

Minutes
Board of Trustees Special Meeting
University of Central Florida
January 26, 2021

Chair Beverly Seay called the special meeting of the Board of Trustees to order at 2:15 p.m.

Seay reminded the board that the meeting was covered by the Florida Sunshine Law and that the public and press were invited to attend.

WELCOME

Seay welcomed the board members and called on Karen Monteleone, Assistant Vice President, Board Relations, to call the roll. Monteleone determined that a quorum was present.

The following board members attended the meeting virtually: Chair Beverly Seay, Vice Chair Alex Martins, Trustees Kenneth Bradley, Bill Christy, Jeff Condello, Joseph Conte, Danny Gaekwad, Joseph Harrington, Sabrina La Rosa, Caryl McAlpin, Harold Mills, Michael Okaty, and John Sprouls.

PUBLIC COMMENT

There were no requests for public comment.

NEW BUSINESS

Seay welcomed new Trustees Christy and Condello to the Board of Trustees.

BOT – 1 Advanced Manufacturing Partnership in Osceola County

Seay called on President Cartwright to provide an update on the advanced manufacturing partnership in Osceola County.

Cartwright said that in 2014, UCF and Osceola County agreed to pursue a project that would offer industry partners and others the opportunity to share equipment and conduct research needed to profitably access the next-generation sensor economy. He stated that it originally was envisioned as a consortium with corporate and other external memberships and \$125 million in long-term state support, and that the project included a research and advanced manufacturing facility to be constructed and financed by Osceola County. Cartwright said in lieu of cash rent, UCF agreed to be responsible for payment of operating expenses of the facility, and that there were state recurring and non-recurring funds that enabled this partnership.

Cartwright stated that subsequent to the initial plan, the project's business plan changed and evolved into a manufacturing center focused on testing and packaging semiconductor chips for federal agencies. He also said the governor vetoed all state recurring and non-recurring funds for the project in June 2020. Cartwright said that with the shift in focus to manufacturing and the subsequent veto of state funding, the administration team, led by UCF Professor Ronald Piccolo, Chair of the Department of Management and Galloway Professor in the College of Business, worked with Osceola County to identify a partner better suited to operate and manage the advanced manufacturing facility.

Cartwright said that in December, administration shared that the Osceola County Commission would review an agreement to transition UCF's operating responsibilities to SkyWater Technologies, which would become the leading partner at NeoCity. He noted that SkyWater is the most advanced U.S.-based and solely U.S.-owned, Defense Microelectronics Activity (DMEA)-accredited pure play technology foundry specializing in advanced innovation engineering services and volume manufacturing of a wide variety of differentiated integrated circuits.

Cartwright said the agreements being presented for approval will transition all of UCF's operating obligations to SkyWater and noted that UCF's partnership with Osceola County and now SkyWater will focus on research and building a talent pipeline for the advanced manufacturing activity in NeoCity.

Cartwright said the terms of the agreement include:

- UCF's operating obligations under the lease and Kissimmee Utility agreements will be assigned to SkyWater and all other third-party agreements will be terminated.
- For an eight-year period, UCF will maintain access to the facility, without an access fee, to conduct research activity in coordination with SkyWater.
- SkyWater will work collaboratively with UCF on research opportunities at the R&D center.
- UCF will provide transition funding to Osceola County to encourage research at the R&D Center.
 - \$7.5 million will be paid at the time the new agreement is approved and executed.
 - \$5 million will be paid in July 2021 and \$2.5 million will be paid in July 2022 from university carry forward funds.
- This transition funding will relieve the university of all operating obligations under the current lease. Those obligations are estimated to be \$3.5 million to \$10.5 million annually when operating fully, and have a conservative present value of \$61 million.
- Any operating expenses incurred by the university between January 25th, 2021, and the date the transfer of the facility is completed will be reimbursed from the transition funding.

Cartwright concluded his remarks.

Martins made a motion to approve BOT-1 with Sprouls providing the second.

The trustees had the following comments:

- Mills asked for clarification on the UCF employees that were on the payroll.
- Christy asked clarifying questions on the settlement agreement and lease.
- Bradley asked for clarification on UCF's agreement with IMEC.

The motion passed unanimously.

ADJOURNMENT

Seay adjourned the board meeting at 2:38 p.m.

Reviewed by: *Beverly Seay*
Beverly Seay, Chair UCF Board of Trustees

Date: 02/22/2021

Respectfully submitted: *Janet Owen*
Janet Owen, Associate Corporate Secretary

Date: 02/22/2021