

ENDOWMENT BOARD COMMITTEE OF THE BOARD OF TRUSTEES AND THE NORTH CAROLINA A&T INVESTMENT FOUNDATION

North Carolina Agricultural and Technical State University
Greensboro, NC

February 22, 2024

MINUTES

The joint meeting of Endowment Committee of the Board of Trustees and the North Carolina A&T Investment Foundation Board convened on Thursday, November 9, 2023 at 2:00 pm. with Mark Copeland presiding.

Roll Call revealed the following:

Present:

Mark Copeland, Chair
Calvin Brodie
William Dudley
Kimberly Gatling
Gina Loften
Harold L. Martin, Sr., Chancellor
Joe Parker
Thomas Powers, Real Estate Foundation
Dennis Stearns

Others Present:

Helen Buck, Associate Vice Chancellor/Comptroller
Kathy Burckley, Director Financial Reporting
Kim Cameron, Real Estate Foundation
Chartarra Joyner, Associate Vice Chancellor/Budget & Planning
Tim Minor, Vice Chancellor for Strategic Partnerships
Robert Pompey, Jr., Vice Chancellor for Business & Finance
Kenneth Sigmon, Vice Chancellor for University Advancement

Absent:

Daniel Lim, Real Estate Foundation
Hilda Pinnix-Ragland

The meeting was called to order by Mark Copeland, followed by the reading of the Conflict of Interest Statement. The minutes from the September, 2023 meeting were approved and seconded, as submitted, by Calvin Brodie and William Dudley, respectively. The meeting was yielded to Robert Pompey, Jr.

The following information was shared:

Combined investments of the University, the NC A&T Real Estate Foundation, Inc, and the Foundation for North Carolina A&T State University, Inc. comprise the North Carolina A&T Investment Foundation, Inc., with assets a total of \$183 million at 9/30/23. Endowment assets held total \$167.5 million.

The Investment Foundation's asset market value of \$182 million at September 30, 2023 represents an increase of \$2.9M from the \$180 million market value at June 30, 2023.

There were approximately \$116K in gifts for the first three months of the fiscal year, approximately \$24K in realized gains, income of \$71K, unrealized gain of \$2.9M and investment manager fees of \$107K.

University endowments account for \$160.5 million, or 88% of the assets under Investment Foundation management. The Foundation for NCAT investments of \$19 million include endowments of \$7 million and additional restricted and unrestricted funds of \$12 million which accounts for a combined 11%. Real Estate Foundation account for 2% or \$3 million of our total assets at June 30, 2023.

For the three months ended September 30, 2023, the investment return was 1.6%. The current investment manager allocation (by market value) shows the UNC Investment Fund (UNCIF) holding 94% of the investment pool. Vanguard was liquidated last fiscal year and the proceeds of \$34M were transferred into UNC. The Latino Community Credit Union and Goldman Sachs each hold 1% of the assets and PFM accounts for 2% and cash accounts for the remaining 2% of the overall investment.

In addition to its pooled endowments, the University holds \$162,950 in endowment assets within the Investment Foundation that are not part of the investment pool. Real estate of \$115,400 and the College of Business & Economics (COBE) Students' Investment Fund of \$47,550 brings the University total endowment balance to \$160.5 million.

The endowment scholarship/professorship estimates an allocation of \$5.4M for spending in FY24.

We made investments that we hope will positively impact our community. These investments include: \$2M to Goldman Sachs, \$500K to Mechanics & Farmers, a local minority-owned bank and \$500K to Latino Community Credit Union.

The Committee also received a presentation on the Resurgent Economic Development Project from the Real Estate Foundation.

The Resurgent is a mixed-used development project that will serve as a catalytic economic game changer for East Market Street.

The North Carolina A&T Real Estate Foundation is the lead developer for The Resurgent, the site is located at 1804 East Market Street.

The land was purchased in July 2021. Originally the first phase of the project consisted of a four-story office building, parking deck, 12,000 SF of retail space and 100 apartment units. However, rapidly changing post-pandemic market conditions made this plan infeasible to finance.

The new phase 1 is further east on the site and is a five-story office building that utilizes existing surface parking.

- The first two floors are Cone Health for Urgent Care and Primary Care
- The third – fifth floors are slated for University uses (Human Resources, the NC A&T East Greensboro Entrepreneurial Hub (Center of Excellence for Entrepreneurship and Innovation/SBDTC), NC A&T Real Estate Foundation).

Phase I is proposed to be owned in a 60/40 joint venture partnership with the Real Estate Foundation and Cone Health.

The Real Estate Foundation has previously invested \$7.5 million land acquisition and pre-development expenses for The Resurgent.

To complete this first phase of The Resurgent the project cost is \$30.9 million

Approximately, \$6.7 million in New Markets Tax Credit Equity is anticipated as well as a \$2 million dollar Economic Development Loan from the City of Greensboro.

Cone Health is expected to invest \$9.1 million for their 40% share

ROI includes:

- Job Creation of over 125 jobs in East Greensboro at an estimated \$1.6 million of new annual payroll
- Creation of over 150 Entrepreneurs in East Greensboro (Students & Community)
- Reversing the effects of over 40 decades of commercial disinvestment in the East Market Street Corridor
- Eliminating a medical desert in East Greensboro and moving towards medical equity in the Black Community with over 25,000 patient visits per year

The North Carolina A&T Real Estate Foundation requested the University to invest \$11 Million as an endowment investment. The rents charged to the University tenants in the Resurgent will be recognized and revenue to the Investment Foundation. The Investment Foundation authorized the University management to negotiate and enter into an agreement to invest \$11 Million in the Resurgent – Phase I project.

Finally, the Investment Committee held discussions about adopting an Impact Investing Policy Statement. This will be a supplement to the current impact investing policy and will be approved in the February Meeting.

With no further business, the meeting the motion to adjourn was moved and seconded by Calvin Brodie and Dennis Stearns at 3:18p.m.

Recorded by:

Daphne M. Rogers