

BOARD OF TRUSTEES MEETING

The University of North Carolina at Chapel Hill

The Board of Trustees met in regular session on Wednesday, May 25, 2005 at The Carolina Inn, Chancellor Ballroom East, at 5:10 p.m. Chairman Williams presided.

OATH OF OFFICE

The Honorable James Stanford, Orange County Clerk of Superior Court, administered the Oath of Office to Student Body President Seth Micah Dearmin.

Chairman Williams welcomed Barbara Hyde to the Board meeting. Ms. Hyde will be sworn in as a Trustee at the July Board meeting, along with re-elected Board members Carter, Fulton, Mason, Schwab, and Stallings.

ROLL CALL

Assistant Secretary Brenda Kirby called the roll and the following members were present:

Richard T. Williams, Chairman
Nelson Schwab III, Vice Chairman
Jean Almand Kitchin, Secretary
Timothy B. Burnett
Philip G. Carson
Russell M. Carter
Seth M. Dearmin
John G. B. Ellison, Jr.
Paul Fulton, Jr.
Karol V. Mason
Roger L. Perry, Sr.
A. Donald Stallings
Robert W. Winston

REPORT OF THE JOINT MEETING OF THE BUILDINGS AND GROUNDS COMMITTEE AND THE AUDIT AND FINANCE COMMITTEE

Mr. Perry, Committee Chair of the Buildings and Grounds Committee, reported on the joint meeting of the Buildings and Grounds Committee and the Audit and Finance Committee, which was held prior to the Building and Grounds Committee.

The following items were presented for information only; no formal action was requested at that time.

- Status of Deferred Maintenance/Facilities Operating Budget presented by Jim Alty, Director of Facilities Services.
- Financing the Campus Infrastructure presented by Carolyn Elfland, Associate Vice Chancellor for Campus Services.
- Update on Capital Improvement Plan presented by Dwayne Pinkney, Assistant Vice Chancellor, Finance & Administration.

A copy of each presentation is located at: www.unc.edu/depts/trustees

REPORT OF THE BUILDINGS AND GROUNDS COMMITTEE

Mr. Perry moved ratification by the Board of the following item, which was previously approved by the committee. Mr. Burnett seconded the motion and it carried.

- Designer selection of the following three firms in priority order as listed for the renovation of Medical Research Building 'D' to accommodate the installation of a new Tesla-9 magnetic resonance imaging (MRI) unit.
 1. BJAC Raleigh, North Carolina
 2. Lord Aeck Sargent Chapel Hill, North Carolina
 3. Roughton Nickelson DeLuca Durham, North Carolina

(ATTACHMENT A)

The University of North Carolina at Chapel Hill
Board of Trustees
Minutes – May 25-26, 2005

Mr. Perry requested a motion for ratification of the following two items, which were previously approved by the committee.

- Acquisition by purchase of approximately 3.429 acres of land located at 12276 U.S. Highway 15-501 South, Chapel Hill, Chatham County, North Carolina from The University of North Carolina at Chapel Hill Foundation, Inc. for \$450,000 plus certain carrying costs incurred by the Foundation and to sever and/or demolish any improvements located on the Property.

(ATTACHMENT B)

- Acquisition by purchase of approximately 0.772 acres of land northeast of the intersection of Old Lystra Road and U.S. Highway 15-501 South for a purchase price of \$145,000 plus carrying costs incurred by The University of North Carolina at Chapel Hill Foundation, Inc. for having served as interim financier, including but not limited to certain closing and financing costs incurred by the Foundation, and the costs of removal of any improvements located on the Property, and to sever and/or demolish any improvements located on the Property, if not severed or demolished by the Foundation.

(ATTACHMENT C)

Mr. Carter moved approval for ratification of the above acquisitions by purchase. Mr. Schwab seconded the motion and it carried.

The following preliminary design review item was presented previously to the committee for information only (no formal action was requested at that time):

- Science Complex Phase II, constructing a 31,000 square foot addition to Sitterson Hall and a new 150,000 square foot building to be located on what is currently the eastern portion of the existing Venable Hall site to house new research, faculty offices, and classrooms for the Departments of Computer Sciences, Marine Sciences, and Chemistry.

(ATTACHMENT D)

Anna Wu, Director of Facilities Planning, presented information concerning this project. A model of the project was also provided for review by the Board.

Mr. Perry moved ratification by the Board of the following items, which were previously approved by the committee. Mr. Burnett seconded the motion and it carried.

- Site approval for the Science Complex Phase II and Phase III. Phase II includes an addition to Sitterson Hall and a new building on what is currently the eastern portion of the existing Venable Hall. Phase III, as currently envisioned, sites a future Science Library on the western portion of the existing Venable Hall and a research building on the ROTC site.

(ATTACHMENT E)

- Site approval for a new 12,000 square foot storage building to house an inventory of necessary replacement parts for the Cogeneration Plant. The three-story replacement Cogeneration Plant Storage Building is located within the plant yard west of the emergency coal pile.

(ATTACHMENT F)

The following preliminary design review items were presented previously to the committee for information only (no formal action was requested at that time):

- Cogeneration Plant Storage Building, constructing a new 12,000 square foot three story metal building to house an inventory of necessary replacement parts for the Cogeneration Plant. The building will be served by a freight elevator and overhead crane rail.

(ATTACHMENT G)

- South Building Area Improvements and New Portico for Gerrard Hall, redeveloping the open spaces around South Building, including the South Plaza, Campus Y Court, Gerrard Hall Court, and the small parking area east of South Building.

(ATTACHMENT H)

Ms. Wu presented information concerning this project.

RECESS

Chairman Williams recessed the Board meeting at 6:00 p.m.

RECONVENE

Chairman Williams reconvened the Board meeting at 8:00 a.m. on Thursday, May 26, 2005 at The Carolina Inn, Chancellor Ballroom East and West.

ROLL CALL

Assistant Secretary Brenda Kirby called the roll and the following members were present:

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| Richard T. Williams, Chairman | John G. B. Ellison, Jr. |
| Nelson Schwab III, Vice Chairman | Paul Fulton, Jr. |
| Jean Almand Kitchin, Secretary | Karol V. Mason |
| Timothy B. Burnett | Roger L. Perry, Sr. |
| Philip G. Carson | A. Donald Stallings |
| Russell M. Carter | Robert W. Winston |
| Seth M. Dearmin | |

CONSENT AGENDA

Approval of Minutes

On motion of Ms. Kitchin, seconded by Mr. Schwab, the minutes of the regular meeting of March 23-24, 2005 were approved as distributed.

Ratification of Mail Ballots

On motion of Ms. Kitchin, seconded by Mr. Schwab, the following mail ballot dated April 20, 2005 was approved as distributed:

- Personnel changes for information, personnel changes in Academic Affairs, personnel changes in Health Affairs, and tenured personnel actions.
(ATTACHMENT I)

On motion of Ms. Kitchin, seconded by Mr. Schwab, the following mail ballot dated April 21, 2005 was approved as distributed:

- Acquisition by lease of approximately 4,510 square feet of office space at Carr Mill Mall, Suites C1, C2, D4, and D4a, 200 North Greensboro Street, Carrboro, Orange County, North Carolina from Carr Mill Mall Limited Partnership for UNC-Chapel Hill School of Public Health Leadership Program and External Affairs Development. The lease term is for a two-year period commencing June 1, 2005, or as soon thereafter as possession is taken at an annual rent not to exceed \$76,444.50 or \$16.95 per square foot for year one of the lease term, including utilities and janitorial services. Beginning in year two of the lease, the square footage will reduce to approximately 2,800 square feet with the annual rent to be \$48,816 or \$16.95 per square foot, including utilities and janitorial services.
(ATTACHMENT J)

CHAIRMAN'S REMARKS

Chairman Williams began by welcoming Mr. Dearmin as a member of the Board and again welcoming Barbara Hyde to the meeting.

Chairman Williams congratulated Ms. Kitchin on her recent appointment as Chair of the General Alumni Association Board of Directors.

He recognized Ms. Mason who recently spoke at the departmental ceremony during the commencement for the School of Dentistry, and for representing the Board at the PhD Hooding Ceremony.

Chairman Williams requested Secretary Kitchin read the following resolutions.

**RESOLUTION OF APPRECIATION
FOR
PHILIP G. CARSON**

WHEREAS, Phil Carson joined the Board in 2002 to fill the unexpired term of a departing trustee, and quickly earned the esteem of his fellow Trustees for his long experience with UNC system governance, his ability to cut to the heart of any matter, and his knack for calming the waters;

WHEREAS, Phil Carson steadfastly championed low tuition for North Carolinians, always communicated clearly the principles at stake in this and any other question, and came to be regarded as the conscience of the Board;

WHEREAS, Phil Carson commanded both respect for his principles and admiration for his gentlemanly grace and kindness to fellow Trustees, whether he was in agreement or dissent;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of The University of North Carolina at Chapel Hill congratulates Phil Carson on a job very well done and expresses its deepest gratitude for his exemplary service and leadership.

**RESOLUTION
BOARD OF TRUSTEES
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL
May 26, 2005**

WHEREAS, Philip G. Carson has served the people of North Carolina and The University of North Carolina at Chapel Hill faithfully and wisely as a Trustee of the University; and

WHEREAS, Mr. Carson has ended his service as a Trustee;

NOW, THEREFORE, BE IT ENACTED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL THAT

1. Mr. Carson is elected an Honorary Trustee of The University of North Carolina at Chapel Hill.
2. Those elected to the position of Honorary Trustee of The University of North Carolina at Chapel Hill shall be invited to attend all regular meetings of the Board.
3. Those elected to the position of Honorary Trustee of The University of North Carolina at Chapel Hill shall become members ex-officio of the Board of Visitors.
4. An Honorary Trustee shall cease to hold that position if he or she again becomes a Trustee.

Mr. Burnett moved approval of the Resolution of Appreciation and the Honorary Trustee Resolution for Mr. Carson. Mr. Schwab seconded the motion and it carried. A round of applause was given to Mr. Carson.

Chairman Williams thanked Mr. Carson for his service on the Board.

REPORT OF THE NOMINATING COMMITTEE

Mr. Burnett, chair of the Nominating Committee, presented the following proposed slate of officers for election for the term July 2005 to July 2006.

Nelson Schwab III, Chair
Jean Almand Kitchin, Vice Chair
Russell M. Carter, Secretary

Action on these nominations will take place at the July Board meeting.

Chairman Williams continued his remarks by commenting on the legislative special provisions concerning tuition, scholarships, and the airport. He referred to an op-ed article in the *News and Observer* by a member of the Board of Trustees.

Chairman Williams referred to the Board's retreat that was held last summer at which seven top priorities were identified for the University. It was hoped that the Board would hear a progress report from the Chancellor on those priorities today, but it was decided to hold the report until the July Board meeting due to the heavy schedule of today's meeting.

CHANCELLOR'S REMARKS

Chancellor Moeser deferred his remarks to the Carolina North Update portion of the meeting.

Chancellor Moeser commented on the recent awarding of a General Alumni Association 2005 Distinguished Service Medal to Chairman Williams.

STUDENT BODY PRESIDENT'S REMARKS

Mr. Dearmin commented on some of his goals for the coming year, such as an on-campus voting precinct; involvement in the Association of Student Government and its association with the sixteen campuses of the University System; and wireless on Franklin Street.

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Mr. Carter, Committee Chair, presented the committee's report on the following items, which were presented previously to the committee for information only (no formal action was requested at that time).

- Faculty Chair Judith Wegner reported on the recent faculty bus tour.
- Provost Robert Shelton reported on dean searches for the School of Law and the School of Journalism and Mass Communication. He also reported on the proposed peer listing from the Office of the President and his response concerning the listing. [A copy of the response is filed in the Office of the Assistant Secretary.]
- Jay Anhorn, Director of Greek Affairs, updated the committee on Greek Life at the University. [A copy of the handout material is filed in the Office of the Assistant Secretary.]
- Emil Kang, Executive Director for the Arts, gave a presentation on the Arts Program and the 2005-2006 Season.
- Steve Farmer, Director of Admissions, and Shirley Ort, Associate Provost and Director, Scholarships & Student Aid, updated the committee on the Carolina Covenant. [A copy of the handout material is filed in the Office of the Assistant Secretary.]
- Dick Baddour, Athletics Director, updated the committee on the NCAA Certification Process at the University. The University is in the final stages of this process.
- Peter Coclanis, Associate Provost, International Affairs, introduced two students who spoke to the committee about their involvement in the Study Abroad Program: Stephanie Poole from Efland, North Carolina, and Anh Ly from Marion, North Carolina. Mr. Carter handed out a copy of the Spring 2005 *Carolina Passport* magazine. Ms. Ly is the Editor-in-Chief of the magazine. [A copy of the magazine is filed in the Office of the Assistant Secretary.]

REPORT OF THE AUDIT AND FINANCE COMMITTEE

Mr. Schwab, Committee Chair, presented the committee's report on the following items, which were previously approved by the committee.

- Board of Visitors Elections. Mr. Schwab moved ratification by the Board of the following 45 people to the Board of Visitors Class of 2009. Ms. Mason seconded the motion and it carried. Vice Chancellor Kupec asked for an exception to the Board of Visitors Charter, which states that the incoming class will be limited to 40 new

members. Each year, more than 40 nominees are contacted in order to be assured of 40 acceptances. This year proved to be an exceptional year for acceptances.

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| Jeffrey Alan Allred | Melissa Dixon LeVine |
| Katrina Howard Avery | Donna Curtis McClatchey |
| Ronald Rucker Bagwell | R. Frederick McCoy, Jr. |
| Robert Edward Barnhill III | Natrone Jermaine Means |
| Neil Carmichael Bender | John Thomas Moore |
| Paul Robinson Bitler | Michael Moseley |
| Alice Louise Bordsen | Geoffrey Van Buskirk Parker |
| Gwendolyn "Wendy" Bounds | Karen Lynn Parker |
| Kathryn Virginia Clancy | L. Allan Parrott, Jr. |
| William Grimes Clark IV | Carlos Lavon Pauling |
| Robin Gary Cummings | Amy Thorne Pitt |
| Scott Meredith Custer | T. Lawrence Pollard |
| Martin DeBerardinis, Jr. | R. Alexander Rankin |
| Frederick Mast Dula, Jr. | Thomas Warren Ross, Sr. |
| J. Scott Edwards | Caroline Kearns Scherneck |
| Alan S. Fields | Allison Burnett Smith |
| Jill Silverstein Gammon | Alice Graham Underhill |
| George Royster Greene | Donald Homewood Wagoner |
| Susan Richardson Hauser | R. Tracy Walker |
| Donald A. Holzworth | Sue Anne Harrison Wells |
| Isaac Byron Horton III | Thomas Leonard White, Jr. |
| Jim Turner Inscoe | N. Allen Wilson |
| Suefan Wellons Johnson | |

Mr. Schwab also moved ratification by the Board of Barb Lee as Chair of the Board of Visitors, and Scott Maitland as Vice Chair. Ms. Mason seconded the motion and it carried.

- Ordinance Regulating Traffic and Parking Effective August 15, 2005.
(ATTACHMENT K)

Mr. Schwab moved ratification by the Board of the above item. The motion was duly seconded and carried.

The following items were presented previously to the committee for information only (no formal action was requested at that time).

- Internal Audit Report by Phyllis Petree, Director, Internal Audit.
(ATTACHMENT L)
- Employee Forum Chair Tommy Griffin reported on the effect of cutbacks as they relate to his work department (Maintenance, Facilities Services).
- Report from Matt Kupec, Vice Chancellor for University Advancement, concerning a committee that he serves on through the Office of the President that is looking into the governance and regulation of individual foundations within the University System.
- Carolina First Campaign Update by Paul Fulton. Mr. Fulton reported that the Campaign total now stands at \$1,474,252,489. There have been \$34.6 million in new commitments since the March Board meeting. There are pending proposals totaling \$395,351,415. [A copy of the report is filed in the Office of the Assistant Secretary.]

MOTION TO CONVENE IN CLOSED SESSION

On motion of Ms. Kitchin, and seconded by Mr. Schwab, the Board voted to convene in closed session pursuant to North Carolina General Statutes Section 143-318.11 (a) (1) (to prevent the disclosure of privileged information under Section 126-22 and the following); and also pursuant to Section 143-318.11 (a) (2), (3), (5), and (6).

CLOSED SESSION

REPORT OF THE AUDIT & FINANCE COMMITTEE

William Richardson Davie Award Nominations

Mr. Schwab, Committee Chair, presented the committee's report on the nominations which were previously presented to the Audit & Finance Committee. The awards will be presented on November 16, 2005.

Mr. Schwab moved approval by the Board of the four nominees presented by the committee. Mr. Fulton seconded the motion and it carried. [A copy of the Davie Award information is filed in the Office of the Assistant Secretary.]

Report of the Naming Committee

Matt Kupec, Vice Chancellor for University Advancement, presented naming recommendations which were previously presented to the Audit & Finance Committee and approved by the committee.

Mr. Schwab moved ratification by the Board of the naming recommendations. The motion was duly seconded and carried. [A copy of the Report of the Naming Committee is filed in the Office of the Assistant Secretary.]

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Mr. Carter, Committee Chair, presented the personnel and salary approvals dated May 16, 2005 for the Board's consideration. The actions will be voted on in open session.
(ATTACHMENTS M-N-O-P)

LEGAL ADVICE

General Counsel Leslie Strohm advised the Board on several legal matters.

RECONVENE MEETING IN OPEN SESSION

Mr. Burnett moved to reconvene the Board in open session. Ms. Mason seconded the motion and it carried.

OPEN SESSION

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Mr. Carter, Committee Chair, moved approval by the Board of the following personnel actions dated May 16, 2005, which were discussed earlier in closed session. Mr. Burnett seconded the motion and it carried.

- Personnel changes in Academic Affairs.
(ATTACHMENT M)
- Personnel changes in Health Affairs.
(ATTACHMENT N)
- Tenured Personnel Actions.
(ATTACHMENT O)
- The personnel changes for information did not require action by the Board.
(ATTACHMENT P)

Chairman Williams stated that the personnel and salary actions voted on in open session had been distributed to the press.

CHANCELLOR'S REMARKS

Chancellor Moeser welcomed the audience, including visitors from the community. He acknowledged that Dr. Bill Roper, Dean and Vice Chancellor for Medical Affairs and CEO of the UNC Health Care System, could not attend the Board meeting because of a long-scheduled trip out of the country. The Chancellor also acknowledged that Tom Bacon, Director of the Area Health Education Centers Program, was in attendance, and he

stressed the importance of AHEC to the University. Chancellor Moeser stated that he had visited many of the nine AHEC sites across North Carolina and that AHEC is one of the University's best examples of outreach to the state. He then read the text of a letter of support from Dr. Roper for the expeditious development of Carolina North, a key element of the University's and the School of Medicine's future, and the continued growth and success of the AHEC Program and the vital mission of serving the people of North Carolina through Medical Air Operations and AHEC.

Following are Chancellor Moeser's remarks to the Board.

"This morning, we will discuss a project that may well define our future as a university and will certainly define your leadership.

That project is Carolina North.

With Carolina North, we will create an unsurpassed setting for teaching and learning—learning that begins in the classroom but does not end there.

We will create a place where our faculty and students can engage with business and government to solve some of society's most pressing problems.

We will create a place where our students can experience the thrill of plugging themselves directly into enterprises that drive the economy, improve public health, strengthen public policy, and reshape the ways people work.

We will create a place where Carolina scientists can carry their inventions out of the laboratory and into the marketplace without breaking stride. This is perhaps the most critical issue that we face at this University today as we attempt to be the instrument of transformation of the economy of North Carolina. This is an incredible moment for us as we fully begin to realize our potential in that regard.

At Carolina North, we will create a setting for service, for reaching out to our communities and beyond.

And we will attract to Chapel Hill, like a powerful magnet, some of the world's best thinkers and thoughtful entrepreneurs. We've already developed on this campus a strong commitment to entrepreneurship. As you know, we're one of seven Kauffman Foundation-identified entrepreneurial universities.

We will do all of these things, so that Carolina North becomes a boon for the local economy and the entire state as well as a vibrant new setting for our citizens across the state and beyond to interact with their University.

This is what our future can be. To make sure it is a future that takes shape appropriately, we have a responsibility to our local community, to work in concert with its leaders, to listen to our fellow citizens, to make our adventure their adventure too.

At the same time, we have a responsibility to the state to accelerate North Carolina's economic transformation in a global economy that is powered by knowledge.

The state's need is urgent today and will become only more pressing in the future. The University needs room to grow in a new era. Researchers need facilities. Carolina North will meet those needs and set a new standard for excellence as a model community for living and for learning—progressive in its structure, respectful of its environment, socially and economically diverse, and teeming with ideas. We have an opportunity here to set a new standard of excellence, commitment, and sustainability to ecology, to integrated living and learning.

Any one of us can think of reasons to hesitate, to balk at the hundreds of questions a project like this will pose. We can debate forever about the number of parking spaces, or how the streets will run, or how many minutes we will lose if we have to drive to RDU to catch a plane. I am not minimizing these questions. These are all worthy topics, ripe for discussion. But, if we allow them to divert us from the responsibility we have to move this University forward, we will be asking generations of students, faculty, and citizens to settle for second best. This is a tipping point in the future of our state, and we're at a critical moment. That is not our role to step back and settle for second best.

In a few moments, Vice Chancellor Waldrop will tell you about the prospects for our research programs and about a study of Carolina North's projected economic impact. Then you will hear Talbert and Bright's comprehensive presentation about the search for an alternate airport site to serve the crucial needs of AHEC and general aviation locally—a very important issue.

We are going to drown you with detail today, so I thank you in advance for your attention. What you will hear today and the direction you give us as a result of these presentations is critical to the future of the University.

One of my close friends said to me last week that it would be a big mistake to stake my legacy on Carolina North – that my legacy is the fact that, in seven years, we have built 20 years worth of construction on this campus. But what we have done with our current building program is simply catch up with the backlog of projects and, in doing so, we've caught up with the 20th Century. Carolina North is our opportunity to enter the 21st Century.

I believe Carolina North is more than real estate, more than bricks and mortar. It will be the most important new endeavor this University undertakes in our lifetimes.

So, we must be thoughtful stewards—not only of this property—but of the idea and ideals of this property—what it can mean to this University and to this state—a platform for amazing discovery and innovation and meaningful outreach.

On our campus today, we are nearing the full build-out of our campus master plan. If we are to continue to build upon our mission, we must look beyond the current campus. If our campus leaders had been content to maintain the status quo in 1800 or 1900, then McCorkle Place would be the boundaries of Carolina's ambition. There would be no Morehead Planetarium, no Smith Center, no School of Government, no UNC Hospitals.

In and of themselves, these structures are not important, some would argue. But as the vessels of the mission of this University, they are invaluable.

Carolina North is just as vital to this University's future as everything south of Cameron Avenue, everything south of South Road. It is our future.

That is why we have taken such a deliberative approach. Our next step is to engage in discussion, to listen, to collaborate with citizens and the towns, and to create the likelihood of the best possible Carolina North.”

CAROLINA NORTH UPDATE – ECONOMIC IMPACT STUDY

Chancellor Moeser introduced Tony Waldrop, Vice Chancellor for Research and Economic Development, who gave a presentation on the economic impact study of Carolina North. Carolina North will enable the University to continue to be a leading public research university in an increasingly competitive environment, will help North Carolina be a force in the new economy, and has important long-term and far-reaching benefits for its local communities, the region and the State of North Carolina.

Vice Chancellor Waldrop introduced the following members of the faculty who spoke of their interest in being able to locate at Carolina North.

- Donna Bryant, Associate Director of the Frank Porter Graham Child Development Institute and Senior Scientist.
- Timothy S. Carey, Professor of Medicine and Social Medicine, School of Medicine, and Director, Cecil G. Sheps Center for Health Services Research.
- Margaret B. Dardess, Interim Dean, School of Public Health.
- Daniel A. Reed, Chancellor's Eminent Professor, Director of the Renaissance Computing Institute, and Vice Chancellor for Information Technology and Chief Information Officer.

A copy of Vice Chancellor Waldrop's presentation is located at: www.unc.edu/depts/trustees

**INTRODUCTION TO THE CONSULTANTS PRESENTATION CONCERNING
CAROLINA NORTH**

Nancy Suttentfield, Vice Chancellor for Finance and Administration, provided context for the extended presentation to be presented by Talbert & Bright, Inc., an aviation engineering and consulting firm. Vice Chancellor Suttentfield commented to the Board as follows:

“We know that you value both Carolina’s research mission and its public service mission, and we know that you believe that neither should be diminished. For the remainder of today’s formal presentation, we want to focus on the extensive work that has been done to enable MedAir for AHEC Programs to continue to operate effectively.

Although we frequently hear others use the terms MedAir and AHEC interchangeably, they are not different names for the same program. This report will stress that MedAir support is a component that enables convenient travel for a subset of health affairs faculty to carry out AHEC’s continuing education and clinical programs.

For the last three years, we have been engaged in an exhaustive study to evaluate alternatives for MedAir Operations. This work was carried out for us by an engineering firm that specializes in planning, design, and development of airports—Talbert & Bright, Inc. They completed their study in three separate phases.

1. An initial survey and review of sites within an area that would be eligible for federal funding, yet be no more than 25 minutes away from UNC Hospitals. This was an area that covered approximately 108 square miles in western Orange County and northern Chatham County. This initial phase involved setting criteria for a detailed evaluation and then ranking each of the potential sites that were identified in this area. Later in this phase, we broadened the survey area to look beyond Orange and Chatham Counties to the eastern portion of Alamance County.
2. After conclusion of the first phase, it was determined that the study would not be complete without also revisiting the possibility of collocating Carolina North and Horace Williams Airport based on the earlier 2000 Horace Williams Master Plan.
3. This phase addressed a special question about the estimated additional time and potential inconvenience to AHEC’s frequent flyers if MedAir were to relocate to Raleigh-Durham.

The consultants from Talbert & Bright are here today to describe to you the methodology that they used for their study and the results of the evaluations that they completed for us. Although it’s very difficult to condense three years’ worth of study that involves many complex factors into a few hours, we do encourage you to ask your questions as we move along, and we welcome the opportunity to discuss this study.”

Vice Chancellor Suttentfield introduced Mr. Steve Bright, one of the two principals of Talbert & Bright.

CONSULTANTS PRESENTATION CONCERNING CAROLINA NORTH

Mr. Bright presented background information on Talbert & Bright, Inc., which is primarily an airport consulting firm. Their primary service area is the Mid-Atlantic Coast—Maryland, Virginia, North Carolina, and South Carolina. They have offices in Wilmington, North Carolina; Charlotte, North Carolina; Richmond, Virginia; and Columbia, South Carolina. They are currently engineers for approximately 75-80 airports. Their staff has worked on over 130 airports in this region. Some work is done at large commercial service airports; however, the great majority of their work is in small general aviation airports that have runways from 4,000 to 5,500 feet, which are very similar to Horace Williams and similar to the potential replacement airport identified in our study.

Mr. Bright introduced Amy McLane, a certified professional engineer, for her report on the results of a three-year study of possible alternate airport sites to accommodate Medical Air Operations (MedAir).

Ms. McLane stated that the tasks assigned to Talbert & Bright were to:

- Identify a potential replacement airport site
- Review the 2000 Horace Williams Development Plan encroachments on Horace Williams Airport
- Review travel time/cost increases if MedAir Operations were relocated from Horace Williams to RDU Airport

She gave a slide presentation related to the above tasks. A copy of the presentation is located at: www.unc.edu/depts/trustees

DISCUSSION CONCERNING THE CAROLINA NORTH PRESENTATION

Vice Chairman Schwab stated the following. “From my perspective, the Board is being asked to weigh two priorities of the University. The airport versus a Carolina North development and to collocate, there’s a \$60 million differential there, that if we are to keep it as is with some enhancements, it’s going to cost us \$60 million of taxpayer money, of endowment money, we don’t know where; but that’s the differential. We have to affirm our support for AHEC and talk about the long-term viability of it. We want to provide service to the state.”

Tom Bacon, Director of AHEC Support, responded that the critical issue for the future is looking at MedAir’s vision for outreach to the state through its health science schools in partnership with AHEC and to make sure that we, as a campus and system, continue to invest in that vision.

Ms. Mason assured Mr. Bacon that the Board supports the mission and the service component of what AHEC does.

In response to Mr. Carter’s suggestion that the AHEC analysis and the Carolina North analysis are in absolute direct contradiction, Mr. Burnett commented as follows: “No one thinks that AHEC is not hugely important. It has been enlightening today to find out how much MedAir is the total AHEC operation. It has been enlightening to see how few people would be inconvenienced by relocation—a very small number. I think they’re incompatible and I don’t think keeping the airport open for any extended period of time serves this University as a whole and I think we as Trustees have a huge obligation to make the most we can out of that almost 1,000 acres, which is the last piece of land we’ll have for the next 200 years. An airport consumes a huge amount of land, and yet this is the prime cut of what we’ve got as a University to grow and continue our mission. The flattest, cleanest, and clearest land there has to be used for the overall mission of this University.

Vice Chairman Schwab commented as follows: “To follow up on that, I’ve written down in my own mind what some of those points might be as a way of putting it on the table in order to get to a resolution.

- We would strongly endorse the vision for and the urgency of Carolina North as being critical to the education, research, and service mission to the University, as well as the economic well being of the state.
- We would affirm and value the services of AHEC that they provide to the people of North Carolina and we’re committed to preserving and enhancing this support.
- We believe that continued long-term use of Horace Williams Airport represents an impediment to the start of Carolina North; and that after we have weighed all the alternatives, we recommend the closure of the airport and the relocation of MedAir to Raleigh-Durham. The Board intends to keep the airport open and not move MedAir to RDU until the construction of Carolina North begins, or whenever negotiations with AHEC feels it’s appropriate to move.
- We would be willing to assist a sponsor in its search for a new airport.”

Chairman Williams stated that those points were pretty succinct and asked if there was any further discussion by the Board on this matter.

Mr. Stallings stated that even though he’s probably more pro airport than anyone he knows that Horace Williams Airport can’t hold up the progress of the University. The 1,000 acres is all the University has and that’s why we need to be sure that what is put on it is the right thing to put there.

Mr. Winston stated his appreciation to the Chancellor and the staff involved in the reports to the Board. They give a clear picture of what the issues are and give the public a clear picture of how a decision will be made today on the issue.

Chairman Williams agreed with Mr. Winston's statement and thanked Talbert & Bright for their work in preparing their study.

Mr. Perry commented that in this day and time prudent land use and prudent stewardship of land and, therefore, prudent evolution of Carolina North are very much tied to a residential component. To have meaningful housing available for faculty, graduate students, and people who work in Carolina North is a critical part to making it as good as it can be. The people at Centennial Campus at North Carolina State University say the one thing they would most like to have that they don't have is residential.

Vice Chairman Schwab moved that the Board of Trustees strongly endorse the vision for and urgency of Carolina North as being critical to the education, research, and service missions of the University and to the economic well being of the state; we affirm and value the services that AHEC provides to the people of North Carolina; and we are committed to preserving and enhancing the important work of AHEC. We believe that the continued long-term use of Horace Williams Airport presents and impediment to the start of Carolina North and after carefully weighing the alternatives, we recommend closure of the airport and the relocation of MedAir Services to Raleigh-Durham International Airport. The Board further intends to keep the airport open and not move MedAir to RDU until construction of Carolina North is ready to begin. Finally, the University pledges its willingness to assist a sponsor in a search for a new airport. Mr. Burnett seconded the motion and it carried.

Chancellor Moeser thanked the Board of Trustees for a very important movement forward of the University in the 21st Century saying that this is a very important date in the history of the University. He thanked the Board for a very enlightened discussion and echoed his thanks to the staff and consultants in their preparation of the study presented today. To the people of the community who were present at the meeting, he stated that he would like to think that this is the beginning of a collaborative relationship with the people of Chapel Hill and Carrboro in moving this project forward.

DEEP EXECUTIVE CLOSED SESSION

Chairman Williams convened the Board in Deep Executive Closed Session to discuss a personnel matter.

RECONVENE MEETING IN OPEN SESSION

Chairman Williams reconvened the Board in open session.

OPEN SESSION

RESOLUTION IN SUPPORT OF CAROLINA NORTH

Copies of the finalized resolution were distributed to the Board for their review. The resolution follows:

WHEREAS, Carolina North is The University of North Carolina at Chapel Hill's planned living and learning campus, designed to expand Carolina's multiple missions, boost innovation and redefine the University's engagement with the region and the state, and

WHEREAS, the University's research enterprise already fuels economic activity for the state, and the University strives to build upon that at Carolina North, attracting private companies to partner with University faculty and transforming research into products and services to improve quality of life, and

WHEREAS, Carolina North will be a catalyst for the economic transformation of our state, generating jobs and tax revenues, and

WHEREAS, the University values the service its Area Health Education Centers (AHEC) Program provides to the people of North Carolina and is committed to maintaining that service, and

WHEREAS, the University has conducted an extensive study to identify alternative airport sites for Medical Air Operations and has determined that Raleigh-Durham International Airport meets the criteria of accessibility, cost effectiveness and timeliness.

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees strongly endorses the vision for and urgency of Carolina North as being critical to the education, research and service missions of the University and to the economic well-being of the state, and

BE IT FURTHER RESOLVED that the Board of Trustees affirms and values the services that the Area Health Education Centers (AHEC) provides to the people of North Carolina and is committed to preserving and enhancing the important work of AHEC.

BE IT FURTHER RESOLVED that the Board of Trustees believes that the continued long-term use of Horace Williams Airport presents an impediment to the start of Carolina North, and that, after carefully weighing the alternatives, we recommend closure of the airport and relocation of Medical Air Operations to Raleigh-Durham International Airport. The Board further states the University's intention to keep the airport open and not move Medical Air Operations to RDU until construction of Carolina North is ready to begin.

BE IT FURTHER RESOLVED that the University pledges its willingness to assist a sponsor in a search for a new airport.

ADJOURNMENT

There being no further business to come before the Board, Ms. Mason moved adjournment of the meeting at 2:30 p.m. Mr. Carter seconded the motion and it carried.

Assistant Secretary