1. **Discussion of Consent Agenda Items Provided for Information or Approval of the Committee on Finance and Physical Plant:**

   **Information Items -**
   1) Replacement of Power Plant Trailer, University Park
   2) Renovation of Reed Building, Penn State Erie, The Behrend College
   3) Naming of Rooms, Portions of Buildings and Plazas
   4) Status of Major Construction Programs and Borrowing
   5) Investment Review of Endowment and Similar Funds
   6) Summary and Designation of Gifts Received by the University

   **Action Items -**
   7) Summary of Revisions to Existing Scholarships, Fellowships, Etc.
   8) Acknowledgments of Endowments and Other Major Commitments

   *See Appendix I*

2. **Proposed Naming of the New Parking Garage at the Milton S. Hershey Medical Center the Centerview Parking Garage**

   The Facilities Naming Committee has recommended that the Board of Trustees name the new parking garage at The Milton S. Hershey Medical Center, the "Centerview Parking Garage."

   The Board of Directors of The Milton S. Hershey Medical Center will meet on March 18, 2009. The following resolution will be discussed and, if approved, will be recommended to the Committee on Finance and Physical Plant:

   **RESOLVED, That the Board of Directors of The Milton S. Hershey Medical Center recommends to the Board of Trustees of The Pennsylvania State University, via the appropriate standing committee, that the new parking garage at The Milton S. Hershey Medical Center is named "Centerview Parking Garage."**

   Will the Committee on Finance and Physical Plant recommend to the Board of Trustees adoption of the following resolution:

   **RESOLVED, That new parking garage at The Milton S. Hershey Medical Center is named the "Centerview Parking Garage."**

   *See Appendix II*

3. **Proposed Adoption of Identity Theft Detection, Prevention and Mitigation Program in Accordance with the "Red Flags Rule" of the Federal Trade Commission**

   The Federal Trade Commission (FTC), the federal bank regulatory agencies, and the National Credit Union Administration have issued regulations (collectively known as the Red Flags Rule) requiring financial institutions and creditors to develop and implement written identity theft prevention programs pursuant to the Fair and Accurate Credit Transactions Act of 2003. The programs must provide for the identification, detection, and response to patterns, practices, or specific activities—known as "red flags"—that could indicate identity theft.
3. **Proposed Adoption of Identity Theft Detection, Prevention and Mitigation Program in Accordance with the "Red Flags Rule" of the Federal Trade Commission** (Continued)

Penn State is considered to be a creditor according to FTC regulations (by deferring payment for services rendered). In compliance with the Red Flags Rule, Penn State has established an Identity Theft Detection, Prevention and Mitigation Program (Program). Using reasonable policies and procedures and codifying many best practices in place currently utilized by the University, the Program is intended to prevent, detect and mitigate identity theft in connection with the opening of a covered account or any existing account, and to provide administration of the Program. The Program requires approval by the Board of Trustees.

Implementation of the Program will enable Penn State to better protect consumers, reduce risk from identity fraud, and minimize potential damage from fraudulent accounts, with the least possible impact on business operations, through a process that will facilitate the:

- identification of risks that signify potentially fraudulent activity within new or existing covered accounts;
- detection of risks when they occur in covered accounts;
- response to risks to determine if fraudulent activity has occurred and act if fraud has been attempted or committed; and
- periodic updating of the Program to improve its effectiveness.

Will the Committee on Finance and Physical Plant recommend to the Board of Trustees adoption of the following resolution:

RESOLVED, That the Board of Trustees, in accordance with the Red Flags Rule issued by the Federal Trade Commission, approves the Identity Theft Detection, Prevention and Mitigation Program.

BE IT FURTHER RESOLVED, That the Officers of the University are authorized and directed to take such steps as are necessary to make effective this resolution.

4. **Proposed Authorization of Increase in Construction Amount, Penn State Hershey Cancer Institute, The Milton S. Hershey Medical Center**

The Board of Directors of The Milton S. Hershey Medical Center will meet in March. The following resolution will be discussed and, if approved, will be recommended to the Committee on Finance and Physical Plant:

RESOLVED, That the Board of Directors of The Milton S. Hershey Medical Center recommends to the Board of Trustees of The Pennsylvania State University, via the appropriate standing committee, the approval of an increase in the amount of funds authorized for the construction of the Penn State Hershey Cancer Institute at The Milton S. Hershey Medical Center at a cost not-to-exceed $153,000,000.

At the March 2007 meeting, the Board of Trustees approved final plans for the construction of the Penn State Hershey Cancer Institute at The Milton S. Hershey Medical Center at a cost not-to-exceed $130,000,000 plus ten percent from funds available to the University. Due to cost increases, unanticipated delays in the construction, necessary refinements in the scope of work to meet the critical operational needs of the institute, authorization is being requested for a total project budget that will cover these construction costs unforeseen at the time of original approval.
4. **Proposed Authorization of Increase in Construction Amount, Penn State Hershey Cancer Institute, The Milton S. Hershey Medical Center** (Continued)

Will the Committee on Finance and Physical Plant recommend to the Board of Trustees adoption of the following resolution:

RESOLVED, That the increase in the amount of funds authorized for the construction of the Penn State Hershey Cancer Institute at The Milton S. Hershey Medical Center be approved at a cost not-to-exceed $153,000,000 from funds available to the University.

The below revised agenda item was distributed to the Trustees at the meeting of the Committee on Finance and Physical Plant. It replaced and superceded Agenda Item 5 contained in the original agenda.

5. **Proposed Naming, Final Plans, Authorization to Award Contracts, Admissions and Alumni Center, Penn State Erie, The Behrend College**

The University intends to construct a new Admissions and Alumni Center Building to serve as a gateway building onto the Penn State Erie, The Behrend College campus. The building will provide a major function space and offices for alumni relations and will address needs for admissions, bursar, registration and financial aid department spaces. The building will open onto an outdoor terrace overlooking Lilley Library and the new campus quad that the building will create to the east.

The Facilities Naming Committee has recommended that the Board of Trustees name the Admissions and Alumni Center at Penn State Erie, the "Robert and Sally Metzgar Admissions and Alumni Center" in honor of a gift from Robert and Sally Metzgar.

Will the Committee on Finance and Physical Plant recommend to the Board of Trustees adoption of the following resolutions:

RESOLVED, that the Admissions and Alumni Center, Penn State Erie, The Behrend College, is named the "Robert and Sally Metzgar Admissions and Alumni Center."

RESOLVED, That the final plans for the Robert and Sally Metzgar Admissions and Alumni Center, Penn State Erie, The Behrend College, as designed by the Office of Physical Plant are approved.

BE IT FURTHER RESOLVED, That authorization to award contracts to construct the project be approved at a cost not-to-exceed $4,700,000 from funds available to the University.

6. **Proposed Final Plans, Authorization to Award Contracts, Residence Hall, Penn State Harrisburg**

The University intends to construct a new residence hall at Penn State Harrisburg to address the need to accommodate its freshman residential student population. With the continued growth in enrollments at Penn State Harrisburg, the need to increase housing capacity is apparent as the wait-list for the Fall of 2008 was in excess of 130 students and we anticipate at least this amount for the Fall of 2009. This one hundred bed residence hall will be organized in suites of four and will be located adjacent to the existing housing complex, which currently provides housing for 327 students.
6. Proposed Final Plans, Authorization to Award Contracts, Residence Hall, Penn State Harrisburg (Continued)

Will the Committee on Finance and Physical Plant recommend to the Board of Trustees adoption of the following resolution:

RESOLVED, That the final plans for the Residence Hall, Penn State Harrisburg, as designed by SMP Architects of Philadelphia, Pennsylvania, are approved.

BE IT FURTHER RESOLVED, That authorization to award contracts to construct the project be approved at a cost not-to-exceed $10,000,000 from funds available to the University.

7. Proposed Purchase of Pine Hall Drive Property, University Park

The University has the opportunity to acquire property from Biopore Real Estate Joint Venture located at 2011 Pine Hall Drive, Ferguson Township, Centre County, Pennsylvania. Strategically, the acquisition provides the University with laboratory research expansion opportunities and eliminates the possibility of adverse ownership. The purchase of this property will immediately solve some of our most critical space and lab deficiencies in the Energy Institute, where the lack of lab and office space continues to hinder current and future research programs.

The approximate 1.8 acre property includes a one-story 8,652 square foot industrial building and parking improvements, and has been offered to the University for $850,000. The property has been inspected by the Office of Physical Plant and found to be in satisfactory condition.

Will the Committee on Finance and Physical Plant recommend to the Board of Trustees adoption of the following resolutions:

RESOLVED, That the Board of Trustees approves the acquisition of the property containing approximately 1.8 acres located at 2011 Pine Hall Drive, Ferguson Township, Centre County, Pennsylvania, from Biopore Real Estate Joint Venture for $850,000.

BE IT FURTHER RESOLVED, That the Officers of the University are authorized and directed to take such steps as are necessary to make effective this resolution.

8. Proposed Purchase of Upper Saucon Township Property, Lehigh County, PA

The University has the opportunity to acquire improved real estate located at 2809 East Saucon Valley Road in Upper Saucon Township, Pennsylvania. Acquisition of the property will provide a new location for Penn State Lehigh Valley campus, which is in need of larger, more up-to-date facilities to accommodate current student enrollments, as well as anticipated growth. With this acquisition, the Penn State Lehigh Valley campus at the current Fogelsville location will be sold and the proceeds will be used to offset the cost of the 2809 East Saucon Valley Road property.
8. Proposed Purchase of Upper Saucon Township Property, Lehigh County, PA (Continued)

The property is comprised of a 97,285 square foot building on approximately 29 acres. The building, which was built in 2002 to house Lehigh Valley College, contains 45 class rooms, computer labs, and faculty and administrative offices on three floors. The building, along with 870 parking spaces, has a capacity for 1,500 students, and there is a potential to expand the facilities by an additional 51,000 square feet. The property has excellent access from Interstate 78 and Route 309, as well as public transportation.

The 2809 Saucon Valley Road property is available to the University from School (PA) LP, the current owner, who is represented by W.P. Carey for $12,000,000, contingent upon Lehigh Valley College paying a lease termination fee of $15,500,000 at the time of settlement.

The University will also enter into a short term arrangement with Lehigh Valley College for its use of approximately 12,000 square feet through June 30, 2009, and approximately 6,000 square feet from July 1, 2009 through December 31, 2009, to accommodate the College's need to complete class commitments for its remaining students. In turn, Lehigh Valley College will provide the building's furniture, fixtures and equipment, valued at approximately $1,000,000, to the University as consideration for the use commitment.

The University has entered into an agreement of sale with the owner to acquire the property for $12,000,000 contingent upon: an inspection of the property by the Office of Physical Plant; a physical inventory of the furniture, fixtures and equipment; the creation of a use agreement between the University and Lehigh Valley College; and approval of the University's Board of Trustees at its March 2009 meeting. The owner has agreed to accept installment payments on the $12,000,000 amount with $8,000,000 paid at settlement, and $2,000,000 paid on each of the two subsequent anniversary dates of the settlement, without interest, secured by a mortgage on the property.

Will the Committee on Finance and Physical Plant recommend to the Board of Trustees adoption of the following resolutions:

RESOLVED, That the Board of Trustees approves the acquisition of the property located at 2809 East Saucon Valley Road in Upper Saucon Township, Pennsylvania for $12,000,000, to be paid $8,000,000 at the time of settlement, and deferred payments secured by a mortgage on the property of $2,000,000 on the anniversary dates of settlement in 2010 and 2011.

BE IT FURTHER RESOLVED, That the Officers of the University are authorized and directed to take such steps as are necessary to make effective this resolution.

9. Proposed Purchase of Rouzer Property, Biglerville

The University has the opportunity to acquire property from Donald C. Rouzer located at 240 Carlisle Road, Biglerville, Adams County, Pennsylvania. Strategically, the acquisition provides the University with future research expansion opportunities and eliminates the possibility of adverse ownership.
9. **Proposed Purchase of Rouzer Property, Biglerville** (Continued)

The approximate 47.2 acre property adjoins the Penn State Fruit Research and Extension Center and includes a two-story 4-bedroom vacant residence, bank barn and numerous out-buildings. The property has been offered to the University for $512,120, contingent on a formal subdivision by the seller. The University would also retain a Right of First Refusal to purchase an additional 5 acres adjoining this property and our Fruit Research and Extension Center. The property has been inspected by Research and Extension Center representatives and the Office of Physical Plant and found to be in satisfactory condition.

Will the Committee on Finance and Physical Plant recommend to the Board of Trustees adoption of the following resolutions:

RESOLVED, That the Board of Trustees approves the acquisition of the property containing approximately 47.2 acres located at 240 Carlisle Road, Biglerville, Adams County, Pennsylvania, from Donald C. Rouzer for $512,120, contingent on a formal subdivision by the seller.

BE IT FURTHER RESOLVED, That the Officers of the University are authorized and directed to take such steps as are necessary to make effective this resolution.

10. **Photo Report on Selected Construction Projects**

A photo report on the progress of selected construction projects will be presented at the meeting.

11. **Pending Legal Matters**

An informational report will be presented on pending legal matters relating to policies normally considered by the Committee on Finance and Physical Plant.