

ITEM: _____

STATE BOARD OF EDUCATION

February 18, 2003

SUBJECT: A Resolution of the State Board of Education Approving the Financing of the Costs of the Acquisition and Construction of an Athletic Training Facility on the Tampa Campus of the University of South Florida by the University of South Florida Foundation, Inc.

UNIVERSITY AFFECTED: University of South Florida

PROPOSED BOARD ACTION

Approve the financing plan and adopt a resolution authorizing the issuance of fixed or variable rate, tax-exempt certificates of participation, in one or more installments, by the University of South Florida Foundation, Inc. ("Foundation") on behalf of the University of South Florida in an amount not to exceed \$13,200,000 for the purpose of financing the acquisition and construction of the Intercollegiate Athletics Project provided that the debt service coverage ratio is not less than 1.20. Authorize the Chairman, the Vice Chairman, the Chief Financial Officer and other authorized representatives of the State Board of Education to execute the necessary contractual documents related to the financing of the project.

AUTHORITY FOR STATE BOARD ACTION

Section 11, Chapter 2002-394, Laws of Florida, and Section 1010.60(2), Florida Statutes.

BACKGROUND INFORMATION

The University proposes to issue fixed or variable rate, tax-exempt certificates of participation as determined by the University, the Foundation, bond counsel, and the financial advisor to finance the acquisition and construction of a two-story athletic training facility on the main campus of the University of South Florida. Additionally, the University proposes to make available to the Foundation approximately 2 acres of land north of the Sun Dome and south of the University of South Florida Soccer Stadium. The University will collect gross revenues from flat and per credit hour student fees charged for athletic program activities, and certain fees charged under a pouring rights agreement for the right to provide beverages at athletic program activities, which will be used for the rental payments to the Foundation to satisfy the debt service obligations. The University anticipates charging fees each year as are necessary to produce sufficient revenues to meet its financial obligations under this arrangement.

Under the terms of the financing agreement, the Foundation will be responsible for the construction of the Intercollegiate Athletics Facility and the University will be responsible for all expenses associated with the ownership, operation and rental of the facilities. The term of the

financing agreement will be for twenty years and upon expiration of the financing agreement or retirement of the debt, ownership of the improvements will be transferred to the State.

The University of South Florida Board of Trustees approved the athletic training facility project on November 21, 2002.

Supporting Documentation Included: Requesting Resolution
 Project Summary
 Financial Plan

Facilitator/Presenter: Wayne V. Pierson