

BOARD OF TRUSTEES

THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO

February 2, 2006

ACTION ITEM: Lease Agreement between the Greensboro Center for Innovative Development and UNCG and NCA&T

BACKGROUND INFORMATION:

John Merrell L
Greensboro Center For Innovative Development

In February 2003, the concept for a "Joint" Millennial Campus was presented to the UNC Office of the President indicating the potential for collaborative opportunities between UNCG and NCA&T. Later that year, the Joint Millennial Campus was introduced to the community.

In September 2003, in order to create an efficient vehicle to manage the UNCG/NCA&T Joint Millennial Campus (JMC), a separate 501(c)3 not-for-profit was established. The newly formed organization is known as the Greensboro Center for Innovative Development (GCID). The GCID is charged with the management and development of the properties that represent the JMC.

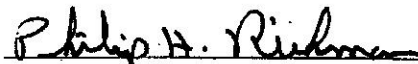
In September 2005, a Management Services and Development Agreement (MSDA) between the GCID and NCA&T and UNCG was approved and executed by each party's respective board of trustees. The MSDA formally established a working relationship between the two universities and the GCID for future development. Section I.F. of the MSDA states, "The Universities shall lease to GCID any or all property designated as the JMC, subject to necessary governmental approvals. Such leases shall be long-term leases for nominal consideration."

In order to facilitate the GCID's ability to perform its role as manager/developer it was determined by counsel for the universities and the GCID to pursue a master lease for the properties identified as the JMC. The lease document is based on a model previously used by several UNC campuses, including UNCG and NC A&T. This document has also been reviewed by the Office of the President.

The purpose of this action is to request approval from this Board to proceed with a 50-year ground lease (and two successive 10 year renewals) with the GCID on land owned by the State of North Carolina (Approximately 75 acres with 142,000 square feet of existing space at the former Central North Carolina School for the Deaf and approximately 75 acres adjacent to the NCA&T farm), on which the GCID will develop, in concert with the universities, a research park similar to the Centennial Campus at North Carolina State University.

RECOMMENDED ACTION:

It is recommended the Board of Trustees of The University of North Carolina at Greensboro approve the Lease Agreement between the Greensboro Center for Innovative Development and UNCG and NCA&T and recommend approval to the Board of Governors.



Philip H. Richman

Vice Chancellor for Business Affairs



John R. Merrill

Executive Director, Greensboro Center for
Innovative Development

Attachments

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

February 2, 2006

Attending-Business Affairs: Hudnall Christopher, Jr., Thomas Ross, William Pratt

Board Members and Guests: Kemp Allen, Kate Barrett, Alan Boyette, Mike Byers, James Clotfelter, Karen Core, Crista Cuccaro, Jean Davis, Exandra Dempsey, Howard Doyle, Carolyn Ferree, Dan Fisher, Steve Gilliam, Jill Goodman, Stephen Hassenfelt, Donna Honeycutt, Davis Lumpkin, Karen McNeil-Miller, John Merrill, Sharlene O'Neil, Jen Palancia Shipp, Fred Patrick, Steve Rhew, Philip Richman, Bo Rodenbaugh, Jonathon Rosamond, Gary Rosenkrantz, Yvonne Ross, Angela Scott, Don Skeen, Patricia Stewart, Reade Taylor, Patricia Sullivan, Edward Uprichard, Lenita Withes, and Jonas Wortel

Hudnall Christopher, Chair of the committee, called the meeting to order at 8:05 a.m.

The minutes for the November 3, 2005 meeting were approved as written.

ACTION ITEMS

Report of the Board of Trustees of the Endowment Fund (BAC-1)

Philip Richman explained to the Board that the Endowment Board was different from the other foundation boards in that it was established by statute from the legislature. A certified audit goes through three reviews - the Audit Committee, the Board of Trustees and the Board of Governors. The funds from the Endowment Fund are used for scholarships, fellowships and professorships. There was an unqualified audit opinion and a business advise letter recommending an audit committee. There is a Board of Governors Policy pending on the formation of this committee.

Tom Ross moved to approve the report. William Pratt seconded the motion and it was unanimously approved for recommendation to the full Board.

Designer Selection for Mossman Roof Replacement (BAC-2)

Philip Richman reported that twelve letters of interest were received for this project. Four were selected for presentation and qualifications. The firm of Sutton-Kennerly & Associates was recommended as the designer due to previous experience, sufficient technical staff and excellent customer service during construction.

Tom Ross moved to approve the recommendation. William Pratt seconded the motion and it was unanimously approved for recommendation to the full Board.

Designer Selection for UNCG Data Center Study (BAC-3)

Davis Lumpkin advised the Board that with the expansion of IT on the campus, the physical move of the installation is critical. There are three main areas of concern - 1) What kind of measures to take prior to the move to maintain service, 2) How to move the present equipment from Forney and remain on-line, and 3) How to plan for the future. Seven letters of interest were received for this study. Two firms were chosen for review of presentation and qualifications. Calloway Johnson Moore & West is recommended due to their experience with similar installation and technical expertise.

Jean Davis asked how long the study would take. Mr. Lumpkin estimated that this study would take until the end of the fiscal year.

William Pratt moved to approve the recommendation. Tom Ross seconded the motion and it was unanimously approved for recommendation to the full Board.

Lease Agreement between the Greensboro Center for Innovative Development and UNCG and NCA&T (BAC-4)

Philip Richman advised the Board that the School of the Deaf property became available in 2002. NC A&T and UNCG asked that the property be transferred to the campuses which formed the Joint Millennium Campus. In order to manage the property the GCID was created to enhance facility development and new building for the two sites. Mr. Richman asked John Merrill to speak to the specifics of the lease.

John stated that the ground lease was designed to give more flexibility for development, use state funds and work with the facility staff of both UNCG and NC A&T. The USDA is a possibility for the anchor tenant. The details of the lease were reviewed by Skip Capone for UNCG and Leslie Winner for General Administration. All details of the lease have been reviewed beyond the campuses. The template was designed by Skip Capone, Leslie Winner and representatives from NC A&T and the Financial Department in General Administration. Following approval by both Boards of Trustees, the lease will be submitted to the Board of Governors, then the Council of State and finally the Governor.

Tom Ross moved to approve the recommendation. William Pratt seconded the motion and it was unanimously approved for recommendation to the full Board.

INFORMATION ITEM

Trustee Audit Review (BAC-5)

Philip Richman informed the new members of the Board that the Business Affairs Committee serves as the Audit Committee of the Board of Trustees for UNCG. Annually they review the external and internal audits performed for UNCG. The primary audit is held in August of each year and extends for several months. Also in August the independent auditors, McGladrey & Pullen are in our offices. This year we had an additional NCAA audit which was a program, rather than a financial audit. There was no federal audit in 2004-05.

The State audit was unqualified with no major findings. McGladrey & Pullen's audit was also unqualified with no major findings. There was a recommendation that a specific audit committee be convened for the foundations. The Weatherspoon Foundation, which is a volunteer organization had two minor notes. The NCAA audit which was special and specific to the program had no findings.

William Pratt asked if the recent business climate had changed the auditing process. Mr. Richman responded that it was much more intense now, even for non-profit organization. There is much sharper scrutiny since the Sarbanes Oxley was introduced.

Chancellor Sullivan advised that the Board of Governors had instituted a study of the Best Practices and new guidelines were expected to be adopted shortly. More information should be received shortly.

University Investment Fund Update (BAC-6)

Philip Richman presented the annual report of the University Investment Fund. There is \$142.7 million in this consolidation of all foundations. The purpose of the fund is to hold the funds for the other entities and manage the portfolio. A chart was distributed to show the ownership and allocation percentages of the fund. Cambridge has managed the fund since its inception in July, 1992. They will supply the final figures for the year by April.

Hudnall Christopher asked how many of the investments did not meet their targets. Mr. Richman advised that only 1 or 2 did not.

Chancellor Sullivan announced that the Peabody Park and Bridge renovation has been presented with an award from the State of North Carolina and will be presented for a national award.

The meeting was adjourned at 8:41 a.m.

Respectfully submitted,

Donna Honeycutt, CPS

MINUTES
BOARD OF TRUSTEES
The University of North Carolina at Greensboro
February 2, 2006

Present

Kate R. Barrett
F. Hudnall Christopher, Jr.
Earlene Hardie Cox
Jean E. Davis
Exandra Dempsey
Carolyn R. Ferree
Stephen C. Hassenfelt
Karen McNeil-Miller
William J. Pratt
Thomas W. Ross

Absent with Notice

Richard L. Moore
Theresa M. Stone

Staff/Guests in Attendance

James Clotfelter, Information Technology Services
Karen Core, Staff Council
Carol Disque, Student Affairs
Howard Doyle, Facilities Design and Construction
Ann Fitzmaurice-Russ, Alumni Affairs
Steve Gilliam, University Relations
Jill Goodman, Business Affairs
Judge A. Robinson Hassell
Dave Lumpkin, Business Affairs
John Merrill, Director, GCID
Sharlene O'Neil, Chancellor's Office
Fred Patrick, Facilities Design and Construction
Phil Richman, Business Affairs
S. Leigh Rodenbough, Attorney, GCID
Gary Rosenkrantz, Chair, Faculty Senate
Yvonne Ross, Chancellor's Office
Angela Scott, Staff Council
Patricia W. Stewart, University Advancement
Patricia A. Sullivan, Chancellor
A. Edward Uprichard, Provost and Vice Chancellor for Academic Affairs
Lanita Withers, News & Record

focus with the intention that in subsequent years, the university planning council, trustees and our campus constituencies, will be involved in developing a strategic plan over a longer period of time. Board members will be kept informed of this process.

Prior to closing for renovation, the last event scheduled for Aycock Auditorium will be the inauguration of Erskine Bowles as President of the UNC system. The occasion is scheduled for April 12, 2006, and will be used as a significant way to close "the grand old lady." Aycock will then be closed for approximately 1½ years. Sharlene O'Neil, Executive Assistant to the Chancellor, is heading the campus team for planning the inauguration of President Bowles. Additional information will be sent to Trustees once plans are finalized. Prior to the event, a reception will be hosted by NC A&T State University on the evening of Tuesday, April 11, 2006.

As the legislative session approaches, Trustees may be asked to contact legislators regarding specific items of interest to UNCG. Information and talking points will be provided.

REPORT OF THE BUSINESS AFFAIRS COMMITTEE – Chair Christopher

F. Hudnall Christopher, Jr. gave the report of the Business Affairs Committee. Two information items were presented during the morning meeting: 1) the Trustee Audit Review which served as a compliment to the administration; and 2) the University Investment Fund Update.

The Board then moved on the following action items:

1. That the Board of Trustees of The University of North Carolina at Greensboro approve the report of the Board of Trustees of the Endowment Fund and direct the administration to forward this report to President Bowles for presentation to the Board of Governors.

All approved and the motion carried.

2. That the Board of Trustees of the University of North Carolina at Greensboro approve the firm of Sutton-Kennerly & Associates as the designer for the Mossman Building Roof Replacement project.

All approved and the motion carried.

3. That the Board of Trustees of The University of North Carolina at Greensboro approve the firm of Calloway Johnson Moore & West as the designer for the UNCG Data Center Study.

All approved and the motion carried.

4. That the Board of Trustees of The University of North Carolina at Greensboro approve the Lease Agreement between the Greensboro Center for Innovative Development and UNCG and NCA&T and recommend approval to the Board of Governors.

All approved and the motion carried.

Due to the ineligibility of four members who were submitted for reappointment, the Board recommended that the Weatherspoon Arts Foundation amend their bylaws to allow members to continue in an emeritus status.

All approved as amended and the motion carried.

PROMOTIONAL VIDEO

An excellent promotional video was shown by University Advancement. The video is being used for *Inside UNCG* events and has been generically and specifically positioned for use as a campaign tool to reach wider audiences. The video will also be used by other entities on campus. On an interesting note, all background music was provided by UNCG's School of Music.

CLOSED SESSION

Karen McNeil-Miller moved that the Board go into closed session to prevent disclosure of privileged personnel information under Chapter 126 of the North Carolina General Statutes, and to prevent the premature disclosure of honors or awards. Stephen Hassenfelt seconded and the Board went into closed session.

The Board then moved on the following action items:

1. Personnel Action
2. Personnel Report dated January 20, 2006.
3. Nominations for University Honorary Degrees.
4. Naming of the International Honors College.

All items were approved and the motion carried.

Karen McNeil-Miller made a motion to move out of closed session, Carolyn Ferree seconded and the Board moved back into open session.

ADJOURNMENT

Carolyn Ferree made a motion to adjourn, it was seconded by Jean Davis, and meeting adjourned at 2:30 p.m.

Sharlene R. O'Neil
Assistant Secretary to the
Board of Trustees