



**FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
FULL BOARD MEETING
DECEMBER 10, 2014
MINUTES**

1. Call to Order and Chair's Remarks

Chairman Albert Maury convened the meeting of the Florida International University Board of Trustees at 11:03 a.m., on Wednesday, December 10, 2014, via conference call.

The following attendance was recorded:

Present:

Albert Maury, *Chair*
Michael M. Adler, *Vice Chair*
Sukrit Agrawal
Cesar L. Alvarez
Jose J. Armas
Jorge L. Arrizurieta
Alexis Calatayud
Gerald C. Grant, Jr.
Claudia Puig
Kathleen L. Wilson

Excused:

Robert T. Barlick, Jr.
Marcelo Claure
Mayi de la Vega

Chairman Maury welcomed all Trustees, University faculty and staff. He thanked all Trustees for making themselves available to participate in the conference call.

2. Public Appearances

There were no public appearances.

3. Action Items

FA1. Revised Biscayne Bay Campus Student Housing Project

Trustee Sukrit Agrawal, Chair of the Finance and Audit Committee, noted that the Committee met in November to review the Revised Biscayne Bay Campus (BBC) Student Housing Project. He stated that on June 12, 2014, the FIU Board of Trustees authorized the University President or designee to enter into a Sublease Agreement and Operating Agreement with NCCD–Biscayne Properties LLC (“NCCD-Biscayne”) and further noted that Board approval was now necessary to authorize changes in the project scope. He added that the revised BBC Housing Project was also reviewed by the Board’s Real Estate Subcommittee.

Senior Vice President of Administration and Chief Financial Officer Kenneth A. Jessell reported that Standard & Poor's classification of the NCCD project as "Indirect Debt" of the University prompted the need to obtain Florida Board of Governors (BOG) approval. He noted that since July, the BBC Housing Project has been revised and Board of Trustees reauthorization is required in order to approve the changes. He indicated that the BOG is expected to review the BBC Housing Project during their January 2015 meeting, further noting that the University has been working closely with members of the BOG office staff in preparation for the approval process as this would be the first instance where the BOG considers the request for approval of an on-campus public-private partnership project of this nature.

Sr. VP and CFO Jessell presented the key terms pertaining to the revised BBC student housing project, providing an overview of the project modifications. He stated that the project will be a facility containing approximately 410 beds (a reduction from the original 618 beds) in a 9-story facility totaling approximately 188,000 square feet (a reduction from the original 297,000 square feet). He indicated that Moody's Investor Service assigned an investment grade rating to the project, noting that the debt issue for the project is reduced from \$83M to \$56.5M and added that FIU's exclusive use (classrooms, Student Services and/or Business Services) was reduced to approximately 3,760 square feet of space. He added that opening day is now postponed from July 2015 to July 2016.

Sr. VP and CFO Jessell reported that in order to obtain an investment grade rating, the operating agreement now adds responsibilities for FIU that include the subordination of utilities, the processing of rental payments through FIU Housing for students and the inclusion of the Project in FIU Housing marketing materials and on the Housing website. He also stated that there will be an increase in the rental rate to accommodate for the reduction in beds, but noted that the rates would still be very competitive.

Trustee Michael M. Adler stated that the delay in the project is unfortunate, but added that the proposed revisions to the project are in agreement with the resources needed to execute and deliver the facilities and infrastructure needed for long-term and sustainable success. Trustee Jorge L. Arrizurieta inquired as to whether there would be any implications to the solicitation process in relation to the revisions to the project. Sr. VP and CFO Jessell noted that the current project specifications are consistent with the original scope of the ITN issued in 2013, therefore he added that no issues are anticipated. Trustee Gerald C. Grant, Jr. congratulated Sr. VP and CFO Jessell and his staff on his hard work and efforts in ensuring the success of this project.

A motion was made and passed by the FIU Board of Trustees to authorize the University President or designee to (i) enter into a Sublease Agreement and Operating Agreement with NCCD-Biscayne Properties LLC ("NCCD-Biscayne"), a single member limited liability company owned by National Campus and Community Development Corporation ("NCCD"), on substantially the same terms as described herein, and (ii) take all actions and execute all other incidental documents necessary or desirable in connection with NCCD-Biscayne's development, construction and operation of the Student Housing project, including, but not limited to, granting easements and licenses on the Biscayne Bay Campus ("BBC").

AP1. Florida International University 2013-14 Annual Accountability Report to the Florida Board of Governors

Trustee Cesar L. Alvarez, Chair of the Academic Policy and Student Affairs Committee, noted that the Committee met earlier in the day to review FIU's 2013-14 Annual Accountability Report, which he stated is due for submission to the Florida Board of Governors on December 19, 2014 after approval by the Board of Trustees. He added that University President Mark B. Rosenberg will formally present FIU's 2013-14 Annual Accountability Report to the BOG during their January 2015 meetings and requested that Provost and Executive Vice President Kenneth G. Furton present an overview of the document.

Provost Furton noted that, in anticipation of the Academic Policy and Student Affairs Committee meeting, he scheduled individual briefing meetings with the Committee members to review and discuss FIU's 2013-14 Annual Accountability Report. Provost Furton stated that the Report is in draft form as the BOG is currently evaluating the data sets that are reported by all of the State University System (SUS) institutions. He then provided a comprehensive summary on the areas included within the document's main narrative.

Provost Furton reported on key institutional achievements, noting that FIU was ranked a top 25 National University (24th out of 277 higher education institutions) in the annual ranking by *Washington Monthly* for the University's contributions to the public good and that the Council of Graduate Schools awarded FIU for Innovation in Promoting Success in Graduate Education for its Academy of Graduates for Integrative Learning Experiences (AGILE) model. He added that *Hispanic Business Magazine* ranked FIU Law the #1 College of Law for Hispanics in the country and that FIU's College of Law and the Herbert Wertheim College of Medicine were ranked 1st and 9th respectively for diversity practices by HispanicBusiness.com.

Provost Furton noted that the Report highlights the University's solutions-center approach to significant problems in the community, stating that FIU's Center for Children and Families, one of FIU's premier centers and among the top in the nation in research and treatment of child and adolescent mental and behavioral health, continued to secure substantial external funding of over \$7M. He added that external funding for research has continued to grow at FIU despite reduced funding from the federal government. He stated that the information reported in the data tables will be compiled and evaluated by the BOG to ensure that each of the SUS institutions is either excelling or improving on the Performance Based Funding metrics.

A motion was made and passed by the FIU Board of Trustees approving Florida International University's 2013-14 Annual Accountability Report to the Florida Board of Governors (the BOG) as provided in the Board materials and delegate authority to the University President to edit as needed and to amend consistent with comments received from the BOG.

4. New Business

Chair Maury, on behalf of the Board, wished everyone Happy Holidays.

5. Concluding Remarks and Adjournment

With no other business, Chairman Albert Maury adjourned the meeting of the Florida International University Board of Trustees on Wednesday, December 10, 2014, at 11:33 a.m.

Albert Maury
Chairman
FIU Board of Trustees

Mark B. Rosenberg
Corporate Secretary
FIU Board of Trustees

MB
12.16.14