

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

Facilities Committee
November 15, 2006

SUBJECT: A Resolution of the Board of Governors Approving the Issuance of Revenue Bonds by the Florida Gulf Coast University Financing Corporation to Finance Student Residences Phase VIII, and Associated Infrastructure on the Main Campus of Florida Gulf Coast University

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 \$25,000,000 for the purpose of financing the construction of the Student Residences, Phase VIII, and associated infrastructure on the main campus of Florida Gulf Coast University.

Staffs 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 is the opinion of staff that the financing as proposed can be adequately supported by the pledged revenues and is in compliance with the debt management guidelines adopted by the Board of Governors. Therefore, the adoption of the resolution is recommended by the Chancellor of the State University System of Florida and the Director of the Division of Bond Finance.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Florida Board of Governors Debt Management Guidelines dated April 27, 2006; Chapter 2006-27, Section 5, Laws of Florida; and Article IX, Section 7(d), Florida Constitution.

BACKGROUND INFORMATION

Florida Gulf Coast University has submitted a proposal for the financing and construction of Student Residences, Phase VIII, and associated infrastructure. The project will be the eighth in a series of student housing projects which began in 1997. The proposed project is a 391-bed student residence facility, and associated infrastructure, to be located on the south portion of the main campus in an area not previously developed. The project has been identified for future student residence

development in the 2000 Campus Master Plan Update, and the 2005 Campus Master Plan Update. The estimated project construction cost is \$20,979,359.

Florida Gulf Coast University Financing Corporation, a direct support organization of the Florida Gulf Coast University, proposes to issue \$25,000,000 of fixed rate, tax-exempt, revenue bonds to finance the construction of the project.

The debt service payments will be funded from gross revenues generated from the operations of the University student housing system, after payments of operations and maintenance costs. Revenues include, but are not limited to, room rentals, summer camp rentals, damage assessments, and late payment charges.

The Series 2007A Bonds will be issued on parity with Florida Gulf Coast University Financing Corporation Capital Improvement Revenue Bonds, Series 2003, and Series 2005A, currently outstanding in the total principal amount of \$53,700,000.

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 June 14, 2006 meeting, and the Florida Gulf Coast University Board of Trustees, at its October 31, 2006 meeting, approved the Student Residences, Phase VIII, and Associated Infrastructure construction and the financing thereof.

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

Facilitators/Presenters: Nancy McKee, Vice Chancellor for Planning and Budgeting
Mr. Chris Kinsley, Director of Finance and Facilities