

MINUTES  
STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
FACILITIES COMMITTEE  
UNIVERSITY OF SOUTH FLORIDA  
JUNE 22, 2023

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Governor Charles Lydecker, Chairman, convened the Board of Governors Facilities Committee meeting at 9:46 a.m. (E.T.) on June 22, 2023. The following members were present: Edward Haddock, Ken Jones, Brian Lamb, Craig Mateer, Deanna Michael, and Eric Silagy. Other Board members present included: Tim Cerio, Patricia Frost, Adam Levine, and Jose Oliva.

1. Call to Order and Opening Remarks

Chairman Lydecker called the meeting to order.

2. Minutes of Committee Meeting

Chairman Lydecker asked for a motion to approve the minutes of the Facilities Committee meeting held on March 28, 2023, at Florida Agricultural and Mechanical University. Governor Mateer moved to approve, Governor Silagy seconded the motion, and the motion carried.

3. Authorization to Issue Debt; \$116M for Florida State University Athletics Association-Football Operations Facility

Chairman Lydecker presented the third item on the agenda, a request from Florida State University to authorize debt of \$116 million to finance the construction of a new football operations facility on its main campus near the stadium.

Chairman Lydecker recognized the Board of Governors Director of Finance and Facilities, Mr. Kevin Pichard, to provide an overview of the proposal.

Mr. Pichard gave the Committee a summary of the proposed project and financing details, including the total project cost of \$138 million, the difference being funded by donations already in place. The note has a term of 20 years, with a portion being accelerated to a five-year repayment, and falls within the SUS debt service guidelines.

Governor Oliva asked what the repayment total would be at the conclusion of the bond.

Mr. Pichard responded with the breakdown of repayment, which includes the principle of \$116 million plus interest over the loan term totaling \$181 million. However, less interest would be due if the loan is paid early.

Governor Lydecker opened the floor to discussion; hearing none asked for a motion to adopt a resolution authorizing the issuance of tax-exempt bonds in an amount not to exceed \$116 million by the Division of Bond Finance on behalf of the Florida State University Athletic Association, to finance the construction of a Football Operations Facility on its main campus.

Governor Mateer made a motion to approve, and Governor Jones seconded the motion, and the motion was approved.

4. Authorization to issue debt; \$50M for the University of Florida -Renovation of Research Labs

Chairman Lydecker introduced the next item on the agenda, a proposal by the University of Florida to authorize the issuance of debt of \$50 million to finance renovations to several research labs on its main campus. Again, Chairman Lydecker recognized Mr. Pichard to provide a summary of the proposed project and financing.

Mr. Pichard explained the proposed project involves renovating existing aged laboratories within the university's College of Medicine, College of Pharmacy, College of Public Health and Health Professions, College of Engineering, Institute of Food and Agricultural Sciences, and College of Liberal Arts and Sciences. The project will help to ensure continued growth.

The proposed financing complies with Florida Statutes governing university debt issuance; however, it deviates from the SUS Debt Management Guidelines in terms of the use of capitalized interest in the financing structure. The university provided justification for the inclusion of capitalized interest, i.e., it ultimately benefits its research enterprise through indirect cost recovery, thus providing mitigating support for the deviation.

Chairman Lydecker opened the floor to questions, hearing none, asked for a motion to adopt a resolution authorizing the issuance of taxable and tax-exempt bonds, in a combined amount not to exceed \$50M, by the Division of Bond Finance, on behalf of the University of Florida to finance renovations to research laboratories on its main campus, as proposed.

Governor Lamb motioned to approve, Governor Silagy seconded, and the motion carried.

5. Florida International University-Amendment of Fixed Capital Outlay Budget

Chairman Lydecker presented the fifth item on the agenda, a request by FIU to approve an amendment to its Fixed Capital Outlay Budget, specifically regarding the Engineering Building Phase I project. Most of the funding for this project is PECO and General Revenue, which was appropriated over several years starting in FY17-18.

Board Regulation 14.003 governing FCO Budgets requires that budget increases of over \$5 million on state-appropriated projects be approved by the university board of trustees and the Board of Governors.

The project budget has been adjusted by approximately \$9.2 million to be funded by FIU resources (specifically Auxiliary monies) in lieu of additional State funding. FIU's board of trustees approved the budget amendment on February 23, 2023.

Chairman Lydecker opened the floor for questions or comments; hearing none, he requested a motion to approve the proposed amendment to Florida International University's FY23-24 Fixed Capital Outlay Budget. Governor Jones moved to approve, Governor Mateer seconded, and the motion carried.

6. 2023-24 University Capital Improvement Fee Projects and Florida Atlantic University Project Funding Reallocation.

Chairman Lydecker introduced the sixth agenda item, the annual approval of the universities' proposed Capital Improvement Fee projects, as well as a reallocation of CITF funding for FAU.

The 2023 General Appropriations Act includes over \$44 million in Capital Improvement Fees appropriated to the SUS, with a proviso requiring the university board of trustees to report to the Board of Governors the funding allocated to each project. Each university's allocation is based on fees collected throughout the year, net of debt service, and a statutory 'carve-out' for childcare centers.

In addition to the FY24 project list, FAU has requested approval to reallocate previously approved CITF funding from the past couple of years, totaling approximately \$7.6 million, from the Health & Wellness / Recreation Center Expansion project to its ongoing 'Student Union Expansion and Renovation' project. The reallocation is necessary to cover escalating construction costs and project design/scope enhancements.

Chairman Lydecker opened the floor to questions or comments from the Committee, hearing none, requested a motion to approve the FY23-24 university CITF project funding allocations, including the reallocation of FAU's project funding, as described.

Governor Silagy moved to approve, Governor Jones seconded, and the motion carried.

## 7. Chapter 14 Regulation

Chairman Lydecker introduced the seventh agenda item, a list of requests for Public Notice of Intent to adopt, amend, or repeal various Board regulations in Chapter 14, Construction Program. If approved, these changes will be noticed accordingly for public review and will come back to the Committee for formal adoption, amendment, or repeal at the August meeting. Chairman Lydecker noted that the summary of the regulations will be broken into three sections for approval. First, adopted regulations, then amended regulations, and finally repealed regulations.

### Public Notice of Intent to Adopt Board of Governors Regulation 14.006, Educational Facilities Contracting and Construction Techniques

First is the public notice of intent to adopt Board of Governors Regulation 14.006 Educational Facilities Contracting and Construction Techniques.

Chairman Lydecker recognized Mr. Pichard to explain the regulation in more detail.

Mr. Pichard stated that FY22-23 SB 7026 was signed into law last month. The Bill provides, among other things, that the Board of Governors will develop regulations relating to procedures for contracting for professional services and fixed capital outlay projects no later than October 1, 2023.

The draft language in Regulation 14.006 borrows from section 1013.45, F.S.; however, it removes the references to sections 287.055 and 255.103 (i.e., the "CCNA" statutes). The proposed change in the regulation reiterates university boards of trustees' responsibility for prescribing the procurement process, currently in statute while allowing universities more control and flexibility in the negotiation process.

Chairman Lydecker then requested a motion to approve the Public Notice of Intent to Adopt Board of Governors Regulation 14.006 - Educational Facilities Contracting and Construction Techniques. Governor Jones approved, Governor Lamb seconded, and the motion carried.

### Public Notice of Intent to Amend Board of Governors Regulations 14.001, 14.002, 14.003, 14.004, 14.005, and 14.006.

Next, Chairman Lydecker recognized Mr. Pichard to provide the Committee with the list of proposed amendments for 14.001 through 14.006.

Mr. Pichard summarized the changes to each regulation.

**Regulation 14.001**, Construction Program Definitions, is proposed to be amended to provide clarity and conciseness and add three new definitions.

This regulation adds a definition for "Minor Facility," as this term is used elsewhere in the regulation but is not defined. The proposed language mirrors the description that previously appeared in section 1011.45(3)(b), F.S., but was removed with SB 7026. This regulation adds a definition for "Education & General Facility." The term is used in Regulation 14.002 but is not defined in the Regulation or Statute.

This regulation also adds to the definition of PECO, "Public Education Capital Outlay Project." Historically, this term referred to funding from the State's PECO Trust Fund, but now includes funding from other sources, such as General Revenue, State Fiscal Recovery Fund (federal money), etc. The definition is needed to clarify what "PECO" is today and resolve confusion systemwide.

**Regulation 14.002**, Reserves for New Construction, is proposed to be amended for the following reasons:

It clarifies that, for the purpose of this Regulation, "new construction" refers to free-standing/stand-alone E&G facilities, i.e., it is not intended to include 'additions' or 'expansions' of existing facilities. It also requires that earnings accrued on reserve balances not be used on other projects or to offset the required annual contribution. It excludes 'Minor Facilities' from the Reserve Escrow requirement.

**Regulation 14.003**, Fixed Capital Outlay Projects – University Budgeting Procedures, is proposed to be amended for the following reasons:

The passage of SB 7026 amended various statutes providing for, among other things, the removal of the prior 'caps' on Carryforward spending on fixed capital outlay projects, specifically \$5M on Renovation and \$10M on Remodeling. The proposed amendment to Regulation 14.003 reflects this change. Additional edits serve to remove redundancies as well as promote conciseness.

**Regulation 14.004**, Public Announcement Requirements, is proposed to be amended and renumbered as 14.007 to provide clarity and conciseness, delete redundancies, and capitalize defined terms.

**Regulation 14.005**, Certification and Competitive Selection of Professionals, is proposed to be amended and renumbered as 14.008 to address minor edits.

The proposed amendments also reiterate the resulting benefits to the universities, such as price/cost/fees as a procurement component and negotiations, ultimately at the university's discretion—Consolidates Regulation 14.023 (Notice and Protest Procedures) into this regulation. The proposed amendment also adds a provision requiring public openness in selection committee proceedings, as is currently required in Florida Statutes.

**Regulation 14.006** effectively provides the delegation of authority to the Chancellor to approve such requests, provided 1) the subject CIF projects were previously approved by the board, and 2) the proposed transfer of funding is supported by the student government

association and has been approved by the university board of trustees. The regulation will also be renumbered as 14.004.

Chairman Lydecker then requested a motion to approve the Public Notice of Intent to Amend Board of Governors Regulations 14.001, 14.002, 14.003, 14.004, 14.005, and 14.006. Governor Michael approved, Governor Silagy seconded, and the motion carried.

Public Notice of Intent to Repeal Board of Governors Regulations 14.0055, 14.007, 14.018, 14.020, 14.021, 14.022, and 14.023.

Chairman Lydecker again recognized Mr. Pichard to provide the Committee with the proposed Repeals of Board Regulation 14.0055, 14.007, 14.018, 14.020, 14.021, 14.022, and 14.023.

Mr. Pichard provided the Committee with the reason for the requested repeals for each regulation:

**Regulation 14.0055**, Certification and Competitive Selection for Construction Management and Design Build Services, is proposed for repeal as the regulation is no longer necessary with the passage of SB 7026 and the proposed new Regulation 14.006, which together provide that such decisions regarding construction management versus design-build services will be at the discretion of the university pursuant to procurement/contracting procedures prescribed by the boards of trustees.

**Regulation 14.007** Competitive Negotiations is proposed for repeal as it is effectively addressed in both the proposed new Regulation 14.006 Educational Facilities Contracting and Construction Techniques and the amendments to 14.005 Procedures for Construction Contract Bidding and Award, which reiterates that procedures for competitive negotiations are at the discretion of the universities as prescribed by their boards of trustees. As such, this regulation is no longer necessary and proposed for repeal.

**Regulation 14.018** Contracting Authority for Construction Contracts the content of is no longer necessary. The first paragraph refers to Regulation 14.021, which itself is also proposed for repeal. The second paragraph is effectively addressed in Regulation 14.005 Certification and Competitive Selection of Professionals amended as it addresses contract negotiations.

**Regulation 14.020, University Supervision of Construction Program**, is comprised of four (4) provisions, all of which are redundant and unnecessary; two provisions state the obvious and are not necessary to codify in regulation. The third provision is already addressed in sections 633.216 and 1013.371, Florida Statutes; therefore, the regulation is reiterative and redundant. The last provision is effectively addressed in Regulations 14.005 Certification and Competitive Selection of Professionals, as proposed for amendment, and new Regulation 14.006 Building Program and Fixed Capital Outlay Legislative Budget Request Procedure, as proposed for adoption.

**Regulation 14.021** Procedures for Construction Contract Bidding and Award is redundant and unnecessary. The provisions therein are addressed elsewhere in Regulations 14.004 (Public Announcement Requirements) and 14.005(2) (Competitive Selection and Negotiation), as proposed for amendment, as well as new Regulation 14.006 Educational Facilities Contracting and Construction Techniques.

**Regulation 14.022** Disqualification Procedures comprised of two provisions, neither of which will be necessary considering the new Regulation 14.006 Educational Facilities Contracting and Construction Techniques, as proposed for adoption, and Regulation 14.005 Competitive Selection and Negotiation, as proposed for amendment. Ultimately, the two provisions in regulation 14.022 will be governed by the procurement procedures as prescribed by the universities' boards of trustees.

**Regulation 14.023** Notice and Protest Procedure is comprised of one paragraph, which is being incorporated into Regulation 14.005, as proposed for amendment. Thus, this Regulation is no longer needed and is proposed for repeal.

Chairman Lydecker then requested a motion to approve the Public Notice of Intent to Repeal Board of Governors Regulations 14.0055, 14.007, 14.018, 14.020, 14.021, and 14.023. Governor Jones moved to approve, Governor Lamb seconded, and the motion was carried.

#### 8. Educational Plant Survey for Florida Gulf Coast University

Chairman Lydecker introduced the next item on the agenda, a request to validate the Educational Plant Survey for Florida Gulf Coast University. Chairman Lydecker recognized Mr. Pichard to provide survey and EPS process details.

Mr. Pichard advised the Committee on the statutory requirements related to the EPS. The proposed projects were within the needs of the university and recommended by the Survey Team.

Chairman Lydecker called for a motion to validate the completed Educational Plant Survey of Florida Gulf Coast University. Governor Lamb moved to approve, and Governor Silagy seconded, carrying the motion.

#### 9. Educational Plant Survey for Florida State University

Chairman Lydecker introduced the next item on the agenda, a request to validate the Educational Plant Survey for Florida State University. Chairman Lydecker recognized Mr. Pichard to provide survey and EPS process details.

Mr. Pichard informed the Committee of the statutory requirements related to the EPS. The proposed projects were within the needs of the university and recommended by the Survey Team.

Chairman Lydecker called for a motion to validate and approve the completed Educational Plant Survey of Florida State University. Governor Mateer approved, and Governor Silagy seconded, and the motion carried.

10. Educational Plant Survey for FAMU-FSU College of Engineering

Chairman Lydecker introduced the next item on the agenda, a request to validate the Educational Plant Survey for FAMU-FSU College of Engineering. Chairman Lydecker recognized Mr. Pichard to provide survey and EPS process details.

Mr. Pichard advised the Committee of the statutory requirements related to the EPS. The proposed project did not receive a recommendation from the Survey Team; however, under the previous EPS, the college received an appropriation from the legislature, thereby eliminating the need for a recommendation. While Board staff recommends validation of the survey, it is not required for the college to receive the funds.

Chairman Lydecker called for a motion to validate and approve the completed Educational Plant Survey of FAMU-FSU College of Engineering. Governor Jones moved to approve, Governor Mateer seconded, and the motion carried.

11. Educational Plant Survey Amendment -University of South Florida

Chairman Lydecker introduced the last item on the agenda, a request to validate the Amended Educational Plant Survey for the University of South Florida. Chairman Lydecker recognized Mr. Pichard to provide survey and EPS process details.

Mr. Pichard summarized the statutory requirements related to the EPS and provided an overview of the proposed project. He further advised that the survey was amended to accommodate a proposed increase in scope and size to its Health-Nursing Building Expansion project, a legislative initiative funded with an appropriation of \$33M in FY22.

Chairman Lydecker called for a motion to validate the completed Educational Plant Survey of the University of South Florida. Governor Michael motioned to approve, Governor Lamb seconded, and the motion carried.

12. Concluding Remarks and Adjournment

With no further business, Chairman Lydecker adjourned the meeting at 10:29 a.m. (E.T.) on June 22, 2023.

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Kevin Pichard, Director of Finance, and  
Facilities

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Charles Lydecker, Chairman