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University of South Carolina
BOARD OF TRUSTEES

Buildings and Grounds Committee – Called Meeting

June 21, 2019

The Buildings and Grounds Committee of the University of South Carolina Board of Trustees met at 10:00 a.m. in a called meeting on June 21, 2019, in the C. Edward Floyd Boardroom at the Pastides Alumni Center.

Members participating were: Mr. William C. Hubbard, Chairman; Mr. C. Dan Adams; Mr. J. Egerton Burroughs; Mr. Miles Loadholt; Ms. Leah B. Moody; Mr. Eugene P. Warr Jr.; Mr. Thad H. Westbrook; Mr. John C. von Lehe Jr., Board Chairman; and Mr. Hubert F. Mobley, Board Vice Chairman. Mr. Toney J. Lister was absent.

Other Trustees participating were: Mr. Chuck Allen; Mr. Robert F. Dozier Jr.; Dr. C. Edward Floyd; Mr. Richard A. Jones Jr.; Dr. C. Dorn Smith III; Ms. Molly M. Spearman; and Mr. Charles H. Williams; with Ms. Rose Buyck Newton and Mr. Mack I. Whittle Jr. joining by telephone.

Also present were USC Columbia Faculty Senate Chairman Marco Valtorta and Columbia Student Government President Luke Rankin.

Others present were: President Harris Pastides; Interim President-Elect and USC Upstate Chancellor Brendan Kelly; Secretary J. Cantey Heath Jr.; General Counsel Walter “Terry” H. Parham; Interim Provost and School of Music Dean Tayloe Harding; Chief Operating Officer Edward L. Walton; Vice President for Student Affairs Dennis A. Pruitt; Vice President for Human Resources Caroline Agardy; Vice President for Information Technology Doug Foster; Vice President for Facilities and Transportation Derrick Huggins; Chief Advancement Officer and Senior Advisor to the President Paula Harper Bethea; Interim Chief Communications Officer Sally McKay; USC Aiken Chancellor Sandra Jordan; USC Beaufort Chancellor Al Panu; Palmetto College Chancellor Susan Elkins; College of Pharmacy Dean Stephen Cutler; University Architect, Associate Vice President of Facilities Planning, Design and Construction Derek Gruner; University Treasurer Pat Lardner; University Budget Director Joe Sobieralski; Associate Vice President for Administration and Finance and Medical Business Affairs Jeffrey L. Perkins III; Associate Vice President for Finance Kelly Epting; Senior Associate Vice President for Student Affairs and

Academic Support Stacey Bradley; Executive Director for the Office of Economic Engagement William D. “Bill” Kirkland; Chief Audit Executive Pam Doran; Chief Financial Officer, Athletics Department, Jeff Tallant; Chief Diversity Officer and Senior Associate Provost for Inclusion, Office of Diversity and Inclusion, John H. Dozier; Vice Provost and Director of Global Carolina Allen Miller; Associate Provost for Academic Programs Tena B. Crews; Executive Director for Strategic Initiatives Jack Claypoole; Director of Capital Budgets and Financing Charlie FitzSimons; My Carolina Alumni Association Chief Executive Officer Wes Hickman; Director of Public Relations Jeff Stensland; Director of State Government and Community Relations Derrick Meggie; Director of Government Relations Craig H. Parks; Assistant to the President for System Affairs Eddie King; Communications Manager, Administration and Finance, Koby Padgett; USC First Lady Patricia Moore-Pastides; USC Aiken Vice Chancellor for Finance and Administration Cam Reagin; Haynsworth Sinkler Boyd shareholder John McArthur; University Bond Counsel Margaret C. Pope and Gary T. Pope Jr. of Pope Flynn Group; Christopher Muelbert and Brian Frankel of Barclays; PFM Financial Advisors LLC Director Steven Hass; Elliott Davis shareholder Brian D’Amico; The Boudreaux Group President Heather Mitchell; Patrick Kiser with Oracle Corporation; University Technology Services Production Manager Matt Warthen; and Board staff members Debra Allen and Terri Saxon.

I. Call to Order

Chairman Hubbard called the meeting to order, welcomed everyone and invited those at the table to introduce themselves. He said the agenda had been posted, the press notified as required by the Freedom of Information Act, the agenda had been circulated to committee members and a quorum was present to conduct business. Secretary Heath confirmed those Trustees participating by telephone. Ms. McKay introduced members of the media present: Mr. Lucas Daprile with *The State* newspaper in Columbia and Mr. T. Michael Boddie with *The Post and Courier* newspaper in Charleston.

Chairman Hubbard stated there were proposed contractual matters related to gift naming opportunities appropriate for discussion in Executive Session. Trustee Burroughs moved to enter Executive Session and Trustee Adams seconded the motion. The vote was taken and the motion carried.

The following persons were invited to remain: President Pastides, Secretary Heath, Interim President-Elect Kelly; the faculty and student representatives to the Board, members of the President’s Executive Council, and Ms. Doran.

Executive Session

Chairman Hubbard declared a return to Open Session.

Return to Open Session

II. Gift Naming Opportunities

Chairman Hubbard said the following gift naming opportunities were presented in Executive Session without objection:

A. Alumni Center

- Ruth C. and William H. Bond Pre-Function and Reception Space

B. Athletics

1. Jane and Tommy Suggs Quarterbacks Room
2. Juk Family Outside Linebackers Room
3. Karen and Russ Lloyd Family Courtyard

Chairman Hubbard called for a motion to recommend full Board approval of these gift naming opportunities. Trustee Adams so moved and Trustee Burroughs seconded the motion. The vote was taken and the motion carried.

III. Campus Village Residential Development

Chairman Hubbard called on Mr. Walton, who said Mr. Gruner would present the project description detail, while he would present the project financing.

A. Phase I and Phase II Approval

Mr. Gruner said the request was to approve the first stage of the Campus Village development for both Phase I design and Phase II design and construction. The first stage of construction, includes the demolition of Cliff Apartments and the construction of four new residential structures, with a dining and a low-rise transportation hub facility. He noted subsequent stages of construction will be approved as separate future actions by the Board of Trustees.

This first stage of Campus Village will redevelop approximately nine acres bounded by Sumter Street to the west, Bull Street to the east, Whaley Street to the south and the existing Bates residential towers to the north. He said the site is ideal for redevelopment and will create connectivity with the campus core via the existing elevated pedestrian promenade in the original South Marion Street right-of-way. Bates House and Bates West residential towers will remain occupied during the construction of this first stage of Campus Village construction.

Mr. Gruner said Campus Village is envisioned as a comprehensive and transformational student residence project achieving numerous campus objectives consistent with the vision of the 2018 University Master Plan. These objectives include:

- Respond to enrollment growth with a minimum of 1,800 new beds in four new residential buildings inspired by the University Design Guidelines and consistent with the quality of the newest campus residence halls and to meet current standards for amenities, security and a holistic living-learning environment.
- Eliminate the abatement and maintenance needs of Cliff Apartments, constructed in 1974, through demolition and removal of this facility.
- Reimagine a predominantly barren parking lot to create a village with brick buildings surrounded by landscaped green space inspired by the historic areas of the campus from which USC derives its idyllic campus identity.
- Provide on-site amenities including a large dining facility, robust shuttle service, a transportation hub facility, classrooms and multi-purpose rooms in the residence halls, a canteen store and a coffee shop to offer an environment that is a complete living experience.
- A site plan which strengthens the South Marion Street pedestrian promenade connecting Campus Village and the Athletics Village to the campus core to the north. A pedestrian bridge will be restored where the South Marion Street promenade crosses Wheat Street to enhance access to the core campus.

One new residential building will be constructed on the site of Cliff Apartments and the other three residential buildings will be constructed on the large parking lot immediately south of the Bates House and the Bates West towers. A low-rise transportation hub with approximately 175 parking spaces will be built on the site of the existing surface lot south of Cliff Apartments.

The exterior architecture of Campus Village has been developed in compliance with the University's Design Guidelines, which promote humanely-scaled building massing with vertically proportioned windows inspired by the historic campus architecture. The primary exterior material is brick masonry with architectural cast stone masonry accents that includes a well-proportioned base, horizontal and vertical banding, and emphasizes portions of the façades at corners and entrances. Roofs and overhangs are sloped metal at the perimeter and will conceal mechanical equipment mounted on flat areas in the middle of the roof. He said the palette of materials, the fenestration and the sloped roofs create a transitional style

of architecture that is simultaneously traditional yet with simplicity that also respects modern values. The design was further influenced by the aesthetic of the adjacent residential neighborhoods to the east and south. The five- and six-story buildings will border thoughtfully landscaped exterior green spaces and courtyards similar in character to the finest exterior spaces in the core campus. The University's iconic brick and cast stone pillars will accentuate Campus Village entrance points and masonry and wrought-iron style fencing will surround the perimeter of the development.

Residential Building One will be a six-story building with an additional partial basement level comprising 156,700 gross square feet. The building will provide approximately 412 beds configured in a "traditional pod" style in which bathrooms are located in a community core as opposed to being within a suite. Opportunities to increase the bed count will be explored as design continues. Bedrooms are typically 253 square feet and each will accommodate two beds. A large dining facility, of 26,200 square feet, will be on the ground level with direct access from a main plaza along the South Marion Street promenade. The dining facility will be operated as part of the food service contract with Aramark. Most notably, the building's architecture will offer a tower element at the leading corner to form a gateway to Campus Village as students enter the village after walking or biking from the academic campus. A small campus police sub-station also will be on the ground level.

Residential Building Two will be a six-story building comprising 113,500 gross square feet, providing approximately 436 beds configured in a "suite" style, in which two bedrooms share a private bathroom core with a toilet, a shower and two sinks. He noted suites are typically 600 square feet and each bedroom accommodates two beds. The ground level will provide 3,560 square feet for a coffee shop and 2,960 square feet for a canteen store for purchasing groceries and other staples.

Residential Building Three will be a six-story building comprising 123,800 gross square feet, to provide approximately 460 beds configured in a "suite" style. The ground level will provide four classrooms, two multi-purpose rooms and a faculty office suite.

Residential Building Four will be a six-story building comprising 131,900 gross square feet to provide approximately 500 beds configured in a "suite" style. The ground level will provide a multi-purpose room.

Mr. Gruner said typical residential amenities in each building include:

- Community functions concentrated on the ground floor with student residences beginning on the second floor and extending to the sixth floor;

- Secure building lobbies, furnished, with a staffed reception desk and elevators accessible through a secure elevator lobby requiring card access for entry to access upper residential floors;
- Apartments for resident life advisors and faculty principals;
- Public restrooms on the ground floor;
- Administrative offices on the ground floor;
- Multi-purpose rooms, kitchen lounges and study lounges on residential floors;
- Two to three public elevators;
- A central laundry;
- A central interior bike storage room;
- A central trash room connected to smaller trash rooms on each residential floor via trash chutes;
- Institutional-quality interior finishes at the floors, walls and ceilings;
- Every bedroom furnished with institutional-quality furniture to include beds, desks, chairs and wardrobes;
- Electronic access control will require access cards for entry to all exterior doors and all suite and bedroom doors, as dictated by the University Housing standards;
- Vandal-resistant windows at the ground level;
- Cameras throughout the exterior and interior public spaces as dictated by campus police;
- Wireless internet, wired data ports, and campus cable television ports provided throughout;
- Support spaces including custodial rooms, mechanical rooms, fire sprinkler valve/pump rooms and electrical rooms.

Transportation Hub: A new low-rise parking facility, (two staggered elevated levels), adjacent to Residential Building One will provide approximately 175 spaces for short-term student parking, Uber/Lyft service, cars for lease, faculty and staff parking, scooter parking and bike sharing stations. The vast majority of parking for Campus Village will be remote. Locations will include but not be limited to existing off-site garages, existing surface lots and a new remote surface lot, accessed from Key Road near Williams-Brice Stadium that will be funded by the Campus Village project. Project funding will also create and improve parking for commuters in locations to include parking adjacent to Colonial Life Arena, so commuters can be relocated from the Blossom Street and Bull Street garages to create parking capacity in these garages for Campus Village residents.

Mr. Gruner said the project will meet a portion of the demand for on-campus housing, which has been confirmed by numerous surveys and housing master plans. He said this demand has increased with

recent enrollment growth. Also, the project will eliminate deferred maintenance by demolishing Cliff Apartments, which is beyond its serviceable life and does not comply with contemporary building codes.

Dr. Pruitt, Mr. Walton and Mr. Gruner responded to Trustees' questions including how the Campus Village compared to current private student housing, and the projected lifespan and future maintenance costs of the new buildings.

The project budget is \$240 million to be funded with Housing Revenue Bonds. Following anticipated approval by October 2019 by the Commission on Higher Education, the Joint Bond Review Committee, and the State Fiscal Accountability Authority, design will be completed to enable work to begin in the first half of 2020. Initial work will abate hazardous materials in Cliff Apartments, followed by the building's demolition. Site work and underground utilities will begin in the summer of 2020, immediately followed by foundations and vertical development.

Completion of construction is scheduled for mid-summer of 2022 in preparation for occupancy in the Fall 2022.

Chairman Hubbard called for a motion to recommend full Board approval of Phase I design and Phase II design and construction for a total project budget of \$240,000,000 funded with Housing Revenue Bonds. Trustee Moody so moved and Trustee Warr seconded the motion. The vote was taken. The vote carried with Trustees Hubbard, Adams, Loadholt, Moody, Warr, Westbrook, Mobley and von Lehe voting in favor. Trustee Burroughs voted in opposition. Trustee Lister was absent.

B. Project Approval Resolution

Mr. Walton discussed the following Campus Village Stage I financial documents, which were posted on the Board portal prior to the meeting:

- Draft Bonds Resolution prepared by Pope Flynn, LLC to issue Higher Education Revenue Bonds for up to \$240 million for the purpose of obtaining the financing to construct the Campus Village Residential Development;
- Opinion prepared by Pope Flynn, LLC regarding: Designation of Additional Facilities Pursuant to the Bond Resolution;
- Four draft documents prepared by Haynsworth Sinkler Boyd, PA to create the relationship between Greystar Development Services, LLC and the University: Memorandum of Understanding; Development Agreement; Management Agreement; and Guaranty;
- Financing estimates created by Barclays;
- Net Operating Income (NOI) spreadsheet, including debt service compiled from data from Barclays and Greystar.

Mr. Walton noted highlights of the University's Bond Indebtedness and Debt Service for FY 2020. He said expected debt related activity in FY 2020 includes funding for the Williams-Brice Stadium Renovations and the Campus Village Project. Depending on market conditions, certain Athletic Revenue Bonds also may be refinanced. Of most importance, he said, is that all current debt service obligation is fully serviced by designated revenue streams. He reviewed the debt service sources for each category of indebtedness:

- State Institution Bonds – Board-mandated fees collected as a component of tuition.
- Revenue Bonds – Net revenues from Housing, Parking, and all available funds and academic fees of the University that are not otherwise designated or restricted, state appropriations, or tuition pledged for state institution bonds.
- Athletics Facilities Revenue Bonds – admission fee, student fee, and net revenues from Athletics.

Mr. Walton said each system institution is expected to cover its own obligations.

Chairman Hubbard called for a motion to recommend full Board approval of the Campus Village Residential Development project resolution creating the authority to execute referenced documents with Greystar Development Services, LLC and to rescind the August 2017 resolution previously approved by the Board of Trustees, except as identified in the project resolution.

Trustee Warr so moved and Trustee Loadholt seconded the motion. The vote was taken. The vote carried with Trustees Adams, Loadholt, Moody, Warr, and Mobley voting in favor. Trustee Burroughs voted in opposition; while Trustees Hubbard, von Lehe, and Westbrook recused themselves from voting due to a potential conflict of interest. Trustee Lister was absent.

III. Adjournment

There being no other business to come before the committee, Chairman Hubbard declared the called meeting adjourned at 10:57 a.m.

Respectfully submitted,

J. Cantey Heath, Jr.
Secretary