

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

September 14, 2022

**SUBJECT:** Authorization to Issue Debt; \$30M for a mixed-use facility on the University of South Florida's Sarasota-Manatee Campus

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**PROPOSED BOARD ACTION**

Adopt a resolution authorizing the issuance of tax-exempt debt in an amount not to exceed \$30M (the "Debt") by the University of South Florida Financing Corporation (the "DSO") to finance the design and construction of a mixed-use facility containing student housing and a student center (together, the "Project") located on the University of South Florida's (the "University") Sarasota-Manatee Campus (the "Campus").

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution; State University System Debt Management Guidelines (Guidelines); Section 1010.62, Florida Statutes.

**BACKGROUND INFORMATION**

The University is requesting approval from the Board of Governors (the "Board") to issue the Debt through the DSO in order to finance the construction of the Project located on the Campus.

The Project, which will be a 100,000ft<sup>2</sup> facility containing student housing and a student center, will provide the Campus with its first on-campus housing as well as essential services such as health and wellness, dining, and retail. The University expects the Project to boost engagement on the Campus and promote student success.

The total project cost of approximately \$39M will be financed, in part, with a \$16.5M equity contribution from the University as well as the proposed Debt, the latter of which will be issued on parity with the existing Housing System (HS) debt and secured by a first lien on the system's gross revenues. In addition, University is pledging \$200,000/year of the Student Activity and Service Fee (A&S Fee) toward the repayment of the Debt.

The USF Board of Trustees feels strongly that the proposed Project is fundamental, if not critical, to future growth of the Campus. The University has further noted the proposed STEM-Nursing Facility, which received an initial \$3M appropriation in the last legislative session, as being an additional catalyst to expanded programming, recruitment and retention of students on the Campus.

Based on information provided in a 3<sup>rd</sup>-party demand analysis, which included proposed unit mix and rental rates, the Project may be challenged in attaining full occupancy. However, any potential fiscal challenges resulting from delays in achieving operational stability are mitigated by the robust financial capacity of USF's existing Housing System, which the Project will be a part of.

Board staff and the Division of Bond Finance have reviewed the resolution and supporting documentation provided by USF. 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 SUS Debt Management Guidelines.

The Project was approved by the DSO's Board of Directors on May 5th, 2022 the University's Board of Trustees on June 15th, 2022, and is consistent with the University's campus master plan.

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**Supporting Documentation Included:**

Information contained in the Facilities  
Committee materials