



## Torrey Pines @ FIU

### Summary and Responses

On December 5, 2019, Florida International University's (FIU) Board of Trustees voted to acquire and establish Torrey Pines as a Special Purpose Center. Pursuant to Board of Governors Regulation 8.009, FIU must present their request to the Board of Governors for approval. If approved, Torrey Pines @ FIU will open March 1, 2020. The proposal to establish a special purpose center is included in your meeting documents and was jointly reviewed by Academic and Student Affairs, Budget and Facilities staff.

A special purpose center is a unit of a university, apart from the main campus, that provides certain special, clearly defined programs or services, such as research or public service, and reflects a relatively permanent commitment by a university for the foreseeable future. The facility must be university owned, leased, or jointly used with another public institution. Special Purpose Centers typically do not offer instructional programs or courses leading to a college degree.

Torrey Pines @ FIU will be located in the Florida Center for Innovation and Tradition at 11350 SW Village Parkway in Port St. Lucie, Florida. The center will provide FIU faculty with a state-of-the-art research facility that includes fully functional wet laboratories, a Nuclear Magnetic Resonance laboratory, vivarium, and auditorium. This facility will enhance FIU's research base in the STEM fields of chemistry and chemical biology and accelerate FIU's translational medicinal chemistry and chemical biology research, drug discovery and basic research efforts leading to the cure of diseases in areas of cancer and neurodegenerative diseases. FIU will not offer instructional programs or courses leading to a college degree at this location.

The following are questions that Board of Governors' staff posed to FIU with their noted responses. Many of the questions/comments were based on Board staff's review of archived documents from FIU's Board of Trustees Finance and Facilities Committee meeting held on December 2, 2019. The responses were submitted via e-mail by Dr. Kenneth A. Jessell, Senior Vice President and Chief Financial Officer (December 23, 2019) and Mr. David H. Snider, Adjunct, FIU College of Business and Assistant Vice President, Division of Finance (December 18, 2019).

### Collaboration

1. Considering the proximity of Torrey Pines to FAU, has President Rosenberg conferred with President Kelly (FAU) regarding this Center? Is there a letter of support from FAU that you can provide to the Board office?

*FIU has had multiple touchpoints with FAU on the Proposed Center through the years since we began conversations with TPIMS in 2016. President Rosenberg will be reaching out to FAU President Kelly to request a letter of support. We will forward that to you as soon as it is received.*

### Funding

2. In the "Summary of Acquisition Agreement and Plan of Merger" dated December 5, 2019, page 333, 2(G) states an obligation of FIU to make capital improvements to the building estimated to be in excess of \$4.5 million. Please identify the needed improvements, funding source, and schedule. What are the consequences if FIU does not make the noted improvements?

*See attached Project Detail and Timeline Report identifying all needed improvements, which was included in the Assessment Report contained in the BOT agenda materials (p. 593 of BOT materials). As shown in the Report, the major improvements are replacement of lab exhaust fans, curbs and hoods (\$1.73 million), exterior lighting repairs (\$300,000), cooling tower refurbishment (\$205,000), boiler replacement/refurbishment (\$205,000), building envelope repairs (\$425,000), and chiller, steam and water system repairs (\$270,000). Funding for the needed improvements will come from F&A returns. These are projections based on the assessment report and we will work with area vendors and FIU Facilities on a more exact timeline in relation to occupancy given the specific type of research being conducted in the Facility. These costs were included in the Summary Financial Projections to Full Implementation (Appendix A) of the Proposal to Establish a New Special Purpose Center submitted to the BOG. FIU, as the tenant under the Ground Lease with the City of Port St. Lucie, will be responsible for all repairs and maintenance of the building. These capital improvements relate to deferred maintenance at the building and are necessary to ensure continuing and efficient operations of the*

*building.*

Please see the noted attachment at the end of this document.

3. From Pro Forma footnotes 2 and 8, please clarify how E & G funds will be used to support activities at the Center.

*E&G will be used similarly as it is with other faculty members. A portion of each faculty member's salary is projected to be funded for non-sponsored research effort. Faculty, based on expertise and alignment, will supervise graduate assistants in the lab/research projects. Faculty start-ups will also be supported by E&G funds. Both the salary support and start-ups were part of the research infrastructure component of the \$15 million recurring LBR funding provided to FIU in FY 2019-20. We would be making these investments in faculty and support staff regardless of the acquisition of Torrey Pines.*

4. What plans are in place to support the efforts of the Center should the rental income be less than projected?

*One of the tenants has already expressed interest in additional space should it become available. FIU can recruit additional research faculty to fill any available space that may become available and leases have sufficient notification requirements to minimize substantial gaps in occupancy. Since the labs are already established for biological/chemical research, they are in turn-key condition if vacated.*

5. Your budget shows that Torrey Pines will operate at a deficit in the first three years. Please explain how you will "make up the difference" as relayed on page one of your proposal.

*The deficit is caused primarily by the initial/one time capital improvements that are needed in the first 3 years. Funding for these improvements will come from F&A reserves along with the initial start-up that is reflected in year 1. We can adjust the Summary of Financial Projections to Full Implementation sheet to reflect the F&A reserves funding (adjust Grant and Overhead Fund revenues), but FIU wanted to properly reflect the operating results to our board and BOG.*

	March - June FY 2019-20	FY 2020-21	FY 2021-22
Net Cash Flow	(\$396,187)	(\$1,492,962)	(\$1,539,828)
Capital Improvements Funded by F&A	\$95,846	\$1,809,050	\$1,941,500
Initial Startup	\$300,341		
<b>Adjusted Net Cash Flow w/F&amp;A Reserves</b>	<b>\$0</b>	<b>\$316,088</b>	<b>\$401,672</b>

6. What is the source of the rental income that is referenced and why is it expected to increase over time?

*There are 3 outside entities currently renting space in the Facility. The rent is expected to increase based on inflation factors already built into the leases or for normal inflation in future years. The first year, 2020, is a partial year.*

## Research

7. All of the Sponsored Research Agreements that are listed in (Exhibit E – Draft, pg 367) have a project end date no later than June 30, 2020. Page 335 states that the terms of the sponsored research agreements shall be negotiated as part of the transfer process. Are there recurring or renewable grants? What plans are in place to seek any replacement or additional funding should the agreements not be renewed?

*The end dates listed in Exhibit E are the correct project end dates whether recurring/renewable or not. The applicable faculty have proposals pending and one recently received notice of a new award that will begin in January. FTEs for the scientific faculty may be adjusted at closing based on the current/projected external funding at time of closing, but we expect it to be near the figures reported in the board materials. The faculty included in Exhibit E that we are transferring have a track record of funding and research support. The proforma included some non-sponsored research time for some of those researchers in line with realistic expectations.*

8. Please explain the use of “if any” regarding trade secrets {page 337, section 7(C)}.

*TPIMS owns a chemical compound and positional scanning library. There are certain processes/know how associated with using those chemical compounds to identify compounds that are suitable for the development of pharmaceutical products in the treatment/cure of human diseases. Our Technology and Commercialization Office is working through those specifics to ensure any needed IP for FIU to continue that work is transferred.*

## Personnel

9. Will the existing staff and faculty at Torrey Pines remain as FIU employees? Are the faculty and staff that you propose to hire in addition to the personnel already at Torrey Pines?

*Some of the existing staff at TPIMS will become FIU employees. Some have already submitted their resignations and will not be employed at the time of closing (anticipated March 1, 2020) or will not be hired as FIU centrally provides the functions and can be assumed by existing FIU personnel. FIU and TPIMS completed a needs assessment to determine what positions would be needed moving forward. There are some positions that FIU may*

*hire due to the resignation/vacancy of current TPIMS employees or based on research growth over the 5 year period. All these costs were included in the financial summary.*

10. All the added faculty be solely research faculty assigned to Torrey Pines, with no teaching obligations?

*As all FIU research faculty, the faculty at Torrey Pines will focus on research. They will be involved in graduate education through the supervision/mentoring of graduate students and post docs as it relates to research projects and may be involved in education in terms of supervised research, independent studies and graduate seminars.*

11. Will the faculty have any obligations on the FIU main campus?

*Faculty will primarily be located at Torrey Pines through their involvement in the aforementioned activities. They may be involved in symposiums, graduate seminars and other research related activities at FIU. Doctoral students conducting research at Torrey Pines may have the ability to participate in graduate courses through distance learning mechanisms in courses at the FIU Modesto Maidique Campus.*

#### Point of Clarification

12. Item V. D. was left blank on the form. Please complete this section.

*This is the result of a hard return editing error in the prior section that resulted in mislabeling of the items in that section. Section V Item D question and response are contained in Section V Item E in the submission. All items were provided albeit mislabeled.*



## O&M Cost Estimate 5 year and 6-10 year Allocation

Building Code Services  
Civil Engineering / Roadway  
& Highway Design  
Coastal Engineering  
Code Enforcement  
Construction Engineering &  
Inspection (CEI)  
Construction Services  
Data Technologies &  
Development  
Electrical Engineering  
Engineering  
Environmental Services  
Facilities Management  
Geographic Information  
Systems (GIS)  
Governmental Services  
Indoor Air Quality  
Landscape Architecture  
Planning  
Project Management  
Redevelopment  
& Urban Design  
Surveying & Mapping  
Traffic Engineering  
Transportation Planning  
Water / Utilities Engineering  
Website Development

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www.cgasolutions.com

Torrey Pines Institute for Molecular Studies													
DRAFT													
Estimated (Yr 6-10)													
1/14/2019													
	2019-20	2020-21	2021-22	2022-23	2023-24	5 yr. Total	2025-26	2026-27	2027-28	2028-29	2029-30	6-10 Yr. Total	
Capital Improvements													
Exhaust Fans, Curbs & Hoods east labs	\$1,211,000					\$1,211,000		\$47,500	\$47,500			\$95,000	
Exhaust Fans, Curbs & Hoods west labs		\$519,000				\$519,000		\$25,000	\$25,000			\$50,000	
Exterior Lighting Repairs - bldg, perimeter North Lot						\$150,000	\$10,000					\$10,000	
Exterior Lighting Repairs - South Parking Lot		\$150,000				\$150,000		\$10,000				\$10,000	
BAC Cooling Tower refurbishment 1&2		\$220,000				\$220,000	\$100,000	\$100,000				\$200,000	
BAC chilled water line refurbishment		\$80,000				\$80,000						\$0	
Boiler Replacement / Auxiliary Boiler refurbishment		\$125,000	\$80,000			\$205,000	\$30,000	\$30,000				\$60,000	
Building exterior envelope repairs		\$225,000	\$200,000			\$425,000			\$100,000			\$100,000	
Site elements ( gates, curbing trip hazard corrections)	\$25,000	\$25,000	\$25,000			\$75,000						\$0	
Bldg. Svcs., MCEP repairs, Chiller Plant / Steam/ Ro water	\$120,000	\$150,000				\$270,000			\$65,000	\$65,000		\$130,000	
Exterior Landscaping Irrigation	\$25,000	\$25,000				\$50,000						\$0	
Eyewash Safety Shower drainage design and const	\$1,500	\$35,000				\$36,500						\$0	
HazMat storage relocation exterior to container storage	\$37,000			\$37,500		\$74,500		\$37,500			\$37,500	\$75,000	
Mechanical room access correction of Haz Mat area	\$3,500					\$3,500						\$0	
HazMat storage suppression system / addl storage unit	\$37,500				\$37,500	\$75,000		\$2,500				\$2,500	
NFPA 704 Generator identification	\$500					\$500						\$0	
SPCC plan creation implementation	\$2,500					\$2,500						\$0	
NFPA 704 Radioactive storage and initial leak testing	\$3,750					\$3,750						\$0	
Fume Hood sash repairs and recalibration	\$20,000			\$20,000		\$40,000		\$20,000				\$20,000	
Radioactive Biosafety program management	\$15,000					\$15,000						\$0	
NMR space modifications design const	\$12,000	\$65,000				\$77,000						\$0	
Autoclave exhaust design and const	\$15,000	\$100,000				\$115,000						\$0	
Nitrogen storage O2 alarm and monitoring	\$3,500	\$7,500				\$11,000						\$0	
Room 121 O2 monitoring system repairs	\$3,800					\$3,800	\$3,800.00					\$3,800	
Mezzanine repairs / removal design const	\$10,000	\$40,000				\$50,000						\$0	
Lab partition room design review and modifications	\$22,000	\$75,000				\$97,000						\$0	
Supra Maxx elevator box F&I	\$500					\$500						\$0	
Auditorium Handrail installation design and const	\$15,000	\$55,000				\$70,000						\$0	
Sprinkler system repairs / modifications	\$10,000	\$10,000	\$10,000			\$30,000						\$0	
Access Gate Repairs	\$15,000				\$1,500	\$16,500						\$0	
Roof repairs				\$15,000		\$15,000	\$25,000.00		\$25,000			\$50,000	
Add/Code Corrections from Report	\$50,000	\$35,000				\$85,000						\$0	
Total Capital Improvements													
	\$1,809,050	\$1,941,500	\$315,000	\$72,500	\$39,000	\$4,177,050	\$168,800	\$270,000	\$265,000	\$65,000	\$37,500	\$806,300	
PO&M													
Service Contracts	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$1,400,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$1,400,000	
3 Person Staff	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$1,400,000	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000	\$1,400,000	
Other O&M	\$1,334,737	\$1,334,737	\$1,334,737	\$1,334,737	\$1,334,737	\$6,673,685	\$1,334,737	\$1,334,737	\$1,334,737	\$1,334,737	\$1,334,737	\$6,673,685	
Total PO&M													
	\$1,894,737	\$1,894,737	\$1,894,737	\$1,894,737	\$1,894,737	\$9,473,685	\$1,894,737	\$1,894,737	\$1,894,737	\$1,894,737	\$1,894,737	\$9,473,685	
Total Capital and PO&M Costs													
	\$3,703,787	\$3,836,237	\$2,209,737	\$1,967,237	\$1,933,737	\$13,650,735	\$2,063,537	\$2,164,737	\$2,159,737	\$1,959,737	\$1,932,237	\$10,279,985	