

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

May 10, 2007

SUBJECT: A 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 multi-level Parking Garage on the main campus of Florida State 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 State University, in an amount not to exceed \$13,230,000 for the purpose of financing the construction of a multi-story Parking Garage (Parking Garage Five) on the main campus of Florida State University.

Staff of the Board of Governors, State University System of Florida, and the Division of Bond Finance, State Board of Administration of Florida, 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 (BOG). Accordingly, adoption of the resolution authorizing the proposed financing is recommended.

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 State University has submitted a proposal for the financing and construction of Parking Garage Five. This project was previously approved by the Board of Governors on July 21, 2005, and by the Governor and Cabinet on August 9, 2005. The University has requested reauthorization pursuant to the new Debt Guidelines of the Board of Governors.

Parking Garage Five will be the fifth parking garage on the campus. The proposed parking garage will consist of approximately 1,000 parking spaces to be located on the

main campus. The proposed site is currently utilized by the FSU Turnbull Center for Professional Development which will be razed and reconstructed, using other legally available funds of the University, in order to accommodate both facilities on the same site. The estimated total project cost of the proposed parking garage is \$15,200,000. Auxiliary system available balances will be used to fund the additional project costs not provided by bonds to complete the project. The cost for demolition and reconstruction of the Turnbull Center is currently estimated at \$15,000,000.

The debt service payments will be made from revenues generated from the operations of the University parking system, after payments of operations and maintenance costs. The primary source of revenues being used to pay debt service on the bonds will be transportation access fees required to be paid by all students. The Series 2007A Bonds will be issued on parity with the outstanding Florida State University Parking Facility Revenue Bonds. As of January 30, 2007, the total outstanding principal amount of bonds was \$38,265,000.

Projections provided by the University indicate that sufficient net revenues will be generated from transportation access fees, faculty and staff decal sales, and fines to pay debt service on the Series 2007A Bonds and the outstanding Parking Bonds. In January 2007, the transportation access fee was increased from \$6.00 per hour to \$6.50 per hour to pay debt service for the project.

The term of the bonds will be for 20 years.

The Florida State University Board of Trustees, at its March 30, 2007, meeting, approved the Parking Garage construction and the financing thereof.

Supporting Documentation Included: Requesting Resolution
Project Summary
Attachment 1 - Estimated Sources and
Uses of Funds
Attachment 2 - Historical and Projected
Pledged Revenues and Debt Service
Coverage

Facilitators/Presenters: Mr. Chris Kinsley, Director of Finance and
Facilities