

**BOARD OF GOVERNORS  
STATE UNIVERSITY SYSTEM OF FLORIDA  
September 24, 2009**

**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 State University to finance construction of a Health and Wellness Center on the main campus of Florida State University

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**PROPOSED BOARD ACTION**

Adoption of a resolution approving the issuance of fixed rate revenue bonds, by the Division of Bond Finance on behalf of Florida State University ("the University"), in an amount not to exceed \$40,000,000 (the "Bonds") for the purpose of financing the construction of a Health and Wellness Center on the main campus of Florida State University ("the Project").

Staff of the Board of Governors, State University System of Florida, and the Division of Bond Finance 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**

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 financing and construction of a Health and Wellness Center. The proposed Project is to be located on the southwest side of the main campus of Florida State University. The proposed Project will contain approximately 140,000 GSF of space and will include instructional space, clinical suites and other related areas. The Project will support the Student Health Center, College of Nursing and Campus Recreation. The Project is consistent with the University's Campus Master Plan. The total Project cost is expected to be \$54,000,000.

The University Board of Trustees has requested approval from the Board of Governors for the Division of Bond Finance to issue up to \$40,000,000 of fixed rate bonds to finance a portion of the construction of the Project, fund a debt service reserve fund and pay costs of issuing the Bonds. Additional Project funding will be provided by \$17.5 million of Public Education Capital Outlay (PECO) money. The Bonds will mature thirty (30) years after issuance with level annual debt service payments.

The debt service payments will be secured by the student health fee (the "Health Fee") assessed to main campus students. The University is legally authorized to secure the Bonds with the revenues to be pledged and is committed to ensuring that sufficient revenues will be generated to fulfill the University's obligations with respect to the Bonds.

Projections provided by the University indicate that sufficient gross revenues will be generated to pay debt service on the Bonds.

The Florida State University Board of Trustees approved the Project and the financing thereof at its September 17, 2009 meeting.

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**Supporting Documentation Included:** Information behind the Facilities and Real Estate Committee tab