

Advancement | UCF Foundation, Inc.

BOARD OF DIRECTORS
Real Estate Committee Meeting Minutes
Tuesday, July 28, 2020
10:00 a.m. – 11:00 a.m.

LOCATION: Zoom Meeting

ATTENDEES: Brian Butler, *Chair*, Sara Bernard (arrived at 10:08 a.m.), Alan Fickett, Kevin Maddron, Jerry McGratty, Tom McNamara, Mary Beth Morgan, Tony Nicholson, Mark Plaumann

STAFF: Hina Behal, Jen Cerasa, Karen Cochran, Glen Dawes, Lauren Ferguson, Chris Meister

Chair Brian Butler called the meeting to order at 10:00 a.m. and stated that the meeting was covered by the Florida Sunshine Law and the public and press were invited to attend. Roll call was performed, and a quorum was confirmed. Chair Butler asked the Committee members if there were any conflicts of interest to declare regarding the items of business listed on the agenda. No conflicts of interest were declared by the Committee members.

Gift of Real Estate

Jennifer Cerasa, Legal Counsel, provided background information on the proposed gift of real estate, located in Taylor County. Cerasa noted that in 2019, a partnership was established between Florida Park Service (FPS) and UCF to provide a facility at Econfina River State Park for coastal research. UCF Coastal, led by Dr. Graham Worthy, are the primary researchers at this location.

It was shared that the goal of UCF Coastal is to integrate education, basic research, economics, and policy development associated with the coastal environment, ocean/coastal industry clusters, and related technology development opportunities.

The University of Central Florida Foundation (UCFF) entered into a gift agreement with an individual who agreed to convey a townhouse to UCFF or the University of Central Florida Real Estate Foundation (UCFREF), LLC, at no cost. In addition, the donor paid for the cost of the appraisal and title search. UCF Coastal agreed to pay the remaining due diligence costs. Cerasa noted the solicited gift of property is a townhouse with an appraised amount of \$92,000.00. A property inspection was completed, and the results were acceptable. A full termite inspection revealed a central termite issue, which was remediated and bonded at the expense of the donor. Cerasa shared that the anticipated closing date is July 31, 2020.

Director Mary Beth Morgan inquired what is the benefit of UCFF owning versus UCFREF owning. Cerasa replied that a benefit of UCFREF owning would provide an additional layer of liability protection. Cerasa stated that UCF Coastal brought the gift to the table as a place to house researchers and faculty. The area is very rural, and it is hard to find housing for the staff. Emeritus Director Fickett asked who is responsible for cost of maintenance and Cerasa replied that UCF Coastal will be responsible for all costs and confirmed that UCF Coastal has the funds to cover such expenses.

Committee Member Kevin Maddron asked what would happen if UCF ended the relationship with UCF Coastal. Cerasa answered that the townhome could be sold and proceeds from the sale would belong to UCF Coastal minus associated fees. Director Tom McNamara asked if this housing was exempt from property taxes and if it was a simple fee structure. Cerasa replied that UCF Coastal is exempt and it was a simple fee.

A motion was made by Alan Fickett and seconded by Mary Beth Morgan to accept the gift of real estate as proposed. The motion passed unanimously.

First Amendment to Ground Lease for Knight's Circle and Pointe at Central

Cerasa informed the committee that there was a request from Capital Projects Finance Authority (CaPFA) to amend their ground lease agreement with Knight's Crossing Student Housing, LLC dated December 1, 2000. CaPFA leases the land under two student housing properties known as Knight's Circle and Pointe at Central.

Cerasa shared that the First Amendment to Ground Lease Agreement accommodates CaPFA refunding the existing bonds secured, in part, by a mortgage on its leasehold interest in the land under the Existing Ground Lease and its interest in the improvements thereon; which refunding will be accomplished by the issuance of new refunding bonds which will likewise be so secured.

Cerasa shared that the proposed First Amendment to Ground Lease will:

- Adjust the definitions and other provisions in the existing ground lease to take into account the refinancing.
- Deletes references and provisions as to the Bond Insurer as there will be none in the refinancing.
- Adjust the term of the existing ground lease to have the 40-year term commence on the December 1, 2000 date of the refunded bonds not from the date of the refunding bonds.
- Modernize the definition of "Eligible Subtenants" consistent with current practices at both properties.
- Conform the provisions as to CaPFA maintenance of its existence and transfer of substantially all of its assets to the Refinancing provisions while maintaining Knight's Crossing Student Housing, LLC's right to acquire the leased land and improvements as originally provided.

Cerasa explained that this lease change will hopefully happen in August 2020. Fickett asked if this ground lease would mean that bond refinancing would receive the waterfall. Cerasa replied yes and it would be in the \$2-4M range starting in March 2022.

A motion was made by Alan Fickett and seconded by Tom McNamara to approve the First Amendment to Ground Lease as proposed with the authorization to Legal Counsel to make minor changes. The motion passed unanimously.

Real Estate Committee Structure

Lauren Ferguson, Director of Board Relations, gave the committee an overview of Chair John Euliano's request to discuss a possible merger between the Real Estate Committee and Finance Committee. The committee had a general discussion about a merger and the consensus agreed. Ferguson confirmed that the size of the committee is not limited but a majority comprised of elected directors is required of all standing committees.

As there were no additional comments from the public, staff, or Committee, Chair Butler adjourned the meeting at 10:32 a.m.

Respectfully submitted,



~~Brian Butler~~ 03/30/2021 17:40 EDT

UCF Foundation Board of Directors
Real Estate Committee

Prepared by: Chris Meister, Executive Services Coordinator

Approved by Real Estate Committee on 03/30/2021.