MINUTES

The University of North Carolina at Greensboro
Board of Trustees
Business Affairs Committee

October 29, 2009

MEMBERS PRESENT: Susan Safran, Randall Kaplan, Richard Moore, William Pratt

OTHER BOARD MEMBERS/GUESTS: Kate Barrett, Linda Brady, Mike Byers, Terri Cartner, Carol Disque, Howard Doyle, Steve Gilliam, Linda Haitt, Jill Hillyer, Donna Honeycutt, Bruce Michaels, Sharlene O’Neil, Fred Patrick, Dave Perrin, Jorge Quintal, Steve Rhew, Reade Taylor.

PROCEEDINGS: Ms. Safran called the meeting to order at 8:34 a.m. The minutes from the August 25, 2009 meeting were approved as distributed.

ACTION ITEM

Designer Selection for Railroad Pedestrian Underpass (BAC-1)

This project, budgeted at $5.1 million, will develop a new railroad underpass located at the southern end of the campus near the intersection of Forest Street and Oakland Avenue. The work will include advance planning services for a new railroad underpass which will cross under the North Carolina Railroad corridor to facilitate safer pedestrian and bicycle connections between the core of the main campus and the West Lee Street area of Greensboro.

Five letters of interest were received, which was narrowed to a short list of three firms for review. The interview committee recommended Wagner Murray Architects of Charlotte, NC due to their demonstrated expertise with complex architectural and engineering projects of similar scope, their knowledge and experience working with the external agencies necessary for this project and their strong, balanced team with previous experience in construction aesthetically pleasing underground structures.

Mr. Pratt asked if a working name for the structure that did not convey the tone of tunnel or underpass might be used to describe this project. Dr. Disque advised that we are referring to it as the 'walk through' to the students.

It was recommended that the Business Affairs Committee approve the firm of Wagner Murray to be sent forward to the consent agenda of the full board to be held on November 19, 2009. Mr. Kaplan moved and Mr. Moore seconded the action.

INFORMATION ITEMS

Designer Selection for Quad Residence Halls Comprehensive Renovation, Designer Selection for Ragsdale-Mendenhall Residence Hall Fire Sprinklers, Designer Selection for New Student Recreation Facility (BAC-2)

Mr. Quintal presented the information on the following items:
Quad Residence Halls - this project will renovate and modernize seven Quad residence halls for Housing and Residence Life. There is a project budget of $52.5 million for this renovation. The work will include interior demolition and comprehensive renovation as well as the construction of nodes for the living/learning areas.

Interviews will be held on November 13 and the designer selection committee will provide a recommendation prior to the November 19 Board of Trustees meeting.

New Student Recreation Facility - This project is for the programming of a proposed new student recreation facility including such facilities as a gymnasium, multipurpose rooms, a natatorium, locker rooms, food court, lounges and storage.

Interviews will take place on November 3 and the designer selection committee will provide a recommendation prior to the November 19 Board of Trustees meeting.

Mr. Moore asked if this structure would be financed through student fees. There would be an increase in student fees for this project and that will be discussed in detail at the full Board meeting on November 19. He also asked if a spread sheet could be developed outlining all of the projects currently under discussion with the funding source, time line, status, etc. Mr. Kaplan agreed that the Board needs to understand the financing to ensure that we are not looking at these as individual projects, but as a campus renovation to ensure out programmatic needs are met within our ability to meet our financial obligations. Mr. Kaplan also asked if we were running 'stress testing' and outlining worst case scenarios regarding the financing. Mr. Taylor assured the committee that these steps are being taken and this will be addressed when the student fee discussion takes places in November. Mr. Taylor advised the Board that imposing facilities fees prior to the issuance of debt is not allowed by General Administration.

Mr. Pratt asked how we were working with the community regarding this issue. Several newspaper articles have raised questions. Mr. Taylor stated that the developer mentioned in the article is not working with UNCG. Mr. Byers reported that the Glenwood Neighborhood Association knows that this realtor/developer is not affiliated with UNCG and they had not contacted us prior to meeting with Glenwood. Following that meeting we did receive a call and they were told of UNCG's plan to add 4,000 new beds.

A discussion ensued concerning the eventual need to finalize whether we will go west or south and the importance of working closely with any neighborhood. Caution was expressed that we should anticipate some neighbors not will not be pleased with any plans, regardless of the tacit approval of the association board that was elected to represent them.

Dr. Brady advised that we need to engage with the city as well as the neighborhood for zoning issues, etc. Soon after the election this needs to be brought to their attention. Mr. Byers reported that he has been in communication with the city, through Andy Scott and Dick Hails and they are aware we wish to build 2300 beds either south or west of campus. He is also a member of the High Point Road/Lee Street Corridor Partnership, allowing for good communication with the city. He further reminded the committee that the developer talking with Glenwood does not own any property at this time and we are not in competition for property, since their proposed project does not comply with the neighborhood plan.
Mr. Kaplan advised that the team needs to set a date to make a public announcement with high quality renderings of the buildings we envision for any area targeted for development.

Ragsdale-Mendenhall Residence Hall Fire Sprinklers - This project will add fire sprinklers and replace the existing fire alarm for the Ragsdale-Mendenhall Residence Hall in accordance with our plan to sprinkler all residence halls by 2012.

Interviews will take place on November 10 and the designer selection committee will provide a recommendation prior to the November 19 Board of Trustees meeting.

Designer Selection for New Residence Hall Developed by Capital Facilities Foundation, Inc. (Tower Village II) (BAC-3)

This project, budgeted at $30 million, is to construct a new residence hall near the current Tower Village Residence Hall. Based upon previously agreed upon processes, the Foundation does not seek Board of Trustee approval for selection of a designer or CM@Risk for the construction of a new residence hall.

Forty-three letters of interest were received which was narrowed to six firms. Pearce Brinkley Cease + Lee of Raleigh, NC was chosen due to the national student housing expertise, the experience with state and city construction approval processes, a strong consultant team with UNCG experience and their experience with the Building Information Modeling (BIM). Mr. Quintal explained that the BIM process is a computer modeling program for three dimensional drawings of construction site which gives a more complete plan for the contractors.

Construction Manager at Risk selection for New Residence Hall Developed by Capital Facilities Foundation, Inc. (Tower Village II) (BAC-4)

This project, budgeted at $30 million, is to act as CM@Risk for the Tower Village II residence hall. Twenty-three letters of interest were received which was narrowed to five firms. The joint venture of Samet/Barton Malow/SRS was selected due to their familiarity and prior successful completion of a residence hall project at UNCG (Spring Garden Apartments), their experience with the local subcontractor market, their joint venture with a HUB firm with offices in Greensboro, and their previous experience with proposed personnel for the project.

Capital Improvement Annual Status Report (BAC-5)

Mr. Patrick reported that all projects included in the 2000 Higher Education Bond program have been completed and placed into service. The final three projects - Alumni House renovation, Petty Building renovation and Forney Building renovation were placed into service during the 2008-09 year.

Two large projects outside of the bond program that were completed this past year was a major bathroom renovation ($4.2 million) and fire sprinkler/alarm upgrade for North and South Spencer residence hall. This was completed during the 10 week summer timeframe. Also completed was the modernization of the elevators in Jackson Library ($1.2 million). Other smaller projects included roof replacements, fire alarm system replacements and installation of fire alarms, waterproofing and window replacements.
Projects currently under construction include the new School of Education building ($47.4 million), and the baseball locker room and training facility ($2.8 million).

Projects under design at this time are the Guilford/Mary Foust residence halls upgrade of bathrooms and fire sprinklers ($4.5 million), the HHP locker room renovations ($3.2 million), the Dining Hall renovations ($26 million), the Quad residence hall renovation ($52.5 million) and the Joint School of Nanoscience and Nanoengineering ($60 million).

University Investment Fund Update (BAC-6)

Mr. Taylor reported that our investments have improved from $152 million in June to $165.2 million currently. The UNCG Investment Fund Board has not yet met to discuss the September 30 quarterly performance or changes to the asset allocation, but we were given an advance look for this meeting. We added a customized benchmark to the chart for the committee's information. The graph of portfolio growth shows the bump in assets for the current period. We will learn what Cambridge advises for the 4th quarter at the University Investment Fund meeting scheduled for November 10.

Mr. Moore asked how much of the increase in market value came from new gifts vs. invested funds. Mr. Taylor adviser that most of our withdrawals are annual ones and this will be added to the report in the future. Since the annual spending of $5 million was withdrawn in the quarter ended September 30, the return was roughly 10% ($15 million) and therefore new additions were approximately $3 million since the market value increased by a net $13 million.

The meeting was adjourned at 9:30 a.m.

Respectfully submitted

Donna Honeycutt