MINUTES

The University of North Carolina at Greensboro
Board of Trustees
Business Affairs Committee
September 5, 2012

MEMBERS PRESENT: Susan Safran, chair, David Sprinkle and Martin Weissburg.

OTHER BOARD MEMBERS/GUESTS: Kate Barrett, Bonita Brown, Carolyn Ferree, Jill Hillyer, Donna Honeycutt, Kim Record, Cindy Reed, Steve Rhew, Steve Serck, Mike Tarrant, Reade Taylor

PROCEEDINGS: Ms. Safran called the meeting to order at 3:04 p.m. The minutes from the May 2, 2012 meeting were approved as distributed.

ACTION ITEMS

Issuance of Special Obligation Bonds – (BAC-1)

This item has been postponed until the December 5, 2012 meeting.

Designer Selection for 1600 W. Lee Street Parking Lot (BAC-2)

This project is to develop 450 paved parking spaces on a 4.5 acre site. Existing industrial buildings of 92,838 square feet will be demolished. The new parking lot will include access controls with communication with Walker Deck, security cameras, blue light security phones, bus shelters, lighting and landscaping to meet city standards. The project is budgeted at $3,432,000.

Twenty-one letters of interest were received, eight from Guilford County. Three firms were reviewed and the firm of Westcott, Small & Associates, PLLC of Greensboro was selected.

There were no questions. Mr. Weissburg moved and Mr. Sprinkle seconded the approval. This will be moved to the consent agenda for the full Board meeting on September 6.

INFORMATION ITEMS

Annual Report on Property Purchased and/or Leased July 1, 2011 through June 30, 2012 (BAC-3)

Four properties were purchased by the State of North Carolina on behalf of UNCG during this reporting period:

1600 W. Lee Street – a 4.5 acre parcel which will supplement the Park & Ride operation.
111 McIver Street – a single family residence for campus expansion in the northeast corner of campus.
115 McIver Street – a multi-unit residence for campus expansion in the northeast corner of campus.
1116 W. Lee Street – a two story commercial site for the expansion onto the Lee Street corridor. Mr. Taylor advised that Chancellor Sullivan tasked him with acquiring all of the property on McIver Street as it became available. The fund that purchased these properties is now depleted, and only four properties remain on McIver that are not owned by UNCG or Capital Facilities Foundation, Inc.
Six properties were leased during this reporting period:

SERVE leased 2634 Durham-Chapel Hill Boulevard in Durham for 35 months beginning 8/1/11 through 6/30/14. The lease is for 1,218 net square feet for an annual cost of $22,289.40. Funding is through grant funds.

Parking Operations leased 1621 Spring Garden Street, Greensboro for three years beginning 8/16/11 through 8/15/14. The lease is for 50 parking spaces at an annual cost of $5,000. Funding is through non-state funds (auxiliary).

Social Work (Center for New North Carolinians) leased 413 S. Edgeworth Street, Greensboro for one year beginning 9/1/11 through 8/31/12. The lease is for 2,500 net square feet at an annual cost of $25,000. Funding is from grant funds.

Center for Youth, Family and Community Partnerships (Beyond Academics) leased 330 S. Greene Street, Greensboro for one year beginning 9/1/11 through 8/31/12. The lease is for 950 net square feet at an annual cost of $14,915. Funding is from grant funds and overhead receipts.

University Police (Criminal Investigations) leased 1409 W. Lee Street, Greensboro for one year beginning 10/1/11 through 9/20/12. The lease is for 4,000 net square feet at an annual cost of $25,000. Funding is from non-state funds (auxiliary).

Advanced Prototyping and Fabrication Lab (Interior Architecture) leased 2227-A W. Lee Street, Greensboro for one year beginning 4/1/12 through 3/31/13. The lease is for 1,200 net square feet at an annual cost of $12,000. Funding is from non appropriated state funds (Education and Technology).

Leases above $25,000 or longer than three years in length must be competitively bid through State Property. Three of these leases were approved:

Center for Youth, Family and Community Partnerships leased 330 S. Greene Street, Greensboro. This was extended for the second and last renewal option for a minimum 2-year period from 9/1/11 through 8/31/13. The lease is for 6,615 net square feet at an annual cost of $110,471 year one and $113,778 year two. Funding is from non-state funds (overhead receipts).

Parking Operations leased 800 parking spaces for a 5-year period from 1/1/12 through 12/31/16. The rate is $100,000 year one, $90,000 year two, $80,000 year three, $75,000 years four and five. There are two 5-year renewal options at a rate of $75,000 per year.

Spartan Village – Phase 1 is a 30-year lease beginning 8/2/11 through 8/2/41 for 13.21 acres of land consisting of student housing, related common areas and parking. The annual rate is not to exceed $5,155,227.

**UNC Investment Fund Update (BAC-4)**

Mr. Taylor reported that the Investment Fund declined in value from $204.6 million to $198.0 million during the first half of 2012. During this period, the fund outperformed an index consisting of the MSCI world 85%/BC AGG bond index weighted at 15% for the 1-year, 5-year and since inception. We also outperformed a diversified portfolio in all categories, 1-3-, 5-year and since inception.
Mr. Moore stated that UNCG was the most forward thinking of the UNC campuses. We combined the smaller funds such as Campus Ministries, Alumni Association and HES together with the Excellence Fund and Endowment Fund in order to pool resources and reach a higher earning capability years ago.

Mr. Weissburg asked who set the funding rate of 4.25%. This is set annually by the UIF Board of Directors. We do have a cap of 5.5% for funding but maintain the lower rate in order to recognize the intergeneration equity requirements of balancing the needs of today with the future.

Property Acquisition (BAC-5)

This item will be addressed in closed session at the full Board meeting on September 6, 2012.

There were no further questions.

There being no further business, Ms. Safran adjourned the meeting at 3:15 p.m.

Respectfully submitted

Donna Honeycutt