



UNIVERSITY OF CENTRAL FLORIDA

Board of Trustees
Finance and Facilities Committee Meeting
Live Oak Center
July 20, 2017

MINUTES

CALL TO ORDER

Trustee Alex Martins, chair of the Finance and Facilities Committee, called the meeting to order at 10:55 a.m. Committee members Robert Garvy, Nick Larkins, William Self, David Walsh, and Bill Yeargin were present. Committee member John Sprouls attended by teleconference. Chairman Marcos Marchena was present. Trustees Ken Bradley, Clarence Brown, Joseph Conte, John Lord, and Beverly Seay were present.

NEW BUSINESS

2017-18 Updated University Operating Budget (FFC-1)

William F. Merck II, Vice President for Administration and Finance, and Tracy Clark, Associate Provost for Budget, Planning, and Administration and Associate Vice President for Finance, requested approval of the university's revised 2017-18 operating budget. The Educational & General budget has been amended to reflect the allocation of state performance funding as approved by the Board of Governors, as well as the results from the governor's vetoes and the special session that followed. All other budgets previously approved by the Finance and Facilities Committee on May 18, 2017, remain unchanged. The committee unanimously approved the budget as presented.

Refinancing of UCF Finance Corporation Series 2007 Bonds (FFC-2)

Merck and John Pittman, Associate Vice President for Administration and Finance, Debt Management, requested approval for the UCF Finance Corporation to refinance the outstanding Series 2007 bonds. The corporation seeks to fix the interest rate for seven or more years with an interest-rate reset and secure the debt through a loan rather than bonds backed by a line of credit. It is anticipated the proposed refinancing will provide significant debt service savings. The committee approved moving forward with the refinancing, but with the stipulation that Chairman Marchena and President Hitt both must sign off that no better alternative financing option was found.

2017-18 Direct Support Organizations' Budgets (FFC-3)

Merck, Pittman, and Danny White, Vice President and Director of Athletics, presented for approval the 2017-18 UCF Athletics Association budget. The committee unanimously approved the budget as presented.

Campus Concessions Food Service Management Agreement (FFC-4)

Rick Falco, Director of the Student Union, requested approval to finalize a 10-year negotiated agreement with the leading firm to provide concessions at Spectrum Stadium, CFE Arena, and other UCF Athletics venues. This contract represents significant capital dollars to improve concession spaces in both Spectrum Stadium and CFE Arena while also offering a substantial revenue sharing increase through commissions. The committee unanimously approved the request.

Amendment to Sublease Agreement between UCF and Pegasus Hotel LLC (FFC-5)

Merck and Scott Cole, Vice President and General Counsel, requested approval of an amendment to the sublease agreement with Pegasus Hotel LLC for an on-campus hotel and conference center. In order to obtain financing, the developer has asked to increase the size of the hotel from 135 keys to approximately 179 keys. This amendment will 1) extend the date by which construction must commence from June 22, 2017, to September 29, 2017; 2) expand the leased property by .6 acres for additional parking; and 3) increase the annual base ground rent from \$200,000 to \$265,200. Cole also requested in the first paragraph of section three in the proposed contract amendment to add a stipulation that the maximum number of keys be 179. The committee unanimously approved the amendment with that stipulation added.

Financing of Solar Farm (FFC-6)

Merck, Lee Kernek, Associate Vice President for Administration and Finance, and Curtis Wade, Director of Utilities and Energy Services, requested approval for the UCF Finance Corporation to finance an amount not to exceed \$14,700,000 for the construction of a solar farm on campus. The committee tabled the item and requested that staff complete further investigation into the use of the land, educate the trustees in greater detail, and bring recommendations for an energy consultant back to the committee.

Baseball Stadium Expansion (FFC-7)

Merck and Pittman requested approval to fund internally up to \$3.6 million in construction costs to expand and renovate the baseball stadium. This university project will be managed by the UCF Facilities Planning and Construction department using Skanska as the contractor and is scheduled to begin in October 2017 and be completed in February 2018. The committee unanimously approved the request.

Amendment to the Revised and Restated Development Agreement with Osceola County Including Appendix (FFC-8)

Merck requested approval for the amended and restated development agreement and lease for the advanced manufacturing industry center in Osceola County. This was previously approved by the Board of Trustees at the May 18, 2017, meeting, but the United States Department of Commerce Economic Development Administration has since agreed to provide an approximately \$2.2 million financial assistance award to co-applicants Osceola County, ICAMR, Inc., and the University of Central Florida for the installation of supplies for the cleanroom at the Florida Advanced Manufacturing Research Center. Accordingly, the development agreement and lease are being revised to reflect these terms, including a memorandum of lease and subordination agreement. The committee unanimously approved the amended and restated development agreement and lease.

Chair Martins adjourned the Finance and Facilities Committee meeting at 12:00 p.m.

Respectfully submitted: _____

William F. Merck II
Vice President for Administration and Finance
and Chief Financial Officer

_____ Date

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