

**Minutes
Coastal Carolina University
Board of Trustees**

**Capital Projects Committee
Wednesday, March 19, 2007
Wall College of Business Board Room**

Committee Members Present: Mr. Joseph L. Carter, Mr. Fred F. DuBard, Jr.,
Mr. Daniel W. R. Moore, Sr., and Mr. Eugene C. Spivey

Committee Members Not Present: Mr. William H. Alford

Others Board Members Present: Mr. Samuel H. Frink

Others Present: Dr. David A. DeCenzo, Dr. Edgar L. Dyer, Mr. David A. Bredekemp, Ms. Brenda M. Cox, Mr. Stanyarne R. Godshall, Ms. Paula Holt, Ms. Nila Hutchinson, Ms. Linda P. Lyerly, Ms. Anne T. Monk Mr. Keith Smith, Dr. Richard N. Weldon, Dr. Lynn Willett, and Ms. Sandy Williams

Mr. Moore called the meeting to order and noted that Mr. Alford is out of town.

Mr. Carter moved to approve the minutes of January 10, 2007; second by Mr. Spivey and so carried.

Dr. Weldon recognized Sandy Williams and Brenda Cox who maintain the records of projects/funding/sources/approval process.

Mr. Keith Hinson proposes gifting to the university a plat of land for a Myrtle Beach Higher Education Center. The land is approximately 8.5 acres, including the wetlands buffer, and is located near the corner of International Drive and River Oaks Boulevard Mr. Hinson. An agreement is currently being drawn up. Currently, the land is owned by a LLC partnership and the land will be deeded to Mr. Hinson. After he has held the land for one year, he proposes deeding the land to the university. Dr. Weldon stated that the year's wait would give time to develop an architectural design, start the process to build the building through the state, and line up funding. Occupation of the building could take place in about two years. Road, water and sewer access will be part of the agreement. Dr. DeCenzo said the commitment letter should be completed within the next week or two.

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Dr. Weldon reported on off-campus sites and stated that noncredit classes are held at Webster University, credit classes at Horry-Georgetown Tech, the testing center is at Colonial Mall, and the MBA program is on campus. In the interim before the Myrtle Beach site is completed, we could pursue using classrooms at Myrtle Beach High School. Dr. DeCenzo stated that the university will offer classes in blocks in fall semester at Litchfield and see how students respond. In order to be cost effective at least 200-225 committed students are needed. Mr. Moore stated that we need to develop a marketing plan for the Litchfield site.

Mr. Moore reminded everyone of the Jackson Family proposal at Sayebrook. A Memorandum of Understanding from the Jackson Family offer is in writing. The real estate market has slowed down and consequently this project may be further down the road than the Hinson offer.

The committee would like for the new higher education center to be in a central location. Mr. DuBard believes that the student enrollment should be the driving force for deciding where classes should be offered. As can be seen from the enrollment history of the Georgetown Higher Education Center, student enrollment has declined considerably.

Dr. Weldon reported that the Georgetown Higher Education Center is located in a strip mall and the rent is \$24,000/year. The lease expires in 2008. One staff person has worked there for years. The Georgetown Advisory Committee receives tax money from Georgetown County and pays the balance of the lease. They have renovated and furnished the place and have been very supportive. The Georgetown Elementary School has asked to use some of the space in the fall.

Dr. DeCenzo will meet with Georgetown County to get a consensus of their thoughts to move classes to our Litchfield location. Instructors also need to have a mindset to teach at all of the campus locations.

Mr. Carter asked if there was a provision in the two gift proposals that would allow the university to dispose of the property once it is developed if the locale was no longer viable for student enrollment. It was felt that this would most likely not be acceptable for the Jackson proposal. Mr. Carter would like for that to be negotiated into the agreement for the Hinson property. Also, he wanted to know if the first floor of that building could be leased out for additional revenue.

Dr. Weldon reviewed the A-1 form procedure for the acquisition of land, buildings, and projects and the approval letters required. If the land is gifted, we still have to go through the procedure to accept the gift, set up the project, and construct the building.

A list of the current A-1 projects which have been approved through the state process was reviewed.

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Mr. Moore wanted to know what the university's current bond capacity is. Mr. Smith stated that we were capped out as of June 30, 2006 because of the \$10.086 million in institutional bonds last year. By June 30, 2007, we will have paid some down and our base will have increased. Ms. Lyerly added that what is not spent in the current debt service will be available for projects in a year.

The athletic training facility was initially set up as a project for \$6.1 million with the state. The Foundation has committed to adding \$3 million of private money. The project has been scaled back twice and still another \$3 million may be required in addition to the \$9 million to complete the project. Before a bidding process can begin, the entire \$12-13 million needs to be on hand. The architectural designs were reviewed.

Considering the needs of the university for a science building and a library expansion, it was the general consensus of the committee that private money might be best for funding the athletic facility and utilize the bonding monies for campus needs.

The golf course irrigation project was budgeted for \$600,000 from the institutional bonds, but the first bid for the project was for \$800,000. The amount of the project will have to be increased. The golf course will pay the university back for the money spent on capital projects.

The laundry facility will be funded through the housing auxiliary money and is ready to go out for bids with the hopes of having it completed by the fall semester. This facility will be a service to the students and will generate some revenue.

The new design for the entrance to campus on Highway 501 was reviewed. In addition to Coastal's name, Horry-Georgetown Technical College (HGTC) will be added to the bricked entrance. The Foundation has approved this concept on their portion of the land. This project will be paid partially by DOT funds from the road straightening project. HGTC has been helpful and generous throughout this project. Mr. Carter cautioned that DOT requires 250' from the turn in until your next drive. So, we must be careful with the entrances to the arena when a site plan is available from the developer.

A traffic light has been requested from the SCDOT for the busy intersection of Chanticleer Drive East and University Boulevard (by the bookstore).

Dr. Weldon reported that the arena developer may seek an RDA loan, rather than a bond. Mr. Godshall added that the USDA (RDA) guarantees the debt up to 90%. The Foundation has approved some exterior drawings and approved Barton Malow as the general contractor. The university also needs to officially approve this. Dr. DeCenzo will schedule a meeting in April with all the involved entities for a briefing.

The university currently leases the band building and practice field, and there is an opportunity to purchase the property for \$500,000. An estimated appraisal is \$616,820. The university has already made some capital improvements to the building. Warehouse space could eventually be built in the wooded area. To purchase the land, an

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official appraisal will be made and then proceed through the process to the SCCHE, joint bond review, and the budget and control board.

Also included in the handouts: the 2007 Comprehensive Permanent Improvement Plan and the Budget Presentation, which will be made to the Higher Education Subcommittee of the Senate Finance Committee on March 29, 2007. Included in this presentation is the Proviso 45 which the House Ways and Means Committee recently passed to direct the SCCHE to fund all institutions in the comprehensive sector at a minimum of 70% of MRR. This will mean an additional \$6 million for Coastal. Coastal has agreed that if the Proviso is approved, Coastal will not increase tuition for South Carolina residents for the 2007-2008 year.

Mr. Carter inquired about the Oak Street property land swap. Mr. Moore stated that this idea fell through and is a moot point.

Mr. Carter commended Dr. Weldon and his staff for the information received.

There being no further business, the meeting adjourned.

Respectfully submitted,

Chyrel Stalvey for
Samuel H. Frink
Secretary/Treasurer