

Florida Agricultural and Mechanical University



Board of Trustees
Date: June 15, 2018

AGENDA

Florida Agricultural and Mechanical University



Rev 6-8-2018

Board of Trustees
Date: June 15, 2018
Time: 8AM
Location: Conference Call

AGENDA

- | | | |
|-----|---------------|----------------------|
| I. | Call to Order | Chair Lawson |
| II. | Roll Call | Attorney Barge-Miles |

ACTION ITEMS

- | | | |
|------|---|--------------------------------|
| III. | Approval of Center for Access and Student Success (CASS) Amendment #3 | AVP Kapileshwari |
| IV. | Approval of Housing Project - Phase 1a | AVP Kapileshwari/ AVP Bouie |
| V. | Adjournment | Chair Lawson |

Supplemental Documents:

1. Center for Access and Student Success (CASS) for agenda item III
2. Updated Debt Management Package for agenda item IV

Florida Agricultural and Mechanical University



Board of Trustees
Date: June 15, 2018

ACTION ITEM: CENTER FOR ACCESS AND STUDENT SUCCESS

Meeting Date June 15, 2018

Agenda Item: III

| Item Origination and Authorization | | | | |
|------------------------------------|-----------------------------|-----------------------|-------------------|----------------|
| Policy ____ | Award of Bid ____ | Budget Amendment ____ | Change Order ____ | |
| Resolution ____ | Contract ____ | Grant ____ | Other ____ | |
| Action of Board | | | | |
| Approved ____ | Approved w/ Conditions ____ | Disapproved ____ | Continued ____ | Withdrawn ____ |

Subject:

Amendment #3 to the agreement between Owner and Construction Manager for the Center for Access and Student Success Building. **This cost is included in the total estimated project cost of \$40,728,149.**

Rationale and Benefit:

The FAMU Center for Access and Student Success (CASS) is designed to be a multipurpose building serving as a one-stop shop for programs like recruitment, admissions, financial aid and enrollment management. This building will also house registrar, scholarship office, counselling services, and the Center for Disability Access and Resources.

This project will contribute towards improving the retention and graduation rates for students, by expanding outreach and recruitment, increasing counselling services, and improving the overall customer service for students, parents, and alumni.

Total funds requested for this project is \$40,728,149 (based on current estimate), of which \$16,155,000 has been received.

To date, University has procured and selected A/E services, preconstruction and construction services, and the services for construction audit.

The project team has completed the conceptual and advanced schematic design, site utility analyses, design development, early site package design phase and the full building design. To continue the progress with the funding received to date, the project team has adopted a phased design and construction approach. Accordingly,

- The first phase will focus on the utility work (**Amendment #1**),
- The second phase will focus on civil related work (**Amendment #2**),
- The third phase will address building foundation, electrical and plumbing stub outs, vertical structure and steel and a roof with the available funding (**Amendment #3**), and
- The future phase(s) will address the balance of the building construction and build out.

With funding appropriated to date, the University will complete the first three phases of the project by spring 2019. The University will then supplement up to \$3.5 million from other sources to avoid

de-mobilization and continue construction until summer 2019 to complete the entire building exterior. A separate amendment and approval would be sought from the Board for that portion of the work.

Current Construction Manager Contract - \$3,768,623

Requesting Amendment #3 for Construction Manager - **\$9,442,497** (*current request*)

New contract amount - **\$13,211,120**

Amendment #3 will incorporate provision of a building foundation, plumbing and electrical stub outs, vertical steel and structural package and a roof with shingles, as include in the design package issued by the project architect. The completion of this phase will be scheduled around June 2019.

The current project status update and the look ahead schedule of activities for this project is included as an informational item.

Recommendation: Authorize the President to execute **Amendment #3** in the amount of **\$9,442,497** to the existing construction manager agreement, subject to the review and approval of the Office of the General Counsel. **This cost is included in the total estimated project cost of \$40,728,149.**

Attachment: Recommended option with pros and cons.

Florida Agricultural and Mechanical University



Board of Trustees
Date: June 15, 2018

ACTION ITEM: HOUSING PROJECT PHASE 1A

Meeting Date June 15, 2018

Agenda Item: IV

| Item Origination and Authorization | | | | |
|------------------------------------|--------------------|------------------------|--------------------|--|
| Policy _____ | Award of Bid _____ | Budget Amendment _____ | Change Order _____ | |
| Resolution <u>X</u> _____ | Contract _____ | Grant _____ | Other _____ | |

| Action of Board | | | | |
|-----------------|------------------------------|-------------------|-----------------|-----------------|
| Approved _____ | Approved w/ Conditions _____ | Disapproved _____ | Continued _____ | Withdrawn _____ |

Subject: Student Housing Project – Phase 1A.

Rationale:

In support of the FAMU Strategic Priority 1 of Exceptional Student Experience, FAMU envisions a phased development to strategically enhance campus residence and resolve critical housing issues and aesthetic concerns.

Phase 1A:

The project will have a dual focus; refinancing and restructuring of the existing debt, and the development and construction of a new 700-bed student housing and dining facility. Also of note, this phase will be a replacement for the proposed decommissioning of Paddyfote, Truth Hall, and Palmetto North. Phase 1A will replace the lost 500 beds due to the aforementioned decommissioning and provide the University with 200 net new beds. This agenda item is seeking approval of the project plan for Phase 1A.

Recommendation:

Approval of the project plan for phase 1A based on State University System of Florida Debt Management guidelines.

Attachment: Project Plan and debt management checklist for phase 1A.

Florida Agricultural and Mechanical University



Board of Trustees
Date: June 15, 2018

PRESENTATION



Board of Trustees Meeting

June 15, 2018

PRESENTED BY

Finance and Administration

Florida Agricultural and Mechanical University



**ACTION ITEM III: CASS Amendment #3 for
Construction Manager**

PRESENTED BY

Sameer Kapileshwari P.E., Associate Vice President for Facilities and Safety

Florida Agricultural and Mechanical University



Center for Access and Student Success (CASS)

Background:

The FAMU Center for Access and Student Success (CASS) is designed to be a multipurpose building serving as a one-stop shop for programs such as recruitment, admissions, financial aid and enrollment management. This building will also house registrar, scholarship office, counselling services and the Center for Disability Access and Resources.





Center for Access and Student Success¹² (CASS) – Proposed Option and Next Steps

- Seek approval for Amendment III GMP approved for **\$9,442,497**
- Supplement funds from other sources for an additional up to \$3.5 million (future amendment #4) to allow all site work to be completed and provide for a completed building exterior

Pros:

- Provides a complete shelled building for interior build-out
- Eliminates escalation cost on the structure and building skin material
- Building looks complete from the street
- Eliminates demobilization between funding cycles

Cons:

- May need to spend money on temporary HVAC for moisture control before interior buildout
- Does not provide a useable building if no other funds become available from the state or other funding sources





CASS Amendment #3 for Construction Manager

- **Amendment #3** will incorporate provisions for a foundation, plumbing and electrical stub outs, vertical steel and structural package and a roof with shingles, as included in the design package issued by the project architect. The completion of this phase will be scheduled around June 2019.
- **Recommendation:** Authorize the President to execute **Amendment #3** in the amount of **\$9,442,497** to the existing Construction Manager agreement, subject to the review and approval of the Office of the General Counsel. **This cost is included in the total estimated project cost of \$40,728,149.**

Construction Manager Contract

| | |
|--|---------------------|
| Existing Construction Manager (CM) Contract Amount | \$3,768,623 |
| ADD: CM Contract Amendment #3 | \$9,442,497 |
| CM Contract Amount to Date | \$13,211,120 |





ACTION ITEM IV – Approval of Housing Project Plan – Phase 1A

PRESENTED BY

Mr. Sameer Kapileshwari P.E., Associate Vice President for Facilities and Safety

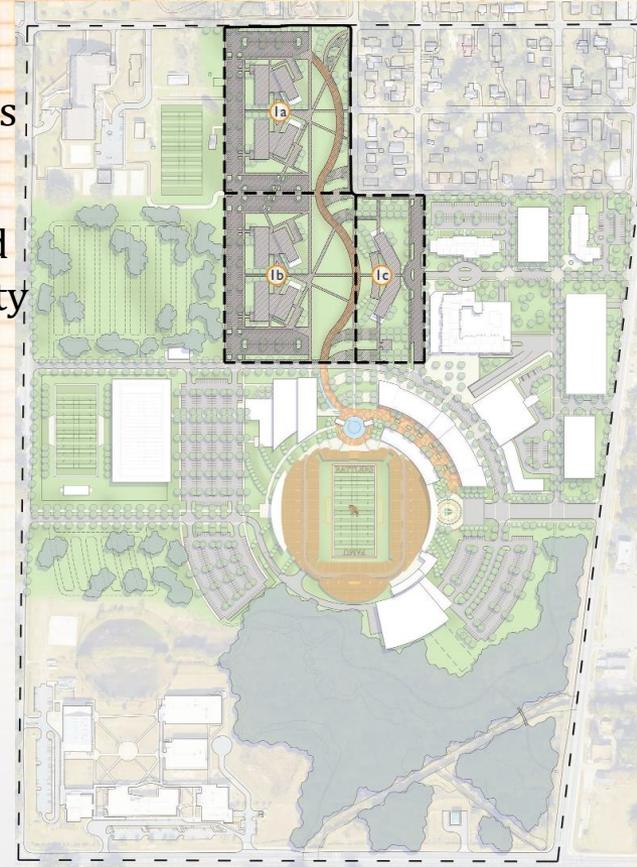
Mr. Archie Bouie, Associate Vice President, Administration and Finance

Florida Agricultural and Mechanical University



FAMU On-Campus Student Housing Project

- Phase 1a – Student Housing: A priority development of:
 - 700 beds (Phase 1a) to be developed based on University's student housing building replacement program
 - An additional up to 1,400 beds - [700 beds (Phase 1b) and 700 beds (Phase 1c)] – to be developed based on University growth projections and demand for additional beds of student housing
- FAMU will manage student experience such as Residential Life and Education
- Project supports ACUHO-I 21st Century Project four defining concepts: community, flexibility, sustainability, and technology
- Anticipated Project Completion: Fall 2020





Conceptual Rendering #1



BUILDING PERSPECTIVE

FAMU STUDENT HOUSING

ORLANDO, FLORIDA | A1
01-22-18



FINFROCK
FINFROCK DESIGN, INC.

MANICA
architecture

Kimley»Horn
SKB STUDIO





Conceptual Rendering #2



BUILDING PERSPECTIVE

FAMU STUDENT HOUSING

ORLANDO, FLORIDA |
01-22-18 |

A3



FINFROCK
FINFROCK DESIGN, INC.

MANICA
architecture

Kimley»Horn

SKB STUDIO





Conceptual Rendering #3



BUILDING PERSPECTIVE

FAMU STUDENT HOUSING

ORLANDO, FLORIDA | A4
01-22-18



FINFROCK
FINFROCK DESIGN, INC.

MANICA
ARCHITECTURE

Kimley»Horn





Financial Overview/Considerations – Comparison of Financing Options

| Options→ | Bond Financing | Public-Private Partnership (P3) | DOE HBCU Capital Financing |
|----------------------|--|---|--|
| Pros | <ul style="list-style-type: none"> -Low cost of funds -Maintains single housing system -Allows for additional cash-flow for system deferred maintenance | <ul style="list-style-type: none"> -Financing provided by P3 provider -Net cash-flow to University for other housing needs | <ul style="list-style-type: none"> -Lowest cost of funds -Maintains single housing system -Ability to refinance all debt -Ability to restructure debt provides annual cash-flow for deferred maintenance -No bond rating required |
| Cons | <ul style="list-style-type: none"> -Limited ability to refinance outstanding debt under current tax law -Requires maintenance of bond rating and could result in downgrade | <ul style="list-style-type: none"> -Not a comprehensive solution to housing system needs -Creates competition between project and existing housing system- existing debt repayment at risk -Likely higher cost of funds -Most likely results in rating downgrade on existing debt | <ul style="list-style-type: none"> -Acceleration and offsets of federal funds required under US DOE loan documents in the event of payment default |
| Other Considerations | <ul style="list-style-type: none"> -Deviation from BOG guidelines needed to restructure debt | <ul style="list-style-type: none"> -What level of control of facility (including operating budget and rate setting) would University retain? | <ul style="list-style-type: none"> -Requires passage of legislation allowing offsets of Federal funds -Deviation from BOG guidelines may be needed to restructure debt |



Financial Overview

DOE HBCU Capital Financing Program

- Program is designed to provide low-cost capital to finance improvements to the infrastructure of the nation's HBCUs
- Privately placed loan with US Department of Education
- Lowest cost of funds
- **Preserves single housing system and full University control**
- **Overall finance plan would include solution for entire housing system deferred maintenance needs – critical under any funding option**
- All existing debt would be refinanced to provide adequate cash-flow to help meet housing system's deferred maintenance needs with goal of proper asset/liability matching
- Deviation from BOG debt guidelines may be needed to restructure debt
- Required passage of legislation to allow other University funds to be pledged due to offsets of federal funds in event of payment default - SB1712/HB375
- No bond ratings needed



Debt Management Guidelines

Checklist as of 6/10/18



Items 1 – 6 of 20

| Status | # | Item Description |
|--------|---|--|
| ✓ | 1 | A resolution of the DSO board of directors approving the debt issuance, if applicable, and a resolution of the university Board of Trustees (the “BOT”) approving the debt issuance and authorizing the university to request Board approval of the debt issuance. |
| ✓ | 2 | The project program, feasibility studies or consultant reports (if available), and an explanation of how the project being proposed is consistent with the mission of the university. |
| ✓ | 3 | Estimated project cost, with schedules drawn by month and including start and completion dates, estimated useful life, and the date bond proceeds are required. |
| ✓ | 4 | The sources-and-uses of funds, clearly depicting all costs, funding sources expected to be used to complete the project and the estimated amount of the debt to be issued. |
| ✓ | 5 | An estimated debt service schedule with the assumed interest rate on the debt clearly disclosed. |
| ✓ | 6 | One consolidated debt service schedule separately showing all outstanding debt related to or impacting the debt being proposed, the proposed debt and the new estimated total debt service. |



Debt Management Guidelines

22



Checklist as of 6/10/18 continued

Items 7 – 9 of 20

| | | |
|---|---|---|
| ✓ | 7 | A description of the security supporting the repayment of the proposed debt and the lien position the debt will have on that security. If the lien is junior to any other debt, the senior debt must be described. Furthermore, a description of why the debt is proposed to be issued on a junior lien basis must be provided. A statement citing the legal authority for the source of revenues securing repayment must also be provided. |
| ✓ | 8 | If debt is to be incurred on a parity basis with outstanding debt, a schedule showing estimated compliance with any additional bonds requirement set forth in the documents governing the outstanding debt. The applicable provisions of the documents for bonds of DSOs should be provided. |
| ✓ | 9 | Financial statements for five years, if available, for the auxiliary, if auxiliary revenues are pledged. |



Debt Management Guidelines



Checklist as of 6/10/18 continued

Items 10 – 11 of 20

| | | |
|------------------------|----|--|
| ✓ <i>See Item 6</i> | 10 | A five-year history, if available, and five-year projection of the revenues securing payment. The 10 years must be shown on one table and debt service coverage ratios must be included. The information should also be provided to Board staff in Microsoft Excel format and: |
| | | i) to the extent applicable, the projections must be shown on the individual project as well as the entire system; ii) all revenue items securing repayment must be clearly set forth as separate line items; iii) an explanation must be provided with regard to growth assumptions, and to the amount and status of approval of any rate increases; iv) the effect of the rate increases on the projections and expected revenues and expenses for the new facility should be clearly set forth as a separate line item; v) if rate increases are necessary, a commitment must be made to increase rates to the needed levels; and vi) major categories of any operating expenses should be set forth as separate line items with an explanation of assumptions regarding increases or decreases. |
| ✓ | 11 | Evidence that the project is consistent with the university's master plan or a statement that the project is not required to be in the master plan. |



Debt Management Guidelines



Checklist as of 6/10/18 continued

Items 12 – 13 of 20

| | | |
|-----|----|--|
| N/A | 12 | For variable rate debt proposals: <ul style="list-style-type: none">i) the expected reduction in total borrowing costs based on a comparison of fixed versus variable interest rates;ii) a variable rate debt management plan that addresses liquidity and interest rate risks and provides, at a minimum: a description of budgetary controls, a description of liquidity arrangements, a discussion of why the amount of variable rate debt being proposed is appropriate, and a plan for hedging interest rate exposure. If interest rate risks are to be mitigated by the use of derivatives, then evidence that the counterparty has a long term rating of at least an A/A2 and a swap management plan as set forth in the Board's Debt Management Guidelines must be submitted;iii) a pro forma showing the fiscal feasibility of the project using current market interest rates plus 200 basis points;iv) the total amount of variable rate debt including the proposed debt as a percentage of the total amount of university and DSO debt outstanding; andv) the individual or position that will be responsible for the reporting requirements for variable rate debt as set forth in these guidelines. |
| √ | 13 | If all or any portion of the financing is contemplated to be done on a taxable basis, then evidence demonstrating that the issuance of taxable debt is in the best interest of the university must be submitted. |



Debt Management Guidelines



Checklist as of 6/10/18 continued

Items 14 – 17 of 20

| | | |
|---|----|---|
| ✓ | 14 | A statement explaining whether legislative approval is required, and if required, an explanation as to when legislative approval will be sought or evidence that legislative approval has already been obtained. |
| ✓ | 15 | A statement that the debt issuance is in accordance with the university's debt management policy or, if not, an explanation of the specific variances as well as the reasons supporting the variances. |
| ✓ | 16 | If a request is made to employ a negotiated method of sale, an analysis must be provided supporting the selection of this method that includes a discussion of the factors set forth in section IV of these Guidelines. |
| ✓ | 17 | A description of the process used to select each professional engaged in the transaction, showing compliance with the competitive selection process required by these Guidelines. Specific contact information for each selected professional, must be included, and at a minimum, should disclose the professional's name, firm name, address, email address, phone number and facsimile number. |



Debt Management Guidelines

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Checklist as of 6/10/18 continued

Items 18 – 20 of 20

| | | |
|-----|----|---|
| N/A | 18 | The most recent annual variable rate debt report. |
| √ | 19 | An analysis must be prepared and submitted which provides quantitative metrics justifying the need for the construction or acquisition of the project and explains why the project is essential to the university's core mission. There must also be a detailed assessment of private sector alternatives and a determination of whether the private sector can offer a comparable alternative at a lower cost. This information may be included as part of a project feasibility study or may be a stand-alone report. |
| √ | 20 | An analysis must be prepared which calculates the expected return on investment or internal rate of return for a revenue-generating project or another appropriate quantitative measure for a non-revenue generating project. |



| CTG Phase 1.A 700 Bed Preliminary Conceptual Cost Assumptions | | | | |
|--|-----------------|---|-------|---|
| Schedule of Values | | Beds/ Cost Per Bed | | Notes/Comments |
| Category | Amount | \$ 700 | % | |
| Design Builder Conceptual Hard Cost and Contingency | \$ 42,656,400 | \$ 60,938 | | Conceptual Estimate will be updated at the Schematic Design Close out and upon the completion of the Schematic Design Development (SDD) (GMP Phase) |
| Projected Site Cost Allowance | \$ 1,920,000 | \$ 2,743 | | Delayed waiting on university supplied data |
| Permits, Inspections, and Fees | \$ - | \$ - | | University Related Cost TBD |
| Total Building Hard Costs | \$ 44,576,400 | \$ 63,681 | 100% | Projected hard Development cost Including Contingency allowance |
| Soft Costs | | | | |
| | Amount | \$ 700 | % | Notes/Comments |
| A&E Cost | \$ 1,783,056 | \$ 2,547 | 4% | Budget number final cost at GMP % of Hard Cost |
| Construction Administration -CA | \$ 891,528 | \$ 1,274 | 2% | Budget number final cost at GMP % of Hard Cost |
| Professional services, Builders Risk & Other Soft Cost Allowance | \$ 334,323 | \$ 478 | 0.75% | Budget number final cost at GMP % of Hard Cost |
| Total Soft Costs | \$ 3,008,907 | \$ 4,298 | | |
| Total Hard & Soft Cost | \$ 47,585,307 | \$ 67,979 | 100% | |
| Construction Managment Cost | | | | |
| | Amount | \$ 700 | % | Notes/Comments |
| CM-Construction Management at-Risk CMR | \$ 2,379,265.35 | \$ 3,399 | 5% | |
| Total Hard/ Soft & CM Cost | \$ 49,964,572 | \$ 71,378 | 100% | BOG Budget set at \$52 M |
| Dining Hall Addition Allowance | | | | |
| Projected Dining Hall Addition | \$ 2,750,000 | Conceptual EST only need more detail Project placed on hold by the University | | |
| FF&E Allowance | | | | |
| FF&E Allowance | \$ 1,750,000 | \$ 2,500 | | |
| CTG Conceptual Cost | | | | |
| Total Costs | \$ 54,464,572 | \$ 64,041 | | |





Approval of Housing Project Plan Phase 1A

Subject: Student Housing Project – Phase 1A.

Rationale:

In support of the FAMU Strategic Priority 1 of Exceptional Student Experience, FAMU envisions a phased development to strategically enhance campus residence and resolve critical housing issues and aesthetic concerns.

Phase 1A: The project will have a dual focus; refinancing and restructuring of the existing debt, and the development and construction of a new 700-bed student housing and dining facility. Also of note, this phase will be a replacement for the proposed decommissioning of Paddyfote, Truth Hall, and Palmetto North. Phase 1A will replace the lost 500 beds due to the aforementioned decommissioning and provide the University with 200 net new beds. This agenda item is seeking approval of the project plan for Phase 1A.

Recommendation: Approval of the project plan for phase 1A based on State University System of Florida Debt Management guidelines contingent upon any pending recommendations by the Division of Bond Finance.





Thank you

Questions?



Florida Agricultural and Mechanical University



Board of Trustees
Date: June 15, 2018

SUPPLEMENTAL DOCUMENTS

Florida Agricultural and Mechanical University



BOT MEETING SUPPLEMENTAL PACKET

**ITEM 1: CENTER FOR ACCESS AND STUDENT SUCCESS
RECOMMENDED OPTION**

ITEM 2: HOUSING PHASE 1A DEBT MANAGEMENT PACKET



June 5, 2018

TO: Craig Talton
Office of Facilities Planning and Construction
Florida A & M University
2400 Wahnish Way, Suite 100
Tallahassee, Florida, 32307

RE: Construction Phased Option:

JRA Architects has reviewed both the current funds available for the FAMU- Student Affairs Center for Access and Student Success (CASS) project and the construction scenario compiled by the Construction Manager and offers the following recommendation:

Proposed Option (If additional funding is available this year from other sources):

Complete the work included in the Phase I and II GMP's already approved. Have the Phase III GMP approved for \$9.5 million and supplement funds from other sources for an additional \$ 3.5 million. This would allow all site work to be completed and provide for a completed building exterior. This should comply with the BOG request of having work stopped at "complete and usable" stage. Future funding would be needed to complete all of the interior spaces.

Pros:

-) Provides a complete shelled building for interior build-out.
-) Eliminates escalation cost on the structure and building skin material
-) Building looks complete from the street.
-) Eliminates demobilization between funding cycles.

Cons:

-) Need to spend money on temporary HVAC for moisture control before interior build-out.
-) Does not provide a useable building if no other funds become available from the state or other funding sources.

JRA ARCHITECTS, INC.

Senior Vice President
JRA Architects, Inc.

**2551 Blairstone Pines Drive
Tallahassee, Fl. 32301
850-878-7891**



**2211 Thomas Drive
Panama City Beach, Fl. 32408
850-236-9832**



JRA Architects, Inc.

June 13, 2018

Craig Talton, Director
 Facilities Planning and Construction
 Florida A&M University
 2400 Wahnish Way
 Tallahassee, Fl. 32307-6400

**RE: STUDENT AFFAIRS CENTER FOR ACCESS AND STUDENT SUCCESS
 BRFM-337
 PLAN OF ACTION AND BUDGET PROPOSAL
 JRA #15749 C/AC**

Mr. Talton,

The following is an outline of the plan of action proposed by Florida A&M University, JRA Architects (Project Architects) and Ajax Building Corporation (CM at Risk) to continue the in-progress construction on the above referenced project. This outline has been prepared at the request of Florida A & M University for the purpose of using the available appropriated funds to complete site work and building shell.

The team has identified a budget of \$12,942,497 to achieve this goal. To reach this number, we recommend:

- Approve addendum #3 for \$9,442,497.
- Florida A&M University approves additional funding from Title III Funds in the amount of \$3,500,000. This will not be available for encumbrance until 2019.

Approval of these actions makes available, for construction, the needed \$12,942,497. The scope of work provided for this sum will be:

- Limited Sitework, including storm water infrastructure required by DEP & NWFWM, grading & site utility lines required to install the building structure. All other sitework, such as sidewalks, brick pavers and retaining walls will be added when additional project funds become available.
- Limited Landscaping, to include sod/seed to control site erosion and provide an acceptable exterior appearance of the site.
- The building concrete structure, structural steel and roof trusses.
- Plumbing and electrical rough-in for the basement and ground floor slab on grade.
- Main roof insulation and shingles, exterior studs, sheathing, brick/masonry, EIFS and exterior doors/windows.

This outline, upon acceptance, is intended to serve as the basis for an Amendment to the CM

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Plan of Action and Budget Proposal
July 13, 2018

Contract, adding the above listed construction phase activities to the current contract. Ajax Building Corporation will work with JRA Architect's and Florida A & M University Facilities Staff to finalize the exact scope and budget for this work.

Contracts will need to be issued for all bid packages as part of this Budget Proposal to maintain the original bids. For those bid packages whose full bid amount cannot be covered within this Budget Proposal, we have included an allowance to issue subcontracts and process submittals. An additional alternate will be established in the contracts to incorporate the remaining bid amount when the remaining funding for the project is received and a NTP is issued by Florida A & M University for the remaining project scope of work. Any escalation cost will be calculated and submitted at that time.

Ajax Building Corporation anticipates, if approved, the work included in this proposal outline to be completed in October 2019 based upon approval on or before June 15, 2018 and subject to scheduled modifications required by the additional alternate funds of \$3,500,000.

Sincerely,

JRA ARCHITECTS, INC.



David Vincent, AIA, LEED® Accredited Professional
President



JRA Architects, Inc.