



MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE UNIVERSITY OF LOUISVILLE REAL ESTATE FOUNDATION, INC.

In Open Session

Members of the University of Louisville Real Estate Foundation, Inc. Board of Directors met at 8:30 a.m. on January 30, 2020 in the Foundation Boardroom at Cardinal Station with members present and absent as follows:

Present: Mr. Ken Payne, Chair  
Mr. Paul Carrico  
Mr. Steve Gault  
Ms. Mariah Gratz  
Mr. Bob Koetter  
Mr. Derrick Littlejohn  
Mr. Earl Reed  
Mr. Keith Sherman  
Ms. Sandy Metts Snowden

Absent: Dr. Neeli Bendapudi  
Mr. Craig Hawley

From the  
Foundation: Ms. Jill Force, UofL Foundation Board of Directors  
Ms. Lisa Blum, Accountant  
Ms. Julie Kroger, Executive Assistant  
Ms. Susan Magness, Director of Budget  
Mr. Justin Ruhl, Director of Accounting Operations

From Legal  
Counsel: Mr. Franklin Jelsma, Wyatt, Tarrant & Combs

From the  
University: Mr. Dan Durbin, UofL Vice President for Finance and Administration/CFO

Guest: Mr. Zack Taylor, RunSwitch

- I. Call to Order  
Having determined a quorum present, Chair Payne called the meeting to order at 8:30 a.m. No conflicts of interest or appearances of conflicts were identified.
  
- II. Consent Agenda  
Mr. Payne read the Consent Agenda as follows: approval of minutes from the regular meeting on October 31, 2019. Mr. Reed made a motion, which Ms. Gratz seconded, to approve the Consent Agenda. The motion passed.
  
- III. Information Item: Fiscal Year 2020 Second Quarter Financial Update  
Mr. Ruhl reviewed the **attached** second quarter financials.  
  
Mr. Reed asked for an update on the three residence halls. Mr. Ruhl said the reporting structure and timing have improved. Mr. Sherman added the Foundation closed its bank accounts for the residence halls, the University now holds the revenue and is responsible for all expenses.
  
- IV. Property Committee Report  
Mr. Gault, Chair of the Property Committee, reported the Committee had its first meeting on January 28, 2020. They discussed activity related to real estate at the downtown campus, Belknap Campus and ShelbyHurst Campus. During the next several months the Committee will explore ground lease scenarios on ShelbyHurst. The Committee will bring their findings and recommendations to the Board.  
  
Mr. Payne expressed his appreciation to the Committee.
  
- V. Report of the Chair  
Mr. Payne reported the second quarter was unremarkable, it was business as usual and a good quarter. He noted the evaluation of real estate holdings is an ongoing process.
  
- VI. Report of the Executive Director  
Mr. Sherman provided an update on the Foundation's real estate holdings noting current maintenance projects, new leases and vacancies.
  
- VII. Executive Session to Discuss Potential Acquisition or Sale of Real Property and a Specific Business Proposal  
Mr. Carrico made a motion at 9:21 a.m., which Mr. Gault seconded, to go into executive session to discuss the potential acquisition or sale of real property and a specific business proposal pursuant to KRS 61.810(1)(b) and (g).
  
- VIII. Reconvene Open Session  
When open session reconvened at 9:53 a.m. Mr. Payne reported the potential acquisition or sale of real property and a specific business proposal were discussed during the executive session. No action was taken.

IX. Adjournment

Having no other business come before the Board, Mr. Reed made a motion to adjourn, which Mr. Carrico seconded. The meeting adjourned at 9:53 a.m.



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Craig Hawley, Secretary  
University of Louisville Real Estate Foundation, Inc.



**Fiscal Year 2020 – Second Quarter  
Financial Update**

# Executive Summary

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Requests have been submitted to the city and state for updates on TIF payments, which are under review and expected in Q4 FYE2020.

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In November, 220 South Preston, LLC received a property tax exemption from the Jefferson County PVA.

# ULREF Consolidated Statements of Position

Days Cash on Hand: 299

- A. Variance primarily due to the sale of the T-Lot. Proceeds from the sale are currently being held in a money market account.

	December 2019	June 2019
in thousands		
<b>Assets</b>		
Cash and cash equivalents (A)	\$ 3,222	\$ 1,451
Accounts receivable, net	76	671
Prepays and other assets	255	148
<b>Total current assets</b>	<b>3,553</b>	<b>2,270</b>
Investments in joint ventures	5,755	5,973
TIF intangibles, net	97,725	99,907
Lease intangibles, net	2,480	2,511
Capital assets, net (A)	89,608	92,530
<b>Total long-term assets</b>	<b>195,568</b>	<b>200,921</b>
<b>Total assets</b>	<b>199,121</b>	<b>203,191</b>
Total Dorm, LLC assets	60,467	62,536
<b>Total ULREF consolidated assets</b>	<b>\$ 259,588</b>	<b>\$ 265,727</b>

See Appendix A for financial statements

# ULREF Consolidated Statements of Position (cont'd)

A. In September 2019, ULREF made a \$1,000 principal payment to ULF.

	December	June
	2019	2019
in thousands		
<b>Liabilities and net assets</b>		
Liabilities:		
Accounts payable	\$ 160	\$ 636
Other liabilities	282	706
Debt	21,060	21,286
Due to the University of Louisville	2,758	2,717
Due to ULF (A)	19,894	20,907
Total ULREF liabilities	44,154	46,252
Dorm, LLC liabilities	40,485	43,006
Total Liabilities	84,639	89,258
Net assets:		
ULREF net assets	154,967	156,938
Dorm, LLC net assets	19,982	19,531
Total net assets	174,949	176,469
<b>Total consolidated liabilities and net assets</b>	<b>\$ 259,588</b>	<b>\$ 265,727</b>

See Appendix A for financial statements

# ULREF Consolidated Income Statements

EBITDA (Excluding Housing):  
\$1,524

- A. ULF transferred dorms to ULREF in November 2018. ULREF recognized a \$32,310 contribution from ULF as a result of this transaction.
- B. Underbudget due to property taxes no longer being assessed on 220 S. Preston Garage.
- C. Interest expense is under budget due to decrease in principal balances and interest rates on variable-rate debt.

	Fiscal Year to Date December 31,				
	2019	2018	Variance	2019 Budget	2019 Variance
	(in thousands)				
<b>Revenues and gains</b>					
Rental revenues	\$ 2,318	\$ 1,929	\$ 389	\$ 2,246	\$ 72
Other revenues (A)	938	35,315	(34,377)	2,805	(1,867)
<b>Total revenues and gains</b>	<b>3,256</b>	<b>37,244</b>	<b>(33,988)</b>	<b>5,051</b>	<b>(1,795)</b>
<b>Expenses</b>					
Salaries	78	86	(8)	89	(11)
General and administrative (B)	330	134	196	464	(134)
Professional services	480	517	(37)	783	(303)
Utilities	288	286	2	306	(18)
Repairs and maintenance	348	320	28	325	23
Depreciation and amortization	3,172	3,227	(55)	3,177	(5)
Interest expense (C)	457	577	(120)	604	(147)
<b>Total expenses (excluding dorms)</b>	<b>5,153</b>	<b>5,147</b>	<b>6</b>	<b>5,748</b>	<b>(595)</b>
<b>Other income (expenses)</b>					
Student housing-related revenues	4,589	3	4,586	4,268	321
Student housing-related expenses	(4,212)	(333)	(3,879)	(4,287)	75
<b>Total other income (expenses)</b>	<b>377</b>	<b>(330)</b>	<b>707</b>	<b>(19)</b>	<b>396</b>
<b>Change in net assets</b>	<b>\$ (1,520)</b>	<b>\$ 31,767</b>	<b>\$ (33,287)</b>	<b>\$ (716)</b>	<b>\$ (804)</b>

See Appendix A for financial statements



# Current Activities

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Negotiating the sale of Breckenridge Lane property (Bed Bath and Beyond)

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Exploring sale of other non-strategic properties

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Exploring potential master lease of dorms to University

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Form 990 preparations