
AGENDA FOR PUBLIC SESSION**REVISED**

Call to Order

Chair Fish

1. [University of Maryland, Baltimore: Howard Hall Mechanical Infrastructure Upgrades](#) (action)
2. [Bowie State University: Robinson Hall Renovation](#) (action)
3. [University of Maryland Global Campus: Proposed Amendment to USM VIII-2.01—Policy on Tuition](#) (action)
4. [University of Maryland, College Park: Xfinity Center Videoboard, Hoist and Audio System Replacement Project](#) (action)
5. [Discussion on Project Contingency Amounts](#) (information)
6. [University System of Maryland: Report on FY 2023 Procurement Contracts](#) (information)
7. [Towson University: New Affiliation Agreement with Towson Place Properties](#) (action)
8. [Convening Closed Session](#) (action)

Public Listen-Only Access: 301-715-8592; Conference ID: 978 9925 6355;
Passcode: 382055

OFFICE OF THE SENIOR VICE CHANCELLOR FOR ADMINISTRATION AND FINANCE

MEMORANDUM

TO: Members of the Committee on FinanceEllen Fish
Steven Sibel
Geoff J. Gonella
Farah Helal
Anwer HasanDouglas J.J. Peters
Louis M. Pope
Robert D. Rauch
William T. Wood
Linda R. Gooden, *ex officio***FROM:** Ellen Herbst, Senior Vice Chancellor**DATE:** November 17, 2023**RE:** Meeting of the Committee via Video Conference

The Committee on Finance of the USM Board of Regents will meet in public session via video conference at 10:30 a.m. on Thursday, November 30. Upon the conclusion of the public session, the Committee will convene in closed session.

The agendas and supporting materials will be available on Nasdaq Boardvantage for members of the Board and the USM website at <https://www.usmd.edu/regents/agendas/>.

Zoom details will be provided to the Regents prior to the meeting.

Public listen-only access is provided at 301-715-8592; Conference ID: 978 9925 6355; Passcode: 382055.

cc: Other Members, Board of Regents
Office of the Attorney General
Chancellor's Council
Vice Presidents for Administration and Finance
Office of Communications
SVCAF Managers

TOPIC: University of Maryland, Baltimore: Howard Hall Mechanical Infrastructure Upgrades

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: November 30, 2023

SUMMARY: The University is seeking approval of a \$52.576 million project to complete the lifecycle replacement and redesign for mechanical systems within Howard Hall. The project calls for the replacement and relocation of five major air handling units, exhaust fans, associated new supply risers, and the replacement of an existing pre-heat system with a new energy recovery wheel system. The project combines what was previously planned as several distinct projects and addresses approximately \$24 million in deferred maintenance. The system upgrades included in this project are estimated to provide a 30% increase in the building's energy efficiency.

Howard Hall is a six-story, 232,000 square foot building, originally constructed in 1950. The building houses School of Medicine research labs and offices and is located along Baltimore Street, directly north of the University of Maryland Medical Center. The existing air handlers, exhaust fans, control systems, the roof, and glycol pre-heat system have all aged beyond their useful life. In particular, the glycol pre-heat system has failed annually for the last three winters, causing interior flooding, and requiring research labs to be shut down while damage is repaired.

As a research lab facility, the building relies on a high volume of outside air being brought in, conditioned, and then exhausted. In its current configuration, air intakes are mounted on south facade of the 2nd through 6th floors of the building. Due to the building's location, immediately north of the shock trauma helipads, the existing air intakes routinely draw in exhaust from helicopters, creating indoor air quality issues. UMB has attempted to address this issue with a series of filters, but these have never been fully successful. As the building's air handlers have now reached the end of their useful life the engineering team studying the system has recommended that the replacement air handlers be relocated to the roof, away from the helicopter exhaust. This relocation requires that the existing roof, which is also at the end of its useful life, be stripped down and reinforced with structural steel to manage the weight of the new mechanical equipment. New air risers would then be installed going from the roof into mechanical rooms on each of the floors of the building where they would be tied into the existing air distribution systems.

The relocation of the air handlers, and the replacement of the building's exhaust fans, create a unique opportunity to dramatically improve the building's energy efficiency. In its current design, the building's exhaust is tied to a pre-heat system which is used to keep glycol filled chilled water coils from freezing. The building's exhaust, as well as the innate energy it contains, is then released directly outside. With the new design this system will be removed and replaced with enthalpy energy recovery wheels which will generate energy directly from the building's exhausted air while simultaneously keeping the chilled water system from freezing. The inclusion of energy recovery wheels, along with the improved energy performance of the replacement mechanical equipment, is estimated to improve the energy efficiency of the building by an estimated 30%, saving \$450,000 per year.

Furthermore, the relocation of the air handlers also creates an opportunity to substantially improve the operational continuity of the building. Currently, each air handler manages a single floor with no redundancy. If an air handler were to fail, or need to be taken down for maintenance, there is no back up system to provide air supply for the floor. In the new roof mounted design, the air handlers will be manifolded together, creating N+1 redundancy for the entirety of the building.

The significant cost of this project is a result of the joining of several deferred maintenance items into a single project. This strategy will improve the economies of scale for the procurement, design, and construction of the associated work. The combination will also allow for the seamless integration of the new energy recovery and pre-heat systems. The project will be phased over four years so that the building can maintain 100% occupancy for the entirety of the project.

Because this is a maintenance project being funded with Institutional Funds, no approval is necessary by the Board of Public Works.

ALTERNATIVE(S): The alternative to this project is to replace the air handlers and exhaust fans in their current locations, replace the glycol pre-heat system, and replace the roof like in kind. This option would result in lack of system redundancy, continued indoor air quality issues, and poor energy efficiency.

FISCAL IMPACT: The budget for this project is \$52.576 million. The project will be funded with institutional funds and \$345,393 in a FY24 Academic Revenue Bond allocation from the Capital Facilities Renewal Program. Should they be appropriated as proposed, future Academic Revenue Bond allocations from the Capital Facilities Renewal Program in FY27 (\$5.0M) and FY28 (\$5.0M) will replace an equal amount of institutional funds under the total budget amount. The lifecycle replacement cost of the new systems will be included within the University's deferred maintenance planning framework to ensure adequate funding for replacement systems are available when needed.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve a project budget of \$52.576 million for the Howard Hall mechanical infrastructure upgrades at the University of Maryland, Baltimore, as described above.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923

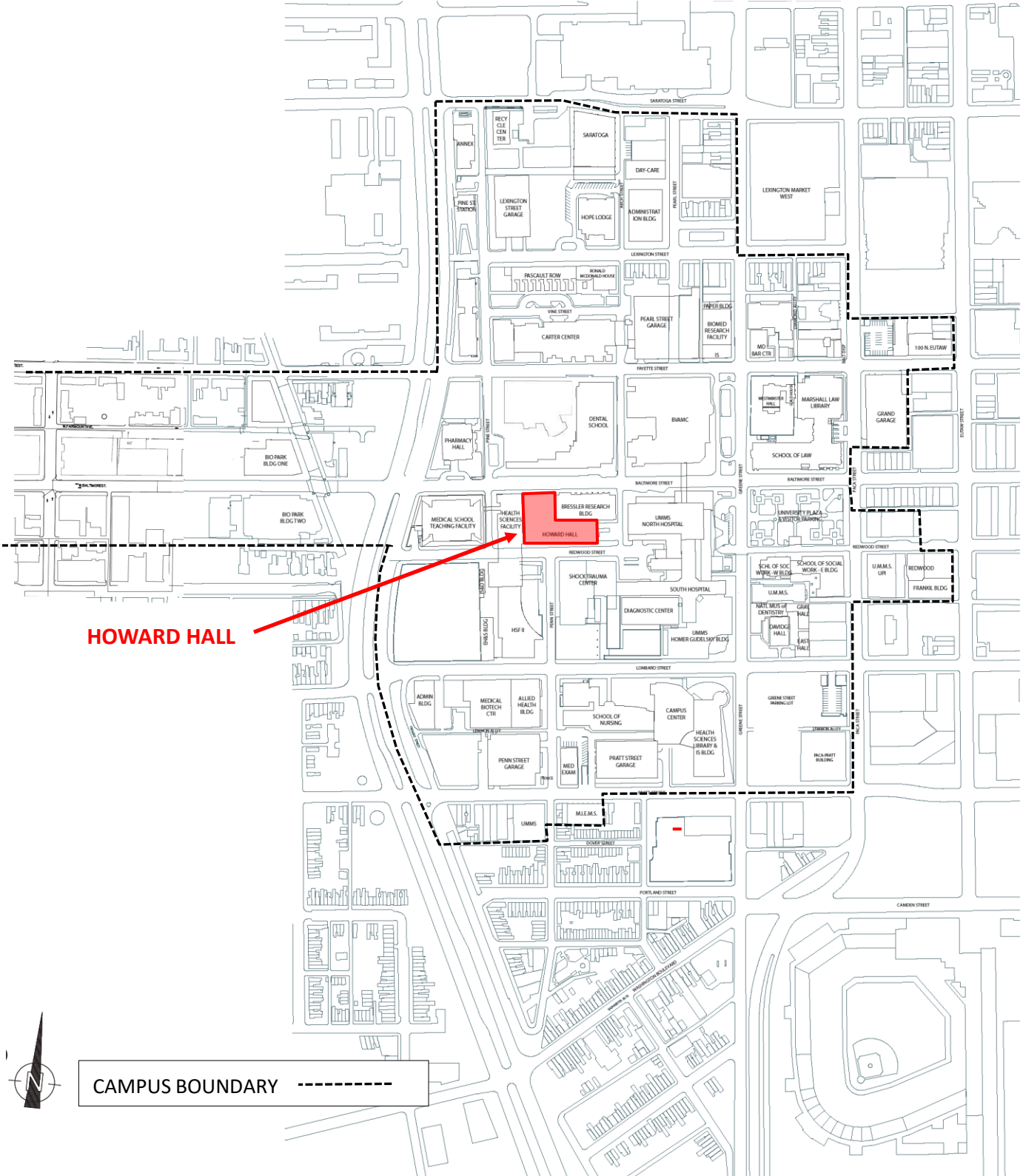
Project Cost Summary

University of Maryland, Baltimore: Howard Hall Mechanical
Infrastructure Upgrades

Date	10/26/2023
Stage of Estimate	Preliminary Estimate
Design and PM Fees	\$4,638,000
Construction Cost	\$41,080,000
Contingency (15%)*	\$6,858,000
Project Total	\$52,576,000
Notes:	The cost estimate for this project was developed as part of a feasibility study which has been brought out to the Design Development stage. The estimate includes escalation to the scheduled midpoint of construction (per DBM guidance) and includes a 15% contingency on design, construction management, and the design to dollar amount. The project was developed by UMB Design & Construction and was informed by engineering studies from RMF Engineering. The estimate assumes a CM at risk project delivery method.
*Because this is the pre-design stage of the project, UMB enhanced the contingency to 15%.	



University of Maryland, Baltimore



HOWARD HALL

CAMPUS BOUNDARY

TOPIC: Bowie State University: Robinson Hall Renovation

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: November 30, 2023

SUMMARY: Bowie State University (BSU) requests approval to increase the funding authorization for the Robinson Hall Renovation project by \$1,810,000, from \$5,650,000 to \$7,460,000. The purpose of this project is to renovate the existing facility that houses the police department and other administrative offices.

The building was constructed in 1960 and most systems have remained as originally installed. This has resulted in a lack of HVAC adequate capacity, poor automatic temperature control, and a lack of adequate power which causes frequent power outages and loss of data. The plumbing system piping is original, with a hot water system that is inefficient.

When the original budget for this project was established, the condition of the existing building envelope, HVAC, Plumbing, and Electrical systems were obtained from a walk through. There had not yet been any physical tests performed on the equipment, nor had any hazardous material tests been performed.

The project involves design and construction of an HVAC system, electrical and plumbing upgrades to serve selected program areas of the building not previously renovated, along with replacement windows and an upgraded building entry. These improvements will significantly improve the operating efficiency of the building as well as provide an appropriate environment for its occupants.

The additional cost is the result of unforeseen existing conditions uncovered after interior demolition started. The most significant unforeseen costs are estimated as follows:

- Electrical Corrections: \$900,000
- Additional Hazmat Remediation: \$140,000
- Above Ceiling Plumbing Repairs: \$100,000
- Fire Marshal Required Corrective Work: \$50,000
- Additional General Conditions: \$165,000

Background. This project began as a legislative initiative, occurring outside of the typical USM capital process. It is a maintenance project to replace HVAC systems in Robinson Hall. In April 2019, the Maryland Senate added \$1.4 million to the FY 2020 State Capital Budget as a contribution toward this project.

In June 2021, the Maryland Department of Budget and Management (DBM) approved a total \$4.2 million facility program that included the balance (\$2.8 million) as university funds.

In February 2022, as the project progressed, the design-build contractor began looking into the condition of the building and identified a needed increase in the project's total cost as the result of changing market conditions in both labor and materials. After significant value engineering, DBM was notified of a new total cost of \$5.2 million, with the institution agreeing to pay the difference.

The Draft FY 2023 Capital Improvement Program (CIP) provided to the Board in June 2022 included the Robinson project and a notification that the "Senate added \$1.4M to the State CIP in FY20. (The) State DBM approved a \$4.2M project, balance in BSU funds. (The) new amount (\$5.2M) incl a \$1M increase (market impact only). DBM evaluated the increase but cited no statutory need to approve given the BSU funding."

In August of 2022, the University contacted the USM Office to request approval to increase the budget for the Robinson Hall project by \$450,000. Given the DBM's stated position on the prior increase to utilize non-state funding, Board Policy VIII-10.20 allows for the Sr. Vice Chancellor to approve an increase of less than 10% of the project total. This action increased the project total to \$5.65 million.

The Current Request. In order to avoid delays in the completion of the project, the University has requested approval of a project increase of \$1 million from the Chancellor, in accordance with Board Policy VIII-10.20. Importantly, this will allow the project to continue progress with contractors in place. **Today's item constitutes the policy-required notification to the Board, and a request for approval of the full needed increase of \$1.81 million.** The new total of \$7.46 million includes sufficient contingency to complete the work. Any contract that results from this project that exceeds \$1 million will require the approval of the Board of Public Works.

ALTERNATIVE(S): The University considered several options, including not proceeding with the project, deferring the project to a future date, or proceeding with significant scope reductions. However, since a substantial amount of demolition work has been done, this was not feasible. Deferring the project would incur even higher costs. Proceeding with the full scope of this project now is essential to the University as this building houses the police department and other important administrative operations that moved to temporary quarters and need to return to Robinson Hall, their permanent location.

FISCAL IMPACT: The University will fund this increase with existing institutional funds.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve the increased project budget of \$7,460,000 for the renovation of Robinson Hall at Bowie State University, as described above.

COMMITTEE RECOMMENDATION: _____ DATE: _____

BOARD ACTION: _____ DATE: _____

SUBMITTED BY: Ellen Herbst (301) 445-1923

Project Cost Summary

BSU Robinson Hall Renovation

	Prior Budget Amt	Modification
Date	Aug-22	Nov-23
Stage of Estimate	Design	Construction
Design/Fees*	included	\$330,000
Construction Cost	\$5,650,000	\$6,200,000
Gen Contingency (10%)	included	\$620,000
Additional Contingency (5%)	included	\$310,000
Project Total	\$5,650,000	\$7,460,000
Notes:	*The project is being done under a Design/Build contract.	Reasons for the Increase: Due to several unforeseen conditions exposed during the demolition phase of the existing building, the project is facing a budget shortfall. Primary reasons for the increases are as follows: Electrical Corrections: \$900k; Additional Hazmat: \$140k; Above Ceiling plumbing repairs: \$100K; Fire Marshall corrections: \$50k; Additional General Conditions: \$165k
Rev 11/3/2023		

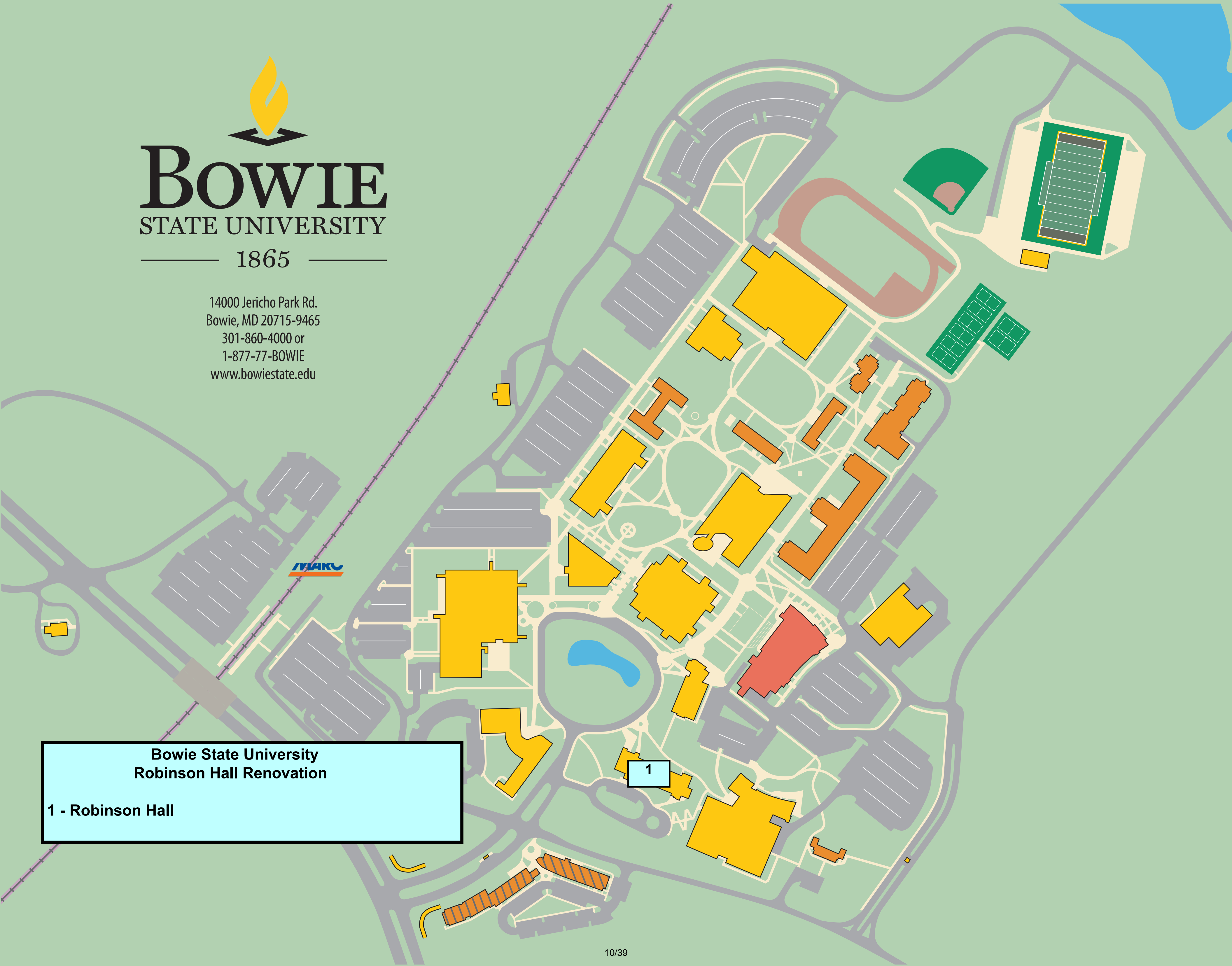


BOWIE

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**Bowie State University
Robinson Hall Renovation**

1 - Robinson Hall

TOPIC: University of Maryland Global Campus: Proposed Amendment to USM VIII-2.01—Policy on Tuition

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: November 30, 2023

SUMMARY: The University of Maryland Global Campus (UMGC) is requesting an amendment to the Policy on Tuition VIII-2.01 Section C.2. This update would allow UMGC to offer tuition rates to groups of students covered by arrangements between UMGC and public and private entities that are below the published resident tuition rates at an amount annually agreed upon between UMGC and the Chancellor. Any arrangement involving tuition rates that are below the annually agreed upon rate will require pre-approval from the Chancellor. Twice a year, UMGC shall report on any activity subject to Section C.2. to the Finance Committee.

Providing UMGC with the necessary flexibility to compete in its marketplace by way of this policy amendment is not a blanket authorization to set or increase the standard tuition rates. As part of the Board's annual tuition and fee setting process, UMGC will continue to submit its request for undergraduate/graduate, resident/nonresident, Military, MBA, M.S., and D.M. tuition rates—applicable to all students who are not covered by third-party contracts and arrangements—for approval.

ALTERNATIVE(S): The Committee could choose to recommend that the Board not approve the proposed policy amendment or could recommend alternatives to the proposed amendment. If the policy is not amended, UMGC would continue to only be able to offer tuition rates to groups of students covered by arrangements between UMGC and public and private entities that are at or above the published resident tuition rates.

FISCAL IMPACT: UMGC has exciting marketing opportunities for large third-party contracts whereby large volumes of students come to the University through arrangements between UMGC and public and private entities. These arrangements often require flexibility in setting tuition rates. The financial value of these arrangements is vast and includes internal cost savings such as partner marketing services and batch student processing. UMGC competitors operate with similar flexibility and an ability to do so would have longer impacts on being a preferred provider in the space.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve UMGC's proposed amendment to USM VIII-2.01—Policy on Tuition, section C.2., as described.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923

Current Language BOR Policy VIII-2.01 – Policy on Tuition

(C.2.) University of Maryland University College may set tuition rates and fees without prior Board of Regents' approval for groups of students covered by arrangements between UMUC and public and private entities. Any tuition rate or fee offered by UMUC as part of such arrangements shall never be lower than the corresponding resident tuition rate except for arrangements with the United States government, when those arrangements are significant to implementing UMUC's mission or business plan. UMUC shall report to the Chancellor on corporate tuition rates.

Proposed Language (redline)

(C.2.) University of Maryland ~~University College Global Campus~~ may set tuition rates and fees without prior Board of Regents' approval for groups of students covered by arrangements between ~~UMUC-UMGC~~ and public and private entities. Any tuition rate or fee offered by ~~UMUC-UMGC~~ as part of such arrangements shall never be lower than the corresponding resident tuition rate except for arrangements with the United States government, ~~or~~ when those arrangements are significant to implementing ~~UMUC's-UMGC's~~ mission or ~~when the~~ business plan ~~presents financial opportunities with favorable outcomes. These rates will be agreed upon annually by UMGC and the Chancellor. Any arrangement that would be lower than the annually agreed upon rate will require pre-approval from the Chancellor. The authority granted to UMGC in Section C.2. does not apply to increases in the tuition rates set annually by the Board of Regents. UMUC shall report to the Chancellor on corporate tuition rates. Twice a year, UMGC shall report on any activity subject to Section C.2. to the Finance Committee.~~

Proposed Language (clean)

(C.2.) University of Maryland Global Campus may set tuition rates and fees without prior Board of Regents' approval for groups of students covered by arrangements between UMGC and public and private entities. Any tuition rate or fee offered by UMGC as part of such arrangements shall never be lower than the corresponding resident tuition rate except for arrangements with the United States government, or when those arrangements are significant to implementing UMGC's mission or when the business plan presents financial opportunities with favorable outcomes. These rates will be agreed upon annually by UMGC and the Chancellor. Any arrangement that would be lower than the annually agreed upon rate will require pre-approval from the Chancellor. The authority granted to UMGC in Section C.2. does not apply to increases in the tuition rates set annually by the Board of Regents. Twice a year, UMGC shall report on any activity subject to Section C.2. to the Finance Committee.

TOPIC: University of Maryland, College Park: Xfinity Center Videoboard, Hoist and Audio System Replacement Project

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: November 30, 2023

SUMMARY: The University of Maryland, College Park requests approval of a maintenance replacement project in the amount of \$6,320,000 for the replacement of the Xfinity Center video board, hoist, and associated audio system.

The current video board is nine years old and lacks the fan-oriented design and functionality of modern boards. The hoist that raises and lowers the video board and the arena audio system are 21 years old and original to the building. Both are nearing end-of-life and need to be replaced due to outdated controls and sound degradation.

The scope of work includes removal and disposal of the existing videoboard, hoist, and audio equipment, installation of the new equipment, secondary electrical installation work, project management services, and significant on-site training for university staff in the operation of the new video board, hoist, and audio system.

Due to the large number of events held in Xfinity Center each year, this project has a very detailed and efficient timeline. If approved, the University anticipates that work would begin immediately following the conclusion of the basketball seasons with an expected completion date of July 27, 2024. BPW approval is not required as this project is considered maintenance since the equipment is necessary for continued operations in the Xfinity Center.

ALTERNATIVE(S): The University could elect to leave the current video board, hoist, and audio system in place. This alternative is impractical based on the current state of the hoist controls and audio equipment; the University anticipates issues such as failed hoist controls, damaged audio equipment, and continued sound degradation. Due to the age of the controls and equipment, parts are difficult to source making future repairs challenging.

FISCAL IMPACT: The total budget for the video board, hoist, and audio system replacement project, including contingency funds, is \$6,320,000. The fund source for this project is Institutional Funds from the Department of Intercollegiate Athletics revenue.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve for the University of Maryland, College Park a \$6,320,000 maintenance project for a new video board, hoist, and audio system for the Xfinity Center, as described above.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923

Project Cost Summary

University of Maryland, College Park, Replacing Videoboard, Hoist, and Audio System at Xfinity Center

	Original	
Date	10/27/2023	
Stage of Estimate	Bids	Comments
Design/Fees	(included)	Design/Build contract (single contract for design and construction)
Construction Cost	\$6,015,363	
Design Contingency	(included)	
Construction Contingency*	\$304,637	5.1%
Project Total	\$6,320,000	
Notes:	<p>*Given that the University has a firm, fixed price turnkey contract and does not anticipate unforeseen conditions and/or scope changes, the University is confident the contingency shown is adequate for this project at this time.</p>	Cost includes 2 year parts & labor warranty for video board and hoist; 3% spare parts for video board; 1 year enhanced service for video board and audio system

TOPIC: Discussion on Project Contingency Amounts

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: November 30, 2023

SUMMARY: The topic of project budget contingencies has been raised recently, noting a number of requests for budget increases that have been presented to the Committee for consideration. In general, contingencies are added to budget estimates for USM capital improvements (and smaller construction and renovation work) to cover potential events that are not specifically accounted for in a cost estimate. A contingency helps provide for the uncertainty inherent in these estimates—particularly at the design stage.

Every professional estimator includes a design contingency on their estimates. These are industry standard guidelines that impact the unit prices from their databases. For instance, design contingencies are gradually reduced from 15-20% on the schematic design phase to about 5% at the contract documents phase. This is separate from the construction contingency held by contractors and the contingency held by owners.

For the purposes of this discussion, it is helpful that we separate the contingency requirements of the State, for the projects they fund through the Capital Improvement Program (CIP), versus contingencies applied to those projects institutions are able to accomplish through the System Funded Construction Program (SFCP), using USM Auxiliary Bonds and institutional funds.

The State of Maryland is fairly prescriptive in terms of what contingencies they will allow for projects that include State funds. The Department of Budget and Management's official guidance states:

Construction contingency (funding is) for change orders during construction. (At the budget level), the contingency amount starts out as 10% of (the total estimate costs for "Structure," "Site," and "Utilities"). When construction funding becomes a budget-year request, reduce the contingency to 5%.

It is very rare that the State allows the USM to increase the contingency (e.g., seeking a 10% construction contingency for a particularly complex renovation or underground utilities project with, potentially, a number of unforeseen problems). Rather than simply enhancing design or construction appropriations beyond these levels, the State regularly addresses market increases within the context of its annual capital budgeting process. So, ultimately, projects usually receive the budget reinforcement they need.

For non-State or self-funded projects, there are no such restrictions on the size of contingency. The USM is able to apply a larger contingency where it deems necessary. For example, the major facility renewal project at the University of Maryland, Baltimore—which is institutionally funded—on today's agenda includes a 15% contingency.

Generally, the size of contingency amounts have not posed a serious problem. Their project teams have a number of ways of addressing the issue. For example:

- Clients who ask for a scope change after the project is underway are typically required to provide separate funding for that scope change.
- Bid packages are typically structured with alternates to try to mitigate potential bid "busts." If that is not sufficient, the project scope is often reduced.
- Projects that are not in the CIP often start with scopes of work developed by client institutions that may not be complete. This is more common in renovation projects. When program verification is done at the beginning of design, and an estimate consistent with the required scope is developed, it is not uncommon to find significant disconnects between scope and budget.

Based on our analysis, each case is unique, and it is difficult to identify a common thread or an average or a contingency percentage that would account for these issues. The project managers work with their design teams and construction management consultants to apply the most appropriate and reasonable contingency figures to their projects. This will continue as a best practice.

ALTERNATIVE(S): This is an information item.

FISCAL IMPACT: This is an information item.

CHANCELLOR'S RECOMMENDATION: This is an information item.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923

TOPIC: University System of Maryland: Report on FY 2023 Procurement Contracts

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: November 30, 2023

SUMMARY: The USM Policy on Approval of Procurement Contracts requires that contracts of \$1 million to \$5 million, and emergency and expedited procurement contracts of \$5 million or more, shall be reported to the Committee on Finance.

Attached is the report of the procurement contracts awarded during Fiscal Year 2023 (July 1, 2022 - June 30, 2023). There were no reports of emergency or expedited procurements during this reporting period. As provided in the policy, the report does not include construction contracts for capital projects approved by the Board of Regents, sponsored research/education contracts and grants, and contracts pertaining to interests in real property.

Ninety-five contracts have been awarded that meet the reporting requirements totaling \$191.1 million. Of the total dollars awarded, 33% of the contracts were awarded to Maryland firms. The MBE participation on these contract awards was 6%.

ALTERNATIVES: This is an information item.

FISCAL IMPACT: This is an information item.

CHANCELLOR'S RECOMMENDATION: This is an information item.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923

**USM Procurements Between \$1 million and \$5 million
For Fiscal Year 2023**

<u>Inst.</u>	<u>Description of Procurement</u>	<u>Category</u>	<u>Method</u>	<u>Award</u>	<u>Amount</u>	<u>Fund Source</u>	<u>In- State</u>	<u>% MBE</u>
UMGC	Conference Room Technology Assessment and Redesign Services/Adelphi	IT Supplies/Equipment	Cooperative Purchase	Advanced Communications and Presentations Inc DBA CCS	\$1,765,358	Plant: Renewal & Replace	No	0%
UMGC	Microsoft Enterprise Software Agreement Annual True-up	IT Software/Hardware	Cooperative Purchase	Bell Techlogix, Inc.	\$1,037,950	Current Unrestricted	No	0%
UMGC	Virtual Learning Environment	IT Software/Hardware	Cooperative Purchase	The University of Arizona	\$1,879,962	Current Unrestricted	No	0%
UMGC	HelioCampus Services - Data Analytics Services	IT Services	HIEDA	HelioCampus Inc.	\$1,661,319	Current Unrestricted	Yes	0%
UMGC	HelioCampus Services - Data Analytics Services	IT Services	HIEDA	HelioCampus Inc.	\$1,582,209	Current Unrestricted	Yes	0%
UMGC	UMGC Ventures Inc. Prof Services Agmt/Student Helpdesk - AccererEd MPS	IT Services	HIEDA	UMGC Ventures Inc.	\$1,600,500	Current Unrestricted	Yes	0%
UMGC	UMGC Ventures Inc. Prof Services Agmt/Student Helpdesk - AccererEd MPS	IT Services	HIEDA	UMGC Ventures Inc.	\$1,600,000	Current Unrestricted	Yes	0%
UMGC	Workday Master Subscription Agreement	IT Supplies/Equipment	Sole Source	Workday Inc.	\$1,480,000	Current Unrestricted	No	0%
UMGC	PeopleSoft Master Hosting Agreement	IT Supplies/Equipment	Cooperative Purchase	Sierra-Cedar LLC	\$1,477,140	Current Unrestricted	No	0%
UMGC	PeopleSoft Application and Managed Services	IT Services	Cooperative Purchase	Sierra-Cedar LLC	\$1,050,060	Current Unrestricted	No	0%
UMGC	Salesforce CRM Licensing	IT Supplies/Equipment	Sole Source	Salesforce.com Inc.	\$1,208,943	Current Unrestricted	No	0%
BSU	HVAC Maintenance	Maintenance	BSU Contract	Johnson Controls, Inc.	\$1,226,523	Current Unrestricted	Yes	20%
BSU	Audio Visual Equipment	Supplies & Equipment	Cooperative Agreement	Lee Hartman & Sons	\$3,081,660	Cares Act: HBCU Support	No	0%
BSU	Furnish and Install Video Camera System	Supplies & Equipment	Cooperative Agreement	CDW Government	\$3,229,349	Cares Act: HBCU Support	No	0%
BSU	Video Streaming System	Supplies & Equipment	Cooperative Agreement	IMS Technology Services	\$1,651,402	Cares Act: HBCU Support	No	0%
BSU	Brand Marketing Services	Services	Competitive Sealed Proposals	EFK Group, LLC	\$1,749,914	Current Unrestricted	No	0%
CSU	Housekeeping Services	Maintenance	Competitive Sealed Proposals	HES Facilities Services	\$2,448,034	Current Unrestricted	No	20%
CSU	Food Services	Services	Competitive Sealed Proposals	Thompson Hospitality	\$3,179,003	Auxiliary Funds	No	10%
CSU	HVAC Services	Maintenance	Cooperative Agreement	Johnson Controls. Inc.	\$1,025,115	Current Unrestricted	No	25%
SU	Building Renovations	Maintenance	Competitive Sealed Proposal	Harper and Sons	\$1,232,661	Plant Funds	Yes	10%
TU	Datacenter Hardware replacements	Information Technology	Cooperative agreement (MEEC)	Disys Solutions, Inc.	\$1,320,155	Operating	No	0%
UBalt	Marketing and Advertising	Service	Competitive Sealed Proposals	Birdsall, Voss & Associates, Inc. (BVK)	\$4,800,000	Institutional Funds	No	5%
UMBC	Math/Psych Elevator Upgrades	Maintenance	Task Order: UMB On-call GC	Jeffrey Brown Contracting	\$1,231,372	PAYGO, Operating	Yes	10%
UMBC	Stairwell Handrail Upgrades	Maintenance	Task Order: On-Call CMAR	Whiting Turner Contracting	\$1,464,584	Operating	Yes	0%
UMBC	Meyer Chemistry Lecture Hall Renovations	Maintenance	Task Order: UMB On-call GC	Brawner Builders Inc	\$2,410,681	Operating	Yes	10%
UMBC	Central Utility Plant HVAC-Roof-Stairs	Maintenance	Task Order: UMB On-call GC	AR Marani Inc	\$2,949,940	ARB, GO Bonds, Operating	Yes	10%
UMBC	Patapsco Hall Renovations	Maintenance	Task Order: UMB On-call GC	Brawner Builders Inc	\$2,587,150	Institutional	Yes	5%
UMBC	AOK Library Roof Replacement	Maintenance	Task Order: UMB On-call GC	Plano Coudon	\$2,278,000	ARB, PAYGO, Operating	Yes	10%
UMCP	Renovation of Stadium Drive Garage	Maintenance	Competitive Sealed Proposal	A.R. Marani, Inc.	\$2,039,469	Plant Funds	No	0%
UMCP	Renovation of ERC Natatorium pump room	Maintenance	Cooperative Purchase	Plano Coudon, LLC	\$4,221,650	Plant Funds	No	20%
UMCP	Renovation of space-ARLIS Building	Maintenance	Competitive Sealed Proposal	Jeffrey Brown Contracting, LLC	\$1,197,336	Plant Funds	No	29%
UMCP	UMES campus flood mitigation and sewer line	Maintenance	Competitive Sealed Proposal	Chesapeake Turf, LLC	\$4,539,000	Plant Funds, Service Ctr.	No	15%
UMCP	Plant Sciences Reverse Osmosis System maintenance	Maintenance	Competitive Sealed Proposal	W. L. Gary Company, Inc.	\$1,759,500	Building Maintenance	No	0%
UMCP	Football Stadium Lights maintenance	Maintenance	Cooperative Purchase	Musco Sports Lighting	\$1,548,000	Plant Funds	No	0%
UMCP	HVAC update in Greek House #11	Maintenance	Competitive Sealed Proposal	W. L. Gary Company, Inc.	\$1,165,500	Building Maintenance	No	20%
UMCP	Track Replacement	Maintenance	Cooperative Purchase	Field Turf USA, Inc.	\$1,335,869	Plant Funds	No	0%
UMCP	Cooling tower replacement in AV Williams Building	Maintenance	Competitive Sealed Proposal	W. L. Gary Company, Inc.	\$1,859,000	Building Maintenance	No	0%

**USM Procurements Between \$1 million and \$5 million
For Fiscal Year 2023**

<u>Inst.</u>	<u>Description of Procurement</u>	<u>Category</u>	<u>Method</u>	<u>Award</u>	<u>Amount</u>	<u>Fund Source</u>	<u>In- State</u>	<u>% MBE</u>
UMCP	Regents Garage renovation	Maintenance	Competitive Sealed Proposal	Jeffrey Brown Contracting, LLC	\$2,107,840	Plant Funds	No	29%
UMCP	Amazon Web Services fees for storage infrastructure	Information Technology	Sole Source	Amazon Web Services, Inc.	\$3,508,068	State Operating	No	0%
UMCP	Voice communication system for UMCP buses	Information Technology	Cooperative Purchase	Vertosoft, LLC	\$1,247,727	Self Support	No	0%
UMCP	Microsoft products for UMCP	Information Technology	Cooperative Purchase	Bell Techlogix Inc.	\$1,658,501	State Operating	No	0%
UMCP	Athletic ticketing software	Information Technology	Sole Source	Paciolan, LLC	\$2,836,185	Auxiliary Unrestricted	No	0%
UMCP	Splunk computer information security software license	Information Technology	Competitive Sealed Bid	Blackwood Associates, Inc.	\$2,370,000	State Operating	No	0%
UMCP	Facilities Management software licensing	Information Technology	Competitive Sealed Bid	Assetworks, Inc.	\$1,891,750	Plant/Auxiliary Unrest. split	No	0%
UMCP	Library System software license for the integrated library system	Information Technology	Competitive Sealed Proposal	Ex Libris USA, Inc.	\$2,223,795	Agency Unrestricted	No	0%
UMCP	Computer Hardware for Mid Atlantic Crossroads facility	Information Technology	Competitive Sealed Bid	Graybar Electric	\$3,376,833	Institutional	No	0%
UMCP	Research equipment and hardware-Mesonet tower	Information Technology	Sole Source	Campbell Scientific, Inc.	\$1,379,894	Sponsored Research	No	0%
UMCP	Procurement advisory services\staff augmentation	Services	Cooperative Purchase	Grant Thornton, LLP	\$1,562,363	State Operating	No	0%
UMCP	Dept. of Trans. data for Eastern Transportation Coalition members	Services	Simplified Procurement Non-Competitive	Inrix Incorporated	\$1,111,086	Current Restricted	No	0%
UMCP	Facility Condition Assessment and Software	Services	Cooperative Purchase	VFA Inc.	\$1,080,510	Plant Funds	No	0%
UMCP	Online MBA program offerings via NCS Pearson for the Smith School	Services	Cooperative Purchase	NCS Pearson, Inc.	\$2,036,008	State Operating	No	0%
UMCP	Dept. of Trans. data for Eastern Transportation Coalition members	Services	Competitive Sealed Bid	Inrix Incorporated	\$3,259,100	Current Restricted	No	0%
UMCP	Dept. of Trans. data for Eastern Transportation Coalition members	Services	Competitive Sealed Proposal	Inrix Incorporated	\$3,018,240	Current Restricted	No	0%
UMCP	Security Services for Universities at Shady Grove	Services	Cooperative Purchase	Bradley Technologies Incorporated	\$2,724,436	State Operating	No	0%
UMCP	Dept. of Trans. data for Eastern Transportation Coalition members	Services	Competitive Sealed Bid	Inrix Incorporated	\$1,347,236	Current Restricted	No	0%
UMCP	Dept. of Trans. data for Eastern Transportation Coalition members	Services	Competitive Sealed Bid	Inrix Incorporated	\$1,685,220	Current Restricted	No	0%
UMCP	Dept. of Trans. data for Eastern Transportation Coalition members	Services	Competitive Sealed Bid	Iteris, Inc.	\$1,340,000	Current Restricted	No	0%
UMCP	Dept. of Trans. data for Eastern Transportation Coalition members	Services	Simplified Procurement Non-Competitive	Inrix Incorporated	\$1,516,320	Current Restricted	No	0%
UMCP	Dept. of Trans. data for Eastern Transportation Coalition members	Services	Simplified Procurement Non-Competitive	Inrix Incorporated	\$3,773,000	Current Restricted	No	0%
UMCP	Research equipment	Supplies & Equipment	Sole Source	Oxford Instruments America, Inc.	\$1,548,677	Current Unrestricted	No	0%
UMCP	Food service supplies, non-food items	Supplies & Equipment	Competitive Sealed Proposal	Acme Paper & Supply Company, Inc	\$3,100,000	Auxiliary Unrestricted	No	0%
UMCP	Research equipment	Supplies & Equipment	Sole Source	Amplitude Laser, Inc.	\$1,571,000	Current Restricted	No	0%
UMCP	Research equipment	Supplies & Equipment	Sole Source	Jeol USA, Inc.	\$4,231,575	Plant Funds	No	0%
UMCP	Furniture for Chemistry Wing 1 replacement project	Supplies & Equipment	Preference Purchase	Maryland Correctional Enterprises	\$1,851,878	Plant Funds	No	0%
UMCP	Vehicle purchase for Facilities Management	Supplies & Equipment	Cooperative Purchase	Hertrichs Fleet Services, Inc.	\$1,340,150	Plant Funds	No	0%
UMCP	Vehicle purchase for Facilities Management	Supplies & Equipment	Cooperative Purchase	Hertrichs Fleet Services, Inc.	\$1,470,298	Plant Funds	No	0%
UMES	Management of Food Dining Services	Services	Competitive Sealed Proposal	Thompson Hospitality	\$4,858,679	Auxiliary Unrestricted	No	4%
UMES	Electrical Energy	Commodity	Cooperative Contract	Washington Gas Energy Services	\$3,000,000	State Unrestricted	No	0%
UMES	Natural Gas Supply Transport & Delivery	Commodity	Intergovernmental Contract	Maryland Environmental Services	\$2,000,000	Facilities Unrestricted	Yes	0%
UMES	Computers	Hardware	Cooperative Contract	Applied Technology Services	\$1,331,814	HEERF	Yes	0%
UMES	Computers	Hardware	Cooperative Contract	Applied Technology Services	\$3,740,230	HEERF	Yes	0%
UMES	UMES Network Upgrade	Hardware	Cooperative Contract	DISYS Solutions	\$2,665,074	HEERF	No	0%
UMES	Cisco Phone System	Hardware	Cooperative Contract	ePlus Technology	\$1,115,658	HEERF	No	0%
UMES	Natural Gas Supply Payments for FY22 were made in FY23	Commodity	Intergovernmental Contract	MD Environmental Services	\$1,142,808	Facilities Unrestricted	Yes	0%
UMES	Fee Management and Media Buys	Services	Competitive Sealed Proposal	TBC, Inc	\$1,320,000	State Unrestricted	Yes	0%
UMB	Plaza Garage Entrance Modification	Maintenance	On Call GC	A.R. Marania Inc.	\$1,270,381	Academic Revenue Bonds	Yes	30%

**USM Procurements Between \$1 million and \$5 million
For Fiscal Year 2023**

<u>Inst.</u>	<u>Description of Procurement</u>	<u>Category</u>	<u>Method</u>	<u>Award</u>	<u>Amount</u>	<u>Fund Source</u>	<u>In- State</u>	<u>% MBE</u>
UMB	N. Greene Street Redevelopment of Site	Maintenance	On Call GC	A.R. Marania Inc.	\$1,612,937	Plant Funds	Yes	30%
UMB	Generation and transmission of electricity	Maintenance	Statewide Contract	Baltimore Gas and Electric	\$2,115,340	Institutional Funds	Yes	0%
UMB	Microsoft Licenses	Information Technology	Cooperative Contract	Bell Industries Tech.Logix Group	\$1,223,622	State Operating	No	0%
UMB	Replacement heat pumps - HSF2 building	Maintenance	Cooperative Contract	Boland Trane Services, Inc	\$1,561,508	Plant Funds	Yes	30%
UMB	Preventative Maintenance UMB Campus Chillers	Maintenance	Cooperative Contract	Boland Trane Services, Inc	\$1,179,751	State Operating	Yes	0%
UMB	Davidge Hall Mechanical - Install new VRF System	Maintenance	Cooperative Contract	Boland Trane Services, Inc	\$2,572,237	FY23 PAYGO	Yes	30%
UMB	Replace Chillers	Maintenance	Cooperative Contract	Boland Trane Services, Inc	\$1,351,337	Plant Funds	Yes	20%
UMB	Primary Chilled Water Pumps Renewal and install new VFD	Maintenance	Cooperative Contract	Boland Trane Services, Inc	\$1,885,593	Plant Funds	Yes	30%
UMB	Perimeter Heat System replacement radiators and pumps	Maintenance	Cooperative Contract	Boland Trane Services, Inc	\$1,530,286	Plant Funds	Yes	30%
UMB	HSF III 5th & 6th Floor Tenant Space Buildouts	Architectural	Rotation - On Call A/E Medical	Design Collective Inc	\$1,699,983	Plant Funds	Yes	16%
UMB	MSTF Ground Floor HVAC Replacement	Maintenance	On call GC	Emjay Engineering & Construction	\$3,349,000	Academic Revenue Bonds	Yes	30%
UMB	IHV, AHB Connect Chilled Water Piping	Maintenance	On Call GC	Emjay Engineering & Construction	\$2,299,900	Plant Funds	Yes	30%
UMB	Parking access equipment	Supplies & Equipment	Cooperative Contract	FlashParkink Inc.	\$2,044,491	Auxiliary	No	0%
UMB	Neuro System-MR Guided Focused Ultrasound	Supplies & Equipment	Sole Source	Insightec Inc.	\$1,900,000	Institutional Funds	No	0%
UMB	Two Wellmobiles for SON	Supplies & Equipment	Competitive Sealed Bid	Lifeline Mobile Inc.	\$1,069,596	State Operating	No	0%
UMB	BAS/ATC for UMB Campus - Contract Renewal	Maintenance	Competitive Sealed Proposal	Siemens Industry Inc.	\$1,281,521	State Operating	Yes	0%
UMB	Upgrade Demand Flow at Various UMB Bldgs.	Maintenance	Task Order	Siemens Industry Inc.	\$1,390,256	State Operating	Yes	0%
UMB	Replace Multiple Fire Pumps in the SON, Bio-Med, and IHV.	Maintenance	Cooperative Contract	Siemens Industry Inc.	\$1,613,947	Plant Funds	Yes	0%
UMB	HSF II design, supply, and build the roof replacement.	Maintenance	Cooperative Contract	Tecta America East LLC	\$1,747,145	Plant Funds	Yes	10%

TOPIC: Towson University: New Affiliation Agreement with Towson Place Properties

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: November 30, 2023

SUMMARY: Towson University (“TU”) requests approval to sign a new Affiliation Agreement with Towson Place Properties (the “Property”), located at 7700-7736 Greenview Terrace comprising 33 buildings containing 220 apartments and currently owned by Provident Group. The primary use of the property is student housing.

The new Agreement will preserve TU’s right to purchase the Property for \$1. This right was originally granted to TU by Baltimore County in June of 2009, becoming available to TU in June 2049. This new agreement adjusts the date forward to June 1, 2044. Barring a new agreement, the Property faces a default due to their variable interest financing agreement, which would lead to a complete loss of the option to purchase for TU. This would expose the Property to sale on the open market and the possibility that new owners would convert the property to a more commercial use. The University is concerned with the loss of control of a key piece of property immediately adjacent to the campus.

Given the new Agreement, the property will remain a viable student housing option while also retaining and advancing the option to purchase. The agreement grants TU two seats on the five-member Operations Committee, the decision-making committee for the property. There is also a complete indemnification clause in Section 23 absolving TU of any liabilities. The new Affiliation Agreement also adds required investment in the property over time by the Property owners, thus preserving the value of the buildings and apartments.

The Property owners have requested that TU advertise the apartments as an off-campus housing option on their website. TU will provide Resident Life Coordinators paid for by the Project and the project will adhere to all of TU’s existing student housing policies. This agreement allows the Project to refinance and thus make the project viable.

This new Affiliation Agreement does not change ownership of the property and thus will not require notification to the Legislative Policy Committee of the Maryland General Assembly nor approval of the Board of Public Works.

OWNER: PRG Towson Place Properties, LLC, Steve E Hicks Chief Executive Officer, a Georgia, nonprofit sole member Provident Resources Group, Inc., Chris Hicks, President, corporate offices in Baton Rouge, LA

ALTERNATIVE(S): The alternative is to relinquish the purchase option and allow the property to be sold on the market with any excess proceeds returning to Towson University. If sold on the open market, the Property would then be subject to the current zoning (which has been in place for over 25 years), which is DR 16 (density residential 16 units/acre), OR 1 (office building/residential 1 unit/acre) and DR 2 (density residential 2 units per acre). A property owner could seek a special exception from the County to use the site for a nursing home, assisted living, childcare center, light commercial, affordable housing etc. Importantly, TU would lose the option to purchase the property in 2049 for \$1.

FISCAL IMPACT: TU will not have any out-of-pocket costs related to this new Affiliation Agreement. With this approval, the property will remain in its current use as student housing while TU retains and advances its right to purchase in 2044 for \$1. Investment in capital improvement based on required engineering reports every five years for the life of the agreement will further protect the building's value up to the date of transfer. Potential impact on USM debt capacity is \$45 million, although it has been deemed unlikely that this project will be considered against USM debt capacity based on the proposed agreement.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve Towson University's new Affiliation Agreement with Towson Place Properties, pending review and approval of the final agreement by the Attorney General's Office and the Chancellor.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923



TOWSON PLACE

This **COOPERATION AND SUPPORT AGREEMENT** (this “Agreement”), is made and entered into as of the [] day of [], 2023, by and between **PRG - TOWSON PLACE PROPERTIES, L.L.C.**, a Maryland limited liability company (together with its successors and assigns, the “**Owner**”), whose sole member is Provident Resources Group Inc., a Georgia nonprofit corporation (the “**Sole Member**”) and **TOWSON UNIVERSITY** (together with its successors and assigns, the “**University**”), a constituent institution of the University System of Maryland (“**USM**”), duly organized, existing, under the laws of the State of Maryland (the “**State**”), and located in the City of Towson, Baltimore County, Maryland.

WITNESSETH:

WHEREAS, the University’s mission is to provide an affordable and accessible education of high quality and to conduct programs of research and public service that advance knowledge and improve the lives of the people of the State of Maryland, the nation and the world; and

WHEREAS, the Sole Member is a nonprofit organization exempt from Federal income tax under Section 501(a) of the Internal Revenue Code of 1986, as amended (the “**Code**”), as an organization described in Section 501(c)(3) of the Code, and whose stated charitable purposes include the advancement of education and lessening the burdens of government; and

WHEREAS, the Owner is organized exclusively to further the stated charitable purposes of the Sole Member and specifically for the purpose of planning, developing, financing, equipping, operating and maintaining a student housing facility and certain ancillary facilities exclusively for the benefit of the University in accordance with this Agreement (the “**Charitable Activities**”). The Sole member owns 100% of the legal and beneficial interests of the Owner; and

WHEREAS, the Owner is the owner and operator of a 220-unit, 524-bed residential housing development known as *Towson Place Apartments* (the “**Project**”). The Project is located on an approximate 15.5-acre site immediately adjacent to the University’s campus (the “**Campus**”); and

WHEREAS, the Owner initially financed its acquisition of the Project through the issuance by Baltimore County, Maryland (the “**County**”) of its Economic Development Revenue Bonds (PRG – Towson Place Properties L.L.C. Facility) Series 2009A (Senior) Bonds (the “**Series 2009A Bonds**”) and Series 2009B (Subordinate) Bonds (the “**Series 2009B Bonds**” and, together with the **Series 2009A Bonds**, the “**Series 2009 Bonds**”).

WHEREAS, pursuant to and as consideration for the issuance of the Series 2009 Bonds, the County and the Owner entered into that certain Purchase Option dated as of June 26, 2009, by and between the Owner, as Optionor, and the County, as Optionee, (the “**Purchase Option**”), which Purchase Option was assigned by the County to the University on said same date. The Purchase Option provides that the University has an option to purchase the Project, commencing June 1, 2049 for the sum of One Dollar (\$1.00);

WHEREAS, the Series 2009 Bonds were refunded through the issuance by the Maryland Economic Development Corporation, a body politic and corporate and a public instrumentality of the State of Maryland (“**MEDCO**”) of its Maryland Economic Development Corporation Revenue Bonds (PRG – Towson Place Properties L.L.C. Project) Series 2017A (Senior)(the “**Series 2017A Bonds**”), Series 2017B-1 (Subordinate)

(the “**Series 2017B-1 Bonds**”) and Series 2017B-2 (Subordinate-Taxable) (the “**Series 2017B-2 Bonds**”) and, together with the Series 2017A Bonds and Series 2017B-1 Bonds, the “**Series 2017 Bonds**”) pursuant to a Trust Indenture dated as of September 1, 2017, as thereafter supplemented for purposes of reissuing the Series 2017 Bonds, the “**2017 Indenture**”) by and between MEDCO and U.S. Bank Trust Company, National Association (formerly known as U.S. Bank, National Association), as trustee (the “**2017 Trustee**”); and

WHEREAS, MEDCO has agreed to issue its Maryland Economic Development Corporation Revenue Bonds (PRG – Towson Place Properties L.L.C. Project) Series 2023A (Senior) , Series 2023B-1 (Subordinate) and Series 2023B-2 (Subordinate-Taxable) (collectively, the “**Series 2023 Bonds**”) pursuant to a Trust Indenture dated as of _____ 1, 2023 (the “**2023 Indenture**”) by and between MEDCO and U.S. Bank Trust Company, National Association, as trustee (the “**2023 Trustee**”), and such other documents, agreements, and instruments as may be necessary or required in connection with the issuance of the Series 2023 Bonds (the “**Series 2023 Bond Documents**”); and

WHEREAS, the proceeds of the Series 2023 Bonds will be loaned to the Owner pursuant to a Loan Agreement dated as of _____ 1, 2023 (the “**Loan Agreement**”) between MEDCO and the Owner and used to refund in full the Series 2017 Bonds; and

WHEREAS, in furtherance of its Charitable Activities, the Owner has, since its acquisition of the Project in 2009, operated and maintained the Project primarily for residents comprised of students, faculty, and staff of the University; and

WHEREAS, the Owner proposes to continue operating and maintaining the Project in a manner that addresses the University’s need for safe, convenient, affordable, quality housing for students, faculty and staff of the University; and

WHEREAS, the University acknowledges that the University directly and substantially benefits from the operation and management of the Project by the Owner and has determined that it is in the interests of the University and its students for the University to cooperate with the Owner and to support the Project in the manner described herein; and

WHEREAS, the Owner and the University desire that the Project be operated in a manner that offers a safe, convenient, affordable, quality housing option primarily for University students, faculty and staff and in a manner that is consistent with the operational standards of the University; and

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Owner and the University hereby agree as follows:

Section 1. Operation of the Project. The Owner shall require the Project to be operated exclusively as a residential living-learning community for Eligible Tenants in accordance with the standards described in **Exhibit A** hereto. For purposes of this Agreement, “**Eligible Tenants**” means, in order of priority: (i) students currently or to be enrolled as full-time undergraduate students at the University who have successfully completed a total of thirty (30) or more credit hours or full-time or part-time graduate students at the University (“**University Students**”); (ii) students currently or to be enrolled as part-time undergraduate

students at the University who have successfully completed a total of thirty (30) or more credit hours; (iii) students currently or to be enrolled as full-time students at other institutions of higher education in the Towson, Maryland area subject to University consent not to be unreasonably withheld; (iv) persons participating in any University sponsored activity or program; and (v) full-time or part-time faculty and staff of the University. Any use of the Project by persons other than Eligible Tenants is subject to the prior written approval of the Owner and shall be subject to the receipt of an opinion of counsel that such use will not adversely affect the tax-exempt status of the Series 2023 Bonds.

Section 2. Management of the Project. The Owner has engaged Capstone On-Campus Management, LLC as the property manager (the “**Manager**”) to undertake, and be responsible for the management and operational activities of the Project pursuant to the terms and conditions of a written Management Agreement dated as of _____, 20__ (the “**Management Agreement**”), which Management Agreement requires the Manager to operate and maintain the Project in accordance with the terms of this Agreement and in accordance with the standards generally applicable to management and leasing of comparable student housing facilities in Maryland. The Owner will give prior written notice to the University in the event the appointment of any replacement or substitution of the Manager is deemed necessary by the Owner, as permitted or otherwise required under the terms of the Series 2023 Bond Documents. The Owner’s selection of a substitute manager is subject to the prior written approval of the University and may include an affiliate of Sole Member.

Section 3. Marketing and Project Support. The University, by and through its Department of Housing & Residence Life (the “**Department**”), shall support the marketing efforts of the Owner and the Manager, and in connection therewith the University agrees to: (i) consider the Project as part of its off-campus housing stock regularly promoted to University Students; (ii) include the Project in all its usual and customary information and marketing materials regarding student housing that it provides to University Students and prospective students, including providing information about the Project on the University’s campus and on its website and designating the Project as “University-affiliated” housing; (iii) refer University Students and prospective students to the Project; and (iv) provide to University Students residing at the Project the same residential student programming it provides to University Students in its own housing facilities and on-campus shuttle bus services. Any marketing materials provided by the Manager must comply with the University’s standards, as revised from time to time, for such materials. Any website link of the University relating to student housing for the Project shall be directed to a website operated by or for the Project by the Manager.

Section 4. Residence Life Programs; Residence Life Coordinator. The University, by and through the Department, shall establish and oversee the implementation of various living-learning, social, educational, student conduct and crisis management activities and programs (“**Residence Life Programs**”) at the Project for the benefit of the University Students and consistent with the Residence Life Programs provided on the Campus. The University shall appoint a director of residential life (“**Residence Life Coordinator**”), who will live on-site at the Project and shall have the primary responsibility to develop and direct the Residence Life Programs at the Project for the exclusive benefit of the University Students. The Residence Life Coordinator will also serve as a liaison between the Owner, the Manager and the Department, develop and coordinate a comprehensive educational programming model for the residents, and assist with marketing efforts of the Project. The Owner shall be responsible for, and the annual operating budget of the Project shall include the usual and customary wages and benefits of the Residence Life Coordinator, as determined by the University

to be consistent with other residence life coordinators on the Campus and approved by the Project Operations Committee. The Owner shall also provide the Residence Life Coordinator with a rent-free furnished apartment at the Project, inclusive of basic utilities, and one reserved parking space at the Project at no charge. The Owner shall provide the Department with an on-site office at the Project at no charge for use by the Residence Life Coordinator.

Section 5. Student Policies and Code of Conduct. University Student residents shall agree in their respective student housing lease agreement to be subject to the University's policies and procedures and code of conduct while in residency at the Project, violation of which may subject the student resident to removal from the Project. If a University Student resident fails to pay student housing fees to the Owner or the Manager, for the benefit of the Owner, the collection of any such delinquent student housing fees due to and owing to the Owner shall be the Owner's responsibility exclusively.

Section 6. Project Operations Committee. The Owner shall establish a Project Operations Committee which shall be composed of five (5) members, two (2) of whom shall be appointed from a list of candidates provided by the University, one (1) of whom shall be appointed from a list of candidates provided by the Manager, and two (2) of whom shall be appointed by the Owner. The appointing party will have the right to remove its appointed committee member without the consent of other members. The Project Operations Committee shall meet from time to time for the purpose of providing advice and consultation to the Owner and the Manager with respect to the management and operations of the Project. Any and all decisions and determinations of the Project Operations Committee shall be by majority vote of the members, and any member may assign his/her right to vote to another member by written proxy. Specifically, the Project Operations Committee shall have the following duties and responsibilities: (i) approval of proposed Annual Operating Budget for the Project; (ii) approval of proposed Annual Capital Improvements Plan for the Project; (iii) review periodic financial and operational reports submitted by the Manager and provide advice and consultation regarding adjustments to Proposed Annual Operating Budget; (iv) provide advice and consultation regarding resident policies and procedures for the Project, including determining appropriate rates for student housing fees for the Project; and (v) such other duties and responsibilities as may be assigned to such committee from time to time by the Owner.

Beginning in the 5th year, and every five (5) years thereafter, the Owner will, as a Project cost which may be funded from available Project funds including, but not limited to, the Project's repair and replacement reserve or from available surplus funds prior to distribution, conduct a comprehensive facilities condition assessment report to be performed by an independent engineer agreed upon by the Project Operations Committee (which will not be duplicative of any other report required in connection with the Series 2023 Bonds). The Project Operations Committee will determine the nature and scope of services and deliverables to be provided by the independent engineer and the schedule for the Owner's implementation of remedial action to address any deficiencies identified by the independent engineer, such remedial action to be at the sole cost of the Owner. Notwithstanding the foregoing, in lieu of obtaining comprehensive facilities condition assessment reports as set forth herein, the Owner and the University may mutually agree to satisfy such requirement using a third-party work order tracking system of the capital asset maintenance to be performed on the Project.

Section 7. University Services. The University, by and through the Towson University Police Department (“TUPD”), will coordinate security efforts with the Owner, the Manager, and the Baltimore County Police Department (“BCPD”) and agrees that the Project shall at all times be subject to the jurisdiction of the BCPD. The University shall include a pick-up and drop-off location at the Project for any University sponsored or operated transportation services and shall support any initiative by the Owner for any other public transportation stop to be located at the Project. At the request of the Owner, the University may agree to provide, at a cost to be negotiated, trash removal, landscaping services and snow removal at the Project; provided, however, that Owner and Manager shall remain responsible for such services unless and until University agrees to provide such services.

Section 8. Conveyance of Project to the University. The Owner agrees to amend the Purchase Option commencement date to June 1, 2044. Upon the repayment in full of the Series 2023 Bonds (including any refinancing of same), all right, title, and interest in and to the Project, including all furniture, fixtures, and equipment used in connection therewith, shall be conveyed from the Owner to the University in accordance with the terms of the Purchase Option.

Section 9. Reports to University. The Owner shall submit to the University for its review but not approval, the Annual Operating Budget and the Annual Capital Improvements Plan as approved by the Project Operations Committee. In addition to the foregoing, the Owner shall provide to the University a copy of each year’s annual financial audit of the Project, as prepared by the Owner in accordance with the requirements Series 2023 Bonds.

Section 10. The Series 2023 Bonds. The proceeds of the Series 2023 Bonds shall be used solely to pay for the costs of refunding the Series 2017 Bonds, to pay for such other costs and the establishment of such reserve funds as may be contemplated under the Series 2023 Bond Documents (which shall include funds for capital improvements, repairs, maintenance, and replacement of furniture and fixtures), and to pay for the costs of issuance of the Series 2023 Bonds.

The Series 2023 Bond Documents shall provide the Owner with the ability to issue additional bonds to refund the Series 2023 Bonds and for other purposes permitted by the Series 2023 Bond Documents (and any amendment or replacement thereof), including the ability to construct additional improvements to the Project, so long as the maturity of any refunding or additional bonds does not extend beyond June 1, 2044. The University’s consent shall not be required for any modification, extension, assignment or substitution for the Series 2023 Bonds unless the maturity date of any bonds outstanding is extended beyond June 1, 2044. The University shall have no obligation with respect to the payment of the Series 2023 Bonds. The 2023 Indenture and other Series 2023 Bond Documents shall provide for no recourse for the payment of the principal of, or premium, if any, or the interest on, the Series 2023 Bonds, or for any claim based thereon or any agreement supplemental or collateral thereto, against the University any affiliated entity, or any trustee, member, director, officer or employee, past, present or future, of the University or of any predecessor or successor corporation, as such, either directly, or through the University. Notwithstanding the foregoing, the Series 2023 Bond Documents shall permit, but not obligate, the University to protect its interests in the Project through assumption, prepayment, or other means.

Section 11. Assignment. Owner shall not transfer, assign, pledge or hypothecate this Agreement or its rights, duties and obligations under this Agreement, except in connection with the Series 2023 Bonds (or

any refinancing thereof) or a transfer of the entire Project, without the prior written approval of the University, in its sole and absolute discretion. The University shall not transfer, assign, pledge or hypothecate this Agreement or its rights, duties, or obligations under this Agreement to a third-party that is not another agency or instrumentality of the State of Maryland without the prior written approval of Owner, in its sole and absolute discretion. Any such transfer, assignment, or pledge made in violation of the foregoing shall be null and void. Subject to the foregoing, this Agreement shall be binding upon the parties hereto and their permitted successors and assigns.

Section 12. Approvals. Any approvals required under this Agreement of the University shall be in writing and must be specifically approved by an Authorized University Representative. Any approvals required under this Agreement of Owner shall be in writing and must be specifically approved by an Authorized Owner Representative. For purposes of this Agreement, “**Authorized University Representative**” shall mean the following officers of TU (acting individually or collectively), the Vice President of Administration & Finance/CFO, the Associate Vice President of Administration & Finance, and the Vice President of Legal Affairs/Chief Legal Counsel. For purposes of this Agreement, “**Authorized Owner Representative**” shall mean the following officers of the Sole Member (acting individually or collectively): Steve E. Hicks, CEO; Chris Hicks, President; and Donovan O. Hicks, Secretary & Chief Legal Officer. Each party shall have the right to designate an additional or replacement authorized representative upon written notice to the other party in accordance with Section 24 below.

Section 13. Modification and Amendment. Any modification or amendment of this Agreement shall be agreed to in writing and signed by both parties hereto. The parties shall not enter into any modification and agreement that the parties have reason to believe will result in a reduction by any nationally recognized bond rating agency of any credit rating assigned to the outstanding bonds issued to finance the Project.

Section 14. Term. The term of this Agreement (the “**Term**”) shall commence from the date hereof until the date the Project has been conveyed to the University.

Section 15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Maryland, without reference to its conflicts of laws rules.

Section 16. Headings. The headings of the articles, sections, paragraphs, and subdivisions of this Agreement are for convenience of reference only, are not to be considered a part hereof, and shall not limit or expand or otherwise affect any of the terms hereof.

Section 17. Severability. In the event that any of the covenants, agreements, terms, or provisions contained in this Agreement shall be held to be legally invalid or unenforceable in any respect, the validity and enforceability of the remaining covenants agreements, terms, or provisions contained herein shall be in no way affected, prejudiced, or disturbed thereby.

Section 18. Entire Agreement. This Agreement and the documents expressly referred to herein embody the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or otherwise, relating to the subject matter.

Section 19. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute but one and the same instrument.

Section 20. Exculpation. The officers, directors, members, managers, shareholders, governors, trustees and employees of each of Owner, the Sole Member and the University, as applicable, shall have no personal liability for the performance of any of Owner's, the Sole Member's or the University's obligations contained in this Agreement.

Section 21. Specific Performance. The parties recognize that irreparable injury will result from a breach of any provision of this Agreement and that money damages will be inadequate to fully remedy the injury. Accordingly, in the event of a breach or threatened breach of one or more of the provisions of this Agreement, any party who may be injured (in addition to any other remedies which may be available to that party) shall be entitled to seek one or more preliminary or permanent orders (i) restraining and enjoining any act which would constitute a breach or (ii) compelling the performance of any obligation which, if not performed, would constitute a breach.

Section 22. Addresses for Notices. Any notice, report, demand, or other instrument authorized or required to be given or furnished under this Agreement to Owner or to the University shall be deemed given or furnished when mailed by certified mail, postage prepaid, return receipt requested, or given when dispatched by facsimile transmission, or by personal delivery addressed as follows:

If to Owner: c/o Provident Resources Group Inc.
Attn: Chief Executive Officer
5565 Bankers Avenue
Baton Rouge, Louisiana 70808
Telephone: (225) 766-3977
Facsimile: (225) 766-3988

If to the University: [_____]
Attn: [_____]

Telephone:
Facsimile:

Receipt of notices, certificates, or other communications hereunder shall occur upon actual delivery (whether by mail, facsimile transmission, messenger, courier service, or otherwise) to any person who is an officer of Owner or the University at any location where such person may be found, or to an officer, agent or employee of Owner, the University, or other party, at the address of such party set forth above, subject to change as provided hereinabove. An attempted delivery in accordance with the foregoing, acceptance of which is refused or rejected, shall be deemed to be and shall constitute receipt; and an attempted delivery in accordance with the foregoing by mail, messenger, or courier service (whichever is chosen by the sender) which is not completed because of changed address of which no notice was received by the sender in accordance with this provision prior to the sending of the notice, certificate, or other communication shall also be deemed to be

and constitute receipt. Any party named in this Section may, by notice given to each of the others, designate any additional or different addresses to which subsequent notices, certificates, or other communications shall be sent.

Section 23. Indemnification. Owner hereby agrees to indemnify and hold harmless the University and all of its trustees, officers, employees, directors, agents, successors and assigns (hereinafter collectively referred to as the "**Indemnitees**") of and from any and all claims, demands, liabilities, losses, costs, or expenses for any loss including but not limited to bodily injury (including death), personal injury, property damage, expenses, and reasonable attorneys' fees ("**Claims**"), caused by, growing out of, or otherwise arising out of the ownership, operation and management of the Project by Owner, except to the extent the Claims arise from the gross negligence or willful misconduct of the Indemnitees.

[Signature page follows]

IN WITNESS WHEREOF, Owner and the University have caused this Support Agreement to be executed in their names and on their respective behalf by their duly authorized officers as of the day and year first above written.

PRG – TOWSON PLACE PROPERTIES L.L.C.
By: Provident Resources Group Inc., as Sole Member

By: _____
Steve E. Hicks, Chief Executive Officer

TOWSON UNIVERSITY

By: Authorized Officer

Name: _____
Title: _____

EXHIBIT A: HOUSING STANDARDS

[to be attached]

EXHIBIT “A”

PRG – Towson Place Properties L.L.C. (Owner) Housing Standards

I. Minimum Project Standards

A. Rental rates shall be established with the intent of maintaining the Project as an affordable, high quality student housing option.

B. Security and safety features and measures at the Project will include controlled building access, off-site monitoring of duress alarms for each bedroom, a fire alarm system for each building, a fire suppression system for all buildings, and a scheduled program of security patrol provided by off-duty Baltimore County deputies.

C. Owner will maintain a program that provides prompt response (2) two business days maximum to all routine service requests and immediate response 24/7 to emergency facility issues to minimally prevent extended damage or potential hazardous condition to individuals. This includes, but is not limited to, loss of heat, power, water, refrigeration, or use of toilet, and inoperable locks to apartments, bedrooms or to windows accessible from grade or decks.

D. The Owner will work in good faith with the University to resolve concerns, respond to inquiries promptly, and seek to balance a quality experience for all residents.

E. Owner will timely perform necessary maintenance and repairs with respect to the Project.

F. Owner will maintain a printed emergency action plan on site that includes detailed instructions for on-site management to handle emergency response. Such instructions will be shared with the University’s chief housing official (CHO).

II. Application, Assignment and Billing Standards

A. Owner shall be responsible for processing housing applications for the Project, performing any related information gathering (such as background checks) and deciding whether to approve such housing applicant for residency at the Project.

B. Owner shall be responsible for assigning students to units and shall use its best efforts to honor expressed roommate preferences.

C. Owner will reserve all accommodations on the Project site for the exclusive use of Eligible Tenants as outlined in the Affiliation Agreement in Section 1.

III. Staffing Standards

- A. Owner will have staff living at the Project to monitor activity, respond to concerns and questions of residents, and to respond to emergency situations. Specifically, a fulltime manager, or fulltime designee, will live at the Project.
- B. A response on-call process will be in place for on-site staff to notify fulltime management of crisis or emergency situations at the Project.
- C. Property management staff and community assistants (student staff) will be trained regarding emergency protocol and crisis response.
- D. The general manager for the Project will be available to participate in strategic planning of housing issues at the University.
- E. The general manager for the Project or other assigned staff will be available to participate in regular staff and leadership meetings with the University housing staff.

IV. Student Development Programming Standards

- A. The Owner provides development based opportunities for residents including, but not limited to, programs and activities, leadership, and inclusion in University sponsored events.
- B. The Owner will ensure the Project encourages and promotes a healthy lifestyle for its residents by supporting the University's Health Campus Initiative. The Owner will make its facilities available for programs offered through the University's *Wellness TU* program.
- C. The Owner will timely respond to student and parental concerns regarding the Project as they arise.
- D. The Owner shall maintain a policy allowing for the early termination of student resident leases for extenuating circumstances. Examples of extenuating circumstances may be, but are not limited to, students who have extreme medical or financial issues which require them to withdraw or otherwise suspend their enrollment at the University.

V. Communication and data reporting Standards

Owner will provide a summary report of activities and service projects conducted for and by the residents of the Project at the end of each academic term.

VI. Marketing of Project on Campus

Owner will be permitted to market the Project within the Student Activities Center and other venues on-campus within the University posting and marketing guidelines and as described in Section 3 of the revised Affiliation Agreement.

VII. Transportation

Residents of the Project will be permitted to utilize the University's On-Campus Shuttle Bus Service during normal hours of operation, subject to the University's right to modify schedules and routes.

TOPIC: Convening Closed Session

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: November 30, 2023

SUMMARY: The Open Meetings Act permits public bodies to close their meetings to the public in special circumstances outlined in §3-305 of the Act and to carry out administrative functions exempted by §3-103 of the Act. The Board of Regents Finance Committee will now vote to reconvene in closed session. As required by law, the vote on the closing of the session will be recorded. A written statement of the reason(s) for closing the meeting, including a citation of the authority under §3-305 and a listing of the topics to be discussed, is available for public review.

It is possible that an issue could arise during a closed session that the Committee determines should be discussed in open session or added to the closed session agenda for discussion. In that event, the Committee would reconvene in open session to discuss the open session topic or to vote to reconvene in closed session to discuss the additional closed session topic.

ALTERNATIVE(S): No alternative is suggested.

FISCAL IMPACT: There is no fiscal impact.

CHANCELLOR'S RECOMMENDATION: The Chancellor recommends that the Board of Regents Committee on Finance vote to reconvene in closed session.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923



UNIVERSITY SYSTEM
of MARYLAND

STATEMENT REGARDING CLOSING A MEETING
OF THE COMMITTEE ON FINANCE
OF THE USM BOARD OF REGENTS

Date: November 30, 2023

Time: 10:30 a.m.

Location: Video Conference

STATUTORY AUTHORITY TO CLOSE A SESSION

Md. Code, General Provisions Article §3-305(b):

- (1) To discuss:
- [] (i) The appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom it has jurisdiction; or
 - [] (ii) Any other personnel matter that affects one or more specific individuals.
- (2) [] To protect the privacy or reputation of individuals with respect to a matter that is not related to public business.
- (3) [] To consider the acquisition of real property for a public purpose and matters directly related thereto.
- (4) [] To consider a preliminary matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State.
- (5) [] To consider the investment of public funds.
- (6) [] To consider the marketing of public securities.
- (7) [] To consult with counsel to obtain legal advice on a legal matter.
- (8) [] To consult with staff, consultants, or other individuals about pending or potential litigation.
- (9) [] To conduct collective bargaining negotiations or consider matters that relate to the negotiations.

- (10) To discuss public security, if the public body determines that public discussions would constitute a risk to the public or public security, including:
- (i) the deployment of fire and police services and staff; and
 - (ii) the development and implementation of emergency plans.
- (11) To prepare, administer or grade a scholastic, licensing, or qualifying examination.
- (12) To conduct or discuss an investigative proceeding on actual or possible criminal conduct.
- (13) To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter.
- (14) Before a contract is awarded or bids are opened, to discuss a matter directly related to a negotiation strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.
- (15) To discuss cybersecurity, if the public body determines that public discussion would constitute a risk to:
- (i) security assessments or deployments relating to information resources technology;
 - (ii) network security information, including information that is:
 - 1. related to passwords, personal identification numbers, access codes, encryption, or other components of the security system of a governmental entity;
 - 2. collected, assembled, or maintained by or for a governmental entity to prevent, detect, or investigate criminal activity; or
 - 3. related to an assessment, made by or for a governmental entity or maintained by a governmental entity, of the vulnerability of a network to criminal activity; or
 - (iii) deployments or implementation of security personnel, critical infrastructure, or security devices.

Md. Code, General Provisions Article §3-103(a)(1)(i):

- Administrative Matters

TOPICS TO BE DISCUSSED:

To consider the awarding of new contracts for a video board, hoist, and associated audio system; and actuarial services.

REASON FOR CLOSING:

To maintain confidentiality of discussions of bid proposals prior to BOR approval and the awarding of new contracts (§3-305(b)(14)).