

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

June 18, 2015

SUBJECT: A Resolution of the Board of Governors Authorizing the Issuance of Debt by Florida State University Financial Assistance, Inc. to Finance Capital Improvements to Doak S. Campbell Stadium on the main campus of Florida State University

PROPOSED BOARD ACTION

Adoption of a resolution approving the issuance of both taxable debt, in an amount not to exceed \$9,365,000 and tax-exempt debt, in an amount not to exceed \$75,635,000, by Florida State University Financial Assistance, Inc., a direct support organization of Florida State University (the "DSO"), for the purpose of financing or reimbursing a portion of the cost of certain capital improvements to the existing Doak S. Campbell Stadium, including improvements to conference suites, club seating, and various other enhancements, all on the main campus of Florida State University (collectively, 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, 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; Florida Board of Governors' Debt Management Guidelines; Section 1010.62, Florida Statutes.

BACKGROUND INFORMATION

Florida State University has submitted a proposal for financing or reimbursing the costs of certain capital improvements to the existing Doak S. Campbell Stadium on the main campus. The Project includes improvements to the existing skybox suites, construction, installation and equipping of a club seating section and certain structural improvements, repairs and re-painting of the Stadium. All portions of the Project will be located on the University's main campus. The total Project cost is expected not to exceed \$85,000,000.

The Project is consistent with the Campus Master Plan.

The DSO proposes to issue up to \$85,000,000 of fixed rate debt to finance the Project. The Debt will be sold in three series: a taxable series of approximately \$9,000,000 with a ten-year repayment period; a tax-exempt series of \$11,140,000 with a ten-year repayment period; and a tax-exempt series of approximately \$57,225,000 with a 30-year repayment period. There will not be a debt service reserve fund.

The Debt shall be secured by Pledged Revenues made up of revenues of the Association, including but not limited to, conference and suite rental revenues, club seating revenues, athletic department rent (which may be comprised of no more than 5% of student athletic fees pursuant to section 1010.62(3)(a), Florida Statutes), Indicia/trademark royalty revenues, net ticket sales and such other revenues that may be used, pursuant to section 1010.62, Florida Statutes, to pay and secure debt collected by the Association and the proceeds of the Debt shall be used exclusively to fund the Financing Plan.

The Debt shall be secured on a parity basis with the outstanding Series 2012A, 2012B, 2012C, 2013A and 2014A debt totaling \$67,145,000 as of June 30, 2015. Projections provided by the DSO indicate that sufficient pledged revenues will be generated to pay debt service on the Bonds and outstanding parity bonds. The DSO is legally authorized to secure the Debt with the revenues to be pledged pursuant to Section 1010.62, Florida Statutes and specific approval has been requested from the 2015 Legislature. It appears that the proposed financing is in compliance with Florida Statutes governing the issuance of university debt and the Board of Governors Debt Management Guidelines.

The Board of Directors of the FSU Financial Assistance, Inc., at a meeting on February 12, 2015, and the Florida State University Board of Trustees, at its March 6, 2015 meeting, approved the Project and the financing thereof.

Supporting Documentation Included:

Information located in the Facilities
Committee materials