

Minutes
University of Florida Board of Trustees
Committee on Finance and Facilities
December 6, 2012
2:00 p.m.
Emerson Hall

Committee Members:

Steven Scott (Chair), Susan Cameron, Alan Levine, Juliet Roulhac, Al Warrington, and Chris Corr

1. **Call to Order at 2:01 pm**

The Committee was convened with a quorum confirmed and all members present.

2. **Review and Approval of Minutes**

Trustee Corr moved to accept minutes as presented, Trustee Warrington seconded. With no discussion desired, the motion carried unanimously.

3. **Action Items**

FF1. Namings: Women's Lacrosse Practice Field; Indoor Tennis Facility

The Committee was requested to approve the following namings: the women's lacrosse practice field as "The Rob Gidel Family Practice Field," and the new indoor tennis facility as "The Charles R. and Nancy V. Perry Indoor Tennis Facility." Information regarding the people to be honored in the namings was included in the Committee package. All Committee members agreed with the proposals. Trustee Cameron moved that the Committee recommend the namings as presented. Trustee Roulhac seconded the motion. With no further discussion desired, the motion carried unanimously.

FF2. Capital Improvement Trust Fund Projects Final Approval – Newell Hall

The Committee was asked to approve the Newell Hall renovation/remodeling project as a CITF fee-funded project of \$13,262,391 (the amount of the unanticipated additional yield from the CITF fee) and to add this project to the University's CITF project list and capital budget. The Board has already approved the fee, which is in effect. This project has been approved by the CITF Committee (more than half of the Committee members are students). It is an important project for students because it provides study and meeting areas in Newall Hall for students. Trustee Levine moved the Committee approve the project as presented. Trustee Cameron seconded the motion. With no further discussion desired, the motion carried unanimously.

The Board of Governors miscalculated the yield from the existing fee and recently told us of the excess yield.

FF3. Stephen C. O'Connell Center Remodeling – Funding Approval

The Committee was asked to approve the University's commitment of \$10 Million towards remodeling and renovation of the Stephen C. O'Connell Center's infrastructure and building support areas. It was noted that the UF funding is in support of the educational activities that are held in the Center. Trustee Levine noted that any concerns he had regarding the donor process were related to a time before Dr. Machen became president and he is satisfied that we have a good process. Trustee

Roulhac moved that the Committee approve the project as presented. Trustee Levine seconded the motion. With no further discussion desired by the Committee, the motion carried unanimously.

FF4. Disposition of Real Property, IFAS at Hague

The Committee was asked to approve the surplusing and disposal of a portion of land containing approximately 0.87 acres at the Animal Sciences - Dairy Unit of the Institute of Food and Agricultural Sciences, University of Florida, located in Hague, Alachua County, Florida and to authorize the Chancellor, Division of Colleges and Universities, or his designee, to execute the necessary documents required by the Florida Department of Environmental Protection for the transaction. It was explained that this is an outlying a piece of property – bounded on both sides by property owned by another owner. Once the BOT approves the surplus and disposition it will go through an established State process which includes an appraisal and bids. Trustee Roulhac moved that the Committee approve the surplus and disposal as presented. Trustee Cameron seconded the motion. The motion carried unanimously.

FF5. Amendments to 2012-13 Budget of Revenues and Expenses

The Committee was asked to approve the University's amended budget of revenues and expenses for 2012-2013 fiscal year as presented in the information packet. Trustee Cameron moved that the Committee approve the amended budget as presented. Trustee Roulhac seconded the motion. After a short discussion, the motion carried unanimously.

FF6. Real Property Exchange Between UF and Innovation Square, LLC

The Committee was asked to approve the proposed exchange of real property between the University of Florida and Innovation Square, LLC. There was a discussion with a general consensus that it was a very good plan. Trustee Warrington moved that the Committee approve the exchange as presented. Trustee Cameron seconded the motion. With no further discussion desired, the motion carried unanimously.

4. Discussion/Informational Items

4.1 Construction Update

Carol Walker gave an update on construction (projects near completion, in design and those that will be next). She reported that the Lake Nona facility was dedicated last Friday. It is already 60 – 70% occupied.

4.2 UFICO Update

The scheduled presentation by Doug Wynkoop of UFICO was postponed until the next meeting due to time constraints.

4.3 Deferred Maintenance Overview

A lengthy discussion occurred regarding UF's accumulating deferred maintenance for buildings and infrastructure. Several Trustees are concerned about the lack of PECO funds and the need to identify the actual amounts deferred.

Vice President Curtis Reynolds gave an overview presentation to the Committee. He reported that within the last 30 days the Board of Governors (BOG) has requested critical deferred maintenance lists from all State University System universities. Dr. Machen explained that the BOG has done a study of the issue and that Matt Fajack sat on the BOG committee for UF. The BOG will be approaching the State Legislature soon regarding this issue.

Trustee Roulhac commented that it is important to respect the leadership of the BOG – but we need to share our findings with them. Dr. Machen agreed.

4.4 – President’s housing

The Committee next discussed that the University doesn’t have housing adequate for public space needs and reasonable living and home office needs for the next University President. Vice President Curtis Reynolds, as senior staff to the Search Housing Subcommittee made a presentation with these main points:

- The Subcommittee includes Trustee Charles Edwards, Foundation Board member and former Foundation Chair Keith Koenig, and former Board Chair and Architect, Carlos Alfonso.
- The Search Housing Subcommittee gathered information on a full range of Housing Options for housing the President of UF, as well as an expert opinion on the norm among UF’s peers for presidential housing.
- On October 19, 2012 the Subcommittee met, considered and unanimously endorsed as complete and well done, the Housing Options Report, which includes all of the assembled information and a report from Mercer, a national expert in presidential housing and compensation. The full board and the Search Committee received the report the same day.
- When we speak of a President's house, we are not speaking of a normal home. These are multi-purpose facilities - which include significant public reception and event space, as well as reasonable living, work and home office space for the president and his or her household.
- Mercer determined that the standard size of the peer multi-purpose facilities presidents’ house is 10,000 square feet, including both reception space and living space with an approximately 60% public / 40% private split.
 - There isn't much variation in size - with 10,000 square feet representing the 25th and 50th percentiles, 10,129 square feet representing the average, and 11,647 square feet representing the 75th percentile.
- Mercer also determined that 82% of the peer group provides housing and, of those, 88% require the president to live in the provided house. (This relates to custom and house rental value would otherwise be imputed income to the president without a corresponding payment to cover the taxes.)
- The information assembled concludes: (A) the University of Florida's existing president's house is located on a busy intersection without any privacy and is difficult to secure; (B) the

ground floor and grounds are used extensively and well for a variety of university events and meetings, as well as president's events, and the house could ultimately be renovated cost effectively to enhance that use; (C) the second floor dated living quarters are in need of major renovations, include bedrooms but lack living space (so there is no informal personal living space) and, even if renovated (which would not be cost effective), would be inadequate in size and facilities to meet modern standards for living, home office and work needs of a president of a major AAU public research university such as University of Florida, and (D) there is limited existing housing of adequate specifications in close proximity to the UF campus so purchasing house isn't likely a good option. The existing President's House facility would continue to be under the President's Office and be maintained as large event space.

- Consequently, the Subcommittee's information on all housing options indicates that building a new house on property owned by UF may be a very good solution. Private fundraising would fund the project.
 - The former Baby Gator plot near the Law School is on campus within walking distance of the existing President's House, would be easy to secure, and at ~ 7 acres is a good size to locate both a smaller house site and a buffer for surrounding areas, as well as a privacy zone. This is likely the site that will be proposed to the Board.
 - The size of the new multi-purpose facility would be 8,000 to under 10,000 square feet, with approximately a 60/40 split of public to private space, and would take advantage of the nearby existing president's house for larger event and entertainment space.
 - The project is expected to be a minor project - it is expected to be below the major project threshold of over 10K sq. ft. or over \$2M in construction cost--and it fits within the University's existing authorization for operations and maintenance. While such a privately funded minor project doesn't technically require Board approval, this is a special project and we will bring it back to the Committee on Finance and Facilities and the Board with an overall program and budget early in the new year.

Chair Scott also noted the second floor of the existing President's house could be renovated for conference or visitor space. He further suggested that the Board be careful not to be short-sited in sizing the living quarters for the President's household. The house needs to accommodate a variety of family sizes over time.

Trustee Levine suggested further review of use of the existing property be undertaken. It was noted the historical designation of the house makes it hard to use the property for another purpose.

There was a general consensus of the Finance and Facilities Committee that this is a good plan and the University should proceed with planning to be reviewed by the Committee at a subsequent meeting.

5. Adjourned at 3:21 pm.