



**THE PENNSYLVANIA STATE UNIVERSITY  
BOARD OF TRUSTEES  
PUBLIC MEETING – July 18, 2019  
1:15 p.m.  
PARSONS HALL, PENN STATE BRANDYWINE**

1. **Chair Welcome/Remarks**
2. **Call to Order**
3. **Election of Officers of the Board of Trustees**
4. **Consent Agenda Action Items [attached]**
  - a) Approval of *Minutes* from Previous Meeting  
**Finance, Business and Capital Planning:**
  - b) Proposed Naming of the Oak Building “The J. Willard and Alice S. Marriott Foundation Building,” University Park
  - c) Proposed Operating Budget for Fiscal year Beginning July 1, 2019 with Corresponding Tuition and Fees Effective for 2019 Fall Semester
  - d) Proposed Appointment of an Architect, Liberal Arts Research and Teaching Building, University Park
  - e) Proposed Appointment of an Architect, Multipurpose Building Renovations and Addition, Penn State DuBois
5. **Other Action Items**
  - a) Conflict of Interest – Approval of Lease Renewals with PSRP Developers, Inc.
6. **President’s Report and Discussion**
7. **Informational Report on Penn State Brandywine**

Dr. Kristin Woolever, Chancellor, Penn State Brandywine, will provide an informational report to the Board.
9. **Closing Remarks/Announcements**

**7/18/19 Consent Agenda Action Items**

a) **Approval of Minutes from May 3, 2019 Meeting**

b) **Proposed Naming of the Oak Building “The J. Willard and Alice S. Marriott Foundation Building,” University Park**

The Facilities Naming Committee has recommended that the Board of Trustees name the Oak Building at University Park, in recognition of a \$4,000,000 commitment from the J. Willard and Alice S. Marriott Foundation.

Will the Board of Trustees adopt the following resolution:

RESOLVED, That the Oak Building at University Park is named “The J. Willard and Alice S. Marriott Foundation Building.”

c) **Consideration of Proposed Operating Budget for the Fiscal Year Beginning July 1, 2019 with Corresponding Tuition and Fees Effective for 2019 Fall Semester**

Will the Board of Trustees adopt the following resolution:

RESOLVED, That the proposed Operating Budget for the University for the fiscal year beginning July 1, 2019, as shown in the 2019-2020 Proposed Operating Budget with corresponding Tuition and Fees Schedules, is approved.

(The 2019-2020 Proposed Operating Budget and Tuition and Fees Schedules will be distributed to Trustees under separate cover.)

d) **Proposed Appointment of an Architect, Liberal Arts Research and Teaching Building, University Park**

The Subcommittee on Architect/Engineer Selection will make a report and recommendation on the appointment of an architect for the Liberal Arts Research and Teaching Building at University Park.

e) **Proposed Appointment of an Architect, Multipurpose Building Renovation and Addition, Penn State DuBois**

The Subcommittee on Architect/Engineer Selection will make a report and recommendation on the appointment of an architect for the renovation and addition to the Multipurpose Building, at Penn State DuBois.

## 7/18/2019 Other Action Items

### a) **Conflict of Interest – Approval of Lease Renewals with PSRP Developers, Inc.**

Article VIII, Section 8.05 (a) of the *Bylaws* of the University, provides that, "A contract or transaction between the University and a Trustee, family member or an entity in which the Trustee or family member has a beneficial interest of ten percent (10%) or more and the contract or transaction is valued at \$10,000 or more must be approved by the Board of Trustees in accordance with this Section." Further, the Section provides that "the University official responsible for the matter must first conclude that it is in the best interests of the University to consider entering into such a contract or transaction" and that "the officer must first explore alternatives that do not involve an interest of the Trustee, family member or entity in which the Trustee or family member owns a beneficial interest of ten percent (10%) or more." The interested Trustee shall leave the meeting during discussion and voting. Finally, Section 8.05(a) provides that "[t]he Board shall determine by a majority vote of the disinterested Trustees whether the transaction or arrangement is in the University's best interests, the price and value provided are fair and reasonable to the University and whether to approve the transaction or arrangement."

Trustee Ira Lubert has a beneficial ownership of more than ten percent of PSRP Developers, Inc. which owns 103 Innovation Boulevard (the "103 Building"). The University proposes to exercise renewal options for two existing leases in two separate spaces in the 103 Building, as set forth below.

The University currently leases 6,977 square feet of office space for the Donald P. Bellisario College of Communications at 103 Innovation Boulevard, Suite 205, at a current annual base rent of \$146,526.36 with an expiration date of December 31, 2019. The Donald P. Bellisario College of Communications staff currently at this location are expected to move back to the University Park campus per recent donor gift requirements. However, that move is not expected to occur prior to the expiration of the current lease and the Donald P. Bellisario College of Communications will continue to have ongoing office space needs until such time, which is expected to occur on or about December 29, 2020. The University has 2 six-month renewal options at the current annual base rent plus CPI escalation.

The University currently leases 3,978 square feet of office space for the Finance and Business Information Technology Office at 103 Innovation Boulevard, Suite 214, at a current annual base rent of \$82,304.88 with an expiration date of November 30, 2019. The University has 2 one-year renewal options at the current annual base rent plus CPI escalation. The Finance and Business Information Technology Office has continuing office space needs beyond the expiration of the current lease.

Will the Board of Trustees adopt the following resolutions:

WHEREAS, Kurt A. Kissinger, Associate Vice President for Finance and Business, serves as the responsible official for exercising due diligence in exploring alternatives in real estate matters in accordance with Article VIII, Section 8.05 (a) of the *Bylaws* of the University; and

WHEREAS, The responsible official has evaluated both on and off-campus office space alternatives for each of the above described leases in consideration of price, quality, amenities, accessibility and timing of availability, among others; and

WHEREAS, The responsible official has concluded that 103 Innovation Boulevard, Suite 205 presents the best alternative to meet the College of Communications' ongoing office space needs and that it is in the best interests of the University to enter into the lease renewal on the terms proposed;

**7/18/2019 Other Action Items**

WHEREAS, The responsible official has concluded that 103 Innovation Boulevard, Suite 214 presents the best alternative to meet the Finance and Business Information Technology Office's ongoing office space needs and that it is in the best interests of the University to enter into the lease renewal on the terms proposed;

THEREFORE, BE IT RESOLVED, That the proposal to exercise both of its remaining options to renew for two successive periods of six months at 103 Innovation Boulevard, Suite 205 with PSRP Developers, Inc., totaling 6,977 square feet at the annual base rent of \$146,526.36 plus annual CPI escalation, until December 31, 2020 is hereby approved.

THEREFORE, BE IT FURTHER RESOLVED, That the proposal to exercise the first one-year renewal option at 103 Innovation Boulevard, Suite 214 with PSRP Developers, Inc., totaling 3,978 square feet at the annual base rent of \$82,304.88 plus annual CPI escalation until November 30, 2020 is hereby approved.