



**BOARD OF REGENTS
COMMITTEE ON FINANCE**

Minutes from Public Session
September 29, 2015
University of Maryland, Baltimore

Regent Pevenstein called the meeting of the Finance Committee of the University System of Maryland Board of Regents to order in public session at 10:06 a.m. Regent Pevenstein read the *Convening in Closed Session statement* citing State Government Article Section 3-305 of the Open Meetings Act to discuss issues specifically exempted in the Act from the requirement for public consideration. Regent Gossett moved and Regent Gooden seconded to convene in closed session. In response to the motion, the Committee members voted unanimously to convene in closed session at 10:06 a.m. for the reasons stated on the *Convening in Closed Session statement*. The session adjourned at 10:58 a.m.

The Committee reconvened in public session at 11:02 a.m. Regents participating in the session included: Mr. Pevenstein, Mr. Attman, Ms. Comitz, Ms. Gooden, Mr. Gossett, Mr. Neall (via telephone), Mr. Rauch, and Mr. Slater. Also present were: Dr. Caret, Mr. Vivona, Ms. Doyle, Ms. Moultrie, Assistant Attorney General Lohrey, Assistant Attorney General Palkovitz, Assistant Attorney General Mataban, Mr. Colella, Ms. Byington, Ms. Kropp, Mr. Oster, Mr. Maginnis, Ms. Fowler-Young, Mr. Beck, Mr. Page, Ms. Denson, Mr. Hickey, Ms. Goedert, Ms. DeShong, Ms. Oyegoke, Mr. Lurie, Ms. McMann, and other members of the USM community and the public.

1. University of Maryland, College Park: Memorandum of Agreement with the Maryland Transit Administration Regarding the Maryland-National Capital Purple Line (action)

Regent Pevenstein noted that the Board of Regents had formally endorsed the project with the approval of an action item presented to the Board in April of 2011. That authorization included a requirement that the campus return to the Board for approval of any resulting MOU/MOA based on the term sheet included as part of the 2011 action. While recognizing that the item on the committee's agenda was more of a formality following up on the April 2011 action, Regent Pevenstein expressed that he would be voting against the MOA as presented. He stated for the record that he was not in favor of the transit rail line's direct route straight through the campus.

Several members of the committee pointed that there had been many discussions with the regents and members of the campus administration over a period of years leading up to the 2011 Board endorsement of the project. Some regents recalled walking out the different alignment routes on campus, the prohibitive cost increases associated with possible tunneling, and the concerns/studies related to noise and vibrations and their impact on research and the academic programs. They recollected that by the time a decision was reached, most of their concerns had been allayed. Mr. Vivona further pointed out that since the Board's vote in 2011, several significant milestones had come

to pass. Importantly, a Record of Decision was issued in the spring of 2014 by the Federal Transit Administration, based on the selected alignment.

The Committee on Finance recommended that the Board of Regents approve for the University of Maryland, College Park the execution of a Memorandum of Agreement with the Maryland Transit Administration of the Maryland Department of Transportation; and delegate to the Chancellor the authority to execute, after appropriate legal review by the Office of the Attorney General, all required documentation, including the contemplated easement, all consistent with the University System of Maryland Policy “Acquisition and Disposition of Real Property.”

(Regent Gossett moved recommendation, seconded by Regent Attman; the motion carried with seven regents voting in the affirmative, and one regent in the negative)

2. Towson University: Facilities Master Plan Update (action)

Regent Pevenstein reminded everyone that Dr. Chandler gave a presentation at the September 10th meeting and highlighted Towson University’s efforts to involve a wide group of stakeholders in updating its facilities master plan. The development plan for the campus would support and advance the mission of the institution. Regent Pevenstein noted that there had not been any concerns expressed to him since the previous meeting.

The Committee on Finance recommended that the Board of Regents approve the Towson University Facilities Master Plan 2015 and materials as presented to the Committee on September 10, in accordance with the Board’s two-step approval process. Approval of the Plan does not imply approval of capital projects or funding. These items will be reviewed through the normal procedures of the capital and operating budget processes.

(Regent Pevenstein moved recommendation, seconded by Regent Slater, unanimously approved)

3. Comprehensive Technical Review of USM Human Resources Policies (action)

Regent Pevenstein explained that from time to time, the Board policies go through a process of review. Over the last year, human resources staff across the USM have undertaken a comprehensive review of the System’s human resources policies. Many of the policies were updated and clarified as part of this process. In response to a question about the information contained in the item’s summary chart, it was pointed out that the detailed amendments to each individual policy could be accessed online via the USM website.

The Committee on Finance recommended that the Board of Regents approve the amendments to the policies as submitted.

(Regent Gossett moved recommendation, seconded by Regent Gooden, unanimously approved)

4. University of Maryland, College Park: Modification of M Square Research Park Single Purpose Entities Leases (action)

Regent Pevenstein stated that the campus was seeking Board approval to modify the leases at its M Square Research Park. The university-use lease restriction would be removed as a requirement. This action should result in more favorable lending terms. Mr. Maginnis, AVP of UMCP real estate, indicated that a refinancing opportunity is coming up and that the lenders do not like the “use” restriction clause. He confirmed that the lenders are likely to provide more favorable terms without the restriction.

The Finance Committee recommended that the Board of Regents approve for the University of Maryland, College Park the modification of the Senior Ground Lease and existing SPE leases; and, delegate to the Chancellor the authority to execute, after appropriate legal review by the Office of the Attorney General, all required documentation, all consistent with the University System of Maryland Policy “Acquisition and Disposition of Real Property.”

(Regent Gossett moved recommendation, seconded by Regent Attman, unanimously approved)

5. University of Maryland, College Park: Sale of Property to Washington County, Maryland (action)

Mr. Pevenstein indicated that the University was seeking to transfer the parcel of land to Washington County for \$1. This land is currently subject to a long-term lease between the University and the County that continues until the year 2074. The County currently uses the property for public use as an agricultural and heritage center.

The Finance Committee recommended that the Board of Regents approve for the University of Maryland, College Park the disposition by sale, for \$1, of approximately 55 acres of University property known as the Washington County Agricultural Center to the County; and, delegate to the Chancellor the authority to execute, after appropriate legal review, all documentation required for the disposition, consistent with applicable University System of Maryland Policy “Acquisition and Disposition of Real Property.”

(Regent Gossett moved recommendation, seconded by Regent Gooden, unanimously approved)

6. University of Maryland, Baltimore: Modification to Board of Regents Approval to Create a Ground Lease on 100 N. Eutaw St., 410-412 W. Fayette St., 414-418 W. Fayette St., and 405 Marion St., Baltimore, MD in order to Authorize Sale of Properties and/or Create Two Separate Ground Leases (action)

Mr. Pevenstein summarized the item. UMB had recently received Board approval to enter into a ground lease for the subject properties. Since that time, it has been learned that the renovation to the Drivers Bank building must be handed separately, due to an issue regarding the use of federal historic tax credits. As a result, the initial concept of a consolidated project with a single ground lease is no longer feasible and it is therefore necessary to modify the ground lease. In doing so, UMB will have much more flexibility and this will help to solidify the deal.

The Finance Committee recommended that the Board of Regents approve the modification of the previously approved Board item to authorize (1) selling the properties, and/or (2) entering into two ground leases as described above; and delegate to the Chancellor the authority to execute all required documentation, including any which may be required by specific financing secured by the developer after appropriate legal review and consistent with the University System of Maryland Policy and Procedures on the Acquisition and Disposition of Real Property. The University shall continue to work with the University System of Maryland Office of the Vice Chancellor for Administration and Finance and the Office of the Attorney General throughout the sale or ground lease development processes.

(Regent Slater moved recommendation, seconded by Regent Attman, unanimously approved)

The public session was adjourned at 11:30 a.m.

Respectfully submitted,

Robert L. Pevenstein
Chairman, Committee on Finance