

MINUTES OF A SPECIAL MEETING  
BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA  
OKLAHOMA CLUB, OKLAHOMA CITY  
MONDAY, FEBRUARY 15, 1954

The Regents met in special session Monday, February 15, 1954 at 6:30 p.m. in the Oklahoma Club, Oklahoma City for the purpose of considering further the purchase of the Parkview Apartments in Norman, and the financing of the project. Also the specifications for the drilling of two water wells on the North Campus.

Regents at the meeting were: T. R. Eenedum, President, presiding; Short, Little, McBride. Absent: Regents Foster, Morgan, Grisso.

President Cross and Roscoe Cate attended the meeting.

Mr. Little reported he had read the revised specifications for the drilling of the water wells as submitted by Mr. Kraft. He stated the specifications were too complicated and in his opinion no contractor would submit a bid, that he would write a simple statement to be used in inviting bids for the drilling of the wells. Also that he would send a man to supervise the drilling of the first well at his own expense.

Regent McBride moved, and it was voted, to accept the proposal of Mr. Little, and his offer to send a man to supervise the drilling of the first well.

Roscoe Cate distributed copies of "Offers to Purchase Parkview Bond Issue" and this report follows:

Proposal of the Mutual Benefit Life Insurance Company

1. Tie the existing \$5,200,000 in dormitory system bonds and the new \$1,200,000 Parkview bonds into one package, with a new issue of \$6,400,000. This would greatly simplify operating problems, and also would reduce the average annual requirement for debt service by placing the entire indebtedness on a level payment plan with maturities of the old bonds increased in maturity by about two and one half years.

2. Interest rate of 3.3% on all the bonds. This rate is the equivalent of changing the refunded bonds from 3 1/8 to 3 1/4%, with longer maturities, and fixing the price of the new bonds at 3.6%.

3. Commitment by Regents to insure occupancy and establish rates for the entire system in such manner as to make net income 1.2 times annual average debt service requirement.

Proposal of First National Bank and Small-Milburn

1. \$1,200,000 for Parkview Apartments purchase, at interest rate of 3.54799%, 25-year term.
2. Maturity schedule with level payments of about \$70,000 per year, except that \$210,000 of the bonds would be placed in the final (25-year) maturity. Total interest cost to maturity \$689,658.75.

Proposals of R. J. Edwards, Inc.

Proposition I.

Provide professional services for a 1% fee, for arranging terms and conditions of bond issue, banking advice, recommendations concerning interest rates, terms and conditions to be imposed in current and future borrowing, and assist in the preparation of the bond resolution, preparation of bonds, and all mechanical details concerning issuance and delivery to the purchaser of the bonds, if Parkview is to be made part of the existing Dormitory System (which R. J. Edwards, Inc., recommends).

Proposition II.

1. In the event the Regents wish to operate Parkview separately, R. J. Edwards, Inc., offers to buy the \$1,200,000 bond issue at par and accrued interest and a premium of \$200, with an interest rate of 3 3/4%.
2. All bonds to mature 25 years from date of issue, with a sinking fund established "in such a manner as to insure the orderly retirement of the bonds at or prior to maturity".
3. Bonds to be subject to redemption prior to maturity for sinking fund purposes at par on any interest date on and after ten years from date of issue. Mandatory sinking fund retirement of debt to become effective ten years from date of issue.
4. Bonds to be not subject to prior redemption or sinking fund purposes for first five years, and maximum call premium prior to maturity not to exceed 4%.
5. Net earnings if present system to be pledged on Parkview bonds when present indebtedness is cleared.
6. This proposition is withdrawn in the event the Mutual Benefit makes a proposal more acceptable than the proposal of any other investor or group.

Mr. Cate expressed the opinion that the proposal of the Mutual Benefit Life Insurance Co., of New Jersey, is the most favorable. President Cross recommended acceptance in accordance with the statement of Mr. Cate.

Regent Little moved, seconded by Regent Short, that the proposal of the Mutual Benefit Life Insurance Co. for refinancing the dormitory system bonds be accepted. The motion carried.

The following resolution was thereupon proposed:

WHEREAS, the University of Oklahoma now has only 120 permanent apartment units for married students; and

WHEREAS, the 500 prefabricated housing units installed in 1946 as emergency units are becoming expensive to maintain and are unsuitable for long-term use as student housing; and

WHEREAS, more than 300 of the prefabs are now occupied by students desiring low-cost furnished dwelling units, and there is still a waiting list for the 200 two-bedroom prefabs; and

WHEREAS, there are approximately 1,800 married students enrolled in the University during the current school year, and it is apparent that there is a trend nationally toward marriage at an earlier age; and

WHEREAS, the kind of low-cost, fully furnished apartments desired by married students are not the kind of facility ordinarily provided by private investors at rates that students can or will pay; and

WHEREAS, the possibility of acquiring Parkview Apartments at a cost far below replacement value, and furnishing them with rehabilitated furniture from discontinued prefabs, offers an opportunity to provide 244 low-cost furnished apartments for married students, and such an opportunity is not likely to occur again in the foreseeable future; and

WHEREAS, the acquisition of Parkview Apartments would make it possible for the operation of the 500 prefabricated units in Sooner City to be terminated much sooner than otherwise would be the case,

NOW THEREFORE, be it resolved by the Board of Regents of the University of Oklahoma:

1. That the business manager of the University be authorized to present to the Federal Housing Administration a bid from the University of Oklahoma for the purchase of Parkview Apartments, such bid to be conditioned upon completion of arrangements to sell revenue bonds to make the purchase.

2. That the bid be made in an amount not to exceed \$1,200,000 to be determined by the business manager at the time when offers are received by the FHA in Washington, D. C., February 26.

3. That the tentative offer of The Mutual Benefit Life Insurance Company to refund the \$5,200,000 in outstanding Dormitory System bonds and buy \$1,200,000 new bonds, with all secured by revenues of a new dormitory

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system including Parkview, be accepted subject to agreement on details of the bond proceedings.

4. That if feasible, the amount of new bonds be increased by approximately \$150,000 in order to cover by escrow the outstanding Niemann Apartments bonds and incorporate this project into the dormitory system.

5. That the business manager be authorized to submit a good faith check with the University's bid in the amount of 5% of the amount bid, such payment to be made with unobligated reserve funds of auxiliary enterprises of the University, and to be repayable from proceeds of the bond issue.

Regent Little moved, seconded by Regent Short, that the resolution be adopted. The motion carried.

There being no further business the meeting was adjourned.

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Emil R. Kraetli, Secretary