



Board Minutes

Utah Military Academy

Thursday September 6, 2018 – 1800 hours

****OPEN TO THE PUBLIC & VIRTUAL****

Physical & Virtual – GoToMeeting and Phone call

5120 South 1050 West

1800 - 2000 hours

Toll Free (877) 568-4106

Or, (646) 749-3129

Code: 857-353-797

Call to Order **Chuck Williams 1801 hours**

Present: Chuck, Curt, Vickie, Merlynn, Matt.

Pending: Sherrain, Chris, Darren

Guests: Kit, Steve, Katy, Jill Workman, Brent Pace, Mike Glauser, Chad Wright.

1. Review of Minutes (provided)
 - Vickie Moves to approve minutes, Merlynn asks about zoning for new property down south. Matt notes Boyer.
 - Merlyn seconds minutes without objection.
2. No Review of Financials
3. Review and Approve – Darren Beck to the UMA Board of Directors
 - Curt Oda, “Darren gives a good perspective”
 - Curt Oda motions to approve Darren Joining UMA board.
 - Vickie seconds, Darren is now a part of UMA board.
 - Matt gives Darren’s background.
4. **(1813) Presentation by Boyer & Company – Hill Field RFP**
 - Matt restates Merlynn’s question about zoning for 4-5 acres. Currently commercial, not required to change because we’re a Charter.
 - Matt hit proposal, Convergys site, exit financing.
 - Vickie, 2/3 on proposal w/ Pacific Union Parking, 1/3 without parking.
 - Mike hands out Printout on Convergys location.
 - Chuck/Matt – Speed it up on, coming presentation.
 - 30 minutes of Q & A
 - DA Davidson has bonded 15 or so Charters in the 2nd quarter. Range 4%-7.3% (Across many states)
 - Unrated in Utah 4.56 – 4.88%
 - Rated Bonds much lower 3.5-4.25%
 - Focus on two paths to exit financing
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- One, unrated we can bond at occupancy.
- Presentation
 - Found land in Clearfield, then found Convergys
 - Same terms as Camp Williams Campus
 - “No financing” Contingency, meaning if Boyer cannot get a loan, will fund internally. Rate is 9.75%, 2 months’ free rent (81 cap yr.)
- Accelerated bonding CAP (Did in Reno)
 - We (UMA) takes out bond, then hire Boyer.
 - We roll in interest payments into the Bond
 - This route, we have to fund any building changes, whereas current route any changes rolled in as expensed. This route we have to estimate possible contingency plans up front, can’t add to loan down the road.
- Convergys total cost looking \$12.5 million, other costs buyout to \$17 million.
 - Vickie’s concern over railroad track.
 - Kit spoke to someone who works there, railroad rarely used.
 - Vickie’s concern over vacated use of tracks, safety issue to tracks.
 - Trax goes to HAFB by army.
 - Vickie – Col. Eberline 75th Air Base Wing.
 - Matt re-asked – A-Coos
 - Glauser, only specific to military. He spoke to Ogden Field Manager, not John Greiner, former state senator, said no impact.
 - Boyer strong, past successful relationships with city of Ogden and HAFB on base housing.
 - Curt verified UMA is non-profit, any purchase can be swapped for reduced cash, larger purchase price.
 - Glauser noted experience of C.W. Campus, very good, not always easy. Land price gives us a great deal of equity.
 - Pace, notes a new building: Gives a buzz of a new campus, helps enrollment.
 - Chuck asks about opening in 2019, as opposed to current plan of 2020
 - Pace, a year of buyout lease, insignificant. Boyer could do it a year early, interest is lower – save about \$200K, buyout in about \$500K
 - Merlynn, explore other options #1 and #3
 - Legend Hills, Glauser shows site map. The building is the C.W. Campus with added rooms, etc.
 - Legend hills is very predictable, maybe 60K square footage.
 - Matt – What timeframe to move ahead with Convergys.
 - Boyer, 60 Days from selection to move into “New Convergys” Drop Dead!

- Would allow a January 1 Construction start.
- Merlynn, how old is building?
 - Built sometime in the 90's.
- Jill Workman, What about furnishings?
- Steve asked everyone about Clearfield, Curt, not so impressed. Mentioned 10 acres at rail stop
- Glauser emphasizes, Boyer's ability to adapt.
- Steve notes our current Cadet's mostly come from North of Hill AFB.

- **Ended 7:14PM**

5. (1920) Presentation by Woodbury Corp – Hill Field RFP

- Gary Stewart, Taylor Woodbury.
- Stewart Hunt Companies – all projects on Falcon Hill.
- Taylor oversees falcon Hill since 2008
- Next 50 years, remove offices, railyard new buildings. Last 10 years, 320K sq. feet completed.
- Can move fence to develop land.
- Woodbury is 99 years old. Worked with many charters, our landlord down South, AF Campus. Mom started Rung City University Charter, Hunt Corp, National Construction all over. Gary worked with lots of government experience
- Arrangement with USAF rare, can make adjustments to land. Can get over 50-yr ground lease.
- Build our land, sign new 50-year lease.
- Woodbury pays rent to USAF, based on revenue instead of paying cash, credit for future USAF Buildings.
- EUL – Enhanced Use Lease.
- MIDA –Mil Installation Development Authority.
 - MIDA negates having to work w/ multiple municipalities. Worked w/ same architect though have put up to bid every time. He knows cost is a concern, he is confident that costs can drop. Bldg. based on variant by USU.
 - Concrete tilt-up, open classrooms, full b-ball court.
 - ****Cautions us to focus on design elements***
- Taylor goes over map of site, what is required, fence line, etc. Could possibly create a second exit for parking purposes.
- Proposes 11.5 acres, with 70K foot bldg., with expansion for 20K more. Could add 3.2 acres if needed. Our access would be outside the fence.
- Board discusses gate, road, shop bldg.
- Discussion about guns, we would have problems with concealed carry. Woodbury can protect the land from USAF Hassling us, slight concern about CCW. Strong legal regime to protect Major Wright, our teachers Carry Concealed. No restrictions outside the fence. Drugs enforced by Roy City.
- Law Enforcement, MIDA will let out for bids, could be Roy, Riverdale or Clearfield.

- Utilities, the same discussion.
- Steve, concern about Traffic, other plan.
 - Taylor, next couple years, traffic to change dramatically. 1800 W Gate, frontage road. Museum/North Gate moved to the South, new interchange – UDOT is going to change I-15 exit. Woodbury, not an easier access, though bigger traffic changes will improve over next 5 years. In another similar traffic pattern went from 7-minute wait time to less than 1 – minute. Growth is happening out west. 1800 N interchange to remove traffic from HAFB. Army railyard moving to Alabama in 2020 and 2021. About when we would move in. Rail lines are hardly being used.
- Building 75,000 Very practical design, core design, one building, classes circle around the outside. Keep the bldg. a box, keeps costs down. Design is very flexible going with this design. Large gray area, move classrooms, etc. Merlynn, a lot of parking, how much?
 - Thinking 4 spots per 1,000 sq. ft., so 300 stalls.
 - Includes a garage/shop building.
 - Cheaper than including inside the building. Going to a single story would cut costs. If single wood frame, costs cut even more.
- Financing 9%, return on costs, reconcile costs, adjust down to 9%.
- 2nd proposal, Sheldon Killpack called Taylor.
 - This came in after we moved deadline back 2 weeks.
 - Sheldon has 30+ schools in resume. Sheldon has finance plan, in partner w/ Woodbury.
 - Taylor really doesn't know Sheldon, high confidence.
- Lender will fund construction. Woodbury puts up some equity. Day we move in Woodbury moves out of deal, UMA assumes loan.
 - Construction Loan 9%, then assume loan, then later bond out. Would pay ground rent, around \$200K/yr.
 - Woodbury, Hunt, One West are partnered.
 - Warned us we need to meet financing requirement. 9% construction, 6% on assumed the bonding rate 4.5-5.5%. Assumed loan 30 yr. Loan.
- The site is ideal for Military Academy. Always some challenges, though Woodbury has ability to navigate.
- Costs – Total of \$22.5 Mill + \$1 Million of UMA Funds about \$2.2 Million a year.
- Curt: Any problems in ground issues. Mrs. Stewart USAF has cleaned it up, though if anything found USAF must clean. Not aware of any environmental concerns.
- Curt: How much flexibility in prices. Taylor tried to get our CW Cost, confident we could replicate. Sit down w/us likely go down to single story. 2 story good design, concrete tilt up. * If we want to get serious need to sit down and sort out. Curt earthquake zone, this would meet the specs. Taylor

really like concrete tilt up, great material. If we reduced 75k, would drop by same \$7/ft.

- Matt, Stick building \$185/sq. ft. down to \$120/ sq. ft.
 - Campus spreads out cadets, less family feel.
 - Don't see construction slowing down.
 - Senator Stevenson, MIDA, his son is partners with Sheldon Killpack. Curt notes that connection.

- **Ended 8:39P**

6. 8:40P Action on Hill Field RFP Finalists

- Matt notes costs, substantially higher, even with one-story and wood.
- Curt/Kit, land lease \$200k
- Vickie, traffic a nightmare waiting to happen. Discussion of gates, not confident UDOT will solve problems.
- Kit, sad, it's always bee museum
- Vickie, traffic
- Matt functional value of Ogden is much higher than visual of Museum
- Steve, what does it look like in 5, 20 years?
 - Kit, Phil said that rail line isn't used. Being pulled out of base.
 - Rail line dead ends at HAFB, not used.
 - Chuck "Rails to Trails" converts railways to trails.
 - Matt, Costs are very high.
 - Kit, Museum will get hidden.
- Chad, Convergys bldg. has concrete/steel.
- Vickie/Curt – landscaping really crass.
- Jill liked design of museum bldg.
- Merlyn, safety at Convergys.
 - Matt notes Convergys has 2 entrance to property, though bldgs. 20+ doors.
- Jill works at elementary, more inconvenience for parents, they won't hang out.
- Merlynn discuss qualities of developers
 - Matt, very good with Boyer
 - Curt/Merlynn, many partners with Woodbury – Who solves?
 - Kit, Killpack didn't want to help in UMA vision.
 - Vickie, both contractors great equal difference:
 - Cost
 - Traffic
 - Potential
- Matt makes point Convergys has significant growth.
 - Kit worried about Union Pacific.
 - Jill, Convergys needs walkways.
- **Merlynn moves to approve Boyer, Vickie seconds.**

- Matt asks Kit to speak as this motion goes away from his decade long vision.
 - Kit recites: Steve and kit due diligence, sticker shock at Woodbury. Looked at Boyer, Legend Hills, not so excited. Then looked at Convergys – Steve & Kit drive out, then noted no land for athletic fields. Then land across road to build on. Notes covered walkways (Jill’s point) Matt blew it off until Steve and Kit took him over. Kit said to not get museum, but can’t deny. Vickie asks Kit, what if we don’t get athletic land.

Adjourn

2124 hours