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The University of Rhode Island Board of Trustees ad hoc special Real Estate Committee Meeting

Wednesday, November 30, 2022 at 3:00 p.m. EST

The University of Rhode Island

Avedisian Hall, Room 207

7 Greenhouse Road, Kingston RI 02881

OFFICIAL MINUTES

Ad hoc special Real Estate Committee Chair, Michael Fascitelli, welcomed members to the first meeting of the University of Rhode Island Board of Trustees ad hoc special Real Estate Committee and asked for a roll call. Noting that a quorum of members of the Committee was present, the meeting was called to order at 3:12 p.m. The meeting was held in person with board members participating remotely. Public access to the meeting was available via the YouTube video platform and can be viewed at <https://web.uri.edu/trustees/meetings/>.

The URI Board of Trustees ad hoc special Real Estate Committee members in attendance:

- Michael Fascitelli, Committee Chair (remote)
- Michael McNally, Board of Trustees Vice Chair (remote)
- Vahid Ownjazayeri (remote)
- President Marc Parlange (ex officio, non-voting) (remote)

The URI Board of Trustees invited guest in attendance:

- Margo Cook, Board of Trustees Chair (remote)

Members of the President's Leadership Council in attendance:

- Abby Benson, Senior Advisor to the President and Chief of Staff (remote)
- Alyssa Boss, General Counsel (remote)
- Abigail Rider, Vice President, Administration and Finance (in person)

"The University of Rhode Island occupies the traditional stomping ground of the Narragansett Nation and the Niantic People. We honor and respect the enduring and continuing relationship between the Indigenous people and this land by teaching and learning more about their history and present-day communities, and by becoming stewards of the land we, too, inhabit."

The URI staff members in attendance:

- Karl Calvo, Assistant Vice President, Facilities (in person)
- Ryan Carrillo, Director, Planning and Real Estate Development (in person)
- Michelle Curreri, Secretary, Board of Trustees (in person)
- Dulcie Ilgenfritz, Coordinator, Planning and Real Estate Development (in person)
- Lynn Owens, Associate Secretary, Board of Trustees (in person)
- Jeff Ulricksen, Assistant Director, Spatial Services (in person)

1. INTRODUCTION

Committee Chair Fascitelli remarked that today's meeting is the first meeting of the newly formed ad hoc special Real Estate Committee. The goal of the Committee is to come up with interesting ideas and plans for the University. The purpose of today's committee meeting is to receive a debriefing on the baseline case, campus and facility planning, strategic items, and real estate matters.

2. DISCUSSION ITEMS

- a. Goals, responsibilities, and desired outcome of this recently formed subcommittee on Finance and Facilities.**
- b. Internal resources needed to support the work of the committee.**
- c. Timeline for completion of findings and recommendations to URI President and URI Board of Trustees.**
- d. Overview of URI's current holdings.**
- e. Process required by State statutes and the regulations of the State Properties Committee for various kinds of transactions involving real estate.**
- f. The University's current debt structure and covenants.**

Vice President Abigail Rider discussed items a-f with the committee, providing the framework and background for real estate transactions related to the University.

- 1) Explanation of how the Board of Trustees holds title to real estate for the State.
- 2) URI holds nearly 25% of the State's buildings but receives only 9-10% of Rhode Island Capital Plan (RICAP) funding.
- 3) URI is subject to Rhode Island State Properties Committee approval (RIGL 37-6-2 a).
- 4) Approvals required for real estate transactions are complicated and include facilities use agreements, URI as tenant or landlord lease and licenses, acquisitions, easements, and General Assembly approval when URI is the lessee, and a transaction has an aggregate cost of more than \$500,000 and a duration

of more than 5 years. Ryan Carrillo stated that URI had two real estate leases that required General Assembly approval last year.

- 5) Proceeds from the sale of State real estate assets go to the State's information technology investment fund (RIGL 42-11-2.5 a).
- 6) RI public agencies (including public institutions of higher education) can enter into lease agreements for up to 10 years with a 10-year renewal option; RI public institutions for higher education can in addition enter into ground leases on property owned by the Board or Council on Postsecondary Education, as appropriate, up to 99 years with four 99-year renewal periods (RIGL 37-7-5). Most lease transactions require a competitive bid process.
- 7) Review of URI's debt structure; general obligation (GO) bonds, revenue bonds including ratings and principal outstanding, certificates of participation (COPS), and Kushner Authorizations (RIGL 35-18-1). These bonds are secured by (1) a pledge of URI's Education & General revenues in the case of "E&G Bonds", currently rated Aa3 by Moody's; and (2) a pledge of URI's Auxiliary revenues in the case of "Auxiliary Bonds", currently rated A1 by Moody's.
- 8) Discussion of public-private partnerships (P3's or PPPs), including Moody's view of them, difficulty of P3's being considered off credit and the different types; availability-payment P3, Demand-risk P3 or concession, Hybrid P3s. URI has had conversations with firms regarding P3's but URI has never done one. Ryan Carrillo stated that some people think the Rhode Island Nursing Education Center (RINEC) was a P3, but that is incorrect. Vice President Rider confirmed for the Committee that P3s are legal in RI except for partnerships with the Department of Transportation.
- 9) Chair Fascitelli requested the Committee receive an evaluation of the state of our facilities to provide a baseline case. Vice President Rider shared that URI is currently doing building assessments across campus. A report will be provided to the committee as soon as available.

3. EXECUTIVE SESSION

- a. **Discussions or considerations related to the acquisition or lease of real property for public purposes, or of the disposition of publicly held property wherein advanced public information would be detrimental to the public interest, pursuant to R.I.G.L. § 42-46-5(a)(5).**
- b. **Discussion regarding a matter related to the questions of the investment of public funds, which includes any investment plan or matter related thereto, where the premature disclosure would adversely affect the public interest, pursuant to R.I.G.L. § 42-46- 5(a)(7).**

Chair Fascitelli called for a motion that the ad hoc special Real Estate Committee convene into executive session pursuant to R.I.G.L. § 42-46-5(a)(5) for a discussion or consideration related to the acquisition or lease of real property for public purposes, or of the disposition of publicly held property

wherein advanced public information would be detrimental to the public interest, and R.I.G.L. 42-46-5(a)(7) for a discussion regarding a matter related to the questions of the investment of public funds, which includes any investment plan or matter related thereto, where the premature disclosure would adversely affect the public interest.

On a motion duly made by Michael McNally and seconded by Vahid Ownjazayeri, it was

VOTED: THAT The ad hoc special Real Estate Committee of the URI Board of Trustees convene into executive session pursuant to R.I.G.L. § 42-46-5(a)(5) for a discussion or consideration related to the acquisition or lease of real property for public purposes, or of the disposition of publicly held property wherein advanced public information would be detrimental to the public interest, and R.I.G.L. 42-46-5(a)(7) for a discussion regarding a matter related to the questions of the investment of public funds, which includes any investment plan or matter related thereto, where the premature disclosure would adversely affect the public interest.

VOTE: 3 members voted in the affirmative and 0 members voted in the negative.

YEAS: Michael Fascitelli, Michael McNally, Vahid Ownjazayeri

NAYS: 0

ABSTAINS: 0

At 3:44 p.m., the ad hoc special Real Estate Committee convened into Executive Session. Virtual public access was paused.

At 4:36 p.m., the ad hoc special Real Estate Committee returned to Open Session. Virtual public access resumed. Vahid Ownjazayeri was present during Executive Session but had to leave prior to returning to open session.

Chair Fascitelli called for a motion that the URI Board of Trustees ad hoc special Real Estate Committee seal the minutes of the Executive Session that took place on November 30, 2022.

On a motion duly made by Michael McNally and seconded by Michael Fascitelli, it was

VOTED: THAT The URI Board of Trustees ad hoc special Real Estate Committee seal the minutes of the Executive Session that took place on November 30, 2022.

VOTE: 2 members voted in the affirmative and 0 members voted in the negative.

YEAS: Michael Fascitelli, Michael McNally

NAYS: 0

ABSTAINS: 0

4. ADJOURN

Chair Fascitelli thanked members the Committee and called for a motion that the ad hoc special Real Estate Committee of the University of Rhode Island Board of Trustees adjourn the meeting of November 30, 2022.

On a motion duly made by Michael McNally and seconded by Michael Fascitelli, it was

VOTED:	THAT	Members of the ad hoc special Real Estate Committee adjourn the November 30, 2022 meeting.
	VOTE:	2 members voted in the affirmative and 0 members voted in the negative.
	YEAS:	Michael Fascitelli, Michael McNally
	NAYS:	0
	ABSTAINS:	0

The meeting adjourned at 4:38 p.m.

UPCOMING MEETING

The University of Rhode Island Board of Trustees ad hoc special Real Estate Committee will schedule meetings on an as needed basis. The next meeting will be held at a future date to be determined.