

Minutes are intended to note (a) the date, time and place of the meeting; (b) those members of the public body who were present and those who were absent; and (c) the substance of all matters proposed, discussed and/or action was taken on. Minutes are not intended to be a verbatim report of a meeting. An audiotape recording of the meeting is available for inspection by any member of the public interested in a verbatim report of the meeting. These minutes are not final until approved by the Board of Regents at the March 2015, meeting.

**BOARD OF REGENTS* and its
INVESTMENT AND FACILITIES COMMITTEE
NEVADA SYSTEM OF HIGHER EDUCATION**

Student Union, Ballroom A
University of Nevada, Las Vegas
4505 S. Maryland Parkway, Las Vegas
Thursday, December 4, 2014

Members Present: Mr. Kevin C. Melcher, Chair
Mr. Michael B. Wixom, Vice Chair
Dr. Mark Doubrava
Dr. Jason Geddes
Mr. James Dean Leavitt

Other Regents Present: Mr. Rick Trachok

Others Present: Mr. Daniel J. Klaich, Chancellor
Mr. Vic Redding, Vice Chancellor, Finance and Administration
Dr. Marcia Turner, Vice Chancellor, Health Sciences
Mr. Nicholas Vaskov, System Counsel and Director of
Real Estate Planning
Mr. Scott Young, Deputy Chief of Staff to the Board of Regents
Mr. Jamie Hullman, Director of Finance, NSHE
Dr. Stephen G. Wells, President, DRI
Dr. Mark A. Curtis, President, GBC
Mr. Donald D. Snyder, President, UNLV
Dr. Marc A. Johnson, President, UNR
Mr. Chester Burton, President, WNC
Ms. Wendy Walker, Cambridge Associates
Mr. John Midby, Midby Companies
Mr. Sam Lieberman, Regent-elect

Faculty senate chairs in attendance were Mr. Stephen Theriault, GBC; Mr. Eric March, System Administration; Mr. Ron Marston, TMCC; and Mr. Chuck Price, UNR. There were no student body presidents in attendance.

For others present, please see the attendance roster on file in the Board office.

Chair Kevin C. Melcher called the meeting to order at 3:48 p.m. with all members present.

1. Information Only-Public Comment – None.

2. Approved- Consent Items – Consent items were considered together and acted on in one motion.
 - 2a. Approved-Minutes – The Committee recommended approval of the minutes from the September 4, 2014, meeting (*Ref. IF-2a on file in the Board office*).
 - 2b. Approved-Easement at Main Station Field Laboratory - UNR – The Committee recommended approval of an easement at the Main Station Field Laboratory and related purchase and sale agreement for the appraised value of \$7,850 (*Ref. IF-2b on file in the Board office*).
 - 2c. Approved-Resolution Authorizing Sale of Real Property APN #021-030-07, Washoe County, Reno - UNR – The Committee recommended approval to sell the Regional Transportation Commission 3.58 acres of real property, Parcel #021-030-07, Washoe County, for \$20,000, as well as the approval of a Resolution authorizing the Chancellor, or his designee, to execute the sale and all associated documents (*Ref. IF-2c on file in the Board office*).
 - 2d. Approved-Termination of Lease for 145 College Drive, Reno - UNR – The Committee recommended approval for termination of the Lease Agreement for 145 College Drive, Reno, Nevada, between T.S.T.H., LLC and the Board of Regents (*Ref. IF-2d on file in the Board office*).

Regent Geddes moved approval of the Consent Agenda. Regent Doubrava seconded. Motion carried.

3. Approved-University of Nevada School of Medicine (UNSOM) Lease with Option to Purchase 1701 W. Charleston Blvd., Las Vegas (Agenda Item #6) – UNR – The Committee recommended approval of a lease for approximately 58,000 square feet at 1701 W. Charleston Blvd., Las Vegas, NV, for a term of eight years and eight months, with an additional five year renewal option and an option to purchase (*Ref. IF-6 on file in the Board office*).

Dr. Thomas L. Schwenk, Dean, UNSOM, and Vice President, Division of Health Sciences, UNR, explained the reason for leasing the 1701 W. Charleston Blvd. building is because it became apparent the space currently occupied in the 2040 W. Charleston Building, leased from UMC, has become untenable from a quality/safety issue. The way the school represents itself to faculty candidates being recruited in Las Vegas, the resident applicants applying to residency programs, the conference and teaching facilities presented to medical students – the UMC space is no longer acceptable both aesthetically and from an education perspective. Major renovations were considered but an agreement with UMC could not be reached. The cost for appropriate safety and health improvements would have been approximately \$6.0 million and lease terms were not favorable.

3. Approved-University of Nevada School of Medicine (UNSOM) Lease with Option to Purchase 1701 W. Charleston Blvd., Las Vegas (Agenda Item #6) – UNR – (continued)

Dean Schwenk said the W. Charleston building is larger, has lower lease costs per square foot and other significant improvements because of the length of the lease. The building keeps the faculty members close to UMC, and the proposal is extremely favorable both academically and financially. Dean Schwenk pointed out the lease would be an NSHE commitment to Las Vegas faculty members who are UMC based. He felt transitions will take place over the eight years through joint appointments and the growth of the UNLV School of Medicine along with its responsibility for UMC programs, but space requirements will continue and it seems likely UNLV would assume responsibility for the space at some point.

Dean Schwenk noted Dr. Barbara Atkinson, Planning Dean of the UNLV School of Medicine, has endorsed the quality of the space and the proposal. He felt it is a System issue and System commitment to faculty members based in Las Vegas at UMC.

Regent Geddes moved approval of a lease for approximately 58,000 square feet at 1701 W. Charleston Blvd., Las Vegas, NV, for a term of eight years and eight months, with an additional five year renewal option and an option to purchase. Vice Chair Wixom seconded.

Regent Doubrava understood and appreciated the need for the space for the members. He felt the 2040 W. Charleston Building has not been adequate for the School of Medicine for 10 to 20 years. Vice Chair Doubrava did not understand the eight year lease as opposed to a five year lease because there is so much transition and change taking place, with an unknown and uncertainty. He would appreciate if there were flexibility worked into the potential lease and is concerned with an eight year NSHE lock-in. Regent Doubrava thought the payment structure was unclear. Dean Schwenk clarified the lease would be paid for by the School of Medicine and the practice plan.

Regent Doubrava wondered about the practice plan going through changes over the next few years. He urged to give thought to what would happen if the UNSOM practice plan were to shrink and the UNLV practice plan would be generated or created. Dean Schwenk thought the eight years was necessary to get the most favorable terms. He felt, regarding the practice plan and transition, the physician faculty members in Las Vegas are very UMC centered. The transition and morphing will take place in that complement of physicians with a commitment to UMC from UNSOM and eventually UNLV. Who is signing the checks may change, but it does not change the people occupying the space for the sake of programs which are UMC centered. There may be some technical and other issues, such as sub-letting, but it is still a commitment by the System as a whole to people who will remain there one way or another.

3. Approved-University of Nevada School of Medicine (UNSOM) Lease with Option to Purchase 1701 W. Charleston Blvd., Las Vegas (Agenda Item #6) – UNR – (continued)

Regent Doubrava wondered how this plays to the potential affiliation agreement with Mountain View Hospital and the intentions of what kind of leasing or medical education space might be interesting there. Dean Schwenk reported there have been discussions with Mountain View with the potential for a medical education building there, which would be an entirely separate group of faculty members. It is possible positions would be created there to which current faculty members would apply, but it is a separate set of programs and faculty members. He thought it was clear, over time, the physician faculty members in Las Vegas from UNSOM are very UMC centered. The disciplines speak to the nature of the population at UMC. Dean Schwenk saw Mountain View as separate.

Regent Doubrava looked at the lease and saw an opportunity to synchronize the leases that UNSOM has in southern Nevada to allow a smoother potential transition. He asked for the Committee's opinion about the eight year lease. Regent Geddes felt the two deans have worked out a plan, which he supports, to co-exist and transition to move things forward for starting a new school which will take time and, as long as it is an NSHE lease, the details can be worked out going forward.

Regent Leavitt wanted to be sure the lease is an UNSOM lease, not NSHE. Vice Chair Wixom explained the leases are signed by the Chancellor as an officer of the System. The lease is recommended by UNSOM, but the lease is with NSHE. Mr. Nicholas Vaskov, System Counsel and Director of Real Estate Planning, clarified all leases are entered into on behalf of the System as a whole and the signatory is the System itself. Despite the fact of being an NSHE lease, it allows a fair degree of flexibility of how the space is used. The lease could be assigned to other NSHE institutions and to other affiliated entities. Mr. Vaskov said if another practice plan was established it could be assigned there freely. Regent Leavitt is supportive of the lease as long as assurances were made to have the shortest lease possible. He has complete confidence in both deans working together. The uncertainties will be there, but none to give pause. He also wanted consideration given to Regent Doubrava's concern about locking in the lease.

Vice Chair Wixom felt the length of the lease was taking the middle ground which was appropriate. The tenant improvements would not have been recovered with a five year lease. He noted flexibility was built in and the System has control. Chair Melcher felt the lease was well discussed between the two schools and deans, and beneficial for moving forward to medical education in Nevada.

Motion carried. Regent Doubrava voted no.

4. Approved-Memorandum of Understanding (MOU) for Development of Proposed Student Housing – UNLV (Agenda Item #3) – The Committee recommended approval of the Memorandum of Understanding (MOU) with University Park, LLC, an affiliate of the Midby Companies, regarding a proposal to collaborate with UNLV on a project to develop and operate student housing at what is currently known as the University Park Apartments (*Ref. IF-3 on file in the Board office*)

Mr. Gerry Bomotti, Senior Vice President, Finance and Business, UNLV, said there are 14 acres of land for the proposed 280 units. The project was put on hold some years ago and then taken back by the lender, Wells Fargo. Wells Fargo solicited developers who would buy the property with the intention of a relationship with UNLV and the student housing project. The MOU is the first step for identifying parameters for the project and will define those parameters so UNLV will have to return to the Committee with detailed agreements. One goal is to keep the project at arms-length meaning UNLV will own the land as a ground lease, with the developer taking on the responsibility for financing and operating the facility under the terms of the ground lease. He noted the point was to avoid having this looked at by rating agencies as a UNLV debt or responsibility for either debt or operating costs, and not a financial liability of UNLV. This is a model institutions have used successfully.

Mr. Bomotti stated this project will result in a large increase in student housing – not meeting the requirement for freshman living on campus – but for upper division graduate students, and so forth. He noted in full development there may be approximately 3,000 beds. The purchase price of the property is \$20.5 million of which UNLV will be responsible for paying \$18.5 million. Midby Companies will pay \$2.0 million of the purchase price which will be credited as prepaid rent under the lease. The \$18.5 million will be attained by cashing out the UNLV Land Acquisition Reserve, the Collective Investment Funds (CIF) and Guaranteed Investment Funds (GIF), and the Internal Overhead Account revenue. He noted it was a big reach but it is a large priority project. He said after 3.6 years UNLV will receive \$550,000 a year as land-lease, which is an amount assuring safety and security for all the residents at the facility. The recommendation is the property be marketed and leased by the UNLV leasing and marketing agent, ADS, but this recommendation was not a requirement because of the arms-length structure.

Mr. Bomotti continued the proposal of the MOU would be a 40 year ground lease, after which the improvements would be taken over by UNLV. The structure also has a time frame of 10 years for the developer to fully build the entire site and if, for instance, there was not enough demand another discussion would be necessary going forward. All standards must meet UNLV requirements. Net revenue is expected from the project with 25.0 per cent going to the resident students in the housing unit as rebates for housing costs. The appraisal of approximately \$21.0 million, an order of an independent financial analysis, implementing agreements, and so forth, will be brought back to the Committee.

4. Approved-Memorandum of Understanding (MOU) for Development of Proposed Student Housing – UNLV (Agenda Item #3) – (continued)

Regent Geddes realized the requirement would be for students, faculty or staff. Mr. Bomotti said the design is for modern student housing designs – a shared bedroom, used on an annual cycle for recruiting students into the space. The intent is to have housing available for the fall of 2016.

Regent Geddes asked about maintenance. Mr. Bomotti said it is an important item which has been called out, but not yet finalized, however, it will be important for UNLV to take it over as an asset.

Mr. John Midby, Midby Companies, expressed excitement about the project and gave a brief history of the company and its experience with like projects.

Vice Chair Wixom felt it was important to have the implementing agreements for the next meeting. Mr. Bomotti said the goal was to have them ready for the March 2015, meeting to allow time for deadlines and distribution. Vice Chair Wixom requested the information be distributed well in advance of the meeting.

Vice Chair Wixom moved approval of the Memorandum of Understanding (MOU) with University Park, LLC, an affiliate of the Midby Companies, regarding a proposal to collaborate with UNLV on a project to develop and operate student housing at what is currently known as the University Park Apartments. Regent Doubrava seconded. Motion carried.

5. Approved-Purchase and Sale Agreement for 1325 E. Harmon Avenue, Las Vegas, - UNLV (Agenda Item #4) – The Committee recommended approval of the purchase, on the terms and conditions outlined in the Letter of Intent between UNLV and the seller of the property located at 1325 E. Harmon Avenue, Las Vegas, NV, and requests the Chancellor be given authorization to finalize, approve and execute the Purchase and Sale Agreement to the extent it is consistent with the Letter of Intent, and to give final approval to any related due diligence items, including, but not limited to, the appraisal, physical inspection of the Property, Phase I Environmental Site Assessment, and ALTA Survey after consultation with the Chair of the Investment and Facilities Committee, and review by the Vice Chancellor for Legal Affairs. The Committee also recommended approval to grant the Chancellor authority to execute any ancillary documents, including but not limited to, all required agreements, conveyances, easements and rights-of-way deemed necessary and appropriate to implement the purchase of the Property, after consultation with the Chair of the Investment and Facilities Committee and review by the Vice Chancellor for Legal Affairs (Ref. IF-4 on file in the Board office)

5. Approved-Purchase and Sale Agreement for 1325 E. Harmon Avenue, Las Vegas, - UNLV (Agenda Item #4) – (continued)

Mr. Bomotti said this is a proposal to request approval to purchase a one acre piece of property where the UNLV Police Station leases its space on adjoining campus property. The appraised value is \$1.75 million. An additional proposal is for UNLV to buy out the tenant improvements the owner put into the facility through the end of the current lease estimated at \$.45 per square foot for \$104,870. Owning the building will be a savings, but it is the long-term opportunity to get a parcel giving UNLV the property for future redevelopment purposes.

Chair Melcher requested the motion include in consultation with the Chair of the Investment and Facilities Committee and after review of System Legal Counsel.

Regent Leavitt moved approval of the purchase, on the terms and conditions outlined in the Letter of Intent between UNLV and the seller of the property located at 1325 E. Harmon Avenue, Las Vegas, NV, and requests the Chancellor be given authorization to finalize, approve and execute the Purchase and Sale Agreement to the extent it is consistent with the Letter of Intent, and to give final approval to any related due diligence items, including, but not limited to, the appraisal, physical inspection of the Property, Phase I Environmental Site Assessment, and ALTA Survey after consultation with the Chair of the Investment and Facilities Committee, and review by the Vice Chancellor for Legal Affairs. The Committee also recommended approval to grant the Chancellor authority to execute any ancillary documents, including but not limited to, all required agreements, conveyances, easements and rights-of-way deemed necessary and appropriate to implement the purchase of the Property, after consultation with the Chair of the Investment and Facilities Committee and review by the Vice Chancellor for Legal Affairs. Regent Doubrava seconded. Motion carried.

6. Approved-Mackay Stadium Improvement Project – UNR (Agenda Item #5) – The Committee recommended approval of the Mackay Stadium Improvement Project (Ref. IF-5 on file in the Board office).

Chair Melcher said the bond sales were previously approved at an earlier meeting of the Budget and Finance Committee meeting of December 4, 2014, and this request is for approval of the actual project.

6. Approved-Mackay Stadium Improvement Project – UNR (Agenda Item #5) – (continued)

Regent Geddes moved approval of the Mackay Stadium Improvement Project. Regent Leavitt seconded.

Dr. Marc A. Johnson, President, UNR, stated this project will be an improvement on the campus and should be a self-financing mechanism of improving the football stadium. Mr. Doug Knuth, Athletic Director, UNR, said the project is long overdue. The stadium was built in 1967 and the lower bowl has had no improvements since then. He indicated there would be five elements to enhance the fan experience and safety: 1) widening aisles to include hand rails; 2) ADA wheelchair seating; 3) additional, permanent rest rooms; 4) chair-back seating in the seven sections of the lower bowl; and 5) add an indoor-outdoor club level.

Regent Geddes thought the improvements were necessary and would improve the fan experience.

Motion carried.

7. Approved-Asset Allocation Investment Returns and Manager Recommendations – The Committee recommended approval for:

1. Rebalancing and distribution:

• Endowment Fund:

- i) A \$2.5 million partial redemption from Vanguard Institutional Index;
- ii) A \$1.0 million partial redemption from Vanguard Mid-Cap Index;
- iii) A \$1.0 million addition to Manning & Napier;
- iv) A \$1.5 million addition to Templeton Global Bond Fund;
- v) A \$2.2 million from the portfolio for the distribution to campuses for the quarter ending December 31, 2014, sourced \$1.0 million from the net transactions above, and \$1.2 million from the Cash balance.

2. A \$5.0 million commitment to Commonfund Capital Venture Partners XI from the Endowment.

3. A \$5.0 million commitment to Commonfund Capital Natural Resources X from the Endowment.

Ms. Wendy Walker, Cambridge Associates, presented the first recommendation: rebalancing, specifically trimming \$2.5 million from the Vanguard Institutional Index, and \$1.0 million from the Vanguard Mid-Cap Index, generating cash of \$3.5 million to allocate a \$1.0 million addition to Manning & Napier and a \$1.5 million addition to Templeton Global Bond Fund; and a \$2.2 million for distribution to campuses for the quarter ended December 31, 2014, funding \$1.0 million from U.S. Equity and \$1.2 million from Cash.

7. Approved-Asset Allocation Investment Returns and Manager Recommendations –
(continued)

Vice Chair Wixom moved approval for rebalancing and distribution in the Endowment Fund:

- i) A \$2.5 million partial redemption from Vanguard Institutional Index;
- ii) A \$1.0 million partial redemption from Vanguard Mid-Cap Index;
- iii) A \$1.0 million addition to Manning & Napier;
- iv) A \$1.5 million addition to Templeton Global Bond Fund;
- v) A \$2.2 million from the portfolio for the distribution to campuses for the quarter ending December 31, 2014, sourced \$1.0 million from the net transactions above, and \$1.2 million from the Cash balance.

Regent Geddes seconded. Motion carried.

Ms. Walker noted the rebalancing table for the Operating Fund was on page 10 with no action recommended at this time.

Ms. Walker said the next recommendation was to make a \$5.0 million commitment to Commonfund Capital Venture Partners XI from the Endowment. The Private Equity & Venture Capital allocation represents only 6.6 per cent of total Endowment assets, which is underweight the policy target of 10.0 per cent. The Endowment has some very mature venture funds which are winding down and returning cash to investors so it is important to continue to make commitments to bring the allocation closer to its strategic policy target.

Vice Chair Wixom moved approval of a \$5.0 million commitment to Commonfund Capital Venture Partners XI from the Endowment. Regent Leavitt seconded. Motion passed.

Ms. Walker turned to the Private Natural Resource Fund recommendation on page 18, the goal of which is to increase the proportion of private funds within the Real Assets allocation. The strategy on page 19 indicates the majority of the fund's investments. She suggested renewing the long-standing relationship with the manager through a \$5.0 million commitment to Commonfund Capital Natural Resources Fund X.

Vice Chair Wixom moved approval of a \$5.0 million commitment to Commonfund Capital Natural Resources X from the Endowment. Regent Leavitt seconded. Motion passed.

8. Information Only-Operating Pool Reserve Account – Mr. Jamie Hullman, Director of Finance, reported on the activities and the most current balance of the Reserve Account of the Operating Pool.

Mr. Jamie Hullman reported the balance of the Reserve Account of the Operating Pool Fund at the end of the day on December 3, 2014, was \$42.7 million. Net of distributions from the Operating Pool Reserve account has shown steady growth in the Operating Pool's assets over the past several months, especially in the Pool's equity investments. Monthly distributions to the institutions of \$1.0 million have taken place during that time period.

9. Approved-Endowment Fund Distribution – The Committee recommended approval to change the net endowment spend rate from the current rate of 5.0 per cent to 4.75 per cent effective July 1, 2015, for institutions with a management fee agreement (*Refs. IF-9a and IF-9b on file in the Board office*).

Mr. Vic Redding, Vice Chancellor, Finance and Administration, said there is a practice in place to complete an annual review of the spend rate each December effective the following fiscal year. He noted reference *IF-9a (on file in the Board office)* offered statistical information between the System Endowment and the UNLV and the UNR Foundations as a comparison. He stated the spend rate currently in place is up to a net 5.0 per cent for institutions having a management agreement with the system in place; the spend rate is actually a maximum of 4.5 per cent, and the management agreement is up to 1.5 per cent with the total of those not to exceed 5.0 per cent. He said for the institutions not having a management agreement, the total spend rate is 4.5 per cent. The 4.5 per cent and 5.0 per cent spend rate is calculated on a 20 quarter rolling average as of December 31st. When in a growth environment this has the effect of a situation where the approved spend rate is generally higher than the effective spend rate because the Endowment grows every year, but the calculation actually lags that, as shown in the graph reference *IF-9b (on file in the Board office)*.

Vice Chair Wixom supports lowering the spend rate. He is concerned investments may not always be in an increasing market and if the spend rate is going to be reduced, now is the time before going into a down market because the effective spend rate could be higher than 5.0 per cent.

Vice Chancellor Redding thought the policy of basing the spend rate on the rolling past 20 quarters is working exactly like it is intended, but with the dynamic of a down market the effective rate would be higher than the approved rate. Vice Chair Wixom said if the effective spend rate is taken down now, in terms of percentage, overall there will be an increase in the actual dollar distribution in years to come because the corpus is preserved and there is a larger corpus from which to make a distribution. He recommended reducing the spend rate from 5.0 per cent to 4.75 per cent with the notion of taking it down another 25 basis points next year.

9. Approved-Endowment Fund Distribution – (continued)

Chair Melcher thought coming out of these economic times has been difficult and keeping the spend rate up as long as possible to 5.0 per cent is not a problem. The way it balances out in down times and up times is good for the institutions. He suggested to keep the spend rate at 5.0 per cent and, if necessary, it can be changed at any time. Vice Chair Wixom said the institutions cannot plan quickly. Chair Melcher does not see compelling evidence to lower the spend rate.

Vice Chair Wixom moved approval to change the net endowment spend rate from the current rate of 5.0 per cent to 4.75 per cent effective July 1, 2015, for institutions with a management fee agreement. Regent Doubrava seconded.

Upon a roll call vote, Vice Chair Wixom, Regents Doubrava, Geddes and Leavitt voted yes. Chair Melcher voted no. Motion carried.

Vice Chancellor Redding thought there should be clarification for those institutions currently at the 4.5 per cent spend rate and not having a management fee: CSN, GBC and DRI. Vice Chair Wixom suggested keeping those as they are.

Vice Chair Wixom moved approval to retain the spend rate at 4.5 per cent for those institutions not having a management fee agreement. Regent Geddes seconded.

Regent Leavitt was not sure if a motion was necessary. Mr. R. Scott Young, Deputy Chief of Staff to the Board of Regents, thought since those institutions are at that level a motion was not necessary – the spend rate will just stay where it is.

Vice Chair Wixom withdrew the motion.
Regent Geddes withdrew the second.

10. Withdrawn-Endowment Management Models (Agenda Item #10) – Vice Chancellor Redding will present an analysis of alternative endowment management models (*Ref. IF-10 on file in the Board office*).

Chair Melcher said this item was withdrawn and will be presented at the March 2015, meeting.

11. Approved-Information Only-University Gateway Project – Implementing Agreements – UNLV – The Committee recommended approval of the following documents subject to review by the Vice Chancellor for Legal Affairs for technical accuracy: a) Lease Agreement, b) Project Development Agreement, c) Reciprocal Easement Agreement, and d) Master Plan Declaration of Covenants, Conditions and Restrictions (the “Project Implementation Agreements”) related to the University Gateway Project related to the University Gateway Project Memorandum of Understanding (*MOU*) previously approved at the August 22, 2014, Special Board of Regents’ meeting (*Ref. IF-11 on file in the Board office*).

Mr. Bomotti said, as indicated, these are the implementing agreements which are technical and lengthy by necessity. He felt the legal team did a great job putting the documents together. Mr. Bomotti said there are some corrections to be made, as suggested by Mr. Vaskov. The project is consistent with the MOU with some adjustments to make it a viable public-private partnership because it does not work if the developer does not make any money on the project. In order to simplify the project, the office space for the Police Department has been moved to the lower level of the parking structure. Originally, the Police Department office was planned for the second floor of the mixed-used building. By moving the Police Department office into the parking structure a condominium declaration was no longer needed – which significantly simplified the legal structure of the project.

Mr. Bomotti reported the vast majority of UNLV’s cost of the facility will include 610 parking spaces for students and staff and 10,000 square feet for the permanent location of the Police Department with 16 secure parking spaces for the Police Department’s use on the lower level. The majority of funding comes from the Parking Program.

Mr. Bomotti noted some key terms of the Project Implementation Agreements, include: UNLV has no financial obligation for the project until a Certificate of Occupancy is issued for the parking structure; and, the developer can require UNLV to purchase the parking structure by giving UNLV a nine month notice after the issuance of a Certificate of Occupancy for the parking structure. Right now the lease is a finance lease with a 20 year term. After five years UNLV will have the option to give the developer a nine month notice stating UNLV will finance and purchase the property. UNLV’s financing rates for the project, compared to tax exempt financing are, on average, approximately 3.9 per cent.

Mr. Bomotti stated this was the first of what UNLV hopes to be many projects developed in concert with UNLV on the east side of Maryland Parkway. As a result, and at the suggestion of Vice Chair Wixom, UNLV has developed Covenants, Conditions and Restrictions (*CC&R’s*) for the east side of Maryland Parkway intended to impose development conditions and design guidelines for the midtown UNLV corridor. UNLV intends to work with Clark County to further develop the *CC&R’s* and incorporate aspects of them into the County’s Development Code.

11. Approved-Information Only-University Gateway Project – Implementing Agreements - UNLV – (continued)

Mr. Vaskov pointed out one correction to the lease – in the reference material (*on file in the Board office*) on page 41, section 27.12 Authority - the first sentence reads “If Landlord is a corporation, partnership, limited liability company or similar entity, the person executing this Lease on behalf of **Tenant**, represents and warrants that...” but should read “the person executing this Lease on behalf of **Landlord** represents and warrants that...”. He noted there is some other technical clean-up such as dates need to be inserted, a draft stamp on a page has to be removed, and the agreements contemplate some exhibits yet to be created in the course of the development process and then attached to the agreements.

Vice Chair Wixom recommended approval of the following documents subject to the review by the Vice Chancellor for Legal Affairs for technical accuracy: a) Lease Agreement, b) Project Development Agreement, c) Reciprocal Easement Agreement, and d) the Master Plan Declaration of Covenants, Conditions and Restrictions (the “Project Implementation Agreements”) related to the University Gateway Project Memorandum of Understanding (*MOU*) previously approved at the August 22, 2014, Special Board of Regents’ meeting and with the changes described by Mr. Vaskov. Regent Leavitt seconded. Motion carried.

12. New Business – None

13. Information Only-Public Comment – None

The meeting adjourned at 5:07 p.m.

Prepared by: Nancy Stone
Special Assistant & Coordinator
to the Board of Regents

Submitted for approval by: R. Scott Young
Deputy Chief of Staff to the Board of Regents