

MINUTES  
STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
FACILITIES COMMITTEE  
NEW COLLEGE OF FLORIDA  
SARASOTA, FLORIDA  
SEPTEMBER 13, 2018

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and its Committees are accessible at <http://www.flbog.edu/>.*

Governor H. Wayne Huizenga, Jr., Chairman, convened the meeting of the Board of Governors Facilities Committee meeting at 9:21 a.m., September 13, 2018. The following members were present: Shawn Felton, Sydney Kitson, Ned Lautenbach, Edward Morton, Jay Patel and Fernando Valverde. Other Board members present included: Tim Cerio, Alan Levine, Wendy Link, Norman Tripp, and Jalisa White.

1. Call to Order and Opening Remarks

Chairman Huizenga called the meeting to order.

2. Minutes of Committee Meetings: Governor Huizenga

Governor Valverde moved that the Committee approve the minutes of the Facilities Committee meeting held June 27, 2018, at the University of Central Florida. Governor Kitson seconded the motion, and it passed unanimously.

3. 2019-2020 SUS Fixed Capital Outlay Legislative Budget Request

Chairman Huizenga, called on Mr. Chris Kinsley, Assistant Vice Chancellor for Finance and Facilities, to discuss the LBR items. Mr. Kinsley asked that the committee adopt a lump-sum LBR for PECO funds and for CITF. He noted the lump-sum allocations for PECO have been provided by the Department of Education, and that the amounts will be the same as those adopted by the State Board of Education. The maintenance, repair, and renovation/remodeling for the next three years are as follows: 2019-2020 will be \$51.9 million, 2020-2021 will be \$54.8 million, and 2021-2022 will be \$57.3 million. Mr. Kinsley then provided estimates for named projects. The estimates for the next three years are as follows: 2019-2020 the estimate is \$64.9 million, 2020-2021 the estimate is \$68.5 million, and 2021-2022 the estimate is \$71.6 million. Mr. Kinsley stated the recommendation is \$44 million for CITF.

Mr. Kinsley opened the floor for questions, there being none, Chairman Huizenga called for a motion to adopt the 2019-2020 SUS Fixed Capital Outlay Legislative Budget Request. Governor Morton moved to approve, Governor Patel seconded, and the motion passed unanimously.

4. Florida A&M University Housing – Request for Debt Authorization

Chairman Huizenga summarized the proposed action item for Florida A&M University and the need for housing, the proposal being put forth, and the conditions found in the resolution related to FAMU's new housing. Chairman Huizenga opened the floor for questions. Chairman Huizenga asked Mr. Kinsley to provide an overview. Vice Chair Kitson raised concerns regarding the budget. Mr. Kinsley noted the recommendation that FAMU not move forward with closing the transaction with the USDOE until after the guaranteed maximum price is received which is estimated to be in December. If the guaranteed maximum price exceeds the budget, the institution will not be able to move forward. Mr. Kinsley answered additional questions regarding management of the project, as well as staff involvement, and ongoing reports for staff and the Board. The exceptions to the guidelines and the conditions that go along with those exceptions were identified. The Board staff recommended that the Board consider adding the following as conditions to the approval of the transaction:

- 1) The University develop a robust contingency plan to address failure of some or all of the Project to open for occupancy as scheduled.
- 2) The University report on a monthly basis to Board staff on all aspects of the Project until such time as the Board determines this is no longer required.
- 3) The University submit to Board staff the close-out report at the end of each development phase; Conceptual/Schematic Design, Design Development, Construction Documents (30%, 60%, and 100%) and Design Build.
- 4) The University submit to Board staff a draft GMP contract by January 24, 2019.
- 5) The University continue to pursue outsourcing of Housing maintenance.
- 6) The University to report its progress in addressing its Housing System Deferred Maintenance needs, as shown in the Facility Condition Assessment Executive Summary prepared by ISES Corporation in February 2018, to the Board of Governors on an annual basis.
- 7) The University may not transfer any housing system moneys from the housing system for non-housing system purposes, except for the housing system's reasonable share of general University overhead expenses, until such time as all existing Housing System Deferred Maintenance has been addressed.
- 8) The University may not request any additional housing system debt, or request approval to enter into housing-related public private partnership arrangements, until 1)

the completion of the Project, and 2) a Facility Condition Assessment is performed which indicates that the University is making substantial progress in addressing Housing Deferred Maintenance.

It appears that the proposed financing is in compliance with the Florida Statutes governing the issuance of university debt and is generally in compliance with the Board of Governors Debt Management Guidelines dated September 22, 2016, except for 1) the extended maturity on the 2012A debt; 2) delayed principal amortization (on the new money piece); 3) non-level debt service; and 4) the contemplated financing is taxable debt.

Chairman Huizenga asked if there is any other further discussion. There being none, Chairman Huizenga called for a motion to adopt a resolution approving the issuance of fixed rate, taxable revenue bonds, by the Division of Bond Finance on behalf of the University, in an amount not to exceed \$125,000,000 for the purpose of financing (i) the refunding and restructuring of all the University's existing housing revenue bonds and (ii) construction and equipping of a new student housing facility and a new dining facility on the main campus of Florida Agricultural and Mechanical University, with the added condition that a final Guaranteed Max Price (GMP) contract will be submitted by CTG to the University, and copied to Board staff, on or before January 24, 2019, and prior to the closing of the proposed financing. Governor Patel moved to approve, Governor Kitson seconded, and the motion passed with approval by all members.

5. University of Central Florida – Sanford Burnham

Chairman Huizenga called on Mr. Kinsley to give a brief explanation of the Sanford Burnham transaction. Mr. Kinsley discussed the property which is owned by Orange County. Orange County offered UCF an opportunity to purchase the property for \$50 million instead of entering into a 20 year lease. Mr. Kinsley explained that the purchase is government to government and the mortgage note is with Orange County. UCF will pay Orange County \$2 million over the next 20 years and then they will pay them \$1 million dollars over the remaining 10 years. Half of the building will be available for the university's use and half will be leased to two not-for-profit entities. The payment from the entities will be paid to Orange County to cover the \$2 million. The Board's General Counsel advised that the transaction did not require the Board's approval. The transaction is closed and the deed has been executed. The Board will discuss and consider amending Board Regulation 17.001, Lease Authority, at a future meeting so that similar purchases are more collaborative.

6. University of Central Florida – Colburn Hall

Chairman Huizenga called upon President Whittaker and Chairman Marchena to discuss an informational item regarding the meeting held on September 6, 2018, by the

UCF Board of Trustees to address an inappropriate use of over \$38 million of state funds used to construct a new facility on the UCF main campus.

The Committee made several requests of UCF, including a request to not take any further steps towards the development of new projects until such time as the Trustees complete the implementation of procedures set out on at their meeting held September 6<sup>th</sup>, and verified by Board staff.

7. University of Central Florida - Lake Nona

UCF withdrew the College of Nursing proposal with the commitment to take no further action until it has completed the review of Colburn Hall and responded to the Board of Governors. UCF understands the need for presentation on the College of Nursing at a future Board meeting.

8. Concluding Remarks and Adjournment

Governor Patel would like to take up the proposed revisions to the P3 Guidelines at a future meeting. There being no further business, Chairman Huizenga adjourned the meeting at 10:28 a.m. (ET), September 13, 2018.

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Chris Kinsley, Assistant Vice Chancellor  
Facilities

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H. Wayne Huizenga, Jr., Chair