

BOARD OF VISITORS
Student Affairs Committee
President's Conference Room
December 8, 2006
9:10 a.m. – 10:10 a.m.

MINUTES

Mrs. Virginia M. Board presided over the meeting in the absence of Mrs. Viola M. Madison, Chairperson. She called the meeting to order at 9:10 a.m. Roll call indicated that the following Committee members were in attendance and that a quorum was present.

Committee Members Present:

Mrs. Virginia M. Board
Mr. Stanley Green, Jr.
Mr. Donald W. Seale

Committee Members Absent:

Mrs. Viola M. Madison, Chairperson

Other Board Members Present:

Mr. Jack L. Ezzell, Jr., Rector
Mr. Willie L. Brown
Mr. Henry D. Light
Mr. Wade W. Perry, Jr.

Members of NSU Staff Present:

Dr. Carolyn W. Meyers, President
Mr. Larry Curtis, Vice President for Student Affairs
Ms. Pamela F. Boston, General Counsel & Special Asst. Attorney
Mr. Earlie P. Horsey, Executive Director for Planning and Budget
Mr. Ralph W. Johnson, Associate Vice President for Finance
Mr. Anton V. Kashiri, Associate Vice President for Facilities Management
Mrs. Sharon B. Lowe, Assistant Vice President for Student Affairs
Mr. Marty Miller, Director of Athletics
Mrs. Terricita Sass, Associate Vice President for Enrollment Management
Mr. Curtis E. Wall, President of the Faculty Senate
Mrs. Deloris H. Smith, Recorder

Members of Student Body Present:

Mr. Dwayne M. Littlejohn, President, Student Government Association

Others Present (Invited Guests)

Mr. Steve B. Ballard, President, S.B. Ballard Construction Company
Mr. William Fisher, Financial Advisor, Apex Pryor Securities
Mr. Brett Fawsett, Vice President for Commercial Lending, Bank of America
Mr. Kevin Larkin, Senior Vice President, Bank of America
Mr. Ross Wellons, Vice President-Business Development, Ambling University Development Group

1. Approval of Minutes

Mr. Green motioned, seconded by Mr. Seale and unanimously voted by the Committee, to approve the minutes of the October 6, 2006 meeting.

Mrs. Board asked Mr. Curtis to continue the meeting. Mr. Curtis introduced the guests who were invited to the meeting to give a presentation on “Spartan Suites Phase II and Multi-Level Parking Garage. He asked Mr. Ross Wellons, Vice President-Business Development at Ambling University Development Group, to begin the presentation.

2. Information

Phase II Spartan Suites

Mr. Wellons distributed copies the presentation booklet and provided the following background information regarding the project :

- In 2004 Ambling University Development Group and Bank of America partnered with the university to develop and construct Spartan Suites Phase I--600 beds of apartment style student housing. Construction began in late 2004 and the bonds of the transaction closed in early 2005. Since the suites opened, they have been 100% occupied and have been a great success. Initially, this project was categorized as replacement housing to bring the Twin Towers Residence Halls offline. However, due to the popularity of the university and its enrollment growth, the Towers had to remain open to house students. Dialog continued with the university to develop the Phase II project. Through the university’s master plan it was decided that the location for the new housing would be the surface lot adjacent to the existing Spartan Suites housing. The site plan would consist of three additional buildings located in the surface lot next to Norfolk Community Hospital. It is being proposed that additional parking be structured where the hospital is currently located.

Mr. Wellons reviewed the site plan in the presentation booklet and focused attention on the information provided below.

- The main building of the project would be building #100. It would comprise the majority of the amenities of the project as well as apartment style living for students. One of the primary features of this building would be the new residence life offices for the university. The upper three floors of this four-story building would consist primarily of units as well as have study and laundry areas.
- The secondary buildings of the project (there will be two of these) are smaller. However, they would have some of the same amenities (study and laundry areas) as the upper floors of the main building.
- There will be three (3) distinct unit types in this project: (a) one bedroom/one bath primarily used by resident assistants; (b) two bedrooms/one bath (81 of these); and (c) four bedrooms/two baths (86 of these).

Mr. Wellons said that the organizational chart for the project will essentially be the same as it was when Phase I was developed. E2F would act as owner of the improvements through a ground lease with the university for the land. Ambling would be the master developer.

Construction of the project would be SB Ballard Construction. Niles Bolton Associates out of Atlanta would be the designer. Bank of America and Apex Pryor Securities would provide the financing. He said that this is an experienced team that has partnered not only with Norfolk State but with other universities as well to produce these projects.

Mr. Kevin Larkin, Senior Vice President at Bank of America, provided information regarding the financing of the project. He talked about the various challenges involved in proceeding with the project and cited potential solutions for them; the various studies that have been conducted relating to the project and the feasibility of those studies; auxiliary revenues, the university debt service, interest rates and how they impact the project; and gave explained how the university could get the two projects done simultaneously; and gave a brief overview of the numeric description (found on a spread sheet on the last page of the presentation booklet) for accomplishing the same. He also mentioned that there was a budget allocation in the 2006-2008 General Assembly session for a structured parking garage. However, it was an unusual allocation in that it gave the authorization to build it but did not allocate any funds to build it. He explained why this was a challenge.

In response to questions by Mr. Green regarding interest rates used to arrive at the debt service and locking in a rate, Mr. Larkin said that the tax exempt, fixed interest rate used when they first started putting the numbers together was 3.95%. However, the feasibility of all of the numbers on the spread sheet hinges on interest rates, and it is a risk to the feasibility, the affordability, and all of those types of things. The rate of 3.95 is conservative right now with some room. He also said that a rate can be locked in against a higher rate as was done with Phase I, and this is the intent for Phase II.

Mr. Perry asked how the new debt service would affect the institution's ability to borrow money going forward and how this would affect its ability to maintain current operations and prepare for the future. Mr. Larkin responded that it is his understanding that the university is forming a debt policy. He said that there is a lot of pressure coming from Richmond for all universities to develop a debt policy that encompasses not just the university, because all of the debt they are proposing would not be on the university's books because it is *non-recourse*. The Treasury Department in Richmond wants these policies to encompass Foundations as well. He said that from a comparative standpoint, Norfolk State looks very good across the board against its peers in terms of the debt that it has because a lot of its debt is revenue-producing.

Mr. Perry inquired about the term "*non recourse*" that was used. Mr. Larkin responded that in the model used in the financing with the Foundation, the university agrees to support the project. It makes no legal guarantee of any debt payments or anything of that nature. The borrower would be the Foundation. The practical nature of it is that it is a project that would be on state land and there would be a ground lease to the Foundation. From a legal perspective, the way it is written is that the bonds get repaid with the revenues that the students pay. He said that it is a very popular model that has been used all over the country and very extensively in Virginia.

Mr. Lite asked about the ease with which the hospital could be demolished by the end of 2007. Mr. Perry, a former employee at the hospital, provided brief information about the condition of the building and stated that it needs to be demolished. Mr. Green asked if the

cost of the demolition could be included in the loan amount. Mr. Larkin responded that it could and stated that in the numbers that were formulated, the million dollar cost would be financed as part of the project. Mr. Ross added that the million dollars is not just a plug number; cost estimates were done. For further clarification, Mr. Larkin stated that in summary, the bank would lend the Foundation the money to do both the garage and Phase II of the housing (around \$48 million). Until 2012, with existing revenues the Foundation would be able to cover the debt service on both projects. Beginning in 2012, the university, with its excess revenue capacity and debt service capacity that they would pick up from the bonds paying off, would then start paying for the garage on their own.

Mr. Curtis asked Mr. William Fisher, who was the financial advisor for Spartan Suites I, to provide input. Mr. Fisher stated that one of the things he wants to address is the question about how you compare. He said that as a whole, the market is going to look at student demand numbers. A critical factor will be the ability to attract students. In many instances, *facilities* is a factor for Historically Black Colleges and Universities. The legacy of HBCU's is that they continue to do a lot with less (in his explanation he used Grambling University as an example). He said that in the Grambling transaction the demand was still there despite the lack of facilities. And if you improve your facilities, you could actually increase the demand. If you increase the demand, then you will have a higher yield, higher matriculation, higher student quality, etc. Mr. Fisher said that the Norfolk State project, because of the revenue generating, is balance sheet neutral. When you look at both the asset and liability sides of the entire balance sheet, it is not going to have a negative impact on the balance sheet. It would actually have a positive affect on the institution--the affect of what the new facilities would mean in terms of recruitment, retention, etc. He asked the university to give them guidance and let them know what its preferences are, and they will come up with a structure that is going to work for the institution.

In response to a question by Mr. Curtis, Mr. Fisher said that the cost at Grambling was approximately \$35 million for 1000 beds. Mr. Fisher then cited some of the challenges they had with the Grambling project. He said that in looking at the price and the number of beds and the price of the beds, in comparison at Grambling, he would say that they are comparable on a relative basis. He explained why he used the phrase "relative basis."

Dr. Meyers said that she wanted to make it clear to Board members that she does not benchmark against Grambling. Also, the presentation today is for information only and to let the Board know that we are thinking about planning more housing and parking decks. The same thing will be presented to the E2F Board. She said that a lot of expiration needs to be done within the Cabinet before any recommendations are made to the Board. She said that a major concern that she has expressed to both Mr. Curtis and to our guests is that the current trend in higher education is that you have living/learning communities. There are too few living/learning facilities in the layout, but that is something that can be adjusted. That is an example of some of the details that we have to look at. She said that we are still looking at increasing our housing and parking, and this is a very strong proposal to do it, but a lot of the details have to be worked out. Dr. Meyers thanked the guests for coming to the meeting.

Mrs. Board asked about the number of students who are in Phase II. Mr. Larkin responded that there are 522. Dr. Meyers said that is in the floor plan they have. If you take out spaces that are dual used for smart classrooms, it will be less than 522. She added that she does not

think we need to build any residence hall without living and learning facilities in the 21st Century.

Mrs. Board asked if the suites would be open to all classes of students. Mr. Curtis responded that there are three distinct buildings, so that is open. He said that prior to assigning students to the suites, their ability to pay is researched. Housing tries to avoid assigning rooms to students who can not afford to pay and thus would have to move out. Evenso, the leases of 20 students had to be rescinded, but those vacancies were immediately filled with students from the waiting list.

Mr. Curtis said that there is currently a waiting list of 250 females and 175 males for the Spartan Suites. This past fall, 617 students occupied the suites, so the demand is there. We are looking at dividing the seminar rooms that we have in Phase I and using those for classrooms. He added that when you start eating into the number of beds that you have it, you also start eating into your revenue.

Mr. Seale asked if we have a projected timeline for the internal review and the recommendations to the Board. Mr. Curtis responded that the developer has provided us with a timeline which is supposed to be submitted to Richmond. He said we must get approval from E2F as well as the Treasury Board in Richmond. If we want to go on a timeline, we could probably close in March. Mr. Larkin added that the fall of 2008 delivery is a push. He said that both of these projects have to be reviewed at the state level from a design standpoint, which is a fairly long and drawn out process. Mr. Curtis said that as for the feasibility of doing it, we are planning for the future as per the Master Plan and Strategic Plan, as well as preparing for adding 2000 more students to our student body by 2008 and replacing housing that's earmarked for demolition.

Mr. Curtis thanked the gentlemen for coming to the meeting and invited them to stay for the duration of the meeting. He then asked Mrs. Sass to begin her report.

b. Enrollment Management Report/Census

Mrs. Sass began her report by again reminding everyone that in order for us to reach our enrollment target of 8000 students by 2012 or 2015, students have to want to enroll and re-enroll, they have to qualify for admission, and they have to be able to afford to enroll. She continued her report with the following highlights:

Enrollment Data:

- Census was done in October, and fall enrollment totaled 6,238—a 2.3% increase from the fall of 2005 and 143 short of the target.
- A total of 265 students were deregistered for the fall semester.
- The current fall Full-Time Equivalent (FTE) is 5,123.
- The second year freshman retention rate increased from 63% in 2004 to 65% in 2005 and to 68% in 2006

A CD was distributed by Mrs. Sass. She explained that the CD is a link to the Fact Book on the Enrollment Management website.

Mr. Seale asked how the retention percentage that we are seeing today compares to the Commonwealth target for us.

Mrs. Sass responded that the 81% that the state requires by 2014 is a very ambitious goal. Her concern is that the 81% retention rate across the board for particular institutions does not take into account that the institutions are distinctively different. There are external factors that impact student retention as well, and money is a big component for us. She said that we are going to do our best to reach the 81% target set by the state, but it is a very lofty goal for freshman retention. She also reminded everyone that this is not 81% of all students. This is 81% of a freshman cohort—first-time, full-time, degree-seeking students who come in at 18 years old and matriculate to the second fall. That is all they are looking at. We are at currently at 68%. We are trying to get to 70% in the next two years, which is comparable to our competitive peers.

IPEDS Cohort: Fall 2005

- 20% of the students actually moved from a freshman to a sophomore. The other students remained as freshmen.

Freshman Profile

- There was a 5.6% increase in the number of first-time freshmen over last year.
- The mean SAT declined, but this occurred all across the country. The mean high school gpa increased by 2.73%.
- Females comprised 62% of the freshman class.

Freshman Admissions Data

- The group rate was up by 33% even though completed applications were down.
- Total enrollment for fall 2006 increased to 6,238—up from 6,096 in fall 2005.

Financial Aid

- The average unmet financial aid need for the fall was \$4,750. Approximately 2000 students were impacted. For more than half of them the amount was \$2,000. This unmet need is for students who are actually enrolled.

c. Student Government Report

The following information was reported by Mr. Littlejohn:

- Several general assembly meetings were held to hear student concerns and obtain ideas from them to address their concerns.
- A blood drive was held.
- For student relaxation held tailgate and block parties
- Homecoming was very successful. Mr. Littlejohn cited attendance numbers at the various events that were held. Spartan Pride was visible throughout these activities
- A Town Hall Meeting was held with students and members of the administration and staff. Various issues were discussed, and there was a question and answer period.

- Student relations with the campus police have greatly improved. Camera installations are being worked on to enhance safety and prevent vandalism—a major student concern. Police patrols have increased. All of the gates on campus are manned at certain times.
- Students have been encouraged to take more pride in the campus and to do their part to keep it clean. Additional trash receptacles have been placed throughout the campus to help with this initiative.
- The SGA and Spartan Cavalry will be traveling to Atlanta to support the marching band when they participate in the Honda All-Star Band competition in January.
- The annual Valentines Cabaret will be held in February on Spirit of Norfolk
- Spartan Fest will be held in the spring
- Mr. Rick Lee, a Sr. Vice President of Human Resources, and Mr. Matt Henson, an NSU alumnus who works for DELL, will come to the campus to speak to students about job opportunities.

Mr. Littlejohn informed the Board that he resides in the Spartan Suites and that he likes living there. He believes there is indeed a demand for an additional Spartan Suites complex as there is a waiting list for the current suites. He said that there is a need for more housing for students coming into the university each year because a number of students have to be housed in one of the local hotels in the fall until rooms become available to them. He believes that another Spartan Suites would eliminate this problem. He said it is also important that parking be available to residents in the suites and that it should be close to the suites so that students will feel safe. Both would be welcomed by students. In conclusion, Mr. Littlejohn said that he has served as a student ambassador for the Admissions Office and conducted tours for prospective students. He assured the Board that incoming students do indeed pay close attention to campus building facilities.

Mr. Curtis informed Mr. Littlejohn that in the spring, two large rooms in the Spartan Suites would be converted into game rooms that will generate revenue. Mrs. Sharon Lowe, Assistant Vice President for Student Affairs who oversees the Student Activities area, will assist with this initiative.

d. Athletic Department Status Report

Mr. Miller reported the information that follows.

Football Program

- The football season has ended. The team's record does not fully reflect the success of the football program. Attendance increased, and there has been tremendous excitement surrounding the program. Coach Adrian has done an outstanding job.
- Sirius Satellite Radio broadcasted the home game with Florida A&M.
- We have received an inquiry about possibly playing in a classic game in Indianapolis next year. Plans are underway for that.
- Plans are being finalized to play Rutgers University next year. A game guarantee will be received for this.
- Coaches have begun recruiting for next year.

Men's Basketball Team

- The basketball season is underway. The men had a big win over Hampton University.
- Two home games will be broadcast on ESPNU this season.
- In the preseason poll, the team was predicted to finish second this year.

Cross Country Team

- The men's cross country team won their seventh consecutive championship. David Kemboi, an outstanding performer, has been invited to the NCAA cross country championships. This is the first time any cross country runner in the conference has ever qualified for this event.
- Preparations are now underway for indoor and outdoor cross country. Both teams won championships last year.
- Outstanding individuals have been hired to help strengthen the Athletic Department administratively.
- There is a great deal of concern about the academic component of athletics. We are continuing our initiative to improve our graduation and retention rates. The graduation rate continues to increase. The last report received revealed that we are at 38%. Our success rate is 51%.

Mr. Miller concluded his report by stating that overall, the Athletic Department is making tremendous gains and progress. He said that the various programs are expected to be successful and that he believes that they will be. He also believes that Norfolk State sports will lead the conference in all areas of athletics shortly.

Ms. Board thanked everyone for their reports. There being no further business, the meeting adjourned at 10:17 a.m.

Respectfully submitted,

Larry Curtis
Vice President for Student Affairs

Viola M. Madison
Chairperson