The Select Committee on the Millennial Initiative of Western Carolina University met in regular session on 18 January 2012 in Room 510 of the H.F. Robinson Building. The meeting was called to order at 8:00 a.m. by Steve Warren.

I. ATTENDANCE

The following members of the Committee were present: Mr. Clifton Metcalf, Mr. Ed Broadwell, Mr. Jack Cecil, Dr. Lewis Buck, Mr. Phil Drake, Ms. Susan Jenkins, Dr. Teck Penland, and Mr. Steve Warren. Present by way of telephone call in was Mr. Richard Williams and Ms. Joan Macneill.

Absent was Ms. Diane Lynch.

Following the calling to order of the meeting, each member of the Committee introduced themselves.

II. CHARGE TO THE COMMITTEE

Western Carolina University Chancellor Dr. David Belcher provided the Select Committee its charge.

Chancellor Belcher thanked each member of the Committee for serving on a task force which he believes will be of extraordinary importance to Western Carolina University and the surrounding region. The Chancellor believes the Committee will be of great benefit in its service particularly in the areas of economic and community development in Western North Carolina. The Chancellor indicated that when he first began looking at the Millennial Initiative of Western Carolina University, he found it to be remarkable in concept. He indicated WCU’s Millennial Initiative was probably more similar in concept to the Centennial Campus at N.C. State than others. He indicated that while the Millennial Initiative is designed to create public/private partnerships which can benefit the region and can further WCU’s educational mission. It is designed to be open to public/private partnerships which can further and enhance the traditional WCU priorities of instruction, research and service.

Dr. Belcher also indicated there were several reasons why this is the right moment to revisit the Western Carolina University Millennial Initiative. First, the University is undergoing
a comprehensive strategic planning process. He notes that the current strategic planning process is engaging both internal and external constituents. It is to consider what should be the direction of the institution over the coming years. It is in that setting that it is important that we take a fresh look at the Millennial Initiative and where it has come from, where it is today, and where it should go in the next six to eight years. Another issue deals with the limitations of the current economy. Chancellor Belcher indicated that it was understood that we must invest money in the Millennial Initiative for it to become what we all believe it can be. We must invest wisely and strategically and target those investments at the fundamental points of intersection between Western Carolina University and its mission and the regional economic and community development needs on the other. Finally, the last reason this is an important time to take a fresh look at the Millennial Initiative is we need an external perspective on this undertaking. Dr. Belcher noted there were members of this Committee who would bring an internal perspective to the issues to be considered by this Committee. It also is composed of an external group of people who have the best interest of Western Carolina at heart and who are broad thinkers and think holistically about collaborative solutions to the problems and challenges facing Western and the region. In addition, the Committee consists of people who understand what the opportunities are that we can seize.

With that as background, Chancellor Belcher indicated the charge to the Committee really consists of three overarching tasks. First, to evaluate and propose strategic uses and objectives of the Millennial Campus. Look for ways to explore ways to exploit the points of intersection between the institution's mission on the one hand and the opportunities, challenges, strengths on the others in the Western North Carolina area. Secondly, to recommend an institutional process which will engage both the institution but also the external constituents in considering and evaluating the possibilities with the Millennial Initiative. Chancellor Belcher indicated the Millennial Initiative will be facing a changing environment and therefore will need to be nimble enough to respond. Finally, the Committee should propose as much as possible, short and long term goals with appropriate plans and metrics for the Millennial Campus and Initiative.

Chancellor Belcher then briefed the Committee on the current strategic planning process of Western Carolina University, indicating that it was a year long process which is expected to be finished by June of 2012 for the Board of Trustees Meeting. He indicated that Melissa Wargo at Western would be a good resource for the Committee if he had any questions.

Finally, Chancellor Belcher indicated he was extraordinarily interested in the work of the Select Committee on the Millennial Initiative of Western Carolina. In speaking with leaders of Western North Carolina on the issues of Western Carolina University, Chancellor Belcher has indicated that he believes the Millennial Initiative has to be a priority for Western Carolina University. Western Carolina University is a regional institution. Western Carolina University needs to pay attention to western North Carolina. The work of the Committee will help chart our course for Western North Carolina in the years to come.

Mr. Warren then provided the Committee with a booklet of materials entitled "WCU Millennial Initiative Select Committee" which in part contained materials on the mission of
Western Carolina University, Western Carolina University's Vision Statement, and a draft of the current Strategic Planning Commission of Western Carolina University.

Mr. Warren then reviewed the dates for the upcoming meetings, to wit

January 27, 2012, 9:00 am-12:00 pm, Board Room, Chancellor's Office, 5th Floor, HFR Building, WCU.

Third Meeting, Travel to other campus sites - N.C. State, UNC, February 10, 2012.


Fifth Meeting, March 23, 2012.

Sixth Meeting, March 28, 2012.

III. INTRODUCTION TO THE HISTORY OF THE MILLENNIAL INITIATIVE CONCEPT

Mr. Clifton Metcalf, Vice Chancellor for Advancement in External Affairs then presented the Committee with information on the history of the Millennial Initiative concept. Mr. Metcalf indicated that the Millennial Initiative really is rooted in the first Centennial Campus which is located at N.C. State University. He indicated that campus is really a community of researchers, students, faculty, and business partners working together on a common interest in solving world problems. Mr. Metcalf indicated that the campuses can be organized in community clusters focusing on research and student education and economic development. He also noted that while currently, there are no buildings at "UNC North" the Millennial Campus at Chapel Hill, there are plans to develop that campus consistent with that theme.

Mr. Metcalf did give a handout to the Committee consisting of the Millennial Campus Legislation for its review.

He did note the past work of Eva Kline and Associates on the Western Carolina Millennial Initiative.

IV. THE UMSTEAD ACT AND ITS IMPACT ON MILLENNIAL CAMPUS DEVELOPMENT

Mary Ann Lochner gave a presentation to the Committee on the Umstead Act and its impact on Millennial Campus development.

Ms. Lochner first began by noting that UNCW obtained a grant to set up marine research in association with its Millennial Campus. She noted that the grant UNCW obtained was a
matching grant and the University did not have matching funds. The University used the bond funding provisions in the Millennial Campus Act to assist with the matching grant portion. UNCW is the first campus that availed itself of doing private financing for a Millennial project to get matching funds. Ms. Lochner distributed a copy of the Umstead Act to the Committee. She noted that the Umstead Act is a complicated statute. However, the key elements consisted of state agencies being forbidden from competing with private businesses. However, Ms. Lockner pointed out that under N.C.G.S. 66-58(b)(8)(i) the provisions of the Umstead Act which prohibits sale of merchandise or services by governmental units does not apply to a "Millennial Campus of a constituent institution of the University of North Carolina."

Ms. Lochner noted that in 2001 in an Attorney General's Opinion was issued in connection with N.C. State wanting to develop and operate a golf course on its Millennial Campus. The Attorney General's Opinion indicated that the University must be mindful that the use of University properties and resources are public in nature must be consistent with public service and public use which essentially means the Millennial Campus has to be developed consistent with the University's mission, i.e., teaching and learning. To the extent that we engage in research, learning and economic development, those activities have to enhance the University's mission.

Ms. Lochner did speak briefly regarding the proposition of leasing properties to third parties. Western Carolina is not prohibited from entering into ground leases of the property for University activities. There are issues relating to transactional clearances in terms of the lease, and having to lease property for fair market value, which are the kinds of issues that the office of counsel would look at. It should always be kept in mind with regard to these type of activities that they bear a relation to the mission of the University.

Ms. Lochner did indicate that, for example, with regard to the development of the "Town Center" that utilizing leases for businesses, grocery stores, etc. have been considered and would be appropriate for the development of a town center concept.

Mr. Warren then pointed out that in the last section of the handout there is a listing of developers and companies that have expressed interest in the WCU Millennial Campus.

Dean Buck pointed out that in considering what the Millennial Campus should become and dealing with the issue of profits and not for profits that would be involved, it will be important to have a process which is nimble and responsive to the needs of private businesses. The process would need to be such that we could respond in a timely fashion to allow potential entities to make reasonable business decisions in a timely fashion. Ms. Lockner noted that if the State is involved it can take up to two years to get a ground lease approved.

Dean Buck suggested it would be good to have a standard ground lease wherein the State would be willing to accept that standard for ground lease which could result in an expedited process. Ms. Lockner indicated they do have such documents. However, given budget cuts there has been a reduction in personnel at the State level which has led to prolonging any approval processes. It is important that any business partner know of this kind of process so they can work it into their business pro formas.
The Committee did turn to noting that we have over 300 acres on the West campus available but only 50% of may be buildable given the slopes involved.

Ms. Lochner indicated that one way that could be available to expedite the approval process is to do a large ground lease devoted to a singular purpose, example, research and development, which would then allow you to develop that property, having already obtained State approval.

Mr. Metcalf then noted that as the Committee works through the process we may even want to look at potential suggestions for amendment to the law as a proposal which would help us address the issue of expediting approval processes for public/private partnerships on Millennial Campuses.

V. A HISTORY OF THE CONCEPTS PLANS FOR THE WC MILLENNIAL INITIATIVE.

Mr. Joe Walker, Associate Vice Chancellor for Facilities Management, then gave an excellent presentation, through multiple PowerPoint’s, on:

A. Campus-wide Master Plan Development.
B. The Specific Health Neighborhood Master Plan.
C. The Specific Town Center Plan.
D. University engagement with the broader community including Forest Hills and Cullowhee, and
E. Infrastructure of the Millennial Campus.

Mr. Warren noted that he would distribute a color version of the brochure "Millennial Initiative Concept Plan, April 2006" for the Committee members. It is this plan that Mr. Joe Walker indicated contains the most vital information relative to the development of the Millennial Initiative.1

During the discussion, Mr. Cecil noted that, for example, with 3 million square feet at approximately $300 total build out costs per square foot, we are looking at almost $1 billion in development to give you a sense of the scale involved.

Mr. Cecil noted that the current enrollment at Western is roughly 9,300 students. It was noted the projected enrollment at Western at one point was 16,000.

Mr. Walker noted that State Construction takes the position that it should be involved in the construction projects on the Millennial Campus. This may impact the cost of construction. One issue to consider is whether State Construction would come off of the 50-year building life requirement.

1 Mr. Warren subsequently sent this Concept Plan in .pdf format to the Committee members.
Ms. Jenkins indicated that some thought should be given to what type of businesses would be used to fill up the buildings as they are constructed. Mr. Walker indicated that, for example, that in the past some thought had been given to having clinical space in association with the Health Building and businesses to compliment the Engineering programs, (e.g. adaptive assisted devices). There may exist opportunities for physical and speech therapy in association with the Health Building.

Ms. Jenkins indicated that all this potential development represents new change. For example there are issues about health care costs and how businesses are being developed in Western North Carolina in the health care industry, and there is a need to be practical in the setting of what can be developed in Western North Carolina.

Mr. Warren indicated one of the issues we'll be looking at is what types of entities we wish to have on the Millennial Campus and what would be the criteria for selection.

Mr. Metcalf indicated there had been a lot of interest in development around the new HHS Building.

Mr. Warren indicated the goal of the Committee is to come up with a process that is uniform but is nimble and can react to circumstances at the time.

Dr. Penland indicated the question Ms. Jenkins raised in terms of practical ways of developing these campuses and neighborhoods of interest is important. For example, in the health care area, it is important to know first what is needed in the area. Mr. Penland indicated that while Cullowhee is different, we also need to be mindful of regional needs as well. For example, what are the needs that we are not currently building for?

Another way of looking at this said Dr. Penland is to consider what is “added value” and what is competition in the area and what redundancies exist.

Mrs. Jenkins concurred that the question of what is added value needs to be looked at seriously.

VI. TOUR OF HEALTH AND HUMAN SCIENCES BUILDING.

Thanks to the efforts of Mr. Joe Walker and his staff, the Committee was transported to the new Health and Human Sciences Building on the West Millennial Campus. The Committee took an approximate forty-five minute guided tour of the building. It was unanimously agreed that the building represents the state of the art in terms of technology and facilities, not only in western North Carolina but really in the nation. The Committee was grateful to Mr. Joe Walker and his staff, and members of the construction team, for providing us with an excellent tour of the building.
Thereafter, there being no further business, the Committee adjourned at approximately 11am.