

**COLLEGE OF CHARLESTON****BOARD OF TRUSTEES**

President's Board Room

College of Charleston

Charleston, South Carolina

November 15, 2002

9:35 a.m.

Presiding:

Robert S. Small, Jr., Chairman

Members of the Board in attendance:

Mr. Donald H. Belk

Mr. J. Philip Bell

Mrs. Charlotte L. Berry

Mr. Timothy N. Dangerfield

Dr. L. Cherry Daniel

Mr. William D. Johnson

Mr. Robert W. Marlowe

Mr. F. Creighton McMaster

Mr. Lawrence R. Miller

Mr. J. Vincent Price, Jr.

Joel H. Smith, Esq.

Mr. Joseph F. Thompson, Jr.

Absent:

Cheryl Whipper Hamilton, Esq.

Mrs. Marie Land

Mrs. Annaliza Oehmig Moorhead

Mr. Lawrence O. Thompson

Others in attendance: President Lee Higdon, Drs. Andrew Abrams, Jeri Cabot, William Lindstrom, Amy McCandless, Susan Morrison, Sue Sommer-Kresse; Messrs. Jerry Baker, Fred Daniels, Daniel Dukes, Sam Jones, Gary McCombs; Mses. Priscilla Burbage, Virginia Friedman, Elizabeth Kassebaum, Monica Scott; also present were members of the press Joel Reibert and Mike Baller of the *George Street Observer*, Ed Anderson of WCBF TV-2, and Jason Harden of the *Post & Courier*; and three arena consultants, Ian Vingoe, Myles Glick and Jerry McClendon.

(In accordance with requirements of the *S.C. Freedom of Information Act*, news media was notified of the time, location and agenda for this meeting.)

A special meeting of the College of Charleston Board of Trustees was held on November 15, 2002, to discuss findings regarding the feasibility of building a new basketball arena. At 9:35 a.m. the meeting was called to order by Chairman Small.

Chairman Small made the motion, seconded by Charlotte Berry, to approve the minutes from the October 2002 Board of Trustees meeting.

All in favor.

#### Finance Committee:

Board members Larry Miller, Joe Thompson, Tim Dangerfield, and Creighton McMaster, along with staff members Gary McCombs, Priscilla Burbage, Sam Jones and Daniel Dukes, attended the committee meeting.

Mr. Miller noted a change in format type and reported that the Finance Committee is continuing its discussions on cost savings and effectiveness.

Gary McCombs reported on dormitory hall financial projections.

No motions were made.

#### President's Report:

President Higdon introduced Ian Vingoe of Heery International, as well as Jerry McClendon and Myles Glick of Glick Boehm and Associates. President Higdon turned the meeting over to Ian Vingoe.

Ian Vingoe, Director of Architecture for Heery International, reported on the feasibility study conducted by Heery International for the College of Charleston on the expansion and renovation of the Kresse Arena versus new construction on upper Meeting Street.

Mr. Vingoe noted that the F. Mitchell Johnson Center is like a 2-bedroom house with a growing family. The College needs 170,000 square feet, which is twice the space that the Johnson Center currently accommodates. Issues taken into account are whether this number can be accommodated at the current site and/or the upper Meeting Street site; the possibilities for land acquisition; the funding sources; market factors involved; and what control the College has. Mr. Vingoe concluded in his study that there are 5 clear options: 1 at the current site and 5 uptown.

If the College chooses to remove the tennis courts and place them on the roof, the entry to the Johnson Center can be changed to provide to a bigger entrance from Meeting Street and renovate the current George Street lobby for a V.I.P. lobby/hospitality suite. The removal of the tennis courts would allow building an arena that would stretch across the current John Kresse Arena and the Recreation Gym to accommodate the target volume.

Mr. Vingoe suggested replacing the bleacher seating with more comfortable seating. Noted was the fundamental difference between a gymnasium and an arena. In a gymnasium, one enters and moves up toward seating. In an arena, one enters at a concourse and moves down toward seating. Mr.

Vingoe also noted the need to increase the number of concessions and lavatories.

Mr. Vingoe suggested having the main entrance off Meeting street where patrons would enter on the second level of the building (using selective demolition to make a concourse), at which point they would choose from three aisles to walk down to seating.

The upper level of the gym presents a challenge insofar as seating goals. It is currently occupied by bleachers and a mechanical room. However, the floor level is the same as that of the racquetball courts, and with selective demolition, the shared flooring could accommodate a balcony with an additional 500 seats to achieve the target seating goal of 4,500 seats set by President Higdon.

Mr. Vingoe reported that Heery International conducted a three-day review of structural issues, including mechanical, electrical and plumbing, and found the building to be structurally solid and worthy of renovation with the exception of some earthquake code deficiencies. The mechanical system needs to be replaced even if the College decides to build the arena uptown.

Mr. Vingoe compared the feasibility of building a 6,500 seat arena on upper Meeting Street to the renovation and expansion of the F. Mitchell Johnson Center site. One of the main considerations for an uptown site is the reinvigoration of that neighborhood. The question for the College, however, is whether a 6,500 seat arena would fit on Wolfe Street. The Heery Study concluded that the new arena would fit on the Wolfe Street site just barely, and there would be complications because the service access is constricted. Even if the arena were to fit, there would be no room for expansion.

It was concluded that there are basically five options regarding the new College of Charleston arena:

Option A: Expand and renovate the current Johnson site to 4,000-4,500 seating capacity.

Option B: Build uptown arena of same size and move the Athletics Department uptown.

Option C: Build a 6,500 seat arena uptown and move the Athletics Department

Option D: 4,500 seat game-day facility uptown; owned/operated by the City

Option E: 6,500 seat multi-purpose game-day facility uptown; owned/operated by the City

Parking was noted as the largest variable with the uptown choices in terms of cost.

Operating costs are a large factor. A larger facility at the Johnson Center would give the College more square footage and more money coming from E and G funds. The net effect with option A would be a gain in cash, while with options B and C there would be no money from the State since it wouldn't be an E & G facility, and there would be a cost incurred for transportation expenses to travel there and back.

Options B, C, D and E would be a struggling market for outside events since this market is already dominated by the North Charleston Coliseum. A more esoteric consideration of going with any of the options B through D would be the chance of empty seating and the repercussions of such a scenario.

Jerry McClendon of the Strategic Advisory Group discussed the pros and cons of the various options.

With option A, there is no need for a development contingency since the College owns the land and controls the site and program. With options B-E, there would be an additional 10% due to unknowns (approximately \$7-\$10 Million). With options A-C, we would own the arena; with options D and E, we would rent from the City. We currently have \$23.5 Million for the project. With options B-E, the City would contribute \$1 Million. With option A, the College is \$3.3 Million away from target; with options B and C, the gap is between \$23-30 Million and with options D and E, the gap is between \$5 and \$108 Million. With options B-E, net operating deficits from \$200,000 to \$910,000 are predicted.

Jerry McClendon reiterated the soft issue of attendance. The College currently plays to a packed house, which gives the basketball team the home court advantage.

Dwight Johnson questioned how many arenas are publicly owned versus privately owned. Jerry Baker responded that Chattanooga is city owned, as is Appalachian State, while others are institutionally owned.

Myles Glick of Glick Boehm and Associates discussed the upper Meeting Street site and the present site and the impact of a College of Charleston arena to both the College and the neighborhood. He reported that after speaking with many City leaders and College neighbors, there is a great diversity of thought regarding the arena site. However, most people agreed that (1) parking is an issue that could be resolved at the current site, and (2) building an arena uptown would revitalize that neighborhood. This brought the question of the College's mission to the forefront.

Ian Vingoe made the following recommendations:

If the College needs a larger arena for the "big game," it could easily go to the North Charleston Coliseum. Playing in front of a full house is essential. The current facility is located in the heart of the College. Developmental costs are more favorable for the College with option A as they are set and the College controls its own destiny. Operating costs are greater uptown. Option A is by far the best scenario for the College when looking at a funding gap as the College is close to having full funding with this plan. As far as logistics, option A is better in terms of having to shuttle students back and forth and wards off fragmentation. As for developmental issues, option A allows the College to maintain control, while B-E do not. All of the above points toward option A as being superior for the College.

However, community development is important to the College of Charleston, and options B-E allow for that. As well, seating capacity of 6,500 can be accomplished uptown while it cannot at the current site as designed. Option A, however, has the advantage of allowing the varsity sports and health departments to continue sharing space and close contact.

While noting it is a philosophical choice as well as a financial one, the consultant team would recommend option A.

Larry Miller asked if we went to 6,500 seats, would it cost \$35 Million plus purchase of the land/parking space (\$5 Million).

Ian Vingoe responded that option A is phased construction and interruption would be briefer than total demolition for 6,500 seats and the unavailability of the Johnson Center for two years for Physical

Education and Health's academic use.

Joel Smith questioned whether there was a seating capacity analysis done showing whether the College could fill 4,500 or 6,500 seats.

Jerry McClendon responded that he would need a crystal ball to answer that question. However, he feels that filling 4,500 seats would be a good number and noted that the North Charleston Coliseum would serve as an ace in the hole for the College as it seats 11,000. If the College were to fill 6,500 seats, it would be doing better than anyone else in the conference.

Philip Bell questioned the cost per seat.

Ian Vingoe responded that on average, a seat costs \$5,000.

Philip Bell questioned whether there was a magic number at which there was an increment increase in the cost per seat.

Ian Vingoe responded no, but that it was less money per seat the more seats in place.

Vincent Price questioned whether the Johnson Center, if built for 4,500 people, could later be expanded to seat 6,500.

Ian Vingoe responded no.

President Higdon stated that with the Johnson Center, the decision would have to be made up front as to capacity.

Ian Vingoe interjected that larger crowds could go to the North Charleston Coliseum.

Vincent Price questioned whether it would be better to build a larger arena now if the College thought it would be warranted in the future as he was not in favor of going to the North Charleston Coliseum for games.

Ian Vingoe responded that it would just cost more.

Vincent Price noted that USC under-built for their program originally and then had to build to seat 18,000.

Ian Vingoe responded that USC built to recruit, but that Charleston has a different recruiting method – Charleston.

Myles Glick noted that an arena for 6,500 brings in neighborhood and parking issues that are non-existent with 4,500, and that it would cost \$35 Million plus \$5 Million plus the cost of a parking deck.

Charlotte Berry questioned whether revitalization of the City was not important.

Myles Glick responded that the College is an important part of revitalization, but that the City needs a better plan for a hotel, arena, redevelopment, etc. and that an arena in that particular spot would not necessarily provide a silver bullet for the City since an arena sits dark most of the time.

Cherry Daniel revisited the issue of parking at the College.

Myles Glick responded that parking is not as big of an issue because there are empty lots now near the College and that more students would walk to games if the arena were within walking distance.

Dwight Johnson questioned whether it is feasible to go to 6,500 on George Street, how operational costs would increase.

President Higdon responded that it was mostly an increase in capital.

Bobby Marlowe thanked President Higdon and questioned whether 4,500 would be ill-conceived even though he liked the idea of staying at the Johnson Center site, noting that other institutions go bigger. Mr. Marlowe wondered if smaller were better, should the College not keep its present situation? However, he noted it is a decision the College could live with for the next 20 years, and he believes that 6,500 seating capacity might even be inadequate. Mr. Marlowe stated that he believes 6,500 to be a minimum as 4,500 would limit the program and minimize the importance of the College basketball team from a revenue seeking standpoint.

Philip Bell questioned whether a 6,500-seat arena would bring in more revenue than a 4,500-seat arena.

Jerry McClendon responded that it would, if the seats were full, but that the increase in seats wouldn't be sufficient to pay the debt back.

Larry Miller questioned the cost of additional parking for 6,500 seats.

Ian Vingoe responded \$12-13 Million plus land, if required.

Myles Glick noted it would cost in the \$60 Million range for 6,500 seats on George Street.

President Higdon noted that the College has tried to live within the community and that an additional 2,000 seats would be politically unwise and unfeasible. He noted that an extended delay in building the arena would be detrimental to the "new" basketball program and would diminish the advantages the College has gained from the Kresse years. President Higdon stated that to lose momentum with the program would be undesirable and that time and money are important issues. He noted that looking down the road 20 years and using USC and the McGuire years for comparison purposes is flawed insofar as the College of Charleston and USC are in different conferences and are not really comparable. President Higdon noted that we are very close to packing a 4,500 seat arena, putting in place the facilities we need, within our budget limitations, and that anything else would prove impractical. President Higdon stated that he supports option A.

Bobby Marlowe argued that the College should use SEC attendance as a standard.

Joel Smith noted that while he believes Bobby Marlowe's opinion to be important, he disagrees with this sentiment. He believes that if the College can pack 4,500 seats with the money we have, anything else is a dream and that the College needs to get moving on this.

Bobby Marlowe noted that he is concerned about money and spending \$23 Million on a facility that

will be inadequate almost upon opening, and would prefer not to revisit the issue in five years.

Bobby Marlowe started to make a motion at which point Tex Small indicated motions would be saved for later.

Joel Smith left the meeting at 11:15 a.m.

Dwight Johnson questioned whether a 4,500-seat arena would be large enough to entertain other events such as convocation, December commencement, and the possibility of inclement weather for May commencement.

Joel Smith returned to the meeting at 11:20 a.m.

Vincent Price questioned whether the College basketball team would be out of the building during construction.

Ian Vingoe responded yes for option A. Jerry Baker et al. would move and would be without a gym for approximately one year in this scenario. There would be a two-year shutdown for an arena with a seating capacity of 6,500.

Tex Small noted that the consultants have done an excellent job and questioned how certain they are the College could build a 4,500-seat arena.

Ian Vingoe responded that he was very confident this could be accomplished with a combination of chair and bleacher seating.

Tex Small questioned whether the College would have to spend money on the Johnson Center regardless of option A and in what time frame. He also questioned whether there is any statistical data to justify a 4,500-seat arena when the Board and President Higdon have already agreed to limit growth of the College.

Ian Vingoe responded that the HVAC system and roof would need to be replaced within the year.

Tex Small questioned whether there is any factual information indicating the College could get 4,500 people in the stands.

Bobby Marlowe noted that 800 students attend games with a school population of 10,000 and 2,000 students who live on campus. He stated that the College needs to do more to promote attendance at games – maybe sell more student season tickets. A number of his community friends want to attend sold out games.

Tex Small questioned the demand for student tickets.

Jerry Baker stated that attendance has gone down for the past two years and that the College holds 800 seats for students. He noted that if people need tickets, they can get them, but right now the College has 350 employee season tickets and 1,836 regular season tickets.

Bobby Marlowe questioned why the College has lost sales.

Jerry Baker responded that there are more games broadcast on television, the College has lost a long-time coach, games cost money, and there was a perception that the gym was not big enough.

Tex Small stated that the Board needs to look at the facts. He believes that just because we build it, doesn't mean people will come. He also cannot find justification in saying we will be sorry in 5, 10, 15 or 20 years down the road when the Board has made a commitment to maintaining enrollment figures. Mr. Small stated that there is an evident need for the new arena and repairs now, and that with the community support for a smaller arena, he cannot see justification for a larger arena.

Tim Dangerfield questioned whether there is statistical data available on attendance at other SoCon school games.

Jerry McClendon stated that regarding data from the NCAA, no college will under report their attendance data.

Tex Small stated that there are contractual issues indicating a need to move forward with construction.

Creighton McMaster questioned whether it would be feasible to take a month to examine figures more closely.

President Higdon stated that we are proud to move ahead subject to further analysis for the Board. As far as costs are concerned, President Higdon stated he feels confident the institution has the funds for option A.

Tex Small questioned how much more engineering analysis is needed.

Ian Vingoe stated he feels good about the analysis, but that it might be prudent to look further – that perhaps he would feel more confident with structural analysis that could be done within a week.

President Higdon stated that if the George Street site is chosen, an analysis would be done and the information disseminated to the Board.

Tim Dangerfield questioned whether the figure is \$26 Million without further structural analysis.

Ian Vingoe responded it is possible that figure would need to be adjusted if something is found.

Tim Dangerfield questioned whether it would cost \$65 Million to tear down the present site and rebuild.

Larry Miller responded that a 6,500 seat arena would cost \$63 Million.

Tex Small questioned whether a 6,500 seat arena would need additional time with City zoning, etc., and if so, would that affect the cost.

Myles Glick responded affirmatively.

Tex Small stated that he believes more time is needed to make a decision on seating capacity.

Joel Smith stated that he believes the Board could make a decision on size today. He cited Chattanooga as being comparable to the College of Charleston in many ways – the only school similar

to the College of Charleston. He stated 4,500 to be a reasonable figure for seating and feels that decision could be made immediately.

Tex Small asked for comments.

Daniel Ravenel questioned how many end zone seats were available now.

Jerry Baker responded 700.

Daniel Ravenel questioned whether the west side end zone wall could be blown out to add 700 seats to the west side.

Ian Vingoe responded that an additional 700 seats could be added to the west side end zone at much more than minimal cost, but that there are zoning and neighborhood issues to consider.

Daniel Ravenel questioned how the Board could take the information given and extrapolate other options from the two extremes.

Ian Vingoe responded that there are certainly other options regarding money, but that the issue is not just about seats per se.

Glen Brown, President of the Alumni Association, stated that both the alumni and students support the decision to leave the facility on campus. He asked that the College please take the time required for a proper analysis on the best size for the arena.

John Tiller [Cougar Club] stated that it appears that all are happy to stay at the George Street location, and that while he agrees with Bobby Marlowe on wanting a top flight facility, he also agrees with Joel on keeping the setting intimate.

President Higdon suggested that the Board make a decision on the location and then focus on size. President Higdon noted that structural issues need further review, and that with this done, size, zoning and parking can then be determined.

Joel Smith stated that while earlier in the meeting he pushed for a decision on size to be made immediately, he has rethought his position and is willing to make a decision only as to location, with other options to be decided upon subsequent to further analysis.

Dwight Johnson questioned whether there are contractual issues that need to be dealt with in Executive Session.

Tex Small responded no.

Bobby Marlowe made the motion, seconded by Larry Miller, that (1) the George Street location be decided upon for the site of the new arena, and (2) that various alternatives be developed by the administration regarding seating up to 6,500 seats.

Ian Vingoe stated that it should be borne in mind that a seating over 4,500 at the present George Street location would mean demolition of the Johnson Center.

Bobby Marlowe made the motion, seconded by Dwight Johnson, that a report be made available by interested parties, working with the consultants, as to the cost of tearing down the Johnson Center as there is currently only a partial view available. This report would indicate how the College would accumulate any additional money needed for a 6,500-seat arena.

Tex Small stated that he believes there is enough information from the consultants to render a decision on location and size. Regarding Mr. Marlowe's motion, Mr. Small indicated that while looking at size is an option, he doesn't believe the size of the arena would change since he cannot envision funding for 6,500 seats. However, Mr. Small stated that he will be happy to entertain the idea and supports Mr. Marlowe's motion.

All in favor.

Joel Smith questioned whether a decision would be made in January.

Tex Small responded yes.

Dwight Johnson thanked the consultants.

At 12:00 p.m., Larry Miller made the motion, seconded by Charlotte Berry, to adjourn.

All agreed.

After a 20-minute break, Cherry Daniel made a motion, seconded by Joel Smith, to go into Executive Session at 12:20 p.m.

Upon return from Executive Session, Tex Small stated that no decisions or actions were made or taken during Executive Session.

### **New Business**

1. President Higdon announced that the Rick Krantz Award will be presented at 1:00 p.m. at the Cistern today.

2. The January Board meeting was updated as follows:

- The Board will discuss the 4<sup>th</sup> Century Initiative
- The Board will discuss the new residence life philosophy. The College has adequate beds for the freshmen, and there's potential for housing upperclassmen.
- The Board will discuss the new arena

A motion was made by Charlotte Berry, and seconded by Bobby Marlowe, to discuss the invitation for Shirley Malcolm to deliver the University of Charleston Commencement Address and receive an honorary degree.

### **Old Business:**

1. The Board would stay at the Meeting Street Inn
2. The April Board Meeting would be changed from April 3-4 to April 7-8

Don Belk asked when the new Governor would make his Trustee appointments.

Tex Small responded that if no one has been appointed, Laurie Thompson and Cheryl Hamilton should continue to serve.

A motion was made by Joe Thompson, and seconded by Dwight Johnson, to adjourn.