



**Item: SP: A-1**

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Initiate roll call to document member participation and ensure appropriate quorum numbers are I

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Mrs. Nancy Blosser, Chair \_\_\_\_\_

Mr. Scott Adams \_\_\_\_\_

Dr. Roy Levow \_\_\_\_\_

Mrs. Sherry Plymale (ex officio) \_\_\_\_\_

Mr. Robert



Nancy Blosser, Chair of the Strategic Planning Committee, convened the meeting at 9:09am with the following Board of Trustee members present:

Trustees William Bryant, Armand Grossman, Rajendra Gupta, Roy Levow, Sherry Plymale, Robert Stilley, Norman Tripp. Trustees David Feder and Lalita Janke participated by conference call.

Absent: Trustees Scott Adams, George Zoley.

The following university officials participated:

Frank T. Brogan, President; John Pritchett, Provost; David Kian, General Counsel; Lawrence Davenport, Executive Vice President of University Advancement and Executive Director of FAU Foundation; Jennifer O'Flannery, Chief of Staff; Tom Donaudy, Associate Vice President and University Architect;.

**SP: A-M. Approval of the Minutes**

A motion was made and seconded to approve the Minutes of the April 19, 2006, meeting. **The motion passed unanimously.**

**SP: A-1. Boca Raton Community Hospital Agreement**

Mr. David Kian gave the background of the Boca Raton Community Hospital (BRCH) Agreement. In January 2005, the BOT approved a memorandum of understanding for a transfer of properties that will enable the BRCH to build a replacement hospital on the Florida Atlantic University's Boca Campus. This hospital will serve as a teaching hospital that will house FAU's medical education programs. Approval was attained from the Florida Board of Governors for the expansion from a two year academic affiliation with the University of Miami to a full four year regional campus of the University of

the acreage lost to the BRCH lease. Mr. Tom Donaudy is developing a master plan with the parking garages that reflect how FAU would be able to free up the acreage.

It was agreed upon that the acreage needed to be a continuous parcel with easy public access. The southeast corner of the Boca Raton Campus at the intersection of FAU Boulevard and Glades Road would best meet the criteria. Outside consultants were engaged determine a fair compensation value for the acreage. The fair compensation value was

the completion of construction. BRCH can only acquire the fee title on the lease if they are not in default of the lease and provides FAU full payment of all outstanding rent and a Declaration of Restrictive Covenants is recorded that matches the use restrictions in the lease and runs with the land.

In the event that BRCH exercises purchase option and take title to the property and FAU discontinues its medical education programs, if BRCH decides to make different use of the property other than a teaching hospital the purchase option and the restrictive covenant require that BRCH provide FAU an opportunity to repurchase the property. FAU may repurchase the property at a fair compensation amount to be determined in a manner consistent with that used to determine the rent value. Under both the lease and the Restrictive Covenant there are dispute resolution clauses. All disputes will be resolved through an alternate dispute mechanism involving three neutral experts in the fields of healthcare, law, and medical education.

Mr. Kian assured the BOT that the lease provided to the full Board in the back-up for the Board Meeting would be the final copy. Subject to the final resolution of the "TBDs" in the lease agreement, the administration is asking the committee make the recommendation to the BOT to approve the lease agreement. Trustee Sherry Plymale asked if the lease purchase opportunity will go to the Florida Cabinet at this time for approval. Trustee Norman Tripp clarified the BRCH did not have the right to exercise the purchase option until the hospital was complete. At that time BRCH would request to purchase the land. That request would go before the BOT and by contract the BOT would agree that BRCH has the right to purchase the land. The BOT would pass a resolution requesting that the BOT assist BRCH in the application to the Cabinet for approval to purchase the land. Mr. Kian stated that the BOT is presenting to the Cabinet the contingent right that BRCH will be able to back before the Cabinet and State they are exercising the purchase after the hospital purchase. At that time FAU will not oppose the purchase if BRCH is not in breach of contract. Trustee Tripp restated Trustee Plymale's question, of when the BOT would approve the purchase now. Mr. Kian stated that the BOT would be approving the concept now; the purchase would not take place until after the completion of the hospital and approval from the Cabinet.

Trustee Tripp explained language in the lease pertaining to where the funds from the purchase would go. The funds paid from the lease purchase would go directly to FAU. If the State of Florida required additional funds, that would be between BRCH and the State. It would not affect the compensation from BRCH to FAU. Trustee Rajendra Gupta asked the question, if BRCH wanted to exercise their option to purchase the land, who decides the purchase price. Mr. Kian responded that the Cabinet determines the purchase price of the land. FAU serving as the trustee of the state's land holding trust, would request that the purchase price BRCH would pay is not going to be greater than





intended to demonstrate FAU's needs for academic and academic support facilities needed for a five year period. The Board of Governors (BOG) procedures require any proposed language for the 2007-2008 Appropriations Bill concerning the following legislative approval actions to be submitted with the initial CIP request on August 1, 2006:

1. Projects funded from external institutional sources which require general revenue for operation.
2. Projects financed with long-term debt or other long-term obligations.
3. Projects to be financed and constructed by a university direct support organization (DSO).

Mr. Donaudy reviewed last year's CIP that was approved by the BOT on August 10, 2005. FAU received funding for six of the top seven priority projects. FAU did not receive funding for the third priority project, the FAU/Scripps Joint Us









