



OFFICIAL PROCEEDINGS

June 7, 2019

Special Meeting

The meeting was called to order at 9:55 a.m. by President Wilson in Room BC of the McGregor Memorial Conference Center. Secretary Miller called the roll. A quorum was present, with the following Board members in attendance:

Governors Busuito, Gaffney, Kelly, Kumar, O'Brien, Trent

Absent: Governor Barnhill

Also Present: Provost Whitfield, Vice Presidents Burns, Decatur, Lanier, Lessem, and Staebler;
and Secretary Miller

CAMPUS MASTER PLAN

This Special Meeting was scheduled to consider two items, the Campus Master Plan and an overview of a pending bond issuance. President Wilson advised that the Master Plan is the culmination of a year's work by Vice President Decatur, Ms. Ashley Flintoff, the Director of Facilities, Planning and Management, and the consulting firm of Dumont Janks. The process was very thorough and inclusive, and Mr. Janks will give a detailed presentation, after which the Board will hear two Public Comments. The second item involves a preliminary discussion of a bond issuance that Vice President Decatur will bring to the Board for its approval at its June 21 meeting.

Vice President Decatur called upon Ms. Flintoff, who thanked the Board for the opportunity to show the results of their work the past ten months. There were more than 200 meetings and interactions with over 900 people, through focus groups, public sessions, surveys, and individual one-on-one meetings. She introduced Mr. Greg Janks of Dumont Janks for the presentation.

After thanking Ms. Flintoff and the representatives of administration, faculty, students and the community with whom he worked for the past year, Mr. Janks began his presentation and an extensive and detailed report on the results of their study. First, it was important to understand that WSU's Master Plan should not be seen as a prescriptive, detailed plan of how to arrange the campus for the next 15 years; rather, it should be considered a framework, the purpose of which is to provide a system to support future University decision-making around the

physical environment. As such, it consists of three primary components. The first is the data collected on the space, usage, and condition of the physical environment. The second is how to organize that physical environment and maximize future flexibility, and third is how to create an organizational structure that understands the principles of the Plan and make sure that the consultative and collaborative process will continue to move forward.

Based on the data results, the strategies for the physical environment fall into three sets, all with the purpose of activating and empowering the teaching, learning, research, and community engagement missions of the University. The first deals with organizing the physical campus, making it more accessible and safer for students and welcoming to the community. Included in this effort are improvements to three major corridors, roadways, and the gateway districts.

Three major corridors form the core of the campus: Second Avenue and Gullen Mall, Cass Avenue, and the east-west cultural axis, all of which form a roughly “H” shape on a graphic. Gullen Mall, part of the Yamasaki Master Plan, was a bold move in its time. Its layout, however, with the walking path down the middle and green, with largely unusable lawns next to the buildings, has the effect of hindering engagement with the activities in the buildings. In other spaces, such as Fountain Court, trees are placed in such a way that there is no open space for students to engage in impromptu sports or other communal activities. Mr. Janks’s suggestion was to put the paths on the outside of Gullen Mall and the green space in the middle, and rearrange the landscape in Fountain Court to create an open quad for students. Another area that provides the opportunity to show that this plan is workable and will have a transformative effect is the Keast Commons, next to the DeRoy apartment building which is currently being demolished. Three thousand students live in this area and the Commons is their backyard; the space could be formatted to provide them a great gathering space for their activities.

Further south, the Second Avenue corridor intersects with Warren Avenue, and this intersection has proven to be dangerous for WSU students. One of the proposals is to close an additional block of Second Avenue to vehicular traffic. By extending the pedestrian nature of the mall, the University gains not only safety benefits, but also knits together the south side of the campus – Old Main, Hilberry, Engineering – into the core and creates a North-South axis. The result would be a true internal pedestrian, student-oriented corridor.

The second corridor, Cass Avenue, should be the civic corridor where the University and the city meet. Great campus towns have streets with an active, mixed-use feel, with appropriate retail; Cass has that in places, but it is not consistent. There are many opportunities on Cass, such as the Prentis Building which could be repurposed for community-oriented uses, and the

back courtyard of the Detroit Public Library which could serve as part of the cultural and civic connection. Moving south on Cass, the University Towers has enough space to have a whole row of infill housing. The ground floor of the Towers could provide space for arts and retail activities that clearly signal to visitors that they have arrived at Wayne State.

The final section of the “H” formation is the east-west axis of the museum district. A great many new ideas are currently underway through the Detroit Institute of Arts and other institutions, but there is no reason for them to stop at Woodward. The cultural axis could run all the way through campus, providing the University an opportunity to engage with the community and make them feel welcome.

A concern that is often expressed is student pedestrian safety, as mentioned earlier when discussing Second Avenue. Both Warren Avenue and Anthony Wayne Drive have four lanes in each direction. Studies have shown that a reduction to a total of five lanes would add only 30 seconds of travel time to the automobile traffic along Warren and the Mall corridor. It would be of minimal impact, but would provide great benefits from a safety perspective. Discussions have taken place with the city, and they are very supportive of this concept.

Similar safety issues exist on Anthony Wayne Drive, with 3000 students moving back and forth on a daily basis. This situation is more complicated than on Warren Avenue, with the one-way streets and the fence in the median along Anthony Wayne Drive. Mr. Janks suggested that if Palmer and the Lodge Service Drive become two-way streets, it would help reduce traffic on Anthony Wayne Drive. In addition, the realignment of the Drive and Palmer Avenue would create a new parcel of land for development in the core of the campus. Reorganizing Palmer would also provide the Law School proper visibility.

Moving from the campus core, the Athletic district just to the west of Anthony Wayne Drive provides an opportunity for an important connection to the surrounding community. The residents of the Woodbridge neighborhood have attended many discussion sessions and are very interested in more contact with the University. The old remnants of Putnam Street could be refurbished as a pedestrian connection from the Athletic complex to the STEM project. The existing footbridge across the Lodge Freeway will need to be replaced soon, so it may be possible to move the footbridge south into the Putnam connection.

Earlier, the north-south axis along Cass Avenue was brought up in the discussion of Warren Avenue. This axis also extends farther north where the iBio building is located. Mr. Janks related how faculty members seemed to have no problem with going to the Medical campus, but showed some trepidation in going to iBio. He wondered why the reaction since iBio is actually physically closer, and he determined it must be because of the I-94 crossing, an

area he described as an urban wasteland. Given the land values in Midtown, he made a suggestion based on an idea that developers have used on the east coast and other parts of the country, that of building a deck across I-94 to serve as a base for buildings. There would, of course, be many restrictions and technical constraints, but buildings would create an urban environment as pedestrians are crossing the freeway, and iBio and TechTown would feel more like part of the campus.

The final strategy of organizing the physical campus is to establish the north and south gateways and the Warren/Woodward gateway. For a planner, the ideal campus would have a vibrant academic core surrounded by residential areas, and two of the gateway projects would provide that opportunity. The 3,000 beds in the core zone serve primarily first- and second-year students. Housing could be provided for juniors and seniors in the south gateway in a mixed-use, retail and arts environment. Graduate and professional students would have housing in the north gateway along Woodward Avenue, with perhaps some market-rate housing also available. The open land on Warren and Woodward presents a crucial development opportunity. At this time the University does not have a use that would justify that scale of investment, but when the right program is determined, this will be an important gateway for WSU.

The second set of physical strategies is to consolidate the academic core, and the facets to this strategy all deal with the use and the condition of the buildings and relocation of some academic and administrative units.

Data collected early in the process showed that the University has more classroom space than it actually uses. In addition, a detailed study of 24 buildings showed a deferred maintenance liability over the next ten years of \$1.1 billion, a figure that Mr. Janks characterized as probably low. The only logical resolution to that problem is a consolidation strategy that results in less space, but better space. Mr. Janks listed some of the pieces of that strategy. State Hall, the main instructional building on campus and used by almost every student at Wayne, should be a world class showcase with active learning and traditional classrooms; the first phase of that renovation has already been proposed.

Another proposal, one that is more controversial, is the repurposing of library space. Wayne State has 400,000 square feet, much more space than its peers. Everyone uses the UGL, but when students were asked what their favorite library was, they replied that it was the Detroit Public Library. An idea is to focus student and library functions in the Purdy-Kresge Libraries, re-inventing those buildings as a student hub, and then to consider an enhanced partnership with DPL. Those conversations are already underway, and would provide further activity around the Cass civic corridor. The Undergraduate Library would become more of an

academic building and would house not only the Honors College but programs in CLAS, Humanities and the language programs that are scattered around the campus. Old Main along with the Hilberry Theatre complex could become an arts district, although not all the arts programs would have to move to that location.

Other ideas include space for child care and possibly using St. Andrews Church for that purpose; moving the Office of Student Engagement from the seventh floor of SCB to a more visible location; using the Mackenzie House as exhibit space for the arts and anthropology units; bringing international student functions to the Donaldson House, located between the Maccabees and the Welcome Center; using the old Music Annex Building for faculty functions; and placing mixed-use retail on the ground floor of 5454 Cass Avenue to help activate the street.

Since the primary goal is to consolidate the academic core, a proposal was floated to move administrative functions out of FAB and into the Maccabees, a structure originally built as a bank building and meant to be an office tower. FAB would then be repurposed for academic uses. Shapero and Life Sciences have about 30,000 square feet of wet lab space that needs to be accommodated; neither of those buildings are in good condition. Life Sciences may be too expensive to renovate and may need to be replaced, but Shapero may have some architectural value.

Other buildings such as Manoogian and General Lectures provide an opportunity to reduce WSU's overall footprint by about 400,000 square feet. Mr. Janks emphasized that would be the only way to solve the deferred maintenance problem; given the funds available, it is impossible to maintain the full building stock. He added that at the planning level of checking square footage, these ideas work and make sense. However, at the practical level, much more planning needs to be done. There are crucial programs in each of these buildings, and his comments should not be understood as a statement about the programs. The programs, such as the cultural rooms in Manoogian, would be relocated to better spaces. He emphasized again that these are planning ideas, not projects that will happen tomorrow, and that the University is fulfilling its responsibilities by considering this dramatic consolidation strategy and setting a national model for responsible stewardship in higher education.

The final set of physical strategies deal with the long-term future, much of which is centered around the Health Sciences. The main building, Scott Hall, is very inefficient; of its 500,000 square feet, only 264,000 is usable because of its configuration, giving it an efficiency factor of 52%. A new building would have to hit an efficiency factor of at least 60%. The second problem is that although the School of Medicine is a world-class research enterprise, the

research being performed at Scott Hall is not intensive enough, only at \$142 per square foot versus the recommended \$250 per square foot. Renovation would cost a minimum of \$300 million, but the building would still be inefficient, leaving the clear conclusion that the building must be replaced.

In addition to Scott Hall, WSU owns about 800,000 square feet of non-clinical Health Science space east of Woodward. How this is developed will depend on the direction set as WSU considers the future and different potential clinical partners. There are several good options. WSU could stay put. The second option, on land already controlled by the University, is to move the Health Sciences to the iBio and TechTown area. The third option, if Manoogian and General Lectures were demolished, would be to develop that parcel next to Engineering; the intersection of the Health Sciences and Engineering is considered to be the next great development of the future.

Mr. Janks stressed again these plans are not the final word, just options within the framework of the plan. Consolidation would occur between the Lodge and Woodward, focusing on quality over quantity, but after 10-15 years there may be program growth, and the plan would provide a framework for that growth on land already owned by the University. Mr. Janks concluded his presentation and the floor was open for discussion.

Governor Kelly referred to his earlier recommendation about forming more green areas and narrowing some of the streets. She noted that unlike Los Angeles or Florida, these areas would be covered with snow during half the year when most of the academic activity occurs on campus. Given that the areas would not be usable as they would be in a warmer climate, she asked if the expense of making these changes would be justified.

Mr. Janks replied that the streets present a safety issue. There is a high rate of vehicle-pedestrian accidents, and the University does a disservice to its students if it does not address that issue. The investment to create green spaces actually presents an opportunity to save money. Mr. Janks explained the University must pay fees to the city to deal with storm water issues on campus. By better organizing the storm water infrastructure and retaining the water long-term, it potentially creates some operational savings that may help defray some of the capital costs. He agreed that this rationale is more difficult to measure and quantify. However, the planning team did approach students with the idea and their response to green spaces was very positive. He would not underestimate the visual impact of green spaces on recruitment and enrollment, and feels that the investment would be justified.

Governor Trent said that as a graduate of the College of Fine, Performing, and Communication Arts, she had classes at Manoogian Hall and agreed the building had

difficulties. She was concerned, however, about the cultural rooms which are funded by outside groups and ethnic communities. Mr. Janks responded that there have been extensive discussions on this important topic, and it was agreed that the move makes sense and will provide better space. He noted that the art work and the murals could be moved. However, everything is still in the preliminary phase, and there has not been any serious discussion about locations. When the time comes, the next steps would be to consult and engage the community in the planning process.

Governor O'Brien echoed Governor Trent's concern about the cultural rooms in Manoogian. She also asked about the repurposing of the Reuther Archives, which was not mentioned during the presentation. Mr. Janks replied that early discussions dealt with adding some uses that would bring more students into the building to benefit from the history of the archives. However, based on the feedback and some of the sensitivities expressed, it was decided there would not be any changes to the Reuther Archives.

PUBLIC COMMENTS

Secretary Miller received two requests to speak from members of the University community. President Wilson informed the speakers that they each have three minutes to present their remarks, with a one-minute warning that their time is almost up.

Charles Parrish

Just to remind you, the Board of Governors rules are that you can grant longer amounts of time at your discretion. I don't intend to use more than about five minutes. The instruction was three to five minutes. So it's up to you what you want to do. It's interesting that the Ruther was finally pulled from the program that we have presented. It was pulled as I understand on Wednesday. Why it was on there until Wednesday is very difficult for me to understand. Three weeks ago, at the dedication to the Gardiner Collection room at the Reuther Archives, you announced the repurposing of the Reuther building. That was three weeks ago and today, the presentation that shows Reuther as being repurposed is still on the Board of Governors web site. So, this may be- let me hope that this is- my presentation today is not one that may be irrelevant, but it is worthwhile to remind everyone here about the role of the Reuther archives and its importance. The lack of consultation in this process is something. The planners tend to look at people as sort of chess people. They move about and assume what the motives are of these people. The idea that someone who is walking up and down the mall next to the biology building should be connected to the biology building, some student, it's very strange to me. When students come down to Wayne State, what I think they're interested in mostly is going to class, seeing an advisor and above all, finding a parking space. And the idea that walking next to a building connects you to it is of course to me a little bit ... I do understand that there were sufficient protests from the members of the

committee that finally, day before yesterday, the Reuther Archives were pulled from this presentation. Throughout the world, the Reuther Archives are really a monument to organized labor. It is the intellectual center for those who study workers and the social movements develop and the idea that somehow foot traffic for somebody going to special services will connect them to the Archives of the Reuther building and the functions of that is- it just doesn't have any idea what an archive is and what the purpose is. There's scholarly purposes and there's reasons for these things to be where they are.

This archive, I would remind you, is where you have the archives for a large number of unions nationally. The American AFSCME, The Brotherhood of Making its Way Employees division of the International Brotherhood of Teachers, the graphic communication conference of the International Brotherhood of Teachers, and of course my union, the American Federation of Teachers. There's a repository, also for progressive leaders who are not forgotten by some of us. Residing in the archives are papers of political leaders such as Jerry Cavanagh, mayor of Detroit during the 1967 troubles, who some refer to as the Detroit rebellion; Mel Ravitz and Mary Anne Mahaffey, members of our faculty and our union and longtime members of the Detroit Common Council; Millie Jeffrey, former UAW leader, was a longtime member of this Board of Governors; and Coleman A. Young. I knew all of these people, some better than others. The papers of Doug Fraser, former international president of the UAW, and Irv Bluestone, former chief negotiator for GM for four hundred thousand workers. They were faculty members and I had the honor of walking picket lines with them during the strikes forced on our union during the Adamany years. The rich collection of urban Detroit, many of these collections are the papers of Ken Cockrell, Judge George Crocket, and they provide the most significant record of Detroit's African American civic, judicial and social justice leaders. Now of course Reuther is the archive also, the home for the Board of Governors records. These and other historic materials in the archives are part of a priceless trove of primary materials that must be protected for scholars whose work illuminates the impact of organized labor the impact of organized labor, those who brought you the weekend and other benefits. When I say protected I mean it in the physical sense. There is a lively market for the memorabilia that these materials constitute. They are literally locked up to protect them from theft or vandalism. The foot traffic from the repurposing of the archive building to the student services building would have created serious and unnecessary challenges. I have a note from the senior member of the UAW who made the point that next May will be the 50th anniversary of the death of Walter and Mae Ruther and that there's going to be an important ceremony, and to have the archives locked up in some kind of political controversy in the middle of that would be sad. I think that the lack of knowledge of Detroit traditions and what organized labor means in Detroit and the state is behind what has happened in this. Fortunately this was pulled, but it still signifies a particular gap in the way in which we institutionally think about the role of Wayne State University in Detroit and in the state.

I have your 12 copies of my statement that you can pick up here for the Board.

Stuart Baum

Thank you for giving me the opportunity to address the Board. I wanted to do two things with my Public Comment. One, I wanted to recognize a lot of the added value in the framework and appreciate some of the ways that they incorporated student input into this framework. And then two, I wanted to discuss some of the ideas that we have with how to move forward with this framework beyond our engagement with developing it. So

first I wanted to say, for the consultants and for the team that built the plan, I wanted to thank you for the amount of student engagement that you guys had with this plan, I think far above and beyond what I think has been the norm for the way things are done at Wayne State, and even beyond what was expected. So numerous times that they addressed the Student Senate, numerous student focus groups, some of which I have been a part of; many opportunities for student input to not just be heard but to also have an impact on changing the plan. So I do appreciate that, and I wanted to call that out.

I also wanted to say that I really do appreciate the priorities of the plan outlines, specifically, taking note to increasing the connection both from students to the outside community and the other way around as well. I think a lot of students come to Wayne State not in spite of it being in Detroit, but because of it being in Detroit, and there is a hunger for students to being more connected to the community. And I appreciate the efforts that are incorporated into the plan to do that in both directions. I think, I also appreciate the balance that the plan strikes between preserving what it is that makes us great and also challenging us to change aspects of us, to make us even greater. I think we can talk all along about our mission and our values, but if our mission and our values aren't reflected in how we actually allocate space, then they are just words on a piece of paper. I like that this brings life to some of our mission and values and what I think are students' priorities to how we want the campus to change over the next ten years.

So with that said, I want to talk about the plans for moving forward. So as was noted, this was not designed to be a plan that just sits on a shelf for another ten years; this was designed to be more of a living document. And I don't anticipate that it will be implemented exactly as it is stated right here on the plan today, but that there will be changes as the community and all stakeholders are consulted with the way it will be implemented. And as obviously funding opportunities present themselves or don't present themselves. So towards that end I believe that we should make a concerted effort, and I would appreciate the Board's support of this, at continuing and expanding the engagement of the community in implementation of this plan. So I think it would be very beneficial to create a committee – I think it was noted that this was something that has been, that is in the works, and I would appreciate that the committee would have student, faculty, and even outside community stakeholder representation on it to assure that (unclear) follows along with the priorities of our campus. And highlighting again, as we had in the past, that there is not only input heard from these stakeholders, but that their input also has an impact on the plan in changing the way it's implemented. So thank you.

BOND ISSUE OVERVIEW

Mary Ann Cunningham, Assistant Treasurer, gave a preliminary overview of the bond issuance that will be presented to the Board for approval at the June 21 meeting. The finance plan will include the issuance of tax-exempt debt, taxable debt, and refunding. The refunding includes approximately \$53 million for the Series 2009A and B bonds, with expected savings of \$5 to \$6 million.

The tax-exempt issuance is in the principal amount necessary to produce \$25 million in proceeds to fund four projects, the Science & Engineering Library or STEM project,

modernization of two existing elevators in State Hall, completion of the renovation of the School of Social Work building, and construction of a Stadium elevator.

The taxable issuance will be in the aggregate principal amount necessary to produce approximately \$27.5 million to fund the arena project, specifically the construction and design for the men's and women's basketball teams as well as the Piston's G-League.

Wayne State is currently rated A+ by Standard & Poor, and Aa3 by Moody's, both with stable outlook. If approval is given in June, the plan is to issue the bonds the second week in July, with pricing anticipated in mid-September and closing in mid-October. Market conditions are extremely favorable at this time, with a very low supply and high demand, all of which is beneficial for WSU's cost of capital.

Governor Kelly asked whether any General Fund money will be used when the time comes for WSU to pay back any money owed as a result of bonding for any of the capital projects. Ms. Cunningham replied that there is an expectation that WSU may receive about \$3 million for the arena project, and the STEM project received a State appropriation of \$14.75 million, but other than that, funding will come from bonds and no other revenue source.

Governor Kelly clarified her concerns. The administration provides explicit explanations of the impact of approving bond issuances on the University's credit rating, but never discusses the impact on the budget of having to pay it back. Bonds are a debt, and unless there are different sources of revenue, the payback becomes part of the budget that is not adjustable, much like the expense of paying for faculty and overhead. Every time that type of expense is added to the budget, it becomes more difficult to fund other needs such as infrastructure or to avoid raising tuition for students. Governor Kelly asked that when bond issuances come up in the future, the administration provide figures to show what it will cost to pay them back.

President Wilson agreed to that request. He added, however, there are potential costs to NOT doing some projects. For example, the Stadium elevator is an ADA issue because of the number of stairs necessary to climb to the press box, and the University fortunately has not had to pay the consequences of not being compliant. State Hall is an example of an issue where students expect certain amenities in their learning environment. Incoming students provide a revenue source, and a learning environment that is less modern with fewer amenities than their high schools would have an impact on enrollment.

Governor Kumar supported Governor Kelly's concern. Unless repayment is factored into the budget, the loan or debt will continue to grow to the point of not being sustainable, and the Board should be given that information on a regular basis. President Wilson said the comments are fair, but it is necessary to point out that debt is being retired regularly.

Vice President Decatur explained that, in general, every \$100 million of debt that is issued right now costs \$6 to \$6.5 million in annual debt service, a figure that changes as interest rates change. Currently, the University is paying off about \$14 million a year in principal in its current debt structure. As was discussed during the Master Plan presentation, the University has a major challenge in dealing with deferred maintenance. The state government does not provide capital funds, and Mr. Decatur said the University must look at creative ways to identify funds and issue debt.

Governor Gaffney asked how the proposed bond issuance will affect the upcoming budget. Mr. Decatur explained that the bond issue will not be built into the budget until FY 2021. There will be a \$4.4 million increase in bond payments that would be added to the \$14 million that is paid off each year. Debt service is currently \$34 million annually, and the bond issue would add \$2.8 million to that amount. He added that the University will be receiving rent from the Pistons, and that income will be applied to the arena project.


President Wilson thanked Governor Kelly for bringing up a valid issue. He said that the administration should always think about revenue sources for any debt that is issued, and discussions have been held on that matter at the Cabinet level.

In response to Governor O'Brien's question, Mr. Decatur said there is no list of teardowns as yet. As stated in the presentation, the Master Plan is merely a framework for making final decisions later in the process.

ADJOURNMENT

There being no further business, the meeting adjourned at 11:11 p.m.

Respectfully submitted,


Julie H. Miller
Secretary to the Board