

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
FACILITIES COMMITTEE
FLORIDA INTERNATIONAL UNIVERSITY
JANUARY 24, 2023

*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 4:19 p.m. (ET) on January 24, 2023. The following members were present: Steven Scott, Edward Haddock, Ken Jones, Brian Lamb, Craig Mateer, Deanna Michael, and Eric Silagy. Other Board members present included: Tim Cerio, Richard Corcoran, Manny Diaz, Aubrey Edge, Patricia Frost, Nimna Gabadage, Darlene Jordan, Adam Levine, and Jose Oliva.

1. Call to Order and Opening Remarks

Chairman Lydecker called the meeting to order.

2. Minutes of Committee Meetings

Chairman Lydecker asked for a motion to approve the minutes of the Facilities Committee meeting held on November 9, 2022, at the University of South Florida. Governor Jones moved to approve, Governor Scott seconded the motion, and the motion carried.

3. University of Florida-Amendment of Educational Plant Survey

Chairman Lydecker presented the next item on the agenda, a request to amend the Educational Plant Survey for the University of Florida to add its #2 priority PECO project related to the Chemical Engineering Building. A survey recommendation is statutorily required for any project seeking PECO funding. The Committee approved this year's PECO Project List at the last meeting, and while this project was included on the list, it was not scored or ranked in the absence of a survey recommendation.

Chairman Lydecker recognized the Director of Finance and Facilities, Mr. Kevin Pichard, to provide additional details on the amendment request. Mr. Pichard provided a brief overview of the EPS process and how projects receive recommendations.

Chairman Lydecker opened the floor for questions; hearing none, the Chairman asked for a motion to approve and validate the amended University of Florida Educational Plant Survey. Governor Jones moved to approve, Governor Scott seconded the motion, and the motion carried.

4. Amendment of the 2023-2024 Fixed Capital Outlay Legislative Budget Request

Chairman Lydecker introduced the next agenda item, an Amendment to the 2023-24 Fixed Capital Outlay Legislative Budget Request, which the Board approved at the last meeting. The proposed amendments related to UF's Chemical Engineering Building and FAU's proposed College of Dentistry.

The Chairman again recognized Mr. Kevin Pichard to summarize the impacts of the amendment requests. Mr. Pichard explained that the amendment of the LBR to include the Chemical Engineering Building does not directly impact the previously scored projects or requested funding allocation, but does allow it to be considered eligible for PECO funding. Additionally, FAU's College of Dentistry does not have a survey recommendation and is not ranked or scored but will still receive visibility by being included on the list.

Chairman Lydecker followed up with a question regarding the commitment of the philanthropic gift that would help fund FAU's College of Dentistry. FAU Board of Trustees Chairman Levine responded that while negotiations are still underway, he is confident it will be secured.

Governor Scott asked if any studies have been completed to assess the need for the College of Dentistry. Governor Lamb noted that this topic would be discussed in detail during the Academic and Student Affairs Committee meeting on January 25, 2023, and then recognized Interim President of Florida Atlantic University, Stacy Volnick, who confirmed that numerous studies have been completed to support the need for this project.

Hearing no additional comments, Chairman Lydecker asked for a motion to approve the amendment to the 2023-24 State University System Fixed Capital Outlay Legislative Budget Request, namely the revised PECO Preliminary Selection Group and Back-of-Bill authorizations. Governor Jones motioned to approve, Governor Mateer seconded, and the motion carried.

5. Florida Polytechnic University-Authorization to issue Debt; \$76M On-Campus Housing

Chairman Lydecker presented the fifth item on the agenda, the proposal by Florida Polytechnic University to authorize the issuance of debt to finance 1) the purchase of an existing on-campus student housing facility, and 2) the construction of new student housing on the university's main campus. As proposed, the combined project will launch the university's first fully owned housing system and is expected to support planned enrollment growth. Chairman Lydecker recognized Mr. Pichard to provide additional details.

Mr. Pichard broke down the allocation of funds, which includes purchasing the pre-existing P3 campus housing that consists of 540 beds, and funding the construction of new student housing that would provide an additional 430 beds. He noted there are limited options available to live off-campus, which increases the need for on-campus options. Chairman Lydecker commented that while he supports the request, he feels it is essential that the Florida Board of Governors actively monitor Florida Polytechnic

University's ability to meet its obligations under this agreement and be prepared to address any issues that may arise. In response, Mr. Pichard shared that Florida Poly has partnered with Capstone to share responsibility for maintenance and custodial services. He added that Florida Poly is required to provide a 5-year Capital Improvement Plan, set up an escrow for future repairs/renewal to be funded from the project housing cash flow, and an ABT (add bonds test) that will restrict the university from adding debt to their housing system unless a 1.30 debt service coverage is exhibited from stabilized operations.

Chairman Lydecker opened the floor for questions or comments; hearing none, he requested a motion to adopt a resolution authorizing the issuance of tax-exempt debt in an amount not to exceed \$76M by the Division of Bond Finance on behalf of Florida Polytechnic University, to finance the acquisition of an existing dormitory and the construction of a new dormitory on the university's campus. Governor Scott moved to approve, Governor Silagy seconded, and the motion carried.

6. Florida Agricultural & Mechanical University–Housing System Progress Report

Chairman Lydecker introduced a no-action item for discussion, FAMU's annual report summarizing its progress in addressing maintenance and capital renewal needs in its Housing System. The information is provided pursuant to Board Resolution in 2018 authorizing the issuance of debt for FAMU's last housing project. In the report, the university indicated its desire to pursue the construction of additional on-campus housing. Any new debt-financed or P3 project request would be brought back before the Board for approval.

Chairman Lydecker recognized Mr. Pichard, who provided the Committee with an overview of the report, illustrating FAMU's progress in addressing the need for suitable student housing while eliminating a backlog of deferred maintenance.

Governor Lamb commented that while meeting the student housing needs has been one of the biggest challenges for FAMU, they are still in an enviable position with a debt-free housing system. FAMU's Board of Trustees' Chairman Lawson commented that FAMU's goal is to continue to move forward with providing modern housing to meet the needs of today's students. Dr. Larry Robinson, the president of Florida A&M University, added that student success is the primary goal, and providing on-campus housing is a pivotal part of that success. Chairman Hosseini expressed that he feels universities should have more flexibility regarding issuing tax-free bonds.

7. Concluding Remarks and Adjournment

There being no further business, Chairman Lydecker adjourned the meeting at 4:50 p.m. (ET) on January 24, 2023.

Kevin Pichard, Director of Finance and
Facilities

Charles Lydecker, Chairman