

USF Board of Trustees

Tuesday, November 24, 2020 Microsoft Teams Meeting (Link & number for Trustees is on calendar invite)

AGENDA

I. Call to Order

Chair Jordan Zimmerman

II. New Business – Action Item

FL 101 – Approve Amendment to the 2020-2021 Fixed Capital Outlay Budget

III. Adjournment

Chair Zimmerman

Agenda Item: FL 101

USF Board of Trustees

November 24, 2020

Issue: Revise the 2020-2021 Fixed Capital Outlay Budget to reflect the Judy Genshaft Honors College Building Project

Proposed action: Approve amendment to the 2020-2021 Fixed Capital Outlay Budget

Executive Summary:

<u>Prior Action</u>. In the November 20, 2019 meeting of the Board of Trustees' finance committee, the Trustees received an update on the Judy Genshaft Honors College building project with a total estimated cost of \$59.8 million. In that meeting, it was represented that the budget, timing, and funding would be shared with the Board at a future meeting.

<u>Update</u>: Since the 2019 meeting, the Beck Group, Fleischman Garcia and Morphosis, and USF have conducted a value-engineering exercise and reduced the cost of the project, while maintaining the quality, uniqueness and functionality of the structure.

The total project is now estimated to cost \$54.6 million. The chosen contractor, Beck Group, has committed to a gross maximum price of (GMP) of \$43.3 million dollars. The university has a contract in hand, offered by Beck, contracting for that amount. The contract has been approved as to form and legal sufficiency by the Office of the General Counsel.

The difference between the GMP of \$43.3 million and the total project cost is primarily accounted for as design and professional fees (\$5.1 million), furniture and fixtures (FF&E) costs (\$3.4 million), and contingency, testing, permits and other costs (\$2.8 million).

Funding for the project will be from philanthropy and carryforward funds. Philanthropy is targeted to cover all but the FF&E and other allowable costs At this point \$43 million has been pledged, with over twenty million received. The timing of carryforward expenditures will not occur until mid-year 2022, which will mitigate any impact on cash flow over the next 18 months. Fundraising is continuing for the difference between funds pledged and the philanthropy target of approximately \$49 million. To the extent those amounts are not realized, USF has identified an allowable backstop of auxiliary funds. Those funds were gained from the WUSF spectrum auction and the use of a portion of those funds toward this academic building, if necessary, is deemed prudent.

The USF Foundation is working to procure the services of a owner's representative to compliment the internal construction management team and help challenge and control costs.

A ground-breaking ceremony is scheduled for December 1, 2020 and the project is expected to be complete by late fall 2022. Based on this timeline, the first classes will be held in spring semester 2023.

This building represents an exceptional value proposition for the University. In exchange for a small investment of carryforward funds and, if needed, of auxiliary funds, a new Honors College building yielding much needed new academic space is gained. This will be a one-of-a-kind facility that will help attract and retain high caliber faculty and students, further enhancing USF's academic standing and bolstering student success.

The Board again wishes to thank President Emerita Judy Genshaft and her husband Steve Greenbaum for their exceptional support of this project.

Approval by the Board will allow amendment of the 2020-2021 Fixed Capital Outlay filing with the Board of Governors.

Strategic Goal(s) Item Supports: Strategic Goal 4	
BOT Committee Review Date: N/A	
Supporting Documentation Online (please circle):	Yes
Prepared by: David Lechner/Chris Duffv/Steve Lafferty	

No