

MINUTES  
STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
FACILITIES COMMITTEE  
JACKSONVILLE, FL  
March 30, 2022

*Video or audio archives of the meetings of the Board of Governors  
and its Committees are accessible at <http://www.flbog.edu/>.*

Governor Charles Lydecker, Chairman, convened the Board of Governors Facilities Committee meeting at 9:12 a.m. (ET) on March 30, 2022. The following members were present: Steven Scott, Edward Haddock, Ken Jones, Brian Lamb, Craig Mateer, William Self, and Eric Silagy. Other Board members present included: Tim Cerio, Aubrey Edge, Patricia Frost, Nastassia Janvier, Darlene Jordan, Alan Levine, and Kent Stermon.

1. Call to Order and Opening Remarks

Chairman Lydecker called the meeting to order.

2. Minutes of Committee Meetings

Chairman Lydecker moved that the committee approve the minutes of the Facilities Committee meeting held on January 5, 2022. Governor Scott moved to approve, Governor Silagy seconded the motion, and the motion carried.

3. Florida State University Research Foundation Interdisciplinary Research & Commercialization Building Construction Financing

Chairman Lydecker highlighted key aspects of the construction funding for Florida State University's (FSU) Interdisciplinary Research & Commercialization Building (IRCB). As originally proposed, the IRCB will cost approximately \$88M and is funded with \$44M in donations and \$44M in PECO funds. At this juncture, all funding has been received. Florida State University is proposing to substitute the \$44M in private donations with \$44M in debt by not having to liquidate foundation investments and borrowing the money instead. FSU feels it can capture an opportunity over the next 15 years with projected investment earnings exceeding borrowing costs. In turn, net earnings will be utilized to further the foundation's mission to support research and training activities for faculty, staff, and students.

Chairman Lydecker introduced Florida State University's Vice President for Finance and Administration, Kyle Clark, to discuss the project and funding details. Mr. Clark explained that FSU has worked with both Board staff and the Division of Bond Finance to ensure that all state laws were followed and after a competitive process, TD Bank was selected.

After further discussion, Chairman Lydecker called for a motion to approve the issuance of debt by the Florida State University Research Foundation, Inc., in the amount of \$44,105,000 (inclusive of cost of issuance) to provide funding to Florida State University to finance a portion of the construction of the Interdisciplinary Research and Commercialization Building. Governor Mateer moved to approve, Governor Silagy, seconded the motion, and the motion carried.

#### 4. Update: 2022 Fixed Capital Outlay Legislative Budget Request

Chairman Lydecker recognized Director of Finance and Facilities, Kevin Pichard, to discuss Fixed Capital Outlay (FCO) Appropriations. This update is informational only with no action required.

The Fixed Capital Outlay Legislative Budget Request was comprised of the typical components including PECO, six capital projects totaling approximately \$62M, Capital Improvement Trust Fund (CITF) totaling roughly \$44M, and Sum of Digits for repair maintenance totaling approximately \$39M. For a combined request of about \$146M. Furthermore, in a subsequent meeting, the Board amended that legislative budget request to include \$800M to help address a backlog of deferred capital needs within the system. Therefore, the total legislative budget request totaled \$946M.

Mr. Pichard stated that the following preliminary numbers reflect final conference, but explained that we are still waiting for the Governor's final approval. Four of the original six project requests were funded, and an additional two that were not on the original request were funded with all totaling \$225M. The Sum of Digits request did not receive funding. The request to address the backlog of deferred capital needs received funding of over \$443M. CITF was approved at \$44.7M. There were also twelve projects that were legislative initiatives totaling over \$339M in appropriations. In total, the Board of Governors went to the legislature with almost a \$946M ask, and received over \$1B in appropriations for fixed capital outlay.

Next, Mr. Pichard reviewed the \$443M allocation, across the system, for Deferred Capital Needs based on the Sum of Digits formula. He also highlighted the two additional line items for FSU Panama City and USF St. Pete campuses. Mr. Pichard discussed some of the procedures and reporting requirements involved in obtaining these funds.

Chairman Lydecker opened the floor for questions. Mr. Pichard responded to several questions regarding Deferred Capital Needs.

#### 5. Concluding Remarks and Adjournment

There being no further business, Chairman Lydecker adjourned the meeting at 9:45 a.m. (ET) on March 30, 2022.

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Kevin Pichard, Director of Finance and  
Facilities

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Charles H. Lydecker, Chairman