EXHIBIT IV

Minutes of Meeting of Board of Regents
August 20, 1983

WESTERN KENTUCKY UNIVERSITY
BOWLING GREEN, KENTUCKY

August 3, 1983

MEMORANDUM

TO: President Donald W. Zacharias

FROM: Harry Largen, Vice President for Business Affairs

SUBJECT: Recommended Course of Action to Assist Greek Organizations in Improving Their Housing

The Alumni Committee for Greek Housing, in a report which they sent to you, requested that the University identify an acceptable site to be used for the development of a Greek row, and they requested that the University examine the possibility of utilizing its bonding authority to assist in the financing of housing units.

I made a preliminary assessment of the Committee's request in a memo to you dated January 20, 1983, and a copy is attached for reference. This report will examine the Committee's request in more detail and provide recommendations about what I think the University should do to assist fraternities and sororities to improve their housing.

Financial Support/Bonding Authority

The Board of Regents has the authority to issue a series of parity bonds under a 1964 Trust Indenture securing Housing and Dining Revenue Bonds to construct additional housing units. Some of the conditions for the issuance of additional bonds were enumerated in the attached letter. Dormitory occupancy trends and projected rental charges for new housing units cause me to recommend that the Board not issue Housing and Dining Revenue Bonds to construct Greek Housing.

Dormitory Occupancy Trends

The demand for student housing on campus has begun to decline. The Housing Office is not scheduling students for triple occupancy this academic year. The 1983-84 housing revenue estimate is based on an occupancy projection of 96 percent of spaces (no tripling) for fall and 84 percent for the spring term. Under these conditions, the University would be incurring debt and other obligations for additional housing units at a time when existing units are vacant.

Projected Rental Charges

Rental charges to students who would live in Greek housing constructed by the University would be at least double the charges to students who live in existing dormitories. My analysis shows that the debt service and maintenance
costs on a facility to house 30 students would require a rental charge of $1,500 to $1,600 for two semesters. The residence hall rental rate for an air conditioned space for two semesters is $730.00.

I believe many Greek students, if given a choice, would elect to live in a dormitory or in off-campus housing for reason of economy. They may not join a Greek organization if chapter rules require them to pay as much as $1,600 for housing.

Building Sites

The Alumni Committee listed three sites on the campus which they thought would be suitable for a Greek row. Their first choice for a site was the property on the interior of the campus at Normal Drive and University Boulevard. In addition to the sites listed by the Committee, two additional sites have been selected for presentation in this report. I have listed the advantages and disadvantages of locating Greek housing on the five sites.

1. Normal Drive and University Boulevard

The site contains approximately nine acres on the interior of the main campus.

Advantages

The site is sufficiently large to accommodate both fraternity and sorority housing.

The site is located near other residential units.

The site is within walking distance of classrooms, libraries, and University Centers.

Disadvantages

The site contains the largest undeveloped area on the main campus and should be reserved for major classroom, housing or support facilities. The memo of January 20, 1983, provides additional discussion of this point.

2. Creason Drive south of McNeill School.

The site known as the Coley property contains 5.51 acres.
Advantages

The site will accommodate at least six and possibly eight building lots.

The location is within walking distance of major campus facilities.

Utilities are available on Creason Drive.

The area has the potential for expansion south to Robinson Lane.

Disadvantages

The site is used by the intercollegiate soccer team and for other recreational activities.

There are single family residences across Creason Drive.

The site is bounded on the west by the L&N Railroad.

The University will need to provide resources to develop a street and utilities for the site.

3. Triangular site west of the railroad track.

The site contains approximately 15 acres.

Advantages

The site is sufficiently large to accommodate both fraternity and sorority groups.

The site is within walking distance of major facilities.

Disadvantages

The property is bounded on the east side by the L&N Railroad and pedestrian access is not convenient.

The area is adjacent to major intercollegiate athletic facilities and should be reserved for expansion of athletic and recreational programs.

4. Normal Drive

The sites consist of seven parcels of property at 1558, 1566, 1572, 1574, 1576, 1580, and a vacant lot known as the Pate property, on Normal Drive - a total of 2.3 acres.
Advantages
The site is close to major campus facilities.
Utilities are available from Normal Drive and Mimosa Alley.
The site contains houses which may be used by the groups on an interim basis until they have adequate finances to construct housing.

Disadvantages.
Four of the lots contain houses and these improvements may increase total development costs.
The number of houses available to rent to University personnel will be reduced and several administrative functions will need to be relocated.
The total land area owned by the University is relatively small.

5. Industrial Drive Property
The site contains approximately 30 acres.

Advantages
The area is sufficiently large to accommodate both fraternity and sorority housing and to continue using it for recreational purposes.

Disadvantages
The site is too far from the campus for students to walk to classes.
Representatives of Greek organizations do not support the site for development of Greek housing.
Utility development to the site will be costly.

Recommendation
I recommend that two sites be set aside for fraternity and sorority housing, based on the characteristics of the sites which are available on the campus and the advantages and disadvantages which have been enumerated.

I recommend that the Creason Drive tract of 5.91 acres be approved for sale to fraternities for the construction of fraternity housing. I recommend that the Normal Drive site consisting of seven parcels of land be approved for sale to sororities for the construction of sorority housing. I also recommend that the lots, including any improvements, be sold for their appraised value.
President Zacharias
August 3, 1983
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Site Development

I do not know at this time whether professional help will be needed to
design and construct roads and utilities. The proposed sites on Normal Drive
should require little in the way of development by the University since they
face an existing street and utilities are available on the sites. Preliminary
sketches of the Coley property indicate that the best arrangement for building
sites may require the construction of a street and utility services in the
center of the area. A construction estimate of $200.00 per running foot is
being used for street and utility development and the total cost could be as
much as $100,000.

I recommend that the University not spend resources for street and
utility development until a commitment to purchase is made by two fraternity
chapters.

Finance and Administration Cabinet Approval

Permission must be obtained from the Secretary, Finance and
Administration Cabinet, before the University can dispose of real property.
Real property of the University must be sold by sealed bid or by public
auction unless the Secretary declares that the sale is in the public interest
and authorizes an alternate means of disposition.

Additional Considerations

Use of Dormitories for Greek Activities
Representatives of two sorority chapters have expressed in writing an
interest in the University modifying space in dormitories for their
activities. Space would be needed for a chapter meeting room, storage
facilities, and a small kitchen. The key consideration will be dormitory
occupancy rates during the next academic year and projected occupancy in 1984
and 1985.

Location of Soccer Field
The intercollegiate soccer field is located on the 5.91 acre Creason
Drive site and a new location will need to be found for practice and
competition. Space is available on the triangular site west of the railroad
tracks and on the Industrial Drive property. The triangular site west of the
railroad track is my first preference for a location since it is close to
existing athletic facilities.

Administrative Functions
The University Guest House and offices for Cooperative Education are in
two of the houses on Normal Drive. New locations will need to be found for
these activities.
President Zacharias  
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Sequence of Events

I anticipate the following sequence of events if the plan is approved by the Board of Regents.

1. Review and approval of plan by Finance and Administration Cabinet.

2. University requests Planning and Zoning Commission to rezone property.

3. Lots are designed, building requirements are specified and development costs determined by University staff with required professional assistance.

4. Plan developed for sale of property to fraternities and sororities.

5. Lots are appraised by an independent appraiser.

6. Street and utilities developed on Coley property when purchase commitment received from two fraternities.

7. Ownership of property transferred to fraternity and sorority housing corporations.

HL:mhj  
Attachment
January 20, 1963

MEMORANDUM

TO: President Donald W. Zacharias

FROM: Harry Largen, Vice President for Business Affairs

SUBJECT: Fraternity-Sorority Housing

You requested that I review the report on fraternity-sorority housing and respond to the proposed building sites and the use of the University's bonding authority to assist in financing Greek housing.

Building Sites

The proposal from the Alumni Committee lists the nine acre tract of land at Normal Drive and University Boulevard as their first choice of a site with other possible sites being on Creswell Drive and the acreage west of the railroad track. The Committee chose the Normal Drive/University Boulevard site because it is vacant, located on the main campus, close to other residential units, and is large enough to accommodate future expansion.

This site contains the largest undeveloped area on the main campus. Characteristics which cause it to be attractive to the Alumni Committee for construction of Greek housing are the same characteristics which make it a choice location for future development of major academic or student housing facilities. The long-range development plan which was adopted initially in 1966 and brought up-to-date in 1973 recommends that the area be reserved for such development. The development plans also recommend that strong entrance images be established into the campus at that intersection.

Mr. Scott Taylor made an assessment of the Greek organizations which he thinks may make a commitment to build in the next five to ten years. He indicated that three organizations may build in one to five years and an additional three organizations may build in five to ten years. Mr. Taylor states that his assessment is subjective and speculative and actual activity may be very different than his assessment. Because Greek housing commitments are speculative and the number of units which eventually may be constructed are unknown, I recommend that the University not make a long-range commitment to the fraternities and sororities for use of this prime building site.
Alternative sites should be designated and reviewed before a final decision is made on the location or locations for Greek housing. Three sites, in addition to the two alternate sites suggested by the Committee, are listed for review and consideration. The sites have been designated on a campus map which is attached.

1. Normal Drive across from East and West Halls.
2. Creason Drive south of McNeill School. (Committee alternate)
3. South of University Boulevard at Normal Drive.
4. Block bounded by College Street and 14th and 15th Streets north of the campus.
5. Triangular site west of railroad track. (Committee alternate)

Three of these proposed sites may not accommodate all Greek houses in one location. The report implies, but does not state, that one location is a requirement but I can think of no compelling reason why that is a necessity. Site No. 3 will not be available until the lease with the Warren County Schools expires or is terminated.

Financial Support/Bonding Authority

Housing and dining and other auxiliary service facilities have been financed by the issuance of revenue bonds under a 1964 Trust Indenture securing Housing and Dining System Revenue Bonds. The Housing and Dining System is a plan whereby the gross revenues from all dormitory rentals and the net revenue of all food service and other auxiliary operations are pledged as security and a source of payment for revenue bonds.

The 1964 Trust Indenture permits the Board of Regents to issue additional parity bonds for the purpose of financing in whole or in part additional housing and dining facilities provided certain financial tests and other conditions are met. Issuance of additional parity bonds imposes some rather rigid conditions upon the University.

1. The buildings erected and financed from the bond proceeds must be made a part of the Housing and Dining System.
2. The revenues generated by the facilities must be pledged as security for the additional parity bonds and bonds currently outstanding.
3. The University must have lawful control of the sites of all the buildings erected and the properties must be free from all liens and incumbrances.

4. The University must provide resources for maintenance, operation, and repair if there is a deficiency in revenues in the System after principal and interest payment are made on all bonds.

I am concerned that there is an expectation of some of the organizations that the University provide definitive answers and responses to the proposal in January and that site preparation begin this spring if our response is positive. In my opinion, that schedule and expectation is unrealistic. For example, the concept of the University preparing a site for construction of the houses may not be practical. Site preparation would probably be done as a part of actual construction of one or more houses.

There are other substantive considerations which will require research and deliberation before the University can make a firm commitment to support Greek housing.

HJ:mbj
Attachment