

**NORTH CAROLINA CENTRAL UNIVERSITY
BOARD OF TRUSTEES
SPECIAL CALL MEETING**

MAY 24, 2018

The NCCU Board of Trustees held a Special Call meeting on May 24, 2018. A public forum was provided in the Chancellor's Conference Room in the Hoey Administration Building. Chairman Hamilton called the meeting to order at 10:30 a.m. and recognized Trustee Coleman to call the roll. A quorum was established.

ROLL CALL: Present: Mr. George Hamilton (via telephone conference), Mrs. Oita Coleman (via telephone conference), Mr. John Barbee (via telephone conference), Mr. Kevin Holloway (via telephone conference), Mr. Michel Johnson (via telephone conference call), Dr. Kenneth Tindall (via telephone conference), Mr. James Walker (via telephone conference), Mr. John Herrera (via telephone conference), Ms. Allyson Siegel (via telephone conference) and Mrs. Karyn Wilkerson (via telephone conference).
Absent: Mr. Michael Hopkins, Mr. Isaiah Tidwell and Dr. John McCubbins

Others Present: Chancellor Johnson Akinleye, Chief of Staff Al Zow, Attorney Hope Tyehimba, Interim Vice Chancellor Gary Brown, Interim Vice Chancellor Robert Botley, Executive Director James Leach, Associate Vice Chancellor Akua Matherson, Associate Vice Chancellor Jonathan Peeler, Consultant Wilson Jones, Consultant Richard Rieth, First Tryon Advisor Michael Juby, Legal Counsel Ken Artin, Mr. Terrence Holt and Ms. Dottie Fuller.

ADOPTION OF THE AGENDA: It was moved by Trustee Herrera and properly seconded by Trustee Coleman that the agenda be adopted. The motion carried.

CHAIR'S REMARKS: Chairman Hamilton informed the Board, as Chair, it is his responsibility to remind all members of the Board of their duty under the State Government Ethics Act to avoid conflicts of interest and appearances of conflict of interest as required by this Act. Chairman Hamilton instructed the Board members as follows: Each has received the agenda and related information for this Special Call Board of Trustees Executive/Personnel Committee meeting. If any board member knows of any conflict of interest or appearance of conflict with respect to any matter coming before the Board of

Trustees at this meeting, the conflict or appearance of conflict should be identified at this time. No conflict was presented.

Chairman Hamilton recognized Trustee Johnson, Chairman of the Audit, Finance and Facilities Committee. He commented on the process and the exhaustive sessions. After each of the four interview sessions, deliberations, evaluations, and debriefings took place. While Trustee Johnson was in attendance during the interview sessions, he did not participate in the selection process nor was he in attendance when the voting occurred.

Chairman Hamilton next recognized Associate Vice Chancellor Akua Matherson who commented on the process. There were nine (9) applications received and four (4) were invited to campus for interviews, which were conducted on May 21st and May 22nd. The Project Committee based on comprehensive procurement and evaluation process recommended the University proceed with Corvias as its preferred development partner.

Associate Vice Chancellor Matherson next recognized Mr. Wilson Jones and Mr. Richard Rieth, RJA Consultants, to present the evaluation criteria which included:

- Interviews and Interactions with the Committee
- Project Economics
- Experience and Composition of Development Team
- Alignment with Institutional Goals plus Objectives
- Property and Asset Management

The Committee's recommendation was driven by several key factors:

- Cohesive team with clearly defined roles and responsibilities;
- Demonstrated understanding of NCCU's core principles and vision;
- Development experience (NCCU + UNC System) and team collaboration;
- Commitment to HUB/MBE and local participation;
- Long-term asset management and reinvestment;
- Approach to risk sharing between selection and financial close;
- Favorable long-term economic benefits to NCCU.

Additional Considerations (Project Economics) included:

- Total Project Cost = \$106M
- Estimated Annual Ground Rent to NCCU = \$188.9M (over 40 years)
- Total Facility Reinvestment and Reserves = \$68.7M (over 40 years)
- Operating Margins (existing NCCU Housing vs P3 standalone)

NOTE: Estimated project costs and economics are subject to change during development process.

The Risk Categories included the following:

- Project Approvals – NCCU and Corvias
- Development, Delivery, Financing, Property Management and Deferred Maintenance – Corvias
- Residential Life and Excess Cash Flows – NCCU
- Occupancy and Default – National 501c3

Next Steps:

- Team and Strategy
 - NCCU Project Team
 - P3 Project Committee
 - Project sub-committees (TBD)
 - University Advisors
 - Municipal/Financial Advisor – First Tryon – Michael Juby
 - Outside Legal Counsel – Ken Artin
 - Development Advisor – RJA – Wilson Jones and Richard Rieth

NCCU and Corvias are both committed to a fall 2020 opening of Phase I. There will be a consistent focus on schedule, communication and transparency to achieve this goal.

The NCCU Board of Trustees also heard from Outside Legal Counsel Ken Artin and First Tryon Advisor Michael Juby as it related to preparation of documents, default, shared risks, rights, completion time and levels of protection.

It is anticipated that the Preferred Development Agreement will be presented at the NCCU Board of Trustees meeting on June 26, 2018, for approval.

It was moved by Trustee Johnson and properly seconded by Trustee Walker that the NCCU Board of Trustees approve Corvias as the P3 development partner. The motion carried.

There being no further business, it was moved and properly seconded to adjourn. The motion carried.

Respectfully submitted:

George R. Hamilton, Chairman