

The Board of Trustees of the University of Central Arkansas convened in a called meeting at 2:00 p.m., Tuesday, September 24, 2013, in the Board of Trustees Conference Room in Wingo Hall with the following officers and members present

Chair: Mr. Victor Green
Vice Chair: Ms. Kay Hinkle
Secretary: Mr. Brad Lacy
Mr. Bunny Adcock
Ms. Elizabeth Farris
Mr. Bobby Reynolds
Ms. Shelia Vaught

MINUTES

Minutes of the August 16, 2013, Board meeting and minutes of the September 13, 2013, teleconference Board meeting were unanimously approved as submitted upon a motion by Bobby Reynolds and second by Elizabeth Farris.

ACTION AGENDA

“Contract Review Procedures” – Board Policy No. 416

Pursuant to Board Policy No. 416, “Contract Review Procedures,” the administration must seek Board approval for (i) any contract that will require the University to expend funds, at any time, in excess of \$250,000; or (ii) any contract with a term exceeding one (1) year, unless the Office of General Counsel certifies, in writing, that the contract may be terminated by the University on the giving of written notice of ninety (90) days or less.

The administration requested Board approval for the following contracts:

1. Agreement between the University of Central Arkansas and Taggart Architects, Inc., to obtain architectural and engineering services for the design of a Nursing and Communication Sciences and Disorders Building; and
2. Amendment to the Bookstore Services Agreement between the University of Central Arkansas and Textbook Brokers, Inc, also known as BBA Solutions.

The following resolution was unanimously adopted upon motion by Bunny Adcock and second by Brad Lacy:

“BE IT RESOLVED: That the Board of Trustees authorizes the administration to enter into contracts with the companies listed above.”

UNIVERSITY OF CENTRAL ARKANSAS
REASON FOR REQUIRING BOARD REVIEW AND ACTION:
(Board Policy #416)

Contract involving more than \$250,000
Contract with a term exceeding one (1) year

SUMMARY

1. Parties: University of Central Arkansas and Taggart Architects, Inc.
2. Purpose: The purpose of this contract is to obtain architectural and engineering services for the design of a Nursing and Communication Sciences and Disorders Building. If the Board approves this contract, Taggart Architects will assess and make a recommendation to the University for the best location for the building, and will develop a cost estimate, building design and programming.
3. Term: The term of this agreement is from October 21, 2013, through June 30, 2015, with the option to renew the agreement through 6/30/2016.
4. University Funds to be Paid: The estimated cost is \$960,000 (if the building is subsequently built), which is 8% of \$12,000,000. The initial design cost will be less, and negotiated between the parties.
5. Funds Received: N/A
6. Public Bid/Purchasing Approval: A Request for Qualifications was issued on July 17, 2013, with a response deadline of July 30, 2013. Fourteen firms submitted a response and interviews were conducted by a university committee of six persons. Interviews were held with the top three firms on August 30, 2013, and the committee selected Taggart Architects, Inc.
7. Special Provisions/Terms/Conditions: A Method of Financing (MOF) was submitted to the Arkansas General Assembly and approved by the Legislative Review Committee on September 4, 2013.

If the Board approves the contract, it must still be approved by Arkansas Legislative Review, Arkansas Department of Higher Education and the Department of Finance and Administration.

8. Approval/Notification to UCA Foundation: N/A

UNIVERSITY OF CENTRAL ARKANSAS

REASON FOR REQUIRING BOARD REVIEW AND ACTION:
(Board Policy #416)

Contract involving more than \$250,000
Contract with a term exceeding one (1) year

SUMMARY

1. Parties: University of Central Arkansas and Textbook Brokers, Inc., also known as BBA Solutions (“BBA”).
2. Purpose: The purpose of the First Addendum to the Bookstore Services Agreement is to amend the original agreement to include the following language:

Members of the UCA Alumni Association shall receive a ten percent (10%) discount on purchases of UCA-branded apparel, gifts and trinkets at the UCA Bookstore upon presentation of a valid card establishing such membership. The discount does not apply to non-UCA-branded items. UCA shall receive no commission from such discounted sales of UCA-branded apparel, gifts and trinkets to UCA Alumni Association members.
3. Public Bid/Purchasing Approval: N/A
4. Term: The Bookstore Services Agreement was entered into on July 1, 2013 and expires on June 30, 2023.
5. University Funds to be paid: N/A
6. Funds Received: No revisions
7. Special Provisions/Terms/Conditions: No revisions
8. Approval/Notification to UCA Foundation: N/A

Proposed Property Acquisition - 100 South Elizabeth Avenue, Conway, AR

The family of the owner of a house and lot with a street address of 100 South Elizabeth Avenue approached the University about purchasing the property.

The owner of the property is the Lewis and Grace Thompson Joint Revocable Trust (Seller). Through negotiations, the University has signed an offer and acceptance with the Seller for \$260,000. A copy of the signed offer and acceptance is attached.

This property borders Robins Street and is immediately east of the intersection of Donaghey Avenue and Robins Street. It also shares a driveway with, and is directly in front of, property at 120 South Elizabeth Avenue, which the University currently owns.

The property was appraised in August 2013 for \$170,000 and is zoned MF-3. If a third party were to acquire the property and build apartments, it would have a detrimental impact on the University's future use of 120 South Elizabeth Avenue; and in addition, if a third party could successfully have the property re-zoned for commercial purposes, it would command an even higher value.

Although the signed offer and acceptance is greater than the appraisal, the administration recommends that the property be purchased due to the location of the property, to preserve and ensure the University controls future development, and to prevent the diminution of existing university-owned property.

The closing of the proposed acquisition is expressly conditioned upon the approval of the Board of Trustees.

The following resolution was unanimously adopted upon motion by Brad Lacy and second by Shelia Vaught:

“BE IT RESOLVED: That the Board of Trustees approves the transaction described above with the Lewis and Grace Thompson Joint Revocable Trust for the sale and purchase of real property with a street address of 100 South Elizabeth Avenue, Conway, Arkansas, for the sum of \$260,000, and the president and such other officials of the University of Central Arkansas, as the president may from time-to-time designate, are hereby authorized and directed to enter into and execute such other documents, agreements and instruments as are necessary and required to consummate the foregoing purchase.”



August 28, 2013

Mrs. Grace Thompson
c/o Mr. Fayburn Riggins
100 Elizabeth Street
Conway, AR 72034

RE: OFFER & ACCEPTANCE – 100 Elizabeth Street, Conway, AR 72032

Dear Mrs. Thompson:

Subject to the satisfaction of all of the provisions and conditions set forth herein, the University of Central Arkansas (“**Buyer**”) offers to purchase from yourself, as Trustee of the Lewis and Grace Thompson Joint Revocable Trust (“**Sellers**”) the property described below for the sum of Two Hundred Sixty Thousand Dollars (\$260,000), plus the Buyer’s share of the closing costs.

The property subject to this offer and acceptance is a house and lot located at 100 Elizabeth Street, Conway, Arkansas, 72034, and is more particularly described as follows:

W 125' of Lots 9, 10, & 11, Block 74, Boulevard Addition.

The foregoing legal description shall be referred to as the “Property.” If a survey shall establish a different legal description, the parties agree to modify the legal description to conform to the survey, the intent of the parties being that the entire lot owned by the Sellers is to be conveyed at closing.

The terms and conditions of this offer to purchase are as follows:

1. The closing date will occur at a mutually acceptable date to be agreed upon by both parties, but shall occur not later than September 27, 2013;
2. Buyer shall be entitled to possession of the Property at closing;
3. A policy of title insurance satisfactory to Buyer, insuring unencumbered fee simple title to the Property in Buyer as of closing shall be procured and paid for by Sellers;
4. Sellers shall deliver at closing (a) a warranty deed in standard form conveying fee simple absolute title to the Property (and any mineral interests owned by Seller), free from all liens, claims or encumbrances of any kind with the grantee being “The Board of Trustees of the University of Central Arkansas” and (b) an assignment of any leases and all rents from the

Thompson Offer
August 28, 2013
Page Two

Property, if any;

5. Any and all taxes or assessments on the Property for the current year will be prorated at closing. Sellers shall be responsible for all real property taxes for previous years;
6. Buyer and Sellers will share the cost of closing fees and document preparation. No revenue stamps shall be required due to an exemption under Arkansas law for conveyances by or to a state agency (Buyer);
7. If any personal property shall be stored or situated on the Property, the same shall be removed prior to closing;
8. Sellers represent and warrant to Buyer that Sellers are the sole owner of the Property, and no other person or entity has any form of ownership interest in, or right to use or occupy the Property, and further, that Sellers are in sole and exclusive possession of the Property, except for leases, copies of which have been delivered to representatives of Buyer;
9. Sellers represent and warrant to Buyer that all liens against the Property and all money owed on the Property, if any, are the responsibility of Sellers, and if existing will be satisfied and paid in full at, or prior to, closing;
10. Sellers represent and warrant to Buyer that there are no unrecorded rights-of-way for roadway, utilities or other matters affecting the Property;
11. Sellers represent and warrant to Buyer that there is no loss arising from oil, gas, or other minerals conveyed, retained, or assigned, or from any other activity concerning sub-surface rights or ownership of the subject property, including but not limited to the right of egress or ingress for said sub-surface purposes;
12. Sellers represent and warrant to Buyer that there are no proceedings, either pending or threatened, which, if decided adversely to Sellers, would constitute a lien on the Property; nor are there any money judgments entered by a court against Sellers that constitute a lien on the Property.
13. Sellers represent and warrant to Buyer that there are no unrecorded contracts of sale, options to purchase, or any other kind of agreement with any person or entity, affecting the Property;
14. Sellers shall be responsible for all risk of loss to the Property and improvements thereon (if any) prior to closing;

Thompson Offer
August 28, 2013
Page Three

15. If Buyer desires to have a survey of the Property performed prior to closing, Sellers agree to cooperate in having the survey performed. Any survey shall be at the expense of Buyer;

16. Sellers represent and warrant that to the best of Sellers' knowledge, no hazardous wastes or materials of any kind have been generated, produced or stored upon the Property, and that to the best of Sellers' knowledge, no such hazardous wastes exist today on the Property; and

17. Sellers shall complete and deliver, prior to closing, the attached "Disclosure Form" which will become part of the Offer and Acceptance document. Failure to make any disclosure required by the Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that order, shall be a material breach of the terms of the contract. Any contractors, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the Buyer.

18. Buyer's obligations under this agreement are expressly conditioned upon the prior approval of the Board of Trustees of the University of Central Arkansas, and the same will be presented to the Board of Trustees at a special meeting on **Tuesday, September 24, 2013**. This agreement and Buyer's obligations hereunder shall not be a valid and binding legal obligation of Buyer until approved by resolution duly adopted by the Board of Trustees of the University of Central Arkansas.

There are two originals enclosed. If the terms are agreeable to you, please sign both of them, retain one for your files and please deliver the other original to Diane Newton, Vice President for Finance and Administration, University of Central Arkansas, 201 Donaghey Avenue, Conway, AR 72035.

This offer shall terminate and be of no effect unless it is signed by yourself or a duly authorized representative of the Lewis and Grace Thompson Joint Revocable Trust, and delivered to Diane Newton, Vice President for Finance and Administration, by 4:30 P.M. Central Time on Friday, September 6, 2013.

Sincerely,


Tom Courtway
President

Thompson Offer
August 28, 2013
Page Four

ACCEPTANCE BY SELLER

The offer set forth above and all terms and conditions are hereby accepted on this 4th day of September, 2013, at 3:55 (A.M. or P.M.)

LEWIS AND GRACE THOMPSON
JOINT REVOCABLE TRUST

By: Lynn Riggins
Keslie Manning

Acquisition of Property – Hammett Property on Donaghey Avenue/Augusta Avenue

On Friday, September 13, 2013, the Board of Trustees authorized the administration to proceed with a condemnation suit concerning a parcel of property approximately 1.19 acres (150' by 346') owned by Hammett Family Properties, LLC, and the Estate of Mary Hammett.

The reason for seeking authority to condemn the property is to build student housing and/or Greek housing. The Hammett heirs had accepted an offer from a third party to purchase the property for \$675,000. The administration had been negotiating with the Hammett heirs, but had failed to reach an agreed-upon price. The highest UCA offer was \$525,000, although the highest appraisal was \$470,000.

Within the last week, the attorney for the Hammett heirs notified the University that the proposed sale had been terminated (due to the University's threatened condemnation action), and that his clients would sell the property to the University for the sum of \$650,000. The Hammett's attorney, Bill Adkisson, has represented that this would be the "net" amount received after real estate commissions.

After reviewing the real estate contract between the Hammett heirs and the third party (Rael Development Corporation), the administration is of the opinion that if a condemnation suit is prosecuted, it is likely that the amount set forth in the contract would be the fair market value of the property. For this reason, the administration requests authority to purchase the Hammett property for \$650,000.

The following resolution was unanimously adopted upon motion by Elizabeth Farris and second by Shelia Vaught:

“BE IT RESOLVED: That the Board of Trustees approves the transaction described above with Hammett Family Properties, LLC, and the Estate of Mary Hammett, for the sale and purchase of real property owned by the sellers of approximately 150' x 346' between Donaghey Avenue and Augusta Avenue, for the sum of \$650,000, and the president and such other officials of the University of Central Arkansas, as the president may from time-to-time designate, are hereby authorized and directed to enter into and execute all contracts, documents, agreements, closing and settlement statements, and any other instruments as are necessary and required to consummate the foregoing purchase.”

Request to Proceed with an Economic Feasibility Study for the Issuance of Bonds, in an Amount not to Exceed \$12,000,000, to Finance the Design and Construction of Greek Village Phase I

For several years, the subject of Greek housing and/or the establishment of a Greek Village has been discussed. The topic was presented and reviewed at the Board of Trustees' retreat in March 2013 and at the August 16, 2013 Board meeting.

The administration requested that the Board of Trustees grant authority to proceed with a feasibility study for a bond issue to fund the design and construction of a project known as "Greek Village Phase I."

In 2012, an architectural firm, Caradine Companies Architecture ("Caradine"), was approved by the Board to begin the concept and preliminary design work on the project. Caradine, along with Brailsford & Dunlavey, consultants, worked with the UCA Greek community on the concept of a Greek Village. Focus groups were held with campus Greek organizations and a memo was presented to the Board of Trustees in August showing the interest in a Greek Village and the level of commitment by each organization. While three fraternities desire to enter into a ground lease with the University, and then build their own fraternity house, there are five sororities that are ready, willing and able (in the opinion of the administration) to occupy a sorority house if built by the University.

At its August 2013 meeting, the Board reviewed the considerations and assumptions included in the pro-forma financial statements for Greek Village. The Board also reviewed placement options for the buildings as provided by Caradine. In order for the Board to more fully review the information provided, further action was to be placed on the agenda for a future called meeting.

The proposed complex will include five sorority houses (each accommodating 23 residents), phase I of the community center, which will include chapter meeting rooms for the National Pan-Hellenic Council, and the overall design of Greek Village. The preliminary plans for the sorority houses provide for a two-story Georgian structure with a formal parlor, TV room, kitchen, small dining room, laundry room, restrooms and bedrooms on both levels. The sorority's chapter room will be located at the back of the structure on the ground floor and will accommodate approximately 125 students.

The project is anticipated to cost approximately \$12 million, including construction, architect and engineering fees, utility work, infrastructure, furnishings and fixtures, capitalized interest, finance costs and a contingency. The proceeds of the bonds, if approved by the Arkansas Higher Education Coordinating Board ("Coordinating Board"), and then by UCA's Board will be used to fund the project. If the estimated cost of the five sorority houses and phase I of the community center exceeds \$12,000,000, the project will be brought back to the Board for approval. The debt service will be repaid with housing revenue from the residents and parlor fees from each member of the participating sorority. The "breakeven year" is projected to be year 15 of the debt service schedule within the current assumptions. The pro-forma will be amended to reflect additional

parlor fees from those chapters that will have meeting space located in phase I of the community center.

The Coordinating Board's policy regarding debt service for auxiliary projects provides that annual net auxiliary revenues should be no less than 120 percent of the total annual auxiliary debt service.

Auxiliary Debt Restrictions

Actual Net Auxiliary Revenue for FY 2012-13	\$	10,659,313
Maximum Allowable Debt Service (\$10,659,313/120%)		8,882,761
Existing Maximum Auxiliary Debt Service		6,867,119
Estimated Maximum Project Debt Service		862,000
Amount Remaining for Additional Debt Service	\$	1,153,642

The above data demonstrates that the University has sufficient revenue to support an auxiliary loan of approximately \$12 million with a term of 30 years at an estimated annual interest rate of not to exceed five and three-quarter percent (5.75%).

In accordance with the Coordinating Board's policy, the University will establish and maintain a building maintenance fund to be supported by auxiliary revenue. UCA will annually reserve a minimum of \$1.25 per square foot of the combined square feet for ongoing maintenance issues. This annual transfer of \$59,825, based on the combined square feet, will be held in the Plant Funds' Repair and Replacement Fund.

If approved by the Coordinating Board, another resolution on this topic will be presented to UCA's Board of Trustees at the October 11, 2013, meeting.

The following resolution was unanimously adopted upon motion by Bunny Adcock and second by Bobby Reynolds:

A RESOLUTION BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF CENTRAL ARKANSAS AUTHORIZING ALL STEPS NECESSARY TO ISSUE BONDS NOT TO EXCEED THE AGGREGATE PRINCIPAL AMOUNT OF \$12,000,000.

WHEREAS, The Board of Trustees of the University of Central Arkansas ("University") must approve all requests for financing; and

WHEREAS, The University desires to secure funds in an amount not to exceed \$12 million by the issuance of bonds, with a term not to exceed 30 years at an interest rate not to exceed 5.75% and with a projected average annual debt service of \$862,000; and

WHEREAS, The proceeds from the bonds will be for the design and construction of five sorority houses and phase I of the community center on the University's campus to be known as "Greek Village, Phase I"; and

WHEREAS, If approved and issued, the bonds will be serviced from auxiliary revenues of the University, the same being housing revenue from residents of the sorority houses as well as parlor fees from all participating sorority members; and

WHEREAS, The Board of Trustees authorizes and recommends the commencement of preparations for securing a bond issue in an aggregate principal amount not to exceed \$12,000,000 for the purposes described above.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES THAT:

Section 1. The Board of Trustees of the University of Central Arkansas hereby authorizes the administration to commence all necessary preparations to issue bonds in an amount not to exceed \$12,000,000 with a term not exceeding 30 years and at an interest rate not to exceed 5.75%, with terms and conditions satisfactory to the administration, subject to final review and approval by resolution of this Board.

Section 2. The Board further authorizes the administration to seek approval from the Arkansas Higher Education Coordinating Board for issuing the bonds.

Section 3. The loan will be secured for the purpose of developing a master plan for a Greek Village, as well as design and construction of five sorority houses and phase I of the community center in a project known as "Greek Village Phase I", and in addition the administration will report to the Board of Trustees by October 11, 2013, the status of fraternities who desire to build or have houses constructed for them to lease as part of Greek Village."

ADOPTED AND APPROVED September 24, 2013.

**BOARD OF TRUSTEES OF THE UNIVERSITY OF
CENTRAL ARKANSAS**

By: _____
Victor Green, Chairman

ATTEST:

By: _____
Brad Lacy, Secretary

**Response from Greek Organizations Regarding Greek Village
(Information as of May 16, 2013)**

The following organizations want the University to build houses they will lease:

Sororities

- Sigma Sigma Sigma
- Alpha Sig Tau
- Sigma Kappa
- Delta Zeta Sorority
- Alpha Sigma Alpha

Fraternities

- Kappa Sigma
- Pi Kappa Alpha
- Beta Upsilon Chi (religious fraternity)

The following Fraternities expressed interest in building their own house:

- Sigma Phi Epsilon (probably need to purchase their property)
- Sigma Nu (They also expressed a desire to explore option of university building)
- Phi Sigma Kappa
- Sigma Tau Gamma (Also expressed desire for university to build)

The following organization wish to have a chapter meeting room in the large community center:

- Omega Psi Phi Fraternity
- Kappa Alpha Psi Fraternity
- Alpha Phi Alpha Fraternity
- Zeta Phi Beta Sorority
- Alpha Kappa Alpha Sorority
- Delta Sigma Theta Sorority
- Sigma Gamma Rho Sorority
- Phi Gamma Delta (new IFC fraternity)

The following groups are not interested in participating in Greek Village (or have not responded):

- Phi Beta Sigma
- Sigma Phi Lambda (religious sorority)
- Phi Lambda Chi (did not respond)

Update on UCA Greek Village Project:

The University has been discussing the concept of Greek Village since 2004. University officials and student leaders have visited the campuses of Bowling Green State University, University of Toledo, Middle Tennessee State University, University of West Georgia, and most recently Arkansas State University to review Greek facilities and programs. Arkansas State is opening five new sorority houses in Fall Semester, 2013. The houses are over 8,000 square feet each that will accommodate 20 residents plus a staff member. Each house has chapter meeting room space of nearly 1,400 square feet.

UCA student life staff has been working with UCA Greek alumni and students to determine their interest in Greek Village. The majority of Greek groups have signed letters of intent expressing interest in participating in Greek Village. The following is a review of their level of interest:

- Five Sororities are interested in the University building houses they will lease.
- Three Fraternities are interested in the University building houses they will lease.
- Four Fraternities indicate they may build their own house.
- Eight small Fraternities and Sororities are interested in leasing chapter rooms in a large community center built by the University.
- In summary, twenty Greek groups have signed letters of intent to participate in the Greek Village project. Only two groups indicate they are not interested. We have not received a response from one group.

The most recent University Master Plan designates Greek Village to be located on approximately 12.5 acres on the Southwest corner of campus at Dave Ward Drive and Farris Road, just South of the nature reserve. This site has no underground utilities and is located in a low lying flood prone area. We anticipate it will take significant funds to develop this site. As an alternative, we propose Greek Village be located on the North side of campus South of College Avenue, and between Western and Donaghey Avenues. We have two site location renderings from Wali Cardadine Architects we wish to submit to the Board for its review.

Greek organizations add significant value to the University. The nearly 1,000 Greek students are actively involved in university leadership positions, attend many UCA athletic and university sponsored events, and contribute heavily to community service. Most recent statistics indicate that UCA Greeks participated in 13,341 hours of community service and donated nearly \$30,000 to charities between April 1, 2012 to April 1, 2013. Greeks do very well academically. We found that for Spring Semester, 2013, the all Greek grade point average was 3.06 compared to the all university average of 2.80. Perhaps of greatest interest is the Greek graduation rate. We recently learned that students belonging to Greek organizations graduate at nearly twice the rate than non Greek students as can be seen in the chart below.

University of Central Arkansas
Full-time, First-time Undergraduates
Greek vs. non-Greek graduation rates

Cohort Term	Type	Cohort	Four Year Graduation Rate	Six Year Graduation Rate
Fall 2005	Greek	298	30.9%	74.5%
	Non-Greek	2,131	17.8%	35.2%
Fall 2006	Greek	329	38.0%	70.2%
	Non-Greek	2,023	20.6%	36.0%

Source: Office of Institutional Research

There being no further business to come before the Board, the meeting was adjourned upon motion by Brad Lacy and second by Shelia Vaught.

**The University of Central
Arkansas Board of Trustees**

**Victor Green
Chair**

**Brad Lacy
Secretary**