

MINUTES  
STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
FACILITIES COMMITTEE  
UNIVERSITY OF SOUTH FLORIDA  
TAMPA, FLORIDA  
June 22, 2017

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and its Committees are accessible at <http://www.flbog.edu/>.*

Governor H. Wayne Huizenga, Jr., Chair, convened the meeting of the Board of Governors Facilities Committee meeting at 8:42 a.m., June 22, 2017. The following members were present: Fernando Valverde, Dick Beard, Sydney Kitson, Alan Levine, Wendy Link, Edward Morton and Gary Tyson. Other members present included: Patricia Frost, Tom Kuntz, Ned Lautenbach, Kishane Patel, Pam Stewart, and Norman Tripp.

1. Call to Order

Chair Huizenga called the meeting to order.

2. Minutes of Committee Meetings: Governor Huizenga

Governor Tyson moved that the Committee approve the minutes of the Facilities Committee meeting held March 29, 2017 at Florida A&M University. Governor Link seconded the motion and it passed unanimously.

3. USF Educational Plant Survey

Chair Huizenga called on Mr. Chris Kinsley, Assistant Vice Chancellor for Finance and Facilities, to discuss the USF Educational Plant Survey. Mr. Kinsley noted that this survey (along with Florida Poly) are the first to be considered by the committee that were completed using the Dynamic Capital Planning (the "DCP") Model. The Assistant Vice Chancellor commended both universities, the survey teams and the Board Staff for their efforts. Mr. Kinsley went on to explain that the DCP Model was introduced to analyze the space impact due to online education. The initial theoretical premise was that space could be discounted at the full 100% to account for online education. However, this premise is not accurate as some online students still have need for space on campus. The current idea is that the appropriate discount should be around 80%, but this notion is still under review and will be discussed further. Mr. Kinsley also highlighted that there will be continual tweaks, but overall the new model is working.

Governor Kuntz asked how the University is reconfiguring old space, through proposed renovation projects. Mr. Kinsley responded that USF recognized that in certain categories there is a need for additional space; however, there are some options to repurpose/renovate existing space to fulfill the need, for example in office space. He also noted that there are some logistical challenges with that effort, but with proper planning and reconfiguring the challenge can be resolved. Mr. Kinsley also mentioned that USF has some renovation/reconfiguration projects on the list. Governor Kuntz also raised a concern that online is growing at a faster rate than the Board can project. He then went on to question the level of surety in the results projected today. Mr. Kinsley responded by acknowledging that reviewing the model is a start to accurately addressing this concern and affirmed the Governor that there will be continual enhancements as time progresses. Governor Huizenga added that as a result of these developments, renovation projects may become more attractive than new buildings during the funding analysis. He also mentioned that the DCP Model should be continually analyzed and adjusted as time progresses to reach a fair equilibrium. Governor Beard moved to approve, Governor Link seconded and the motion passed with approval by all members.

#### 4. FL Poly Educational Plant Survey

Mr. Kinsley noted that this was FL Poly's inaugural survey and due to the size of the institution, there was one emanating recommended project, the Applied Research Center which has already received two years of previous funding. However, Mr. Kinsley noted that the University will need an additional building in the future and given that the survey only forecasts for the next five years, the University can elect to request a change to this survey to accommodate the need. Mr. Kinsley also commented that he was pleased with the outcome of this survey using the new DCP Model. Governor Kuntz noted that the University is requesting a third building and posed a question to President Avent, requesting confirmation that over the next five years the Applied Research Center Building would satisfy the short-term needs of the University. President Avent responded favorably and acknowledged that additional space further supports the goals of the University; however, FL Poly is willing to work with the Board Office in the interim. President Avent further noted that the University is distributed across three campuses and logistically this is not ideal. Therefore, the need for office space is material. Governor Huizenga also noted that the Board is working with limited resources and there are constraints, but the Board is open to reviewing this item in the future. Governor Morton asked if student service buildings are taken in consideration, given that FL Poly's campus is so isolated. Mr. Kinsley noted that the survey only evaluates Educational and Grant needs and not student life needs, due to the restriction in the use of PECO funds.

Governor Morton made a motion to approve the Florida Polytechnic University Educational Plant Survey, Governor Tyson seconded the motion, and the item passed unanimously.

5. FIU Housing – Bond Authorization

Chair Huizenga asked Mr. Kinsley to discuss the bond authorization for FIU Parkview II Housing. Mr. Kinsley explained that this was a request to issue bonds not to exceed \$63 million. The total project cost is \$80 million. These would be traditional bonds issued through the Division of Bond Finance to finance 646 beds and 300 adjacent parking spaces on the main campus of FIU. This is Phase II of this project. Mr. Kinsley went on to discuss the strong demand associated with this project and the high projected occupancy rates upon opening. Governor Kuntz asked about the slightly higher projected rental rates. However, Mr. Kinsley noted that once this project opens in fall 2019 the other comparable rental rates would have increased and this proposed rate takes into account future market conditions.

Dr. Ken Jessell, FU's CFO, was invited to the lectern to address further questions from the Committee. After some discussion regarding cash surplus, project cost and the burden of increasing rental rates to students Governor Morton moved to authorize the bond resolution. Governor Beard seconded the motion, and the motion passed unanimously.

6. Other Items

Mr. Kinsley went on to mention that CAFA attended a presentation from Sightlines that speaks to the maintenance needs across the system. Mr. Kinsley anticipates that the Board will benefit from a similar presentation later in the year.

Mr. Kinsley also noted the developments regarding PO&M funding during this legislative cycle. Over the past two years this request was not funded. The Assistant Vice Chancellor went on to mention the implications that this may have on the System and cautioned University Presidents to be poised and prepared for this uncertainty.

7. Concluding Remarks and Adjournment

There being no further business, Chair Huizenga adjourned the meeting at 9:36 a.m., June 22, 2017.

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Chris Kinsley, Assistant Vice Chancellor  
Facilities

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H. Wayne Huizenga, Jr., Chair