

**BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
September 24, 2009**

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 Central Florida to finance construction of a Parking Garage on the main campus of the University of Central Florida

PROPOSED BOARD ACTION

Adoption of a resolution approving the issuance of fixed rate, revenue bonds, by the Division of Bond Finance on behalf of the University of Central Florida, in an amount not to exceed \$19,500,000 (the "Bonds") for the purpose of financing Parking Garage VI on the main campus of the University of Central Florida ("the Project").

Staff of the Board of Governors, State University System of Florida, and the Division of Bond Finance has 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 complies with the debt management guidelines adopted by the Board of Governors. Accordingly, staff of the Board of Governors recommends adoption of the resolution and authorization of 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 Central Florida has submitted a proposal for financing and construction of Parking Garage VI. The proposed project is to be located on the main campus of the University of Central Florida in the north section of campus in an area not currently being used. The proposed project will contain approximately 1,400 parking spaces and will provide for a total of 9,577 structured parking spaces and total parking spaces on campus of 18,315. The Project is consistent with the University's Campus Master Plan. The total Project cost is expected to be \$17 million.

The University Board of Trustees has requested approval from the Board of Governors for the Division of Bond Finance to issue up to \$19,500,000 of fixed rate, revenue bonds to finance the construction of the project, fund a debt service reserve fund and pay costs of issuing the Bonds. The Bonds will mature twenty (20) years after issuance with level annual debt service payments.

The debt service payments will be funded from revenues generated from the operation of the University parking system, after payments of operation and maintenance costs. Operating revenues are generated primarily from transportation access fees, parking decal sales, fines, and other parking fees. The Bonds will be issued on parity with the outstanding Revenue Bonds, Series 1997, 1999, 2001 and 2004A, currently outstanding in the aggregate principal amount of \$32,275,000.

Projections provided by the University indicate that sufficient net revenues will be generated to pay debt service on the Bonds and the outstanding parity bonds.

The University of Central Florida Board of Trustees approved the Project and the financing thereof at its July 23, 2009 meeting.

Supporting Documentation Included: Information behind the Facilities and Real Estate Committee tab