Records of the Board of Trustees : Minutes
From the Shelby White and Leon Levy Archives Center, Institute for Advanced Study, Princeton, NJ, USA

THE INSTITUTE FOR ADVANCED STUDY

Princeton, New Jersey

MINUTES

Special Meeting of the Board of Trustees

Wednesday, January 17, 1968

Sixty East Club
60 East 42nd Street
New York City

Present — Messrs. Boyd, Dilworth, Galpin, Greenbaum, Hochschild, Leidesdorf, Rosenwald, Schur and Shanks; Dr. Kaysen, Mr. Hansmann and Mr. Morgan

Absent — Messrs. Garrison, Houghton, Lewis, Linder and Strauss

Presiding Officer — The Chairman, Mr. Leidesdorf, opened the meeting at 1:20 P.M.

Minutes — The Minutes of the Regular Meeting of the Board of Trustees, held in New York City on October 25, 1967, were approved as distributed. (See Note at the end of these Minutes).

Director's Report

The Director said that he would like to report on the building situation. He reminded the Board of the two actions that had been taken at the October meeting:

1) With respect to the academic building--the Director was authorized to make application for a grant from the National Science Foundation in the amount of $640,618;

2) With respect to the additional housing, the Director was authorized to proceed with the early stages of the construction, up to $150,000, pending resolution of the application to the New Jersey Educational Facilities Authority.

I. ACADEMIC BUILDING

The Director reported first on the academic building.

He said that he and Mr. Roche, the architect, had met with the Faculty in the Spring to acquaint them with the studies that had gone into the selection of a site

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immediately north of Fuld Hall. The Faculty's reaction, at that time, was one of apparent indifference. Mr. Roche was instructed to proceed with the design.

In the Fall, following the meeting of the Board, sketches and photographs of a model representing Mr. Roche's proposed design for the building were made available to the Faculty. These were greeted with a nearly-unanimous storm of protest. There were two kinds of objections: (1) to the site and (2) to the design. Representatives of the Faculty met with Mr. Roche and the Director, and it was clear to the Director, after this meeting, that the degree of unrest and unhappiness that would be occasioned by proceeding further with the building would be intolerable to the well-being of the Institute. In view of the Faculty reaction, Mr. Roche himself felt it unwise to press the project. There was, therefore, no choice but regretfully to terminate our relations with Mr. Roche.

With respect to the financial situation, the application to the National Science Foundation has been refused, for the time being, at least, largely on the grounds that the agency is short of funds and that this was, therefore, the wrong time to make an exception for an institution which does not grant degrees.

The Director said it would probably be next Fall before he asked the Board to reconsider the problem of an academic building. His present thinking is that it would be wise to approach the matter of additional academic space in two bites: (1) a rather modest office building to take care of expansion in Mathematics and Natural Sciences to the east of Fuld Hall and (2) a larger building which would contain offices for the new school, seminar rooms, a lounge and a new cafeteria, to the west of Fuld Hall. He said, further, that it seemed to him wise to explore these possibilities with a local architect who would be, perhaps, more sensitive to the reactions of the academic community, and he proposed to go ahead to do so.

The Director emphasized the fact that we will now have no additional academic space until the spring of 1970, at the earliest, that we are still very crowded and that the only temporary solution lies in the construction of the additional housing units, which will permit the conversion of some of the bachelor flats into office space.

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II. HOUSING

The Director referred the members of the Board to two letters (attached) from Mr. Edward J. Bambach, Executive Director of the New Jersey Educational Facilities Authority. The legal power of the Authority to provide assistance to sectarian and private institutions is now under litigation and the Commission on Law and Social Action of the American Jewish Congress has supported an intervention by four New Jersey residents in the suit. It is their hope to lay the basis for an appeal to the United States Supreme Court, should the New Jersey courts uphold the Authority's powers.

The letters from Mr. Bambach say, in effect, that the Authority will act favorably on the Institute's application, if and when the litigation is resolved positively, even though we proceed with the construction at this time, following their rules and procedures. The alternatives are as follows:

1) If the Authority's power is not upheld, the funds will not be available.

2) If the Authority's power is upheld, the Board will then be in a position to decide whether it wishes to borrow the money, in the light of the then current financial climate.

The Director reported that, at his instruction, the General Manager had invited bids on the contract from three bidders, in accordance with the Authority's rules. The lowest bid, by Matthews, was: $1,102,300, actually $155,000 under the architect's estimate, which had been presented to the Board in the Fall. If the bid were accepted and construction proceeded, we would have some of the space available in the Fall.

The Director requested permission to proceed.

There was a general discussion of the matter, in which it developed that three of the absent members (Mr. Strauss, Mr. Linder and Mr. Houghton) had all expressed themselves in favor of proceeding.

It was moved, seconded and unanimously passed that the Director be authorized to proceed with the construction of 32 additional housing units, as reflected in the attached estimates and bid sheets, in the amount of $1,262,130, covering Matthews' bid, 10% contingencies and architectural and engineering fees.

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Permanent Meeting Dates

Following a brief discussion, it was the sense of the meeting that it would be advantageous if the Board could adopt two permanent meeting dates: (1) for the Regular Meeting of the Board and of the Corporation in the Spring and (2) for the Regular Meeting of the Board in the Fall.

Adjournment

There being no further business, the meeting was adjourned at 2 P.M.

Respectfully submitted,

Minot C. Morgan, Jr.,
Assistant Secretary

NOTE

Following the meeting, Mr. Hansmann asked the Assistant Secretary to make a correction in the summary of his report at the October 25th meeting:
Page One, Final Paragraph, Second Sentence,
"This showed the performance indicator for every year to have been better than the Dow Jones" should read "This showed the performance indicator for the common stock portion of the portfolio, for almost every year, to have been better than the Dow Jones".

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NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
225 WEST STATE STREET
TRENTON, NEW JERSEY 08625

RICHARD G. MACGILL
CHAIRMAN
WILLIAM L. KIRCHNER, JR.
VICE CHAIRMAN
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TREASURER
GEORGE C. FLEMING
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HONORABLE RALPH A. DUNGAN
EX OFFICIO
HONORABLE JOHN A. KERVICK
EX OFFICIO

EDWARD J. BAMBACH
EXECUTIVE DIRECTOR

M E M O R A N D U M

November 27, 1967

TO: New Jersey Institutions of Higher Education

Attention: The President

The Authority would like to bring you up to date on the developments in the law suit that has been drawn to determine the constitutionality of the Authority legislation.

The case had been approaching the point where a pre-trial conference was to be scheduled with a view in mind of moving toward an early resolution of the problem before the Courts in keeping with the timetable that had been described to you sometime earlier.

As of November 6, 1967, the Attorney General was informed that the Commission on Law and Social Action of the American Jewish Congress is interested in intervening in the case. The primary purpose of the request is to provide a basis for an appeal to the United States Supreme Court should the New Jersey Courts uphold the Authority's right to act with respect to sectarian colleges.

On the assumption that the organization will be granted permission to intervene, it is difficult to estimate a date when the matter will be cleared.

In the meantime, two institutions have exhibited interest in moving ahead with construction projects of a high priority. Two specific requests have been made to the Authority for assistance at such time as the Authority is legally in a position to give such assistance. The interested institutions propose to finance construction projects temporarily from their own resources until the Authority is in a position to assume the financial obligation for them. The Authority has agreed to do this under certain conditions.

The Authority would like to make clear to the presidents of all institutions of higher education in the State that it has taken such preliminary and contingent action in regard to two specific requests.

If you have further interest in this matter as it relates to your institution, I will be happy to discuss the matter with you.

Edward J. Bambach

EJB:id

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EDWARD J. BAMBACH
EXECUTIVE DIRECTOR

November 14, 1967

Mr. Minot C. Morgan, Jr.
General Manager
Institute for Advanced Study
Princeton, New Jersey

Dear Mr. Morgan:

You have advised the Authority that your institution requires a residential facility and has requested financial assistance of the Authority in providing said project. You further advise that your institution intends to proceed with the construction of the project and desires the financial assistance of the Authority with respect to said project at the earliest possible date.

We have advised you that the constitutionality of certain provisions of the New Jersey Educational Facilities Authority Act, under which Act the Authority operates, are under consideration in pending litigation and that the Authority cannot proceed with your request for financial assistance for the project until such litigation has been satisfactorily concluded.

Upon the conclusion of the pending litigation, if the requisite powers of the Authority are sustained, the Authority will be agreeable to provide financial assistance to your project, subject to the provisions, conditions, and limitations hereinafter set forth:

1. The financial assistance of the Authority with respect to the project shall be subject, in all respects, to the provisions and limitations of the Act.

2. Prior to the commencement of construction of the project, you shall have obtained the written approval of the Authority of the site for and plans and specifications of the project.

3. Prior to the commencement of construction of the project, you shall have obtained the written approval of the Authority of the contract or contracts under which the project is to be constructed.

4. The total project cost, as determined by the Authority, shall not exceed the amount agreed upon at the time of the contract award.

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5. The Authority shall be able to issue its bonds, notes or other obligations sufficient in amount to provide funds with which to finance the project cost.

Under the Act, if all of the pertinent powers of the Authority are sustained in the pending litigation, the Authority has authority to provide financial assistance with respect to the project in three ways; namely, 1) own and operate the project, 2) own and lease the project to your institution, or 3) make a loan to your institution to finance the cost of the project. The Authority reserves the right to determine the manner within the three alternatives above under which it will provide financial assistance to the project.

Based on the assumption that you will proceed with the construction of the project prior to the definitive commitment of the Authority to provide financial assistance therefor, the following additional provisions and conditions will be applicable to financial assistance by the Authority depending upon which of the three alternatives is selected by the Authority:

1. Ownership and operation by the Authority. Your institution will be obligated to convey or lease the site of the project and all improvements thereon to the Authority in consideration of the payment by the Authority to your institution of a sum equal to the expenditures made to the date of the transaction for the construction of the project and to undertake a management agreement as agent of the Authority covering the maintenance and operation of the project, all as to be provided under agreements between the parties approved by the Authority.

2. Ownership by the Authority and lease to your institution. Your institution will be obligated to convey or lease the site of the project and all improvements thereon to the Authority in consideration of the payment by the Authority to your institution of a sum equal to the expenditures made to the date of the transaction for the construction of the project and to undertake a net lease of the project providing for requisite rentals, all as to be provided under agreements and leases or subleases between the parties approved by the Authority.

3. Loan by the Authority. At the time of closing of the loan, the Authority will make payment to your institution of a sum equal to the expenditures made to the date of the transaction for the construction of the project and agree to provide the balance of the construction cost in consideration of the repayment of the total loan and interest thereon, all as to be provided under agreements between the parties approved by the Authority.

As you undoubtedly know, Section 18 of the Act requires the Authority to transfer any title or interest that it might have in a project to the institution after the obligations and liabilities incurred by the Authority with respect to the project have been satisfied.

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We regret that the present limitations on the Authority's operations prevent it from undertaking a more definitive commitment, but trust that the foregoing information is sufficient to enable you to make a determination as to whether you desire to proceed with the project at this time.

Sincerely,

Edward J. Bambach

EJB:jp

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HOUSING COSTS December 8, 1967

Matthews - Excavation, Foundation, etc.	$ 207,700.00
Matthews - Balance of Job	894,600.00
	$1,102,300.00
Bowers - Balance of Job	$915,978.00
Ehret - Balance of Job	$1,097,377.00

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CURRENT BUDGET

FOR

NEW HOUSING (PHASE I - 32 UNITS)

1.	SITE WORK	$ 112,400.00
	(Including outside storm system, plumbing, walls, drives, and landscaping)	
2.	GENERAL CONSTRUCTION.	955,500.00
3.	MECHANICAL.	189,500.00
	(Including heating and ventilating, plumbing, and electrical)	
		$1,257,400.00
4.	CONTINGENCY	125,740.00
	TOTAL CONSTRUCTION	$1,383,140.00
	ARCHITECTURAL AND ENGINEERING FEES	49,600.00
	TOTAL	$1,432,740.00

October 25, 1967