



VCU

VIRGINIA COMMONWEALTH UNIVERSITY

Virginia Commonwealth University

Finance, Budget and Investment Committee of the Board of Visitors Minutes

Date: May 13, 2016

Time: 11:00 a.m. – 12:30 p.m.

Location: James Branch Cabell Library, 909 Park Avenue, Richmond, VA, Room 303

Present: Mr. William M. Ginther, Chair

Mr. Michael D. Fraizer

Ms. Phoebe P. Hall

Mr. Alexander B. McMurtrie, Jr., Vice Chair and Secretary (via phone)

Ms. Jacquelyn E. Stone, Vice Rector

Dr. John W. Snow

Mr. Steve L. Worley

Mr. John A. Luke Jr., Rector

Dr. Michael Rao

Ms. Madelyn F. Wessel

Mr. Richard O. Bunce

Ms. Karol Kain Gray

Staff and students from VCU and VCUHS

Members of the press

Mr. Ginther called the meeting to order at 11:00 a.m. and 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 and the



VCU

VIRGINIA COMMONWEALTH UNIVERSITY

Virginia Commonwealth University

Finance, Budget and Investment Committee of the Board of Visitors Minutes

award of a public contract involving the expenditure of public funds and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of VCU as authorized by Section 2.2-3711 A(3) and A(29) of the Virginia Freedom of Information Act.

Following closed session, on motion made and seconded, the following Resolution was approved by certification of a show of hands:

The Finance, Budget and Investment 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, Budget and Investment Committee of the Board of Visitors of Virginia Commonwealth University.

<u>Certification</u>	<u>Ayes</u>	<u>Nays</u>
Mr. William M. Ginther, Chair	X	
Mr. Alexander B. McMurtrie, Jr., Vice Chair and Secretary	X (BY PHONE)	
Mr. Michael D. Fraizer	X	
Ms. Phoebe P. Hall	X	
Ms. Jacquelyn E. Stone, Vice Rector	X	
Dr. John W. Snow	X	
Mr. Steve L. Worley	X	
Mr. John A. Luke Jr., Rector	X	



VCU

VIRGINIA COMMONWEALTH UNIVERSITY

Virginia Commonwealth University

Finance, Budget and Investment Committee of the Board of Visitors Minutes

Vote:

Ayes: 8

Nays: 0

ABSENT DURING MEETING: 0

ABSENT DURING VOTING: 0

On motion made and seconded, the Finance, Budget and Investment Committee recommended to the full Board the approval of the following action items from closed session:

- Resolution to Authorize the Execution of Agreements to Implement Redevelopment of Gladding I and II

RESOLUTION OF THE BOARD OF VISITORS OF VIRGINIA COMMONWEALTH UNIVERSITY

AUTHORIZATION AND APPROVAL OF GROUND LEASE, SUPPORT AGREEMENT, MARKETING AGREEMENT, AND SUBLEASE BETWEEN VIRGINIA COMMONWEALTH UNIVERSITY AND ACC OP DEVELOPMENT, LLC AND/OR ITS AFFILIATES.

WHEREAS, Chapter 6.1, Title 23 of the Code of Virginia of 1950, as amended (the "Virginia Code") establishes a public corporation under the name and style of Virginia Commonwealth University (the "University") which is governed by a Board of Visitors (the "Board") vested with the supervision, management and control of the University;



VIRGINIA COMMONWEALTH UNIVERSITY

Virginia Commonwealth University

**Finance, Budget and Investment Committee of the Board of Visitors
Minutes**

WHEREAS, Title 23 of the Virginia Code classifies the University as an educational institution of the Commonwealth of Virginia;

WHEREAS, by Chapter 4.10, Title 23 of the Virginia Code, the University entered into a management agreement with the Commonwealth of Virginia which was enacted as Chapter 594 of the Acts of Assembly of 2008 which, as amended, classifies the University as a public institution of higher education and empowers the University to enter into leases and agreements related to capital projects;

WHEREAS, the University requested and received final proposals from a short-listed group of qualified parties (the “RFP Process”) to enter into a contractual arrangement with the University for the purpose of providing services and redeveloping the Gladding Residence Center I & II on the University’s Monroe Park Campus in Richmond, Virginia (the “Project”);

WHEREAS, through the RFP Process, the University determined that American Campus Communities (it and its affiliates, “ACC”) provided the proposal that best served the needs of the University for development of the Project;

WHEREAS, pursuant to a Resolution duly adopted by the Board at its September 17, 2015 meeting, the Board (i) approved ACC as the selected Developer for the Project and (ii) authorized the University to enter into negotiations with ACC of all documentation required to implement the Project in accordance with the parameters for the Project set forth in the Term Sheet presented to the Board (collectively, the “Project Documents”);



VCU

VIRGINIA COMMONWEALTH UNIVERSITY

Virginia Commonwealth University

Finance, Budget and Investment Committee of the Board of Visitors Minutes

WHEREAS, pursuant to the above Resolution and the terms of the Development Agreement (one of the Project Documents) approved pursuant to a Resolution duly adopted by the Executive Committee of the Board at its February 29, 2016 meeting and properly executed by ACC and the University, the University and ACC have substantially completed negotiations of the Ground Lease (the “Ground Lease”), the Operation and Support Agreement (the “Support Agreement”), and the Marketing and Licensing Agreement (the “Marketing Agreement”), and each of the Ground Lease, the Support Agreement, the Marketing Agreement, being one of the Project Documents, the forms of which are attached hereto;

WHEREAS, it is necessary for the University to obtain the Board’s approval of, and authorization to enter into, the Ground Lease, the Support Agreement, and the Marketing Agreement with ACC;

WHEREAS, the University and ACC are currently under negotiations on a University Sublease (the “Sublease”) whereby the University intends to lease approximately 14,000 square feet of ground floor space within the Project to serve as office space for the University’s Residential Life and Housing department and a Student Leadership Center (the “Subleased Premises”);

WHEREAS, the University may either make annual rental payments for up to 50 years for the Subleased Premises (with estimated rent of up to \$300,000 per year with usual and customary escalations), or on such other terms as approved by the President;



VCU

VIRGINIA COMMONWEALTH UNIVERSITY

Virginia Commonwealth University

Finance, Budget and Investment Committee of the Board of Visitors Minutes

WHEREAS, it is necessary for the University to obtain the Board's authorization to enter into the Sublease with ACC;

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

1. The Board hereby approves the forms of the Ground Lease, the Support Agreement, and the Marketing Agreement in such forms as are attached to this Resolution, with any changes as the President of the University determines to be necessary or desirable.

2. The Board authorizes the President of the University, or his designee, on behalf of the University, to execute and deliver the Deed of the Ground Lease, the Operation and Support Agreement, and the Marketing and Licensing Agreement on behalf of the University.

3. The Board authorizes the President of the University, or his designee, on behalf of the University, to conclude negotiations on the Sublease, and to execute any and all documents required to effect a fully executed sublease substantively conforming to the terms specified herein.

This Resolution shall take effect immediately upon its adoption.

- Acquisition of Property on or near Monroe Park Campus

Mr. Ginther announced as a reminder we are now in open session. On motion made and seconded, the Finance, Budget and Investment Committee approved the Minutes from a Meeting held **March 23, 2016**.



VCU

VIRGINIA COMMONWEALTH UNIVERSITY

Virginia Commonwealth University

Finance, Budget and Investment Committee of the Board of Visitors Minutes

On motion made and seconded, the Finance, Budget and Investment Committee recommended to the full Board the approval of the following action items:

- **Demolition of Property on the MCV Campus**
- **Approval of Project Plans**
 - The School of Allied Health
 - Raleigh Building Renovation
- **Architect Selection**
 - School of Engineering Research Expansion

Mr. Bunce presented the **Proposed 2016-17 Tuition and Fees and University Budget Plan**.

- As a follow-up to the April 7 Budget Workshop meeting, the Committee discussed the proposed budget and the associated tuition and fees rates. On motion made and seconded, the Committee recommended to the full Board of Visitors approval of the Proposed 2016-17 Tuition and Fees and University Budget Plan

The following items were presented for information and after general discussion follow-up requests were made:

Mr. Bunce presented the **VCIMCO Update**.

- Mr. Bunce reported that, after review of the key terms and provisions with the Rector and Chair of the FBI Committee, he signed the advisory agreement and the limited partnership agreements with VCIMCO. Transfer of our investment assets to VCIMCO has begun and to date approximately 75% of the assets have been transferred.



VCU

VIRGINIA COMMONWEALTH UNIVERSITY

Virginia Commonwealth University

Finance, Budget and Investment Committee of the Board of Visitors Minutes

Mr. Bunce presented the **Finance, Budget and Investment Committee Dashboard**.

Mr. Sliwoski presented the **Notification of Contract Awards**, a) 12th Street Streetscape and
b) Ackell Residence Hall Renovation

Mr. Sliwoski presented the **Capital Projects Update**.

Mr. Bunce and Mr. Klink presented **Divest VCU**.

The following information was included in the board materials but was not presented in the committee meeting:

- **Treasurer's Report** Operating Pool, Long-Term Investment Portfolio and Glasgow Endowment Fund as of March 31, 2016, Compliance & Asset Allocation Review, and Cash, Debt & Monitoring Report as of May 8, 2016
- **Revenue and Expense Summary as of March 31, 2016**
- **VCU Health System and Financial Operations as of December 31, 2015**

The meeting was adjourned at 12:00 p.m.