

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
FACILITIES COMMITTEE
UNIVERSITY OF CENTRAL FLORIDA
ORLANDO, FLORIDA
OCTOBER 3, 2019

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Governor H. Wayne Huizenga, Jr., Chairman, convened the Board of Governors Facilities Committee meeting at 12:01 p.m. (ET), on October 3, 2019. The following members were present: Shawn Felton, Darlene Jordan, Sydney Kitson, Ned Lautenbach, Charles Lydecker, Edward Morton, and Eric Silagy. Other Board members present included: Tim Cerio, Zenani Johnson, Brian Lamb, and Steven Scott.

1. Call to Order and Opening Remarks

Chairman Huizenga called the meeting to order.

2. Minutes of Committee Meeting: Governor Huizenga

Governor Kitson moved that the Committee approve the minutes of the Facilities Committee meeting held August 28, 2019, at Florida Gulf Coast University. Governor Kitson moved to approve, Governor Jordan seconded the motion, and it passed unanimously.

3. USF Mixed Use Lab and Office Building Bond Authorization

Chairman Huizenga called on Assistant Vice Chancellor, Chris Kinsley, to discuss the item for USF. Mr. Kinsley stated that the resolution authorizing the USF Financing Corporation to issue \$27,000,000 of revenue bonds for construction of a new multipurpose lab and office facility in the USF Research Park is in line with the university's mission and complies with all aspects of the SUS Debt Guidelines. The university provided documentation showing that there is a strong demand for space in the Research Park. The Research Park entity is contributing \$15M equity to the deal that will be used to customize the space as they bring on tenants. Leasing will begin six months before completion of the project. Mr. Kinsley advised that research parks have performed well.

Chairman Huizenga added that Bond Finance had no other comments other than to state that if the university was to lease space that it would be done at a market rate and would be paid for by funds that were allowed to be utilized for the project. Mr. Kinsley added that the university would be able to use funds that were legally permissible and

that has been added to the resolution to further say that USF will comply with the existing law regarding leasing of space.

Chairman Huizenga opened the floor for questions about the project. Hearing no questions, the Chairman called for a motion to approve a Resolution of the Board of Governors authorizing the USF Financing Corporation to issue \$27,000,000 of revenue bonds on behalf of the University of South Florida for the purpose of constructing a new multi-use lab and office facility in the USF Research Park. Governor Kitson moved to approve, Governor Jordan seconded.

Governor Lydecker asked about the project going before the Legislature. Mr. Kinsley advised that the project will go before the full board at the end of the month meeting assuming it is approved by the Facilities Committee today. He explained that there are two types of debt. If it is State of Florida, State Board of Administration, Division of Bond Finance issued bonds, it does have to go to Governor Cabinet for final ratification after Board of Governors approval. The bonds in this case are being issued by the University of South Florida Financing Corporation, so once approved by the Board of Governors the DSO can immediately issue with no further approvals. There is also State of Florida issued and DSO issued debt and the process and the guidelines are the same, DSO deals do not go to the Governor Cabinet. Mr. Kinsley explained that half of the deals seen before the Facilities Committee are Bond Finance issued deals and half are not. Mr. Kinsley then called on Mr. Lechner to discuss the rate on this transaction.

There being no further discussion, the Chairman asked if all were in favor and if there were any opposed. The motion passed with approval by all members present.

4. Review of PECO Projects and PECO Points

Chairman Huizenga advised that the annual review of PECO projects will provide great examples of how state PECO funding could advance numerous projects. Chairman Huizenga advised that as a result of Senate Bill 190, the format of the presentations will change and align with the PECO points system.

Chairman Huizenga recognized Mr. Kinsley to present the projects that have received prior funding and the university will present projects not yet funded. Projects on the list with no PECO points will not be presented.

Documents related to each presentation can be found at:
<https://www.flbog.edu/session/facilities-committee-6n3drvlo/>

Each presentation may also be viewed by visiting the media archive at:
<https://thefloridachannel.org/videos/10-3-19-florida-board-of-governors-meeting-part-2/>

5. Space Needs Calculation Methodology Report

Mr. Kinsley and Dr. Jon Rogers were acknowledged to present on the Space Needs Calculation Methodology Report. Dr. Jon Rogers advised that the legislative proviso asked the Board to review the space needs calculation methodology to look for efficiencies and improvements. Dr. Rogers stated that a survey went out and was completed by each of the twelve universities. According to Dr. Rogers, the most important part was the site visit. The team visited 5 campuses that enabled the team to sit with the academic administrators and facilities planners. The site visits enabled the team to determine the situation on campus and figure out what the universities' needs were. A variety of university space was viewed, including new space, unsuitable space, and renovated space that showed how the universities are trying to adapt the old space to the current way in which faculty are teaching and students are learning.

Dr. Rogers then discussed the issues and recommendations section. The primary issue related to addressing the calculations of space, the formula that is used in the process, and how it is outdated. The resulting recommendation is to have the facilities planners come together and take a look at the formula, the factors used in the formula, and how the space is calculated. One of the other issues is how research space is calculated. Dr. Rogers stated that we are asking the Vice Presidents for Research to make recommendations. The next recommendation deals with utilizing the campus master plans and better aligning it with the accountability plan. Dr. Rogers added that there is also a recommendation to include the distinctive entities such as research schools, and IFAS type entities in the needs assessment process as their need for space is not being met. In conclusion, Dr. Rogers said that we are recommending the creation of a Space Task Force.

Chairman Huizenga stated that the recommendations made sense. The Chairman thanked all the universities for pulling this together, especially considering the time that was allotted to conduct the study and stated that hopefully the report helps show that we have an amazing system and we really need to invest in the physical part of the facility as well.

Lastly a presentation was provided highlighting pictures taken from the site visits. Mr. Kinsley notes that we are not capturing the differences of the quality in the space and the pictures show how much more you can do with flexible modern space versus space that is outdated. The Chairman concluded that all space is not created equally and that satisfactory space is not necessarily satisfactory.

Chairman Huizenga opened the floor for questions. After a short discussion with Governor Lautenbach, Chairman Huizenga called for a motion to approve the Space Needs Calculation Methodology Report. Governor Lautenbach moved to approve, Governor Jordan seconded, and the motion passed unanimously.

6. Proposed Amendment to Board Regulation 14.0025 Action Required Prior to Fixed Capital Outlay Budget Request – Review of Comments and Consideration of Modified Language

Chairman Huizenga invited Mr. Kinsley to advise on the status of the regulation. Mr. Kinsley advised that very few written comments have been received from the universities. He advised that the language has been reviewed very carefully since this was a discussion of how much authority to delegate to the Chancellor to make changes to the budget. Additionally, we have also had the benefit of reviewing all the FCO and Carry Forward plans. Mr. Kinsley advised that this matter should be deferred until the next meeting, in terms of moving forward with the final approval, so that the staff can work on more refined language and then re-notice at the next meeting. Chairman Huizenga concurred and advised that we will take the issue up at the next meeting.

7. Concluding Remarks and Adjournment

There being no further business, Chairman Huizenga adjourned the meeting at 1:55 p.m. (ET), on October 3, 2019.

Chris Kinsley, Assistant Vice Chancellor
Facilities

H. Wayne Huizenga, Jr., Chair