

UNIVERSITY SPACE COMMITTEE MEETING
Wednesday October 8, 2014
Holladay Hall, Chancellor's Conference Room
9:00 a.m. –10:30 a.m.

Present: Warwick Arden; Terri Lomax; Charles Leffler; Steve Arndt; Lisa Johnson; Sumayya Jones-Humienny; Liz Moore; Katie Perry; Matt Peterson; Michael Harwood; Ralph Recchie; and Lori Johnson.

Guests: Duane Larick; Laura Severin; Tom Miller; Terri Helmlinger-Ratcliff; Dan Parks; and Paul Zimmerman.

Approval of the Minutes

The minutes of the September 10, 2014 meeting were approved and will be posted.

Action Items

1. ORIED / "Power America" (formerly Next Generation Power Electronics), Request #14-04:
The fit-up for the 9,400 sf space in Venture Place has been designed with a 3-year lease term (relatively short for amortization) negotiated at \$20/sf without the up-fit cost included. The landlord has agreed to cover more of the up-fit cost for a longer lease term, which the Real Estate Office is assessing for 5-, 7- and 10-year terms. The lease is covered by the Power America grant, but can't be covered as a "cost share" with an on-campus rate. With the USC's directive, this action item will be added to the November Board of Trustees agenda as a lease extension for "up to 10 years" until the assessment is completed and determines the best term. *The committee approved the lease extension with the directive that the rental rate be re-negotiated.*

Information / Discussion Items

1. Center for Leadership & Entrepreneurship (The Garage) Update, (Info Item 14.09; related to Space Request #14-05): Tom Miller presented a handout outlining the pro-rated building cost allocation (with common space equally shared) for the Entrepreneurship Initiative (32%), Shelton Leadership Center (15%), and the Technology Incubator (53%) for a total project cost of \$17.9M. Lori Johnson presented a pro forma showing construction costs, and pro-rated cash inflows / outflows, including the carrying costs for the allowed debt on this project, which determined that the fundraising amount must increase from \$9.7M to \$11M. She reviewed these findings with Chancellor Woodson, Provost Arden and VC Leffler yesterday. The question arose as to whether the 5% gift assessment fee should apply in this case. The Economic Development Administration (EDA) grant of \$1.6M for the Technology Incubator will be received as a lump sum and applied prior to taking a loan; it must be used within 2 years of acceptance, so fundraising must be well underway by then. The Technology Incubator rental capacity will ramp up from 65% in year one to 75% in year two to 85% for the remaining years, with rent escalation factored at 1% per year. Market review of incubator space in the area has shown that NC State's rate will be less than that of the highest level competitor's and will offer premium space and services. The expectation is to finance this project over a 20-year rather than a 25-year term. This project will need to be added to the 10-year financing plan and the self-liquidating project list. *The committee endorsed moving forward with fundraising for this project, subject to revisiting the borrowing schedule and debt service plan when a prospect list can be developed.*
2. Varsity Research Building (VRB) Planning Discussion (Info Item 13.06): M. Peterson reviewed the plan to consolidate some of the current occupants spread throughout the building, move out others

and move in Plant Pathology to better utilize the space. L. Moore distributed hand-outs listing the 12 sequence steps involved, the current utilization floor plan and a proposed next steps floor plan. Discussion ensued regarding the highest and best use of the building: locating new hires in flexible research space versus re-locating Plant Pathology here. The former option is less desirable because of the perceived isolation and lack of synergy, whereas the latter is more desirable for Plant Pathology since they are currently housed in 12 different buildings across campus and would achieve better synergy within their department if they were co-located. The latter option would also free up poor-quality space for renovation and re-assignment in North and Central Campus Precincts where space is needed most for Chancellor Faculty Excellence Program (CFEP) hires. A space request is forthcoming for Zebra fish research and Steve Lommel to move to VRB provided that Plant Pathology is moved also. The proposed Plant Science Building would rotate in only half of the 50 faculty members at most; therefore, the majority would need to keep their assigned offices. *The committee endorsed proceeding with a masterplanning study to determine the scope, schedule and cost estimate for phased, module-by-module renovations to house Plant Pathology.*

3. Year-end Projects Process (Info Item 14.10): S. Arndt presented a handout of a draft outlining general considerations, design and construction timelines, and funding considerations for use in educating academic and other university units to promote earlier planning of their design and construction projects. The approval thresholds are more important than ever with the loss this year of the Chancellor's Authority (projects less than \$1M) approval instrument. Any project over \$300K will require an OC-25. Projects between \$300K and \$2M will also require the Board of Governors' approval, which takes at least 6 weeks. *The committee recommended that S. Arndt add this topic to the Council of Deans' November agenda for giving a PowerPoint presentation.*
4. Tagging People to Space Update (Info Item 12.14): Lisa Johnson explained the issue regarding the Tagging People to Space 3D memo, dated 9/3/14 and specifying the deadline of 10/1/14 for compliance, was not adequately communicated down through departments to individual personnel. Currently, only 60% of faculty and staff have been assigned to offices; however, it is difficult to differentiate within that percentage the number of people who were assigned to the incorrect space upon their hire who have not since corrected their work location, without reviewing each department list with each department for their verification, which would be a very time-consuming process. A follow-up memo will be issued as a reminder in order to improve the assignment percentage and accuracy. *The committee will review a draft follow-up memo at the November meeting.*
5. Harrelson Hall Closing Update (Info Item 11.01): Lisa Johnson reviewed a handout summarizing the needs and next steps for the building's closing strategy. The schedule for demolition in summer 2016 is very aggressive and dependent upon the related projects' timelines; if any of the timelines slip, then demolition will have to shift to summer of 2017. Questions arose as to whether the new Unified Campus Timetable scheduling system will alleviate the need for the two mid-size classroom renovation projects designated for Cox Hall 3rd Floor after the College of Sciences Dean's office suite moves to Broughton swing space. The Bureau of Mines should be renamed when it is renovated to accommodate the COS Dean's office suite's permanent location. *The committee asked that Registration and Records assess whether the two mid-size classrooms can be absorbed into existing classroom inventory with implementation of new Unified Campus Timetable scheduling system.*
6. ALM Space Presentation/ Moving Forward (Info Item 14.11): Lisa Johnson reviewed an excerpt from the presentation given on 9/9/14 regarding goals needing further action. Registration and Records (Louis Hunt) will lead the "Classrooms meet the UNC-GA utilization goal of a campus

average of 35 hours per week and 65% fill ration.” Faculty and academic administration (Paul Cohen, Tom Miller) will lead the “Class Labs meet UNC-GA utilization goal of 20 hours per week and 75% fill ratio.” The Office of the University Architect (Lisa Johnson/Sumayya Jones-Humienny) will lead the goal of “Reduce the office and support space SF per person to more closely align with the UNC-GA standard.” ORIED (Terri Lomax/Matt Peterson) will lead the goal of “Develop additional metrics for managing / growing research space.” *The committee endorsed USC Staff Support moving forward with this action plan.*

7. ECHS Robotics Club Space Request (Info Item 14.12): R. Recchie relayed the Early College High School’s request to obtain more space at Western Blvd. Business Service (Building 131, formerly called the Creative Services TV Studio, located at 1220 Varsity Dr.) for dedicated maker space, to accommodate 25 students and 10-15 mentors, with access to a loading dock. Discussion ensued about sharing of resources with the College of Engineering since they already have this type of space, rather than allocating more space to a duplicate function. *The committee recommended that R. Recchie prompt Jose Picart to make a request to COE for sharing maker space.*
8. Business Operations Shared Services (Info Item 13.05): L. Moore stated that the BOC will be adding staff this fall to the space they have in the Western Blvd. Business Service (Building 131, formerly called the Creative Services TV Studio, located at 1220 Varsity Dr.); however, the HVAC system needs to be repaired to provide adequate heat. *The committee endorsed using minimum facilities funding to repair the system.*

Other Business

1. N/A.

Meeting Adjourned at 10:30 a.m.