

MINUTES

July 18, 2019

The Executive Committee of the Board of Visitors of Virginia Polytechnic Institute and State University met in open session on Thursday, July 18, 2019, at 10:10 a.m. at the Virginia Tech Richmond Office, 11 South 12th Street, Richmond, Virginia.

Present

Mr. Horacio Valeiras (Rector)
Ms. Greta Harris
Mr. C. T. Hill
Ms. Anna James
Mr. Dennis Treacy (non-voting advisor)

Absent

Ms. Letitia Long
Mr. Mehul Sanghani

Also present were the following: President Timothy Sands, Mr. Robert Broyden, Mr. Tom Gabbard, Ms. Kay Heidbreder, Ms. Kim O'Rourke, Mr. Mark Owczarski, Dr. Sherwood Wilson, Mr. Chris Yianilos.

Rector Valeiras called the meeting to order at 10:10 a.m.

**RESOLUTION FOR FUNDING SUPPLEMENT TO THE
STUDENT-ATHLETE PERFORMANCE CENTER CAPITAL PROJECT**

President Sands explained that this special meeting of the Executive Committee was called because the Board's approval was needed in order for the university to be able to proceed with the Student-Athlete Performance Center Capital Project. Bids received for the project were sufficiently over budget to require approval of the Board of Visitors to proceed.

Mr. Broyden, Associate Vice President for Capital Assets and Financial Management, delivered a brief presentation in which he explained that in March 2018, the Board authorized the project with a budget of \$15.165 million and included a provision to adjust the budget up to 10 percent (\$1.517 million) for new gifts designated to the project. In June 2018, that 10 percent was added to the project budget to cover enhancements, bringing the project cost to \$16.682 million. In June 2019, bids were received that were \$3.73 million over budget; \$20.4 million total is needed to complete the project. He explained that the higher cost likely resulted from the risk that the contractor would assume due to the building continuing to be occupied on the bottom floor and practices continuing to occur adjacent to the building during the construction and the contractual obligation to complete the project by November 2020. The university considered but decided against rebidding the project due to the risk of bids coming in even higher. The university is adjusting models for other projects to take into account what is learned here.

The university has three plans to address the higher cost. Plan A would raise the private gift threshold. In the meantime, the overage would be funded with an internal loan that would be repaid over up to five years with gift receipts. Plan B, if private gifts do not materialize, provides for the athletic budget to cover the cost from ACC revenues. If Plans A and B are insufficient, then there would be a permanent withdrawal of funds from athletic reserves. (Copy of presentation filed with the permanent minutes and marked Attachment A.)

At the conclusion of the discussion, a motion for approval of the following resolution was made by Mr. Hill, seconded by Ms. Harris, and approved unanimously by those members of the Executive Committee who were present and have voting privileges.

That the resolution authorizing Virginia Tech to move forward with a \$3.735 million supplement to adjust the total project authorization for the Student-Athlete Performance Center project to \$20.417 million and to complete the project be approved.

(Copy filed with the permanent minutes and marked Attachment B.)

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President Sands, assisted by others, then briefed the Executive Committee on several other matters.

Innovation Campus – The university has moved forward with the acquisition of temporary space adjacent to the site where construction will occur. The intention is to hold master’s classes in that space in fall 2020. Planning and construction of the building will follow the normal process.

Planning update for the Falls Church site – The prospect for redeveloping the property stems from an unsolicited proposal submitted by HITT Contracting through a process governed by the Public-Private Education Facilities and Infrastructure Act (PPEA) of 2002. The premise for the planned redevelopment of the Falls Church site is that the future of design and construction is in the synergy between the two disciplines. President Sands stated that no decision had yet been made about the future of the Washington-Alexandria Architecture Center (WAAC), which has been located in Alexandria for several decades. This is a relatively small program that recently has experienced some decline in enrollment. He noted that given its proximity to the District of Columbia, the WAAC is in a unique architectural zone for the United States in that the nation’s capital serves as an architecture lab for students. Some elected officials (Senator Janet Howell and Alexandria Mayor Justin Wilson), alumni, faculty, and students have expressed opposition to relocating the architecture program away from its current location in Alexandria. Provost Cyril Clarke will be speaking with a group of faculty and students in Northern Virginia this afternoon. Ms. Harris acknowledged that she and Mr. Preston White also serve on the advisory board for the College of Architecture and Urban Studies (CAUS) and have been contacted by some CAUS faculty.

Fall 2019 Enrollment – Implementation of plans to address the over-enrollment situation is on track. There has not been a significant enrollment melt. The only uncertainty about actual enrollment numbers stems from uncertainty of whether international students will be able to obtain U.S. visas. More than 500 of the students will be accommodated on campus with the remainder housed at The Inn at Virginia Tech or Holiday Inn Express. The dining program is short staffed, and Student Affairs in collaboration with Human Resources is employing creative measures to attract employees. From an instructional standpoint, plans to address the over-enrollment are in good shape. The Admissions office recently surveyed incoming students to ascertain their reasons for selecting Virginia Tech; the top two were the establishment of the Innovation Campus precipitated by Amazon's HQ2 location in Alexandria, and the streamlined admissions process implemented this year. There will be a session on enrollment management at the Board's upcoming retreat.

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The date of the next regular meeting is August 25-26, 2019, at the Virginia Tech Research Center-Arlington.

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Following a motion by Ms. Harris and second by Ms. James, the meeting was adjourned at 10:42 a.m.

Horacio Valeiras, Rector

Kim O'Rourke, Secretary