

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
March 27, 2013**

SUBJECT: 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 (the "University") to finance construction of a student residence facility on the main campus of the University

PROPOSED COMMITTEE ACTION

Adoption of a resolution approving the issuance of fixed rate, tax-exempt revenue bonds, by the Division of Bond Finance on behalf of the University, in an amount not to exceed \$51,400,000 (the "Bonds") for the purpose of financing the construction of the New Dorman Complex on the main campus of the 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 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

Article IX, Section 7, Florida Constitution; Section 1010.62, Florida Statutes; and Florida Board of Governors Debt Management Guidelines

BACKGROUND INFORMATION

Florida State University has submitted a proposal for financing and construction of a new Student Residence Facility on the main campus of the University, at the southeast corner of Woodward Avenue and Traditions Way. This site is located in close proximity to academic and student services buildings and completes the chain of residence halls on the east side of campus. The proposed project will consist of two buildings of approximately 193,116 square feet each with approximately 431 beds per

building, for a total of approximately 862 beds, arranged in suite-style double rooms with a connecting bathroom. The Project is consistent with the University's Campus Master Plan. The construction of the proposed residence halls is estimated at a total cost of \$55,500,000. Construction costs are estimated at \$51,198,442 with planning estimated at \$2,971,558 and equipment estimated at \$1,330,000.

The project will be financed with a \$10 million cash contribution from excess funds within the housing system Building Maintenance and Equipment Reserve Fund and a fixed rate, tax-exempt revenue bond issue in an amount not exceeding \$51,400,000 issued by the Division of Bond Finance. The bonds will finance a portion of the cost of the project, fund a debt service reserve account (if necessary) and pay costs of issuance. The bonds will mature twenty (20) years after issuance with level annual debt service payments.

Net housing system revenues will be pledged for the payment of debt service. These revenues are derived primarily from rental income, after deducting operating expenses. The bond series for construction of the new halls will be issued on parity with the outstanding Florida State University Housing Facility and Dormitory Revenue Bonds currently outstanding in the aggregate principal amount of \$128,355,000.

Projections provided by the University indicate that sufficient net revenues will be generated to pay debt service on the Series 2013A Bonds and the outstanding parity bonds.

The Florida State University Board of Trustees, at its January 11, 2013 meeting, approved the Project and the financing thereof.

Supporting Documentation Included:

1. Requesting Resolution
2. University Cover Letter
3. Project Summary
4. Attachment I - Estimated Sources and Uses of Funds
5. Attachment II - Historical and Projected Pledged Revenues and Debt Service Coverage
6. Attachment III - Feasibility Study

Facilitators/Presenters: Chris Kinsley