

**BOARD OF GOVERNORS**  
**STATE UNIVERSITY SYSTEM OF FLORIDA**  
January 25, 2007

**SUBJECT:** A Resolution of the Board of Governors Approving the Issuance of Parking System Revenue Bonds by the Florida Gulf Coast University Financing Corporation to Finance Parking Garage, Phase II on the main Campus of Florida Gulf Coast University

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**PROPOSED BOARD ACTION**

Adoption of a resolution approving the issuance of fixed rate, tax-exempt, revenue bonds, by the Florida Gulf Coast University Financing Corporation ("Corporation"), in an amount not to exceed \$10,000,000 for the purpose of financing the construction of Parking Garage, Phase II on the main campus of Florida Gulf Coast 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 Gulf Coast University has submitted a proposal for the financing and construction of Parking Garage, Phase II. The project will be the second parking garage in a series of parking garage projects which began in 2005. The proposed parking garage will be approximately 800 parking spaces to be located on the main campus in an area previously developed as a surface parking lot. The project has been identified for structured parking development in the 2000 Campus Master Plan Update, and the 2005 Campus Master Plan Update. The estimated project construction cost is \$8,583,048.

The Florida Gulf Coast University Financing Corporation, a direct support organization of Florida Gulf Coast University, proposes to issue up to \$10,000,000 of fixed rate, tax-exempt, revenue bonds to finance the construction of the project, fund capitalized

interest during construction, fund a debt service reserve fund and pay costs of issuing the bonds.

The debt service payments will be funded 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 2007C Bonds will be issued on parity with the variable rate Florida Gulf Coast University Financing Corporation Capital Improvement Revenue Bonds, Series 2005B, currently outstanding in the total principal amount of \$6,000,000. Projections provided by the University indicate that sufficient net revenues will be generated from transportation access fees, registration fees, and fines to pay debt service on the Series 2007C Bonds and the outstanding 2005B Bonds. However, the projected revenues are dependent on realizing aggressive student growth projections. If growth projections are not realized, then an increase in transportation access fees could be required beyond the \$7 per credit-hour currently imposed.

The term of the financing agreement will be for 30 years and upon retirement of the debt, ownership of the facilities will be transferred to the University.

The Florida Gulf Coast University Financing Corporation Board of Directors, at its October 25, 2006 meeting, and the Florida Gulf Coast University Board of Trustees, at its October 31, 2006 meeting, approved the Parking Garage, Phase II construction and the financing thereof.

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**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