

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

June 18, 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 International University to finance construction of a Parking Garage on the main campus of Florida International 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 International University, in an amount not to exceed \$32,000,000 for the purpose of financing Parking Garage V on the main campus of Florida International University ("the Project").

Staff of the Board of Governors, State University System of Florida, and the Division of Bond Finance, State Board of Administration of Florida, 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 International University has submitted a proposal for financing and construction of Parking Garage V. The proposed project is to be located on the main campus of Florida International University in an area previously developed as a parking lot. The proposed project will contain approximately 2,100 parking spaces and will provide a net additional 1,750 parking spaces to the parking system (loss of 350 surface parking spaces) for a total of 7,100 structured parking spaces and total parking spaces on campus of 11,854. The project will also include approximately 11,000 gross square feet of Public Safety Offices and approximately 30,000 gross square feet of shell

space. The Project is consistent with the University's Campus Master Plan. The total Project cost is expected to be \$40.9 million.

The University Board has requested approval from the Board of Governors for the Division of Bond Finance to issue up to \$32,000,000 of fixed rate, tax-exempt, 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 \$9 million of University funds, \$3.2 million of PECO money and \$700,000 from other sources. The bonds will mature thirty (30) years after issuance with level annual debt service payments.

The debt service payments will be funded from revenues generated from the operation of the University parking system, after payments of operation and maintenance costs. Operating revenues are generated primarily from mandatory student fees, decal sales, fines and meters. The 2009 Bonds will be issued on parity with the outstanding Revenue Bonds, Series 1995, Series 1999 and Series 2002, currently outstanding in the aggregate principal amount of \$27,465,000.

Projections provided by the University indicate that sufficient net revenues will be generated to pay debt service on the Series 2009 Bonds and the outstanding parity bonds.

The Florida International University Board of Trustees, at its March 31, 2009, meeting approved the Project and the financing thereof.

Supporting Documentation Included:

1. Requesting Resolution
2. Project Summary
3. Attachment I - Estimated Sources and Uses of Funds
4. Attachment II - Historical and Projected Pledged Revenues and Debt Service Coverage

Facilitators/Presenters: Mr. Chris Kinsley