



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 Board of Directors of the University of Louisville Real Estate Foundation, Inc. met at 2:35 p.m. on April 24, 2024, in the Foundation's Board Room in Cardinal Station, 215 Central Avenue. Members were present as follows:

Present: Mr. Steve Gault, Chair
Mr. Scott Brinkman
Ms. Jessica Cole
Mr. Charlie Dahlem
Ms. Jill Force
Ms. Mariah Gratz
Mr. Mark Nickel
Dr. Kim Schatzel
Mr. Keith Sherman
Mr. Jake Smith
Mr. Powell Spears

From the Foundation: Mr. Jake Robertson, Senior Accountant
Mr. Justin Ruhl, Controller
Ms. Julie Soule, Executive Assistant

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

From the University: Mr. Dan Durbin, EVP for Finance & Administration (*via videoconference*)

Guest: Ms. Courtney Norris, RunSwitch

I. Call to Order

Having determined a quorum present, Mr. Gault called the regular meeting to order at 2:35 p.m. No conflicts of interest or appearances of conflicts were identified.

II. Consent Agenda

Mr. Gault read the Consent Agenda as follows: Approval of Minutes from the January 30, 2024 meeting. Mr. Nickel made a motion, which Ms. Gratz seconded, to approve the Consent Agenda. The motion passed.

III. Audit, Compliance and Risk Management Committee Report

Mr. Nickel reported the Committee recommends the Board authorize Mr. Sherman, subject to approval of legal counsel, to sign and file the University of Louisville Real Estate Foundation's 990 and 990T tax forms as well as the Louisville Medical Center Development Corporation's 990 tax form. The Board approved the recommendation.

IV. Property Committee Report

Ms. Gratz reported the Property Committee reviewed leasing activities across the portfolio at their April 12, 2024, meeting. She noted that Mr. Sherman will review some specific highlights during his report.

V. Overview of 2024-2025 Operating Budget

Administrative Services Agreement Fee Schedule

The fee schedule for the Administrative Services Agreement between the Real Estate Foundation and the University of Louisville Foundation is approved annually by both foundations. Mr. Gault noted there is no mark-up in fees, the Real Estate Foundation pays the actual operational costs incurred by the UofL Foundation to operate the Real Estate Foundation. These expenses include a proportionate share of payroll and benefits for those team members who support the Foundation and operating costs such as repairs and maintenance.

Ms. Gratz asked if the agreement and fee structure will change after the reorganization of the foundations is effectuated. Mr. Sherman stated there will be some changes since the real estate currently under the University of Louisville Foundation, Inc. will be moved to the University of Louisville Real Estate Foundation, Inc.

Upon a motion made by Mr. Dahlem and seconded by Ms. Force, the Board approved the **attached** fee schedule for FY2024-2025.

Operating Budget for Fiscal Year 2024-2025

Mr. Gault stated drafts of the proposed budget and tax forms were reviewed at the informational workshops on April 11 and 15, 2024. Mr. Ruhl provided a high-level overview of the **attached** Fiscal Year 2024-2025 proposed budget. He noted that the only change made since the workshop was to the rental revenue which is estimated to be \$3.868M. Upon a motion made by Ms. Cole and seconded by Ms. Force, the Board approved the Fiscal Year 2024-2025 operating budget.

VI. Information Item: Fiscal Year 2024 Third Quarter Financial Update

Mr. Ruhl reviewed the **attached** third quarter financial presentation highlighting TIF revenue, the 220 S. Preston Street garage loan including paying off 50% of the outstanding loan and refinancing the remaining balance, and the Rowan Street property.

VII. Report from the Executive Director

Mr. Sherman provided an overview of leasing activities across the real estate portfolio:

- Downtown properties are showing some performance fatigue. Rental revenues in the upcoming fiscal year will be lower than the current year. Fortis continues to market the 515 W. Market property to potential tenants. A few new vacancies are likely to occur in the East Market Street properties.
- NTS is in the process of negotiating a lease for 996 Breckinridge Lane.

The research park work group is in the process of selecting a consultant to assist in phase one of the development of the research park.

At this time the University prefers the three dormitories remain at the Foundation, but they would like to secure the insurance for the properties in order to save approximately \$400K per year. The Foundation's lender, Northwestern Mutual, requires more coverage than what is mandated by the state so Northwestern will require the Foundation to guarantee that if an event occurs and there is a gap in coverage that results in no coverage the Foundation will cover the gap. The Foundation's umbrella policy will cover any gap in coverage. Mr. Sherman requested the Board authorize him to work with counsel to negotiate and enter into a guaranty agreement with Northwestern Mutual so that the University can secure insurance for the three properties. The Board, upon a motion by Ms. Gratz that was seconded by Mr. Spears, approved the request.

The state has appropriated \$260M towards a health sciences simulation center and collaboration hub on the Health Sciences Campus. Before the building is constructed on Preston Street the Foundation will deed its property at that location to the University.

NTS filed a District Development Plan with Louisville Metro to ascertain if the construction of a seventh building on ShelbyHurst is feasible without additional roadway infrastructure. Louisville Metro and the Kentucky Department of Transportation have approved the request. NTS plans to secure 50% tenancy before beginning construction on the new 125,000 square foot building.

Mr. Sherman stated the real property assets in the University of Louisville Foundation, Inc. will be moved to the University of Louisville Real Estate Foundation as part of the reorganization of the foundations. This will include the golf course, the north quad, and the Atria building. Mr. Ruhl provided a brief overview of the bond on the Atria building.

VIII. Executive Session to Discuss Specific Business Proposals and Potential Litigation Pursuant to KRS 61.810(1)(g) (b) and (c)

Ms. Gratz made a motion at 3:18 p.m., which Mr. Spears seconded, to go into executive session to discuss the potential acquisition or sale of real property, specific business proposals and potential litigation pursuant to KRS 61.810(1)(g) (b) and (c). The motion passed.

IX. Reconvene Open Session

Open session reconvened at 3:25 p.m., Mr. Gault reported that the potential acquisition or sale of real property, specific business proposals and potential litigation were discussed during the executive session. No action was taken.

X. Adjournment

Having no other business, Ms. Cole made a motion to adjourn, which Mr. Dahlem seconded. The meeting adjourned at 3:32 p.m.



Powell Spears, Secretary
University of Louisville Real Estate Foundation, Inc.

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
UNIVERSITY OF LOUISVILLE REAL ESTATE FOUNDATION, INC.**

April 24, 2024

At a duly convened meeting of the Board of Directors (the “**Board**”) of the University of Louisville Real Estate Foundation, Inc., a Kentucky non-profit corporation (“**ULREF**”), held on April 24, 2024, the Board adopted the following resolution:

Filing of Tax Forms

WHEREAS, Foundation staff worked with DMLO on the preparation of the Form 990s and Form 990Ts.

WHEREAS, the tax forms were shared with each Board member in advance of the informational sessions on April 11 and April 15, 2024, for the Board to review and ask questions about the drafts of the same.

RESOLVED, upon the recommendation of the Audit, Compliance, and Risk Management Committee, the Board hereby authorizes the Executive Director, subject to approval of legal counsel, to sign and file the following:


1. University of Louisville Real Estate Foundation (Form 990, 990-T)
2. Louisville Medical Center Development Corporation (Form 990)

BOARD ACTION:

Passed X

Did Not Pass _____

Other _____


Mr. Powell Spears, Secretary
University of Louisville Real Estate Foundation, Inc.

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE UNIVERSITY OF LOUISVILLE REAL ESTATE FOUNDATION, INC.**

April 24, 2024

At a duly convened meeting of the Board of Directors (the “**Board**”) of the University of Louisville Real Estate Foundation, Inc., a Kentucky non-profit corporation (“**ULREF**”), held on April 24, 2024, the Board adopted the following resolution:

Administrative Services Agreement Schedule A

WHEREAS, on April 28, 2022, the Board approved the Administrative Services Agreement between the University of Louisville Foundation, Inc. and the University of Louisville Real Estate Foundation, Inc. attached hereto as Exhibit B.

RESOLVED, the Board approves the services and initial fees for fiscal year 2025, conditioned upon approval of the same by the University of Louisville Foundation, as stated in Schedule A attached hereto as Exhibit A.

BOARD ACTION:

Passed X _____

Did Not Pass _____

Other _____

 _____

Powell Spears, Secretary
University of Louisville Real Estate Foundation, Inc.

EXHIBIT A

SCHEDULE A

Services and Initial Fees

Effective July 1, 2024

The following Services are covered by this Agreement and the following fees will apply subject to adjustments in accordance with this Agreement. The Service Provider will charge ULREF for actual costs incurred. The initial fees represent the per unit cost of the Services. These amounts may not be exceeded without the mutual consent of the Parties.

Services	Effective July 1, 2024 Initial Fees / Unit	Description
Executive Services	\$16,200/month	All executive and supervisory services necessary for the operation and administration of ULREF.
Accounting, Treasury, Tax, and other Finance Services	\$25,900/month	Accounting, treasury, cash, receivables, purchasing and payables, and tax services contributed by internal accounting staff to record, pay, track, and report financial activity of ULREF.
Property Manager	\$11,400/month	Maintenance and administration of real estate, buildings, and structures.
General & Administrative	\$4,500/month	Costs of postage, copying, I/T, software, payroll administration, training, travel, bank fees and related account charges, credit card and processing fees, and other miscellaneous general & administrative expenses for shared services vendors.
Legal	Actual Out of Pocket	External counsel for general business matters
Other	Actual Out of Pocket	All services and related expenses provided by a shared Service Provider not otherwise described above. Examples may include, but not limited to: <ul style="list-style-type: none">- External audit(s)- Landscaping- Janitorial- Architectural- Pest control- Appraisal services- Fire safety and security- Snow removal- Security- Dues/ memberships/ subscriptions- Maintenance supplies
Total Fees	\$58,000/month	

ADMINISTRATIVE SERVICES AGREEMENT

THIS ADMINISTRATIVE SERVICES AGREEMENT (the "Agreement"), is made and entered into as of May 1, 2022 (the "Effective Date"), by and between the **UNIVERSITY OF LOUISVILLE REAL ESTATE FOUNDATION, INC.** ("ULREF"), and **UNIVERSITY OF LOUISVILLE FOUNDATION, INC.** ("Service Provider"; and with ULREF each a "Party" and collectively, the "Parties").

A. ULREF is organized and operated to receive, hold, invest, and administer property and to make expenditures to and for the benefit of the University of Louisville.

B. The Service Provider is organized and operated to receive, hold, invest, and administer property and to make expenditures to and for the benefit of the University of Louisville.

C. ULREF needs certain services which the Service Provider is able to provide.

D. ULREF and the Service Provider desire to enter into this Agreement in order to formalize and document their agreement concerning the Services (as that term is defined below).

NOW, THEREFORE, in consideration of the foregoing, and the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, ULREF and the Service Provider, intending to be legally bound, agree as follows:

1. Services. During the Term (as that term is defined in Section 4 below), the Service Provider will provide the services listed on Schedule A to ULREF (the "Services").

2. Monthly Service Fees. In exchange for each of the Services, each month during the Term, ULREF will pay to the Service Provider the Monthly Service Fee indicated next to each of the applicable Services on Schedule A. At the end of each month during the Term, the Service Provider will submit an invoice to ULREF in the amount of the total Monthly Service Fees incurred during such month. Such invoices will be due and payable within thirty (30) business days of receipt. Any invoice not paid within such 30 day period may be assessed finance charges equal to the lower of one and one-half percent (1.50%) per month or the maximum amount permitted by applicable law.

3. Increase of Monthly Service Fees during the Term. If, during the Term, the cost of providing any of the Services increases, the Service Provider may notify ULREF of such increase in cost and request an increase in the Monthly Service Fee applicable to such Service. Upon receipt of documentation establishing that the actual cost of providing the Service has increased directly proportionate to the amount of the requested increase in the Monthly Service Fee, ULREF shall have a period of sixty (60) days from ULREF's receipt of such document to either (i) reject the proposed Monthly Service Fee increase in which case the Service will be deleted from this Agreement and the Service Provider will no longer be obligated to provide such Service to ULREF or (ii) accept the increase in Monthly Service Fee; in either case this shall be accomplished by an amendment to this Agreement.

4. Term. The term of this Agreement (the “Term”) shall begin on the Effective Date and continue through June 30, 2027. Either Party can terminate this Agreement upon thirty (30) days prior written notice to the other Party.

5. Financial Information and Reporting. ULREF shall provide to Service Provider during the Term of this Agreement the following financial information: (i) as soon as it is available after the end of each fiscal year of ULREF beginning with its fiscal year ending June 30, 2021, ULREF’s audited financial statements; and (ii) as soon as it is available after the end of the fiscal year of ULREF beginning with its fiscal year ending June 30, 2021, ULREF’s Form 990, Return of Organization Exempt from Income Tax; and (iii) as soon as it is available beginning with its fiscal year ending June 30, 2021, an operating budget for ULREF for the immediately succeeding fiscal year. ULREF shall also provide to Service Provider’s Board of Directors, a quarterly report, presented by the chairperson of ULREF or his or her designee, on the financial performance of ULREF during the immediately preceding quarter, such quarterly report to include an update on the financial performance of ULREF, any development projects underway or study, and the amount of Tax Increment Financing revenue received year-to-date and during the immediately preceding quarter. ULREF shall also provide to Service Provider, with reasonable promptness, such other financial data and information with respect to ULREF as from time to time may reasonably be requested, including without limitation, any such data or information which may be requested by any governmental or public body or agency having jurisdiction over Service Provider.

6. Performance. The failure of either Party to insist upon strict performance of any provision of this Agreement shall not constitute a waiver of the right to insist upon strict performance of any other provision or the obligation to perform such provision strictly thereafter.

7. Indemnification. The Service Provider agrees, to the extent permitted by law, to indemnify, defend, and hold harmless ULREF, its members, affiliates, officers, managers, employees, agents and clients from and against any and all damages, claims, suits, losses, penalties, judgments, costs, fines, liabilities or expenses of whatever nature that ULREF may incur or suffer relating in any way to (i) to any breach or failure of the Service Provider to perform any of its representations and warranties contained in this Agreement; or (ii) any actual or alleged personal injury, death, economic loss or property damage, whatsoever related to this Agreement caused by the negligence or willful misconduct of Service Provider. The Parties agree to the allocation of liability risk set forth in this Section.

8. Representations and Warranties. The Service Provider represents as follows: (i) it shall use established, sound and professional knowledge, skill, judgment, principles and practices in accordance with the highest professional and industry standards in its provision of the Services under this Agreement; (ii) all work product shall conform to its specifications, requirements and descriptions in Schedule A; (iii) the Service Provider shall comply with all applicable laws, ordinances, codes and regulations in performing the Services under this Agreement; and (iv) it has the right to enter into and provide the Services required by this Agreement. ULREF is entitled to inspect and review all Services provided pursuant to this Agreement for conformity with the Service Provider’s obligations under this Agreement.

9. Relationship of Parties. ULREF and the Service Provider understand and agree that, with respect to and for the purposes of this Agreement, ULREF and the Service Provider are not

partners or joint venturers and nothing in this Agreement shall be construed so as to make them partners or joint venturers or impose any liability as such on either of them. The relationship between ULREF and the Service Provider with respect to and for the purposes of this Agreement shall be that of independent contractors. All employees furnished by the Service Provider are and shall be considered employees of the Service Provider. The Service Provider is solely responsible for the compensation of such employees, including without limitation salary, benefits, and insurance coverage, including but not limited to workers' compensation insurance and other liability insurance. No employee of the Service Provider shall receive any salary or other compensation or benefits from ULREF. The Service Provider shall pay all personnel, administrative, facilities and other costs and expenses necessary or required to provide the Services required to be rendered by it under this Agreement.

10. Notices. All notices and other communications under this Agreement shall be in writing and shall be delivered by hand or mailed by registered or certified mail (return receipt requested) or transmitted by facsimile to the Parties at the following addresses (or at such other addresses for a Party as shall be specified by like notice) and shall be deemed given on the date on which such notice is received:

If to ULREF:

University of Louisville Real Estate Foundation, Inc.
215 Central Avenue, Suite 212
Louisville, Kentucky 40208
Attention: Justin Ruhl
Email: Justin.ruhl@louisville.edu

If to the Service Provider:

University of Louisville Foundation, Inc.
215 Central Avenue, Suite 212
Louisville, Kentucky 40208
Attention: Keith Sherman
Email: keith.sherman@louisville.edu

11. Amendments. No amendments, waivers or modifications of this Agreement shall be made or deemed to have been made unless in writing executed by the Party to be bound thereby.

12. Confidentiality. As a condition to the provision of the Services, each Party agrees to treat any confidential information (i.e., information identified as such and if provided in writing marked as confidential) relating to the other in accordance with the provisions of this Section. Each Party agrees that the confidential information relating to the other will be used solely for the purpose of providing the Services and not for any other business purpose, and that such confidential information will be kept strictly confidential during and after the Term for a period of two (2) years. Each Party agrees to give access to the confidential information of the other Party only to those of its representatives who need to have access to such confidential information in order to provide the Services. Notwithstanding the foregoing, nothing in this Agreement shall prevent either Party from making a disclosure to the extent that such disclosure has been consented

to in writing by the other Party or is required by law, regulation, supervisory authority or other applicable judicial or governmental order. The term "confidential information", when used with respect to a Party, refers to any information concerning that Party, its affiliates and/or subsidiaries, including without limitation their businesses and future prospects, whether prepared by them or their representatives or otherwise, that is furnished or disclosed or learned in connection with this Agreement, whether furnished or disclosed or learned before or after the date of this Agreement, together with any analyses, compilations, studies or other documents prepared by the other Party or any of its representatives that contain or otherwise reflect such information; *provided that*, the term "confidential information" does not include information (i) about a Party that was or becomes generally available to the public other than as a result of a disclosure by the other Party or its representatives or (ii) that was or becomes available on a non-confidential basis from a source other than one of the Parties or its representatives, provided that such source was not known to be bound by any agreement to keep such information confidential, and was not otherwise prohibited from transmitting the information by a contractual, legal or fiduciary obligation.

13. Force Majeure. Neither Party shall be in default of this Agreement or liable to the other Party for any delay or default in performance where occasioned by any cause of any kind or extent beyond its control, including but not limited to, armed conflict or economic dislocation resulting therefrom; embargoes; shortages of labor, raw materials, production facilities or transportation; labor difficulties; civil disorders of any kind; action of any civil or military authorities (including priorities and allocations); fires; floods; and accidents. The dates on which the obligations of a Party are to be fulfilled shall be extended for a period equal to the time lost by reason of any delay arising directly or indirectly from:

A. Any of the foregoing causes, or

B. Inability of that Party, as a result of causes beyond its reasonable control, to obtain instruction or information from the other Party in time to perform its obligations by such dates.

14. Severability. If any provision in this Agreement or the application of such provision to any person or circumstance shall be invalid, illegal or unenforceable, the remainder of this Agreement or the application of such provision to persons or circumstances other than those to which it is held invalid, illegal or unenforceable shall not be affected thereby.

15. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute this Agreement.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky, without giving effect to its conflict of law rules.

17. Specific Performance. Each Party acknowledges that the rights and obligations granted under this Agreement are of a special character which gives them a peculiar and unique value, the loss of which cannot be reasonably or adequately compensated in damages in an action at law. Without limiting either Party's right to pursue all other legal and equitable remedies available to it, each of the Parties agrees that the other Party shall be entitled to injunctive and other equitable

relief (including specific performance) to prevent any violation or continuing violation of this Agreement without the need to introduce evidence of the inadequacy of money damages to remedy such violation.

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**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE UNIVERSITY OF LOUISVILLE REAL ESTATE FOUNDATION, INC.**

April 24, 2024

At a duly convened meeting of the Board of Directors (the “**Board**”) of the University of Louisville Real Estate Foundation, Inc., a Kentucky non-profit corporation (“**ULREF**”), held on April 24, 2024, the Board adopted the following resolution:

Operating Budget for 2024-2025

RESOLVED, the Board approves the ULREF operating budget for Fiscal Year 2024-2025 as presented. (Summary attached)

BOARD ACTION:

Passed _____

Did Not Pass _____

Other _____




 _____

Powell Spears, Secretary
University of Louisville Real Estate Foundation, Inc.



Budget Proposal

Key Budget Assumptions

-  • Rental Revenues
 - Expected vacancies including 248 East Market Street and Bed Bath and Beyond for part of the year. The UofL Health Equity Hub is also vacating their space at the 515 Building in May, and we anticipate vacancies at One Innovation.
-  • Housing Revenues
 - Student cost-per-semester rate to increase by 5%
-  • TIF Revenues
 - TIF revenues should be in line with the last increment payments received from the State and Metro, which were for tax year 2021.

Revenues

(in thousands)

- **Rental revenues**
 - Significant vacancies expected in FY 2025
- **Dorm revenue**
 - Expected to increase student cost-per-semester rate by 5%
- **Parking revenue**
 - South Preston garage near I-65 downtown
- **Tax increment financing revenues**
 - Tax increment expected to be in line with recent years where we have received payment for a single tax year

	Proposed FY 2025 Budget	FY 2024 Budget	FY 2024 Forecast
Rental revenue	\$ 3,868	\$ 4,290	\$ 4,088
Dorm revenue	9,543	9,023	9,048
Parking revenue	867	873	899
Tax increment financing	9,000	9,000	9,000
Other revenues	793	1,054	851
Total revenues	\$ 24,071	\$ 24,240	\$ 23,886

Expense

(in thousands)

- **Utilities** – The prior year budget for the 515 building (vacancies) and KDP building (water leak) was much higher than actual
- **Lease payments** – Includes the Rowan Street lease and UofL’s share of the Denny Crum Hall ground lease
- **Insurance** – ULREF has experienced increased insurance costs over the past couple years
- **Property manager fees** – Increase from prior year related to new occupancy at former Bed Bath & Beyond property.
- **Interest expense** - 220 Preston garage; assumes a 7% interest rate with a \$4 million principal balance

	Proposed Budget	FY 2024 Budget	FY 2024 Forecast
Utilities	\$ 736	\$ 822	\$ 759
ULF services agreement	696	678	675
Property manager fees	439	402	366
Lease payments	611	597	456
Insurance	205	109	171
Professional services	202	171	197
Cleaning	308	311	287
Repairs and maintenance	903	909	867
Administrative and other	50	31	44
Interest expense	270	279	273
Total	4,420	4,309	4,095

Other Expenses			
Depreciation	1,692	1,738	1,770
Intangible amortization	4,499	4,526	4,551
Tax	156	166	168
Dorms’ expenses	8,737	10,736	9,310
Total expenses	\$ 19,504	21,475	19,894

Capital Projects

Property	Amount	Description
UofL Research Park	\$ 8,000,000	Site Development/Infrastructure
Lee/ Floyd Str. Property	50,000	50' x 75' rubber roof replacement
Brook Street Warehouse	100,000	Interior office demo and cleaning
Cardinal Station	250,000	Common areas rehab, all levels (does not include flooring), HVAC – 2 units
BJ Hall Dorm*	1,880,000	Bathroom remodels, HVAC units, paint, landscaping
Community Park Hall Dorm*	88,000	LED lights – 66 rooms
Kurz Hall Dorm*	40,000	Lobby restrooms, carpet, landscaping, etc.
Total capital expenditures	\$ 10,408,000	

***Dorms:** The University of Louisville will fund the capital projects from the dorms' cash flows. The university will cover the deficit if there are insufficient funds in the dorms' accounts.

Appendix

University of Louisville Real Estate Foundation

Consolidated Operating Proposed Budget

(in thousands)

	ULREF Proposed Budget FY 2025	Haymarket (NTS-Managed) Proposed Budget FY 2025	515 W. Market (Fortis-Managed) Proposed Budget FY 2025	Housing Proposed Budget FY 2025	Total Proposed Budget FY 2025	Forecast FY 2024
Revenues						
Net rental revenue	\$ 2,843	\$ 775	\$ 250	\$ -	\$ 3,868	4,088
Dorm rental revenue	-	-	-	9,543	9,543	9,048
Parking revenue	-	866	1	-	867	899
Tax increment financing revenues	9,000	-	-	-	9,000	9,000
Other revenues	439	34	-	320	793	851
Total revenues	12,282	1,675	251	9,863	24,071	23,886
Expenses						
Salaries	-	-	-	1,140	1,140	1,136
Lease payments	611	-	-	-	611	456
Insurance	121	52	32	-	205	171
ULF services agreement	696	-	-	-	696	675
Property manager fees	-	402	37	-	439	366
General and administrative	35	16	-	1,605	1,656	1,637
Professional services	195	7	-	16	218	197
Utilities	238	244	254	901	1,637	1,643
Cleaning	98	127	83	-	308	287
Repairs and maintenance	400	258	245	1,140	2,043	2,273
Depreciation	704	833	155	2,651	4,343	4,387
Intangible amortization	4,499	-	-	-	4,499	4,551
Tax	150	6	-	-	156	168
Interest expense	270	-	-	1,284	1,554	1,947
Total expenses	8,017	1,945	806	8,737	19,505	19,894
Net income (loss)	\$ 4,265	\$ (270)	\$ (555)	\$ 1,126	\$ 4,566	\$ 3,992

University of Louisville Real Estate Foundation

Proposed Operating Budget By Property

(in thousands)

Common Name	Address	Revenue	Expenses	Net Income
UofL Research Park (LRP)	2499 S. Brook Street	\$ -	\$ 59	\$ (59)
Cardinal Station	215 Central Avenue	1,348	1,106	242
Solae	2441 S. Floyd Street	300	48	252
Brook Street Warehouse	1601 S. Brook Street	-	73	(73)
K-I Lumber	1650 S. Floyd Street	206	233	(27)
Belknap Small Lots (Baseball Parking)	2901 S. 2nd Street	-	21	(21)
Denny Crum Hall	320 Eastern Parkway	99	1	98
Eastern Parkway Property	302-328 Eastern Parkway	12	8	4
ShelbyHurst Campus Land	Various - Infrastructure	221	-	221
KDP	615 S. Preston Street	83	154	(71)
President's Home	2515 Longest Ave & Ray Ave.	-	82	(82)
JD Nichols Garage	220 S. Preston Street	699	731	(32)
Bed Bath & Beyond	996 Breckenridge Lane	193	207	(14)
One Innovation Center	201 E. Jefferson Street	438	619	(181)
South Preston Lot	352 E. Market Street	75	10	65
301 Lot Surface Parking	301 E. Jefferson Street	54	14	40
UofL Optimal Aging	204 E. Market Street	116	183	(67)
UofL Innovation	252 E. Market Street	56	114	(58)
iHub	204 S. Floyd Street	44	43	1
248 E. Market	248 E. Market	-	24	(24)
515 Building	515 W. Market Street	251	806	(555)



Financial Update
April 2024

Executive Summary

ULREF's balance sheet remains strong with over \$15 million in cash and short-term investments and a year-over-year reduction in debt of nearly \$17 million.

LMCDC submitted tax year 2022 withholding information to the state for both TIFs and we anticipate receiving their increment calculations before the end of the fiscal year.

ULREF is speaking to lenders about refinancing half of the remaining principal balance on the 220 S. Preston Street garage. TIF proceeds will be used to pay the other half of the principal balance.

ULREF Consolidated Income Statements

- A.** Rental revenues are underbudget due to multiple months of rent abatement at the Rowan Street property. Vacancy at the Breckenridge Lane property has also impacted rental revenues.
- B.** Withholding information for both TIFs was submitted to the state in March, and we anticipate receiving their increment calculations by the end of the fiscal year.

Financial information related to the Dorm LLCs has been excluded from this presentation.

	For the Nine Months Ended March 31,				
	2024	2023	Variance	Budget	Variance
	<i>(in thousands)</i>				
Revenues					
Rental revenue (A)	\$ 3,070	\$ 3,380	\$ (310)	\$ 3,264	\$ (194)
Parking revenue	675	663	12	644	31
Tax increment financing revenue (B)	-	17,260	(17,260)	6,500	(6,500)
Gift revenue	-	65	(65)	-	-
Other revenues	502	363	139	541	(39)
Gain on disposal	223	691	(468)	-	223
Total revenues	4,470	22,422	(17,952)	10,949	(6,479)

ULREF

Consolidated Income Statements (cont'd)

- A.** Lease payments are underbudget due to multiple months of rent abatement at the Rowan Street property.
- B.** Budget variance attributable to projects at Cardinal Station and Brook Street Warehouse that did not meet the threshold for capitalization.

Financial information related to the Dorm LLCs has been excluded from this presentation.

	For the Nine Months Ended March 31,				
	2024	2023	Variance	Budget	Variance
	<i>(in thousands)</i>				
Expenses					
Lease payments (A)	\$ 313	\$ 413	\$ (100)	\$ 451	\$ (138)
Insurance	161	85	76	82	79
ULF services agreement	543	502	41	544	(1)
Property manager fees	272	277	(5)	288	(16)
General and administrative	47	24	23	18	29
Professional services	110	175	(65)	128	(18)
Utilities	569	606	(37)	650	(81)
Cleaning	216	226	(10)	228	(12)
Repairs and maintenance (B)	788	785	3	634	154
Total operating expenses	3,019	3,093	(74)	3,023	(4)
Net operating income	1,451	19,329	(17,878)	7,926	(6,475)
Other expenses after NOI					
Depreciation	1,326	1,379	(53)	1,303	23
Intangible amortization	3,411	3,396	15	3,395	16
Tax expense	152	336	(184)	125	27
Interest expense	204	499	(295)	208	(4)
Total other expenses after NOI	5,093	5,610	(479)	5,031	23
Change in net assets	\$ (3,642)	\$ 13,719	\$ (17,361)	\$ 2,895	\$ (6,537)

ULREF Consolidated Statements of Position

- A. TIF proceeds held in money market account currently earning 5.25%.
- B. Represents the future tax effect of net operating loss carryforwards, which will reduce future taxable income from investments in Campus Two and Campus Three.

Financial information related to the Dorm LLCs has been excluded from this presentation.

	March	
	2024	2023
	<i>(in thousands)</i>	
Assets		
Cash	\$ 803	\$ 1,429
Accounts receivable, net	394	429
Short-term investments (A)	14,615	24,159
Prepays and other assets	897	764
Deferred tax asset (B)	747	962
Investments in joint ventures	1,221	2,714
Intangibles, net	80,998	85,495
Capital assets, net	91,256	93,195
Total assets	\$ 190,931	\$ 209,147

ULREF Consolidated Statements of Position (cont'd)

- A. ULREF paid off the KYT note in FY23.
- B. ULREF paid the remaining balance of the payable to ULF in January.

Financial information related to the Dorm LLCs has been excluded from this presentation.

	March	
	2024	2023
	<i>(in thousands)</i>	
Liabilities and net assets		
Liabilities:		
Accounts payable	\$ 129	\$ 122
Other liabilities	390	457
Debt (A)	7,122	13,089
Due to ULF (B)	(28)	10,897
Total liabilities	7,613	24,565
Net assets	183,318	184,582
Total liabilities and net assets	\$ 190,931	\$ 209,147

Real Estate Performance

- Joint Ventures:
 - Campus Two and Campus Three are non-consolidated joint ventures. ULREF is a 51% partner in each joint venture.
 - Infrastructure investments at ShelbyHurst are included in the cash investment for the joint ventures.

	Cash Flows (Deficit)	Total Cash Investment <i>(in thousands)</i>	Cash Return (Loss) %
<u>Properties</u>			
UofL Research Park (LRP)	(52)	19,500	0%
Cardinal Station	666	12,752	5%
JD Nichols Garage	237	9,476	3%
One Innovation Center	132	7,579	2%
Bed Bath & Beyond	63	7,000	1%
Solae	257	3,600	7%
UofL Optimal Aging	6	3,567	0%
K-I Lumber	134	3,441	4%
South Preston Lot	64	2,885	2%
301 Lot Surface Parking	53	2,826	2%
<u>Joint Ventures</u>			
Campus Two	291	3,575	8%
Campus Three	551	5,226	11%

Historical TIF Increment Receipts

- LMCDC submitted tax year 2022 withholding information to the state for both TIFs and we anticipate receiving their increment calculations by the end of the fiscal year.

Tax Year	Health Science Campus TIF		Belknap Campus TIF		Total
	State	Metro	State	Metro	
	<i>(in thousands)</i>				
2011	4,632	775	-	-	5,407
2012	4,544	1,443	-	-	5,987
2013	3,819	1,083	-	-	4,902
2014	2,087	1,722	62	36	3,907
2015	2,648	1,653	62	86	4,449
2016	5,191	2,281	62	376	7,910
2017	6,794	2,298	-	360	9,452
2018	7,198	1,911	-	355	9,464
2019	6,837	1,788	-	433	9,058
2020	8,680	1,557	-	TBD	10,237
2021	8,580	2,166	-	TBD	10,746
Total	\$ 61,010	\$ 18,677	\$ 186	\$ 1,646	\$ 81,519