

University of South Carolina  
BOARD OF TRUSTEES

Buildings and Grounds Committee

September 21, 2012

The Buildings and Grounds Committee of the University of South Carolina Board of Trustees met on Friday, September 21, 2012, at 11:30 a.m. in the 1600 Hampton Street Board Room.

Members present were: Mr. William W. Jones, Jr., Chairman; Mr. Mark W. Buyck, Jr., Thomas C. Cofield; Mr. William C. Hubbard; Mr. Toney J. Lister; Mr. Miles Loadholt; Ms. Leah B. Moody; Mr. Charles H. Williams; Eugene P. Warr, Board Chairman; and Mr. John C. von Lehe, Jr., Board Vice Chairman.

Other Trustees present were: Mr. Chuck Allen; Mr. Robert E. Brown; Mr. J. Egerton Burroughs; Mr. A.C. "Bubba" Fennell, III; Dr. C. Edward Floyd; Mr. Hubert F. Mobley; Dr. C. Dorn Smith III; Mr. Thad Westbrook; and Mr. Mack I. Whittle.

Others present were: President Harris Pastides; Secretary Amy E. Stone; Vice President for Academic Affairs and Provost Michael D. Amiridis; Chief Financial Officer Edward L. Walton; General Counsel Walter (Terry) H. Parham; Vice President for Development and Alumni Relations Michelle Dodenhoff; Vice President for Research Prakash Nagarkatti; Vice President for Student Affairs and Vice Provost for Academic Support Dennis A. Pruitt; Associate Vice President for Business and Finance Leslie Brunelli; Associate Vice President for Business Affairs, Finance and Planning Division, Helen T. Zeigler; Associate Vice President for Facilities Tom Quasney; Senior Vice Provost and Director of Strategic Planning Christine W. Curtis; Chancellor of USC Upstate Tom Moore; Director of the Department of Internal Audit Phil Iapalucci; Deputy Athletics Director Charles Waddell; Executive Associate Athletics Director Kevin O'Connell; Vice Provost and Dean of Graduate Studies Lacy Ford; Dean of the College of Arts and Sciences Mary Anne Fitzpatrick; Dean of the College of Mass Communications and Information Studies Charles Bierbauer; Dean of the School of Music Tayloe Harding; Director of State Relations Trey Walker; Director of Facilities Operations and Maintenance, Division of Facilities, Jim Demarest; Director of Facilities Planning and Construction, Division of Facilities, Jeff Lamberson; Director of Facilities Planning and Programming and University Architect Derek S. Gruner; Director of Capital Budgets and Financing Charlie Fitzsimons; Associate Director of Strategic Planning and Assessment Cameron Howell;

Assistant Director, Office of Institutional Assessment and Compliance Nancy Floyd; Director of Governmental and Community Relations and Legislative Liaison Shirley Mills; Executive Assistant to the President for Equal Opportunity Programs Bobby Gist; Associate Athletics Director for Academics and Life Skills Raymond Harrison; Chief Financial Officer, Department of Athletics, Jeff Tallant; Associate Athletics Director and Senior Women's Administrator Judy Van Horn; Vice Chancellor for Information Services and Chief Information Officer, USC Aiken, Ernest Pringle; Special Assistant to the President J. Cantey Heath, Jr.; Director of Plant and Endowment Funds, Controller's Office, Deborah Crews; Christian Mergner, USC Facilities Design and Construction; Director of News and Internal Communications Wes Hickman; Senior Project Manager Thomas Opal; Chair of the Faculty Senate Dr. Sandra J. Kelly; Student Government Association President Tracy Kenny; Wife of Trustee Toney J. Lister, Cynthia Lister; Heather Mitchell, The Boudreaux Group; University Technology Services Production Manager, Justin Johnson; Board staff members Debra Allen, Terri Saxon, and Vera Stone.

Chairman Jones called the meeting to order and welcomed everyone. Mr. Hickman introduced members of the media who included Andy Shain of *The State*; and Amanda Coyne and Colin Campbell of *The Daily Gamecock*.

Chairman Jones 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 electronically posted for the Committee; and a quorum was present to conduct business.

Chairman Jones stated that there were contractual matters which were appropriate for discussion in Executive Session. Mr. Williams moved to enter Executive Session and Mr. Loadholt seconded the motion. The vote was taken, and the motion carried.

The following persons were invited to remain: Dr. Pastides, Secretary Stone, Dr. Amiridis, Mr. Walton, Dr. Pruitt, Mr. Parham, Ms. Dodenhoff, Ms. Brunelli, Coach Tanner, and Mr. Heath.

Return to Open Session

I. Planning Update

A. Five-Year Plan: Mr. Walton initially presented the Five-Year Plan at the February 2012 meeting and an update in the committee's spring meeting. He called on Mr. Gruner, who provided a current update on the Plan. [Exhibit A]

B. Project Approvals: Secretary Stone read the following statement, "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," and stated that it would be inserted into the record where appropriate.

1. Phase I Approvals

a. Sumwalt College Laboratory Renovations: This project will renovate approximately 5,070 square feet on the third floor to provide three teaching laboratories. The preliminary estimate for the project is \$1.9 million to be funded with Institutional Funds.

Chairman Jones called for a motion to establish this project for Phase I Design with a budget of \$28,500 funded with Institutional Funds. Ms. Moody so moved and Mr. Buyck seconded the motion. The vote was taken and the motion carried.

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b. College of Mass Communications Broadcast Studio Construction:

The project to renovate the Health Sciences building, located on Sumter Street at the foot of the Horseshoe, to house the College of Mass Communications and Information Studies was approved in October 2011. This project is to construct a broadcast studio on the site of the old greenhouse behind Lieber College. The proposed studio, with exterior glass walls, will display broadcast activity to the University, showcasing technology and innovative communications to enhance the curriculum and student experience by creating opportunities for the practice of live reporting techniques. The preliminary estimate for the project is \$1.5 million to be funded with Private Funds.

Chairman Jones called for a motion to establish this project for Phase I Design with a budget of \$22,500 funded with Private Funds. Mr. Buyck so moved and Mr. Williams seconded the motion. The vote was taken and the motion carried.

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2. Phase II Approvals

- Preston College Bathroom and Flooring Renovations: This project is to replace and renew bathrooms and residence hall bedroom flooring where materials, systems, and finishes are beyond their useful life. This project will include renovation of 80 bathrooms totaling 2800 square feet. Flooring replacement will renew resident bedrooms in 129 spaces totaling 32,342 square feet. While not intended to be a LEED registered project, the renovation will include many sustainable elements including low-flow toilets and lavatory aerators for faucets, regionally produced vinyl floors, energy efficient fluorescent lighting and No-VOC paint products. Construction is scheduled to begin in May 2013 with projected completion in August 2013.

Chairman Jones called for a motion to fund Phase II design and construction for a total project budget of \$1.5 million funded with Housing Maintenance Reserve Funds. Ms. Moody so moved and Mr. Cofield seconded the motion. The vote was taken and the motion carried.

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3. Land Acquisition

- Williams Street Property Acquisition: This project is to acquire approximately one acre of property adjacent to Carolina Stadium, located between the current parking lot and Catawba Street. The project received approval in February 2012 to proceed with an appraisal and environmental assessment of the property. The property has an appraised value of \$570,000. The environmental assessment identified no recognized environmental condition on the subject site or immediately adjacent parcels.

Chairman Jones called for a motion to acquire the property with a total project budget of \$575,000 to be funded with Athletic Operating Funds. Mr. Hubbard so moved and Mr. Loadholt seconded the motion. The vote was taken and the motion carried.

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4. Other Approvals

a. Bursar-Registrar Office Expansion: The offices of the Bursar and Registrar relocated from Petigru College to what was to be temporary “swing” space within the existing buildings at 516/518 Main Street while Petigru College was being renovated in 2011. The reprogramming of Petigru to return to an academic use requires that the offices of the Bursar and Registrar remain in the

Main Street facility. The available space within the Main Street buildings does not accommodate the entire Bursar-Registrar program and is inadequate when considered as a permanent location for these programs. The space also fails to provide satisfactory accessibility for students utilizing these services.

This project enables the Bursar and Registrar to expand into a large portion of the entry level of the adjacent five-story building at 1244 Blossom Street currently occupied by UTS. The Bursar and Registrar will move their most student-focused functions to this more accessible location which has available short-term parking which conveniently supports these services. Much of the first floor, 7759 square feet, will be reconfigured to accommodate the service desks and offices associated with these programs. The less public functions including records storage and staff with less frequent student interaction will remain at 516/518 Main Street with minimal reconfiguration to the 17,476 square foot facility. Two UTS groups occupying approximately 1725 square foot, currently existing at the entry level of the Blossom Street building, will be relocated. A security group will be relocated to the second floor of the Blossom Street building and a few other offices will be relocated to the UTS facility at 514 Main Street as part of this multi-phase/multi-facility project. Preliminary planning and programming has coordinated the project design for the Registrar, the Bursar and UTS.

Chairman Jones called for a motion to establish and fully fund this project with a budget of \$995,000 to be funded with Institutional Capital Project Funds. Mr. Loadholt so moved and Mr. Cofield seconded the motion. The vote was taken and the motion carried.

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b. 2013 Classroom Enhancement Projects: The Classroom Enhancement Project was initiated in 1993/1994 to upgrade existing classrooms to a higher standard and to provide capabilities for multi-media instruction. The projects are funded with Institutional Funds from the Office of the Provost and Institutional Capital Project Funds from the Office of Business and Finance. The following projects are planned for implementation in 2013.

<u>2013 LeConte College Classroom Enhancements</u>	\$400,000
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This project will enhance seven classrooms with the capacity of these rooms ranging from 30 to 64 seats per room. The budget for the project is \$400,000 - to be funded with \$385,000 in Institutional Capital Project Funds and \$15,000 in Institutional Funds.

<u>2013 Booker T. Washington Auditorium Classroom Enhancement</u>	\$300,000
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This project will install multi-media equipment in the auditorium of the Booker T. Washington building. Work will also include the installation of a sound system and acoustical panels. The budget for the project is \$300,000 and will be funded with \$285,000 in Institutional Capital Project Funds and \$15,000 in Institutional Funds.

Chairman Jones called for a motion to establish and fully fund the classroom enhancement projects with the budgets as stated. Mr. Buyck so moved and Ms. Moody 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. National Advocacy Center Elevator Controls/Equipment Room

Upgrades: Operated by the U.S. Department of Justice, the National Advocacy Center (NAC) is a 260,000 square foot professional education center. The NAC opened on the University of South Carolina campus in April 1998.

The NAC has six elevators, four passenger and two service, installed when the building was constructed in 1997. Routine maintenance and repairs have been addressed through the use of University service contracts. After 15 years, the elevator control panels are becoming out dated and parts are not easily available. Future repairs could result in down time, which is very problematic for the operation of the NAC.

This project will upgrade the elevator control panels, address related code requirements, and provide the reliability required by the Department of Justice. The elevator equipment rooms will also be upgraded to provide adequate conditioning for the new computerized controls to operate effectively.

Chairman Jones called for a motion to establish and fully fund this project with a budget of \$485,000 to be funded with Department of Justice Funds. Mr. Cofield so moved and Mr. Loadholt seconded the motion. The vote was taken and the motion carried.

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d. School of Medicine 15 Medical Park Air Handler Replacement

The Clinical Education Building, 15 Medical Park, is located on the School of Medicine Palmetto Richland Campus. This project is to replace the main air handler unit for the building and to replace existing pneumatic controls with new digital controls.

Chairman Jones called for a motion to establish and fully fund this project with a budget of \$260,000 to be funded with School of Medicine Institutional Capital Project Funds. Mr. von Lehe so moved and Mr. Loadholt seconded the motion. The vote was taken and the motion carried.

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e. 2012 Deferred Maintenance Projects: The State of South Carolina appropriated funding for Fiscal Year 2012-2013 for Deferred Maintenance for each campus of the University of South Carolina. Funding is a combination of State Capital Reserve Funds and South Carolina Education Lottery Funds.

Chairman Jones called for a motion to approve the USC Columbia 2012 deferred maintenance projects with the budgets and funding sources listed:

<u>USC Columbia 2012 Deferred Maintenance</u>	\$4,687,733
(\$4,687,733 SC Education Lottery Funds)	

Ms. Moody moved and Mr. Buyck seconded the motion. The vote was taken and the motion carried.

Chairman Jones called for a motion to approve the USC System 2012 deferred maintenance projects with the budgets and funding sources listed:

<u>USC Aiken 2012 Deferred Maintenance</u>	\$841,761
\$553,795 Capital Reserve Funds;	
\$287,966 SC Education Lottery Funds	
<u>USC Beaufort 2012 Deferred Maintenance</u>	\$393,353
\$327,207 Capital Reserve Funds;	
\$66,146 SC Education Lottery Funds	
<u>USC Upstate 2012 Deferred Maintenance</u>	\$1,108,261
\$729,126 Capital Reserve Funds;	
\$379,135 SC Education Lottery Funds	
<u>USC Sumter 2012 Deferred Maintenance</u>	\$481,157
\$367,869 Capital Reserve Funds;	
\$113,288 SC Education Lottery Funds	

Mr. Lister so moved and Mr. Loadholt seconded the motion. The vote was taken and the motion carried. Chairman Jones stated for the record that “approval is contingent upon availability and release of State funds.”

Mr. Gruner presented for information the following deferred maintenance projects. No action was necessary since the projects were under \$250,000.

<u>USC Lancaster 2012 Deferred Maintenance</u>	\$208,697
\$137,302 Capital Reserve Funds;	
\$71,395 SC Education Lottery Funds	

This project addresses multiple maintenance needs in the Gregory Health and Wellness Center; the Medford Library; and Maintenance Building.

USC Salkehatchie 2012 Deferred Maintenance      \$177,806  
\$116,979 Capital Reserve Funds;  
\$60,827 SC Education Lottery Funds

This project addresses multiple maintenance needs. Work will include Allendale Science Building and Library HVAC replacement, Walterboro covered walkway repair and renovation, Hut interior repair and renovations, Education Building porch decking replacement, and Education Building Annex roof repair/replacement.

USC Union 2012 Deferred Maintenance      \$81,001  
\$53,290 Capital Reserve Funds;  
\$27,711 SC Education Lottery Funds

This project will fund the replacement of the chiller for the Central Building on the campus.

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C.      Project Budget Adjustments

1.      South Energy Plate Frame Heat Exchanger: The project to install an energy efficient plate frame heat exchanger at the South Energy plant was approved in October 2011, with a budget of \$300,000. The budget was established based on costs for a similar project at the North Energy Plant. During preliminary design, it was determined that the floor space designated for installation requires the installation of a shorter, custom sized heat exchanger. The change in size, along with additional piping modifications, requires an increase to the project budget.

The Energy Performance Contract with Johnson Controls Incorporated stipulates guaranteed energy savings resulting from improvements executed under the contract. The guaranteed energy savings were not realized. This project is funded with the payment for these unrealized savings.

Chairman Jones called for a motion to increase the budget for this project by \$50,000, resulting in a total project budget of \$350,000 funded with Institutional Funds. Mr. Loadholt moved and Mr. Hubbard seconded the motion. The vote was taken and the motion carried.

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Mr. Hubbard asked for a status update on the Bio-Mass Plant. Mr. Walton responded that he had a meeting, on October 9<sup>th</sup>, with Johnson Controls regarding the plant. He planned to update the Board following the meeting.

2. East Energy Deaerator Tank Replacement: The project to replace the existing deaerator tank at the East Energy plant was approved in October 2011, with a budget of \$420,000. The budget was based on costs of similar projects, adjusted for inflation. The current cost of tank is higher than anticipated. In addition, the scope of the project is to be increased to include the replacement of pumps and controls to provide more efficiency, easier maintenance, and better control of plant operations.

The project is funded with utility funds from the FY2011 budget. Actual utility costs were less than budgeted and the remaining funds are reinvested in utility projects to maintain existing systems.

Chairman Jones called for a motion to increase the budget for this project by \$125,000, resulting in a total project budget of \$545,000 funded with Institutional Funds. Mr. von Lehe so moved and Mr. Loadholt 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. Administrative Notifications:

1. Maxcy College Renovation: The project budget for the Maxcy College Renovation was increased by \$249,900. When the project was bid, all bids exceeded the construction budget. The increase provided sufficient construction contingency to allow construction to proceed in Summer 2012.

The increase was funded with a transfer of Housing Maintenance Reserve Funds remaining in the completed Preston College HVAC Renovation project. The increase resulted in a total budget of \$3,999,900 funded entirely with Housing Maintenance Reserve Funds.

2. Jones Physical Sciences Center Electrical Services Repair/Restoration:

On July 9, 2012 there was a major power outage at Jones Physical Sciences Center. The buss raceway running from the exterior of the building into the main switchgear failed, resulting in the total loss of power to the facility. The project was declared an emergency in order to restore power as quickly as possible. An emergency generator supplied temporary power to the research laboratories and classroom space. Permanent power was restored on July 15, 2012. The project will be completed in late November when a refurbished breaker is received and installed. The buss raceway that failed was installed when the facility was constructed (1967).

Project costs include rental, wiring, and fueling of the emergency generator as well as fabrication and installation of a new buss raceway and refurbishment of an electrical breaker. The project budget is \$275,000 and is funded with Renovation Reserve Funds.

### 3. Assembly Street Elevator Installation/Tunnel Improvements:

In February 2012, the project for Assembly Street Safety Improvements was approved with a budget of \$4 million. This project, developed in conjunction with the South Carolina Department of Transportation and the City of Columbia, will accomplish pedestrian safety improvements on Assembly Street from the intersections of Pendleton Street to Blossom Street. The project is to also include the installation of an elevator to improve accessibility to the tunnel under Assembly Street and improvements to the tunnel. Improvements are to include lighting upgrades, security cameras, and painting.

While the majority of the work is being executed by the Department of Transportation, the elevator installation and tunnel improvements are to be executed by the University of South Carolina and funded with \$750,000 of the \$4 million approved for the overall project.

Mr. Gruner stated that these administrative notifications were presented as information.

Mr. Burroughs asked for an update on the former Dunbar Funeral Home on Gervais Street. Mr. Gruner responded that the renovation of the building was underway, with the first phase to stabilize the building.

Mr. Buyck asked if the Horry-Guignard was scheduled for renovation. Mr. Gruner said yes, but the timing of the renovation would be coordinated with the Taylor House renovation and the new law center.

Mr. Whittle asked for an update on the USC Upstate Library renovations need. Chancellor Moore explained that the renovations were included in the deferred maintenance projects.

### II. Project Update

Mr. Quasney explained that they typically had between 70 – 90 major capital projects in progress at one time, valued at \$500,000,000 to \$600,000,000. In addition they managed approximately 250 smaller projects at any given time. He noted that the average number of jobs created by the projects was over 10,000; and that over 75 percent of the projects included addressing some type of deferred maintenance.

Mr. Quasney provided an update on the following projects: Darla Moore School of Business; Maxcy College; Farmers Market; Williams-Brice Video Board; Horizon Ground/4th Floors; Discovery Floors 3-5; Assembly Street Safety; Petigru; Student Health Center; Women's Quad; Rice Athletic Center; Booker T. Washington.

This report was received as information.

### III. Regulatory Actions Update

Ms. Zeigler stated that since her last update in the April 2012 Committee meeting, the Key Road properties acquisition (ETV) had been approved in April by the Commission on Higher Education

(CHE) and the Joint Bond Review Committee (JBRC); and in May by the State Budget and Control Board (B&CB). The University now owns the ETV property adjacent to Williams-Brice Stadium.

Five projects received CHE approval in May; and JBRC and B&CB approval in June. The university did not submit any projects in the July-August approval cycle.

There are currently three projects scheduled to be presented to the CHE, JBRC, and B&CB in the November – December regulatory approval process; following today’s approval, and dependent upon the Full Board’s approval at its October meeting.

IV. Gift Naming Opportunities:

Chairman Jones called on Secretary Stone, who explained that the following gift naming opportunities were presented in Executive Session without objection:

A. Athletics Department:

- “The Nord Family Scoreboard” at Carolina’s Tennis Complex

B. Moore School of Business:

- “The Ryan T. Walker and the Walker Family Classroom”

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

V. Other Matters:

Chairman Jones called on Mr. Walton to discuss public-private partnerships in student housing.

There are possible opportunities for public-private partnerships coming.

Over the past few months we have met and studied the possibilities with our internal stakeholders. We have studied and measured physical and financial capacities required to make public-private- partnerships work. Moreover, we have had meetings with developers, analyzed the markets, reviewed sites, and discussed financing with our advisors. We have studied the options until we have become informed and able to make decisions.

Over the past year, three developers have approached us seeking exclusive rights to build on our campus or to partner with us to ensure a flow of renters on their sites. Nearly every week someone directly or indirectly tries to meet with us to pitch an idea for housing. Today, there are not less than 4 developers planning large-scale student housing projects proposed within a distance of 1-block to 1-mile of campus. These projects are all contemplated off USC property and they are expected to be profitable for the developers without USC participation. But to my knowledge today, none of the projects have been financed and certainly none have broken ground.

Here at the USC campus in Columbia, we enjoy continued high demand for admission. Our total enrollment is up this fall by 836 FTE for a total of 28,701 FTE students enrolled. We currently have room for 6,843 undergraduates to live on campus, and we have current demand for 7,294 beds. That leaves, even today, 451 students who indicate a strong preference for on-campus living but are unable to do so. To say that we have demand for our housing is true.

Similarly, there are twelve very popular off-campus student housing units that have 6,876 beds and as of last night they are at 99 percent occupancy. So everything that is popular and everything that is desired around the campus is full.

With total enrollment of 28,701 less the sum of on-campus housing and popular off-campus housing of 14,137 there are still 14,564 full-time USC students occupying other sleeping quarters in and around Columbia. Those students are living somewhere other than USC housing or the most popular off-campus housing. Clearly, USC Columbia is a magnet for the Columbia area housing market. We have concluded that not only is the housing market there for USC, but it is bolstered by the eagerness of developers to build even without university participation.

We prove every year that retention and graduation rates plus the overall education experience are enhanced when students live on-campus. Our board has expressed many times its preference for increased housing on campus, and our experience, for the past fifteen years at least, has been to improve our on-campus living experience; however, we have not materially increased the number of rooms available.

Our Housing Master Plan market analysis suggests proximity to campus resources and direct student community involvement are primary reasons why students prefer on-campus housing. However, some students are willing to give up living on-campus in favor of increased privacy and living with groups of other students of their own choosing that they can find off-campus. In general, they want less regulation. Our planners suggest that USC will have to invest in amenities to create the sense of place and community if we seek to improve the rate of on-campus living beyond current demand in order to lure some of the total 21,858 students living off-campus back on campus. We have to be competitive to be successful. We think that means private development in partnership with USC.

We consider the fact that the private sector is clearly able to profit from USC students to be a positive sign. We think the available land on campus, especially land in the Innovista area, is a positive place for housing as proven by our Greek Village. When we consider that the Public Health Research Center, School of Music, Strom Thurmond Wellness Center, Greek Village, and next the Darla Moore School of Business are already located in that district, it is only right that housing would take place there as well.

But it's not only about housing. It is about carrying out a public higher education mission with very limited public funds. Our analysis shows that with University participation in a private housing complex on campus, the draw of the University and the profits from the project can be combined to leverage development of the academic, research, and commercial space we need on campus as well. Just yesterday we learned that the AgFirst Bank will acquire the Bank of America Plaza at 1901 Main Street and occupy 100,000 square feet there. With that acquisition and occupation the commercial office space market in Columbia is effectively going to be at full capacity for the first time since about 2005. USC and its partners will find it more difficult to lease space off campus; making it imperative that we find new ways to increase our campus physical capacity. Just as proof, in Fall of 2002, when our Fall student FTE enrollment was 19,547 our instruction space in Columbia was 1,280,000 square feet. Today, with FTE enrollment 46 percent greater at 28,701 and our space for delivering instruction is effectively unchanged at 1,283,000 square feet.

Our instruction space is at capacity by every traditional measure. We have traditional plans to relieve these pressures in the coming months. Moving the Law School and repurposing the UTS building will add significant classroom space to our inventory. We think that public private partnerships will offer us the ability to move even more quickly toward not only managing current demand, but preparing for increased demand; especially in those fields of science and engineering that are fast increasing in popularity as the nation and the state recover from economic recession. We have an overwhelming demand for new engineering teaching space.

Our governance, planning, operations, and business models all indicate we need increased housing on campus. Our housing master plan calls for public private partnerships in the Innovista area to construct traditional and Greek housing for students. Our Innovista Master Plan calls for public-private partnerships for academic and commercial space. All of these plans are enveloped in our Sasaki master plan formed by our actual and projected activities.

Housing students on campus provides the safest and best opportunity for our students to succeed. We believe that in order to provide space to carry out our public academic mission, we will have to partner with private development. We believe in partnership with private development, our location, campus amenities, and campus life will allow us to compete favorably for the nearly 22,000 students who live off-campus today. This will allow us to truly develop the live, work, learn environment that will make USC sustainable and Columbia vibrant well into this 21st Century.

During October, we plan to issue a request for proposals from private developers willing to partner with us to provide housing on campus and to leverage that housing to provide additional academic space as well. Our request will have the broadest possible dissemination. We expect it to generate great interest amongst developers across the nation. This effort will require the greatest support of the Board. Over the winter and spring, as contracts, designs, and policies emerge from our efforts, your consultation and approvals will be sought along the way.

Mr. Walton responded to questions from Committee members. Mr. Whittle noted that the University had doubled the size of its freshman class since 1999; but the number of on-campus beds had not increased. He encouraged the Committee to consider public-private student housing partnerships a top priority, because if they did not, then the private sector would proceed without the University and the University would lose the ability to control student housing developments.

Mr. von Lehe said that although he saw the need for additional student housing, he wanted to know the primary reasons for partnering with the private sector on a revenue producing venture in which the students would rent from the University. Mr. Walton responded that this new option would allow the University to facilitate getting more students living on campus without taking on additional direct debt.

Mr. Hubbard asked how the beautiful green space in front of the School of Medicine had become a gravel parking lot. Mr. Walton responded that the University did not own the property, the U. S. Department of Veterans Affairs did. Chairman Jones asked Mr. Walton if he and his staff could, before the next Committee meeting, look into the situation. Mr. Hubbard suggested that the Board should talk to the congressional delegation for their support in addressing the deterioration of the campus grounds.

Following much discussion, Chairman Jones thanked Mr. Walton for his informative report.

IX. Adjournment:

There being no other business, Chairman Jones declared the meeting adjourned at 1:15 p.m.

Respectfully submitted,



Amy H. Stone

Secretary