

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

March 24, 2011

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 parking facility revenue bonds, by the Division of Bond Finance on behalf of the University of Central Florida (the "University"), in an amount not to exceed \$12,000,000 (the "Bonds") for the purpose of financing Parking Garage VII on the main campus of the University of Central Florida ("the Project").

Staffs 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 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; Section 1010.62, Florida Statutes; and Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The University has submitted a proposal for financing and construction of Parking Garage VII. The Project will be located in the southeast section of the University's main campus. The Project will contain approximately 1,080 parking spaces, bringing the total number of parking spaces on campus to 18,907. The Project is consistent with the University's Campus Master Plan. The total Project cost is expected to be \$12,572,280.

The University's Board of Trustees has requested approval from the Board of Governors for the Division of Bond Finance to issue up to \$12,000,000 of fixed rate parking facility revenue bonds to finance a portion of the construction of the Project, fund a debt service reserve fund and pay costs of issuing the Bonds. The University also anticipates contributing \$2,500,000 in Parking System cash reserves. 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's Parking System, after payments for operation and maintenance costs. The primary source of revenues being used to pay debt service on the Bonds will be transportation access fees required to be paid by all students, faculty and staff parking decal sales, and fines. The Bonds will be issued on parity with the outstanding Parking Facility Revenue Bonds, currently outstanding in the aggregate principal amount of \$42,875,000.

Projections provided by the University indicate that sufficient net revenues will be generated by the transportation access fees, faculty and staff parking decal sales, fines, and other parking fees to pay debt service on the Bonds and the outstanding parity bonds. The Project will generate additional revenues for the Parking System through the availability of visitor parking at a cost of \$5 per day. The transportation access fee for 2011-12 will be \$9.00 per credit hour. The pro-forma assumes a \$0.25 increase each fiscal year beyond 2011-12.

The University's Board of Trustees approved the Project and the financing thereof at its January 21, 2011 meeting.

Supporting Documentation Included: Located behind Facilities Committee Tab