

MINUTES - SPECIAL SESSION

The Board of Trustees

Temple University - Of The Commonwealth System of Higher Education

Tuesday, January 19, 1988

4:30 P.M., Feinstone Lounge, Sullivan Hall
Park and Berks Malls

Attendance:

Members - Richard J. Fox, Chairman; Patricia J. Clifford,
Paul A. Dandridge, Peter D. DePaul, Louis J. Esposito
Chaka Fattah, Lewis F. Gould, Jr., Lacy H. Hunt, Mitchell
G. Leibovitz, Peter J. Liacouras, Edward F. Mannino,
Henry H. Nichols, Brian J. O'Neill, R. Anderson Pew,
William W. Rieger, Edward H. Rosen, Charles F. Schalch
Anthony J. Scirica, Isadore A. Shrager, Murray H.
Shusterman, Clare L. Wofford,

being a quorum of the Board of Trustees;

Invited Guest Observers - Faculty - Judith Goode, Lynn H. Miller
- Students - Mark T. Carson, Christianne
Kapps, Jonathan Libby, John Silmsler

Administration and Staff - Barbara L. Brownstein, Richard A.
Chant, Steven R. Derby, Leon S. Malmud, Robert G. Scanlon,
H. Patrick Swygert, Kathy Gosliner, James Harkness, Sandra
Featherman, William G. Sites, Beverly L. Breese, William C.
Seyler

Office of General Counsel - Phillip B. Korb

University Counsel - Robert J. Reinstein

Members Absent - Gail M. Barsky, Francis J. Catanis, John J.
Countoudis, Bill Cosby, Howard Gittis, Clifford Scott Green,
K. Leroy Irvis, D. Donald Jamieson, Irving K. Kessler,
Harold E. Kohn, Hillel S. Levinson, Milton L. Rock

(Secretary's Note: The Board of Trustees met in Executive
Session from 4:00 P.M. for a private briefing of the Board on certain
financial issues related to the University; and the Minutes of that
Executive Session are found at the end of these Minutes.)

PUBLIC SESSION

The meeting was opened with prayer by Dr. Henry H. Nichols.

The Chairman of the Board, Mr. Fox, introduced and welcomed
the guests from the faculty and from the student body. He also wished
everyone present a happy, healthy and prosperous New Year.

ACTION OF THE BOARD OF TRUSTEES

1. Acquisition of Wilkie Buick Property in General Area of North Broad Street, Montgomery Avenue, 15th Street and Columbia Avenue

Judge Scirica, Chairman of the Executive Committee, read the recommendation of the Executive Committee with respect to the captioned matter, noting that the Committee is recommending that the officers be authorized to acquire this property.

Judge Dandridge noted that the recommendation before the Board has a parenthetical description of the property as "(1700 Block of North Broad Street)," and he moved that this language be modified by the Secretary in consultation with University Counsel so that the description is an accurate one. His motion to amend was seconded and was unanimously approved by the Board.

Mr. Rosen referred to the language of item 5 of the Recommendation--"(5) the seller shall have an 18 months lease, subject to 6 months notice at any time;"--and he asked for clarification. Mr. Fox said that the seller will have an 18-months lease on the property; during that lease period, at any time the seller can give the buyer, Temple University, a six months notice that he will vacate the property. Mr. Rosen moved that item 5 of the Recommendation be amended, as follows: "(the seller shall have an 18-months lease and during that lease period, at any time the seller can give the buyer a six months notice that he will vacate the property.)" The motion was seconded and was unanimously approved by the Board.

Mr. Rosen said he knows that the Chairman and the President have spent a great deal of time negotiating this agreement of sale on this Wilkie Buick Property. It is Mr. Rosen's opinion that this is an opportunity that is almost sacred to Temple University to have the chance to get this acreage contiguous to the Main Campus, in a place that is highly visible and where there is a high traffic flow and accessibility. He thinks this is a unique opportunity and he urges the Trustees to vote in favor of the recommendation.

Mr. Fox said that for the background information of the non-Trustees present, Mr. Daniel Polett, owner of Wilkie Buick, came to Temple University about four or five months ago, indicating he wanted to sell this property. We had a long standing verbal understanding with Mr. Polett that if he ever decided to sell this property, he would offer it to Temple University before he offered it to anyone else. We negotiated on this property over a period of about four months. We had Reaves Lukens to do an appraisal for Temple University, and his appraisal came to \$8.5 million. The seller had a prior appraisal which came to \$10 million. In discussions with Reaves Lukens, after we had gone through part of the negotiations, it was Mr. Lukens' considered opinion and advice, as a consultant to Temple University, that \$7.3 million was an excellent price and he recommended that we take advantage of this offer. That price of \$7.3 million was arrived at over a period of months of discussions with Mr. Polett. Mr. Fox said the total property is just under five acres, and it gives us virtually an entire city block, plus other properties west of 15th Street. This provides Temple University with properties that were acquired by Mr. Polett over 18 years, as they came on the market.

Mr. Fox said that we saw this as an opportunity to get this valuable property without displacing residents, and without creating any problems in the community. Most of the land is zoned commercial, with some being zoned residential. The ultimate use of this property has not been determined. It will be subject to the same planning process that we used with the East Campus Development. All of the parties, internal and external, will be invited to participate.

Mr. Fox said that Wilkie Buick will undoubtedly lease the property for at least six months, and possibly for 12 months, during which time there will be no costs for Temple University. The lease provides Temple University with a monthly rental income of \$40,000, which exceeds Temple's interest costs on the \$7.3 million. The seller also pays taxes and insurance. These arrangements give us an opportunity to plan for the best use of that property.

On motion duly made and seconded, the Board of Trustees, in keeping with the recommendations of the Executive Committee (12/17/87) voted to authorize the officers to acquire the Wilkie Buick Property (all properties owned by Daniel Polett, Wilkie Buick, or related entities located between Broad and Sydenham Streets and Montgomery Avenue and Columbia Avenue) in accordance with these terms: (1) the purchase price not to exceed \$7.3 million to come from the University Bond Issue of June 1984; (2) the seller of the property shall pay \$40,000 monthly during his occupation of the premises; (3) settlement shall be on or before May 15, 1988; (4) seller and buyer shall split the Transfer Tax; (5) the seller shall have an 18-month lease and during that lease period, at any time the seller can give the buyer a six-months notice that he will vacate the property; and (6) the Executive Committee and the Board of Trustees are taking this action with the understanding that all of the Trustees are committing themselves to support this acquisition to the best of their individual abilities.

REPORT FOR INFORMATION

2. Report on Full-Time Enrollment

The President reported that full-time enrollment is up 2.5%, and overall enrollment is up a little less than 2%.

The Public Session of the Board of Trustees was adjourned at 5:02 P.M.