

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
June 27, 2018**

SUBJECT: A Resolution of the Board of Governors Authorizing the Issuance of Debt by the University of Florida University Athletic Association, Inc. to finance (i) construction of a new Baseball Stadium Complex and (ii) renovation and expansion of the Katie Seashole Pressly Softball Stadium Complex and (iii) new maintenance building and yard on the main campus of the University of Florida

PROPOSED COMMITTEE ACTION

Adoption of a resolution approving the issuance of debt by the University of Florida University Athletic Association (the "UAA"), in an amount not to exceed \$50,000,000 (the "Debt") for the purpose of financing the costs of (i) construction of a new Baseball Stadium Complex and (ii) renovation and expansion of the Katie Seashole Pressly Softball Stadium Complex and (iii) new maintenance building and yard on the University of Florida's (the "University") main campus ("the Project"). The Project will also be financed with a combination of \$15 million in contributions from private donors and unrestricted UAA cash.

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

The University of Florida has submitted a proposal for financing the costs of construction, renovation and equipping of certain facilities on the main campus of the University of Florida. The Project will provide attractive facilities that will foster improved performance, increased efficiency, speedy rehabilitation and enhance overall

student well-being. Construction of the Baseball Stadium Complex will improve overall fan experience by creating a club lounge, premium seating, and additional ADA seating, increasing point-of-sale concessions, expanded restrooms and providing shade for afternoon games. The Project includes the renovation and expansion of the existing Katie Seashole Pressly Softball Stadium and a new maintenance building and yard. All portions of the Project will be located on the University's main campus. The total Project cost is expected to be approximately \$65,000,000.

The Project is consistent with the University's Campus Master Plan.

The UAA, a direct support organization of the University of Florida, proposes to issue up to \$50,000,000 debt via direct placement of a twenty year fixed rate note with a bank to finance the Project. The balance of the debt will be refinanced for the remaining 5 years. The total Debt will mature no later than twenty-five (25) years after issuance. There will not be a debt service reserve fund. Alternatively, depending on market conditions, the UAA may issue the debt using 25 year bonds.

The Debt is a general unsecured obligation of the UAA payable from available revenues excluding athletic fees described in Section 1009.24(12), Florida Statutes and any capital gifts and donations. Operating revenues include ticket sales and conference revenues (primarily football and basketball), auxiliary sales, sponsorships and other miscellaneous sources. Non-operating revenues are derived primarily from investment earnings and athletic fees. The UAA is allowed to retain the sales tax on ticket sales which is included as non-operating revenue. Although athletic fees are not available to pay debt service, they are available to pay other expenses of the UAA (primarily Scholarships). Projections provided by the UAA indicate that sufficient pledged revenues will be generated to pay debt service on the Bonds and outstanding parity bonds.

The University Athletic Association Board of Directors, at a meeting on March 21, 2018, and the University of Florida Board of Trustees, at its March 23, 2018 meeting, approved the Project and the financing thereof.

The UAA is legally authorized to secure the Debt with the revenues to be pledged pursuant to section 1010.62, Florida Statutes. 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.

Staff of the Board of Governors recommends adoption of the resolution and authorization of the proposed financing.

-
- Supporting Documentation Included:**
1. Requesting Resolution
 2. Project Summary
 3. Estimated Sources and Uses
 4. Historical and Projected Debt Service Coverage
 5. UF Athletics Master Plan – Site Plan
 6. 2018 Bond Issuance – Amortization Schedule

Facilitators/Presenters: Mr. Chris Kinsley