



IDAHO STATE BOARD OF EDUCATION

650 W. State Street • P.O. Box 83720 • Boise, ID 83720-0037
208/334-2270 • FAX: 208/334-2632
e-mail: board@osbe.state.id.us

NEWS RELEASE

FOR IMMEDIATE RELEASE

February 18, 2003

For more information contact:
Randi McDermott, 332-1567 or
Allison McClintick at 332-1591

STATE BOARD OF EDUCATION TO CONDUCT MANAGEMENT REVIEW

At a special meeting of the State Board of Education, University of Idaho President Bob Hoover and other officials outlined the details of \$28 million in debt exposure that the University of Idaho Foundation faces with University Place at Boise – formerly called the Idaho Place project. The President informed the Board of the University’s intent to phase-in the project as a way to limit further cost exposure for the University, and of the Foundation’s activities to develop a plan for reimbursement of the development costs.

In pursuing the \$136 million property development initiative in downtown Boise, the University of Idaho Foundation has borrowed \$28 million for project development costs, including \$10 million that was borrowed from the University of Idaho. Although officials at the University authorized these loans to the Foundation, the State Board of Education was not notified nor did they approve these transactions.

“The State Board of Education is investigating personnel issues related to these transactions to determine whether Board policies were violated, and will conduct an independent review to

ensure that the financing and management of this project complies with the Board's policies and procedures. The Board continues to be supportive of the University Place concept, ” stated Board President Blake Hall.

On December 17, 2002, State Board members approved the master facility lease with the Idaho State Building Authority for the Idaho Water Center, including occupancy by the University of Idaho, the Idaho Department of Water Resources, the U.S.D.A. Forest Service Rocky Mountain Research Station and the Idaho Water Resources Research Institute. In addition, at this same meeting, the Board approved the parking access agreement and the operating agreement for the project.

The University of Idaho also received approval from the Board to have the Idaho State Building Authority issue bonds for the building to be known as Idaho Water Center. That building is planned for construction in Spring 2003. The cost for the building is estimated at approximately \$48 million.

####