MEMBERS PRESENT:  Randall Kaplan, Linda Carlisle, Steve Hassenfelt, Richard Moore, William Pratt; absent - James N. Smith

OTHER BOARD MEMBERS/GUESTS:  Rebecca Adams, Kate Barrett, Nelson Bobb, Linda Brady, Mike Byers, Lucien Capone, Terri Cartner, Jeff Colbert, Earlene Hardie Cox, Jean Davis, Carol Disque, Carolyn Ferree, Steve Gilliam, Jill Hillyer, Donna Honeycutt, Scott Milman, Sharlene O’Neil, Fred Patrick, David Perrin, Jane Preyer, Cindy Reed, Steve Rhew, Don Skeen, Patricia Stewart, Reade Taylor, Michael Tuso

PROCEDINGS:  Mr. Kaplan called the meeting to order at 8:33 a.m.  The minutes were approved as distributed.

ACTION ITEMS:

Property Acquisition (BAC-1)

The purpose of this action is to request approval from the Board to proceed with the purchase of the Spring Garden Street apartments, authorize the administration to seek appropriate approvals from the Board of Governors, notify and work with the State Department of Administration to secure approvals through the Council of State.

Mr. Byers advised the committee that in 2005 UNCG entered into a 30-year lease with the Capital Facilities Foundation, Inc. to construct and operate a residence hall.  We are entering the third year of 100% occupancy for this hall.  UNCG chose this course of action to develop and construct the building quickly allowing us to occupy the residence one to two years earlier than going through the state construction process.

We can continue to honor the lease or buy the property back at any time.  The state requires approval to purchase through the Board of Governors and Council of State.  This is the first step toward obtaining those approvals.

Steve Hassenfelt asked if the negotiations with state had been completed.

Mr. Byers reported that the items that State Construction had requested changed or repaired had been addressed.  He advised that we are the first entity in the state to handle a construction project in this manner.  Both State Property and State Construction are reluctant to approve this transaction until the other one has, but we have taken action to address everything requested by
both State agencies. The next step is to work with General Administration staff to seek approval from State Property to include on an upcoming Council of State agenda.

Skip Moore moved that we approve this request. Linda Carlisle seconded. It was passed unanimously.

**INFORMATION ITEMS:**

*Annual Report on Property Purchased and/or Leased Since September 6, 2007 (BAC-2)*

Mr. Byers stated that since September 2007 we have purchased one property for expansion within the perimeters of the Master Plan. This is 123 McIver Street across from the Music building and the McIver parking deck. This property was previously a fraternity house and is in bad repair. We purchased it with the purpose of demolishing it for campus expansion. The buildings on this street are listed on the National Register of Historic Places and abuts the historic district of College Hill. Members of the College Hill community have been notified of our intentions. They do not oppose this demolition and requested that any salvageable materials of historic importance be removed. Architectural Salvage has inspected the property and have requested a few items. The State Historic Property Commission has also been advised of our desire to demolish this structure as required by General Statute.

Ms. Carlisle asked if there were any properties on McIver that we would not want to demolish. Our intent, as stated in the Master Plan, is to acquire and demolish all properties on the east side of McIver Street to make way for UNCG buildings.

Mr. Byers reviewed that we now own four properties, three purchased 11 years ago for demolition. At that time the NC State Historic Preservation Office opposed the demolition and it was postponed.

Also since September, 2007, we have leased four spaces costing less than $25,000 for less than a three-year period. 1) The Geography Department leases 100 acres in High Point to be used as a field camp for a rate of $1,000 per year and is funded through non-State funds. 2) The Nutrition Department leased property in Kannapolis for six months awaiting the completion of the UNC Nutrition Research Building on the North Carolina Research Campus. This lease for $3,799.98 has already expired and they are in their new facilities. 3) Parking Operations and Campus Access Management leases an overflow parking area of 50 spaces for $5,000 per year on Spring Garden Street. 4) SERVE for the most part is housed on the North Campus of the Gateway University Research Park, but has a small presence in Durham, NC. The lease is for 1,218 square feet at $14,780.43 for the first year and $15,228.05 for the second year.

Mr. Kaplan asked if UNCG had a real estate acquisition program. Mr. Byers advised that our philosophy is aggressively opportunistic. The state does not allow us to pay for a broker to scout properties for us. The greatest limiting factor for UNCG land acquisition, however, is funding.

Mr. Kaplan then asked if a plan could be created with the Excellence Foundation or the Capital Facilities Foundation for more proactive land acquisition. If we were to go ahead and start
demolishing property on McIver, then the other owners might be more willing to sell rather than remain. A plan needs to be developed to work on increasing the pressure.

Mr. Byers advised that we have tried to remain low key rather than exercise eminent domain and cause hard feelings with the community surrounding the campus.

Reade Taylor reported that past conversations have occurred with the Excellence Foundation regarding using the foundation as a conduit for property purchases and that the Capital Facilities Foundation could possibly also assume such a role. Mr. Taylor advised that the Excellence Foundation was approached regarding the purchase of the Old Town Draught House on Spring Garden, but the subset of the board that worked on that acquisition felt that the price was too high and the matter was tabled.

Skip Moore agreed that the public outcry of condemning property for acquisition would be unpleasant for the campus. Currently the McIver Street property is a buffer between the campus and the historic district and regardless of our actions there will be some kickback.

Mr. Byers reported that the conversations with the community have included plans that would step down the campus from taller buildings to one or two story buildings to blend more easily with the style of the district.

Ms. Carlisle agreed that we need to create a more pro-active approach and develop a financial package ahead of the opportunities.

Mr. Kaplan asked if the Gateway University Research Park had taken the urgency from the situation. Mr. Taylor advised that this was not the case. We are working every day to acquire property, especially recreation fields. Mr. Taylor asked if a meeting would be needed with Bill Black of the Excellence Foundation, Ms. Carlisle, and Mr. Kaplan to have a conversation about this situation.

Steve Hassenfelt believes we should consider public/private partnerships to acquire or build outside of the campus. This may be a cost effective way to meet our land and space needs. He requested that these ideas be explored and added to the strategic plan.

Mr. Kaplan asked that Mr. Taylor set up a meeting with the Business Affairs Committee of the Board of Trustees and members of the university staff to create a lay of the land. At this time, the Excellence Foundation will not be included.

Patti Stewart asked how much of the bond funds for land acquisition remained. Mr. Byers advised that $1.5 million was available and Mr. Taylor announced that the state had $25 million system-wide for land acquisition. We have requested a portion of this funding; our list totaled $16 million.

**Designer Selection for the Joint School for Nanoscience and Nanoengineering (BAC-3)**
Mr. Taylor announced that the designer selection committee composed of Mr. Andy Perkins, Mr. Bill Barlow and Mr. Chuck Dixon on NC A&T University, Mr. Fred Patrick, Mr. Howard Doyle and Mr. David Reeves of UNCG, Dr. James Ryan, Dean of the Joint School and Mr. John Merrill from Gateway University Research Park held interviews on September 4 for designers of this building.

HDR, Inc. of Charlotte and Alexandria, VA was selected as the designer was selected due to their experience with other nanotechnology buildings, their talented team of experts and their ability to begin work on the project immediately.

Normally the Board of Trustees is asked to approve designer selection for our campus but this building will be constructed on the South Campus of the Gateway University Research Park, and the designer selection is made according to agreements reached with UNCG, NC A&T and Gateway University Research Park.

The meeting was adjourned at 9:02 a.m.

Respectfully submitted

Donna Honeycutt, CPS