

UNIVERSITY OF MAINE SYSTEM  
Board of Trustees Meeting

Zoom Meeting  
July 15, 2021

**Finance/Facilities/Technology Committee**

**Present: Committee Members:** James Donnelly, Chair; Timothy Doak, Peggy Rotundo, Mark Gardner, David MacMahon, Trish Riley, Roger Katz, Emily Cain, James Erwin, and Kelly Martin. **Other Trustees:** Irene Neal. **Chancellor:** Dannel Malloy. **Presidents & Dean of the Law School:** Leigh Saufley, Joan Ferrini-Mundy, Ray Rice, Deborah Hedeem, Rebecca Wyke, Ed Serna and Glenn Cummings. **Faculty Representative:** Clyde Mitchell. **System Staff:** Ellen Doughty, Robert Placido, James Thelen, Chip Gavin, Tracy Elliott, Miriam White and David Demers. **Other Participants:** Joanne Yestramski, Carolyn McDonough, Stewart Harvey, Betsey Sawhill, Jake Ward, Laurie Gardner and Brad Noyes.

**Committee Members Absent:** None.

Trustee Donnelly, Chair, called the meeting to order and welcomed everyone. The Clerk performed a roll call of the Committee members present.

**EXECUTIVE SESSION**

On a motion by Trustee Martin, which was seconded by Trustee Rotundo, and approved by a roll call vote of all Trustees present, the Finance, Facilities and Technology Committee agreed to go into Executive Session under the provision of:

- 1 MRSA Section 405 6-C to discuss the condition, acquisition or disposition of real property or economic development if premature disclosure of the information would prejudice the competitive or bargaining position of the UMS.

On a motion by Trustee Cain, which was seconded by Trustee Rotundo, and approved by a roll call vote of all Trustees present, the Committee concluded Executive Session.

Following the Executive Session, Chair Donnelly reconvened the public meeting. The following items were discussed:

**Adaptive Reuse of Coburn and Holmes Hall – Public Private Partnership Authorization, UM**

UMS Vice Chancellor for Research and Innovation & President of the University of Maine (UM) Joan Ferrini-Mundy, Chief Business Officer Joanne Yestramski and Vice President for Innovation and Economic Development Jake Ward provided information on the request to complete negotiations and enter into a Definitive Agreement for a public private partnership (P3) with Radnor Property Group LLC (Radnor or Developer) for the reuse of Coburn and Holmes Halls.

Cosburn and Holmes Halls are designed historic buildings at UM. Both buildings have been vacant since 2009 and are in need of significant investment in maintenance and accessibility upgrades. The deferred maintenance for both buildings is \$10 to \$12 million with \$100,000 annually to heat and minimally maintain the buildings. In October of 2019, UM/UMS engaged Brailsford & Dunlavey to analyze the market potential for private investment for the adaptive reuse of the buildings. Their initial assessment was finalized in May 2020. The Request for Qualification (RFQ) process was outlined and 4

developers were invited to response to the Request for Proposal (RFP). The UM/UMS core team evaluated and scored the 4 proposals and the team made the award to Radnor Property Group.

The terms of engagement with Radnor are Coburn and Holmes Halls will be leased to Radnor for 99 years for the construction and management of an 87 room boutique hotel. If Radnor opts to sell the asset, UM/UMS will have the right of first refusal for purchase. The asset will return to UM/UMS after 99 years in “first-class condition”. UM/UMS will have the option to buyout the Project at 75 years and the parties will work to identify additional buyout times that will be identified in the definitive agreements. Radnor brings a combined \$17.2 million in total investment (including tax credits) to the Project and if the Project is not awarded New Market Tax Credits, UM would have to fund the \$1.7 million. UM will guarantee if the Project does not achieve the underwritten net operating income, UM will fund the gap up to a cap for the first year of operation of \$450 thousand. The UM guarantee will cease after 25 years.

The arrangements has many benefits for UM. A private company will be running the business and investing in UM. The two beautiful, historic buildings will be converted into useful assets for the UM community. It will be the first on-campus hotel for any UMS campus. It will provide quality, on-campus accommodations for people visiting UM for work, athletics and entertainment purposes. There are multiple revenue streams for the Project: annual lease payment of \$30 thousand increased by 5% every 5 years, catering and event revenue for Auxiliary Services and upside revenue sharing if the projected net operating income is exceeded.

On a motion by Trustee Riley, which was seconded by Trustee Rotundo, and approved by a roll call vote of all Trustees present, the Finance, Facilities, and Technology Committee agreed to forward this item to the July 26, 2021, Board of Trustees meeting for approval of the following amended resolution:

That the Board of Trustees authorizes the University of Maine System acting through the University of Maine to continue due diligence toward a public private partnership through a 99-year ground lease and Definitive Agreement with Radnor Property Group, LLC for the building redevelopment of Coburn Hall and Holmes Hall, a 24,800 square foot addition to Holmes Hall, but subject before final approval to the normal capital spending thresholds established by Trustees and further subject to review of updated terms and conditions by the Committee at its September 15, 2021 meeting or other future meeting(s) as circumstances warrant.

### **Capital Project Status Report and Bond Projects Update, UMS**

UMS Director of Capital Planning and Project Management Ms. Carolyn McDonough provided an overview of the UMS Capital Project Status and Bond Project Status reports. The report reflects a total of 21 projects. One project was removed and four new projects were added after being approved by the Board in May: USM Steam Line, UMPI Wieden Renovation, UM ASCC Addition GEM Lab and UMA Randall Hall. While most projects continue to move forward at this time under the various provisions of state and federal pandemic guidance, some impacts continue. Projects previously placed on hold have been re-visioned. One remains on hold. Previously reported impacts continue to be relevant. In particular, suppliers continue to notify contractors of material shortages and delays with potential schedule and cost impacts to our projects.

Ms. McDonough explained that the status graphs at the end of this report noted a new funding category, Campus Funded Financing. This category demonstrates the use of interim financing in the form of a Bond Anticipation Note (Note) as approved at the March 2021 meeting of the Board. On May 27th, the UMS closed on \$43 million in interim debt financing issued for the UM Ferland Engineering, Education

& Design Center and the USM Portland Commons and parking garage projects. Payment of the principal amount of the Note may be made anytime 12 months after, but no later than 14 months after, the closing date. This Note will be refunded primarily with University issued revenue bonds but UMS may refund portions of it with other funding sources as available and permissible like gift monies.

The Bond Project Status Report reflects forty-five (45) projects; an increase in one project since the last report: UMA's Randall Welcome Center. The projects are currently estimated to account for approximately \$45 million of the \$49 million in voter approved general obligation bond funding. Nearly \$14 million of that has been expended.

Supplemental funding is being leveraged for some of these projects and the total estimated project value across all funds currently stands at over \$57 million, including the bond funding and other project resources. As of this report this number is approximately \$4 million less than previously reported, mainly due to the reduced size of UMA's Welcome Center project and the campus funding that had been intended to come with the larger project. The University continues to invest in additional projects as well. Ten of the active bond projects also appear on the Capital Project Status Report with approved budgets above board threshold. Two projects are expected to be brought to the Board for additional authorization as design progresses but are currently in design and pre-design phases with budgets below the Board approval threshold. The remaining bond funded projects do not have budgets that meet the threshold for Board of Trustees consideration and are therefore not present on the Capital Projects Status Report. The Completed project section reflects twelve projects that are complete. There are another three projects in the active projects table listed as complete and one project substantially complete. These will move to the completed section once closeout is completed.

This report provides timely and appropriate disclosure of Chancellor-approved increases in University owned or occupied space when the space is for research purposes, as approved by the Board of Trustees at the January 2020 Board Meeting. These include a short-term lease for 1300 square feet for housing for research at 522 Mason Bay Road in Jonesport, Maine and a new lease for 805 square feet from June 2021 to May 2024 for the UM Sea Grant College Program at 14 Maine Street in Brunswick, Maine.

Harold Alfond Foundation (HAF) Grant funded projects:

The designer selection process in support of the MCECIS Master Plan is ongoing and expected to be complete by the end of July. A request for qualifications for design of the UM Athletics projects was issued in early June and is expected to be complete in August.

USM Portland Development Project:

The Portland Commons' site and foundations work which began in late May continues. Superstructure framing of the Portland Commons is expected to begin in late July and will continue for nearly a year. Underground and aboveground utility relocations and work are underway as well. Career and Student Success Center site work will be starting in July.

UMF and UMPI Residential Housing P3 Initiative:

Review of potential partners continues. More information expected at the next meeting.

UM Ferland Engineering Education & Design Center Project:

Completion of interior concrete slab placement is slated for early July. Exterior framing, sheathing, and blocking continues in preparation for exterior façade installation. Exterior brick veneer is now expected to begin early July. Elevator and stair shaft construction continues. Interior framing and mechanical piping is underway. The project continues on schedule.

Trustee Katz asked if the Capital Projects report could be cross referenced with the Gordian (formerly Sightlines) Report. Chief General Services Office Chip Gavin and Ms. McDonough stated the Gordian Report identifies the condition of buildings not identify specific projects. However, they are working with Gordian to tie the condition of the building with the type of work that is needed or being completed to be added to the Gordian Report.

**Projects with a Value of \$250,000 or Greater.** Chief Information Officer (CIO) Dr. David Demers provided an update on the information technology projects with a value of \$250,000 or greater.

The Classrooms for the Future project completion is 99% as of June 2021. The revised budget of \$4.945 million for the project reflects the additional \$582,730 allocation provided from project contingency funds, which has allowed for additional sites and rooms to be included in the project. Equipment maintenance reports have been submitted for UM and UMM and the maintenance report for the remaining campuses will be completed in the coming weeks. Work will continue through the summer of 2021. This project is experiencing ongoing delays in shipping and equipment shortages due to higher equipment demand and supply chain constraints.

The Classrooms for the Future (CFTF) Web-Conferencing Project is to address the need for expanded availability of web-conferencing and video recording capabilities across UMS. UMF and UMFK are complete and all other campuses are over 90% complete. The UM rooms that were “on hold” are near completion. USM “on hold” rooms are complete. The concern for this project is the availability of equipment and resources needed to complete the work.

The UMS Wireless Infrastructure project work with a total budget of \$13.2 million and is completed at all campuses except USM. The work at USM includes cabling in the Science Building and Bailey Hall and the estimated completion date has been extended to December 2021 due to supply chain issues. A capital budget of \$1.5 to \$2 million will be need to maintain investment in the wireless infrastructure due to equipment life cycle.

The Northern Ring Optical Equipment Refresh Project with a total budget of \$1.35 million and is at a completion rate of 100% as of June 2021. This project was approved by Trustees at the September 2020 Board meeting and its purpose is to replace the optical network equipment supporting MaineREN’s Northern Ring in order to meet the advanced network requirements of the research and education institutions of downeast and northern Maine. All sites have been migrated to the new service and all of the legacy equipment has been powered down. Final removal and disposal of the legacy equipment will be completed over the next few months.

The VoIP Implementation Project for UMF, USM, and UMPI continues to progress; however, Covid-19 impacts have delayed the project timeline. The overall budget for this project is \$1.599 million. The project is currently 99% completed at UMF, 100% completed at UMPI and 65% completed at USM. At UMPI, the project is substantially complete with the legacy system disposal planned for early August. At USM, the legacy phone equipment at Lewiston-Auburn has been decommissioned and the focus is on the smaller buildings at Gorham. Two areas of concern are the on-going probability of future failures of legacy phone systems at UMF/USM and the poor network infrastructure on both campuses posing challenges to the project timeline.

The MaineStreet Improvements project is at 91% complete as of June 2021. This project has a total budget of \$1.1 million. Recently completed work includes widespread communication regarding the “new MaineStreet Experience” soft launch, point release updates of HCX in production, technical and

functional testing and the continued discussion with teams to inform improvements and expanded functionality. In progress work includes the student satisfaction surveys and feedback, the full fall launch communication planning and ongoing technical development and planning for September for the HCX updates. There is some concern around managing change in navigation and the interface for the MaineStreet environment.

The ERP Assessment project with a budget of \$275 thousand has a completion of 99% as of June 2021. This is the third step in a four step process to evaluate the UMS MaineStreet (Peoplesoft) ERP to identify functional gaps and opportunities to support unified accreditation by development of a road map or “Repaving MaineStreet”. Recently completed work includes the presentation of the final report to Presidents’ Council, Board of Trustee approval of the preliminary budget plan for “Repaving MaineStreet” and the preliminary planning meetings with functional area groups.

Additional information about the meeting can be found on the Board of Trustees website:  
<https://www.maine.edu/board-of-trustees/meeting-agendas-materials/finance-facilities-technology/>

Adjournment.

Ellen N. Doughty, Clerk