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STATE OF FLORIDA  
FLORIDA A&M UNIVERSITY

IN RE: FACILITIES PLANNING COMMITTEE

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COMMITTEE MEMBERS: TRUSTEE SPURGEON McWILLIAMS  
TRUSTEE LUCAS BOYCE  
TRUSTEE KELVIN LAWSON  
TRUSTEE KIMBERLY MOORE  
TRUSTEE CLEVE WARREN  
TRUSTEE KARL WHITE

DATE: TUESDAY, JUNE 21, 2015

TIME: COMMENCING AT: 10:45 a.m.  
CONCLUDING AT: 11:13 a.m.

LOCATION: FLORIDA A&M UNIVERSITY  
BAND REHEARSAL HALL

REPORTED BY: YVONNE LAFLAMME, FPR  
COURT REPORTER and  
NOTARY PUBLIC

C & N REPORTERS  
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P.O. BOX 3093  
TALLAHASSEE, FLORIDA 32315  
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1 motion for approval?

2 TRUSTEE WHITE: Second.

3 TRUSTEE McWILLIAMS: Motion is moved and  
4 seconded. All those approve by the sign of "aye."

5 (All answer affirmatively.)

6 TRUSTEE McWILLIAMS: Thank you, the minutes are  
7 approved.

8 Now, we move on to the two informational items  
9 and Mr. Sameer will proceed with updates.

10 MR. KAPILESHWARI: Thank you, Trustee McWilliams.

11 Good morning, members of the Board, Madam  
12 President, and my dear colleagues. I am Sameer  
13 Kapileshwari and I'm Associate Vice-President For  
14 Facilities and Safety team. Today we have two  
15 informational items.

16 The first one is the Crestview sign. The former  
17 Senator Peaden who was a driving force behind FAMU's  
18 rural diversity health center in Crestview, Florida,  
19 died on June 23, 2015. Senator Peaden was a big  
20 supporter of FAMU and was instrumental in launching  
21 interdisciplinary satellite campus in downtown  
22 Crestview, Florida.

23 In recognition of all of his hard work and  
24 support to the University and community, naming the  
25 facility with his name will be a well-deserved honor.

1 Please see the attached and proposed signage. This  
2 particular change of sign has been also approved by  
3 the 2014 legislative session.

4 The second information item we had was  
5 legislative updates. We are extremely thankful for  
6 the Florida Legislature for the support and for  
7 helping us provide our students with a 21st century  
8 living and learning environment.

9 During the 2015 special legislative session, the  
10 Florida Legislature approved items that would enhance  
11 the University's capacity for academic excellence.  
12 Approved items included \$1.4 million to complete the  
13 FAMU College of Pharmacy and Pharmacy Sciences II  
14 building, and \$6.2 million for the planning and design  
15 of the new student affairs, or CASS, Center for Access  
16 and Student Success building. This Legislature  
17 appropriations for enhancement allow the University to  
18 improve the student experience and help to promote  
19 retention and graduation. It will combine under one  
20 roof many essential student services that are  
21 currently scattered around the campus and improve the  
22 customer service and promote efficiency and  
23 effectiveness.

24 The \$1.4 million in Capitol funding will help  
25 complete the Pharmacy II building, which is scheduled

1 to be completed in 2016.

2 Upon completion, this new 74,000 square feet  
3 research facility will house the necessary research  
4 and lab space that will allow FAMU to compete  
5 successfully for federal research grants.

6 Mr. Chair, this completes any informational item  
7 updates.

8 TRUSTEE McWILLIAMS: Thank you. Trustees, does  
9 anyone have any questions or comments?

10 Mr. Chair?

11 Could we go back to the signage for the building,  
12 for the Crestview center?

13 I have been informed that the name change will  
14 require a vote of our committee for recommendation to  
15 the Board. I will say, for those of you and I guess  
16 many of you who are not familiar with Senator Peaden,  
17 he was a champion for FAMU and he what was a man of  
18 many talents. He was a physician, but he also was a  
19 legislator and an entrepreneur, and he did many things  
20 in the field of health care. If you've read, various  
21 student medicine and dental centers across the  
22 country.

23 But rumor had it that one of our neighboring  
24 institutions from another state -- I think it was  
25 Auburn -- was kind of looking at that area, to move

1 into it, and Senate Peaden kind of took FAMU off and  
2 said, "Look, you have a pharmacy school and let's tie  
3 this area up in FAMU over there," and that's what  
4 legislative and all of the other things he was able to  
5 do for us.

6 So I would say, I think the name change was a  
7 friendly -- the name change is very appropriate in my  
8 opinion, and my recommendation would be that the  
9 Committee would vote in favor of the name change. And  
10 I submit that I that to the Board, so I'm going to  
11 hear a motion?

12 TRUSTEE WHITE: So moved.

13 TRUSTEE BOYCE: Second.

14 TRUSTEE McWILLIAMS: Moved and seconded. Further  
15 discussion? All in favor, let it be known by saying  
16 "aye."

17 (All answer affirmatively.)

18 TRUSTEE McWILLIAMS: Thank you very much.

19 Okay. So the next thing you have on your agenda,  
20 though, is a discussion about, Mr. Sameer, a big  
21 project, a comprehensive project that we've been  
22 waiting a long time to hear about, so let's move on.

23 I think he's going to give us a discussion and  
24 make a presentation about this P-3 concept  
25 development, so Mr. Sameer, would you proceed with

1       that?

2               MR. KAPILESHWARI: Thank you, Trustee McWilliams.

3               Good morning, again. This presentation is to  
4       facilitate a discussion and explore the concept of  
5       P-3, the Public Private Partnership for the University  
6       and possible alignment with the University leadership.

7               In recent months, we have heard several  
8       discussions about city and county initiatives related  
9       to the south side of Tallahassee. FAMU's voice to  
10      serve as a catalyst for the new revitalization of  
11      South Monroe/South Adams corridor, and the envelopment  
12      of our on campus, which is like our "main street" or  
13      passing through the corridor of our campus.

14              We envision our transformational development that  
15      will help to make in the evolution of FAMU as one of  
16      the nation's premiere universities, often also  
17      referred to as the best-in-class university. This  
18      catalyst product will not only assist in designing  
19      some of the critical housing needs and aesthetics  
20      concerns, and simultaneously create a viable  
21      marketplace that could promote long-term  
22      sustainability of the University.

23              We have all heard and seen several reports of the  
24      link between the student graduation rates related to  
25      their facilities on campus. US News and World report

1 articles say that some national universities have as  
2 high as 99 percent of their undergraduates residing on  
3 campus. Several Ivy League institutions are in  
4 mid-nineties. In the recent survey, the average data  
5 for undergrads at national universities who lived on  
6 campus was around 38.6 percent. Our goal would be  
7 around 33 percent.

8 Some reports say that incoming freshmen who live  
9 in university housing for one year are 20 percent more  
10 likely to graduate than incoming freshmen who never  
11 live on campus. Living on campus for two years boosts  
12 the graduation rate to almost 25 percent higher than  
13 the students who live off campus through their  
14 graduation expedience.

15 What will all of this mean to us? One of the  
16 University's long-term strategy will be to develop  
17 communities that promote 21st century living and  
18 learning environments. Creating such universities  
19 will require modern facilities that not only provide  
20 academic programs necessary to spur retention and  
21 graduation, but also the present day amenities that  
22 are Millennial and that their parents demand and  
23 expect as part of the educational experience.

24 Now, let's take a look at an aerial view of our  
25 facilities. This is also referred to many of us refer

1 to as women's dorm or simply the residence homes.

2 The two on the west side along Village East are  
3 McGuinn Hall and Diamond Hall, and the one on the back  
4 on the east side are and Cropper, Wheatley and Truth  
5 Halls.

6 Currently, we have four of the five residence  
7 halls that are currently vacant. These are McGuinn  
8 which opened in 1938; Diamond, Cropper and Wheatley,  
9 which opened in 1947; and the relatively newest among  
10 them, the Truth Hall, which opened in 1958.

11 Four residence halls, namely McGuinn, Diamond,  
12 Cropper and Wheatley, were taken offline last fall  
13 after the opening of the 800-bed FAMU Village. These  
14 facilities have several infrastructure and critical  
15 maintenance needs, along with some safety and code  
16 compliance. Note that these facilities still have  
17 some costs associated with them in terms of compliance  
18 and some maintenance; however, being offline these do  
19 not bring in new revenue.

20 These facilities are located on our main street  
21 very close to the entrance to the campus. We are also  
22 part of the historic district. As said in the  
23 previous light the revitalization of the South  
24 Monroe/South Adams is part of the long range and  
25 economic revitalization strategy for the City of

1 Tallahassee and Leon County.

2 The next couple of slides show the aerial view of  
3 the Pentaplex and the South Monroe and Adams corridor  
4 on the east side of campus.

5 Now, let's spend some time, a few minutes,  
6 understanding the basis of need. Currently, we have  
7 2,382 beds available; however, can only bring roughly  
8 1398 as marketable space. By "marketable," we mean  
9 these are the ones comparable in types of amenities  
10 where our students can find often around campuses and  
11 in the secondary markets. For example, quality, size,  
12 location and amenities. These 1,398 are made of 800  
13 at FAMU Village, 360 at Palmetto III, and recently 157  
14 in Sampson Hall and 81 in Young Hall.

15 Now, looking at how these compare to our  
16 potential need. Even assuming (unintelligible) and  
17 our 1519 FDIC freshman and 1256 sophomores, we come up  
18 with a total need of 2,775, compared to a total 1,398  
19 we currently have, but leaving us with the potential  
20 gap of 1,377.

21 Apart from the number of spaces, our students  
22 also need and deserve and commercial/retail space to  
23 serve them better. There is one more current view of  
24 our McGuinn and Diamond Halls taken from MLK  
25 Boulevard.

1           Now, let's look at if we do decide to move  
2 forward with the P-3 concept exploration, how the P-3  
3 does apply and how our project will look.

4           According to the BOG's draft, Public Private  
5 Partnership guidelines which would allow the  
6 University to accept proposals from private parties  
7 and enter into agreements with a third-party that  
8 provides construction and capital financing.

9           It should be noted that it is highly possible  
10 that Private Partner may require and full ownership  
11 and operational management control to protect the  
12 investment.

13           A project is defined as the construction and  
14 financing of a "facility" by a private partner on the  
15 university campus where the cost of the project is  
16 paid for with revenues from the project.

17           A project includes facilities for housing,  
18 transportation, health care, research, food service,  
19 retail sales, or student activities.

20           Now, for our project, the Pentaplex will be  
21 converted into a mixed-use living-learning  
22 environment, in accordance with the Board of  
23 Governor's Private Partnership guidelines.

24           Now, when pursuing an ITN -- invitation to  
25 negotiate -- we will have to make sure that our

1       safeguards against the risk of future costs or service  
2       disruptions. If there was for some reason a default  
3       or for cancellation of P-3 partnership, there has to  
4       be safeguards to not negatively affect the  
5       University's bond rating and financing that assures  
6       the facility of this project.

7               Looking at the project scope, our long-range goal  
8       would be to revitalize the campus for and to provide  
9       living-learning facilities that promote retention and  
10       graduation. Making this project into phases will  
11       include redevelopment of McGuinn and Diamond Halls, to  
12       modern, state-of-the-art, student affairs, Center For  
13       Access and Student Success complex.

14               The second phase will involve the conversion of  
15       the remaining Women's Pentaplex and Jackson-Davis with  
16       a focus on student housing, student health, parking  
17       and retail space.

18               To support this complex, a third phase would  
19       involve the acquisition of land and the revitalization  
20       on the main street.

21               Finally, the fourth phase would focus on the  
22       stadium complex, spending a post-legislative of the  
23       P-3 project approval.

24               Now, what does the scope mean in numbers? This  
25       could be a 210- to \$225-million project, with a full

1 70,000 square feet of CASS building: 1400 new bed  
2 space, administrative offices, 50,000 of commercial  
3 outlets, 300 parking spaces, some site acquisition and  
4 the new 35,000-seat stadium complex.

5 As the project moves forward and after we have  
6 private partner and the architect engineer, the  
7 designs may of course evolve. There is a preliminary  
8 rendering of how the Pentaplex conversion could look.  
9 This is an elevation looking east from the MLK  
10 Boulevard. And to use the similar medias and  
11 architecture, that speaks not only to the old but also  
12 to the new, but have to include enclaves and open  
13 public spaces.

14 Just to reorient everybody, I have yet included a  
15 map of the campus here. And to the top, you see the  
16 stadium complex and you will see the complex in  
17 yellow. Again, there is a rendering of how the new  
18 stadium complex could look. It would have to build in  
19 the flexibilities of the university and the parking  
20 provisions in the rendering, we see Howard Hall and  
21 (unintelligible) on the right on the east. On the  
22 south, some retail space, like a fan shop or souvenir  
23 shop, et cetera, along the stadium as well.

24 Of course, just like the complete project, the  
25 financing would be a very important part of this,

1 which needs to be funded pending necessary approvals  
2 and authorizations. The financing could be private  
3 financing, PECO, new market tax credits, historic tax  
4 credits, and tax implement increment financing.

5 Based on our market analysis, the off-campus  
6 space rents around \$800 to \$1800, based on the square  
7 footage and amenities. Our assumption includes \$900  
8 per month, per year, for rent during a 12-month year;  
9 commercial space around \$15 per rentable square feet;  
10 30 year fixed rate debt at 4.5 percent per annum.

11 Preliminary cash flow numbers of 15.4 million in  
12 revenue; 7.9 million in expense with an NOI of 7.5  
13 million; debt service of 5.8 million and a cash flow  
14 of 1.1. Again, these are all preliminary numbers; of  
15 course, it will be the financing of the private  
16 partner that determines this.

17 A quick look at the project timeline, which  
18 includes a preliminary programmatic phase which we are  
19 currently in; an issuance of ITN in August and  
20 September of this year; negotiations with private  
21 partners in October, November, and December; followed  
22 by the BOT; and then subsequent to BOG's approval in  
23 January or February of 2016, respectively. And then  
24 continuing predevelopment and starting the financing  
25 in next year and goes to October; and start the phase

1 one construction in November of 2016 with tentative  
2 construction time of 18 months for phase one and phase  
3 two, respectively, as 24 months for the final phase.

4 This is a huge undertaking and potential  
5 impediments and challenges will be numerous. Here are  
6 just a few of these. Starting with the P-3 guidelines  
7 compliance with type and location of development,  
8 legislative approvals, the P-3 complex needs for a  
9 third-party consultant to protect our interest and  
10 (unintelligible) of needs for subject properties to  
11 insure private debt, potential environmental issues,  
12 covenants and land use restrictions.

13 University policy changes for who needs to live  
14 on campus, (inaudible) market for commercial  
15 establishments, financing involved with the  
16 commercial future student enrollment.

17 This has been a collaboration between many  
18 university departments, housing, to PECO to financing  
19 to the communications team. I really appreciate all  
20 of their help.

21 Mr. Chair, this concludes the presentation.

22 TRUSTEE McWILLIAMS: Thank you very much.

23 Before I entertain any questions or comments, I  
24 would just like to thank you for continuing all of  
25 this work. Obviously, there is a lot of work that is

1 going into it and it requires a lot of collaboration.  
2 I think at the last meeting, I asked how the President  
3 felt about it, and you said you had her nod, so  
4 otherwise, I guess we could've ended the Committee  
5 right then.

6 But I think it's a great thing to try.  
7 Obviously, there's a lot of distance between work on  
8 this complexity on paper and on the ground. So  
9 there's obviously a lot to be done, as you have  
10 outlined, to bring us to fruition, but I commend the  
11 effort and would entertain any comments that would be  
12 directed toward you or anyone else who is involved in  
13 this.

14 I met from several people from your team, such as  
15 VP Miller, VP Cassidy, and the others, so I know it's  
16 a collaborative effort for what you've done to this  
17 point. And I also commend you for pointing this to us  
18 at that time so we can be aware of what's going on,  
19 and hopefully will keep us updated. It sounds like  
20 you're going to take us to 2020 to finish all of this  
21 up, so that's a lot of updates, but hopefully you will  
22 keep us included.

23 MR. KAPILESHWARI: Most certainly.

24 TRUSTEE SHANNON: So thank you for the  
25 comprehensive presentation. I just wanted to ask a

1        few questions.

2            One is, other than the proposal, reinvigorating,  
3        modernizing residential space, what other enhancements  
4        are consistent with our desire to become a 21st  
5        century living and learning environment? What are  
6        some of those other enhancements?

7            MR. KAPILESHWARI: Yes, absolutely. So as I  
8        said, the project is going to be broken down into  
9        multiple phases. The first one, of course, will be  
10       our student services building, the CASS building, so  
11       that way we can centralize all of the services we  
12       provide to the students, as well as a residential.

13           As you've mentioned, there would be some  
14       mixed-use spaces, some retail spaces so that the  
15       students can really reside on campus and have an  
16       opportunity to get whatever they need right here  
17       instead of having to leave off campus for that. There  
18       would be in-house parking, of course, and the last  
19       phase we are also trying to include the athletic side  
20       as well.

21           TRUSTEE SHANNON: So currently, how does our --  
22       in the fall when we have students coming to campus and  
23       requesting dormitory space or requesting on-campus  
24       housing or campus-related housing, do we currently  
25       fall short? And does this plan take into

1 consideration closing that gap and then creating,  
2 finding more students to move on campus?

3 MR. KAPILESHWARI: Yes, certainly. It's  
4 basically closing the gap, and also more importantly,  
5 improving the quality of space that we have on campus.  
6 And I can also see if our housing director wants to  
7 that. While he's coming over here, I'm commenting  
8 that I would like to highlight that some of the  
9 challenges is it would require some of the policy  
10 changes. This will mean that we will also require the  
11 freshman and sophomore, so two years or --

12 TRUSTEE SHANNON: Is that a trend? Is that  
13 something that actually works? Do we have  
14 benchmarking?

15 MR. KAPILESHWARI: It's modified information in  
16 US News and World reports are saying that the  
17 graduation rates and the retention improves  
18 significantly by students living on campus.

19 TRUSTEE SHANNON: But what I'm asking more  
20 specifically is, if you put a policy -- and you're  
21 saying it would require policy change -- is that a  
22 policy change that has been proven to work?

23 UNIDENTIFIED SPEAKER: Yes, ma'am. We changed  
24 the policy last year, really. We've had this in place  
25 for about six years, but with the enforcement last

1 year, so all freshman that live, whether graduated  
2 from high school or in excess of 25 miles of the  
3 University had to live on campus for the first year.

4 TRUSTEE SHANNON: What about sophomores,  
5 requiring sophomores to live on campus, also?

6 UNIDENTIFIED SPEAKER: Did not require them to  
7 live on campus.

8 TRUSTEE SHANNON: But is that what part of the  
9 policy change would --

10 UNIDENTIFIED SPEAKER: Let me restate that.  
11 There's a special group: Athletes, students that are  
12 in CEDAR ARCH (phonetic) program, and those students  
13 that are in access, full scholarships; those students  
14 are required to live on campus for two years.

15 TRUSTEE SHANNON: I don't want to beat a dead  
16 horse, but if we expect a policy change to be part of  
17 the success factor of this plan, I would hope that we  
18 research and find out whether or not the impact of  
19 that policy change meets our expectations, whether  
20 it's even feasible to require sophomores also to live  
21 on campus.

22 And just one other question. There was a slide  
23 where you showed some numbers and you showed something  
24 that translated to me -- and I'm not a numbers person  
25 but the net-net was about -- right there -- net cash

1 flow. And so I guess my question would be, is that  
2 net cash flow, is that a success -- I mean, that's  
3 what the results will be, but is that success in terms  
4 of the annual net cash flow, when you're bringing in  
5 revenues of 15 million?

6 MR. KAPILESHWARI: I'm going to request VP  
7 Miller.

8 VP MILLER: The debt to service ratio required by  
9 the BOG is 1.20, so you can see on the slide there  
10 there's \$5.6 million in debt service. That service is  
11 -- 1400 is for housing, 50,000 square feet of  
12 commercial space, and the stadium, so that cash flow  
13 is the bottom line. So yes, the \$16 million of cash  
14 flow will be a success because that will -- all of the  
15 debt service and operating expense (inaudible)  
16 expenditures from -- which is another requirement of  
17 BOG that we be self-sufficient. All of the debt  
18 service and operating costs must come from the cash  
19 flow project.

20 TRUSTEE WHITE: So it turns out to be seven-  
21 and-a-half, seven-and-a-half percent return. And so  
22 the issue is, quite frankly, whether that is a  
23 sufficient number for a private participant to want to  
24 pay. But I want, there's another section I'm here  
25 where you mentioned both historic tax credits and new

1 market tax credits. So I'm wondering, are those  
2 currently in place for the land that we're talking  
3 about or do we have to go out and make an application?

4 VP MILLER: We would have to make an application  
5 for both historic credits and new market tax credits.  
6 Again, this is a conceptual phase so the private  
7 developer would have an obligation to pursue those  
8 funding, but these are just types of funding that  
9 probably is available for historical tax credits  
10 because this is an historic district and it is  
11 eligible for new market credits.

12 TRUSTEE WHITE: And then the key is that -- so  
13 those are -- there's no assumptions made about those  
14 things in these numbers.

15 VP MILLER: There are assumptions made in the  
16 operating numbers, but there are in assumptions in the  
17 development performance.

18 TRUSTEE WHITE: Yes. And then, sort of  
19 finally -- first, let me back up and say, I'm a big  
20 fan of these sorts of activities and have seen a  
21 number of them work out quite well, so we'll research  
22 all of them. But it would also be, I think, sort of  
23 helpful in the completion of what we're thinking  
24 about, so obviously there are some facilities that  
25 currently have with beds that we don't consider

1 marketable. So if you could sort of just come back  
2 and also tell us what the plan will be to deal with  
3 those buildings as well; that would I think make this  
4 a complete presentation.

5 Thank you.

6 TRUSTEE McWILLIAMS: Thank you.

7 MR. KAPILESHWARI: Absolutely. That's a very --

8 TRUSTEE McWILLIAMS: Just a minute.

9 TRUSTEE LAWSON: Just a comment. One, you know,  
10 clearly this is a positive, but one thing I just want  
11 to make sure we consider, and that's dining facilities  
12 for the students, because we've got the situation now  
13 with 800 beds and the cafeteria being very, very  
14 close. If we put 1400 beds or so up back on the  
15 center of campus, now you've created another gap for  
16 students will have to go from -- we usually refer to  
17 it up on The Hill -- down to the new cafeteria.

18 Then you also have a situation of all of the  
19 students or potential students in the Palmetto Street  
20 complex that may or may not be on the meal plan, but  
21 if they are, they still have quite a commute to come  
22 up The Hill two or three times a day for their meal.  
23 So as we're looking at this, I think it's a great idea  
24 to revitalize that part of campus with housing, but I  
25 think we should look at some form of accommodations

1 for those students so they don't have such a commute  
2 for their meals, particularly in the summer. It's a  
3 long, hot commute, whether it be from Palmetto Street  
4 or the center campus back down to 800 beds for the  
5 main cafeteria.

6 MR. KAPILESHWARI: Understood. And we can  
7 incorporate that and also the housing facility when we  
8 (inaudible.)

9 TRUSTEE MCWILLIAMS: Okay, thank you.

10 TRUSTEE MOORE: Mr. Chair?

11 TRUSTEE MCWILLIAMS: Yes, Trustee Moore.

12 TRUSTEE MOORE: I would like to offer comments.  
13 It appears -- and I probably echo what's already been  
14 said -- but there are assumptions built in, and the  
15 ones that caught my attention regarding potential  
16 impediments are, from my perception, actual action  
17 items. They are need-to-change policies regarding who  
18 must reside on campus; again, that's a research piece  
19 we need to better understand, because certainly we  
20 don't want to deter students who may be interested in  
21 this University and have a two-year requirement that  
22 you live on campus.

23 The other is, the need to develop a clear path  
24 for future student enrollment. That's a question that  
25 raises to the forefront because we need to know

1       whether we're on an upward trend for an increase in  
2       numbers. And then lastly, from a business  
3       perspective, with the commercial space, ascertaining  
4       whether there is a market for it.

5               So I would anticipate since these are actionable  
6       that with the timeline, it looks like it's coming back  
7       before us, at least proposing January, February, that  
8       those items are in that information would have been  
9       packaged and chaired so that we can digest it.

10              MR. KAPILESHWARI: Absolutely, and it would give  
11       us enough time to get the department on board and get  
12       understanding from them more details.

13              TRUSTEE MOORE: Thank you.

14              TRUSTEE McWILLIAMS: The only other item that I  
15       had a question about was the stadium complex, which  
16       you say would require some legislative approval. Do  
17       you have some plan in place to try and get that  
18       legislative approval?

19              MR. KAPILESHWARI: Yes. We will work on that as  
20       well. Right now, the current draft guidelines do not  
21       allow athletic facilities (inaudible) and seeing what  
22       possibilities there are.

23              TRUSTEE McWILLIAMS: I didn't quite get that.

24              MR. KAPILESHWARI: Yeah. We've talked to the  
25       Board of Governors and the draft do not allow

1       athletics facilities, but they are draft guidelines.  
2       So we will be talking after this Committee Meeting and  
3       will be of course sharing with the Board of Governors  
4       our plans and getting input as well as to how we can  
5       make this happen and what are the next best steps.

6               TRUSTEE MCWILLIAMS: But the legislative  
7       approval, how do you plan to go about that?

8               VP CASSIDY: If I can back up for just one minute  
9       and I'll get to your specific question. But what we  
10      view this is and amiss by saying, so this is  
11      essentially a feasibility study done internally with  
12      some guidance about what could a project look like and  
13      is it feasible enough from the numbers that we've been  
14      able to sort of put together to send it out, to have  
15      an invitation to potential partners who would own such  
16      a project to bid on it.

17              And so, most of the questions you're asking are  
18      extremely important and would be answered, I believe,  
19      in the process of the responses we get from  
20      potentially P-3 partners. And frankly, to a certain  
21      extent, I would expect the question about legislative  
22      approval to be a joint venture between that partner  
23      who theoretically would have some political  
24      capabilities and members of the Board and others who  
25      have other political ties and capabilities of

1 persuasion.

2 And so, I think from our perspective this is a  
3 feasibility study. We think "based on the numbers  
4 it's not feasible." The next step is to send out a  
5 invitation and negotiation and see who is interested  
6 in it, see what kind of criteria they would have. I  
7 think a real important question would be what are  
8 their capabilities as it relates to both getting tax  
9 credits or securing those or having influence to move  
10 those issues forward, and legislative actions.

11 So it's really the beginning phases of, yeah,  
12 this looks like it could be possible; "let's see who  
13 is interested in it and what their capabilities are  
14 and what they believe would be the best way to do it,"  
15 and I think that also answers to a certain extent the  
16 question about dining, because it would surprise me if  
17 some of the commercial space that is proposed isn't  
18 things like fast food or Chic Filet -- although we  
19 already have one -- so other kinds of eating  
20 establishments in that area apart from whether there  
21 would be another dining hall itself.

22 And so again, this is really, I hate to keep  
23 using the word, but feasibility, and what we need to  
24 do is get people who have expert at this to tell us  
25 from their perspective under what circumstances would

1       it be feasible and what do they think, with guidance  
2       clearly from the Board, as to what they think the  
3       project could look like at a detail level, what it  
4       would cost, and what the return would be.

5             The other thing that's in all of this is it's  
6       clear the Board of Governors' guidelines are going to  
7       be one of the clear guidelines that it's going to be  
8       in there is that all of these projects ultimately have  
9       to become property of the state; therefore, the  
10      University. And so, there's going to be a timeline of  
11      how long is the developer on the project and if he  
12      will get the return on investment and how long until  
13      the project and its properties transfer to the  
14      ownership of the state.

15            So there's lots of phases to this, but from our  
16      perspective, this is how it starts: Is it even  
17      possible. And the next step is to put out an  
18      invitation for negotiation to see is it something  
19      that's interesting to those who could perhaps do it  
20      and help finance it.

21            And so that's really where we are, and these are  
22      questions, and we'll get to them all but I think  
23      that's the process.

24            TRUSTEE McWILLIAMS: Thank you very much. Are  
25      there any other questions or comments?

1 TRUSTEE BOYCE: I have a question. So on the  
2 project financing page and breaks it out to PECO, tax  
3 credits, et cetera; is there a goal with respect to  
4 the monetary number of each of those?

5 For example, of the 235 million that you think  
6 this will cost, how much do you think will be private;  
7 how much do you think will be PECO?

8 MR. KAPILESHWARI: Right now we had PECO for 36  
9 phase one, but the remaining was the private  
10 financing. PECO was only 36.

11 TRUSTEE BOYCE: So you're saying \$200 million is  
12 private financing?

13 MR. KAPILESHWARI: Discounting tax credit of 19  
14 million, new market tax credit -- again, these are --  
15 34, conventional debt of 128 million; developer fee of  
16 19 and PECO of 36, and all of that adds up to 238.  
17 And I have the project summary I can pass you a copy  
18 of.

19 TRUSTEE McWILLIAMS: Trustee Boyce, did that  
20 answer your question? You look like you still have  
21 some questions?

22 TRUSTEE BOYCE: I'm all right.

23 TRUSTEE McWILLIAMS: Any other questions or  
24 comments? This obviously is a work in progress but  
25 it's a good start, and just keep us up-to-date,

1       because you see, coming to the Board broadens your  
2       scope. A lot of these questions are things you might  
3       not have thought about but you will now think about.

4               So if there are no other questions or comments,  
5       this Committee meeting is adjourned.

6               (Facilities Planning Committee concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)  
COUNTY OF LEON)

I, Yvonne LaFlamme, Florida Professional Reporter  
and Notary Public, certify that I was authorized to and  
did stenographically report the foregoing proceeding; and  
that the transcript is a true and complete record of my  
stenographic notes.

I further certify that I am not a relative,  
employee, attorney, or counsel of any of the parties, nor  
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attorney or counsel connected with the action, nor am I  
financially interested in the outcome of this case.

Dated this 27th day of JULY 2015.

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Yvonne LaFlamme, FPR  
Court Reporter  
Notary Public  
State of Florida at Large

