

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
July 23, 2015**

SUBJECT: Public Private Partnership Guidelines

PROPOSED COMMITTEE ACTION

Approval of draft guidelines related to Public Private Partnerships.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Sections 1013.171, Florida Statutes

BACKGROUND INFORMATION

Public-Private partnerships (P3s) have been used in Canada and Europe as a common financing mechanism for the past few decades and over the last several years have gained in popularity in the United States as an alternative method for the completion of major capital projects. In Florida, P3s have been used primarily for road projects, such as the I-595 express lanes in Miami and the I-4 expansion project in the Orlando area.

The State University System has been interested in using P3s as well; however, no specific policies governing these complex transactions exist, leading to an ambiguous environment. In each of the past three years, various legislative solutions were proposed to clarify P3 rules for state entities, including state universities. However, while P3 statutes have been adopted for some governmental units, no change in law occurred for the universities. Following the 2014 Session, the Board of Governors conducted a P3 workshop in August, inviting university staff, external P3 experts, the State Division of Bond Finance, the Executive Office of the Governor, and other key stakeholders to participate. Out of this workshop, the consensus position was that Board staff, assisted by the universities, would establish a set of draft guidelines within the existing legal framework for university P3s.

One goal for the guidelines is to allow for flexibility in an area that is experiencing rapid change. This flexibility will allow for innovative ideas and it is expected that as new concepts are developed, the guidelines will be updated. The Board may find that the thresholds and dollar limits established can be prudently increased over time, based on additional actual project experience.

During the Facilities Committee meeting held on May 18, 2015, university staff, Board staff, and the Division of Bond Finance had the opportunity to discuss each issue and provide the Committee members additional comments on the reasoning for issue positions. On June 18, 2015, the Facilities Committee further considered the issues still under debate and the proposed language.

After additional discussions and input from the Division of Bond Finance and the universities, the updated draft guidelines are provided for consideration by the Committee. If approved by the Committee, the item will be moved forward for consideration by the full Board during the September meeting, which will allow for final comments on the proposed language.

Supporting Documentation Included: Revised Guideline Draft

Facilitators/Presenters: Mr. Chris Kinsley