

Unofficial Minutes  
USF Board of Trustees Conference Call  
Tuesday, July 24, 2018

Chair Brian Lamb convened the conference call of the USF Board of Trustees at 1:00 PM and thanked everyone for taking time to join the call to discuss the USF St. Petersburg Student Housing and Dining Project.

Chair Lamb asked President Judy Genshaft to call roll with the following trustees present:

Trustee Mike Carrere  
Trustee Stephanie Goforth  
Trustee Oscar Horton  
Trustee Moneer Kheireddine  
Trustee Brian Lamb  
Trustee Deanna Michael  
Trustee Hal Mullis  
Trustee Leslie Muma  
Trustee John Ramil  
Trustee Byron Shinn  
Trustee Charles Tokarz  
Trustee Nancy Watkins  
Trustee Jordan Zimmerman – absent

**New Business – Action Item**

**FL 101 – Approval of USF St. Petersburg Student Housing and Dining Project**

Chair Lamb discussed the strategic importance of housing on the USFSP campus and thanked the trustees for making time in their schedules to be briefed on the matter beforehand by the finance team.

The Chair called on Senior Vice President for Business and Financial Strategy David Lechner to start the presentation. SVP Lechner asked USFSP Interim Regional Chancellor Martin Tadlock to say a few words on behalf of the USFSP campus. IRC Tadlock emphasized student support for an increase in affordable student housing on campus and thanked the finance team led by SVP Lechner and the team at the USFSP campus for their hard work in bringing this proposal forward and to its fruition.

SVP Lechner then provided an overview of the proposal with key highlights:

- The project will be built according to the demand study that was conducted to ensure the Florida Board of Governors will approve it.
- Proposal estimates have a 5% interest rate but he believes it will be closer to 4.0–4.1% based on current market

- The project will use the bond rating of the USF System of A1/A+
- The project sources and uses balance
- The projections for the project utilize BOT approved rental rates and are more affordable than off-campus comparable housing
- Dining will be shelled structure with an outsourced operator to build out the space, with a campus contribution of \$800,000
- The initial consideration of a P3 project was ruled out because of size of the project, \$33 million, means an internally funded project favors the cost of borrowing and total return to the campus

Chair Lamb thanked SVP Lechner for his diligence in presenting the proposal and opened the floor to the trustees for comment. Trustee Deanna Michael commented that some faculty members feared the housing project would be halted after the USF System consolidation was passed into law and that seeing it move forward and gain approval would be a big morale boost to the USFSP campus. Trustee and USFSP Campus Board Chair Stephanie Goforth echoed Trustee Michael's comments and commended the Campus Board for their work on this project, as well. She reminded the BOT that she made a promise to not bring anything to them that was not approvable and the best solution for USFSP and the USF System, and she feels this project is ready for approval and has the unanimous support of the Campus Board.

Chair Lamb asked about reserves related to the project. Vice President and Chief Financial Officer Nick Trivunovich informed the BOT that there is approximately \$11.7 million in cash available as of the beginning of July and approximately \$5.3 million will be set aside as a debt service reserve, which includes debt service reserve for the previous USFSP debt that has been issued, as well as a \$2.2 million debt reserve for the debt that is being put before the BOT for approval; of the remaining amount there is approximately \$3.4 million available for deferred maintenance and capital projects.

Chair Lamb then asked about the dining build-out funding. VP/CFO Trivunovich commented that the current plan is practical for a project of this size and will mirror The HUB at The Village on the USF campus and that Sodexo, USFSP's current contractor, is going to be placing a guaranteed amount in their proposed contract. University Treasurer Fell Stubbs remarked that the \$3.5 million shelled dining space is integrated into the debt service just as with The HUB.

Chair Lamb expressed a desire to add a stipulation that would prompt the finance team to alert the Board if the debt service coverage ratio changed from 1.5x for the System or 1.3x for the housing project. General Counsel Gerard Solis said he would work with the team to see to the change.

Trustee Les Muma then made a motion to approve the resolution as presented authorizing the issuance of debt at an interest rate not to exceed 5.25% or \$37 million to finance the costs of the USFSP housing project, with a second by Trustee Goforth. The Board's approval of the resolution is with the stipulation that university leadership will promptly advise the Board if the assumptions regarding the debt coverage ratios contained in the presentation (i.e. 1.5x for the System or 1.3x for the housing project) prove to be invalid. The motion was passed unanimously by the BOT.

Having no further items, Chair Brian Lamb adjourned the BOT conference call at 1:32 PM.