



UWF Business Enterprises, Inc. Board of Directors Meeting

UWF Building 90 North Conference Room 106

Meeting/Conference Call

May 11, 2015

Present

Chair K. C. Clark, ICEO James Barnett, General Counsel Pat Lott , Vice-chair Jay Patel, President Judy Bense, Vice President Betsy Bowers, Secretary Suzanne Lewis, Judge Collier, Member C. Ray Jones, Member Hal White and Staff Support Secretary Tiffany Nisewonger. Absent: Treasurer John Todorovich.

Guests: Colleen Asmus, Ellen Till, Angela Wallace, Mark Helmus, Tammy Ford, and Anamarie Mixson.

Welcome/Opening Remarks

Chair Clark called the meeting to order at 2:05 p.m. Ms. Nisewonger called roll and confirmed that a quorum was present.

Action Items

- 1) Lease between UWF Business Enterprises, Inc. (BEI) and Chartwells for spaces within East Campus at the Argonaut Village Development – ICEO Barnett provided highlights of the lease.
 - On February 23, 2015, the BEI Board approved Amendment 1 to the Master Sub-Lease Agreement between the University and BEI. The UWF Board of Trustees Finance and Facilities Committee approved it on March 3, 2015, and the Full Board of Trustees approved in on March 3, 2015.
 - This lease term terminates June 30, 2035, commensurate with the University Dining Services Agreement.
 - BEI will receive a base rent of \$100,000 from Chartwells, inclusive of the applicable sales tax of 7.5 % (\$6,976.75) and paid as follows: \$100,000 due June 30, 2015, and the same amount on each July 31st thereafter.
 - With respect to the initial period of July 1, 2015, through June 30, 2016, the Base Rent will be subject to proration based on the percentage of the rentable portion of the Premises to be occupied by Subtenants other than Chartwells (total 11,292 gross square feet), as they will operate Starbucks) as of July 1, 2015.
 - Beginning July 1, 2016, the full amount of Base Rent will be payable without regard to the percentage of the rentable portion of the Premises occupied by Subtenants.
 - Chartwells, as the tenant, will be responsible for taxes, assessments, utilities, insurance, maintenance, and repairs.
 - CBRE completed an appraisal of the 2.75 acres of Undeveloped and Developed Land. Key points regarding the monetary values are as follows:

- The CBRE letter dated April 16, 2015, identified the Market Value of appraised value of the undeveloped and developed land.
- Undeveloped land value per gross square foot (GSF) - Page 43, **\$10.85** (cost, sales, and income capitalization approaches were utilized)
- Developed land value per gross square foot (GSF) – Pages 59 and 61, **\$24.42** (potential rental income approach was utilized)
- Beck Properties noted that a range of \$24-\$25 per gross square foot, excluding Common Area Maintenance, will be reasonable for Chartwells’ sub-tenants.
- General Counsel Pat Lott’s letter of May 10, 2015, summarized a conversation with Cheryl Scott, CBRE, regarding lease of the parcel as undeveloped land. This letter was sent to the BEI Board via separate email.

Staff recommended that the BEI Board of Directors approve the Lease Agreement between BEI as Landlord and Chartwells Division of Compass Group USA, Inc. (“Chartwells”) as Tenant in substantially the form attached, with such changes and modifications as may be approved by the Interim CEO with advice from the General Counsel and concurrence of the UWF Interim Vice President for Business, Finance, and Facilities; and

Authorize the Interim CEO to execute and deliver the Lease Agreement following receipt of approval from the University Board of Trustees.

Motion to approve: Member Patel

Second: Member Lewis

Motion passed unanimously.

Other Business

None

New Business

None

There being no further business, the Chair adjourned the meeting at 2:35 p.m.

Respectfully submitted,

Tammy Ford, Assistant Staff Support Secretary