



THE RECTOR AND VISITORS OF THE
UNIVERSITY OF VIRGINIA

December 6, 2018

MEMORANDUM

TO: The Buildings and Grounds Committee:

Whittington W. Clement, Chair
Robert D. Hardie, Vice Chair
Robert M. Blue
Mark T. Bowles
Maurice A. Jones
James B. Murray Jr.
C. Evans Poston Jr.
James V. Reyes
Frank M. Conner III, Ex-officio

and

The Remaining Members of the Board:

L.D. Britt, M.D.	Babur B. Lateef, M.D.
Elizabeth M. Cranwell	Tammy S. Murphy
Thomas A. DePasquale	Jeffrey C. Walker
Barbara J. Fried	Brendan T. Nigro, Student Member
John A. Griffin	Margaret F. Riley, Faculty Member

FROM: Susan G. Harris

SUBJECT: Minutes of the Meeting of the Buildings and Grounds Committee on December 6, 2018

The Buildings and Grounds Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 2:47 p.m. on Thursday, December 6, 2018, in the Board Room of the Rotunda. Whittington W. Clement, Chair, presided.

Present: Frank M. Conner III, Robert D. Hardie, Robert M. Blue, Mark T. Bowles, Maurice A. Jones, James B. Murray Jr., C. Evans Poston Jr., and James V. Reyes

Present as well were Jennifer Wagner Davis, Timothy J. Heaphy, John C. Jeffries Jr., W. Thomas Leback, Colette Sheehy, and Kelley D. Stuck.

Alice J. Raucher and Timothy R. Rose were the presenters.

Mr. Clement opened the meeting. After reviewing the agenda, he asked Ms. Sheehy to present the consent agenda.

Consent Agenda: Architect/Engineer Selection: Brandon Avenue Upper-Class Residence Hall Phase II

During Ms. Sheehy's review of this item, the Vice Rector asked her to explain the need for upper-class housing. Ms. Sheehy said that over the course of the last several years, 900 upper-class beds had been converted to first-year beds to respond to the increase in first-year students. This residence hall is part of the plan to restore the inventory of upper-class beds. In addition, several studies have shown that there is an unmet demand for upper-class housing.

On motion, the committee approved the following resolution:

ARCHITECT/ENGINEER SELECTION FOR THE BRANDON AVENUE UPPER-CLASS RESIDENCE HALL PHASE II

RESOLVED, Elkus Manfredi Architects of Boston, MA is approved for the performance of architectural services for the Brandon Avenue Upper-Class Residence Hall Phase II.

Consent Agenda: Architect/Engineer Selection: North Grounds Mechanical Plant and Infrastructure

Ms. Sheehy said this project will add the Darden School to the central utility system on the North Grounds.

On motion, the committee approved the following resolution:

ARCHITECT/ENGINEER SELECTION FOR THE NORTH GROUNDS MECHANICAL PLANT AND INFRASTRUCTURE

RESOLVED, Hammel, Green and Abrahamson (HGA) of Minneapolis, MN is approved for the performance of engineering services for the North Grounds Mechanical Plant and Infrastructure project.

Consent Agenda: Architect/Engineer Selection: West Grounds Chilled Water Capacity

Ms. Sheehy said this project adds a 1,200-ton chiller to the chiller plant at the Central Grounds Parking Garage.

On motion, the committee approved the following resolution:

ARCHITECT/ENGINEER SELECTION FOR THE WEST GROUNDS CHILLED WATER CAPACITY

RESOLVED, Affiliated Engineers of Chapel Hill, NC is approved for the performance of engineering services for the West Grounds Chilled Water Capacity project.

Action Item: Schematic Design Approval for the Ivy Mountain Central Utility Plant

Ms. Raucher said the plant will support the projects proposed in the Ivy Mountain Master Plan. The project scope includes a 7,500 square foot building, a service yard, and distribution system. Building materials will be sympathetic to the Musculoskeletal Center.

On motion, the committee approved the following resolution:

SCHEMATIC DESIGN FOR THE IVY MOUNTAIN CENTRAL UTILITY PLANT

RESOLVED, the schematic design for the Ivy Mountain Central Utility Plant, prepared by Zimmer, Gunsul, Frasca Architects, in collaboration with the Architect for the University and representatives from Facilities Management, is approved for further development and construction.

Action Item: Schematic Design Approval for the Ivy Mountain Pump Station

Ms. Raucher reviewed the location of the pump station and its distribution system. The station will serve the Musculoskeletal Center and the future projects proposed for Ivy Mountain.

On motion, the committee approved the following resolution:

SCHEMATIC DESIGN FOR THE IVY MOUNTAIN PUMP STATION

RESOLVED, the schematic design for the Ivy Mountain Pump Station, prepared by Dewberry Engineering, in collaboration with the Architect for the University and representatives from Facilities Management and the University of Virginia Foundation, is approved for further development and construction.

Carr's Hill Historic Rehabilitation Project

The Rector mentioned this project, which was not on the agenda, to inform the committee of a change in scope. The building's roof will be replaced instead of being repaired as planned. Ms. Sheehy said recent construction work revealed that the roof was in worse shape than anticipated. The Rector asked if the change increased the cost. Ms. Sheehy responded yes, and said it will be treated as a deferred maintenance item because the work was needed regardless of the project. The Chair asked if the project was still within its approved budget range. Ms. Sheehy replied yes.

Committee Discussion: University of Virginia Foundation

The Chair introduced Mr. Tim Rose, Chief Executive Officer of the University of Virginia Foundation (UVAF). Before reviewing the foundation's history, role, and current projects, Mr. Rose emphasized that the foundation's sole mission is to serve the University.

Mr. Rose said three issues in the 1980s led to the creation of UVAF. The first was the city's concern about University expansion on West Main Street and the resultant loss of tax revenues. The second was the length of time required for state approval of the real estate acquisitions. The third was the loss of the Jefferson Labs (the Continuous Electron Beam Accelerator Facility). The facility was to be located in Charlottesville, but the University did not have enough land for it. In response to these issues, the University asked the Urban Land Institute (ULI) to study the University's real estate needs and the concerns of the city and county.

The ULI report listed a number of recommendations in three categories: Policy, Opportunities, and Foundation. Foundation recommendations called for the creation of a foundation focused on 1) real estate acquisitions for immediate needs and long term growth, and 2) improvements to fraternity and sorority houses. The foundation would enable the University to be proactive and expeditious in meeting its real estate needs. It would only buy property approved by the University and would pay real estate taxes on land not used for academic purposes.

The recommendations in the Opportunities category included creation of an incubator, help with the development of West Main Street, development of a research park, development of a retirement community, and creation of a hotel and conference center. The Policy recommendations included being sensitive to city tax issues and county land use issues, updating the master plan, creating a community affairs position, and organizing the University master planning efforts. These recommendations were implemented and led to 1) the three party agreement with the University, city, and county to address taxes, 2) the Planning and Coordination Council to address land use, and 3) the UVA Master Planning Council to organize master planning at the University.

Mr. Rose said that in addition to handling real estate matters, the foundation provides administrative and financial services to a number of University-related entities. He said UVAF's board is comprised of representatives from the Board of Visitors, the University administration, and the private sector. The Vice Rector added that UVAF is entirely independent and legally separate from the University. He also said the University's representatives are in the minority on the UVAF board. Mr. Rose said last year UVAF had 430 employees, 71 properties totaling 5,200 acres, and 1,700,000 square feet of improved real estate with a tax assessed value of \$400 million.

Mr. Rose said UVAF was started with a \$33 million line of credit, which was used for property acquisitions. Its funding now includes philanthropy, cash flow from properties, third party debt, and additional University investment. In response to questions by the Chair about real estate taxes, Mr. Rose said UVAF pays taxes on commercial properties and voluntarily pays taxes on noncommercial properties, such as the Westover estate, but does not pay taxes on properties used by the University. As an example, he cited the Dynamics building. Three of its floors are used by the University and one is used by a private entity. UVAF is only obligated to pay 25% of the tax bill.

Mr. Rose described UVAF's history in three phases. During Phase One (1985-1992), its focus was on property acquisitions, such as Boar's Head and Westover. In Phase Two (1993-2000), its mission was expanded to include administrative and financial services to other university foundations in support of the capital campaign. These services included the provision of health care benefits. Real estate acquisitions included the North Fork property, the transfers of the Currie Farm and Blue Ridge Hospital property from the University, and the Morven and Worrell properties. The North Fork Research Park was started. The focus in Phase Three (2000 to the present) has been on the acquisition of land to support University expansion. This includes the 16 properties acquired on Brandon Avenue and transferred to the University.

At one point, UVAF managed 20 fraternities; it now manages 15. It has the ground lease for The Colonnades retirement community. It has two research parks: the UVA Research Park and the Commonwealth Center for Advanced Manufacturing (CCAM) in Petersburg. A third research park, the Fontaine Research Park, was transferred to the University. It is holding the 140-acre Blue Ridge property for the University. Of its three hotel facilities, the Boar's Head is the only remaining hotel. The Cavalier Inn and Econo Lodge, which had been acquired for their land, have been demolished.

Current and recent projects include renovations at the Boar's Head, a new Birdwood entry road, planning for the renovation of the Birdwood mansion, a recently completed golf practice facility, the renovation of the Birdwood Golf Course, planning for a tennis stadium at the Boar's Head, and expansion of the McArthur Squash Center. UVAF is working with the University Architect's office on land planning for Foxhaven and Westover.

Mr. Jones asked how UVAF deals with the potential impact of its acquisitions on the displacement of people and the cost of housing. He said the University may think of its foundations as separate entities, but the public does not. Therefore, the Board needs to be aware of the effect of foundation activity on the University brand. He also asked about neighborhood engagement. Mr.

Rose said he realizes that displacement and the cost of housing are community issues. He didn't think UVAF acquisitions have been in areas where they would have impacted these issues, and, therefore, they were not considered in the acquisition deliberations. Mr. Rose said UVAF engages with neighborhoods and cited engagement efforts in conjunction with the Old Ivy Office building and the Cavalier Inn demolition as examples. Ms. Davis added that President Ryan has commissioned a task force to look at community issues. She said housing is a key piece of its charge. The task force should complete its work this spring.

Sustainability Report

Ms. Sheehy highlighted several sustainability efforts, such as the Bicentennial Sustainability Summit in October and the activation of the University's two solar fields operated by Dominion Energy. She said the University has achieved a 19% reduction in greenhouse gas emissions in its efforts to reach the Board-approved reduction goal of 25% by 2025. She highlighted Facilities Management's Delta Force, which works with building occupants to retrofit building systems to reduce energy use. A recent Clark Hall project reduced energy use by 67% and saves \$750,000 per year in energy costs. She said sustainability has widespread support among students and faculty.

The chair adjourned the meeting at 3:39 p.m.

SGH:wtl

These minutes have been posted to the University of Virginia's Board of Visitors website:

<http://bov.virginia.edu/committees/182>