

Approved at the 4/7/2017 meeting
BOARD OF TRUSTEES OF THE COLORADO SCHOOL OF MINES
MINUTES OF THE BOARD MEETING
February 22, 2017
Via conference Call and at
COLORADO SCHOOL OF MINES
1500 ILLINOIS ST., COORS BOARD ROOM

Special Meeting via teleconference

Chairman Jorden called the meeting to order at 1:01pm

Members of the Board of Trustees present on the telephone were: Chairman Jorden, Trustees Haddon, Truly, Starzer, Salazar and McNeil.

CSM executives present in the Coors Boardroom were President Johnson, EVP Volpi, GC Walker, Assistant Counsel Markley, and Campus Architect Cocallas.

A. Action Items

Purchase of property at 1600 Jackson Street. Ms. Volpi discussed Mines' interest in purchasing a 30,308 GSF office building located at 1600 Jackson Street, in Golden, CO. She referenced detailed written information provided to the Trustees on February 21, and summarized Mines' due diligence findings and recent appraisal report.

Trustee Haddon inquired whether the 1981 building is ADA compliant. Ms. Volpi responded affirmatively, noting, however, that an inspection concluded some minor modifications might be advisable when the building is renovated.

Trustee Salazar inquired about the status of the property drainage issue. Ms. Volpi noted that the structural engineering inspection concluded there are no material issues with regard to this, and reduced the estimated cost for remedying the drainage issues by approximately one-half.

Ms. Volpi confirmed Chairman Jorden's question that we are taking the building "as is." Ms. Volpi also discussed the status of the Environmental Phase I report, noting Mines had received a satisfactory "verbal" report on the property today, and expects the written report shortly.

Ms. Volpi discussed the value of this property acquisition to Mines, allowing Mines to free up core academic space on campus that is currently being used for administrative purposes, and allowing the School to avoid the immediate expense of other building additions and renovations to accommodate space needs. Constructing a similar building on campus would cost at least twice the agreed-upon purchase price. Ms. Volpi noted that lease revenues from existing building tenants will be incoming until the lease terms expire (2021), but Mines does not intend to utilize this property for income generation long term.

Ms. Volpi discussed the funding source for this purchase (reserves), and the anticipated costs to maintain the building. Mines will manage the property itself, and assume responsibility for certain services currently out-sourced (e.g., snow removal).

Trustee Haddon moved to approve the resolution and Trustee Starzer seconded the motion. All present Trustees voted to approve the purchase, with the exception of Trustee McNeil, who abstained because he has not yet been sworn in as a Trustee.

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the purchase of the real property located at 1600 Jackson Street, Golden, Colorado for \$4.9m with the condition that the Environmental Phase I report does not reflect material mitigation issues. With this approval, the Board of Trustees authorizes the University Treasurer to execute any and all purchase agreements.

B. Reports and Updates

President Johnson updated the Board on the status of HB-1140, noting that the House just passed the bill on its third reading. The President and Peter Han testified on behalf of Mines at a hearing last week. Mines is hopeful the bill will now pass through the Senate.

Chairman Jorden asked Ms. Volpi for an update on the USGS lease and new building construction negotiation effort. Ms. Volpi noted our efforts continue in this area, but our success is dependent upon an adjustment to the federal budget bill. Mines' lobbyists are working to move this forward.

There being no further business, Chairman Jorden asked for a motion to adjourn. Trustee Haddon motioned to adjourn, seconded by Trustee Salazar and the meeting was adjourned at 1:22pm.



Anne Stark Walker, Secretary