BOARD OF TRUSTEES

Board of Trustees
DRAFT Meeting Minutes

August 11, 2026
9:00 A – 10:00 A

Florida Polytechnic University
Virtual via Microsoft Teams

I. Call to Order

Chair Beth Kigel called the Board of Trustees meeting to order at 9:00 a.m.

II. Roll Call

Kristen Wharton called the roll: Chair Beth Kigel, Vice Chair Jesse Panuccio, Trustee Sumanth Neelam, Trustee Patrick Hagen, Trustee Christie Bassett, Trustee Jeff Beelaert, Trustee Eliot Peace, Trustee Derek Henderson, Trustee Ilya Shapiro, Trustee Rob Kincart, Trustee Jack Harrell, III and Trustee Sid Theis were present (Quorum).

Trustees not present: Trustee Colby Manrodt

Staff Present: President Devin Stephenson, Provost Brad Thiessen, Bryan Brooks, Dr. Tanner McKnight, Dr. Cole Allen, Josh Millikin, Katie Daniel, Kelli Stargel, Kristen Wharton

III. Public Comment

There were no requests received for public comment.

IV. Board of Trustees Resolution 2026-002: Phase 4 Housing and New Dining Facility

Dr. Tanner McKnight presented Resolution 2026-002 to negotiate a public-private partnership (P3) with developer Gilbane and nonprofit ground lessee SFP Solaris LLC. The project includes Phase 4 student housing, a standalone dining facility to replace the current, temporary facility, and a potential structured parking garage, with construction targeted to run from December 2026 to August 2028.

Financed via approximately $110 million in tax-exempt, off-balance-sheet bonds (40-year maturity, 50-year lease), the project pledges no Florida Polytechnic University credit. It is cash-flow positive in Year 1 (FY 2028–29), with Florida Poly paying roughly $2 million (leases and utilities) and receiving $4.8 million (ground rent, concessions, and services) for a net positive of ~$2.8 million. Over the 50-year term, total payments of $153 million against $536 million in returns yield a cumulative net positive cash flow of ~$383 million (~$74 million NPV).

Operationally, Florida Poly will retain full control over the student experience—including marketing, applications, assignments, and billing—to ensure consistency across campus. SFP and its property manager will maintain the residence hall structure, while Florida Poly will maintain the dining hall in collaboration with Chartwells. General governance, including setting student rent rates and prioritizing facility upkeep, will be managed by a joint Board of Managers composed of University and SFP representatives.

Chair Kigel opened the floor for discussion and questions from trustees:

In response to questions from Trustee Ilya Shapiro regarding facility naming rights, McKnight confirmed that the University retains full authority to sell these rights for development and fundraising purposes. Addressing Trustee Patrick Hagen's inquiry about the 50-year non-compete covenant and if it limits the University's flexibility, McKnight clarified that it secures Gilbane's first-right-of-refusal for the future Phase 5 expansion, which is already integrated into the ground lease footprint.

Trustee Robert Kincart inquired if Gilbane would also construct the parking garage; McKnight explained that although the garage's financing is integrated into the P3, construction is not restricted to Gilbane, allowing the University to select the lowest-bid contractor. To address Trustee Kincart's concerns regarding developer performance, McKnight committed to incorporating performance-based exit clauses for Phase 5 into the final contracts during the upcoming 90-day revision window.

Addressing Trustee Sidney Theis's questions regarding the sensitivity of the financial projections, McKnight explained that the financial model is conservative. It is based on independent market studies in demand by Brailsford and Dunlavey; the numbers are based on 15 basis points higher than expected actual rates. At Trustee Theis's recommendation, McKnight agreed to run a 0% escalation sensitivity model to test the baseline margins prior to seeking final contract approval.

In response to Trustee Jesse Panuccio's questions regarding downstream protections, project alternatives, and emergency maintenance response, McKnight emphasized that today's vote only authorizes submitting draft documents to the Board of Governors (BOG), with final contracts returning to the Board of Trustees in November. Regarding alternatives, McKnight explained that because Florida Poly is a young institution, its credit profile sits just above subpar investment grade, meaning it cannot meet the debt service coverage covenants required to issue its own bonds. Since off-campus housing is unavailable in the immediate vicinity, a P3 is the only viable path to expand campus capacity. Regarding operational emergencies, SFP is contractually responsible for physical repairs; however, Florida Poly's housing and maintenance teams maintain the right to step in, relocate students, or manage the situation directly if response times are inadequate.

Trustee Sumanth Neelam inquired about the Board's flexibility to amend agreements after BOG review. McKnight assured trustees that he will provide regular updates as the BOG and the Division of Bond Finance suggest refinements to protect the state and the University, ensuring all trustee concerns are fully addressed before the final November vote. Finally, responding to inquiries from Trustees Theis and Kincart regarding structural quality and material contingencies, Dr. McKnight confirmed that the new structures are designed as solid, "100-year buildings." He noted that Phase 3 successfully served as a hurricane shelter due to similar robust construction standards, and David Calhoun represented Florida Poly facilities on the selection committee to ensure all bids specified durable, high-quality materials. The builder's warranty will cover design and construction flaws. Florida Poly will build interest-generating reserves to cover long-term maintenance issues.

With no further questions from the Board, Chair Kigel called for a motion:

Trustee Sidney Theis motioned to approve Board of Trustees Resolution 2026-002 authorizing the negotiation of a development agreement, a ground lease agreement, an administrative services agreement related to student housing and dining, and other related agreements described herein, to design, build, finance, operate and maintain the Project; and requesting the Florida Board of Governors to approve the project. Following BOG approval, these Agreements will return to the Board of Trustees for final approval. Trustee Sumanth Neelam seconded the motion; a vote was taken, and the motion passed unanimously.

V. Closing Remarks and Adjournment

With no further business to discuss the meeting adjourned at 9:53 a.m.

Respectfully submitted:
Kristen Wharton
Corporate Secretary