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University of South Carolina

BOARD OF TRUSTEES

Buildings and Grounds Committee

April 11, 2008

The Buildings and Grounds Committee of the University of South Carolina Board of Trustees met on Friday, April 11, 2008, at 10:00 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. William W. Jones, Jr.; Mr. Toney J. Lister; Mr. Eugene P. Warr, Jr.; Mr. Herbert C. Adams, Board Chairman; and Mr. Miles Loadholt, Board Vice Chairman. Mr. Samuel R. Foster, II was absent.

Other Trustees present were: Mr. William L. Bethea; Mr. John W. Fields; Dr. C. Edward Floyd; Ms. Darla D. Moore; Mr. Micheal J. Mungo; 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 for Research and Health Sciences Harris Pastides; Vice President and Chief Financial Officer Richard W. Kelly; Vice President for Human Resources Jane M. Jameson; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice Provost and Executive Dean for System Affairs and Extended University Chris P. Plyler; Vice President for Advancement Brad Choate; General Counsel Walter (Terry) H. Parham; Chancellor of USC Aiken Thomas L. Hallman; Dean of the School of Medicine Donald J. DiPette; USC Campus Dean of the South Carolina College of Pharmacy Randall C. Rowen; Associate Vice President for Housing and Student Development and Assistant to the Vice Provost for Special Projects, Gene Luna; Vice Provost for Academic Affairs William T. Moore; Vice Provost for Faculty Development Christine Curtis; Director of Athletics Eric Hyman; Associate Vice President of Finance and Budget Director Leslie Brunelli; Associate Vice President for Business and Facilities Helen Zeigler; Executive Director of the USC Alumni Association Marsha A. Cole; USC Alumni Association President-Elect Amy Stone; Director of Facilities, Division of Business and Finance, Tom Quasney; Executive Associate Athletics Director for External Affairs Kevin O'Connell; Chief Financial Officer, Department of Athletics, Jeff Tallant; Director of Finance and Administration, Office of Research and Health Sciences,

Edward L. Walton; Director of Capital Budgets and Financing, Division of Business and Finance, Charles D. FitzSimons; Associate Dean of Academic Affairs, Arnold School of Public Health, Gregory A. Hand; Assistant Professor and Interim Associate Dean of Academic Affairs, College of Nursing, Mary Foster Cox; Director of Plant and Endowment Funds, Controller's Office, Deborah Crews; Interim Director of Campus Planning and Construction and Manager of Construction Administration, Division of Facilities, Michael Thomas; Chief Operating Officer of Specialty Clinics, School of Medicine, Alfred A. Dunn; University Foundations Chief Financial Officer Russell H. Meekins; USC Lancaster Public Information Officer Shana Funderburk; Campus Planning and Construction Executive Assistant Donna Collins; Student Government Association (SGA) President Andrew Gaekle; Associate Director of Governmental Affairs and Legislative Liaison Casey Martin; Director of Periodicals, University Publications, Chris Horn; Director of University Communications, Division of University Advancement, Russ McKinney, Jr.; University Technology Services Production Manager Justin Johnson; Heather Mitchell, The Boudreaux Group; Board staff members Terri Saxon, Vera Stone, and Karen Tweedy; and members of the media.

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

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

The following persons were invited to remain: Dr. Sorensen, Secretary Stepp, Dr. Becker, Mr. Kelly, Dr. Hogue, Ms. Jameson, Dr. Pastides, Dr. Pruitt, Mr. Choate, Mr. Parham, Ms. Zeigler, Mr. Quasney, Mr. Jeffcoat, Ms. Collins, Mr. Gregory, Ms. Martin, Ms. Mills, Mr. McKinney, Mrs. Saxon, Ms. Stone, and Ms. Tweedy.

#### Return to Open Session

Chairman Hubbard called on President Sorensen, who introduced and welcomed along with the Committee, newly elected SGA President Andrew Gaekle.

Chairman Hubbard explained that although there was a number of action items on the agenda discussion should be expeditious without foregoing thoughtful consideration, since each project had been discussed in detail at the

Committee's February 28<sup>th</sup>, 2008, meeting and additional support materials were mailed with the meeting materials.

I. Phase One - Project Approvals:

Chairman Hubbard called on Mr. Kelly to present the following requests for Phase One project approval.

A. Health Science Renovation: The Health Sciences building, located on Sumter Street at the foot of the Horseshoe, was constructed in 1961. Containing approximately 53,000 gross square feet, it is the current home of two departments and the Dean's office for the Arnold School of Public Health. The building was currently configured as office space with some wet labs on the third floor.

The project would renovate the facility to reconfigure existing space to house academic offices and classrooms. Upgrades to buildings systems (mechanical, plumbing, and electrical) and repairs to the exterior building envelope would also be included in the project.

Chairman Hubbard called for a motion to establish the project for Phase I Design with a budget of \$1.8 million funded with State Institution Bonds, which would only fund the initial design and development of a cost estimate for the project. Mr. Bradley so moved and, Mr. Buyck 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. Roost Garage and Maintenance Facility Construction: In December of 2006, the Board of Trustees approved the Athletics Master Plan in concept. To support the facilities to be constructed as part of the Athletics Master Plan and redevelopment of the Roost area, construction of a garage/maintenance facility on the site was proposed. The garage would accommodate approximately 335 vehicles. The maintenance facility would provide space for equipment and functions required to maintain the athletic fields on the site. Six of the practice tennis courts (included in the project for Roost Athletic Venues) were planned to be located on the upper deck of the garage.

Approval was being requested to fund only the initial design and development of a cost estimate for the project.

Chairman Hubbard called for a motion to establish the project for Phase I Design with a budget of \$650,000 to be funded with Athletic Revenue Bonds. Mr. Jones so moved and Mr. Warr seconded the motion.

Mr. Jones asked Mr. Kelly that given the University's increased bond capacity from \$60 million to \$200 million, where they were currently in that range. Mr. Hyman replied that they were not even close to the bond capacity limit. Mr. Kelly added that he would provide the Committee, by early of the next week, a detailed status report on the University's bond capacity.

The vote was taken and the motion carried.

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C. Athletic Coaches Support Building Construction: A component of the Athletics Master Plan and redevelopment of the Roost area was the Athletic Coaches Support Building, which was planned to be an approximately 53,000 square foot facility. Mr. Kelly noted that at a previous Committee meeting the property at Marion and Heyward Streets was proposed for the facility site. However, upon further study, they were also considering the center of Athletics "horseshoe" as the site due to cost and parking considerations. Final site location would be determined following the design and budget process.

Approval was requested to fund only the initial design and development and a cost estimate for the project.

Chairman Hubbard clarified that the motion would be made on the condition that the final site of the facility would come back before the Committee and the full Board prior to the start of construction.

Mr. Buyck moved to establish this project for Phase I Design with a budget of \$2 million funded with Athletic Revenue Bonds, with the understanding that the final site of the facility would come back before the Committee and full Board. Mr. Lister 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.

D. Roost Athletic Venues Construction: Construction of outdoor athletic venues was included in the Athletics Master Plan. This project would include the development of twelve tennis courts and one lacrosse field with associated lighting, seating, and scoreboards. Six of the practice tennis courts would be located on the upper deck of the proposed parking garage.

To make way for the construction of these venues and other development on the site, this project would also include the demolition of the existing baseball field, Spring Sports Center, and Roost Buildings A, B, and D.

Mr. Kelly presented a reorientation of the proposed lacrosse field and tennis courts, which differed from the information provided in the material mailed to the Committee. He explained that the reorientation would allow for better access to the areas.

Approval was requested to fund only the initial design and development and a cost estimate for the project.

Chairman Hubbard called for a motion to establish this project for Phase I Design with a budget of \$750,000 funded with Athletic Revenue Bonds, with the contingency that final siting of the facilities would first receive the Committee's and the full Board's approval. Mr. Bradley so moved and Mr. Buyck seconded the motion. The vote was taken and the motion carried.

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Mr. Kelly noted that the process of Phase I and Phase II approvals was new. All Phase I projects, once approved by the Committee and the full Board and completed, would be brought back to the Committee and full Board for Phase II final approval, to include site selection.

Responding to Mr. Jones questions about current status of the University's bond capacity, Mr. Hyman reported the following Athletics bond indebtedness:

<u>Athletics Project</u>	<u>Millions</u>
Colonial Center long-term debt	\$21.0
short-term debt	\$ 1.9
Baseball debt	\$29.0
Academic Center	\$ 6.0
Total Roost Village	<u>\$40.9</u>
 Total Athletic Debt	 \$98.8

E. Roost Infrastructure Development Construction: This concept was centered on the creation of an athletics village designed around common guidelines. As individual projects in the Athletics Master Plan were implemented in the Roost area, the supporting infrastructure for the entire site would need to be addressed in a way that would maintain the integrity of the Plan, while allowing flexibility in timing for specific buildings and venues. This project would include grading, landscaping, retaining walls, sidewalks, walkways, utilities, connection to and upgrade of the central energy plant.

Approval was requested to fund only the initial design and development and a cost estimate for the project.

Chairman Hubbard called for a motion to establish this project for Phase I Design with a budget of \$1.2 million to be funded with Athletic Revenue Bonds. Mr. Jones so moved and Mr. Warr seconded the motion.

Mr. Buyck asked that Mr. Kelly briefly explain how project budgets were established. Mr. Kelly responded.

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.

F. Roost Sports Medicine Construction: This project was to construct and partially occupy an integrated building to house a Sports Medicine Clinic and Institute. It would be co-located with USC Athletics' academic/education operations, athletic training, athletic administrative offices, and other USC Departments as part of the redevelopment of the Roost. This integrated location would house the necessary healthcare and educational facilities to support and improve athletics for the betterment of USC athletes and students as well as sports enthusiasts of the Greater Columbia Area.

The proposed Sports Medicine Clinic and Institute Complex would provide a one-stop location on the USC campus for sports related clinical care of athletes, students, faculty and staff.

The project budget would be dependent upon the athletic and education components to be determined through the Phase I work.

Mr. Kelly noted that following discussions of this project with Mr. Hyman and Dean DiPette, a consensus was reached that they needed more time to consider all of the ancillary aspects of the project. However, they needed the ability to do feasibility work. Therefore, the original request before the Committee to establish the project's Phase I Design with a budget of \$1.6 million to be funded from the Medical Educational Trust was changed to the request to establish a project for a feasibility study with a budget of up to \$450,000 to be funded from the Medical Education Trust and/or Athletics Revenues.

Mr. Kelly further explained they had also determined that an extremely talented team of employees in the Athletics Department and School of Medicine could actually do a majority of the feasibility work, as opposed to hiring outside contractors. They anticipated presenting the feasibility study at the next Buildings and Grounds Committee meeting for Phase I project approval.

Chairman Hubbard called for a motion to establish this project for a feasibility study with a budget of up to \$450,000 to be funded from the Medical

Education Trust and/or Athletic Revenues. Mr. Jones so moved and Mr. Bradley seconded the motion.

Mr. Jones asked if a private practice component was being considered and Mr. Kelly replied yes.

Mr. Buyck asked the source of Medical Education Trust funds and how much money was in the Trust. Mr. Kelly explained that the funds were from the patient revenue generated through the School of Medicine's private practice component.

Dean DiPette's stated that they were currently considering a 60,000 square foot building, at approximately \$20 million, but that the estimate was a "moving target" depending on the project partners. He noted that currently there was approximately \$8 million in the Medical Education Trust.

Mr. Gaekle asked if the proposed Sports Medicine Clinic and Institute feasibility study and the student health center feasibility study would be joined in their systematic workings, as far as non-athlete students being able to use the new Sports Medicine Clinic and Institute.

Mr. Kelly responded that they were currently separate studies, but "begged to be together." Dean DiPette stated that although they felt it would serve the USC Community better to house both on one site, space and the geographic location "would probably not warrant one facility," because the two components would be too large for one site and the traffic too heavy. He added the each study would involve the same participants to lend congruency.

The vote was taken and the motion carried.

G. Patterson Hall Renovation: Patterson Hall is a nine story residence hall containing approximately 156,000 gross square feet, located along Bull Street. Originally constructed in the mid 1960's, the facility is in need of renovation to replace worn finishes and systems, to reconfigure space to meet student preferences, and to address code upgrades.

Space reconfiguration would include converting student rooms to a suite-style arrangement with four students sharing two rooms and a bathroom. Additional office space for housing administration would also be created.

General renovation work would include interior electrical upgrades, elevator restoration, interior painting, new furniture, carpet, and lobby restoration. Structural modifications would be made to address seismic code issues and a fire protection system would be installed.

Approval was requested to fund only the initial design and development and a cost estimate for the project. During the design process, further development of the project schedule and project cost would be analyzed to determine whether

the facility would be taken off-line for the renovation or implemented in phases.

Chairman Hubbard called for a motion to establish this project for Phase I Design with a budget of \$3.2 million funded with Housing Funds, with the contingency that a final project approval by the Committee and full Board would be required once the ultimate facility configuration and bed count was determined internally. Mr. Adams so moved and Mr. Bradley seconded the motion.

Mr. Gaekle stated that an issue among students was the current number of on-campus beds. As the students' representative, he said it was difficult for him to support the project, since it would mean a decrease in on-campus housing, especially in light of the increased student enrollment. Students wanted more on-campus housing than was currently available.

Chairman Hubbard said that he appreciated Mr. Gaekle's insight. On behalf of the Committee, he noted that one of the things the University prided itself on was the ratio of students to on campus housing relative to other Universities and that maintaining that positive ratio was a major priority.

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.

H. DeSaussure/Fire Protection Renovation: Constructed in 1809, DeSaussure College is the second oldest building on the campus of the University of South Carolina. Located in the historic Horseshoe District, the facility, approximately 25,000 gross square feet, required the installation of a fire protection system and general renovation. The scope of work would consist of installation of a new fire protection system, fire alarm upgrades, emergency lighting, window upgrades, HVAC/electrical/plumbing upgrades, kitchen renovations, and interior finishes.

These new improvements would enhance the student living conditions as well as modernize the building to meet current life safety code requirements.

Chairman Hubbard called for a motion to establish this project for Phase I Design with a budget of \$350,000 to be funded with Housing Funds. Mr. Bahnmuller so moved and Mr. Bradley 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.

I. Preston College/Fire Protection Renovation: Constructed in



1939, Preston College is one of the University's historical buildings. Located in the historic Horseshoe District, the facility required installation of a fire protection system and general renovation. The building contained approximately 66,000 gross square feet. The scope of work would consist of the installation of a fire suppression system, fire alarm upgrades, emergency lighting system, Voice-Data-CATV upgrades, interior finishes, and domestic hot/cold water line replacement.

These improvements would enhance the student living conditions as well as modernize the building to meet current life safety code requirements.

Chairman Hubbard called for a motion to establish this project for Phase I Design with a budget of \$280,000 to be funded with Housing Funds. Mr. Buyck moved and Mr. Adams seconded the motion.

Mr. Adams asked which residence halls would still be without sprinkler systems after completion of the above approved projects and Dr. Luna replied, Cliff Apartments, McClintock, Wade Hampton, and the rest of the Horseshoe residence halls. Mr. Adams asked Dr. Luna if they currently had a plan to install sprinkler systems in the remaining residence halls. Dr. Luna responded that currently 75 percent of the residence halls had sprinkler systems, and they had a plan in place for installation in the remaining 25 percent.

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.

## II. Other Project Approvals:

A. Hobcaw Outdoor Classroom Construction: This project was to construct an outdoor classroom/interpretative shelter to serve the educational and outreach needs of the USC North Inlet-Winyah Bay National Estuarine Research Reserve (NERR). The facility would be located on the Hobcaw Barony property near Georgetown, South Carolina. The approximately 1,800 square foot shelter would be a screened facility with an outdoor patio overlooking an existing freshwater pond adjacent to the existing Kimbel Lodge.

This approval level was within Board of Trustees authority and therefore not subjected to the Phase 1 and 2 approval process.

Chairman Hubbard called for a motion to establish this project with a budget of \$368,391 to be funded with grant funds from NOAA (National Oceanic and Atmospheric Administration). Mr. Buyck so moved and Mr. Lister seconded the motion. The vote was taken and the motion carried.

B. USC Aiken Office Modification: This project would retrofit existing office space to create a new server room directly adjacent to the main server room located in the Penland Building. The existing equipment room housed over 35 servers and lacked sufficient space and cooling capacity to accommodate the additional 14 servers required to support an admissions database and a web management system, security system additions, the new freshman residence hall, and a new Housing database.

The project would upgrade electrical and mechanical systems, increase cooling capacity, and expand the space into adjacent areas with a goal of accommodating three to five years of growth, while achieving optimum efficiency in space utilization and energy consumption. Also included in the project was the installation of a generator required to support emergency operations.

This approval level was within Board of Trustees authority and therefore not subjected to the Phase 1 and 2 approval process.

Chairman Hubbard called for a motion to approve the request for this project with a budget of \$329,000 funded with \$204,000 from USCA Technology Fees, \$50,000 from USCA ICPF, and \$75,000 from the USCA Student Residence Hall project. Mr. Loadholt so moved and Mr. Lister 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. Henderson Street Houses Relocation: The Henderson Street houses were properties listed in the University Neighborhood Historic District and on the National Register of Historic Places. 814 Henderson Street, constructed in 1914, contained approximately 5,000 gross square feet. 816 Henderson Street, originally constructed in 1860 and moved and altered in 1913, contained approximately 9,000 gross square feet.

Mr. Kelly stated that several years ago the Committee considered renovating the houses, but found that the effort would be too costly.

One option for the preservation and best use of these properties was to relocate them to property currently owned by the University in the 1700 block of Greene Street and to sell the houses and property for residential use.

Relocation of the houses would provide a building site in the core campus for future development. Dr. Sorensen had met with, and received approval from, the Neighborhood Association regarding relocation of the houses. The University

was currently in negotiations with the Association regarding potential new construction on the Henderson Street site.

Approval was requested to pursue options for relocating the houses at 814 and 816 Henderson Street, and for the sale of those houses and land on the relocation site. Mr. Kelly explained that if the request was approved, they would begin the process to move the houses through an RFP process. He understood that the State required them to obtain appraised values for the two lots on which the houses would be relocated. The purchasers would bear the cost of moving the houses. At present, the proposed use for the relocated houses would be residential or for student religious activities organization.

Chairman Hubbard called for a motion to pursue the options for relocating the houses located at 814 and 816 Henderson Street, and for the sale of the houses and land on the relocation site, with the understanding that if this option was deemed viable, the project would be brought to the Buildings and Grounds Committee and the Board of Trustees for final approval. Mr. Bradley so moved and Mr. Lister seconded the motion.

Mr. Buyck emphasized his understanding that the University would not invest any money in the relocation or renovation of the two houses. Dr. Sorensen confirmed Mr. Buyck's understanding.

Dr. Sorensen added that they would work closely with the South Carolina Department of Archives and History to protect the historic value of the houses.

Mr. Jones asked if the University had explored options to utilize the houses. Mr. Kelly responded that they had, but found that the cost to restore the houses to meet ADA compliance and other public building codes was "astronomical."

The vote was taken and the motion carried.

III. Resolution on Maintenance of President's House:

Chairman Hubbard read the Resolution into the record as follows:

WHEREAS it is the practice of the University of South Carolina to use the time between presidencies for the Board of Trustees to exercise its responsibility of overseeing the maintenance and condition of the University's President's House, and

WHEREAS Dr. Sorensen will be stepping aside as President in the coming months,

THEREFORE BE IT RESOLVED that the Buildings and Grounds Committee requests a comprehensive report on the status and condition of the President's House and that the President's

House shall be left unoccupied for the period of time necessary to implement any maintenance, repairs or other necessary work when it is vacated by the Sorensens and before the occupancy of the University's 28th President.

Chairman Hubbard called for a motion to approve the Resolution as read. Mr. Bradley so moved and, Mr. Buyck seconded the motion. The vote was taken and the motion carried.

IV. Report on the USC Design Review Committee:

Chairman Hubbard called on Mr. Kelly who explained that the newly created Design Review Committee was charged with the responsibilities of the outgoing Architectural Design Review Committee, along with other responsibilities.

Mr. Kelly provided an update on the composition of the Design Review Committee which was established at the Buildings and Grounds Committee's November 9<sup>th</sup>, 2007, meeting, and adopted by the Board of Trustees at their December 17<sup>th</sup>, 2007, meeting.

- The Chairman of the Buildings and Grounds Committee of the Board of Trustees - Mr. William Hubbard
- A member of the Board of Trustees appointed by the Chairman of the Board - Not yet named.
- A consulting planning professional - A couple of names were under consideration, including Dick Galehouse. They were awaiting confirmation as to whether Mr. Galehouse's status as a University contract employee would be a conflict.
- A LEED certified consulting architect - Not yet named
- A consulting landscape architect - Not yet named
- A consulting engineer - Not yet named
- The Vice President of Business and Finance - Richard Kelly
- A retired South Carolina architect, with no active business interests in this field - Mr. Phelps Boatman currently under consideration
- A retired South Carolina landscape architect with no active business interests in this field - They were currently in contact with State Landscape Architect Board to obtain possible appointees
- The provost or a designated faculty representative - Dr. Mark Becker
- An alumni representative - They had not yet had an opportunity to talk with Mr. William Bethea, the current Alumni Association President, but hoped that he would consider serving in this position himself.
- A presidential designee - Not yet named
- The dean or vice president responsible for the program within a specific building (with vote) - This would be a position that would be appointed where appropriate, based on the specific project.

Mr. Kelly added that they hoped to have the names finalized in the very near future. Secretary Stepp clarified that there was a core committee in place that could act immediately, pending the appointment of the remaining vacant positions.

Chairman Hubbard stated that this report was received for information.

V. Notification of Increase to West Side Elevator Project at Williams-Brice Stadium:

Chairman Hubbard called on Mr. Kelly. He explained that following University policy, the administration had increased the West Side Elevator project budget by \$7,000. The increase, required to fund higher than anticipated costs resulting from increased copper costs, was less than ten percent of the approved budget and less than \$250,000. The increase would be funded with Athletic Funds and, would result in a total budget of \$282,000 funded with \$275,000 in Auxiliary (trademark and licensing) Funds and \$7,000 in Athletic Funds.

Chairman Hubbard stated that this report was received for information.

VI. Potential for Housing on Regional Campuses:

Chairman Hubbard called on President Sorensen. He stated that in response to Executive Session discussion in the February 28th Building and Grounds Committee meeting regarding Non Columbia Campus Construction, he had prepared a memorandum describing the evolution of the missions of the four two-year campuses, particularly USC Salkehatchie and USC Lancaster, and had prepared a proposal to Expand the Mission of the University's System Campuses in an effort to increase enrollment. The document was sent to the Board of Trustees. If the proposal was approved it would provide for the construction of residence halls on the Salkehatchie and the Lancaster campuses.

President Sorensen requested the proposal be referred to the Academic Affairs and Faculty Liaison Committee for further consideration, and there were no objections.

VII. Gift Naming Opportunities:

Chairman Hubbard explained that the following Gift Naming Opportunities were presented in Executive Session without objection:

A. USC Columbia - School of Law:

1. "The Justin A. Thornton Faculty Office"
2. "The I. Allan From American Bar Association Real Property, Probate and Trust Journal Office"
3. "Stephen G. Morrison Pro Bono Suite"
4. "H. Tom Rice, Jr. and Wrenzie C. Rice Clinic Student Work Room"
5. "The Howser, Newman & Besley, L.L.C. Staff Lounge"
6. "Sue Erwin Harper and George A. Harper Student

Communication Area"

7. "The David W. Robinson Library Classroom"
8. "The Edward W. Mullins, Jr. Dean's Conference Room"

B. USC School of Medicine

"The Dr. and Mrs. Mohammad S. Nassri Ultrasound  
Training Laboratory"

C. Department of Athletics

"The Sheila and Morris Cregger Track Stadium"  
USC Columbia

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

VIII. Development Foundation Report:

Chairman Hubbard called on Mr. Meekins, who provided an update on the following Foundation projects:

- Adesso - Still at only 12 units sold, but property showings had increased to 80 last month, and advertising efforts had also been increased.
- Wheeler Hill - They had received the DHEC permit, but were still working with the City of Columbia on additional required permits. The housing market slow down had negatively affected the sale of properties, but they still anticipated the project to be a success.
- Baseball Stadium Property - The Foundation was currently in lease negotiations for the project lay down area.
- Purchase of additional property in the Innovista area - The Foundation was currently in negotiations to purchase property in this area, and exploring additional purchases.
- Consolidated Systems Property - They were still dealing with environmental issues on the property, and once resolved, they hoped the building could be used by the University.

Mr. Hubbard stated that this report is received for information.

IX. Other Matters:

Chairman Hubbard called for any other matters to come before the Committee. Mr. Bradley stated that over the years the University had enjoyed their "top-level" credit rating, which had enabled them to borrow money at the lowest price. To keep that high rating, they would have to face hard questions from lenders, and he felt that they needed to be aware of that fact.

His concern was that financing some of the University's short-term debt would be harder to do at low interest rates, and that borrowing new money would also be harder to do while maintaining the high level credit rating.

Mr. Mungo added that there was a dramatic drop in the value of municipal bonds in the last thirty days.

Mr. Kelly noted that the Board of Trustees had appointed a committee of Mr. Mungo, Mr. Whittle, Mr. Bradley, Ms. Moore, and Secretary Stepp to work with staff

and Lehman Brothers (the University's contract Financial Advisor) in relation to the University's Debt Management Policy in an effort to ensure the appropriate mix of funding sources were utilized and, to provide guidance on the strategic use of debt as a funding source. This policy provided a discipline and framework which management used to evaluate the appropriate use of debt in capital financing plans.

X. Adjournment:

Chairman Hubbard declared the meeting adjourned at 11:15 a.m.

Respectfully submitted,

Thomas L. Stepp  
Secretary