

**BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA**

March 27, 2008

SUBJECT: A Resolution of the Board of Governors Requesting the Division of Bond Finance of the State Board of Administration of Florida (the "Division of Bond Finance") to issue revenue bonds on behalf of Florida Atlantic University to finance construction of an apartment style residence hall on the main campus of Florida Atlantic University.

PROPOSED BOARD ACTION

Adoption of a resolution approving the issuance of fixed rate, tax-exempt revenue bonds, by the Division of Bond Finance on behalf of Florida Atlantic University, in an amount not to exceed \$55,300,000 for the purpose of financing the construction of an apartment style residence hall containing approximately 600 beds on the Boca Raton campus of Florida Atlantic University.

Staff of the Board of Governors, State University System of Florida, and the Division of Bond Finance have 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 the debt management guidelines adopted by the Board of Governors. Accordingly, staff of the Board of Governors recommends adoption of the resolution authorizing the proposed financing.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Florida Board of Governors Debt Management Guidelines dated April 27, 2006; Section 1010.62, Florida Statutes; and Article IX, Section 7(d), Florida Constitution.

BACKGROUND INFORMATION

Florida Atlantic University has submitted a proposal for the financing and construction of an apartment style residence hall on the Boca Raton campus of the University. The proposed residence hall will be a multi-story structure containing approximately 600 beds on the North side of the Boca Raton Campus in an area designated as "Innovation Village." The Project is reflected on the approved master plan for the University and is consistent with the mission of the University. The estimated total project cost is \$50,600,000.

The University Board has requested approval from the Board of Governors for the Division of Bond Finance to issue up to \$55,300,000 of fixed rate, tax-exempt, revenue bonds to finance the construction of the project, fund a debt service reserve and pay costs of issuing the bonds and to fund capitalized interest during construction of the

project. The term of the Series 2008 Bonds will be for thirty years with level debt service and with a first principal payment date of July 1, 2010.

The debt service payments will be made from net revenues generated from the operations of the University housing system, after payments of operating and maintenance costs. The Series 2008 Bonds will be issued on parity with the Series 2000 through 2006B Bonds, currently outstanding in the aggregate principal amount of \$82.3 million.

Projections provided by the University indicate that sufficient net revenues will be generated from rental income, summer income and other miscellaneous income, to pay debt service on the Series 2008 Bonds and the outstanding parity bonds.

The Florida Atlantic University Board of Trustees, at its December 12, 2007 meeting, approved the residence hall construction and the financing thereof.

