



**ARIZONA BOARD OF REGENTS  
NORTHERN ARIZONA UNIVERSITY  
June 16, 2005**

The Board of Regents held their annual June meeting at NAU in Flagstaff.

Here are the GPSA pertinent issues and notes from the meeting.

**10:15 a.m.**

**FY 2007-11 Technology and Research Initiative Fund (TRIF) BUSINESS PLANS**

In November 2000, the voters of Arizona passed Proposition #301, which imposed a 0.6% sales tax increase. The tax generates revenue to help the state compete in the new (tech) economy by allowing the public universities to invest that revenue in technology related projects.

The AZ Legislature placed the ABOR in charge of approving each university's spending plans. The only limits are that the funds must be spent on technology related projects and only 20% of the funds could be used for capital projects (ie buildings). At this meeting, ABOR was approving the universities' plans for 2007-2011, which is the second phase of the Fund.

ASU will receive \$107 million of the total \$322 million collected by the sales tax. (1/3 of the total) Per Crow's vision, ASU has devoted most of their money to the ASU Biodesign Institute, with the hopes of creating a "globally competitive" and recognized department. ASU will continue to devote most of their funds to the Biodesign Institute, including the construction of more buildings and the hiring of more faculty. Later in the meeting, ASU secured an additional \$5.5 million from the Capital Committee of ABOR to upgrade some of the existing and planned building facilities of the Biodesign Institute.

In contrast, UofA has spread their funds across more than 5 different disciplines, including Optics, Water, IT, etc.

**1:50 p.m.**

**CALL TO THE AUDIENCE**

In the call to audience, a representative, presumably a paralegal, for attorney Grady Gammage, Jr. read a statement on behalf of Mr. Gammage who represents, Ray Evans, the current owner of the lot located at 740 East Apache, a.k.a. the former location of the Timberwolf Pub/Bar. The statement was written and read at ABOR in response to an ASU memo that had been presented to ABOR (and somehow to Mr. Evans and Mr. Gammage) a few days prior.

ASU has set its sights on that property as part of the master plan for the university. The lot has been plotted as an expansion of the Barrett Honors College. ASU had ordered two appraisals of the lot to set an offering price for the purchase of the lot. The two appraisals valued the lot at approximately \$1.2 to \$1.7 million.



The ASU memo stated that the owner had rejected both of the two offers. The ASU memo also stated that eminent domain was the only method available at this point to acquire the property. The ASU memo also stated that the negotiations with the current owner have been amenable and positive.

The letter read on behalf of Gammage, stated that much of the information contained in the memo was incorrect. The letter stated that the current owner of the property has intentions to develop the property and is not amenable to the sale or forced transfer under eminent domain. The letter also stated that ASU's two offers and appraisals had undervalued the property. The letter detailed ASU's prior purchases in the immediate area and compared the \$ per square foot offered in those acquisitions to the \$ per square foot offered for this lot. The letter stated that the owner would fight the eminent domain proceedings.

(continued below)

**3:00 p.m.**

**VARIOUS**

**9. Authority to Purchase a One-Acre Parcel at 740 East Apache Boulevard and Authority to Use Eminent Domain if Necessary (ASU)**

**Arizona State University requests authority to purchase or to initiate eminent domain proceedings, if necessary, in order to acquire a one-acre property located at 740 East Apache Boulevard in Tempe.**

However, all drama aside, ABOR voted unanimously to allow ASU to acquire the (Timberwolf) property through eminent domain proceedings. Dr. Crow stated that the sentiments of the current owner were nothing more than the owner's attempt to receive as much compensation as possible from ASU's acquisition of the price. Dr. Crow bluntly stated that this was a dispute over price. Dr. Crow stated that ASU would attempt to mediate or resolve the issue with further offers before utilizing the eminent domain power approved by ABOR.

\*Legal note: the power of eminent domain is a power granted to the State or any of its agencies to acquire private property deemed for "public use" and in exchange for "just compensation." Over the years, the courts have interpreted what the State needs to show to justify "public use." ("Just compensation" is set by court approved nearby appraisals) Over the years, the requirements for "public use" have gradually decreased and the State has had an easier path to acquiring private property. An example of proof of a public use include increased jobs for the community through the construction of a factory on land. The US Supreme Court actually ruled on an eminent domain case last week and approved a "public use" justified by increased tax revenue from a factory in New London, CT.

The State Press did an excellent job of covering this issue. The article can be found at <http://www.statepress.com/issues/2005/06/23/news/693294>



**3:30 p.m.**

**PUBLIC AWARENESS COMMITTEE**

**15. Update on Proposed Legislation and Budget Status**

**The Board is provided an update on legislation and the FY 2006 state budget.**

The Government Affairs staff of ABOR quickly ran through a detailed .pdf document noting the bills and issues affecting higher education from the most recent AZ Legislature session. I have attached the document but will quickly detail one of the highlights.

SB 1517 was passed by both houses and signed by the Governor.

The summary begins on page 11 of this document. The major provisions:

- ABOR is required to submit a report to the Governor's task force detailing the feasibility of limiting any tuition increases for continuing students to the % of inflation rise. (a.k.a. the Grandfather clause)
- The Legislature is going to cut funding for undergrad students above a certain number of hours. Beginning at 155, moving to 145.

**19. Approval of Reappointment and Multiple-year Employment Contract for President of Arizona State University**

**The Board is asked to approve the renewal of Dr. Michael M. Crow's appointment and a multiple-year employment contract as President of Arizona State University for the period from July 1, 2005, through June 30, 2008.**

Board President Gary Stuart spoke first and praised Dr. Crow's vision and energy. President Stuart recounted Dr. Crow's dedication to the job, noting his phone calls from China and emails from Ireland.

ABOR unanimously approved Dr. Crow's contract through 2008. Dr. Crow spoke briefly and thanked ABOR and ASU for the continued opportunity.

**4:15 p.m.**

**PROGRAMS COMMITTEE**

**31. \*Academic Program and Organizational Unit Change Requests and Summary Report on Program and Organizational Changes Approved by the Executive Director**

**The Board is asked to authorize the following requests:**

**Arizona State University:**

- \* To plan for a PhD with a major in Gender Studies,**
- \* To implement a PhD with a major in Physical Activity, Nutrition and Wellness (East Campus), using the one-step expedited process,**
- \* To reorganize the Cronkite School of Journalism and Mass Communication as an independent school at ASU Downtown Campus,**
- and**
- \* To disestablish the College of Extended Education and establish the School of Extended Education in University College.**



All approved



**5:30 p.m.**

**Adjournment of the meeting**

At the close of the meeting, the Board said their goodbyes to student Regent Wes McCalley, former NAU undergraduate president and current NAU graduate student. The Regents spoke warmly of their interactions with Wes and commended him for his excellent work. This paves the way for ASU graduate student Kolby Granville to take the non-voting student regent spot.

The Board then said their goodbyes to outgoing President Gary Stuart. The Board spoke warmly of his efficiency, dedication to the job, and major initiatives started under his command, including the downtown medical campus. In closing, Stuart reiterated comments he has made in the past year, during the AZ Legislature budget discussions and at recent ABOR meetings. He stated that the situation for ABOR and the universities is one in which receiving funding from the AZ Legislature is an increasingly difficult task and the universities will have to make changes to seek funding from other sources. Regent Stuart stated that the funding for the universities from the Legislature is “never increasing” and “ever decreasing.” However, that is all Stuart stated in his public comments.

Stuart then passed the gavel to Regent Cristina Palacios, who closed the meeting as the new President-Elect.

The next ABOR meeting will be held at UA in Tucson on August 16<sup>th</sup> and 17<sup>th</sup>.