MINUTES
The University of North Carolina at Greensboro
Board of Trustees
Business Affairs Committee
August 31, 2006

Attending-Business Affairs: Richard Moore, Hudnall Christopher, Jr., Thomas Ross

Board Members and Guests: Kate Barrett, Mike Byers, Lucien Capone, Terry Cartner, Jean Davis, Carol Disque, Howard Doyle, Carolyn Ferree, Steve Gilliam, Jill Goodman, Stephen Hassenfelt, Donna Honeycutt, Davis Lumpkin, Karen McNeil-Miller, Anna Marshall-Baker, John Merrill, Bruce Michaels, Sharlene O’Neil, Fred Patrick, Jane B. Preyer, Steve Rhew, Yvonne Ross, Angela Scott, Don Skeyen, Patricia Stewart, Patricia Sullivan, Reade Taylor, Edward Uprichard, David Vaughan, Jonae Wartel, Lanita Withers, Laura Young.

Richard Moore, Chair of the committee, called the meeting to order at 9:28 a.m.

The minutes for the April 5, 2006 meeting were approved as amended. While awaiting quorum, the information items were moved forward.

INFORMATION ITEMS

Annual Report on Property Purchased and/or Leased Since September 1, 2005 (BAC-7)

Reade Taylor reported that since September 1, 2005 we have purchased no new properties. Four leases have been approved by Chancellor Sullivan under the 1981 Board of Governor’s resolution delegating leasing authority to the campuses. These properties are:
1. Leased space for Dr. Arthur Anastopoulous in the Psychology Department, for the AD/HD Clinic at 200 E. Northwood Street, Greensboro, NC.
2. Leased space for our Division of Continual Learning at 1111 West Friendly Avenue, Greensboro, NC.
3. Leased space for Dr. Raleigh Bailey, Social Work Department at 413 S. Edgeworth Street, Greensboro, NC.
4. Leased space for our Campus Police Department at 421 Eugene Court, Greensboro, NC.

Capital Projects Status Report (BAC-8)

Dave Lumpkin updated the Board that we presently have two bond projects in design; Alumni House and Forney Building. No bond project is under construction at this time. McNutt, Petty, Aycock and Brown buildings are to begin construction in September.
Completed this past year was the new residence hall at the corner of Spring Garden and Aycock Streets. This is a 400-bed unit with a 200-car parking deck located below the structure. Also completed was the Phase III HVAC Renovation - Guilford, Mary Foust, Dining Hall Tie-in, as well as various other smaller projects.

Currently in process are the Curry Building Waterproofing and Window Replacements and the Gove Health Center Phase II renovation.

Oakland Avenue Parking Deck Addition (BAC-9)

Reade Taylor announced that in November, 2003 the Board approved the construction of an additional 650 spaces to the current Oakland Deck. This would include a loss of 150 current spaces, for a net gain of 500 spaces at a cost of $13 million, roughly $26,000 per space.

Following the completion of the campus master transportation plan by the firm of Martin-Alexiou-Bryson it was recommended that we postpone the construction of the deck addition for one year in order to give ourselves the opportunity to promote and observe the level of success of the new HEAT (Higher Education Area Transit) bus system entered into with the City of Greensboro and most of the higher education institutions in the Greensboro area; observe the impact of the new 400-bed dormitory as well as a new 600-bed apartment complex within walking distance of the campus; integrate the Campus Transportation Master Plan into the University Master Plan update; and postpone the parking rate increase already approved by the Board of Trustees for 2007-2008. We will review and evaluate, each year, the need to reactivate the Oakland Deck Addition project.

ACTION ITEMS

Acceptance of the Maud F. Gatewood Studio Arts Building, Hall for Humanities and Research Administration, Recreational Running Track and Basketball/Volleyball Courts, EUC/Library Connector, Softball Stadium, Northeast Campus Infrastructure, Heating Plant Expansion and Efficiency Improvements, and Electrical Power Distribution Substation (BAC-1)

Reade Taylor requested that the Board accept the projects listed above in accordance with Section 203-B (6) which includes “final acceptance of all completed buildings and projects.” This is done annually; therefore some of the projects listed have been in use for a short time.

Tom Ross moved to approve the request. Hudnall Christopher seconded the motion and it was unanimously approved for recommendation to the full Board.

Designer Selections for Campus Master Plan, Student Recreation Facility Roof Repair, Grogan Sprinkler Renovation, Bryan 235 HVAC Renovation (BAC-2)

The Campus Master Plan project was advertised on the North Carolina-General Administration website and sixteen (16) letters of interest were received. That list was narrowed to a short list of five (5) firms for review of presentation and qualifications. Dave Lumpkin reported that interviews were held and the firm of BJC/Sasaki is recommended as the designer because of the familiarity and experience with UNCG, their national reputation with master planning and their demonstration of creativity to design challenges.
The Student Recreation Facility Roof Repair project was advertised on the North Carolina-General Administration website and twelve (12) letters of interest were received. That list was narrowed to a short list of four (4) firms for review of presentation and qualifications. Dave Lumpkin reported that the firm of Sutton-Kennerly & Associates, Inc. is recommended as the designer because of their exception investigation and diagnostic expertise, in-house expertise and proximity and familiarity with the UNCG campus.

The Grogan Sprinkler Renovation project was advertised on the North Carolina-General Administration website and seventeen (17) letters of interest were received. That list was narrowed to a short list of three (3) firms for review of presentation and qualifications. The firm of Robson Woese, Inc. is recommended as the designer because of their experience with similar projects, expertise in high rise fire protection and relationship with DOI and Greensboro Fire Department.

The Bryan 235 HVAC upgrade will include additional electrical power capacity and distribution within the room, additional air conditioning, and a back-up generator. The project was advertised on the North Carolina-General Administration website and seventeen (17) letters of interest were received. That list was narrowed to a short list of three (3) firms for review of presentation and qualifications. The firm of Calloway Johnson Moore + West is recommended as the designer because of their familiarity with the UNCG IT facilities, past experience with UNCG and their extensive experience with this type of project.

Tom Ross questioned the need for a new roof in such a short time. Dave Lumpkin explained that the flat roofs do not last as long as the old pitched roofs and this one was being replaced prior to major problems developing.

Tom Ross moved to approve the request. Hudnall Christopher seconded the motion and it was unanimously approved for recommendation to the full Board.

Issuance of Special Obligation Bonds for New Residence Hall and Parking Facility (BAC-3)

The 2000 Session of the North Carolina General Assembly passed a bill that allows UNC institutions to issue debt under the Board of Governors that is secured by the revenues of the institution except for tuition, state appropriations and restricted funds. Reade Taylor asked the Board to approve the issuance of bonds to purchase the new residence hall and parking facility from the Capital Facilities Foundation.

Richard Moore asked why no dollar amount was on the request. Vice Chancellor Taylor clarified that the Foundation has a $29.5 million line of credit. At this time the punch list is still being completed, so we do not have a final figure, however it will not exceed the $29.5 million.

Hudnall Christopher asked who would actually issue the bond. Vice Chancellor Taylor explained that we often use the UNC bond pool but because this is a large amount, our advisors have recommended that we would get a better rate if we issue this bond on our own with the ability to negotiate sales and rates. Hudnall also asked if we had variable rate bonds. Vice Chancellor Taylor responded that we did not at the present time, but he was going to consider them for a portion of the new debt, to which Mr. Christopher replied that would be a good idea.
Hudnall Christopher moved to approve the request. Tom Ross seconded the motion and it was unanimously approved for recommendation to the full Board.

Authorization for Lease of Space (BAC-4)

State statutes, Council of State Resolutions and the Code of the Board of Governors dictate our process in the leasing of space off campus. Trustee approval is required for leases over $25,000 annually or beyond a 3-year period.

The UNCG Psychology Clinic believes it will need a minimum of 4,000 square feet of space. Based upon our knowledge of the real estate market in Greensboro, we believe the rental rate for space in the local area will fall into the $50,000 to $150,000 range. The Clinic is an independent community mental health facility that provides a variety of outpatient services to the University and Triad area. The Psychology Clinic is currently housed in Eberhart building. Mike Byers advised the Board that due to the nature of the Psychology Clinic the specifications include that the space be within walking distance of campus. At this time a location has not been decided upon.

Hudnall Christopher moved to approve the request. Tom Ross seconded the motion and it was unanimously approved for recommendation to the full Board.

Authorization to Execute a Performance Control for Energy Improvements and Related Financing (ESCO) (BAC-5)

An Action Item was approved at the April 7, 2005 meeting of this Board of Trustees as follows: “That the Board of Trustees of The University of North Carolina at Greensboro approve the firm of Trane Comfort Solutions through Brady Trane Co. of Greensboro, NC as the ESCO (Energy Service Company) to proceed with the investment grade audit”. Four buildings were initially included in the audit: Mossman, Bryan, Jackson Library, and Graham.

Since that time the investment grade audit has been completed and authorization was obtained to include the chiller plant in the scope of the project. It was reported by Dave Lumpkin that UNCG is currently seeking letters of interest for a third party firm to perform Metering and Verification of energy use and savings that result from the improvements.

The conclusions of the audit were:
1. Cost of Energy Improvements including design and all administrative cost: $5,809,000.
2. Payback period 12 years.
3. Energy Savings per year at the last year of the contract: $778,000.

Hudnall Christopher raised a question concerning the ESCO’s financial rating and any bonding requirement, to assure the University would be held harmless if the ESCO did not fulfill its contracted obligations. It was decided that Lucien Capone, University Counsel, would investigate the requirements of a surety or performance bond for the contractor. This action item was deferred until the afternoon session of the full Board of Trustees.
Chancellor Sullivan introduced John Merrill, Director of the GCID, and gave a short history of the Joint Millennial Campus to the new members of the Board of Trustees. John presented a power point presentation of findings of the consultant firm working on the Master Plan for the campus.

John Merrill then requested approval from this Board of the Master Plan for the South Campus of the JMC (75 acres adjacent to the NC A&T Farm). This plan will be the guiding document with which the GCID, in concert with the Universities, will develop a research park similar to Centennial Campus at North Carolina State University. Upon consultation between the firm of BJAC/Sasaki, UNCG, and NC A&T, it was concluded that roads, pedestrian walkways, building placement, infrastructure development, and potential building use would be considered in the plan. A copy of the completed plan will be made available on the Board of Trustees website.

Richard Moore asked what the ratio of campus to industry was anticipated. John reported that currently they were looking at 60/40 campus to industry but leasing has not been completed.

Kate Barrett asked if there were any plans for employee wellness on the campus. John described a campus with walking trails and access to the gardens adjacent to the property. There is some discussion with the nearby YMCA and the possibility of a satellite YMCA on the grounds.

Stephen Hassenfelt asked if the two phases of the property would be developed simultaneously. John reported that there was some potential to kick off together. Funding is the issue. We have a bid in hand for the USDA in Phase I and hope to have a lease in October. At present the information is in the State Property Office.

Hudnall Christopher moved to approve the request. Tom Ross seconded the motion and it was unanimously approved for recommendation to the full Board.

Richard Moore adjourned the meeting at 10:40 a.m.

Respectfully submitted

Donna Honeycutt, CPS