

SUS BOARD OF GOVERNORS
PUBLIC-PRIVATE PARTNERSHIP GUIDELINES
(For Capital Outlay Projects)
FACT SHEET

Purpose	<ul style="list-style-type: none"> ▪ To provide structure in evaluating and approving transactions with private third parties for the construction of facilities for the use and benefit of a university
Applicability & Definitions	<ul style="list-style-type: none"> ▪ A P3 Project¹ is a Private Party's construction and capital financing of a Facility on the campus of a state university or on other real property directly owned by, or under the jurisdiction of, the university or by the state and leased to the university, accomplished through a P3, with the Project costs being paid for, whether up front or over time, with revenues generated by the Project or other university/DSO revenues allowable for such purpose pursuant to §1010.62, F.S. ▪ Public-Private Partnership (P3): An agreement or agreements between a University Board of Trustees (UBOT), or a direct-support organization (DSO), and a Private Party whereby the Private Party will, at least, be responsible for the construction and capital financing of a Facility. ▪ Facility: A building or other facility and related improvements (but not landscaping or appurtenances alone) that: <ul style="list-style-type: none"> ○ is for purposes related to the housing, transportation (including parking), health care, research or research-related activities, food service, retail sales or student activities of the university or, if authorized by specific legislation, hotels, convention centers, stadiums, or other facilities; ○ is being constructed primarily for use by the university and/or its students, faculty, or staff; <u>and</u> ○ is land under the jurisdiction of a state university, including property leased from the Board of Trustees of the Internal Improvement Trust Fund (TIITF). ▪ Private Party: A person, corporation, partnership, joint venture, business trust, public-benefit corporation, non-profit entity, or other private business entity.
Feasibility, Requirements & Considerations	<ul style="list-style-type: none"> ▪ Necessary in relation to other facility needs of the university ▪ Consistent with strategic plan & mission and in the best interests of the university ▪ Facility owned by the university/DSO or ownership eventually conveyed ▪ Adequate safeguards to mitigate risk of future costs or service disruptions and ensure that the university/DSO's credit/debt ratings will not be adversely affected ▪ Financially and operational prudent; financial feasibility including all sources of revenues to fund construction, operation and maintenance (subject to §1010.62, F.S. & BOG Debt Management Guidelines) ▪ Project revenues should provide a coverage ratio of 1.20x projected debt service ▪ Adequate reserve funds & recourse in the event of default ▪ Delineate cost of services to be provided by the university or DSO (if any) ▪ Private Party should have sufficient staff, experience, and qualifications ▪ Impact to other University units or operations and cost to students ▪ Evaluate cash flow and ROI ▪ Term of the debt shall not exceed 30 years after the construction period ▪ Full faith and credit of the university, BOG or State may not be pledged ▪ Student Life Projects shall not have a lease term that exceeds the life expectancy of the Facility (50-year life assumed if constructed with university standards) and a lease term in excess of 40 years requires an analysis to demonstrate benefits. 99-year max.

¹Projects not subject to the Guidelines: (i) The university/DSO will be directly responsible for repayment of any debt pursuant to §1010.62, F.S. or is hiring a Private Party to provide services, including management services, unless it involves construction and financing of a new facility or renovations costing > \$5M; (ii) an operating lease where the university/DSO is the lessee not on campus; (iii) construction of a facility being funded solely with state appropriations; (iv) projects with a total cost ≤ \$5M or energy performance-based contracts ≤ \$10M

Procurement Process	<ul style="list-style-type: none"> ▪ Competitive Solicitation through an Invitation to Negotiate (ITN) <ul style="list-style-type: none"> ○ Provide electronic copy to the BOG & DBF ▪ Must be in the best interests of the university/DSO ▪ Open, competitive, transparent procurement process ▪ Criteria and metrics for objective evaluations of proposals ▪ Minimum requirements: <ul style="list-style-type: none"> ○ Description of the Facility ○ Schedule and total project cost ○ Method proposed to secure the necessary property ○ Financing plan ○ Qualifications of the Private Party and other entities and key persons ○ Schedule of projected revenues, expenses, debt service, excess cash flow, distribution of excess cash flow to the university, DSO or Private Party and anticipated ROI and internal rate of return to the Private Party ▪ Select P3 development partner ▪ Negotiate lease/development agreement(s) and potential pre-development agreement to address risk sharing prior to BOG approval
Agreement Terms	<ul style="list-style-type: none"> ▪ Adequate provisions in relation to risks posed and effect of disruption to use ▪ Rights and responsibilities of the university, DSO or Private Party ▪ Safeguards for mitigating and managing disruption of use and operations ▪ Review and approval of design and inspection rights during construction ▪ Delivery of performance and payment bonds, letters of credit or other security ▪ General liability and property insurance for tort liability ▪ Maintenance, repair & replacement requirements ▪ Monitoring & remedial rights for the university/DSO ▪ Financial and operating information/reports and audit rights ▪ Material default if Private Party fails to fund operational and maintenance costs ▪ Fees to be charged to users ▪ Notice of default and cure rights ▪ Facility transfer to university/DSO upon expiration or early termination ▪ Satisfaction of encumbrances affecting title if transferred to the university/DSO ▪ Purchase option terms if the university/DSO has the option to purchase early
Approval Process² (UBOT/DSO/ BOG/DEP)	<ul style="list-style-type: none"> ▪ UBOT and DSO (if applicable) approvals required before BOG submission ▪ BOG submission to include: <ul style="list-style-type: none"> ○ Feasibility studies and consultant reports ○ Quantitative metrics justifying the need ○ Proposed final agreement(s), highlighting university protections ○ Cost benefit analysis showing cost efficiency and best value ▪ Submitted to the BOG and DBF at least 90 days prior to the meeting ▪ Letter signed by point of contact, identifying legal counsel and financial advisor ▪ BOG staff and DBF recommendation due in 90 days ▪ Projects involving state property (TIITF) may require approval from the Dept of Environmental Protection (DEP) (or the Cabinet) as required by the lease and DEP rules <ul style="list-style-type: none"> ○ Equitable compensation shall be required when the land will generate income or revenue for a private user or limit use by general public (Cabinet approval required) ○ Unless determined by the Trustees to be in the public interest, the term of any lease or sublease shall not exceed a maximum term of fifty years ▪ Any material changes after BOG approval requires 10-day notice to BOG & DBF

²Authorities: [BOG Public-Private Partnership Guidelines; §§1013.171, 1004.28\(6\), 1010.62, F.S. and §18-2.018, F.A.C.](#)