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University of South Carolina
BOARD OF TRUSTEES

Buildings and Grounds Committee

April 23, 2010

The Buildings and Grounds Committee of the University of South Carolina Board of Trustees met on Friday, April 23, 2010, at 10:30 a.m. in the 1600 Hampton Street Board Room.

Members present were: Mr. Mark W. Buyck, Jr., Chairman; Mr. William C. Hubbard; Mr. William W. Jones, Jr.; Mr. Toney J. Lister; Mr. John C. von Lehe, Jr.; Mr. Othniel H. Wienges, Jr.; Mr. Miles Loadholt, Board Chairman; and Mr. Eugene P. Warr, Jr., Board Vice Chairman. Mr. Arthur S. Bahnmuller and Ms. Darla D. Moore were absent.

Other Trustees present were Mr. Chuck Allen; Mr. J. Egerton Burroughs; Dr. C. Edward Floyd; Mr. Greg Gregory; Ms. Leah B. Moody; and Mrs. Amy E. Stone.

Others present were: President Harris Pastides; Secretary Thomas L. Stepp; Vice President for Academic Affairs and Provost Michael D. Amiridis; Vice President for Finance and Planning William T. Moore; Vice President for Student Affairs and Vice Provost for Academic Support Dennis Pruitt; Vice President for Advancement Michelle D. Dodenhoff; Interim Vice President for Communications and Public Affairs and Dean of the College of Mass Communications and Information Studies Charles Bierbauer; Vice Provost and Executive Dean for System Affairs and Extended University Chris P. Plyler; General Counsel Walter (Terry) H. Parham; University Treasurer Susan D. Hanna; Associate Vice President for Resource Planning, Division of Finance and Planning, Edward L. Walton; Associate Vice President for Facilities Tom Quasney; Executive Director of the Office of Foundations Jerome D. Odom; Director of the Alumni Association Marsha D. Cole; Director of Athletics Eric C. Hyman; Director of Capital Budgets and Financing Charlie Fitzsimons; Director of Facilities Planning and Construction, Division of Facilities and Campus Management, Jeff Lamberson; Director of the Department of Internal Audit Alton McCoy; Vice Provost for Faculty Development Christine W. Curtis; Dean of USC Sumter C. Leslie Carpenter; Chief Financial Officer, Department of Athletics, Jeff Tallant; Deputy Athletics Director Marcy Girton; Executive Associate Athletics Director Kevin O'Connell; Special Assistant to the President J. Cantey Heath; Special Assistant to the President and Athletics Director John D. Gregory; Director of Governmental and Community Relations and Legislative Liaison Shirley D. Mills; Associate Director of Governmental Affairs and Legislative Liaison Casey Martin; Past Chair of the Faculty Senate Robert Best; Manager of Energy Plant Funds and Data Supervisor, Controller's Office, Deborah Crews; Vice Chancellor for University Advancement, USC Upstate, Mike Irvin; Sr. Project Manager, Facilities

Planning and Construction, Thomas Opal; Lease Property and Real Estate Manager, Facilities Planning and Construction, Gus Hoffmeyer; Executive Assistant, Facilities Planning and Construction, Donna Collins; Director of Periodicals, University Publications, Chris Horn; Director of Media Relations, Office of Communications, Margaret Lamb; Mike Bailie and Paul Suddes, United States Department of Justice National Advocacy Center (NAC); Heather Mitchell, The Boudreaux Group; University Technology Services Production Manager Justin Johnson; and Board staff members Terri Saxon, Vera Stone, and Karen Tweedy.

Chairman Buyck welcomed everyone. Dean Bierbauer indicated that no members of the media were in attendance.

Chairman Buyck 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 Buyck stated that there were contractual matters related to gift naming opportunities, which were appropriate for discussion in Executive Session. Mr. Lister moved to enter Executive Session and Mr. Jones seconded the motion. The vote was taken, and the motion carried.

The following persons were invited to remain: President Pastides, Secretary Stepp, Dr. Amiridis, Dr. Moore, Dr. Pruitt, Dr. Plyler, Mr. Parham, Mr. Heath, Mrs. Hanna, Mr. Hyman, Mr. Quasney, Ms. Brunelli, Mr. Lamberson, Mr. Gregory, Ms. Martin, Ms. Mills, and Ms. Lamb.

Return to Open Session

I. Project Approval (Phase I):

- Close-Hipp Palmetto Project Renovation: This project would renovate the existing Close-Hipp Building, current home of the Darla Moore School of Business, to accommodate the Palmetto Project for the Department of Justice. The Palmetto Project involved moving government and contractor jobs from the Washington, D.C., area to the Columbia campus. It would also expand the capabilities of the National Advocacy Center (NAC) to train prosecutors from across the nation and consolidate operations in Columbia. The renovated building would have courtrooms, classrooms, and meeting spaces.

Building upgrades would concentrate on life safety and code compliance issues. A sprinkler system would be installed, the fire alarm system would be upgraded, and a back-up generator would be installed. Seismic requirements would also be addressed. Building systems (mechanical, electrical, plumbing) would be upgraded and/or replaced. Restroom access and availability would be upgraded for ADA compliance.

Renovations would include reconfiguration of the existing space to accommodate the offices of Legal Education, US Attorneys for the District South Carolina, Executive Office of US Attorneys, Operations, Information Technology, and other Washington administrative support personnel. Four court rooms would be added to accommodate training requirements. A new data center with UPS (uninterruptable power supply), generator, and redundant HVAC system would allow for constant operations.

The anticipated budget for the project was \$30 million to be funded with \$15 million in University funds and \$15 million from the Department of Justice. Approval was requested to fund only the initial design and development of a cost estimate for the project.

Chairman Buyck called for a motion to establish this project for Phase I Design with a budget of \$450,000 to be funded with Department of Justice funds. Mr. Lister so moved and Mr. Jones seconded the motion.

Mr. Jones asked if there were any asbestos or other issues with the facility that could affect the project. Mr. Quasney responded that they had removed the exposed asbestos in the Close-Hipp Building; however some still remained behind walls which would have to be addressed if the walls were disturbed for a reconfiguration. Mr. Jones asked if the issue of potentially having to address remaining asbestos had been taken into consideration and Mr. Quasney said it had, in that it was included in the lease agreement. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

Dr. Moore summarized the details of a letter dated April 23, 2010, to the Board of Trustees which had been included with their meeting materials. It outlined the cash inflows and outlays associated with the lease agreement with DOJ.

II. Project Approval (Phase II):

A. Columbia Campus Elevator Upgrades: This project was approved for Phase I Design in February 2009, to upgrade elevators in three buildings on the Columbia Campus (Russell House, Thomas Cooper Library, and Coker Life Sciences). In general, elevator cabs, fire recall systems, machine room lighting, electrical systems and doors would be upgraded to meet current codes.

The anticipated budget for the project was \$2.4 million with renovation to be completed by July 2011. Approval was requested to fund the remainder of the design and the construction.

Chairman Buyck called for a motion to fund Phase II Construction for a total project budget of \$2.4 million to be funded with Institutional Capital Project Funds. Mr. Hubbard so moved and Mr. von Lehe seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

B. Harper/Elliott Renovation: This project was approved for Phase I Design in October 2009, to complete a comprehensive renovation of the residential wings of the building. The work was to be completed in phases with renovations to take place in the summer months of 2011 and 2012.

The anticipated budget for the project was \$3,830,000. Approval was requested to fund the remainder of the design and the construction.

Chairman Buyck called for a motion to fund Phase II Construction for a total project budget of \$3,830,000 to be funded with \$3,750,000 in Housing Maintenance Reserve Funds and \$80,000 in Institutional Capital Project Funds. Mr. Lister so moved and Mr. Hubbard seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

C. Farmers Market Development Construction: Secretary Stepp stated that his agenda item was withdrawn to allow for further work prior to discussion.

III. Other Approvals:

A. Energy Efficient Stimulus Funding Projects: The South Carolina Energy Office (SCEO) received federal stimulus funds for state agencies, school districts, public colleges and universities and allocated these funds based on energy consumption. USC Columbia was allocated \$2,809,219, of which \$2,106,914 was a grant and \$702,305 was a loan.

As projects are designed and bid, additional reallocation of the funding might be required to expedite the implementation of the projects to meet the current ARRA grant project completion deadline of December 15, 2010, and to ensure full utilization of the grant funding. Total expenditures would not exceed the funding received from the SCEO.

Chairman Buyck called for a motion to recommend to the full Board of Trustees that the Administration be authorized to receive and expend \$2,809,219 from the SCEO with ARRA (stimulus) funding and utilize that funding to accomplish the implementation of the following projects in priority order, progressing as far toward completion of all projects as final contract bid prices permit:

1. Energy Performance Web Based Education Program and Educational Website
2. N Computing virtual computer terminals
3. Plate Frame Heat Exchange at North Energy Plant
4. Install Central Chilled Water Air Separators at Plants
5. Upgrade Existing EMS Controls and Install Meters
6. Retrofit Lab Fume Hoods
7. Install Lighting Controls and Sensors
8. Add Variable Speed Drives on Water Pumps at Plants
9. Retrofit Parking Garages with LED
10. Solar Demonstration Project
11. Consultant and Technical Evaluations

This action was subject to a complete report of all bids and projects at the Buildings and Grounds Committee meeting on September 17, 2010.

Mr. Wienges so moved and Mr. von Lehe seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

B. Jones PSC Biology Lab Renovations: This project was to renovate existing space on the third floor of Jones PSC to create a teaching biology laboratory. The space was currently configured for a chemistry laboratory but was underutilized because of the need for modernization. The completion of the recent asbestos abatement project made renovation of the space financially feasible.

The budget for the project was \$400,000 and was to be funded with Institutional Funds from the College of Arts and Sciences.

C. Law Center Roof Replacement: This project was to replace the roof on the center section of the Law Center. The existing built-up roof was installed in 1973 and was experiencing numerous leaks. It was past its useful life.

The roof leaks caused disintegration of existing ceiling tile. As budget permits, interior repairs required to correct damage caused by roof leaks would be included in the project. Some asbestos abatement might be required when installing the new ceiling due to sprayed on fireproofing on structural steel.

The budget for the project was \$400,000 and was to be funded with Institutional Funds from FY2011 Stimulus Funds.

Chairman Buyck asked when the project would begin. Mr. Quasney responded that if the project was approved by the Board, his staff would need approximately three months to finish the design work, and the actual roof replacement would not begin until Summer 2011.

Mr. Gregory said that the sooner the roof was replaced the less additional damage would occur. He stated that the University should be able to hire a general contractor to design the roof replacement rather quickly; which would be better than waiting approximately 15 for University staff to do the design. Mr. Quasney responded that declaring the project an emergency was an option.

Chairman Buyck said that he did consider the project an emergency, because of the potential for additional damage.

Mr. Jones clarified that when a major building with a large student population had roof leaks and potential for additional damage, the project to correct the problem should be classified as an emergency. He asked if a motion from the Committee was needed to deem the project an emergency. Mr. Quasney said no, that based on their comments he would review the project requirements to explore options to expedite it.

D. McBryde Student Room Upgrades: McBryde was a co-ed residential facility that was built in 1955. Housing 250 students, McBryde also hosts a number of learning communities including the Pre-Medical, Music, and the Pre-Law Community. This project would upgrade the general appearance of student rooms, to include: the painting of 10 hallways and 130 rooms; replacement of doors and hardware; removal and replacement of ceiling tile in the corridors; and replacement of water fountains.

The budget for the project was \$495,000 and was to be funded with Housing Maintenance Reserve Funds.

E. Williams-Brice Stadium West Upper Deck Waterproofing: This project would provide a waterproof coating on the west upper deck seating structure and 100/200 club seating levels to cover stair risers, vomitories, and seating platforms. Work would include concrete structural repairs and replacement of caulk and expansion joint materials.

Caulk and expansion joint materials had deteriorated. Heavy rains allowed water to penetrate into the suites, 200 level club areas, and upper deck concourse below the seating. The waterproofing was needed to protect these areas from water damage and prevent mold/mildew problems.

The budget for the project was \$495,000 and was to be funded with Athletic Operating Funds.

Chairman Buyck called for a motion to approve these four projects with the budgets and funding sources listed, with the understanding that the Law Center Roof Replacement project would take priority:

Jones PSC Biology Lab Renovations (Institutional Funds)	\$400,000
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Law Center Roof Replacement (FY2011 Stimulus Funds)	\$400,000
McBryde Student Room Upgrades (Housing Maintenance Reserve Funds)	\$495,000
Williams-Brice Stadium West Upper Deck Waterproofing (Athletic Operating Funds)	\$495,000

Mr. von Lehe so moved and Mr. Jones seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

IV. Request to Sell Gamecock Club Properties: Chairman Buyck recognized Mr. Tallant who stated that the USC Gamecock Club requested approval to sell six properties listed below. They were described in a February 2, 2010, memorandum from Mr. Hyman to President Pastides, which was included with this meeting's materials:

Lot 12, Tract 35, East side of Kay Street	(TMS 06105-03-08)
Lot 14, Tract 35, West side of Kay Street	(TMS 06105-04-35)
Lots 22-25, Johnson Avenue	(TMS 09214-13-04)
Lots 95-99, 1401 Kinderway	(TMS 09214-07-11)
Two lots at 1012 Pope Street	(TMS 09109-11-01)
14.5 Acres near the town of Eastover	(TMS 38900-02-08)

These six properties were acquired from various donors at various times. The Gamecock Club did not have a use for the properties and therefore wished to invest the proceeds in accordance with the donor's wishes for each property.

Following some discussion regarding sales prices for the properties, President Pastides clarified that the University was not allowed to sell State property for less than appraised value. Mr. Hoffmeyer answered Committee members' questions regarding the State's process to sell the properties.

Mr. Jones expressed his concern about trying to sell the properties in the current economic climate. Based on that comment, Dr. Floyd asked why the Gamecock Club was requesting permission to sell the properties now, when they had owned them since the 1980's. Mr. Tallant clarified the Gamecock Club had authorized approval to sell the properties in 2007, but that it had taken since then to determine how to sell them through the State system.

Mr. Hubbard asked if any of the properties were contiguous to the University. Mr. Tallant responded no, and reported the location and size of each of the properties.

Mr. Jones asked if would be worth considering moving forward to sell the four properties whose assessed value had not declined since the University acquired them, and holding off selling the two properties whose value had declined until the real estate market improved.

Mr. Hubbard suggested that due to the length of the process to sell the properties, the Committee authorize the request to sell all six parcels and continue to monitor the real estate market prior to each sale.

In response to numerous questions regarding the request to sell the properties, President Pastides suggested that staff call on the expertise of the USC Development Foundation for advice, in an informal manner, prior to the Committee's next meeting.

Chairman Buyck called for a motion to authorize the USC Gamecock Club to sell the six properties as described. Mr. Hubbard so moved and Mr. Jones seconded the motion with the understanding that the Committee would be given the opportunity to receive additional information prior any sales. The vote was taken and the motion carried.

V. Gift Naming Opportunities:

Chairman Buyck called on Secretary Stepp, who explained that the following Gift Naming Opportunities were presented in Executive Session without objection:

- A. Department of Athletics: "The Simmons First Base Club"
- B. University Libraries: "The Republican Pioneers Seminar Room"
- C. USC Upstate:
 1. "The John and Isabel Barber Faculty Office"
 2. "The Laura and Claus Foerster Gallery Alcove"
 3. "Jimmy and Marsha Gibbs Deans Office"

 4. "The Roger and Marianna Black Habisreutinger and Stanley and Paula Black Baker Faculty Office"
 5. "The Tracy F. and Thomas E. Hannah Study Lounge"
 6. "The Jeanne S. and Robert A. Harley Conference Room"
 7. "The Inman-Riverdale Foundation, Inc. Outreach Center"
 8. "The Hugh L. McColl Jr. Classroom"
 9. "The Mr. and Mrs. Benjamin R. Wall II Faculty Office"
 10. "The Mrs. E. Craig Wall Jr. Classroom"
 11. "The Dr. Charles White and Ruth Cate Faculty Office"
 12. "The Zimmerli Plaza given by Kurt and Nelly Zimmerli"
 13. "The James David Cobb Lobby by Stewart Heath and Ann Cobb Johnson"

Chairman Buyck called for a motion to approve the gift naming opportunities as presented. Mr. Wienges so moved and Mr. Lister seconded the motion. The vote was taken and the motion carried.

VI. Report on Indefinite Delivery Contracts: Chairman Buyck recognized Mr. Quasney, who in response to a request from a Board of Trustees member at a previous meeting, reported on the Indefinite Delivery Contracts (IDC) process. He explained that there were two types of IDCs, professional and construction services, which would be provided on an as-needed basis during the term of the contracts. A written explanation of the process was included with this meeting's materials.

Professional Services:

- Based on qualifications
- Term is two years
- Limited to \$300,000 during the term and \$100,000 per delivery order
- President appoints a Selection Committee consisting of BOT member and representatives from Facilities, Student Services, Athletics, and Regional Campuses
- Selection Committee prepares and submits the invitation for professional services to the Office of State Engineer (OSE) for review/approval, who then submits the invitation to South Carolina Business Opportunities (SCBO) for advertisement
- Based on responses, the Selection Committee evaluates all resumes prior to conducting any interviews using the OSE criteria

- Based on the evaluation, the committee creates a short-list of Professionals considered most qualified for the committee to interview
- The firms are interviewed and ranked; those with the highest ranking are selected
- The Agency prepares a Notice of Selection for Contract Negotiation, posts it on the date and at the location announced at the end of each interview, and mails it to all Professionals that responded to the Invitation for Professional Services

Construction Services:

- Based on low bids
- Term is two years
- Limited to \$750,000 during the term and \$150,000 per delivery order
- An actual construction project is used to solicit bids
- The competitive sealed bidding phase of the construction project begins with the advertisement of the project in (SCBO)
- Bid openings are open to the public
- The lowest responsive and responsible bidder is awarded the project and an IDC
- Additional IDCs may be awarded to other bidder's starting with the second low bidder, then the third low bidder and so forth
- Usually a minimum of three contractors for each category of work is selected

Chairman Buyck stated that this report was received for information.

Chairman Buyck called on Mr. Quasney, who announced that USC Columbia and USC Upstate were recently selected as *Tree Campus USA* campuses by the Nation Arbor Day Foundation, which administers the national program which recognizes college and university campuses that: effectively manage their campus trees; develop connectivity with the community beyond campus borders to foster healthy, urban forest; and strive to engage their student population utilizing service learning opportunities centered on campus, and community, forestry efforts. The South Carolina Forestry Commission's Urban Forestry office has requested to schedule a presentation of the award to the University.

Chairman Buyck thanked and congratulated Mr. Hubbard, former Buildings and Grounds Committee Chairman and Mr. Quasney and his staff on this award.

VII. Development Foundation Report: Chairman Buyck called on Dr. Odom who reported that at this time last year the Foundation had sold 18 of the 110 units in Adesso; and as of today they had sold 66 units. Since the Foundation had sold over 51 percent of the units they now qualified for "conforming mortgages."

Dr. Odom expressed his displeasure of the inundation of negative news regarding Innovista. He noted that Don Herriott, Director of Innovista Partnerships, gave a wonderful and very positive talk about Innovista at the University Associates meeting the previous day. Dr. Odom stated that he was part of a small strategic planning group that was working with Mr. Herriott to develop a plan for Innovista which they hoped to complete this summer. Once complete, the plan would be provided to the Board. He clarified that this group viewed Innovista as a "concept" that would take a long time to develop, and not just a building. He emphasized that the Foundation was very "bullish" regarding Innovista. The Foundation owned over \$20 million worth of property, not including Adesso, from the University's footprint to the Congaree River,

and all of this property, "at the proper time" would be utilized by the private sector or the University to further the Innovista concept.

Dr. Odom reported that within the last few weeks the Foundation had received two serious inquiries about the five acres the Foundation owned beside the Baseball Stadium.

The Foundation recently signed a one year lease with the University for \$10 a year to allow the Athletics Department to use the Tennis Courts, located on the Women's Club property, for the Lady Gamecocks Tennis Team.

Interest in Wheeler Hill lots had increased.

The Foundation had worked with USC Facilities Department to provide a "laydown" area at Pickens and Wheat Streets for the Patterson Hall renovations' contractor. The Foundation was in the process of obtaining, from the City of Columbia, a temporary permit to allow the property to be used as a laydown area. They also planned to put a green mesh fence around the area.

The USC Libraries currently leased one of the warehouses on the Consolidated Services property owned by the Foundation. A second potential lease was in the works with another University Department.

The Foundation was continuing their efforts to develop the Prince George Property in Georgetown for an environmental learning center.

Dr. Floyd inquired about the asking price of the five acres next to the Baseball Stadium and Dr. Odom responded that it would be no less than \$5 million. Dr. Floyd stated that it was very important to know what would be developed on the property. Dr. Odom reminded the Committee that the University had "first right of refusal" on the sale of the five acres. He emphasized that the Foundation would never sell any of its properties without first speaking to the University.

Mr. Burroughs asked if the Foundation increased sales of the Adesso units through price reductions or new marketing programs. He said that if it was by price reductions, he wanted to know how the new prices fit into the project pro forma. Dr. Odoms responded that the increased sales were done primarily through a price reduction of the two-bedroom units. One of the six three-bedroom units in the complex had been sold. Mr. Burroughs asked what the specific price reductions of the two-bedroom units were and Dr. Odom responded that they ranged from \$25,000 to \$30,000 per unit.

Dr. Odom noted that Adesso would be included on the next Columbia Tour of Homes. Mr. Hubbard asked if any additional retail businesses planned to move into Adesso. Dr. Odom listed the current non-residential tenants and noted that the Foundation was currently in discussions with the Carolina Collegiate Federal Credit Union about potentially opening a branch in Adesso.

Chairman Buyck stated that the Development Foundation Report was received as information.

X. Adjournment:

There being no other business, Chairman Buyck declared the meeting adjourned at 11:45 a.m.

Respectfully submitted,

Thomas L. Stepp
Secretary