

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

March 28, 2013

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 the 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 parking facility revenue bonds, by the Division of Bond Finance on behalf of the Florida International University (the "University"), in an amount not to exceed \$33,500,000 (the "Bonds") for the purpose of financing Parking Garage VI on the main campus of Florida International University ("the Project").

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

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

BACKGROUND INFORMATION

The University previously submitted a proposal for financing and construction of Parking Garage VI. The Board approved The Project at its meeting held on June 23, 2011. Due to the length of time since the original approval and to address specific metrics before advancing construction projects that require debt financing, The Project is being represented for approval.

The Project will be located on the north side of the Modesto A. Maidique campus of FIU. The Project will contain approximately 2,000 parking spaces, bringing the total number of parking spaces on campus to approximately 17,000 and approximately 8,800 structured parking spaces. The Project is consistent with the University's Campus Master Plan. The total Project cost is expected to be \$42 million.

The University's Board of Trustees has requested approval from the Board of Governors for the Division of Bond Finance to issue up to \$33,500,000 of fixed rate parking facility revenue bonds to finance a portion of the construction of the Project, fund a debt service reserve fund, capitalized interest and pay costs of issuing the Bonds. The University also anticipates contributing \$9 million from University Parking and Auxiliary fund balances. 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's Parking System, after payments for operation 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, faculty and staff parking decal sales, and fines. The Bonds will be issued on parity with the outstanding Parking Facility Revenue Bonds, currently outstanding in the aggregate principal amount of \$47.8 million.

Projections provided by the University indicate that sufficient net revenues will be generated by the transportation access fees, faculty and staff parking decal sales, fines, and other parking fees to pay debt service on the Bonds and the outstanding parity bonds. The transportation access fee was increased in academic year 2012-13 to \$89.00 for the Fall/Spring semesters and \$83.00 for the Summer semester. The 2011-12 academic year rates were \$81.00 for each of the Fall/Spring semesters and \$75.00 for the Summer semester. The university retains the ability to increase student fees, decal rates, fines, meter rates and other sources of revenue as permitted by law.

The University's Board of Trustees approved the original Project and the financing thereof at its March 15, 2011 meeting. Subsequent approval of the revised Project was provided at its March 6, 2013 meeting.

Supporting Documentation Included: Information is located behind the Facilities
Committee agenda