

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

February 24, 2005 A Regular Meeting of the Board of Visitors

Minutes

A regular meeting of the Board of Visitors of Virginia Commonwealth University was held on Thursday, February 24, 2005, at 9 a.m. in Richmond Salons 1 and 2 located in the University Student Commons at 907 Floyd Avenue.

Present were Drs. Bersoff (Rector), Broaddus, Doswell, Romano and Shapiro; Messrs. Axelle, Jackson, Robertson, Rosenthal, Sherman, Slater, Snead and Thompson; and Mesdames Riddick and Rhodes. Mr. Baldacci was absent. Also present were Drs. Trani, Andrews, Brodd, Gottfredson, Huff, Lewis, Retchin, Rhone, Self, and Torr; Messrs. Bunce, Gehring, Messplay, Ohlinger, Ross, Timmreck, and Wyeth; and Mesdames Atkinson, Balmer, Lepley and Messmer.

Dr. Bersoff called the meeting to order and welcomed members of the press. The Report of the President was presented:

A budget update and a report on the Higher Education Decentralization Legislation was presented for information.

The Director of University News Services presented the UNS Strategic Plan for 2004-2007, as well as a presentation entitled "Raise National Awareness of VCU and the VCU Medical Center" for information.

The Rector reported that the Board of Visitors will hold a Retreat at the Tides Inn in Irvington, Virginia, on April 14 and 15, 2005. Information for the Retreat will be delivered prior to the meeting. The Rector thanked Mr. Thomas G. Snead and his wife, Vickie, for their contributions and hard work for the University and the University's Campaign.

Mr. Rosenthal reported for the Academic and Health Affairs Committee. The proposal to Integrate the Center for Public Policy into the Wilder School of Government and Public Affairs was presented. The incorporation of the Center for Public Policy into the Wilder School will position the Wilder School as a comprehensive School of Public Affairs. The School will have the combination of instructional programs, applied research and professional development activities that will enable the school to become a leading school of public affairs. At the same time, the School has taken the necessary steps to ensure that the University-wide purposes of the Center for Public Policy remain intact. The Academic and Health Affairs Policy Committee recommended to the full Board the approval of the proposal to Integrate the Center for Public Policy into the Wilder School of Government and Public Affairs.

The proposal to create a B.A. in Homeland Security and Emergency Preparedness was presented. VCU has an opportunity to be one of the first major universities to establish a B.A. in Homeland Security and Emergency Preparedness (HSEP). According to data compiled by the Department of Homeland Security (DHS), there are only two dedicated bachelors programs in homeland security that are integrated into the university's academic structure as degree programs. There are only eleven B.A./B.S. programs in emergency management and twenty-five certificates or concentrations related to homeland security. The quality of VCU's academic and professional programs, the location, and the contact made during the program development phase has given VCU an opportunity to become the premier location for the undergraduate study of homeland security and emergency preparedness. The Academic and Health Affairs Policy Committee recommended to the full Board the approval of the proposal to create a B.A. in Homeland Security and Emergency Preparedness.

The proposal to create a Master of Pharmaceutical Sciences Degree Program was presented. Consistent with national trends, a major initiative of the Graduate School at VCU is to establish professional master's degree programs that will provide needed advanced educational opportunities for career advancement. In response to the initiative, the School of Pharmacy proposes a new degree program, the Master of Pharmaceutical Sciences Program, that can be implemented for virtually no additional costs as the resources needed are already in place to support current M.S. and Ph.D. programs. The major difference between the existing M.S. in Pharmaceutical Sciences and the proposed Master of Pharmaceutical Sciences is that the proposed program does not focus on research; instead the program focuses on the knowledge and skills that are needed by persons who already work in the pharmaceutical industry. The School of Pharmacy expects that the students will be bachelors-prepared employees of pharmaceutical companies. The students are likely to have

backgrounds in chemistry and will be involved in research programs at the workplace. The Academic and Health Affairs Policy Committee recommended to the full Board the approval of the proposal to create a Master of Pharmaceutical Sciences Degree Program.

The proposal for a Dual Degree Program: Doctor of Pharmacy/Master of Business Administration was presented. VCU has offered the Doctor of Pharmacy (Pharm.D.) and Master of Business Administration (MBA) degrees. The School of Pharmacy and the School of Business jointly created a dual-degree program, the Pharm.D./MBA program. The Pharm.D./MBA program is designed to prepare pharmacists for careers that require expertise in both pharmacy and business theories and principles. The program is designed to take advantage of efficiencies in both programs. Students enrolled in the dual-degree program can earn both degrees in five years, a year less than a student would take to earn the degrees if the student enrolled sequentially in the programs. The Academic and Health Affairs Policy Committee recommended to the full Board the approval of the proposal for a Dual Degree Program: Doctor of Pharmacy/Master of Business Administration.

The proposal for a Dual Degree Program: Master of Business Administration/ Master of Science in Information Systems was presented. VCU's School of Business has offered the Master of Business Administration (MBA) degree, and in 2002, the University initiated the Master of Science degree in Information Systems (MSIS) degree program. The School of Business now has designed a dual-degree MBA/MS in Information Systems degree program that provides students the opportunity to complete both master's level degree programs simultaneously, sharing up to four courses (12 credit hours) between the two programs. The Academic and Health Affairs Policy Committee recommended to the full Board the approval of the proposal for a Dual Degree Program: Master of Business Administration/Master of Science in Information Systems.

An authorization for the University to implement a strategic plan for the School of Medicine: Advancing the Research Mission 2005-2011 was presented. The objective is to position the School of Medicine to invest in major growth of research faculty over the next six years to achieve preeminence and national recognition as a research-intensive medical school. The Academic and Health Affairs Policy Committee recommended to the full Board the approval implementation of a strategic plan for the School of Medicine: Advancing the Research Mission 2005-2011.

The following items were presented for information: the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) Competency Report on VCU Faculty and Staff Who Provide Patient Care or Clinical Services to the VCU Health System; a Faculty Profile; a report on the Graduate School; a report on VCU Community Solutions; the VCU Health System Authority Financial Statements Fiscal Year 2005 – Six Months Ending December 31, 2004 and a report of the Interim Provost and Vice President for Academic Affairs.

Dr. Doswell reported for the Audit Committee. The Auditor of Public Accounts: Report for the Fiscal Year Ended June 30, 2004, and the State Audit Report – Management's Action Plans were presented for information.

Dr. Doswell reported for the External Relations Committee. The following items were presented for information: the Government Relations and Health Policy Report, the Marketing and Media Relations Report and the Advancement Division Reports.

Mr. Slater reported for the Finance, Investment and Property Committee. The lease for 104 North Belvidere Street was presented. The lease is for approximately 9,280 square feet of office space and 500 square feet of basement space. The VCU Human Resources Division staff, currently located at 1000 East Marshall Street, will occupy the building. The building is adjacent to the VCU Human Resources Division located at 600 West Franklin Street. The proposed lease term is for August 1, 2005, to July 31, 2010, plus two 5-year renewal options by providing the landlord with 90 days prior written notice. The rental rate (including expenses) for the initial five-year term is \$725,640, with the first year of the term being \$136,678. The rent will escalate three percent annually. The Finance, Investment and Property Committee recommended to the full Board the approval of the lease for 104 North Belvidere Street.

The lease for 807-809 West Broad Street was presented. The lease is for 8,000 square feet of office space and 4,000 square feet of storage space to be occupied by VCU Treasury Services. Treasury Services is currently located in the leased facility at 327 West Main Street. The building is scheduled for demolition in August 2005, to begin construction of Phase II of the School of Engineering and the new School of Business buildings. The proposed lease term is for June 1, 2005, to May 31, 2010, with two 5-year renewal options based on a three percent escalation. The proposed rental rate ranges from \$150,000 to \$180,000 during the initial term of the lease. The Finance, Investment and Property Committee recommended to the full Board the approval of the lease for 807-809 West Broad Street.

The lease for 1015 Floyd Avenue was presented. The lease is for 180 square feet to Verizon Virginia, Inc., for telephone equipment space, on the first floor of 1015 Floyd Avenue. VCU currently leases the space to Verizon. The existing lease

expires effective October 31, 2005, with no remaining renewal options. Verizon requested the continuance of the lease for an additional 20 years. The proposed lease term is for November 1, 2005, to October 31, 2010, plus three 5-year rental options. The rental rate for the initial five-year term is \$3,804, with the first year of that term being \$717. The rent will escalate three percent annually. The Finance, Investment and Property Committee recommended to the full Board the approval of the lease for 1015 Floyd Avenue.

The lease for 10 North Brunswick Street was presented. The lease is for 21,767 square feet of space to house the VCU Dance Studio. VCU has leased the building from the VCU Real Estate Foundation since January 7, 1990, and plans to continue leasing the building. The existing lease originally governed the properties located at 107 North Morris Street, 1315 Floyd Avenue, 1128 Floyd Avenue, and 10 North Brunswick Street. To increase flexibility, both the owner and tenant desire to separate the leases for each of the properties. The proposed lease term is to renew from May 1, 2004, to April 30, 2009, plus two 5-year renewal options. The rental rate for the initial five-year term is \$949,046, with the first year of that term being \$178,757. The rent will escalate three percent annually. The Finance, Investment and Property Committee recommended to the full Board the approval of the lease for 10 North Brunswick Street.

The lease for 1128 Floyd Avenue was presented. The lease is for 8,676 square feet of space, plus 11 parking spaces, to house the VCU Child Development Center. VCU has leased the building from the VCU Real Estate Foundation since January 7, 1990, and plans to continue leasing the building. The existing lease governs the properties located at 107 North Morris Street, 1315 Floyd Avenue, 1128 Floyd Avenue, and 10 North Brunswick Street. To increase flexibility, both the owner and tenant desire separate leases for each of the properties. The proposed lease term is for May 1, 2004, to April 30, 2009, plus two 5-year renewal options. The rental rate for the initial five-year term is \$506,222, with the first year of the term being \$95,349. The rent will escalate three percent annually. The Finance, Investment and Property Committee recommended to the full Board the approval of the lease for 1128 Floyd Avenue.

The Summary Deed of Lease for 701 West Broad Street was presented. The VCU Real Estate Foundation will lease an office building located at 701 West Broad Street to VCU. The initial lease term is anticipated to begin on August 16, 2005, and end on August 15, 2025. The renewal options are exercisable by either party and provide for two 5-year options. The Finance, Investment and Property Committee recommended to the full Board the approval of the Summary Deed of Lease for 701 West Broad Street pending clarification on the contract termination language.

The Summary Plan of Finance at 701 West Broad Street was presented. The proceeds of the 2005 Note are to be used to provide funding to the VCU Real Estate Foundation (i) for the costs of acquisition, construction, furnishing, and equipping a 28,400 square foot administrative building (the "AIT Building") to be located at 701 West Broad Street; (ii) to fund capitalized interest, if any; and (iii) to pay any cost of borrowing. The AIT Building, upon completion and occupancy, will be leased to the University under a 20-year lease that is subject to approval. The Finance, Investment and Property Committee recommended to the full Board the approval of the Summary Plan of Finance for 701 West Broad Street.

The Resolution: Authorizing Financing Lease for 701 West Broad Street was presented. The Finance, Investment and Property Committee recommended to the full Board the approval of the following Resolution:

**RESOLUTION: AUTHORIZING FINANCING LEASE FOR
701 WEST BROAD STREET, RICHMOND, VIRGINIA**

WHEREAS, the Virginia Small Business Financing Authority (the "Authority"), at the request of the Virginia Commonwealth University Real Estate Foundation (the "Foundation"), has agreed to issue its revenue note or bonds to finance the acquisition, construction and equipping of an office building at 701 West Broad Street, Richmond, Virginia, of approximately 28,400 square feet (the "Project"), which will be owned by the Foundation; and

WHEREAS, the Foundation will lease the Project to Virginia Commonwealth University (the "University") for use by the University's Administrative Information Technology Department; and

WHEREAS, the University previously has approved the lease of the Project on August 12, 2004; and

WHEREAS, a preliminary plan of finance for the Project and a description of the Deed of Lease (the "Lease") between the Foundation and the University relating to the Project have been presented to this meeting of the Board of Visitors of the University; and

WHEREAS, the Lease is subject to authorization by the Governor of the Commonwealth of Virginia and review and approval by the Treasury Board of the Commonwealth of Virginia; and

WHEREAS, the Board of Visitors (the "Board") of the University desires to authorize and approve the general terms and conditions of the Lease and to delegate to certain officers of the University the authority to approve the final terms and conditions of the Lease and to execute the Lease;

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

1. The Board hereby confirms its approval of the lease of the Project from the Foundation and authorizes the Senior Vice President for Finance and Administration and the Associate Vice President of Business Services and

Treasurer of the University, either of whom may act (the "Authorized Officers"), to approve the terms and conditions of the Lease, including any amendments thereto, and any other agreement with the Foundation in relation to the Lease and the Project. The Authorized Officers are each authorized and directed to execute and deliver to the Foundation the Lease, including any amendments thereto, and such other agreements.

2. The appropriate officers and employees of the University, any of whom may act, are hereby authorized to take all such actions as may be necessary or desirable in connection with the construction, financing and leasing of the Project. The appropriate officers of the University are hereby authorized and directed to approve, execute and deliver all certificates, documents, agreements and other instruments and take all such further action, including obtaining approvals and consents, as they may consider necessary or desirable in connection with the Project and the Lease.
3. All other acts of the officers of the University that are in conformity with the purposes and intent of this resolution and in furtherance of the Project and the Lease are hereby approved, ratified and confirmed.
4. This Resolution shall be effective immediately.

The Architect/Engineer Selection for the Professional Architectural and Engineering Term Contracts was presented. Facilities Management routinely retains the services of architectural and engineering firms on term contracts to provide professional services for construction and renovation projects, feasibility studies, and planning initiatives for small dollar value contracts. Services are provided to the University, the Health System, the VCU Real Estate Foundation, and other affiliated entities. A total of eight separate Requests for Proposals are issued covering several different architectural, engineering, or planning capabilities. Depending on the specific Requests for Proposals, one to three firms are selected for each category. The firms are KOP Architects, NBJ Architecture, Commonwealth Architects, CEGG Associates, Baskervill & Son, Whitescarver Hurd & Obenchain, Pace Collaborative, Wiley & Wilson, Draper Aden, Dunbar, Milby, Williams, Pittman & Vaughan, Higgins & Gerstenmaier, BCWH Inc., and Vanasse Hangen Brustlin. The Finance, Investment and Property Committee recommended the approval of the term contracts with the firms listed for a period of one year, with an option for 4 one-year renewals.

The Architect/Engineer Selection for 8th and Duval Streets Parking Deck was presented. The project, located at the intersection of 8th and Duval Streets, will add a multi-level parking deck for approximately 900 – 1,000 vehicles and will include approximately 3,000 SF of storage and parking support space on the ground floor. The parking deck design will be compatible with architecture in the immediate vicinity and is consistent with the VCU 2020 Master Site Plan. The construction budget is \$11,223,000, with a total budget of \$13,200,000. The firm recommended is Baskervill & Son. The Finance, Investment and Property Committee recommended to the full Board the approval of the Architect/Engineer Selection for the 8th and Duval Streets Parking Deck.

The proposed change in the project budget for the Massey Cancer Center Addition was presented. The Massey Cancer Center Addition was included in the 2002 General Obligation Bond (GOB) referendum and was the first of the GOB projects to be placed under construction. The addition has been under construction since Spring 2003 and is scheduled for completion in late 2005. In 2004, the University was presented with the opportunity to expand the scope of the project by 20,000 square feet. The University obtained a preliminary estimate cost of the expansion, and the General Assembly approved supplemental funding totaling \$7,700,000 in 9d revenue bonds. The University has finished the design and has been working with the general contractor and subcontractors to finalize the cost. The University received information from the general contractor indicating that an additional \$6,000,000 may be required to complete the project. The University is concerned with the magnitude of the increase and has initiated an intensive review of the cost estimate. In order to complete the project on schedule, however, the University must obtain sufficient appropriation authorization during the 2005 General Assembly Session. The current budget is \$37,350,000, with a proposed budget of \$43,250,000. The Finance, Investment and Property Committee recommended to the full Board the approval of the proposed change in project budget for the Massey Cancer Center Addition.

The proposed change in the project budget for the new School of Nursing was presented. The 2004 General Assembly approved the University's request to amend the West Hospital and George Ben Johnston Auditorium Renovation projects approved in the 2002 General Obligation Bond referendum. The request included construction of a new School of Nursing building and a reduced-scope renovation of West Hospital and George Ben Johnston Auditorium. The revised funding authorizations include \$14,598,000 for the new Nursing Building and \$3,000,000 for West Hospital and the George Ben Johnston Auditorium. Planning for the renovations to West Hospital and the George Ben Johnston Auditorium is underway and will be completed within appropriated funding. The consultants planning the School of Nursing building indicate that the project, as envisioned, will require additional funding of approximately \$2,430,400. The total estimated cost is \$17,028,400, with a construction cost of \$12,500,000. The additional cost results from significant escalation in materials costs and the need for a foundation system that was not contemplated in the initial cost estimate. The Finance, Investment and Property Committee recommended to the full Board the approval of the proposed change in project budget for the new School of Nursing.

The Amendments to the 2004-2010 Six-Year Capital Plan were presented. The University proposes to renovate and construct an addition to the Central Belting Building to serve as a permanent home for the VCU Adcenter. The Central Belting Building is located on the University's Monroe Park Campus Addition. The Central Belting Building is an historic structure that served previously as the carriage house for the Jefferson Hotel. The University proposes to develop the Central Belting Building for the VCU Adcenter, which will relocate from the current leased facility in downtown Richmond. The estimated cost of improvements is \$7,000,000. The University has submitted to the General Assembly amendments that allow for development of the Central Belting Building, regardless of the financing alternative selected. The Finance, Investment and Property Committee recommended to the full Board the approval of the Amendments to the 2004-2010 Six-Year Plan.

The following items were presented for information: Virginia Commonwealth University Health System Financial Statement Summary Fiscal Year 2005 – Six Months Ending December 31, 2004; Virginia Commonwealth University Health System Integrated Investment Strategy; Budget Update; University Audited Financial Statements as of June 30, 2004; University Quarterly Budget Performance Report: December 31, 2004; Universal Ford Acquisition Corporation Name Change; Foundation and Affiliate Annual Reports (a.) MCV Foundation, (b.) VCU Intellectual Property Foundation, (c.) VCU Alumni Association, and (d.) MCV Alumni Association of VCU; Notification of Contract Awards (a.) Biomedical Engineering Renovations, (b.) Sanger AT Renovations, and (c.) Monroe Park Campus Housekeeping Services; Capital Projects Status Report; and the Virginia Biotechnology Research Park Authority Summary of Occupancy/Lease.

Ms. Riddick reported for the Students Affairs Committee. The following items were presented for information: a report on Counseling Services, a report on Student Health Services and a discussion on the Student Representation to the Board of Visitors.

On motion made and seconded, the following Consent Agenda Action Items were approved:

Board of Visitors

- Minutes of a Meeting held November 11, 2004

Academic and Health Affairs Policy Committee

- Minutes of a Meeting held November 10, 2004
- Proposal to Integrate the Center for Public Policy into the Wilder School of Government and Public Affairs
- Proposal to Create a B.A. in Homeland Security and Emergency Preparedness
- Proposal to Create a Master of Pharmaceutical Sciences Degree Program
- Proposal for a Dual Degree Program: Doctor of Pharmacy/Master of Business Administration
- Proposal for a Dual Degree Program: Master of Business Administration/Master of Science in Information Systems

Audit Committee

- Minutes of a Meeting held November 11, 2004

External Relations

- Minutes of a Meeting held November 10, 2004

Finance, Investment and Property Committee

- Minutes of a Meeting held November 10, 2004
- Lease for 104 North Belvidere Street
- Lease for 807-809 West Broad Street
- Lease for 1015 Floyd Avenue
- Lease for 10 North Brunswick Street
- Lease for 1128 Floyd Avenue
- Summary Deed of Lease: 701 West Broad Street
- Summary Plan of Finance: 701 West Broad Street
- Resolution: Authorizing Financing Lease for 701 West Broad Street
- Architect/Engineering Selection Term Contracts
- Architect/Engineer Selection for 8th and Duval Streets Parking Deck
- Change in Project Budget for Massey Cancer Center
- Change in Project Budget for School of Nursing
- Amendments to the 2004-2010 Six-Year Capital Plan

Student Affairs Committee

- Minutes of a Meeting held November 10, 2004

On motion made and seconded, the Board accepted the Consent Agenda Information Items.

The Rector appointed the following members of the Board to serve on the Board nominating Committee for the Rector: Mr. Axselle (Chair), Dr. Romano, Mrs. Rhodes and Mr. Slater.

On motion made and seconded, the Board convened into closed session to discuss certain personnel matters and matters relating to the performance of identifiable employees and faculty of VCU and to discuss the performance of departments or schools of VCU where such matters regarding such individuals might be affected by such evaluations including the Faculty Appointments and Changes in Status and other Personnel Actions; to discuss the acquisition or use of real property for public purpose, or of the disposition of publicly held property, or of plans for the future of a state institution of higher education which could affect the value of property owned or desirable for ownership by such institution, including the sale of property on or adjacent to the Virginia Biotechnology Research Park, the acquisition of property on or adjacent to the Monroe Park Campus and the acquisition of property on or adjacent to the MCV Campus; and to consult with legal counsel pertaining to actual and probable litigation, and other specific legal matters requiring the provision of legal advice by counsel, including a discussion regarding to the applicability of certain State laws and the Report of the General Counsel; to discuss matters relating to gifts, bequests, and fundraising activities and grants and contracts for services or work to be performed by such institution, including the proposed contract with the School of Medicine/Conflict of Interests Act Exception, the approval of the Named Funds Report and Facility Naming Recommendations, and an update on the development activities, and to discuss matters relating to honorary degrees and special awards, including the Report of the Student Affairs Committee as authorized by Section 2.2-3711 A(1), A(3), A(6), A(7), A(8) and A(10) of the Virginia Freedom of Information Act.

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

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 Board of Visitors of Virginia Commonwealth University.

Roll Call Vote	Ayes	Nays
Dr. W. Baxter Perkinson, Jr., Rector	X	
Mr. Ralph L. "Bill" Axselle, Jr.	X	
Mr. David G. Baldacci	Absent	
Dr. J. Alfred Broaddus Jr.	X	
Dr. John C. Doswell II	X	
Mr. Brian K. Jackson	X	
Mrs. Anne J. G. "Panny" Rhodes	X	
Ms. E. Janet Riddick	X	
Mr. Richard T. Robertson	X	
Dr. Michele A. Romano	X	
Mr. Thomas G. Rosenthal	X	
Dr. Carol S. Shapiro	X	
Mr. John Sherman Jr.	X	
Mr. G. Bryan Slater	X	
Mr. Thomas G. Snead Jr.	X	
Mr. Philip Thompson, Sr.		Left before voting

Total votes

Ayes: 14

Nays: 0

ABSENT DURING MEETING: 1

ABSENT DURING VOTING: 2

On motion made and seconded, the Board accepted the Report of the President; approved the Faculty Appointments and Changes in Status and other Personnel Actions; approved the Named Funds Report and Facility Naming

Recommendations as amended; concurred with the Sale of Property adjacent to the Virginia Biotechnology Research Park; approved the Acquisition of Property Adjacent to the Monroe Park Campus; approved the acquisition of property on or adjacent to the MCV Campus; approved the proposed contract with the School of Medicine/Conflict of Interests Act Exception; accepted Closed Session Committee Reports; approved the recommendations of the Student Affairs Committee for the Board of Visitors' Award selection; and accepted the Report of the General Counsel.

The meeting was adjourned at 12:30 p.m.