

**BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA**

June 14, 2007

SUBJECT: A Resolution of the Board of Governors Requesting the Division of Bond Finance of the State Board of Administration of Florida (the "Division of Bond Finance") to issue Revenue Bonds on behalf of the University of Florida to finance construction of a multi-level Parking Garage on the main campus of the University of Florida.

PROPOSED BOARD ACTION

Adoption of a resolution approving the issuance of fixed rate, tax-exempt revenue bonds, by the Division of Bond Finance on behalf of the University of Florida, in an amount not to exceed \$23,000,000 for the purpose of financing the construction of a multi-level parking garage and parking offices on the campus of the University of Florida.

Staff of the Board of Governors, State University System of Florida, and the Division of Bond Finance have reviewed this resolution and all supporting documentation. Based upon this review, it appears that the proposed financing is in compliance with Florida Statutes governing the issuance of university debt and the debt management guidelines adopted by the Board of Governors. Accordingly, staff of the Board of Governors recommends adoption of the resolution authorizing the proposed financing.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Florida Board of Governors Debt Management Guidelines dated April 27, 2006; Section 1010.62, Florida Statutes; and Article IX, Section 7(d), Florida Constitution.

BACKGROUND INFORMATION

The University of Florida has submitted a proposal for the financing and construction of a multi-level parking garage. The proposed Parking Garage will be the fourteenth parking garage on campus and will include approximately 900 spaces and a 9,000 square-foot building for use by the Traffic and Parking Office for administrative purposes. The financing plan includes the issuance of fixed rate, tax-exempt revenue bonds through the Division of Bond Finance. The parking garage will be financed from net proceeds received from the issuance of the revenue bonds.

The University Board has requested approval from the Board of Governors for the Division of Bond Finance to issue up to \$23,000,000 of fixed rate, tax-exempt, bonds to

finance the construction of the project, fund a debt service reserve fund and pay costs of issuing the bonds. The estimated total project cost is \$20,764,300.

The debt service payments will be made from revenues generated from the operations of the University parking system, after payments of operating and maintenance costs. The Series 2007A Bonds will be issued on parity with the outstanding bonds, Series 1993 and Series 1998. As of June 30, 2006, the outstanding aggregate principal amount of the bonds was \$14,850,000.

Projections provided by the University indicate that sufficient net revenues will be generated from decal fees, rentals or other charges, except fines collected by the Student Traffic Court and the transportation access fee, to pay debt service on the Series 2007A Bonds and the outstanding 1993 and 1998 Bonds. In March of 2007, the decal fees for FY 2007-08 were raised 6%.

The term of the Series 2007A Bonds will be for twenty years.

The University of Florida Board of Trustees, at its March 30, 2007 meeting, approved the Parking Garage construction and the financing thereof.

Supporting Documentation Included: Requesting Resolution
Project Summary
Attachment 1 - Estimated Sources and
Uses of Funds
Attachment 2 - Historical and Projected
Pledged Revenues and Debt Service
Coverage

Facilitators/Presenters: Mr. Chris Kinsley, Director of Finance and
Facilities