



**VIRGINIA COMMONWEALTH
BOARD OF VISITORS
RETREAT
OCTOBER 29, 2021
Maymont
Garden Hall
Richmond, Virginia**

MINUTES

BOARD MEMBERS PRESENT

Mr. H. Benson Dendy III, Rector
Ms. Carolina Espinal, Vice Rector
Ms. Pamela El
Mr. Peter Farrell
Mr. Andy Florance
Mr. Todd Haymore, Secretary
Dr. Gopinath R. Jadhav
Mr. Edward L. McCoy (joined at 9:08 a.m.)
Rev. Tyrone E. Nelson (joined at 10:30 a.m.)
Dr. Tonya Parris-Wilkins
Ms. Coleen Santa Ana
Mr. Stuart C. Siegel (departed at noon)
Ms. Alexis Swann
Dr. Shantaram Talegaonkar

BOARD MEMBERS ABSENT

Ambassador Carmen Lomellin
Mr. Keith Parker

OTHERS PRESENT

President Michael Rao
Ms. Chelsea Gray, *Assistant Secretary and Board Liaison*
Ms. Karen Helderman, *Executive Director for Audit and Compliance Services*
Presidential Cabinet of VCU
VCU students, faculty and staff
Members of the Media

CALL TO ORDER

Mr. H. Benson Dendy III, Rector called the meeting to order at 8:48 a.m. in the Garden Hall at Maymont, Richmond, Virginia. Ms. Chelsea Gray, Assistant Secretary and Board Liaison, reminded everyone in attendance of logistics for the meeting.

Rector Dendy welcomed all of those in attendance. He recognized that it is a rare pleasure to be able to get together as a board with university leadership and take the time to be able to fully discuss and engage on priorities and issues. It is important for the board to get together to have a meaningful conversation with each other and with senior leaders who deal with these issues on a day-to-day basis. He outlined the agenda for the meeting highlighting the agenda item allowing for discussion around diversity, inclusion and equity as the foundation of our VCU's mission. The Board's desire is to have diversity, inclusion and equity be pervasive throughout the university and all its programs.

He then asked President Rao to speak. President Rao mentioned that despite political discord, etc. it is obvious this is the time to lift the human experience to the next level. This is in the university's hands to focus on something that is so critically important. The board and the president's roles are important and must be inspiring. It is important that VCU articulates how this institution is so consequence to so many people. Virginia Commonwealth University opens doors for people and creates bridges for people to find opportunity to be part of what we call the American dream. The university should put energies into envisioning transformative innovation. He highlighted the increase in graduate rates, timely graduation, the human experience, sponsored research, growth in infrastructure, the support from the state.

The President concluded his remarks by saying that University will need to continue to focus on enrollment, increasing revenues, gaining partnerships, increasing entrepreneurship and fundraising. VCU has to meet students where they are and be focused on affordability for students and patients. VCU is going to make this happen.

Dr. Aashir Nasim, Vice President of Institutional Equity, Effectiveness and Success, concluded the opening remarks by emphasizing VCU's commitment to Diversity, Equity and Inclusion and encouraged all participants to engage in a meaningful conversation that can lead to action.

THE ELEMENTS OF AN EFFECTIVE DE&I PROGRAM

Mr. Dendy introduced Mr. Darius Johnson, Vice President, Employee Engagement & Development, Dominion Energy.

Mr. Johnson's presentation focused on key elements to an effective and sustainable DE&I strategy, connection to core values and organizational strategy, sustained and uncompromising leadership commitment, shared accountability, goals and metrics, and actions and transparency. The presentation highlighted the work that Dominion has done, but also helped facilitate a conversation among board members, cabinet members, and the students that were present.

The students that were present identified opportunities for VCU leadership to connect with students. The board identified that students, faculty, staff, and the board should be able to easily identify the mission and core values of the University.

Mr. Johnson urged the board to recognize that you have to have a team that is willing to commit to this and a budget and resources that can allow for these commitments. The commitment is to students, faculty, and staff.

A copy of the presentation is attached hereto as *Attachment A* and is made a part hereof.

BOARD & CABINET DISCUSSION DIVERSITY, EQUITY & INCLUSION

After Mr. Johnson's presentation the board took a five minute break. Upon their return the board, Cabinet, and the students that were present continued to engage in a conversation around the student experience. All agreed that communication is key between leadership, faculty, staff, and students. It is important to provide resources to students and get students in front of the right people. Everyone at VCU must hold each other accountable. The board encouraged that everyone empower the focus on diversity, equity and inclusion and the work that VCU is doing around this.

Mr. Dendy asked that a student panel be brought together for one of the upcoming board meetings. The board encouraged leadership to do the following: get students in front of the right people, push chairs and faculty and hold them accountable, grow programs that are popular, review and revise the statement & values so that it becomes the culture of VCU, and look at what other universities are doing.

BOV SCHOLARSHIP

During the board's luncheon the three 2021 Board of Visitors Scholarship Recipients spoke to the board about what the scholarship has meant to them, how it has impacted their education, and their experiences at VCU. The three recipients were Ms. Grace Atkinson, senior in the School of Nursing's traditional BSN program and is from Chester, Virginia, Mr. Oscar Kemp, junior majoring in social work with a minor in public management and is from Danville, Virginia, and Mr. Anirban Mahanty, senior majoring in biology and studying film screenwriting from Sterling, Virginia.

Mr. Jay Davenport, Vice President for Development and Alumni Relations, explained to the board how the current scholarship is set up and funded. After the luncheon Board Member Mr. Andrew Florance pledged to make a gift for \$300,000 towards the BOV endowed scholarship.

FUTURE OF THE BOARD 2022-2023 SCHEDULE & COMMITTEES

The Board of Visitors discussed the current schedule and committees' setup. The board agreed that they need more time to discuss topics at board meetings. The board asked that senior leadership be more thoughtful in their presentations so that there can be more discussion and

asked that all materials be provided a week in advance. The board also agreed at looking at restructuring the committees. The Board Liaison will work with others to revise the bylaws and the Rector will bring the draft bylaws to the board at a later date.

A copy of the draft proposed information is attached hereto as ***Attachment B*** and is made a part hereof.

OPEN BOARD DISCUSSION

Rector Dendy opened up the meeting to discuss any topics the board may be interested in discussing as a group. The following matters were discussed.

- VCIMCO
- Foundations
- VCU Board of Visitors and VCUHS Board of Directors relationship
- Enrollment
- School of Public Health
- Internships
- Research

OTHER BUSINESS

Quest 2025 Recalibration

Dr. Rao began by discussing the Quest 2025 Recalibration. This is a time of societal and cultural change unlike any other. This change has been fast and significant -- so much so that some of the assumptions on which VCU's strategic plan is based may no longer be relevant. It is clear the University needs to recalibrate its Quest 2025 strategic plan. This is not a complete overhaul of the plan. It's a refocusing of our priorities as an institution of consequence to Virginia and beyond, so that VCU can better meet our students where they are and where they will be. Dr. Rao has charged Provost Sotiropoulos and Dr. Tomikia LeGrande, vice president for strategy, enrollment management and student success to lead the recalibration.

Dr. Rao turned to Provost Sotiropoulos and Dr. Tomikia LeGrande to outline the recalibration. A copy of the Quest Recalibration presentation is attached hereto as ***Attachment C*** and is made a part hereof.

VCIMCO

Rector Dendy mentioned that in accordance with the VCU Investment Management Company (VCIMCO) Articles of Incorporation he has appointed Mr. Steve Henderson as a member of the VCIMCO Board of Directors. He then made a motion to approve Mr. Steve Henderson's appointment to the VCIMCO Board of Directors. The motion was seconded and was approved unanimously. Mr. Siegel was not present.

Property Acquisition, Amendment to the Six Year Capital Plan and Funding

Dr. Weiss presented the Capital Project (Acquisition/Construction) and Financing.

Rector Dendy made a motion to approve and adopt the Capital Project (Acquisition/Construction) and Financing. The motion was seconded and was approved unanimously. Mr. Siegel was not present.

A copy of Dr. Weiss' presentation and resolution are attached hereto as ***Attachment D*** and is made a part hereof.

CLOSED SESSION

Vice Rector Dendy moved that the Virginia Commonwealth University Board of Visitors convene into closed session pursuant to Section 2.2-3711 (A) (1) of the Freedom of Information Act for the discussion of personnel matters, more specifically relating to the performance evaluation of various other staff members; and pursuant to Section 2.2-3711(A)(3) of the Virginia Freedom of Information Act for the discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, specifically related to the acquisition of real property near or adjacent to the Monroe Park Campus for the expansion of campus facilities; and pursuant to Section 2.2-3711 (A) (8) for consultation with legal counsel regarding specific legal matters requiring legal advice by counsel relating to personnel matters and transactional matters.

At that time the public was asked to exit the room.

RECONVENED SESSION

Following the closed session, the board members and leadership members returned to open session. Rector Dendy called the meeting to order. On motion duly made and seconded, the board reconvened in open session and the following resolution of certification was approved by a roll call vote:

Resolution of Certification

BE IT RESOLVED, that the Board of Visitors of Virginia Commonwealth University certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements under this chapter were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion by which the closed session was convened were heard, discussed or considered by the Board.

| <u>Vote</u> | <u>Ayes</u> | <u>Nays</u> |
|-----------------------------------|--------------------|--------------------|
| Mr. H. Benson Dendy III, Rector | X | |
| Ms. Carolina Espinal, Vice Rector | X | |
| Ms. Pamela El | X | |
| Mr. Peter Farrell | X | |

Virginia Commonwealth University
Board of Visitors
October 29, 2021 Retreat Minutes

| | |
|-----------------------------|---|
| Mr. Andy Florance | X |
| Mr. Todd Haymore, Secretary | X |
| Dr. Gopinath R. Jadhav | X |
| Mr. Edward L. McCoy | X |
| Rev. Tyrone E. Nelson | X |
| Dr. Tonya Parris-Wilkins | X |
| Ms. Coleen Santa Ana | X |
| Ms. Alexis Swann | X |
| Dr. Shantaram Talegaonkar | X |

All members present responding affirmatively, the resolution of certification was adopted. Mr. Siegel was not present.

Mr. Dendy mentioned to the board that he plans to make one motion to approve all matters discussed in closed session together unless anyone opposed. Rector Dendy moved that the Board of Visitors of Virginia Commonwealth University approve the following actions as presented in closed session:

1. Property Disposition Resolution: Transfer of Property to the VCU Real Estate Foundation
2. Property Acquisitions

The motion was seconded and was approved unanimously. Mr. Siegel was not present.

ADJOURNMENT

There being no further business, Mr. H. Benson Dendy III, Rector, adjourned the meeting at 4:09 p.m.

DE&I discussion with the VCU Board of Visitors and Dominion Energy

October 2021



**Dominion
Energy®**

Diversity, Equity & Inclusion

Key elements to an effective and sustainable DE&I strategy

- Connection to core values and organizational vision/mission
- Sustained and uncompromising Leadership commitment
- A DE&I leader with organizational “muscle”
- Shared accountability
- Goals/Metrics
- Actions and Transparency

Diversity, Equity & Inclusion

Connection to core values and organizational strategy

- Core values (Safety, Ethics, Excellence, Embrace Change, One Dominion Energy)
- Dominion Energy's vision is to become the most sustainable energy company in America. The five pillars that support this vision are expressed by our *Actions Speak Louder* mission:
 1. Deliver clean, reliable and affordable energy
 2. Protect the environment
 3. Serve customers and communities
 4. Empower our people
 5. Create shareholder value
- Our DE&I training in 2018 included a “train the leader” effort to reinforce these connections

Diversity, Equity & Inclusion

Sustained and Uncompromising Leadership Commitment

- BOD
 - Sets the tone and high-level expectations; Stays updated on ESG best-practices (shareholder voice)
 - Who are VCU's stakeholder voices? How do you capture their perspectives/feedback?

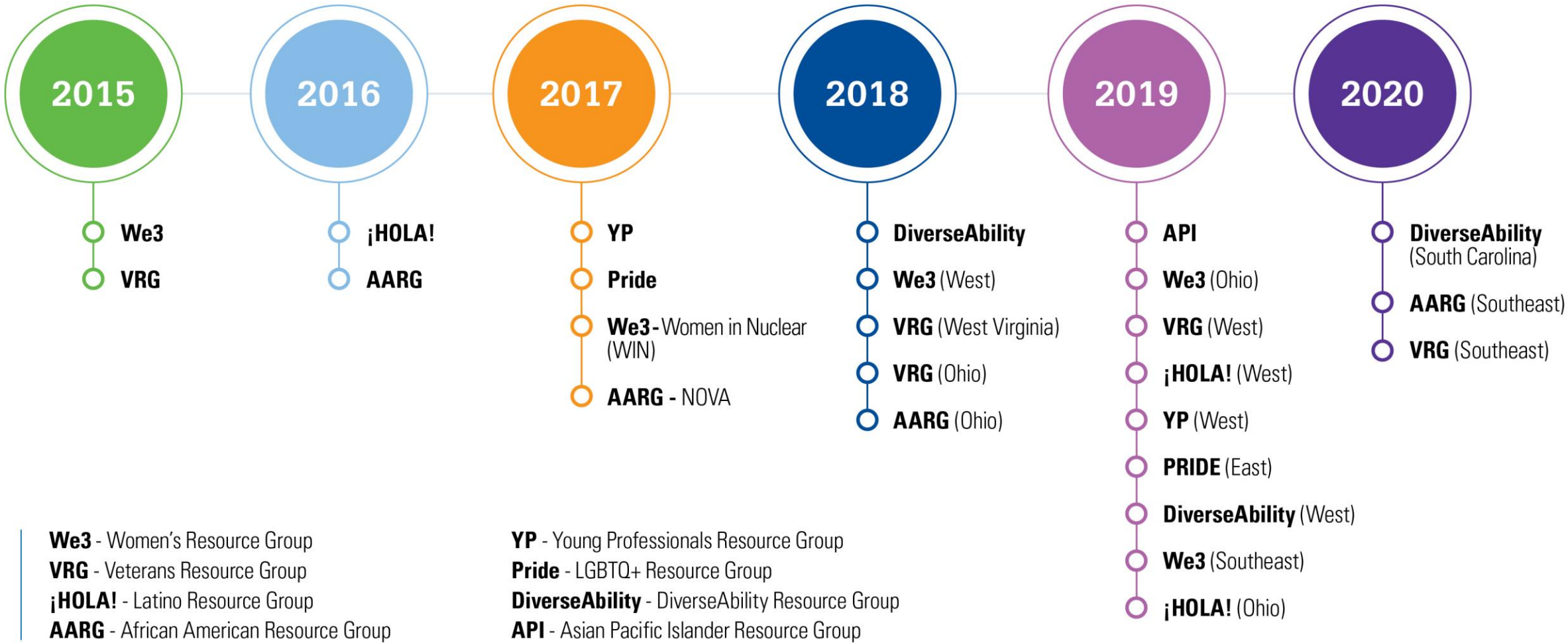
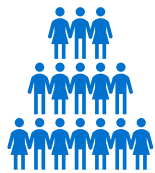
- CEO/President
 - Willing to make senior leaders a little uncomfortable for maintaining “status quo”
 - Encourages and directs bold *action*
 - Actively supports internal DEI activities

- Senior leaders & Team leaders
 - Drive culture change
 - Track actions at a granular level to ensure the overall strategic objectives are met

- Thought Leaders
 - Work through grassroots channels to reinforce culture (ERGs, DC's, other groups)

Diversity, Equity & Inclusion

Sustained and Uncompromising Leadership Commitment



Diversity, Equity & Inclusion

A DE&I leader with organizational “muscle”

- A DE&I leadership position alone is not sufficient
- Consider the scope and level of responsibility, in addition to resources
- Consider the impact of the “voice” of the position

Diversity, Equity & Inclusion

Shared Accountability

Leadership

Individual Contributors

2015

Choice from a menu of on-demand DE&I courses

Choice from a menu of on-demand DE&I courses

2016

Choice of ERG & Diversity Council led sessions

2017

The Business Case for Diversity & Inclusion Workshops
for DE Leaders lead by external consultant

Choice of ERG & Diversity Council led sessions

2018

Sexual Harassment Training

2019

Lead Discrimination in the Workplace
Training using DE&I exercises

Attend leader led Discrimination in the Workplace
training

2020

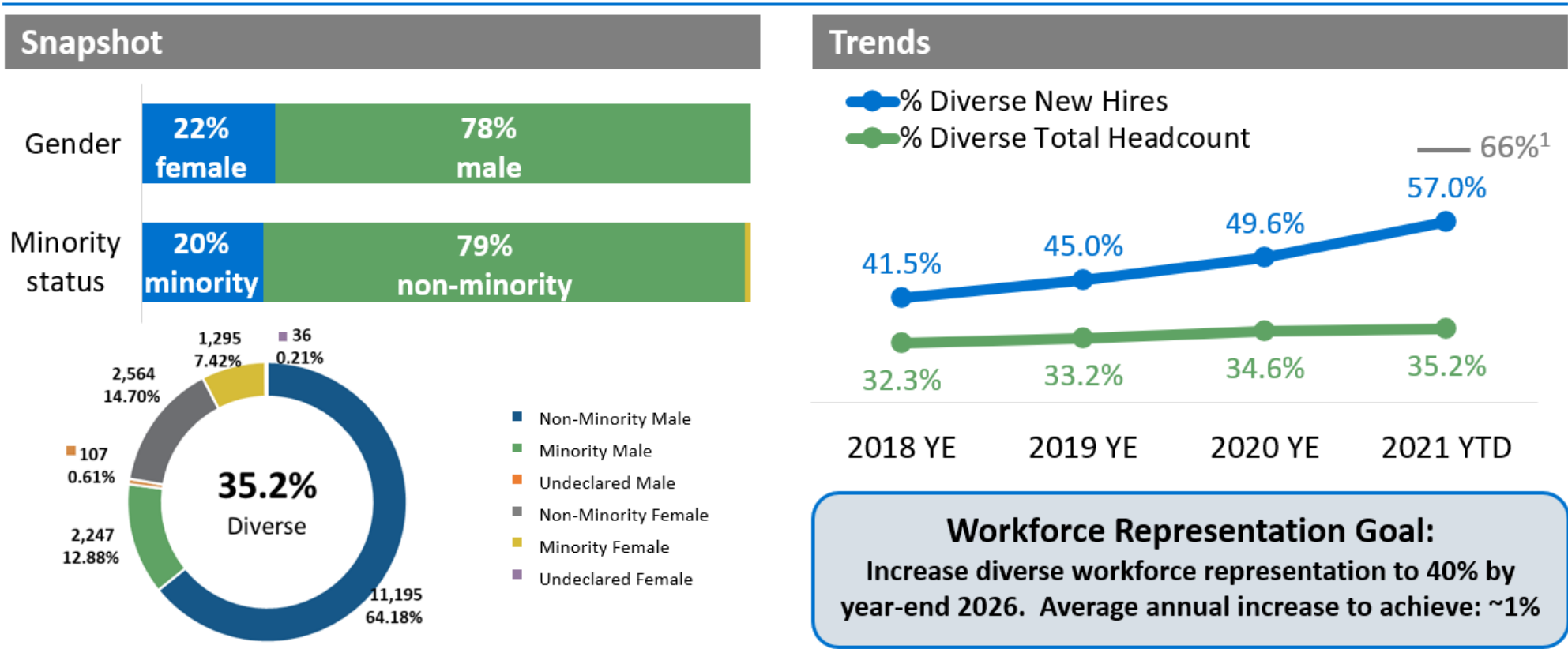
Officers/Directors – Expectation-setting conversations
Managers/Supervisors – Lead Unconscious Bias / Respect
in the Workplace discussion

Attend leader led Unconscious Bias / Respect in
the Workplace discussion

Diversity, Equity & Inclusion

Goals/Metrics

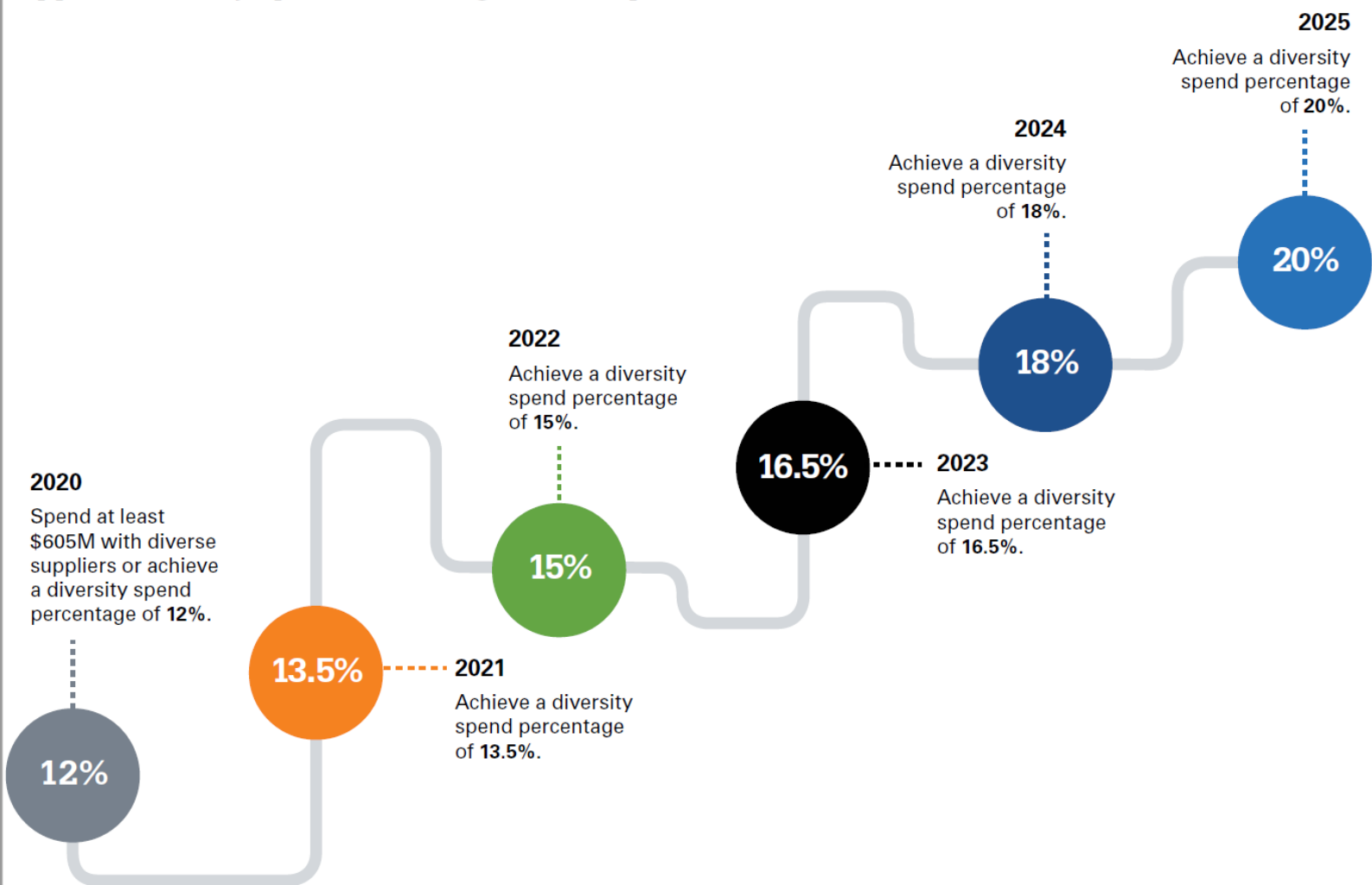
- Starting in 2020 Dominion Energy adopted a goal to grow diverse workforce representation (women and minorities) by 1% per year from a baseline of ~33% to 40% by year-end 2026.



Diversity, Equity & Inclusion

Goals/Metrics

Supplier Diversity Spend Percentage Roadmap



Diversity, Equity & Inclusion

Actions and Transparency

- Manage leader performance in accordance with progress to our stated goals
- Recruiting
 - Job titles & descriptions
 - Interview panels
 - Sourcing methods and resources (additions and possible deletions)
 - Spot offers
 - Careers in Energy Diversity Student Conference
 - Assessment testing
 - Throughput reporting
- Succession Planning
 - Directors Rotation Committee
 - Technology (SP module in the HUB)
- HBCU Promise

Diversity, Equity & Inclusion

Actions and Transparency – Dominion Energy’s inaugural public DE&I report

Attracting / Retaining Diverse Talent

Workforce Representation
Recruiting
Hiring
Promotions



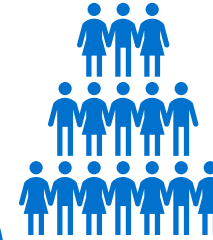
Employee Learning & Development

Training
Leadership Development
Succession Planning



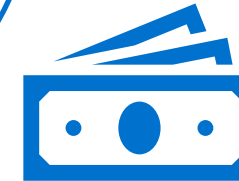
Employee Experience

Employee Engagement
ERGs
Benefits
DE&I Training (AIP Goal)
Workplace culture
Policy



Community Engagement / Foundation Giving

\$35M HBCU Promise
\$5M Social Justice Fund
Community Partnerships
Philanthropy



DE&I efforts organization wide

Customer Experience, Supplier Diversity, Strategic Undergrounding, Rural Broadband, EnergyShare

2022-2023 BOARD OF VISITORS MEETING SCHEDULE & COMMITTEES

Schedule:

We currently meet for one day beginning with committees in the morning and the full board in the afternoon.

I would like to engage in a discussion if you would prefer having all committee meetings on Thursdays and half day for the full board on Fridays ending by noon.

I also would like to discuss the board's interest in having more events scheduled around the board meetings. This could include tours of buildings and meetings/receptions with deans, students, and/or faculty, along with any other suggestions you may have.

Any other feedback or suggestions for board meetings going forward?

Committees:

Currently we have the following committees:

- Audit, Integrity and Compliance
- Intercollegiate Athletics
- Academic and Health Affairs
- Finance, Budget and Investment
- Governance and Compensation
- University Resources
- Executive
- Strategic Task Force

Proposing that we consider restructuring the committees. We would keep Audit, Athletics, Academic and Health Affairs as they are. A new committee could be Administration where the CFO and Vice President of Administration would be discussing facilities planning, design, construction and renovation, purchase and divestiture of land, including any easements, and staff affairs. Finance, Budget and Investment would change to Finance and Resources where the CFO, VPs for Government Relations, and VP of Development and Alumni Relations would present on University finances and investments, university policies on debt management, government relations relating to activities and finances, and fundraising. The University Resources committee would be dissolved.

All of the Cabinet members affected by these changes (Karol Gray, Matt Conrad, Jay Davenport, Karah Gunther, and Meredith Weiss) are agreeable to this change.

VCU Quest 2025 Recalibration

“Our world has changed, and so must our strategic priorities”

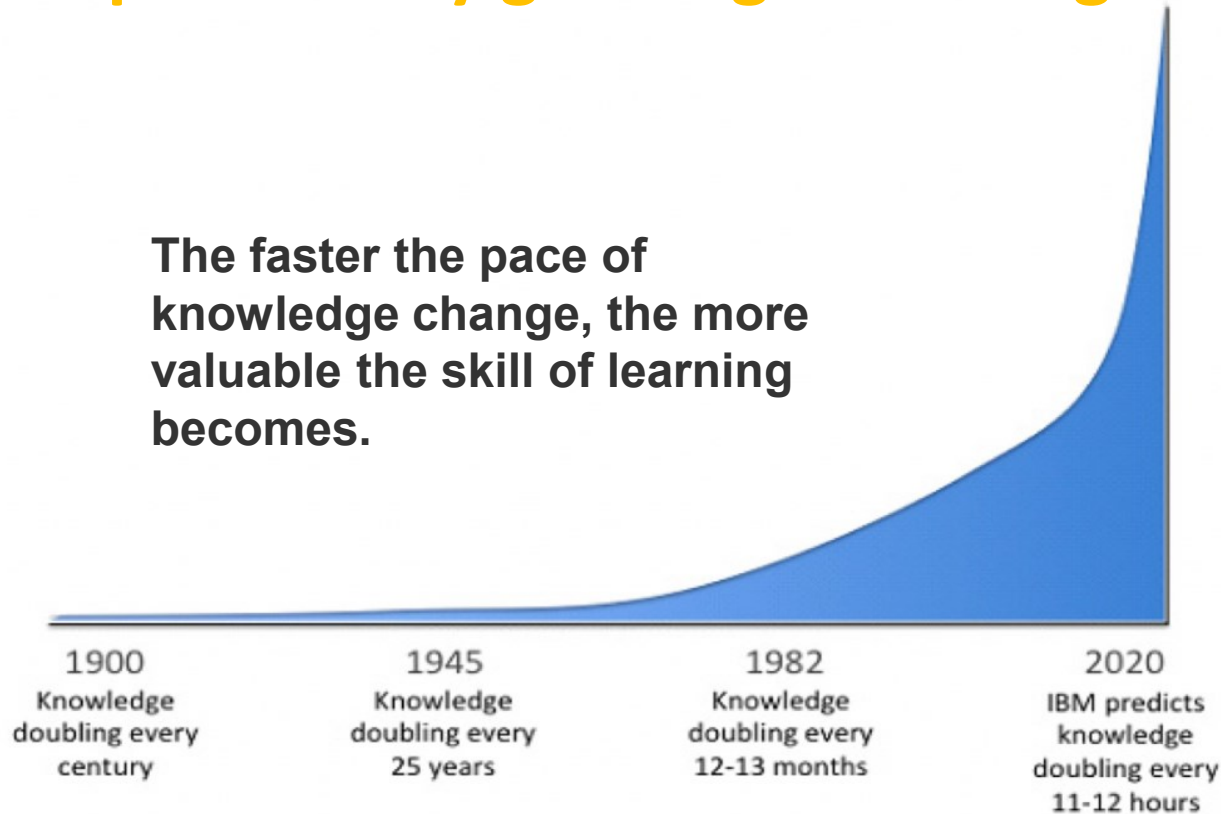


Fotis Sotiropoulos, Ph.D.,
Provost and Senior Vice President for
Academic Affairs

Tomikia P. LeGrande, Ed.D.
Vice President for Strategy, Enrollment
Management and Student Success

How do we prepare our students in the era of exponentially growing knowledge?

The faster the pace of knowledge change, the more valuable the skill of learning becomes.



After the Pandemic, a Revolution in Education and Work Awaits

Providing more Americans with portable health care, portable pensions and opportunities for lifelong learning is what politics needs to be about post-Nov. 3.



By Thomas L. Friedman
Opinion Columnist

Oct. 20, 2020

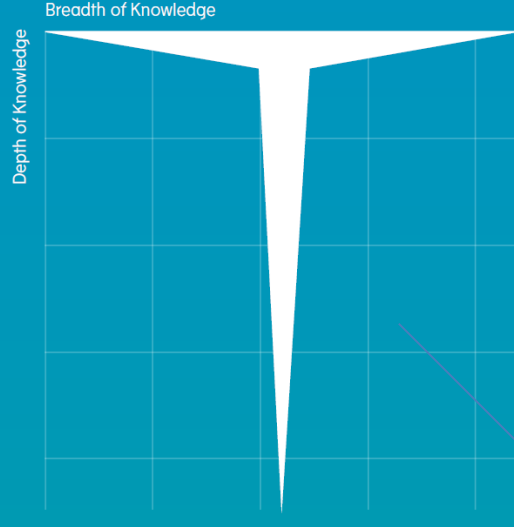
Your children can expect to change jobs *and professions* multiple times in their lifetimes, which means their career path will no longer follow a simple “learn-to-work” trajectory, as [Heather E. McGowan](#), co-author of “The Adaptation Advantage,” likes to say, but rather a path of “work-learn-work-learn-work-learn.”

“Learning is the new pension,” Ms. McGowan said. “It’s how you create your future value every day.”

The Lifelong Learning Curriculum

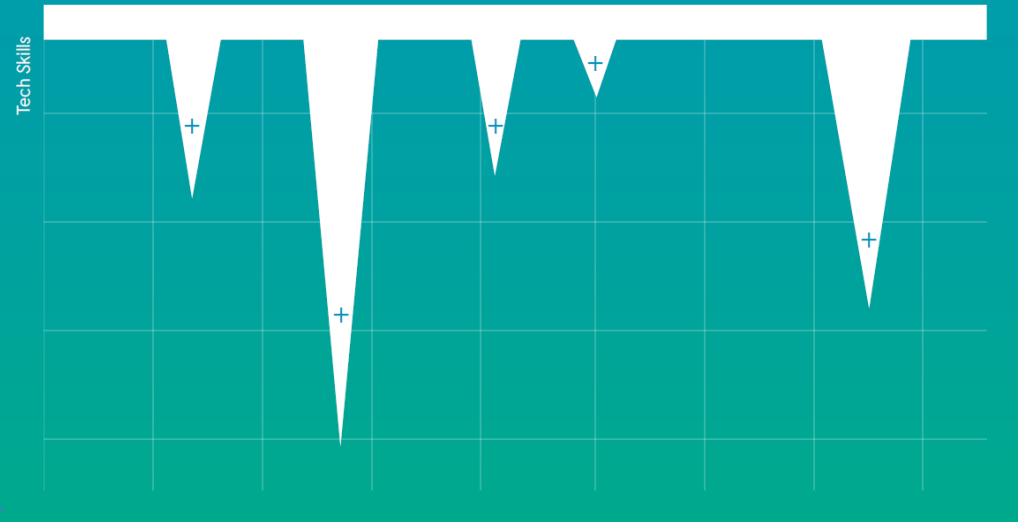
Reskilling & Upskilling

T-shaped individuals combine broad knowledge and skills with deep expertise in a narrow field.

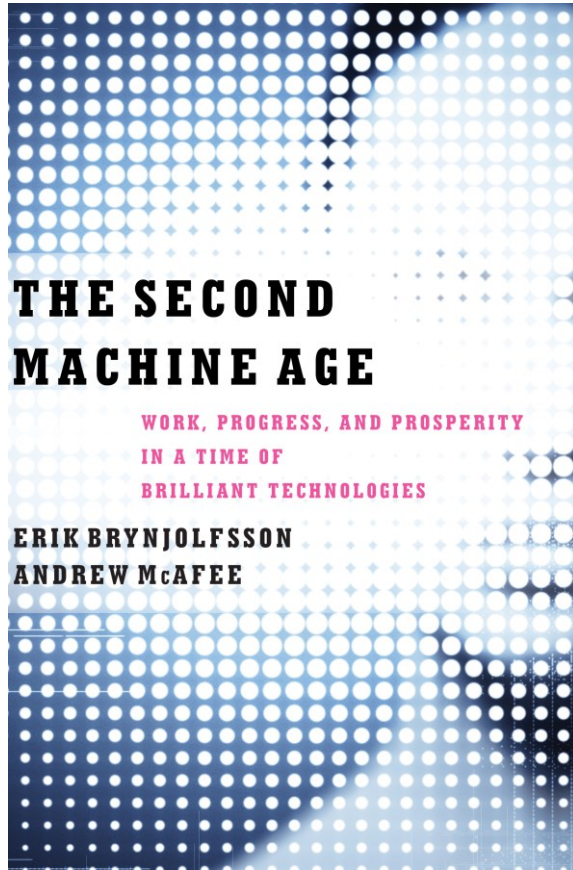


In the future, workers will need to return to learning throughout a 100-year work life.

Human Skills for a 100-Year Work Life



Strada Institute + EMSI. (2018). *Robot-Ready: Human+ Skills For the Future of Work.*



Workforce for the AI-driven Economy

“**Digital technologies** are doing for **human brainpower** what the **steam engine** and related technologies did for **human muscle** power during the Industrial Revolution....

...It's a very big deal. But how exactly it will play out is **uncertain**.”

Andrew McAfee

National Strategies for the AI-Driven Economy

Artificial Intelligence,
Automation, and the Economy

Executive Office of the President

December 2016



Strategy #1: Invest in and develop AI for its many benefits.

- AI for cyber-defense
- Expand diversity in STEM

Strategy #2: Educate and train Americans for jobs of the future.

- From Pre-K to Post-Secondary

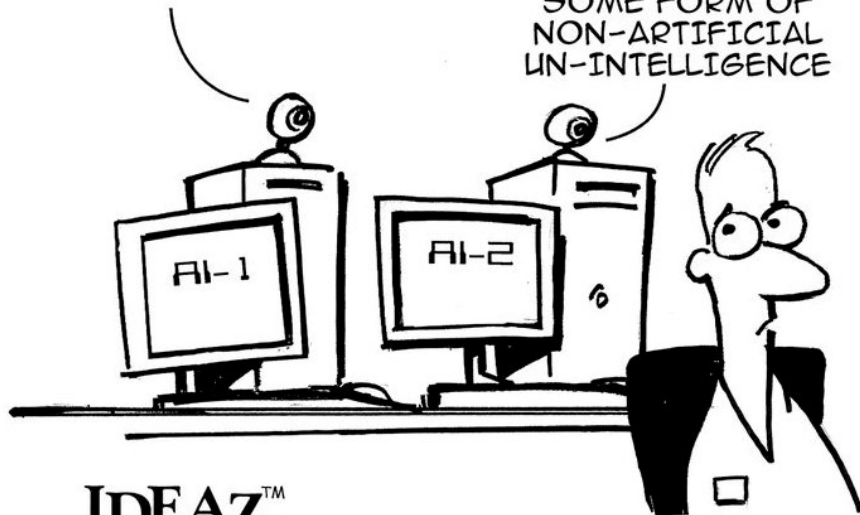
Strategy #3: Aid workers in the transition and empower workers to ensure broadly shared growth.

- Policy interventions to ensure smooth transition to the AI-driven economy

Employment opportunities in the age of intelligent machines

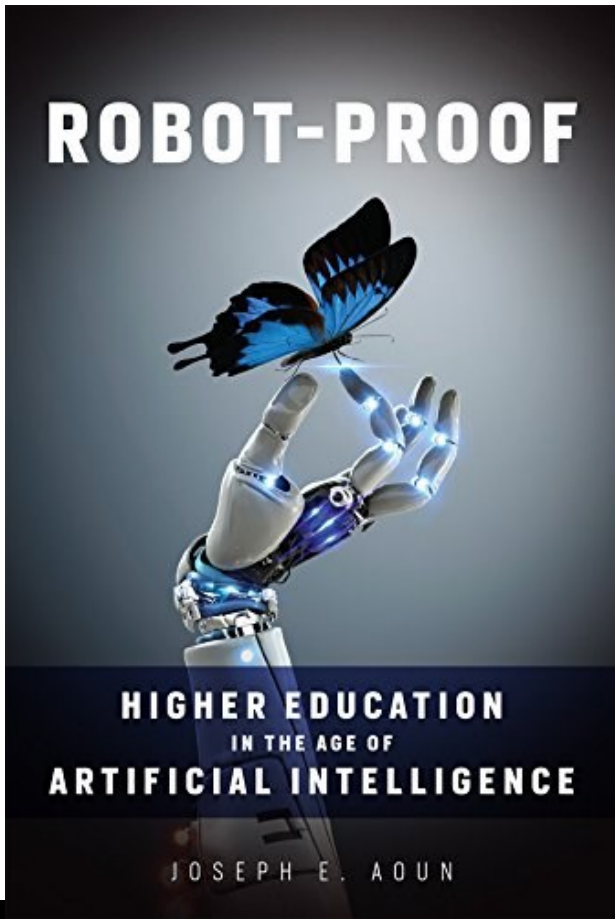
WHAT IS THAT THING SEATED NEXT TO US?

I'M NOT SURE - BUT IT APPEARS TO BE SOME FORM OF NON-ARTIFICIAL UN-INTELLIGENCE



*Employers will increasingly value the soft skills that are the bedrock of a liberal-arts education. It's **not** a matter of shutting down the classics department and turning it into a business degree.*

Matthew Sigelman, CEO of Burning Glass



The dawn of the era of Humanics?

- **Technical ability:** *understanding how machines function and how to interact with them.* Workers with a grounding in coding and engineering principles will be better placed to thrive in this new kind of workplace.
- **Data discipline:** Workers will need data literacy to read, analyze and use the almost bottomless troves of information that are increasingly guiding everything.
- **The human discipline:** *"which is what we humans can do that machines for the foreseeable future, cannot emulate."* In educational terms, this means **less emphasis on the classroom and a greater emphasis on experiential learning.**

Three shifts to the hybrid campus



FEATURE

The hybrid campus

Three major shifts for the post-COVID university

Jeffrey Selingo, Cole Clark, Dave Noone, and Amy Wittmayer

THE DELOITTE CENTER FOR HIGHER EDUCATION EXCELLENCE

A rethinking of the academic portfolio

- Establish a nimble governance approach while maintaining quality
- Deploy next-gen tech and training
- Create new alliances and collaborations
- Revise the academic calendar

A reshaping of campus work, workforce, and workplace

- Rearchitect existing workflows based on leading practices
- Identify the work that is core to your mission
- Develop a robust technology infrastructure
- Build a supporting data structure and analytics tools

Redefining the students' experience for lifetime learning and success

- Build virtual communities
- Create a technology-enabled student experience (e.g., advising, career services, wellness)
- Design new collaboration spaces for students
- Build deeper ties with alumni



Source: Deloitte analysis.

Emerging educational paradigms threaten to disrupt age-old academic models



Why do we keep going about our business assuming that academic institutions will forever be immune to disruption?

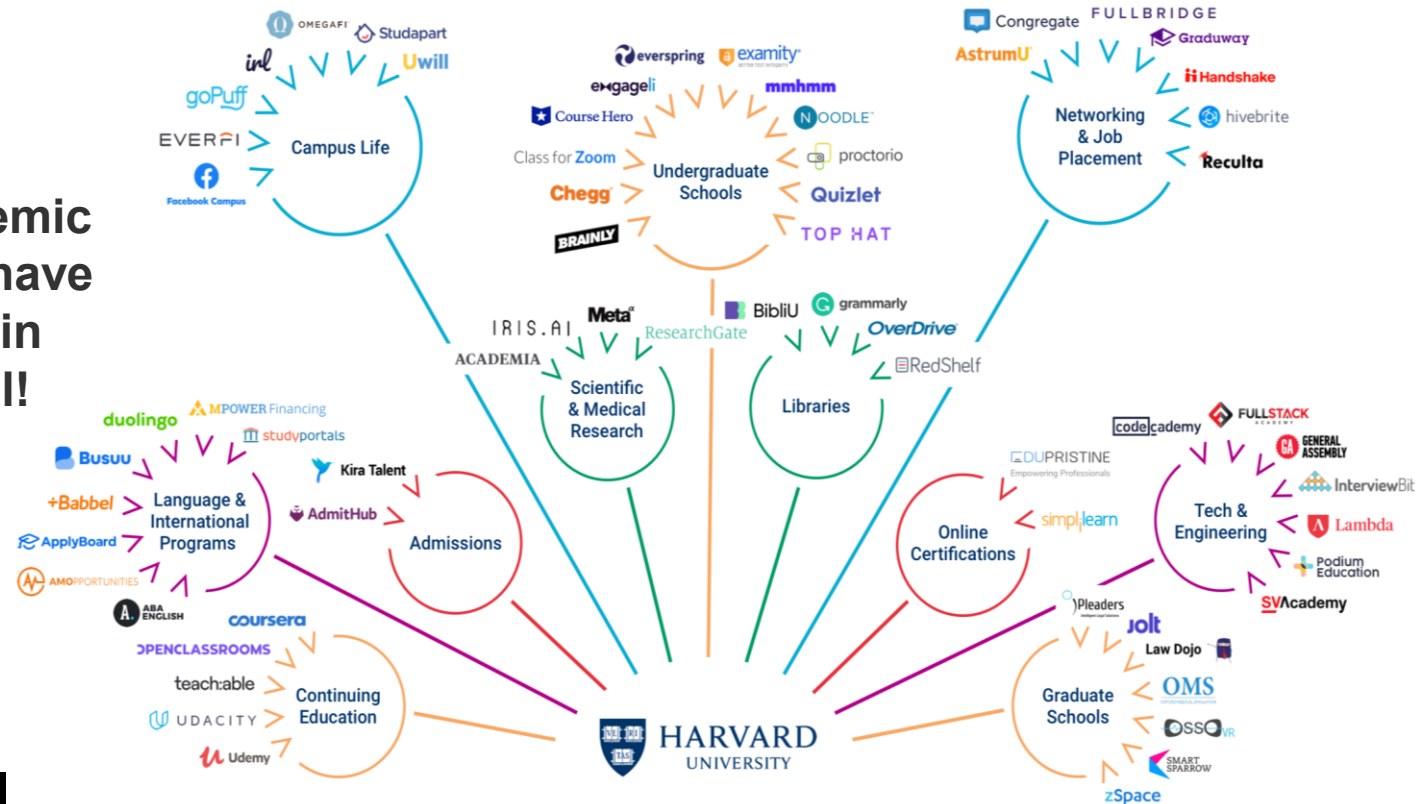
New postsecondary entities will enter the marketplace, driving up competition and driving down prices.

Instead of *going to college to get a job*, students will increasingly be *going to a job to get a college degree*!

UNBUNDLING HARVARD

Companies targeting the traditional university

During the pandemic
edtech startups have
raised billions in
venture capital!

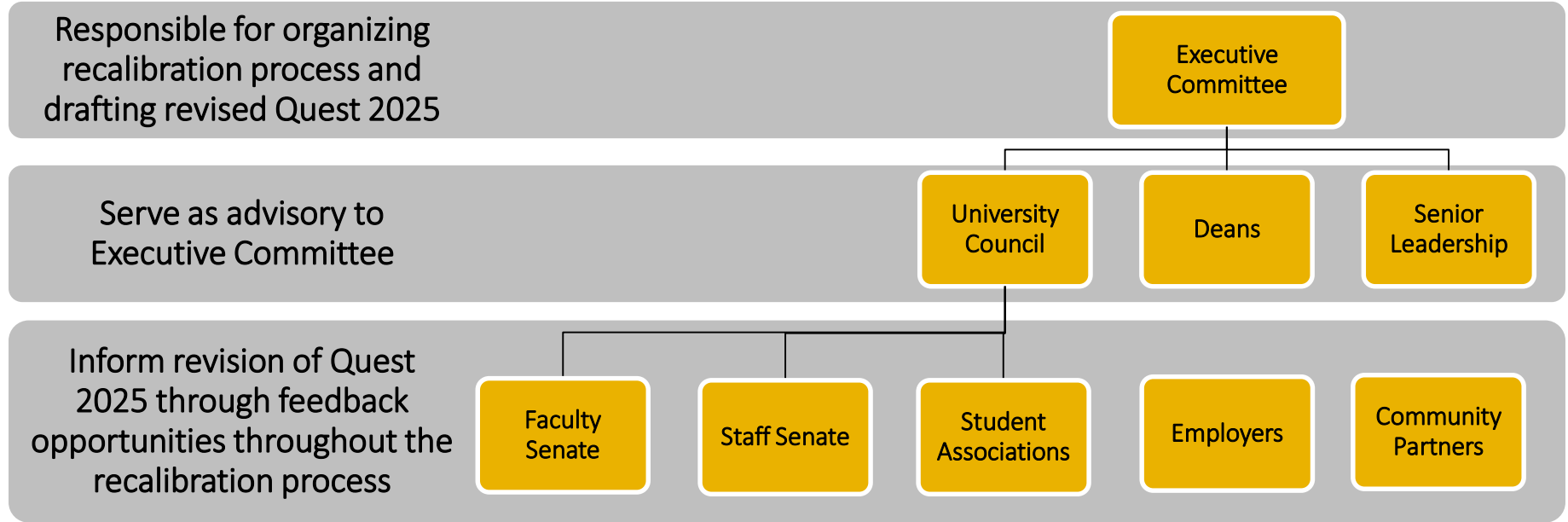


Challenges & Opportunities

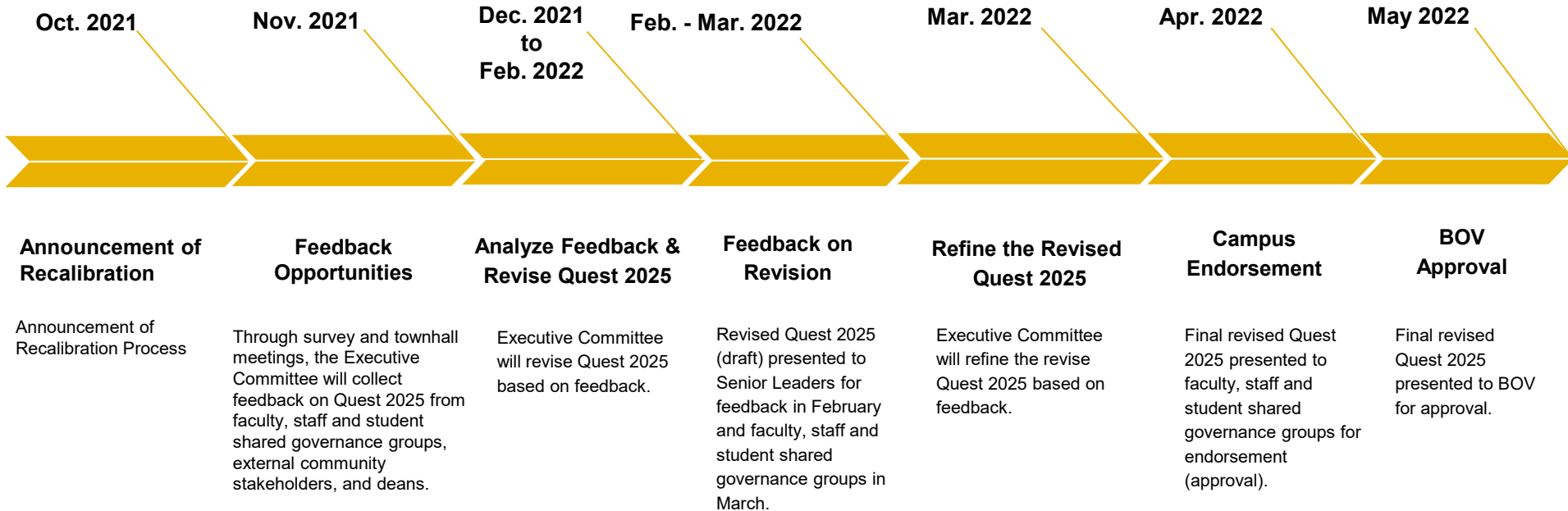
- **Who** are our students and what are **their needs**?
- **What** and **how** we teach to set them up for prosperous and productive careers?
- How do we advance an **impactful cross-cutting research agenda** aimed at societal challenges?
- How do we become a major **driver for economic development** for our community and the state?
- How do we become more effective in weaving **diversity, equity and inclusion** in everything we do?
- How do we advance and quantify **institutional excellence commensurate to our R1 status in everything we do?**

Quest 2025 Recalibration: Campus Engagement

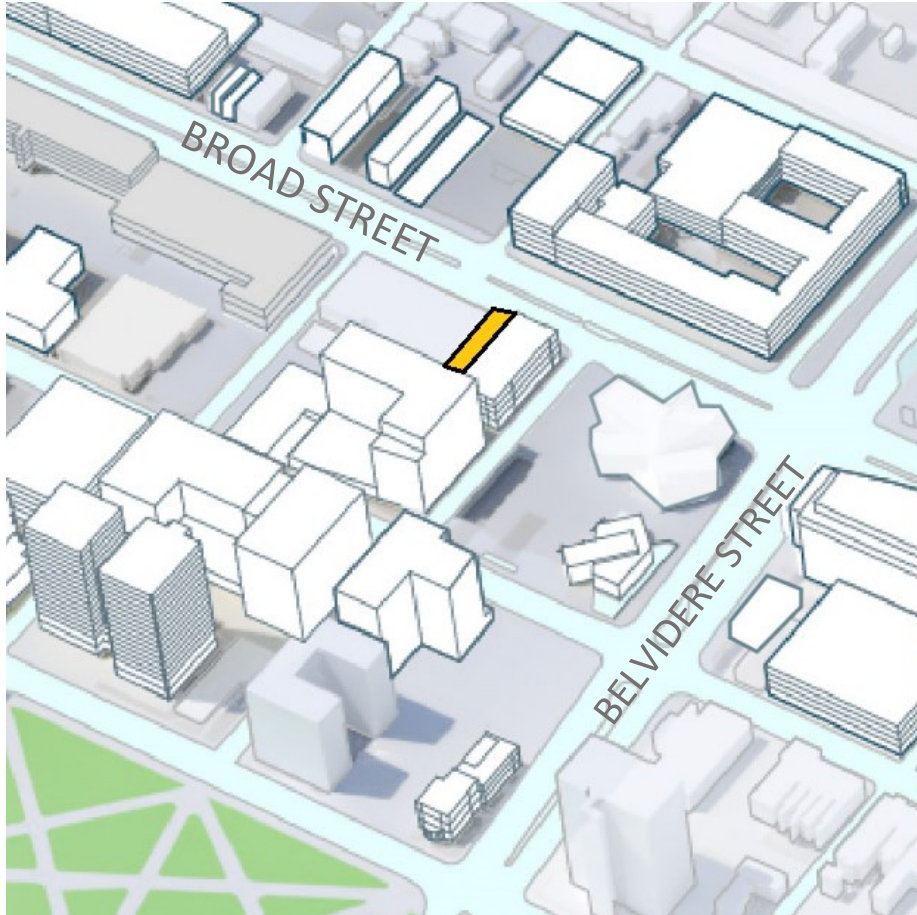
Rationale: To ensure full campus engagement, leverage shared governance groups to inform the revision of Quest 2025, led by an Executive Committee (a subset of President Cabinet Members).



Quest 2025 Recalibration: Timeline



707 West Broad Street



Acquisition of Property, Amendment to the 2020-2026 Six-Year Capital Plan and Funding Authorization

Virginia Commonwealth University Technology Operations Center
707 West Broad Street

Background

Data Center overview

The university has been leasing space since 1996 in the State-owned Pocahontas Building, located at 900 East Main Street, to house the VCU Computer Center. This site operates as the primary data center and network operations hub for VCU on both campuses, as well as serves as the telecommunications hub for VCU Health. As such, this facility directly or indirectly supports all of VCU's and much of VCU Health's critical operations. Examples include safety and security (building access, police cameras, E911, and emergency alerting); Finance, HR, and student systems; Patient Assistance (automated call distribution for VCU Health System Patient Assistance Center, Physician paging); various research systems (Grants and Contracts, multiple centers and institutes), and many others. The facility is also the primary entry point for all internet and telephone connectivity and the primary distribution/routing point for all network and telephone connectivity in VCU's footprint.

Need to vacate

In April 2021, the State informed the university that it must vacate the Pocahontas Building by December 2023 to provide a site for the proposed Virginia Supreme Court Building. To ensure no downtime or loss of IT systems operational capacity at VCU and VCU Health, VCU must replicate the hardware, software, network infrastructure, cabling, etc. of the existing facility into a new facility. The systems will need to be in place in the new facility, tested thoroughly, and fully production-ready before operations can be terminated at the Pocahontas Building, with a goal for completion of December 2023.

Solutions considered

The following four options were analyzed:

- Partner with VCU Health to leverage their current data center facilities.
- Move to a colocation facility, the QTS data center in Sandston, which is the primary facility in central Virginia that offers the level of service we would require.
- Outsource using an Infrastructure as a Service (IaaS) provider where a vendor provides all the server and networking hardware in the cloud.
- Build a new data center facility.

Recommended solution

After conducting a cost-benefit analysis, the recommendation is to construct a facility on what is currently a gravel parking lot adjacent to the Technology Administration Building (TAB.) Both properties are owned by the VCU Real Estate Foundation (REF). TAB is leased to VCU and the parking lot is part of the master parking lease. VCU would purchase the parking lot property

from REF. Because TAB already houses Technology Services staff and serves as one of the hubs of the campus data network, the amount of re-routing fiber and cabling would be minimized.

The primary advantage is that VCU would have control of its data center, network infrastructure and resources and could continue to fund equipment through the Higher Education Equipment Trust Fund (HEETF), making costs more manageable over time.

Other considerations

The construction of a new facility also provides the opportunity to include additional floors for office space that would allow VCU to relocate tenants from 700 West Grace Street, and avoid another costly lease or construction/renovation. The West Grace Street facility can then be demolished to make way for a new Honors College as outlined in the ONE VCU Master Plan and the second biennium of the 2020-2026 Six-Year Capital Plan. This consolidation of offices will reduce the administrative footprint of the impacted departments by approximately 16%. Additionally, the new Computing Center will have a 22% smaller footprint than the current facility.

Costs and funding

The total capital cost of the replacement facility itself is estimated to be \$22,575,000. The one-time operating cost to replace the Computing Center equipment, excluding VCU trade-in value of existing equipment, is \$18,500,000 which is being requested from the State.

Land: acquisition of a 0.128 acre parcel located at 705 and 707 West Broad Street from the VCU Real Estate Foundation.

- Cost - \$375,000
- Funding source - University debt

Facility: construction costs of a new facility adjacent to the current VCU Technology Administration Building.

- Cost - \$22,200,000
 - Data center, four floors - \$15,600,000
 - Two additional floors of office space - \$6,600,000
- Funding source - For the total cost, debt will be issued by the university and the service of that debt will be funded through a combination of Academic, Research, Auxiliary Enterprise, VCU Health and Other sources.

Equipment: to replace servers, data storage devices, network infrastructure, telephone infrastructure, etc.

- Cost - \$18,500,000
- Funding source - Primarily this will be funded through a state appropriation less the residual value of the existing equipment. If there is a balance, the remainder will be funded through Academic, Research, Auxiliary Enterprise, VCU Health and Other sources. There is confidence that the state will support these costs.

Recommendation

Approve the resolution to authorize the acquisition of the Property from the VCU Real Estate Foundation and the funding of the construction of a new facility at 707 West Broad Street and to execute all documents necessary for the acquisition and financing of the property for a total cost not to exceed \$22,575,000 plus associated settlement, due diligence, financing and transactional costs.

Authorize an amendment to include this project in the university's 2020-2026 Six-Year Capital Plan.

**RESOLUTION OF THE BOARD OF VISITORS OF
VIRGINIA COMMONWEALTH UNIVERSITY**

CAPITAL PROJECT [ACQUISITION / CONSTRUCTION] AND FINANCING

WHEREAS, Chapter 23, Title 23.1 of the Code of Virginia of 1950, as amended (the "Virginia Code"), establishes a public corporation under the name and style of Virginia Commonwealth University (the "University") which is governed by a Board of Visitors (the "Board") vested with the supervision, management and control of the University; and

WHEREAS, Title 23.1 of the Virginia Code classifies the University as an educational institution of the Commonwealth of Virginia; and

WHEREAS, by Chapter 10, Title 23.1 of the Virginia Code, the University entered into a "Management Agreement By and Between the Commonwealth of Virginia and The Rector and Visitors of Virginia Commonwealth University" (the "Management Agreement") which was enacted as Chapter 594 of the Acts of Assembly of 2008 which, as amended, classifies the University as a public institution of higher education and empowers the University through the Board with the authority to undertake and implement capital projects and the financing thereof; and

WHEREAS, the Management Agreement requires that the Board authorize the initiation of each Major Capital Project (as defined in the Management Agreement) by approving its size, scope, budget, and funding; and

WHEREAS, the Board has been presented with plans for a Major Capital Project titled the Virginia Commonwealth University Technology Operations Center (the "Project"); and

WHEREAS, the cost of the Project is expected to be approximately \$22,575,000 (the "Project Cost").

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes and approves the Project, including the size, scope, budget and funding of the Project, as described in the materials presented to the Board; and

RESOLVED FURTHER, that the Board hereby authorizes and approves of the incurrence of debt, including interim financing and the refinancing of any interim financing by long-term debt (collectively, the "Bonds") by the University for the financing and refinancing of some or all of the costs of the Project, and the associated amounts necessary for closing costs, capitalized interest, reserves, and related costs (collectively, the "Plan of Finance"), all as determined by the President of the University, the Senior Vice President and Chief Financial Officer of the University, or the Treasurer of the University (collectively, the "Authorized Officers"); and

RESOLVED FURTHER, that the University may issue one or more series of Bonds to undertake the Plan of Finance, may finance the Plan of Finance with other projects of the University that are

approved for debt financing, and may provide for the terms of the financing, including the amount of Project Costs to be financed or refinanced and the maturity dates, interest rates, and tax status of the financing, through the delivery of one or more bond resolutions by the University (each, a "Bond Resolution") with such changes and additions as may be approved by any of the Authorized Officers, consistent with prior practice of the University so that each Bond Resolution may reflect the final terms and conditions of the Bonds; and

RESOLVED FURTHER, the Authorized Officers and their delegates are hereby authorized and directed to prepare disclosure documents or other related materials to be provided to potential acquirers of the Bonds; and

RESOLVED FURTHER, the Authorized Officers are each hereby authorized and directed to approve, negotiate, execute and deliver each Bond Resolution on behalf of the University, and to negotiate, execute, and deliver such other documents as deemed necessary or desirable to facilitate the issuance and sale of the Bonds, including a bond purchase agreement, a continuing disclosure undertaking, and such instruments evidencing the University's approval of the terms and conditions of the Bonds; and

RESOLVED FURTHER, that the Authorized Officers and their delegates are authorized and directed to take all such further actions, including the designation of underwriters, paying agents, remarketing agents, solicitation agents, trustees, and liquidity providers for the bonds, and to execute all such instruments, agreements, documents, and certificates as they shall deem necessary or desirable to carry out the terms of the financing plans presented to this meeting, including any liquidity facilities, swap, swap terminations or other interest rate management agreements associated with the Bonds, and any agreements or modifications to existing agreements with the any University-affiliated foundations relating to the financing of the Plan of Finance; and

RESOLVED FURTHER, pursuant to the Section 147(f) of the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder, the University designates each of the Authorized Officers and the Senior Director, Treasury Services as a public hearing officer to hold any public hearings required to ensure the tax-exempt status of interest on all or a portion of the Bonds; and

RESOLVED FURTHER, this resolution shall represent a declaration of official intent under Treasury Regulations Section 1.150-2, and (1) if the University uses its own available funds to pay some or all of the costs of the Project before issuing any Bonds, each expenditure of its own funds, on the date each expenditure is paid, will be a capital expenditure (or would be with a proper election) under general federal income tax principles or will otherwise comply with the requirements of Treasury Regulations Section 1.150-2(d)(3), (2) the University reasonably expects to reimburse itself for expenditures made to finance the Plan of Finance before the issuance of the

Bonds from the proceeds thereof, and (3) this approach is consistent with the budgetary and financial circumstances of the University; and

RESOLVED FURTHER, that those previous acts of the Authorized Officers and their delegates which are in conformity with the purposes and intent of this Resolution and the carrying out of the financing plans presented herein and hereby are ratified, approved and affirmed; and

RESOLVED FURTHER, that, upon approval, this action shall take effect immediately.