

# **VCU** Board of Visitors

V i r g i n i a C o m m o n w e a l t h U n i v e r s i t y

## **May 19, 2011 Meeting of the Finance, Investment and Property Committee of the Board of Visitors of Virginia Commonwealth University**

### *Minutes*

A meeting of the Finance, Investment and Property Committee of the Board of Visitors of Virginia Commonwealth University was held on Thursday, May 19, 2011, at 11:15 a.m. in the Richmond Salons located in the University Student Commons at 907 Floyd Avenue. Following is a summary of actions recommended to the full Board for approval by the Finance, Investment and Property Committee.

Present were: Messrs. Siegel (Chair), Jackson, Ginther, and Snead; Drs. Broaddus and Doswell; and Mesdames Lambert and Rhodes. Mr. McMurtrie was absent. Also present were Dr. Rao; Messrs. Bunce, Jez, Litton, Ohlinger, Ross and Willis; and Mesdames Atkinson, Balmer, Currey and Lepley.

The meeting was called to order and on motion made and seconded, the Finance, Investment and Property Committee approved the Minutes of a Meeting held February 9, 2011.

The Resolution Authorizing General Revenue Pledge for Acquisition of Biotech One was presented. On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the below Resolution:

### **RESOLUTION Authorizing General Revenue Pledge for Acquisition of Biotech One**

## **RECITALS**

A. On August 26, 2010, the Board of Visitors (the “Board”) of Virginia Commonwealth University (the “University”) approved the plan presented to it for the acquisition of the property known as Biotech One by paying a purchase price thereof and assuming payment obligations on the outstanding tax-exempt note (the “Original Note”) issued by the Virginia Biotechnology Research Partnership Authority (the “Authority”) to refinance debt incurred for construction of Biotech One.

B. The Board has been advised by staff that in order to structure the acquisition and related financial restructuring in the most advantageous manner, it may be desirable for the University to secure its obligations to make payments on the Original Note by a pledge of the University’s Pledged Revenues, as defined in resolutions authorizing prior General Revenue Pledge Bonds of the University, with such pledge on a parity basis with the pledge of Pledged Revenues made by the University in connection with its prior issuance of General Revenue Bonds.

### **NOW THEREFORE BE IT RESOLVED BY THE BOARD OF VISITORS OF VIRGINIA COMMONWEALTH UNIVERSITY:**

1. For purposes of this Resolution, the Board hereby designates the President, the Provost and Vice President of Academic Affairs, the Vice President for Finance and Administration, and the acting Vice President for Finance and Administration as Authorized Officers.
2. The Board hereby approves the pledge of Pledged Revenues to secure the payment obligation of the University under the Original Note with such pledge evidenced by a promissory note, assumption agreement or other suitable document in form approved by any of the Authorized Officers with the amount of debt secured by such pledge not being in excess of \$5.9 million.
3. The officers of the University are authorized to take any other action that may be necessary and desirable in carrying out the proposed acquisition of Biotech One and to carrying out the intents and purposes of this Resolution, including, without limitation, the execution of various certificates and filings with appropriate departments of the federal government and the Commonwealth of Virginia.

The Authorization to Transfer of Virginia Microelectronics Consortium Chair Fund from the VCU Foundation to the VCU School of Engineering Foundation was presented. The Virginia Microelectronics Consortium Chair Fund is a quasi-endowment account established from funds received by VCU for the Virginia Semiconductor Educational Endowment. The VCU School of Engineering is requesting the transfer of the Quasi-endowment fund to the VCU School of Engineering Foundation. On motion

made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval of Transfer of Virginia Microelectronics Consortium Chair Fund from the VCU Foundation to the VCU School of Engineering Foundation.

The IT Project approval to Increase Network Bandwidth to University Buildings was presented. The purpose of the project is to improve access to computing resources and the internet for VCU students, faculty and staff by increasing the speed and capacity of network links from each VCU building to the network core. The recommendation is to replace building entry switches for 145 University buildings which will increase network bandwidth to and from University buildings from 100 Mbps (megabits per second) to 1 Gbs (gigabits per second), a tenfold increase. Faculty and staff access to the University and external computing resources will be significantly improved. The preliminary project plan is to complete the project over 30 months. The project is the first phase of a multi-year effort to increase bandwidth to the desktop and improve redundancy in the network for greater reliability. The total budget is \$2,060,000. On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval of the IT Project to Increase Network Bandwidth to University Buildings.

The request to Increase Cisco Term Contract for Network Products and Services was presented. At the August 2010 Finance, Investment and Property Committee meeting, a Notification of Contract Award for products, maintenance, and services of Cisco networking technologies was presented. The award, a one-year term contract with four one-year optional renewals, was not to exceed \$2,000,000 annually. The proposed network bandwidth improvement project, along with new capital projects with significant network components, will require actions of Cisco equipment above the original \$2,000,000 annual cap. The request is to increase the maximum annual contract amount

from \$2,000,000 to \$3,500,000. On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval to Increase Cisco's Term Contract for Network Products and Services.

The Easement for 415 West Broad Street was presented. The easement is required to relocate transformers needed to provide electric service to operate lighting and equipment at the new parking decks located at the corner of Henry and West Grace Streets on the Monroe Park Campus and adjacent properties. The utility easement will specify that the utility company will install, maintain, and retain ownership of all transmission lines and related transmission and distribution equipment necessary to provide electric service. On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval of the Easement for 415 West Broad Street.

The Easements for the 800 Block of West Grace Street were presented. The easements are required to relocate transformers needed to provide electric service to the new facilities being developed in the 800 block of West Grace Street. Any utility easements will specify that the utility companies will install, maintain, and retain ownership of all transmission lines and related transmission and distribution equipment necessary to provide electric service. On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the Easements for the 800 Block of West Grace Street, West Grace Street Housing and Laurel Street Parking Deck.

The Easement for Harris Wetland Tract, Inger and Walter Rice Center for Environmental Life Sciences was presented. The easement is required to obtain acquisition funding from The Nature Conservancy, and no VCU funding is needed for the

conservation easement. The conservation easement will prohibit development of the eased acreage, including the construction of buildings, but will allow for full access and use of the acreage for research and educational activities. The proposed easement is consistent with other activities at the VCU Rice Center promoting environmental research and education opportunities for VCU faculty, students and other collaborators. On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval of the approximately 6.05 acre Easement for the Harris Wetland Tract at the Inger and Walter Rice center for Environmental Life Sciences.

The Architect/Engineer Selection for the Institute for Contemporary Art Project was presented. The facility is about 32,000 SF located at the corner of Belvidere and West Broad Streets. The Institute will provide gallery space for traveling and school exhibits. The building will also house administrative offices, an archival study area and curatorial space to prepare the artwork for exhibits and shipping. The budget was originally established for the Cary Street site, and will most likely increase as a result of moving the facility to the Broad and Belvidere site. The construction budget is \$16,000,000 with a total budget of \$19,300,000. The source of funding for the project is private gifts. The firm recommended is Steven Holl Architects. On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval of the Architect/Engineering Selection for the Institute for Contemporary Art.

The Architect/Engineer Selection for the Biotech One Renovations was presented. VCU is purchasing Biotech One and Biotech Center. The project involves the renovation of 23,000 SF of existing office space on the first and third floor to consolidate the Office

of the Vice President for Research, to relocate the Grants and Contracts offices from Theatre Row and relocate about 12,000 SF of School of Medicine dry research. The construction budget is \$1,820,000 with a total budget of \$4,090,050. The firm recommended is Baskervill Architects. On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval of the Architect/Engineer Selection for the Biotech One Renovations.

The Architect/Engineering Selection for the Siegel Center Club Seating Project was presented. The project is a partial renovation of the existing Stuart C. Siegel Center. The project will add a 1,700 square foot cantilevered balcony containing 185 additional seats, renovate 5,000 SF of existing office, and upgrade the Club Room. The priorities of the renovation are to increase premium seating and gathering space, to reorganize the basketball offices to a level expected of an NCAA Division I basketball program, and to offer the University a unique recruiting and networking space. The construction budget is \$2,313,000 with a total budget of \$3,000,000. The source of funding for the project is private gifts. The firm recommended is BCWH Architects, Inc. partnering with HKS, Inc. On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval of the Architect/Engineering Selection for the Siegel Center Club Seating.

The Six Year Capital Plan for 2012-2018 was presented. As part of the Commonwealth's biennial budget process, the University prepares a six-year projection of capital outlay needs. The Governor evaluates the University's projected capital outlay needs and incorporates recommendations into the Executive Budget for consideration by the 2012 General Assembly. The presentation included an overview of the projects included in the entire six-year plan and highlighted the projects included in the first

biennium (2012-2014) of the plan. On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval of the Six Year Capital Plan for 2012-2018.

The following items were presented for information:

Capital Projects Status Report

Architect/Engineer Selections

- a. Ginter House Renovations
- b. Raleigh Building Renovations
- c. Honors College Renovations

Notification of Contract Awards

- a. Bruker Biospin Corporation
- b. One Capitol Square

University Quarterly Budget Performance Report: March 31, 2011

Virginia Commonwealth University Health System Financial Statement Summary  
Fiscal Year 2010 – Three Months Ending March 31, 2011

On motion made and seconded, the Committee convened into closed session to discuss the acquisition or use of real property for public purpose, or of the disposition of publicly held real property, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of VCU, including the acquisition of property on or adjacent to the Monroe Park Campus, the acquisition of property on or adjacent to the MCV Campus and the transfer of property as authorized by Section 2.2-3711 A(3) of the Virginia Freedom of Information Act.

Following closed session, on motion made and seconded, the following Resolution was approved by roll call vote:

The Finance, Investment and Property Committee of the Board of Visitors of Virginia Commonwealth University hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed session meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed session meeting were heard, discussed, or considered by the Finance, Investment and Property Committee of the Board of Visitors of Virginia Commonwealth University.

<u>Roll Call Vote</u>	<u>Ayes</u>	<u>Nays</u>
Mr. Stuart C. Siegel, Chair	X	
Mr. Brian K. Jackson, Vice Chair	X	
Dr. J. Alfred Broaddus, Jr.	X	
Dr. John C. Doswell II	X	
Mr. William M. Ginther	X	
Mrs. Lillian L. Lambert	X	
Mr. Alexander B. McMurtrie, Jr.	Absent	
Mr. Thomas G. Snead, Jr.	X	
Mrs. Anne J. G. Rhodes, Rector	X	

Vote:

Ayes: 8

Nays: 0

ABSENT DURING MEETING: 1

ABSENT DURING VOTING: 1

On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval of the acquisition of property on or adjacent to the Monroe Park Campus, the acquisition of property on or adjacent to the MCV Campus and the transfer of property.

The meeting was adjourned at 1:25 p.m.