

State Board of Education
Requested Approval of the University of Central Florida Parking Facility Revenue Bonds

Summary of Issues

- \$ The former Florida Board of Education, as successor to the Board of Regents, approved the financing plan and adopted a requesting resolution for university bond issues.
- \$ It has been determined by legal staff that the subject approvals should be obtained from the State Board of Education and the Board of Governors until clarifying language is included in the statutes which further outlines the duties and responsibilities of each board.
- \$ The Office of Educational Facilities Budgeting reviews the financing plan and evaluates the sufficiency of projected revenues to satisfy debt service requirements. It has been determined that the parking system at the University of Central Florida has adequate revenues to support the proposed bond issue.
- \$ Prior to devolution, any proposed project was required to be included within the respective university's campus master plan, with appropriate approvals obtained, in order to receive approval of the financing plan and the issuance of bonds. The University of Central Florida Board of Trustees approved a revised campus master plan on January 23, 2003 to incorporate the proposed parking facility. It has been disclosed that the Department of Environmental Protection has not reviewed or approved the revised campus master plan.
- \$ Prior to devolution, an executed revised campus development agreement, if necessary, was required in order to obtain approval of the financing plan and the issuance of bonds. A revised campus development agreement has not been executed by the University of Central Florida with the required local agencies.
- \$ Guidance is needed to determine the level of due diligence necessary under the devolution policies prior to requesting approval of a financing plan and the issuance of bonds.
- \$ The approved campus master plan and campus development agreement essentially provide a permit for the project. Without the permit, there is a risk that the project could be delayed or stopped, having an adverse effect if the bonds have been sold. It is recommended that the approval action include a caveat that the bonds will not be sold without having acquired the permit.