STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
January 21, 2015

SUBJECT: Resolution of the Board of Governors Requesting the Division of Bond
Finance of the State Board of Administration of Florida to issue revenue
bonds on behalf of Florida State University to finance construction of a
student residence complex on the main campus of the University

PROPOSED COMMITTEE ACTION

Adoption of a resolution approving the issuance of fixed rate, tax-exempt revenue
bonds, by the Division of Bond Finance on behalf of the University, in an amount not to
exceed $40,500,000 (the “Bonds”) for the purpose of financing the construction of the
Housing Replacement Project – Phase II (“the Project”) on the main campus of Florida
State University (the “University”).

Staff of the Board of Governors, State University System of Florida, and the Division of
Bond Finance, State Board of Administration of Florida, has reviewed this resolution
and all supporting documentation. Based upon this review, it appears that the
proposed financing is in compliance with Florida Statutes governing the issuance of
university debt and complies with the debt management guidelines adopted by the
Board of Governors. Accordingly, staff of the Board of Governors recommends
adoption of the resolution and authorization of the proposed financing.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Section 1010.62, Florida Statutes; Florida
Board of Governors’ Debt Management Guidelines

BACKGROUND INFORMATION

Florida State University has submitted a proposal for financing and construction of a
new student residence complex on the main campus of the University, at the
intersection of University Way and West Jefferson Street. This site is located on the east
side of campus in close proximity to academic and student services. The proposed
project will consist of two buildings with approximately 912 beds total, arranged in
suite-style, double-occupancy rooms with a connecting bathroom. The Project is
consistent with the University’s Campus Master Plan. The construction of the proposed
residence halls is estimated at a total cost of $59,500,000. Constructions costs are
estimated at $50,210,000 with planning, equipment and other estimated soft costs of
$8,290,000 and demolition of the existing structures (Dorman & Deviney residence halls) estimated at $1,000,000.

The Project will be financed by fixed rate, tax-exempt revenue bonds issued by the Division of Bond Finance, in an amount not exceeding $40,500,000. The Bonds will be structured with a final maturity no more than 20 fiscal years after completion of the Project’s construction and level annual debt service payments. An additional $20,000,000 will be funded by a cash contribution from the housing system’s Building Maintenance and Equipment Reserve Fund.

Net housing system revenues will be pledged for the payment of debt service. These revenues are derived primarily from rental income, after deducting operating expenses. The Bonds will be issued on parity with the outstanding Florida State University Housing Facility and Dormitory Revenue Bonds currently outstanding in the aggregate principal amount of $158,855,000.

Projections provided by the University indicate that sufficient net revenues will be generated to pay debt service on the Bonds and the outstanding parity bonds.

The Florida State University Board of Trustees, at its November 20, 2014 meeting, approved the Project and the financing thereof.


Facilitators/Presenters: Mr. Chris Kinsley