



COMMITTEE ON FACILITIES AND CAPITAL INVESTMENTS

Meeting Minutes

Telephone Conference Call

February 4, 2019

123 Tigert Hall, University of Florida, Gainesville, FL

Time Convened: 10:02 a.m.

Time Adjourned: 10:49 a.m.

Committee and Board members present were:

Morteza Hosseini (Board Chair), David L. Brandon, James W. Heavener, Daniel T. O’Keefe, Rahul Patel, Robert G. Stern, Katie Vogel Anderson, Anita G. Zucker.

Others present were:

Winfred Phillips, Executive Chief of Staff; Charlie Lane, Senior Vice President and Chief Operating Officer; Amy Hass, Vice President and General Counsel; Mark Kaplan, Vice President for Government and Community Relations; Curtis Reynolds, Vice President for Business Affairs; Craig Hill, Associate Vice President for Business Affairs; Jeanna Mastrodicasa, Associate Vice President for Operations, UF’s Institute of Food and Agricultural Sciences; Carlos Dougnac, Assistant Vice President for Planning, Design and Construction; Eugene Herring, Director of Capital Programs and Financial Management, Planning, Design and Construction; Jennifer Meisenhelder, Assistant Director, Facilities Operations; Colt Little, Senior University Counsel for Real Estate, Financing and Procurement; Trevor Schneider, Interim Director for Office of Real Estate; Margot Winick, Director for Strategic Communications and Marketing; Scott Stricklin, Athletic Director, and other members of the University community.

1.0 Roll Call Verification

Vice President and General Counsel Amy Hass conducted a roll call with all Committee members present except Trustees Leonard H. Johnson and Thomas G. Kuntz, who were unable to attend.

2.0 Call to Order and Welcome

Board and Committee Chair Hosseini opened the meeting by welcoming everyone in attendance and reminding the Committee that the purpose of this call was to review the Committee items on the agenda for the Board of Trustees’ meeting being held March 28, 2019.

3.0 Review Agenda for March 28, 2019 Meeting

3.1 Planning Updates

Vice President Reynolds highlighted the following planning updates:

Architecture Building – Proposed budget \$3-4M. Board and Committee Chair Hosseini responded that the building was constructed in the 1980's and proposed that the curtain wall restoration selection begins in March.

Dental Tower – Vice President Reynolds is working with Dean Isabel Garcia regarding the deferred maintenance challenges upward of \$30M. The existing programming study is expected to be updated by May-June 2019. An update will be given at the March or June meeting. The proposed budget is to be determined.

University House – Architects are revising plans and final plans are expected in February for UF's review. The final rendering is expected in March or April 2019. The proposed budget is \$8-9M. Board and Committee Chair Hosseini responded that the architectural side needs to move a little faster to allow Vice President Mitchell to do more fundraisers. Trustee Stern asked if the upstairs will be a private hotel and VIP room? Vice President Reynolds responded that there was conversation with the end users, and it was best not to have the private hotel and VIP room.

Alcohol Storage Facility (Dickinson Hall) - The Fire Marshall assessment concluded that there are some changes that need to be made. A site has been identified and we will work with the architect. The architect engaged will provide a proposal for the creation of a criteria design package to be used in a lump-sum design-build solicitation. The selection criteria being created for a selection process is based on qualifications (50%) and price (50%). There will be possible collaboration with neighboring Florida Department of Agricultural Consumer Services. The advertisement is expected in June 2019. The proposed budget is \$8M.

University Police Department - The final review of the program is underway for preparation of the request for the RFQ for April 2019 advertisement. The proposed budget is \$20M.

New Infirmary Facility – This facility was constructed in the 1930's. Anticipating relocation near the Wellness Center. The RFQ will be advertised in April. The proposed budget is \$22M. Board Chair Hosseini responded that the way that you handle funds forces you to hurry with planning. He requested that Vice President Reynolds work with Vice President and General Counsel Hass to write up language in the contract and report back to the Committee.

3.2 Project Updates

Baseball Project - University Athletic Association, Inc. (UAA) received approval of \$50M for capital projects and improvements, which included in these projects the construction of a new baseball field. Based on several factors including rising costs have affected the final construction costs which is now anticipated to be \$65M. The UAA will cover incidental cost internally with sponsorship, fundraising, and signing bonuses. Vice

President Reynolds stated that the current approval budget of \$50M will not change until the Board of Trustees approves. Board Chair Hosseini stated that this requires Board Chair approval due to the cost increase of \$15M. He turned to Vice President and General Counsel Hass for her expertise. Vice President and General Counsel Hass responded that it would have to be approved by the Board Chair because of the significant amount of \$15M. Trustee O’Keefe complimented Athletic Director Stricklin for answering the questions. He concurred if the Board Chair will give approval of the revised budget. Trustee Brandon commented and provided further explanation of how the renovation started from the beginning and that the \$50M was arbitrary until the decision was made to go ground up. He noted that it wasn’t all material costs. Trustee Brandon announced the groundbreaking ceremony to be held Friday, February 8 at noon and encouraged everyone to attend. Board and Committee Chair Hosseini stated that going forward in negotiation he would like all to think “Big.” Trustee O’Keefe made a remark that Coach Mullins has pointed out that UF is the only university rated in the top 10 for academics as well as top 10 in athletics. Board and Committee Chair asked Athletic Director Stricklin to check if Coach Mullins is available for the upcoming Board of Trustees’ meeting to be honored.

Parking Garage XIV – Slated for the north end of the Gale Lemerand commuter parking lot. The current design proposes seven levels and approximately 2,000 parking spaces. Design moving towards 100%.

Institute of Black Culture and Institute of Hispanic-Latino Cultures – Project is 13% complete. The foundations have been poured. All structural masonry walls and steel beams have been completed. The masonry contractor has completed work on the exterior wall mock-up and mobilized. Topping off event with students and MCDA directors is scheduled for 2019.

Veterinary Medical Expansion - Project substantially completed.

Nuclear Science Building – Top out last week. Toured facility with Dean Cammy Abernathy.

3.3 Capital Investments

Vice President Reynolds provided an overview of the central energy plant update from discussion at the March 2017 BOT meeting. a three-phased capital utility plan that included (1) construction of a new substation with a jointly improved Duke/UF interconnect, (2) replacement and upgrades to the thermal piping in the south section of campus, and (3) construction of a replacement combined heat and power facility to replace the aging thermal plants located on the Rabon site, all which maximized the economics of operating the system. The Board asked the team to look for alternative ways to finance the project, including utilizing a private partner, and a new look at how UF and Duke might work together to provide these services. In response, UF meet with Duke on several occasions looking for ways to maximize partnership options and shared

long-term needs to provide adequate electrical and thermal requirements needed to take UF into the future. After several meetings, it was concluded that any work performed by Duke Energy to upgrade UF's infrastructure would need to be done by their non-regulated subsidiary which would no longer allow for a sole source procurement. In addition, the Public Service Commission regulations may also limit the University acquiring such required services from any third-party providers due to the University's infrastructure arrangement. As the University continues its quest as a top 5 university, two solutions have been identified. Option one, the University would issue an RFP for a third party to finance, construct, own and operate the plant, and sell the utilities produced by the plant to the University, which would still require significant legal review for PSC compliance, this option also precludes any savings. Second option, the University would issue a traditional construction RFP and would utilize our normal construction channels for a plant that is operated by our existing utility department. UF has also worked with a financial partner Royal Bank of Canada (RBC) to project impacts if a third party executed the work. The financial projection, suggested increases of 30% to the University's utility costs. If the UF constructs and operates the utility improvements internally, we will need to utilize bond financing or find internal sources for the plant. Trustee Brandon asked Vice President Reynolds to share examples of universities with similar plants. He also stated that the contract is about to expire with Duke. Vice President Reynolds stated that the initial agreement with Duke Energy has expired but we entered into a new agreement that allowed for steam needs to continue.

3.4 Decal

Vice President Reynolds provide information regarding the increase of decal pricing 2019-2020 for faculty and staff. He stated that the Board has approved a faculty and staff increase of 7% in 2018-2019 and requesting approval of 5.5% increase for upcoming year. There will be no increase for students. Board and Committee Chair Hosseini responded that this will need to be presented at the March Board meeting.

4.0 New Business

None.

5.0 Adjourn

There being no further discussion, the meeting was adjourned at 10:31 a.m.