

**UNIVERSITY OF MASSACHUSETTS
AMHERST•BOSTON•DARTMOUTH•LOWELL•MEDICAL SCHOOL•UMASSONLINE**

**MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF TRUSTEES**

Thursday, February 14, 2019; 10:00 a.m.

Amherst Room

University of Massachusetts Club

One Beacon Street – 32nd Floor

Boston, Massachusetts

Trustees Present: Chairman Manning; Vice Chair Peters; Trustees Burns, Furman (by phone), Karam, Madigan, Mallett, O'Brien, Paris Jeffries, Peyser, Phimmasone, Scheibel (by phone), Tariq, Thomas, Tolman, Woolridge and Wu

Trustees Absent: Trustees Epstein, Fubini, Nair, Okwara and Osterhaus-Houle

University Administration: President Meehan; General Counsel Leone; Chancellors Newman, Moloney and Collins; Provost McCarthy; Senior Vice Chancellor Lisker

Faculty Representatives: Professor Hoagland, UMass Amherst

Chairman Manning convened the meeting at 10:04 a.m. and stated that Trustees Furman and Scheibel would be participating by telephone as permitted under 940 CMR 29.10(5), since they were geographically distant from Boston to attend the meeting in person.

Action Item #1: Authorization to Request the University of Massachusetts Building Authority to Initiate Re-Financing, Doc. T19-001

Chairman Manning asked for a motion to approve the Authorization to Request the University of Massachusetts Building Authority to Initiate Re-Financing. It was moved and seconded.

President Meehan commented on the request which will allow the UMass Building Authority to refinance debt that was issued in 2009 and could generate nearly \$29 million in savings for the campuses.

Chairman Manning then asked for a roll call vote and the Secretary called the roll with each Trustee asked to vote yes or no. Chairman Manning voted for the motion as did Vice Chair Peters; and Trustees Burns, Furman (by phone), Karam, O'Brien, Paris Jeffries, Peyser, Phimmasone, Scheibel (by phone), Tariq, Thomas, Tolman, Woolridge and Wu.

VOTED: WHEREAS, pursuant to Chapter 773 of the Acts of 1960, as amended ("Building Authority Enabling Act"), the University of Massachusetts Building Authority is a body politic and corporate and a public instrumentality of The Commonwealth of Massachusetts (the "Commonwealth") created to aid and contribute to the performance of the education and other purposes of the University of Massachusetts

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(the "University") by providing buildings and other structures for the use of the University, its students, staff and their dependents and for lease to or use by an organization or association, in any form, of students or others the activities of which are a part of the activities at the University and subject to regulation by the Board of Trustees of the University (the "Trustees");

WHEREAS, pursuant to the Building Authority Enabling Act, the Building Authority may issue bonds to finance projects undertaken by the Building Authority at the request of the Trustees, or, with the approval of the Trustees, issue refunding bonds, all of which bonds are secured, in part, by revenues from the Building Authority, the University and the Commonwealth, as authorized by the Trustees on behalf of the University and the Commonwealth;

WHEREAS, in the judgment of the Trustees it is in the best interest of the University for the Building Authority to refund bonds when market conditions are favorable; and

WHEREAS, the Building Authority's enabling act authorizes the Trustees, on behalf of the Commonwealth, to provide a Commonwealth guaranty of not to exceed \$200,000,000 outstanding principal amount of Building Authority Bonds;

NOW, THEREFORE,

1. Each of the President and the Senior Vice President for Administration & Finance and Treasurer of the University, acting alone, be and each, acting alone, (each, an "Authorized Officer") hereby is authorized in the name and on behalf of the Trustees to make a written request of the Building Authority that the Building Authority initiate and undertake the issuance of refunding bonds.
2. The issuance of refunding bonds by the Building Authority is hereby approved, in such amount and on such terms as shall be approved in writing by an Authorized Officer.
3. Each Authorized Officer hereby is authorized to execute and deliver on behalf of the University and the Commonwealth one or more contracts for financial assistance, management and services with respect to the projects financed or refinanced by the Building Authority and the Building Authority bonds issued in connection therewith, including the refunding bonds authorized herein. Each such contract may include the Commonwealth guaranty of all or a portion of such bonds, as determined by an Authorized Officer and within the limits prescribed by the Building Authority's enabling act.
4. Each Authorized Officer is hereby authorized to take such other action as deemed necessary or desirable to be done or taken to effectuate the matters hereby authorized, as conclusively evidenced by their doing the things or taking the action hereby authorized.

Chair's Report

Chairman Manning commented on the meeting's purpose to appoint a developer for the Bayside Expo Center. The site will be developed into a vibrant, mixed-use project that will benefit UMass Boston and generate more than \$200 million for the campus. It will contribute to the redevelopment of Columbia Point, which will bring new companies and employers to the neighborhood by which UMass Boston can build partnerships for research and student experiential learning.

Chairman Manning outlined the meeting's agenda. An overview of the process, the criteria and the selection of the developer by Trustee Woolridge, who served on the Bayside Advisory Working Group; a presentation from Newmark Knight Frank on the developer selection process and the financial comparison between the bidding development teams; and comments from Chancellor Newman and Trustee Wu. Following the Board's meeting, the UMass Building Authority will meet and vote to enter into negotiations for a ground lease with the developer.

General Counsel Leone then provided procedural instructions for the meeting, per Massachusetts General Law, Chapter 30A; Section 20.

President's Report

President Meehan also commented on the meeting's purpose for the Board to concur with the recommendation of the Advisory Working Group tasked with overseeing the developer selection process for the Bayside property. He then provided the background for the UMass Building Authority purchasing the former Bayside Expo Center in May 2010, and beginning a process in 2017 that would result in the development and monetization of the Bayside property.

President Meehan thanked the members of the Advisory Working Group which he established to direct the University's real estate advisors, guide the developer selection process and make recommendations to him and the Board of Trustees regarding an ultimate selection. He also thanked Governor Baker for appointing Trustee Victor Woolridge to chair the UMass Building Authority and Trustee Charlie Wu to the UMass Board. Both are real estate experts who contributed to the working group. In addition, he expressed his thanks for every person who contributed to this enormous opportunity for UMass Boston and for the City of Boston.

The President then noted the Board's discussion in September regarding opportunities and models for increasing the University's impact in online education. He stated that significant progress has been made and that a proposal will come before the Board soon.

Action Item #2: Real Estate Discussion, University of Massachusetts, Doc. T19-011

Chairman Manning then asked for a motion to approve the Bayside Advisory Working Group's recommendation to President Meehan. It was moved and seconded.

Chairman Manning reiterated the President's comments on the establishment of the Bayside Advisory Working Group and thanked Trustees Woolridge and Wu for their contributions.

Trustee Woolridge reported on the Bayside Advisory Working Group's review process which began on August 8, 2017 and leading to the UMass Building Authority's selection of Newmark Knight Frank to act as the broker for Bayside in November of 2017, and their recommendation of

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a developer for the University to engage in negotiating a ground lease on the Bayside property. After necessary negotiations of terms and based on assessments from Newmark's extensive process, the Advisory Group recommended Accordia Partners, LLC/Ares Management, LLC to President Meehan. On behalf of the UMass Building Authority, Trustee Woolridge encouraged the UMass Board of Trustees to support the recommendation to President Meehan to direct and authorize the Building Authority, through its Executive Director, to negotiate and execute the necessary lease documents with Accordia Partners, LLC/Ares Management, LLC.

Thomas Greely, Managing Director of Newmark Knight Frank commented on the group's satisfaction with the outcome of the review process which was one of the best outcomes that the company has been involved in. He detailed the fully vetted process that begun ten months ago and resulted in two very well respected finalists.

Michael Byrne, Executive Managing Director of Capital Markets of Newmark Knight Frank discussed the bidding process and the call for offers. Developers provided detailed proposals for their vision of the Bayside property and the resulting economic proposal for the first round of the process; initial developer interviews took place during the second round with six developers; Chancellor Newman provided a narrative to the developers on UMass Boston's vision for Bayside in the third round; and two finalist groups were selected after interviews in the fourth round. Both developers were highly qualified and displayed that during the interview process. After a definitive document review, the recommendation of Accordia Partners, LLC/Ares Management, LLC was made to President Meehan.

Mr. Greely commented that the project was well received and noted the high interest from developers, particularly with regard to internship opportunities and revenue drivers that will build the City of Boston, the community, and the Boston campus. He also stated that the Bayside project is an opportunity for UMass Boston to take back space and empowers the campus to continue to develop.

Chair Manning thanked Newmark Knight Frank for their work on the project. Chancellor Newman thanked the Board and President Meehan for this discretionary move as it provides the UMass Boston campus with more opportunities to chart itself in the future.

Trustee Wu complimented the Boston campus on the decisions made thus far and the selection of people to achieve the goals envisioned for the campus given the complexity of the transaction. He thanked Trustee Woolridge for his leadership on the UMass Building Authority Board and for spearheading this process.

Chairman Manning then asked for a roll call vote to approve the Bayside Advisory Working Group's recommendation to President Meehan. It was moved and seconded, and the Secretary called the roll with each Trustee asked to vote yes or no. Chairman Manning voted for the motion as did Vice Chair Peters; and Trustees Burns, Furman (by phone), Karam, O'Brien, Paris Jeffries, Peyser, Phimmason, Scheibel (by phone), Tariq, Thomas, Tolman, Woolridge and Wu.

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VOTED: For the University of Massachusetts Board of Trustees to support the Bayside Advisory Working Group's recommendation to President Meehan, to direct the University of Massachusetts Building Authority to negotiate a ground lease for the Bayside property, with Accordia Partners, LLC/Ares Management, LLC.

Chairman Manning reminded the Trustees that the UMass Building Authority was meeting to enter into negotiations for a ground lease with the developer.

There being no further business, the meeting adjourned at 10:53 a.m.

Zunilka Barrett
Secretary to the Board of Trustees