

Board of Trustees of Northeastern Illinois University

Finance, Buildings and Grounds Committee

Meeting Minutes

March 22, 2021

A meeting of the Finance, Buildings and Grounds Committee of the Board of Trustees of Northeastern Illinois University was convened on Thursday, March 22, 2021 via video conference. Sherry Eagle, Chair of the Committee, called the meeting to order at 8:30 a.m.

The following Trustees Committee members were present: Carlos Azcoitia, Sherry Eagle, and Charlie Serrano

Other Trustees present: Jim Palos, Jonathan Stein, and George Vukotich

Also present: Gloria Gibson, President; Natalie Brouwer Potts, Interim Assistant General Counsel; Sarah Boeckman, Board Counsel; Karl Voigt, Assistant Secretary to the Board; vice presidents, staff, and members of the university community.

Trustee Eagle made the following announcement: Due to the fact that the United States Secretary of Health and Human Services declared that COVID-19 presents a public health emergency and the fact that Governor Pritzker issued a disaster proclamation in response to COVID-19, the most recent such Proclamation being dated, March 5, 2021, this meeting is being held by video conference. Public Act 101-0640 requires a roll call vote be taken on each matter acted upon. I ask that Trustees be prepared to unmute their microphones and clearly respond to the roll call vote on each matter that we consider for approval.

Opportunity for Public Comment

Trustee Eagle announced the Opportunity for Public Comment. There were no requests to speak.

Trustee Eagle welcomed everyone and congratulated the President on her recent appearance before the Illinois Legislature. President Gibson announced that she and Dr. Suleyma Perez are preparing a response to Senator Chapin Rose's question regarding recent funding amounts allocated to Northeastern through the American Rescue Plan.

Vice President for Finance and Administration, Manish Kumar, provided Trustees with an overview of the University's legal expenses over the past 3 years. Mr. Kumar explained that Northeastern's outlay for outside counsel is low compared to other Universities. Trustees asked to see this report again in March 2022.

VP Kumar provided Trustees with an overview of the University's Police department budget. The department has experienced a bit of shrinkage due to retirements and position eliminations, however the department remains staffed to accommodate the University's needs. University Chief of Police, John Escalante, answered Trustees questions. There are no further recommendations from Trustees about the department.

Nancy Medina, Associate Vice President for Facilities and Auxiliary Services, presented the latest Construction Update. Trustees asked when the Capital Development Board is expected to respond to the numerous projects hanging in limbo. AVP Medina expects an answer within the next few weeks about the Education Building documents, and she will enquire about the other

two projects. The campus walkway repairs analysis is currently underway and completion of the repair work is not expected to be delayed. The University's signage and branding master plan will be ready for Board approval in September. Trustees asked to have this matter fast-tracked with a presentation at their May committee meeting, rather than waiting until after summer.

Associate Vice President for Financial and Administration, Ann McNabb, presented the latest purchases of at least \$50,000 but less than \$100,000. There was no discussion.

In 2020, the University issued a Request for Proposals (RFP) for Real Estate Advisory Services. Through this process, the University selected Jones Lang LaSalle to provide research and subsequent guidance for the highest and best use of its property holdings along W. Bryn Mawr Avenue and for parcels on its El Centro site. Mr. Brian Carroll, Senior Vice President at Jones Lang LaSalle, presented an executive summary of the group's draft report.

The scope of work included a market analysis for the North Park and Avondale neighborhoods where both properties are located, a feasibility analysis which included residual land value models, residual land value modeling inputs, and several transaction structures to formulate a list potential development transaction issues for the University to consider. This comprehensive analysis included extensive community input from area elected officials, community groups, and individual community members.

The Bryn Mawr research yielded a recommendation for a mixed-use, multi-family development with ground floor retail utilizing a ground lease with additional income participation. A ground lease structure will allow Northeastern to maintain ownership of the land and provide for an element of control over programming. Property size and proximity to public transportation and area institutions, a mix of residential and retail make this an ideal location. Drawbacks are current zoning of the sites would limit the number of residences without a variance, and the current local liquor license restrictions make certain retail establishments not possible.

The El Centro research yielded a recommendation for an industrial or distribution center project utilizing a ground lease with an industrial user, or continue to lease the existing premises as-is. A ground lease structure will allow the University to maintain ownership of the land and provide for an element of control over programming. Due to the site's location sandwiched between a rail line and the Kennedy Expressway, a residential or retail development is not recommended. The site is well-situated for use as an industrial or warehouse distribution center allowing for easy access to Interstate 90 and various distribution routes both in and out of the city of Chicago. Potential uses based on the feasibility analysis include additional industrial buildings, self-storage facilities and big-box warehouse retail. Northeastern may look to the recent rezoning of the adjacent El Centro location as a precedent to pursue similar rezoning for the subject site to increase potential development density.

Motion to Convene in Closed Session

At 9:52 a.m., Trustee Azcoitia, seconded by Trustee Eagle, moved to convene in Closed Session. Roll was called and the vote was as follows:

Azcoitia: Yes Eagle: Yes Serrano:

The motion carried.

Reconvene in Open Session

At 10:24 a.m., Trustee Serrano, seconded by Trustee Eagle, moved to reconvene in Open Session. The motion carried by acclamation.

Old/New Business

Trustee Eagle asked if there was any old or new business. The Finance, Buildings and Grounds Committee will hold a special meeting on April 14 at 1:00 p.m. to take up items recommended for board approval on April 15 that could not be presented today.

Adjourn

At 10:25 a.m., Trustee Serrano, seconded by Trustee Eagle, moved to adjourn the meeting. The meeting was adjourned by acclamation.

Respectfully submitted,

Sherry Eagle, Committee Chair
Karl Voigt, Assistant Board Secretary
Approved April 15, 2021