a motion to acquire the property located at 1321 Pendleton Street for \$550,000 to be funded with Institutional Funds. Mr. Foster so moved. Mr. Lister seconded the motion. The vote was taken, and the motion carried.

II. 513 Pickens Street Renovations (USC ROTC Center): Mr. Kelly reported that this project was to upgrade the vacant Naval Reserve Center and to relocate the three University ROTC detachments to the facility. The scope of work included providing connectivity to University data and communication services, partial HVAC repair and expansion, code improvements, and the conversion of offices classrooms, and common spaces to University standards.

Mr. Buyck commented that he hoped the University would extend the USC fencing from the dormitory. Mr. Kelly stated that the University was planning to continue the fencing around the curve in that area, as well as up Blossom Street.

Mr. Hubbard called for a motion to establish this project with a budget of \$690,000 funded with Institutional Funds. Mr. Lister so moved. Mr. Buyck seconded the motion. The vote was taken, and the motion carried.

III. Williams-Brice Stadium Elevator Addition: Mr. Kelly stated that this project would add an elevator at Williams Brice Stadium. The elevator would be installed in a vacant shaft of the existing elevator tower on the west side of the stadium. The additional elevator would provide improved service to patrons during peak travel times while attending events at the stadium.

Discussion ensued regarding the source of funds and the amount of funds. Mr. Kelly stated that trademark and licensing funds were University funds. The University retained all trademark and licensing revenues. Some of the funds were allocated to scholarships which were a source of the Law School scholarships recently allocated, and some allocated to Athletics for operations. Mr. Kelly pointed out that this project was a one-time expenditure not a recurring expenditure.

Mr. Hubbard called for a motion to establish this project with a budget of \$275,000 funded with Auxiliary (trademark and licensing) Funds. Mr. Bahnmuller so moved. Mr. Foster seconded the motion. The vote was taken, and the motion carried.

IV. Williams-Brice Stadium Exterior Painting: Mr. Kelly stated that this project was to paint the exterior of Williams Brice Stadium. Areas to be addressed were the lower portion of the structural supports (bents) for the stadium lighting on the north section of the east side and the catwalk and lower portion of the bents

on the west side. As funding allowed, the upper portion of the bents would also be included.

Mr. Hubbard called for a motion to establish this project with a budget not to exceed \$500,000 funded with Athletics Funds. Mr. Lister so moved. Mr. Foster seconded the motion. The vote was taken, and the motion carried.

V. Computer Annex Emergency Generator Installation: Mr. Kelly reported that this project was to install an emergency generator at the Computer Center Annex. The generator would provide backup power to the main computer room and to the associated chillers and pumps required to provide adequate cooling for operations. This computer room houses the equipment that provides critical systems necessary for University operations.

Mr. Hubbard called for a motion to establish this project with a budget of \$275,000 funded with University Technology Services departmental funds. Mr. Bradley so moved. Mr. Jones seconded the motion. The vote was taken, and the motion carried.

VI. School of Public Health Construction: Mr. Kelly reported that this project was currently funded with multiple sources of funds including State Capital Improvement Bonds, Institution Bonds, Federal Grant Funds, Asbestos Trust Funds, Private Funds, and Institutional Funds (Indirect Cost Recovery Funds).

It was proposed that the Private Funds and Institutional Funds be replaced with Bond Funding, and that Indirect Cost Recovery funds be used to issue the bonds.

This change would fund the current \$31,550,000 budget as listed below:

\$ 3,500,000	State Capital Improvement Bonds
\$17,771,984	Bonds
\$ 9,928,016	Federal Grant Funds
\$ 350,000	Asbestos Trust Funds

This proposal was not to increase the project but simply reallocate the money now necessary to fund the project and complete the construction.

Mr. Hubbard called for a motion to change the source of funds from Institution Bonds, Private Funds, and Institutional Funds to Bond Funding. Mr. Foster moved. Mr. Jones seconded. The vote was taken, and the vote carried.

VII. Public Health Research Building: Mr. Kelly reported that this project had been previously approved in April of 2005 as part of the Research Campus Development. This action was to designate the funding source as \$25 million in Bond Funding.

Mr. Kelly stated that adjacent to the Arnold School of Public Health was our new Public Health Research Building. He stated that public and private funds would be used for this project (\$58 million would be state funds, \$34 million city and county funds, \$26 million from Craig Davis, our private partner in the research campus development and other revenue.)

Mr. Hubbard called for a motion to designate the funding source for this project as \$25 million in Bond Funding. Mr. Buyck so moved. Mr. Jones seconded the motion. The vote was taken, and the motion carried.

VIII. USC Campus Master Plan: Mr. Kelly showed renderings of the campus Master Plan. The Master Plan extended down to Huger Street and the area along the river which would be the site for the new baseball stadium.

Mr. Kelly reported that in July 2005, the University advertised in the "South Carolina Business Opportunities" its intent to issue a contract with Sasaki Associates of Watertown MA for campus master planning services for a period of five years. Other firms believing they were more qualified than Sasaki to provide master planning service to the University were invited to respond. No other firms indicated an interest in the project.

Mr. Kelly stated that in an effort to respond to our need for immediate planning services related to the Research Campus, Sasaki was asked to provide proposals for various tasks. The various tasks and Sasaki's proposal for each were as follows:

Master Planning and Urban Design Services

1) Riverfront Property Master Plan	\$55,000
2) Research Campus Master Plan	125,000
3) Wayfinding Analysis and Strategy Plan	55,000
4) Transportation and Parking Plan	80,000
5) Athletic Master Plan	150,000
6) Baseball Site Drawings for PUD Application	8,500
7) Presentation Materials for Public Representation	95,500
8) Architectural, Landscape and Sustainability Guidelines	100,000
9) Update of the Main Campus Master Plan	75,000
Total:	\$744,000

Because time was of the essence for additional Research Campus Master Planning and because this included coordination with proposed riverfront property development, Sasaki was authorized to proceed with tasks one and two. The contract amount for these two tasks totaled less than \$250,000. Additionally, Sasaki had been asked for a proposal on services for the following:

Master Planning and Urban Design Additional Services

10) Conceptual Design for Foundation Square	\$25,000
11) Riverfront Park/Innovista Cost Estimates	9,900
12) Research into Public/Private Investment	8,500
13) Phasing Strategy for Innovista/River Development	7,200
Total:	\$50,600

Sasaki had also been authorized to proceed with tasks 11, 12 and 13. The total amount of work authorized to date was \$205,600.

Additionally, Sasaki had been asked to make a proposal on a related, but completely separate, planning study for the adaptive reuse of the Carolina Coliseum. The Coliseum proposal was as follows:

- 14) Coliseum Adaptive Reuse \$125,000

To proceed with the remaining important master planning tasks and future master planning, Board approval was required in advance of commissioning Sasaki to implement the work.

Mr. Hubbard called for a motion to approve the 14 identified planning tasks totaling \$919,600. In addition, the Board was asked to approve the authorization of additional master planning tasks as they were identified during the upcoming five year term of the agreement with Sasaki provided no single task exceeded \$250,000.

Further tasks accomplished under this agreement would be reported to the Board annually, or as requested.

Funding for the Master Plan work would be from Institutional Capital Project Funds (ICPF).

Chairman Hubbard called for a motion for approval of the proposal and as described in the materials distributed for this meeting. Mr. Bradley so moved. Mr. Foster seconded the motion. The vote was taken, and the motion carried.

Mr. Bradley asked-- based on these massive plans that would come out of this study, how much borrowing capacity the University has left to take these plans and begin initiating them? Mr. Kelly responded that the University had approximately \$50 million worth of capacity.

Mr. Buyck commented that the contract prices were rather shocking to him and that Sasaki was a sole source. He asked whether these prices were competitive in the market. Mr. Kelly responded that the prices were competitive and the Administration did some pricing against other firms that were interested in this work and the prices are in line with what a firm of this caliber is able to get.

Ms. McKinney asked if the authorization for additional tasks up to \$250,000 is for tasks that are not on this list of 14 or could it include some things that generally might be on this list.

Mr. Kelly responded that there were some things that are not on the list; however, \$919,000 will cover most of the things that we have talked about.

Mr. Hubbard amended the motion that the Board be apprised of the additional requests of less than \$250,000 prior to entering into the work because the cumulative effect of those projects could be a significant sum of money.

Mr. Jones asked if there was an opportunity to terminate this contract under certain circumstances or was this an overall commitment for five years for this amount of money for these projects. Mr. Kelly responded that the \$919,000 will be completed in the next twelve to eighteen months. The five years is to give the Administration the opportunity for things we are not conceiving right now.

Mr. Foster made an inquiry that, given the bond indebtedness report that the Board had received, and with the reduction of debt service that was ongoing, was the Administration trying to line up how to finance some of these projects with the reduction in debt?

Mr. Kelly stated that utilizing the indirect cost recoveries to help fund the two projects that were before us was one way what you asking has been done. Also, the Administration was looking at different funding options for the baseball stadium.

It was understood that the motion on this item would read and amended by Chairman Hubbard.

IX. SCANA Land Acquisition: Mr. Kelly reported that this Project was to acquire 14 parcels of vacant land and improved properties currently owned by South Carolina Electric & Gas Company and/or one of their related companies. There are 11 vacant sites and three improved properties. The properties

contain approximately 29 acres with 105,000 square feet in improvements. Improvements consist of warehouses, a former mill building, and office buildings. The properties are located in the Assembly Street area, south of the central business district of the city of Columbia, but within the city limits. The appraised value of the properties is \$3,891,000.

Mr. Hubbard called for a motion to acquire the SCANA property as described in the materials distributed for the meeting. The acquisition price was not to exceed the appraised value of \$3,891,000 and would be funded with Institutional Funds.

Mr. Bradley so moved. Mr. Lister seconded the motion. The vote was taken, and the motion carried.

X. 2006 Comprehensive Permanent Improvement Plan (CPIP): Mr. Kelly reported that each state agency responsible for providing and maintaining physical facilities was required to submit to the State Budget and Control Board a Comprehensive Permanent Improvement Plan (CPIP) to include all permanent improvement projects planned for a five year period.

The projects included in the first year of the plan were permanent improvement projects expected to be implemented with funds already available or that the institution could reasonably expect to become available that fiscal year. No projects were submitted requiring Board of Trustees approval.

Also, the CPIP includes projects for which funding would be requested from the General Assembly. Projects which were expected to be funded by capital improvement bond funds were included in the plan even though it was understood that the CPIP process was the actual vehicle for requesting such funds. This was simply a plan for which funds will be requested through the capital budget request process.

Project	Project Budget	CIB Request
USC Columbia		
School of Law New Building Construction	\$65 million	\$20 million
Gibbes Green Historic Facilities Renovations (LeConte/Petrigru/Infrastructure)	\$32.8 million	\$22.9 million
New Classroom Building Construction	\$18.4 million	\$18.4 million
USC Aiken		
New Academic Center	\$12.2 million	\$11.5 million
USC Beaufort		
South Campus Classroom Building	\$6,327,728	\$6,327,728
Marine Science Building Renovation and Addition	\$2,451,294	\$2,451,294
Performing Arts Center Renovation	\$3,876,434	\$3,876,434
USC Upstate		
Information Resource Center Construction	\$21.8 million	\$16.8 million
Classroom and Student Support Building Repairs and Renovation	\$5.2 million	\$5 million
Deferred Maintenance	\$3 million	\$3 million
USC Lancaster		
Campus Renovations	\$4,110,000	\$4,110,000
USC Salkehatchie		
Walterboro Classroom Building Renovation; Science Laboratories	\$2,442,960	\$2,442,960
Allendale Classroom Building HVAC	\$561,600	\$561,600

<b>Installation</b>		
<b>Facilities Upgrades</b>	\$1,083,500	\$1,083,500
<b>Technology Center Construction</b>	\$12,231,090	\$10,231,090
<b>USC Sumter</b>		
<b>Instructional Laboratories Building</b>	\$11,825,000	\$11,825,000
<b>Deferred Maintenance Items</b>	\$1,450,000	\$1,450,000
<b>USC Union</b>		
<b>Facility Upgrades</b>	\$700,000	\$700,000
<b>Campus Site Redevelopment</b>	\$1,000,000	\$1,000,000

Mr. Hubbard stated that the report was received as information.

XI. Other Matters: Chairman Hubbard called on Tommy Suggs to update the Committee on Foundation matters. Mr. Suggs introduced Mr. Holder and asked him to make a brief presentation. Mr. Holder introduced his colleagues, Clark Gove, Tim Bright and Nathan Hedges who would be involved in this project. Mr. Holder stated that the project was presented to the Board previously was now being called ADESSO. The project was a five-story building of condominiums over a story of retail shops and two levels of parking below grade. It was located at the corner of Main and Blossom Street and it would be a high quality condominium of 115 one, two and three bedrooms units that would range in price from \$250,000 to \$500,000. Mr. Holder showed renderings of the property. Phase I would be Main, Blossom, Assembly and Devine Streets. In Phase II, he hoped to work out something with the Mormon Church and the parking area around the Holiday Inn. Several businesses would be displaced and would need to relocate by April 15. The project would include a swimming pool, pool house, fitness center, gardens on an amenities deck. There was approximately 5000 feet of retail space.

Chairman Hubbard thanked Mr. Holder for keeping the committee up to date on this project and stated that he appreciated the cooperative spirit in which they were developing this property to make it fit into the Master Plan.

Mr. Lister made inquiry regarding the cost of renovating the Osborne Building. Mr. Kelly responded that the final work was being done in the Provost's area downstairs. There were multiple projects associated with the renovations. Mr. Kelly stated that he would give Mr. Lister an itemized list of the projects, their costs, and source of funding. Mr. Lister stated that the renovations were attractive; however, to his knowledge the project did not come before the Committee. Mr. Kelly responded that the various projects were less than \$250,000 and had not required board approval.

Mr. Foster commended Mr. Kelly and his staff for the outstanding job they were during in managing the assets of the University. The auditors report for last year stated that the overall financial position was strong and the University had increased our unrestricted net assets. Having recognized that, he suggested that Mr. Kelly continue to look at ways to finance our projects or stage our projects so that the University can accomplish the Master Plan.

Mr. Kelly stated that the financial audits were mailed to the Board from the State Auditor's Office. The state-wide financial audits of the USC were conducted

under the auspices of the State Auditor's office. For eight years, our financial team had produced audit reports that had no audit exceptions. Our current and former Controllers and financial advisors have done and outstanding job in accomplishing this. The University is one of the top fifteen public institutions in the country in credit ratings.

Mr. Bahnmuller reminded the Board of the property off of Bluff Road at the Farmers Market which was now owned by the University. There was 1000 feet on Bluff Road and going back 5,000 feet. He suggested paving the first part of it for parking for football games to increase contributions for the Gamecock club. On January 1, 2008, the University would take possession of the property.

Since there were no other matters to come before the Committee, Chairman Hubbard declared the meeting adjourned at 12:30 p.m.

Respectfully submitted,

Thomas L. Stepp  
Secretary