



**Board of Trustees
Teleconference Meeting
Millican Hall, 3rd floor, President's Boardroom
June 25, 2012
11:00 a.m.
800-442-5794, passcode, 463796**

Agenda

- | | | | |
|------|---------------|---------------------------------|---|
| I. | Call to Order | | Trustee Michael J. Grindstaff <i>Chair, Board of Trustees</i> |
| II. | Roll Call | | Dr. Rick Schell <i>Vice President and Chief of Staff Associate Corporate Secretary</i> |
| III. | New Business | | Chair Grindstaff |
| | FF-1 | Approval WMFE License | William Merck <i>Vice President, Finance and Administration and CFO</i> |
| | FF-2 | Approval Northview Project | Vice President Merck |
| IV. | Adjournment | | Chair Grindstaff |

**University of Central Florida
Board of Trustees**

SUBJECT: WMFE-TV

DATE: June 25, 2012

PROPOSED BOARD ACTION

Approval of UCF's purchase of WMFE TV's public broadcasting license and broadcast equipment.

BACKGROUND INFORMATION

WUCF TV debuted July 1, 2011, as Central Florida's new and only PBS channel. WUCF TV has been operating as a cooperative venture with Brevard Community College, the holder of the broadcast license.

This arrangement was a temporary arrangement designed to keep PBS in Central Florida until the parties could negotiate a more permanent arrangement. UCF and BCC entered into negotiations for UCF to purchase the broadcast license from BCC but those negotiations were not successful, creating the possibility that WUCF TV would end operations.

UCF was subsequently presented with the opportunity to purchase WMFE's non-commercial educational broadcast license and equipment, thereby allowing UCF to continue providing public television to Central Florida and offer UCF students a unique opportunity for hands-on experience with television broadcasting.

Acquiring the license and equipment will allow UCF to:

- create a permanent Central Florida home for award-winning PBS programs, including "PBS Kids" and shows that focus on STEM and literacy skills for children
- expand educational opportunities for UCF students in broadcast engineering, digital film and media, communications, and other fields
- tell stories about UCF directly to our community, including student and faculty member success and stories that support the university's ongoing campaigns
- broadcast to a larger audience thanks to WMFE's stronger TV signal.

If approved by this board, the university will pay a total of \$3.3 million to WMFE over three years (schedule attached) to acquire WMFE TV's license and broadcast equipment. Auxiliary funds will be used for the license and equipment purchase; E&G and tuition dollars will not be used.

Community involvement during WUCF TV's first year has been excellent, and the acquisition will allow the channel to expand local fundraising to support the channel.

Should the Board of Trustees approve the acquisition, WMFE TV will submit the purchase to the Federal Communications Commission for approval, a process that can take several months. BCC supports this acquisition and has pledged a smooth broadcast transition should it be approved by this Board and the FCC.

Supporting documentation: WMFE-TV Purchase and Financial Projections

Prepared by: Grant J. Heston, Associate Vice President for Communications and Public Affairs

Submitted by: Alfred G. Harms, Vice President for Strategy, Marketing, Communications, and Admissions

WMFE-TV

Purchase and Financial Projections

| | 2013 | 2014 | 2015 | 2016 | 2017 | Total |
|---------------|-------------|-----------|-----------|------|------|-------------|
| Purchase cost | \$1,400,000 | \$950,000 | \$950,000 | \$0 | \$0 | \$3,300,000 |

Operations

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----------------|--------------|--------------|--------------|--------------|--------------|
| Current Funding | \$1,664,280 | \$1,770,458 | \$1,886,122 | \$2,012,186 | \$2,149,654 |
| Operating Costs | -4,409,680 | -4,130,994 | -3,921,215 | -3,901,258 | -3,966,077 |
| Funding Need | -\$2,745,400 | -\$2,360,536 | -\$2,035,093 | -\$1,889,072 | -\$1,816,423 |

| | | | | | |
|-------------|-------------|-------------|-------------|-------------|-------------|
| Fundraising | \$1,183,000 | \$1,549,000 | \$1,940,000 | \$2,936,000 | \$3,306,000 |
| New Funding | 1,562,400 | 811,536 | 95,093 | 0 | 0 |

**University of Central Florida
BOARD OF TRUSTEES**

SUBJECT: Northview Project

DATE: June 25, 2012

PROPOSED BOARD ACTION:

Authorize the university to enter into a long-term agreement to provide housing management and marketing services for the student housing component of the Northview project.

BACKGROUND INFORMATION:

The UCF Foundation is working with AHG Group LLC to develop a parcel of property across the street from UCF's north entrance. The Project, called Northview, will consist of 600 beds of student housing, a faith center, multi-level parking structure, and related amenities. AHG Group has hired Place Properties to develop the site, and AHG will be solely responsible for all costs of the project. As part of the financing plan for Northview, the project's lender is requiring UCF Housing and Residence Life to act as the exclusive manager and marketer of the student housing portion of the project. It is anticipated that the agreement will be for a term of 30 years.

Supporting documentation: Past, Present, and Future: Northview Project (PPT)
UCF Housing Managerial and Marketing Contracts
Ground Lease – Key Terms

Prepared by: Zan Reynolds
Scott Cole

Submitted by: Scott Cole

NORTHVIEW

1

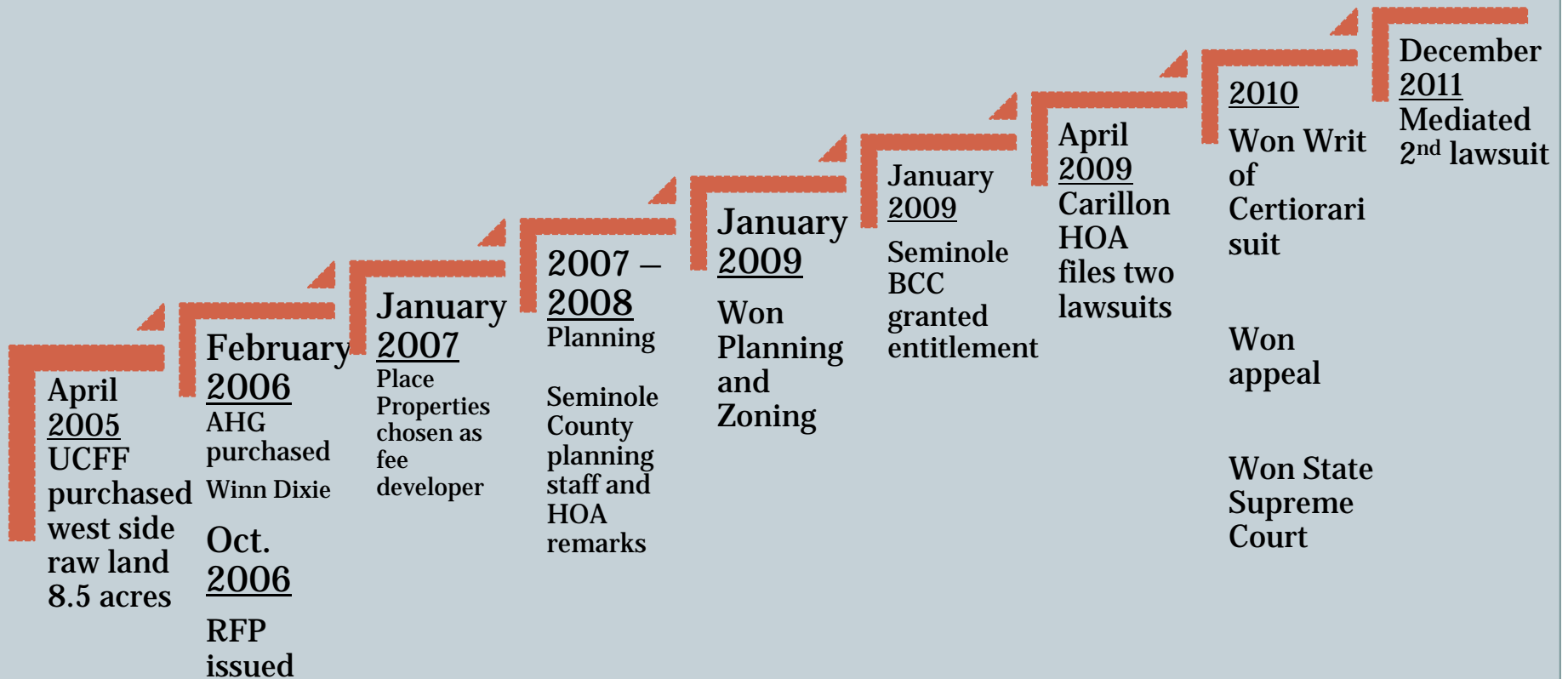
Past, Present, and Future

UCF Board of Trustees

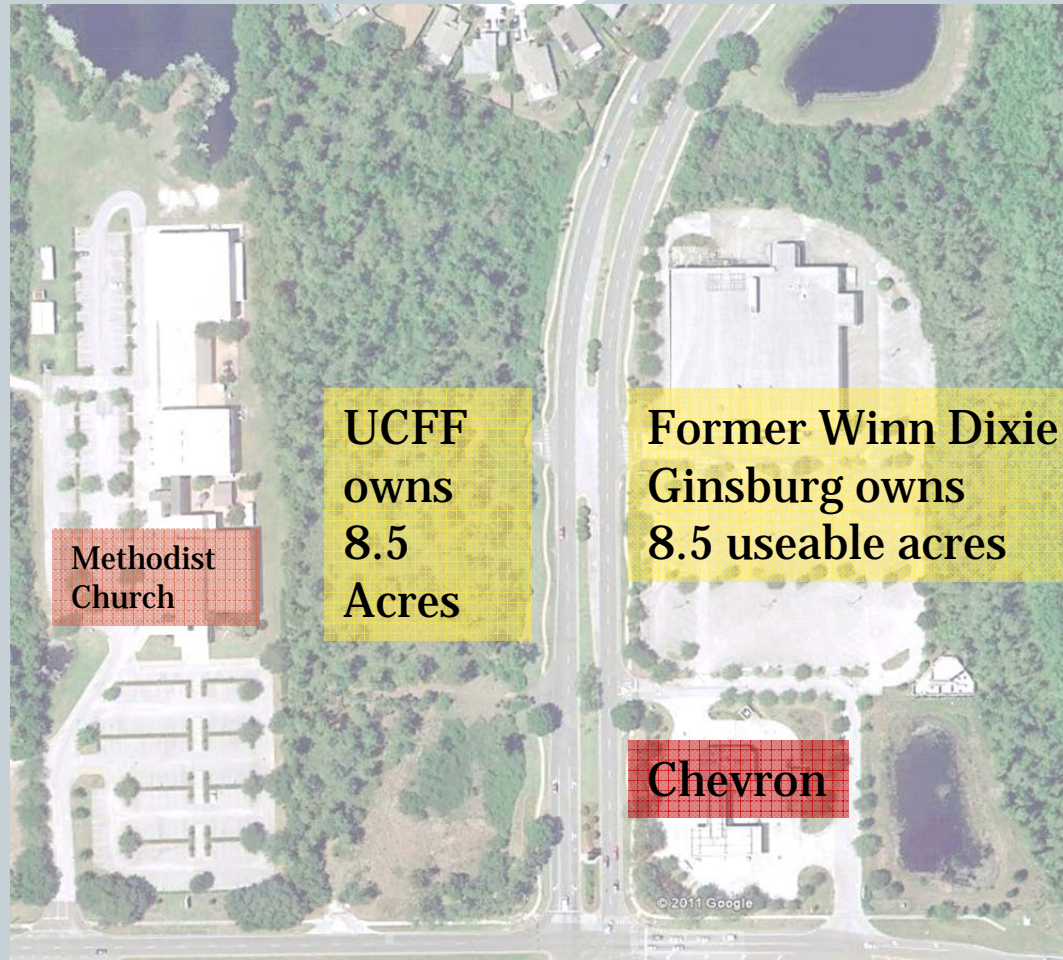
June 25, 2012

Disclosure: Zan Reynolds, Executive Director of Real Estate for the UCF Foundation is in partnership with Alan Ginsburg in an unrelated business and works 10 hours per week in the venture.

Timeline



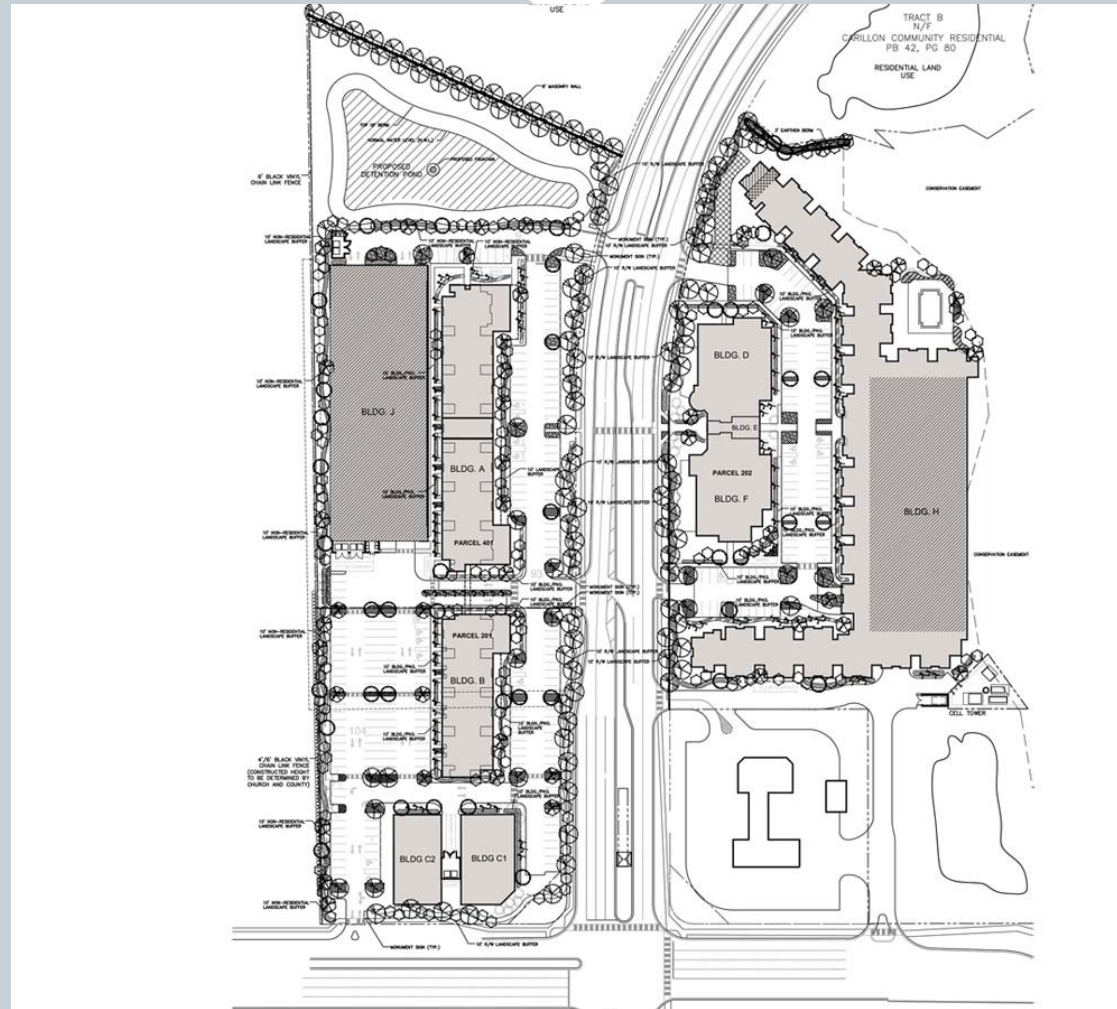
NORTHVIEW 2005 through Today



NORTHVIEW

Approved Site Plan - January, 2009

- 600 beds
- 53,000 s.f. of retail
- Parking garage on the west side
- 45,000 s.f. faith centers



Mediation Results



- **Mediation settlement removed all housing from west side to east side**
 - All housing and parking garage moved to the Ginsburg-purchased parcel on the east
 - West side to be developed as a retail center by UCF Foundation
 - Tax-exempt bond-financed construction unavailable for west side retail

NORTHVIEW

Approved Site Plan – December 2011

- 600 beds
- 52,375 s.f. of retail
- 40,000 s.f. faith centers
- Parking garage east side



NORTHVIEW Concept Design

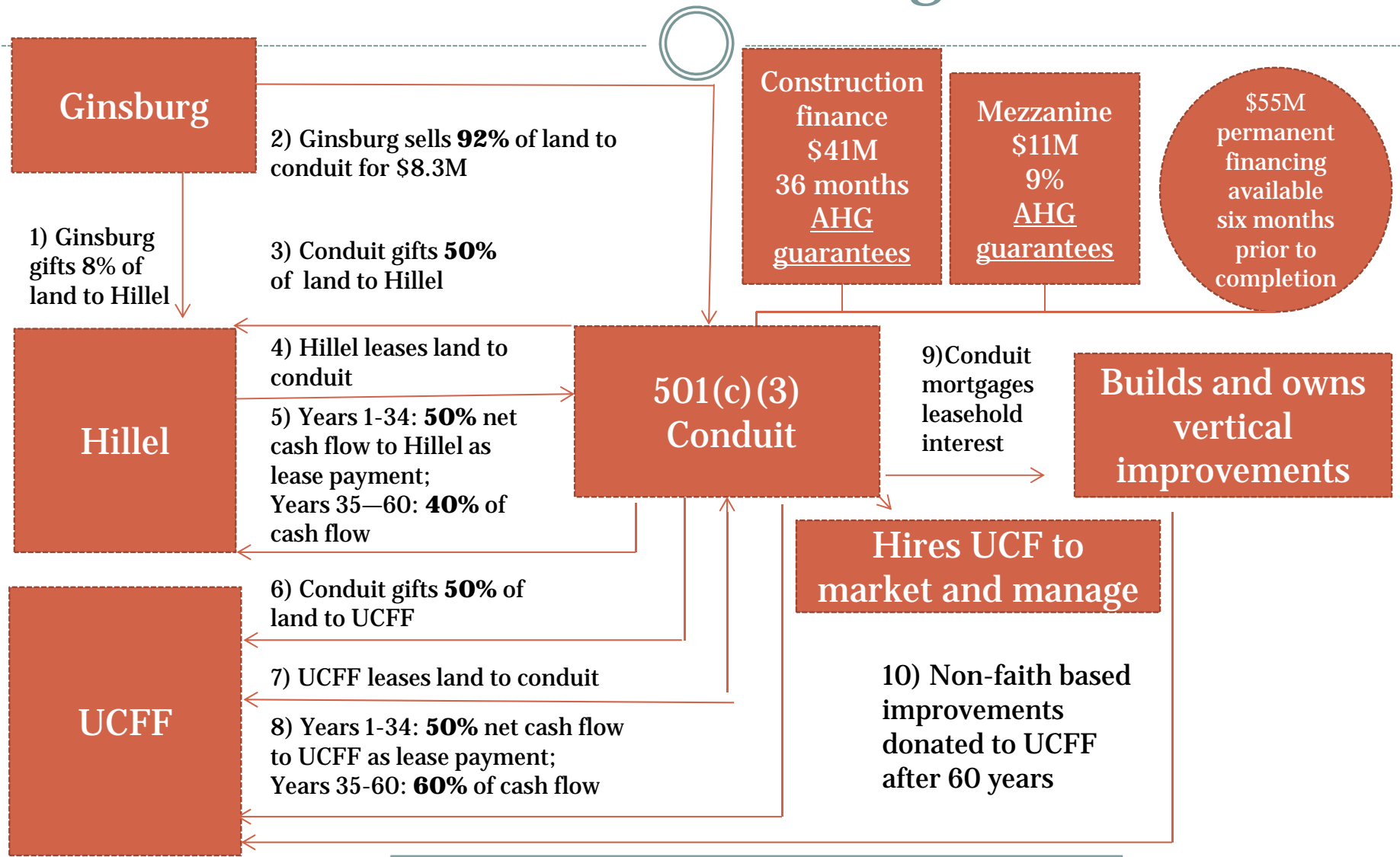
- Pre-fab concrete
5, 6, 7
story



FINFROCK


Cahaci & Peterson
Architects Engineers Planners

Conventional Financing Model



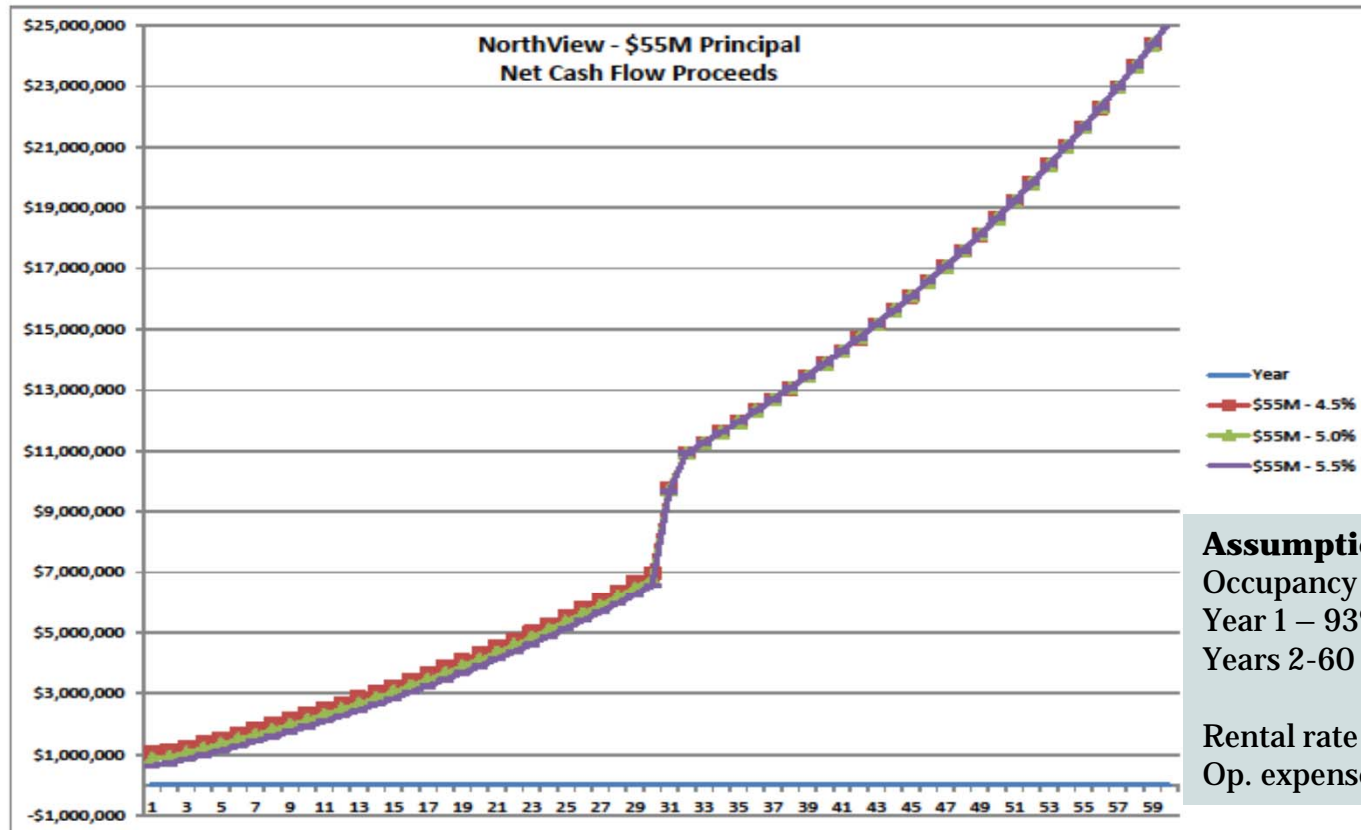
No financial obligation by UCFF or UCF

Requested Conventional Assurances



- **UCF participates with conduit to confirm IRS 501(c) (3) status.**
Member of conduit and/or board seat(s)
- **Non-cancellable 30 year management agreement with UCF Housing, but UCF can be fired for cause**
- **Marketing the project**
 - Used by UCF to achieve 80% of freshman and 50% of sophomores goal of living on-campus
 - Advertised in UCF housing literature as a Live-Learn Community
 - Advertised on UCF housing web site as a Live-Learn Community
- **Reasonable Assurances of 90% lease-up for first year**
 - UCF Housing and Residence Life programming
 - Other ??

Potential Net Cash Flow



Assumptions

Occupancy rate:
Year 1 – 93%
Years 2-60 - 95%

Rental rate increase – 3%
Op. expense increase – 3%

*Subject to bank approval

Condominium of Land



- **To assist in showing independence of faith center from housing project for establishment clause purposes:**
 - UCF and UCF Foundation will have no relationship, ownership, or contract with faith center
 - UCF's housing management agreement is with conduit 501(c)(3) not affiliated with Hillel
 - Ownership of parking is divided between housing and faith center
 - Easements for common-use areas

Policies and Prior Agreements



- **Debt Reserves**

- NorthView proformas do not currently facilitate a debt reserve. However, there is no financial liability to UCFF or UCF
- Proformas to be revisited to facilitate debt service reserve to begin accumulating in year five

- **Pegasus Pointe and Landing Referral Agreements***

Referral obligations do not violate existing referral agreements

*now Knights Circle and The Pointe at Central

Open Items



- Finalization of the UCF Housing management and marketing agreements
- The conventional financing is still awaiting final bank approval
 - Lender has requested assurances for 90% lease-up for the first year from UCF
 - UCF will not agree to penalty for failing to meet any assurance
- Development fee with Place Properties is being revisited
- UCFF Furniture, Fixtures and Equipment Reserve
 - NorthView proformas at \$75,000 annually at \$125 per bed
 - Proformas to be revised to show \$150 per bed with 3% annual inflation
- Estimated \$475,000 gift from Alan Ginsburg in discussion
- Foundation's responsibility for additional off-site improvements still under investigation
- If bond financing is fall back, net cash flow sharing with Hillel reverts to 33% to Hillel and 66% to UCFF
- Debt reserve provision beginning year five

Proposed Board Action



- **Authorize the President or his designee, after legal review, to execute a thirty year housing management and marketing agreement for UCF to manage the NorthView student housing project, so long as such agreement is materially consistent with the following terms:**

UCF Housing Managerial and Marketing Contracts Key Terms to be Negotiated

Key Term Sheet: Scope of Property Management Services

Manager will ensure that the Property is marketed, operated, maintained, managed and repaired, socially programmed, including without limitation all matters involving response time, cleanliness, sanitation, safety, and employee courtesy, in accordance with the generally accepted standards for Class “A” student housing properties in the University of Central Florida Area.

In order to maintain the Property in Class “A” status, Manager shall:

- (1) ensure that the Property is known as a premier student housing development and maintains a leading market presence;
- (2) ensure that the Property achieves and maintains a rental value equivalent to like-kind properties;
- (3) ensure that all necessary maintenance and capital improvements are performed timely and in accordance with the approved “Management and Operations Manual” and budgets;
- (4) ensure that all electrical, plumbing, heating, air conditioning, mold prevention programs, and fire and safety systems perform per local building codes and best practices;
- (5) ensure that all amenities, common areas and ancillary services available on the Property, such as laundry, clubhouses, restrooms, game rooms and pools are continuously maintained and serviced;
- (6) ensure that the Property is considered a socially attractive community by tenants;
- (7) develop and maintain a well coordinated working relationship with the UCF Police Department and any other University provider to the Property; and
- (8) Provide standard operating procedures and/or operational manuals for “Management and Operations”, “Leasing and Marketing”, “Maintenance”, “Residence Life Program”, “Moisture Management Plan” to Owner, and a “Disaster Preparedness Manual”, in coordination with and subject to review by the Ground Lessor and approval by the Owner. Continually maintain and updated such manuals for any change in practices, which will require review and approval by the Ground Lessor and the Owner.
- (9) Hire on-site managerial and maintenance personnel necessary for the efficient performance of the duties of Manager and the efficient operation of the Property. Manager shall present a proposed Property Organizational Chart to the Ground Lessor

and Owner for review and approval. The Property Organizational Chart shall include a proposed Residence Life Staffing Plan.

Onsite personnel may include, without limitation, Resident Managers, Assistant Managers, Leasing Managers, Maintenance Engineers, Porters, Maids, Handymen, Gardeners and other employees of like nature. Such personnel shall be certified according to an established standard necessary to perform their job duties. Tenant Qualifications. Manager shall lease space at the Property only to Qualified Tenants (as defined herein) upon the rate, terms and conditions, and pursuant to forms approved by Owner. and Ground Lessor. Manager is not authorized to establish, change or revise any rents, fees, deposits, or other charges with respect to the Property that have been approved by Owner and Ground Lessor, unless Owner and Ground Lessor provide prior written approval for such change.

Key Term Sheet: Marketing Manager

- (1) Manager agrees to market NorthView on the UCF Housing web site and brochures as part of the Living Learning Communities, or other similar designation deemed appropriate.
- (2) Along with submittal of the Annual Budget, Manager will submit to Owner, and Ground Lessor a preliminary marketing plan, (“Marketing Plan”), accompanied with a draft copy of promotional materials for the upcoming fall semester. The Marketing Plan will be all encompassing and will universally coordinate colors, type fonts, logos, and themes of the Property for all advertisement and promotional materials. The Marketing Plan will provide rental rate goals and plans to attain those goals through advertisements, events, social networking, and direct mailings.
- (3) Manager may publish advertisements, post renting signs, prepare and circulate brochures, and engage in such other forms of advertising and incentive programs and promotional activities as Manager feels are appropriate and which Owner approves in advance.
- (4) Manager hereby acknowledges that the electronic marketing of student housing via the internet through the use of virtual tours of rooms, amenities, and common areas in addition to videos of personal testimonies will be incorporated into the overall Marketing Plan. Additionally, Manager agrees to provide a rich internet experience to potential tenants as well as to enhance the Property’s internet site through social networks such as Facebook and Twitter, and any others that become a major provider of social connectivity. Electronic postings and texting should be incorporated into the overall advertising and Marketing Plan.
- (5) Manager agrees to maintain the models to a like-kind condition as presented in the Marketing Plan. Manager also agrees to work to modify vacant units so that incoming residents will be placed in a unit that is very similar to the model being shown.

Ground Lease – Key Terms to be Addressed

The following issues will be addressed in the Ground Lease. The terms will be similar to the Pegasus Landing and Pointe Ground Lease, as adjusted for the terms of the NorthView deal points.

Project Site
Acquisition and Development of Property
Term and Renewal
Rent
Default and Termination
Leasehold Improvements
Taxes
Repairs, Maintenance, Management, Residence Life
Construction Liens
Net Lease and Use of Property
Indemnity
Insurance
Condemnation
Quiet Enjoyment
Present Condition of Property
Rights of Assignment and Subletting
Right to Finance
Forbearance and Right to Perform Lessee's Covenants
Estoppel Certificates
Rights Cumulative
Notices
Lessor's Right of Access
Environmental Compliance
Limitation of Lessor's Liability
Title to Improvements; Surrender; No Fee Mortgage
No Oral Changes
Headings, Counterparts, Severability, Amendments
Covenants to Continue
Governing Law
Memorandum of Ground Lease
Recognition of Subleases
Non-Recourse to Issuer and Limited Obligations of Lessee
Lessor's Right of Early Purchase