

**A JOINT RESOLUTION OF THE SCHOOL BOARD OF ORANGE COUNTY, FLORIDA (SCHOOL BOARD) AND THE CITIZENS' CONSTRUCTION OVERSIGHT AND VALUE ENGINEERING COMMITTEE (COVE) DECLARING THEIR INTENT TO PROCEED WITH ACCELERATION OF CERTAIN CONSTRUCTION PROJECTS AND AUTHORIZING FUNDING THROUGH INTERNAL BORROWING AGAINST CAPITAL RENEWAL FUNDS**

**WHEREAS**, on December 16, 2014 ("Board Workshop"), the Facilities Services Department of Orange County Public Schools presented a "Facilities Update" to The School Board of Orange County, Florida ("School Board"); and,

**WHEREAS**, the Facilities Update included four (4) options for acceleration of additional education facilities ("Acceleration Options"); and,

**WHEREAS**, comprehensive renovations of all five (5) remaining unitary status schools will be completed no later than August 2018 in accordance with the terms and conditions of the Settlement Agreement entered by the Board on or about October 12, 2010 ("Unitary Status Schools"); and,

**WHEREAS**, the approval of the Acceleration Options would not adversely impact completion of the remaining Unitary Status Schools; and,

**WHEREAS**, pursuant to the Facilities Update, implementation of all Acceleration Options will require funding of approximately \$308,200,000 over a period of five (5) years; and,

**WHEREAS**, funding is available in fiscal year 2014-2015 for the planning and design of three of the new capacity schools included in the Acceleration Options; and,

**WHEREAS**, pending Board approval of the Acceleration Options, alternative funding mechanisms will be required for planning, design and construction funding in fiscal year 2015-2016 and subsequent years; and,

**WHEREAS**, the Chief Financial Officer has presented options for funding the Acceleration Options, including, (1) borrowing internally against the Capital Renewal Fund on a cash flow basis; (2) short-term borrowing externally using sales tax revenue bonds; or (3) reducing the pace of acceleration; and,

**WHEREAS**, short term borrowing externally through the issuance of sales tax revenue bonds could potentially cost the School Board in excess of \$60,000,000 if all Acceleration Options were advanced; and,

**WHEREAS**, internal borrowing against the Capital Renewal Fund would not restrict availability of Capital Renewal Funds needed to address the capital needs that are currently identified in the fiscal year 2014-15 Capital Improvement Plan.

**NOW, THEREFORE, BE IT RESOLVED THAT THE SCHOOL BOARD AND COVE, JOINTLY SUPPORT THE FOLLOWING ITEMS WITH REGARD TO ACCELERATING OPTIONS:**

Section 1. Approval of Acceleration Options. The School Board and COVE having reviewed all four Acceleration Options favor progressing with the following two Acceleration Options funded through internal borrowing (“Recommended Acceleration Options”):

Option 1 - Accelerating replacement of all four (4) remaining Group 2 modular elementary schools in accordance with Exhibit “A” attached hereto and incorporated herein by reference, at an estimated cost of \$67,800,000; and,

Option 2 - Accelerating construction of six (6) relief schools in accordance with Exhibit “B” attached hereto and incorporated herein by reference, at an estimated cost of \$166,000,000.

Section 2. Repayment Schedule and Interest Payments. In the event the School Board elects to borrow internally from Capital Renewal Funds, the School Board shall adopt a repayment schedule, subject to a review and input from COVE (“Repayment Schedule”). The Repayment Schedule shall require repayment of the borrowed funds at an interest rate equal to the Florida Prime investment pool, as determined on a monthly basis, or if no longer available, any other indicator reasonably agreed upon by the School Board and COVE. The borrowing of Capital Renewal Funds for the Recommended Acceleration Options shall occur on a project-by-project basis as the need arises for each individual project included in the Recommended Acceleration Options.

Section 3. Deadline for Repayment. The Repayment Schedule shall require repayment of any internal borrowing of Capital Renewal Funds be completed no later than June 30, 2022 (“Repayment Deadline”).

Section 4. Minimum Reserve. In no event shall the balance of the Capital Renewal Fund, as reduced by Capital Reserve projects, fall below a minimum reserve of \$200,000,000 at any time as a result of the internal borrowing of Capital Reserve Funds for the Recommended Acceleration Options (“Minimum Reserve”). The internal borrowing of Capital Renewal Funds for the Recommended Acceleration Options shall be assessed annually and prior to each draw on a project-by-project basis to ensure the projected balance of the Capital Renewal Fund will not fall below the Minimum Reserve as a result of the internal borrowing of Capital Renewal Funds.

Section 5. Prioritization of Repayment. As sales tax and impact fee revenues are received by the School Board on an annual basis, the sales tax and impact fee revenues shall be allocated as follows: (1) annual transfers of sales tax revenue to the Capital Renewal Funds to establish and maintain the reserve fund in accordance with the threshold transfer requirements established by COVE and approved by the School Board; (2) repayment of funds borrowed internally against the Capital Renewal Funds in accordance with the terms of the Repayment Schedule (“Borrowed Capital Renewal Funds”); and (3) the funding of new construction, comprehensive and capital renewal projects (“Payment Prioritization Schedule”). In the event the sales tax and impact fee revenues are insufficient to meet the needs of the School Board for repayment of the Borrowed Capital Renewal Funds and the School Board’s planned new construction, comprehensive or capital renewal projects, the School Board shall ensure that the obligation to repay Borrowed Capital Renewal Funds is satisfied prior to the allocation of

additional sales tax or impact fee revenue funds for new construction, comprehensive or capital renewal projects. Notwithstanding the foregoing, the Payment Prioritization Schedule does not require the full repayment of the outstanding balance of the Borrowed Capital Renewal Funds on an annual basis or preclude the use of sales tax revenue for new construction, comprehensive or capital renewal projects so long as such repayment of Borrowed Capital Renewal Funds will be satisfied in accordance with the terms of the Repayment Schedule.

Section 6. Annual Monitoring and Reassessment. COVE shall conduct an annual review and assessment of the funding mechanisms and project prioritization for the Recommended Acceleration Options and may make recommendations to the School Board regarding any of the Acceleration Options and internal borrowing of Capital Renewal Funds based on such factors including, without limitation, history and projected availability of revenue streams, actual and projected borrowing requirements, repayment terms, additional capacity or assessment needs, program management capability, and evolving market conditions.

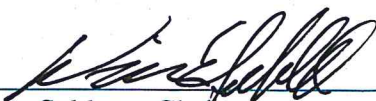
Section 7. Budgetary Adjustments. The School Board and COVE agree and understand the funding requirements for the Recommended Acceleration Options are estimates only and as such, the School Board reserves the right, after receiving comment from COVE on any proposed revisions, to further revise or modify the funding requirements with the actual budgetary requirements and schedules as each project in the Recommended Acceleration Options progresses.

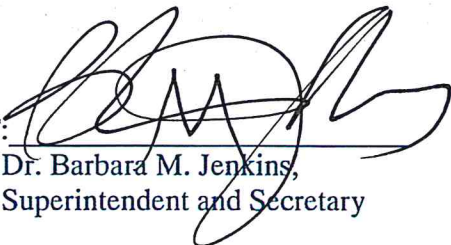
Section 8. Severability. It is declared to be the intent of COVE and the School Board that, if any section, subsequent, sentence, clause, phrase, or portion of this Resolution is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions hereof.

Section 9. Any resolution or part thereof in conflict with this Resolution or any part hereof is hereby repealed to the extent of the conflict.

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**PASSED AND ADOPTED** by the School Board of Orange County, Florida, in Orlando, Florida, this 9 day of April, 2015.


  
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William Sublette, Chair  
School Board of Orange County, Florida

ATTEST:   
\_\_\_\_\_  
Dr. Barbara M. Jenkins,  
Superintendent and Secretary

**PASSED AND ADOPTED** by the Citizens' Construction Oversight and Value Engineering Committee for the School Board of Orange County, Florida, in Orlando, Florida, this 03/19 day of \_\_\_\_\_, 2015.

  
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Egerton van den Berg, Chair  
Citizens' Construction Oversight and Value  
Engineering Committee

Approved as to form and legality

  
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Diego "Woody" Rodriguez  
General Counsel, Orange County Public Schools

Orange County Public Schools

Select Acceleration

	Year Opening
• Advance Group 2 Modular ES \$67.8 M	
• (122) Meadow Woods ES \$14.3 M	2017
• (123) Ventura ES \$20.2 M	2017
• (124) William Frangus ES \$16.9 M	2018
• (130) Hidden Oaks ES \$16.4 M	2018

Orange County Public Schools

Select Acceleration	Year Opening
• Advance Future Relief School \$166.0 M	
• Sunset Park Area ES \$17.7 M	2016
• Lake Nona Area ES \$17.7 M	2016
• MetroWest ES Relief (On-site) \$18.7 M	2017
• 133-K8-E-6 (Audubon Park Area) \$36.2 M	2017
• Lake Como/ Kaley K8 \$37.3 M	2018
• Pershing/ Pine Castle K8 \$38.4 M	2019