

MINUTES  
STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
FACILITIES COMMITTEE  
FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY  
TALLAHASSEE, FLORIDA  
MARCH 27, 2019

*Video or audio archives of the meetings of the Board of Governors  
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 4:52 p.m., March 27, 2019. The following members were present: Fernando Valverde, Shawn Felton, Darlene Jordan, Sydney Kitson, Ned Lautenbach, Edward Morton, and Jay Patel. Other Board members present included: Tim Cerio, Richard Corcoran, Patricia Frost, Alan Levine, Frederic Salerno, Norman Tripp, Jalisa White, and Zachariah Zachariah.

1. Call to Order and Opening Remarks

Chairman Huizenga called the meeting to order.

2. Minutes of Committee Meeting: Governor Huizenga

Governor Jordan moved that the Committee approve the minutes of the Facilities Committee meeting held January 31, 2019, at Florida International University. Governor Patel seconded the motion, and it passed unanimously.

3. 2020-2021 Legislative Budget Request Guidelines

Chairman Huizenga explained that at the meeting on January 31, 2019, there was a discussion to adopt the LBR Guidelines for Fixed Capital Outlay so that the Trustees can begin to process of adopting the new LBRs for the 2020 Session. Chairman Huizenga went on to explain that other than formatting, the Guidelines document proposed for adoption is the same one discussed in January. Chairman Huizenga asked if there were any questions. There being none, he called for a motion to adopt the 2020-21 LBR Guidelines for Fixed Capital Outlay. Governor Jordan moved to approve, Governor Felton seconded, and the motion passed with approval by all members present.

#### 4. FIU P3 Hotel and Alumni Center

Chairman Huizenga invited Dr. Ken Jessel to present on the FIU P3 Hotel Center. Dr. Jessel explained that the Hotel, Conference Center, and Alumni Center will serve students, faculty, researchers, alumni, and also the community. He also described the project in detail and highlighted many of the benefits including, but not limited to supporting the academic and research mission of the institution.

Dr. Jessel also discussed the selection of the developer, Concord Benchmark, which consists of Concord Eastridge, Inc. and Benchmark Management Company, LLC. Rabun Architects is the architect, with Moss & Associates providing the construction services.

Additionally, Dr. Jessel described the location and approval of the site. Also, discussed in detail were issues raised by the Division of Bond Finance. Finally, Dr. Jessel addressed the maintenance agreement and the possible demolition of the project at the conclusion of the lease.

Chairman Huizenga opened the floor for questions. After further discussion with Governors Valverde, Patel, Kitson, and Morton, Chairman Huizenga called for a motion to approve a resolution approving Florida International University Board of Trustees to enter into a sublease and operating agreement with Concord Benchmark, LLC for the construction, financing, operation and maintenance of a 150 bed hotel and conference center and for the construction of an alumni center on the Modesto Maidique Campus. Governor Patel moved to approve, Governor Valverde seconded, and the motion passed with approval by all members present.

#### 5. FAU Housing Bonds

Chairman Huizenga called on Mr. Jeff Atwater to discuss the FAU Housing Bonds. Mr. Atwater discussed the \$78.5 million project for two housing buildings; one on the Boca Raton campus and the other on the Jupiter campus. Mr. Atwater noted that this project is all about the students and their academic success, retention, and lowering the cost for the student and their family, as well as enhancing the entire housing enterprise for the university. Mr. Atwater called on FAU's Board of Trustees' Chairman Anthony Barbar to discuss the project further. Chairman Barbar advised that the board believes that this project is an important part of executing FAU's strategic plan, the Race to Excellence. Chairman Barbar discussed in detail the metrics that have been monitored and improved upon since being able to house students on campus.

Next, Dr. King, Vice President of Student Affairs and Enrollment Management, presented on the project and highlighted accessibility, enrollment, affordability, student development and engagement, and the maintenance of FAU housing's financial

strength. Dr. King provided an overview of both the Boca Raton campus and the Jupiter Campus and discussed the various aspects that bring students together as a community and promote well-being and academic success through the Get Wise program. Dr. King invited Michael Cocuzza, Assistant Vice President Finance, Shared Services & Housing Operations to discuss the implementation of student tutoring into the residence halls. Mr. Atwater then discussed the rental rate comparisons for 2021.

Lastly, Mr. Atwater highlighted key points of the request such as the cost not to exceed \$78.5 million in funding, mentioning the intent to tear down the old housing in between the spring and summer semesters and continue with the construction of the project with the intent to open in the fall of 2021.

Chairman Huizenga then opened the floor for questions. After further discussion with Governor Cerio and Governor Tripp, Chairman Huizenga called for a motion to approve a resolution authorizing the issuance of fixed rate, tax-exempt revenue bonds, by the FAU Financing Corporation on behalf of Florida Atlantic University, in the principal amount not to exceed \$78,500,000 for the purpose of financing the construction of two new student housing facilities on the Boca Raton and Jupiter campuses. Governor Morton moved to approve, Governor Jordan seconded, and the motion passed with approval by all members present.

#### 6. Proposed Amendments to the P3 Guidelines

Chairman Huizenga recognized Mr. Chris Kinsley, Assistant Vice Chancellor for Finance and Facilities, to discuss the proposed amendments to the P3 Guidelines, as well as Ben Watkins from the Division of Bond Finance to share some input on the P3 Guidelines.

Mr. Kinsley noted that the approximately two years ago the request was made to take a look at the P3 Guidelines; therefore, for two years we have taken feedback from the universities, Bond Finance, and interested Board members, as well as having two workshops to address the guidelines. Mr. Kinsley additionally pointed out that there are currently no P3 projects in the pipeline. The Board has demonstrated the ability to pause projects and fully consider all factors, even if they conform to the Guidelines. Additionally, these Guidelines can be modified as needed.

Mr. Watkins then commented on the Guidelines and made five (5) additional recommendations to changing the P3 Guidelines in order to streamline the process, make it more efficient and to address vulnerabilities.

Chairman Huizenga opened the floor for questions. After further discussion with Governor Patel and the Chairman, Chairman Huizenga advised that the Board feels the P3 Guidelines should be considered as proposed.

There being no further discussion, Chairman Huizenga called for a motion to approve amendments to the Public Private Partnership Guidelines. Governor Patel moved to approve, Governor Valverde seconded, and the motion passed with approval by all members present.

7. Proposed Amendment to Board Regulation 14.0025 Action Required Prior to Fixed Capital Outlay Budget Request

Chairman Huizenga called on Mr. Chris Kinsley, Assistant Vice Chancellor for Finance and Facilities, to discuss the proposed amendments to the Board Regulation 14.0025. Mr. Kinsley advised that this item was brought before the Board for discussion only. He noted that the regulation was amended over 10 years ago to specify that budgets approved by the board of trustees, rather than the Chancellor, shall serve as the planning documents for facility construction. This recommendation re-establishes a role for the Chancellor and provides Board approval of fixed capital outlay budgets. Mr. Kinsley advised that there has been some feedback from the universities, that there are some details to still work out, and that the legislature is interested in this as well.

Chairman Huizenga opened the floor for input. The Committee expressed their support and desire to explore this further. Mr. Kinsley then noted that he will continue to monitor carefully any actions taken by the legislature and any change in the underlying law. Mr. Kinsley explained that he was phasing this in so that it would take effect July 2<sup>nd</sup> as the regulation procedure is to notice and then adopt. This will take some time to implement, even if adopted by the board.

8. Legislative Update and Legislative Budget Request Amendment

Chairman Huizenga stated that the University of Florida has requested an amendment to our list of projects requesting special Legislative authorization to use carry forward.

Mr. Kinsley advised that even though both chambers have introduced their budgets, he stated that the budget was not finalized. He stated that the University of Florida was well positioned, and this gives UF the ability to state that the Board approves the requests. The first request is a request for UF to expend reserve or carry forward balances in the amount of \$6,250,000 for the Holland Law School Hot Water Conversion and other repairs. The other is a request to expend reserve or carry forward balances in the amount of \$4,250,000 for the Dental Sciences Building Deferred Maintenance needs and other Repairs.

Chairman Huizenga called for a motion to approve amendment to the 2019-2020 Fixed Capital Outlay Legislative Budget Request as presented. Governor Jordan moved to approve, Governor Morton seconded, and the motion passed with approval by all members present.

## 8. SUS Credit Ratings

Chairman Huizenga noted that it was great to see that our universities have such good credit ratings. He then stated that he would like to explore if there are policies or practices we could consider that would further enhance these ratings. He asked that Mr. Kinsley to reach out to experts, such as Governor Morton, Ben Watkins, and the CAFA group, to see what they would recommend.

Mr. Kinsley then summarized the bond program ratings related to the State University System of Florida. Mr. Kinsley also pointed out that the Debt Guidelines call for a goal of A or higher. He advised that a good job has been done in achieving that goal and that there are a couple of A- ratings which will require further work to improve those school ratings. Chairman Huizenga advised Mr. Kinsley to work with the experts to continue to improve the ratings.

Chairman Huizenga then opened the floor for questions. Mr. Kinsley then answered questions from Governor Morton, Governor Levine, and Governor Patel. Governor Morton also expressed a desire to discuss the matter further.

## 9. FAMU Brooksville/Duke Energy Representatives

Chairman Huizenga recognized former FAMU President Fred Gainous and Attorney David Self to present on the FAMU Brooksville Solar Field Project.

Mr. Gainous presented on the details of the ground lease arrangement with Duke Energy and the installation of a solar field at the Brooksville Site. He also noted how this project will move the university into the 21<sup>st</sup> century in agriculture and help accomplish an item on the strategic plan. Mr. Gainous then discussed several of the benefits of the corporate partnership with Duke Energy and how this project will ultimately, benefit students not only in the College of Agriculture and Food Sciences, but also students in the School of Business and Industry, Journalism, Engineering and all other STEM programs. Finally, Mr. Gainous advised that there will be a focus group which will invite the residents of Brooksville to have a general discussion and reception.

Chairman Huizenga opened the floor for questions. Further discussion ensued with Governor Patel and Governor Kitson. Mr. Gainous advised that FAMU would go back to Duke Energy pursuant to Governor Patel's recommendation to explore the potential benefit to students as a result of federal tax credits. Chairman Huizenga commended the university for thinking outside the box and finding ways to assist and continue the education of the students.

10. Concluding Remarks and Adjournment

There being no further business, Chairman Huizenga adjourned the meeting at 6:24 p.m. (ET), on March 27, 2019.

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Chris Kinsley, Assistant Vice Chancellor  
Facilities

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H. Wayne Huizenga, Jr., Chair