

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
June 22, 2023

SUBJECT: Authorization to Issue Debt; \$116M for Florida State University Athletic Association – Football Operations Facility

PROPOSED COMMITTEE ACTION

Adopt a resolution authorizing the issuance of tax-exempt bonds in an amount not to exceed \$116M by the Division of Bond Finance, on behalf of the Florida State University Athletic Association, to finance construction of a Football Operations Facility on its main campus (the “Project”).

AUTHORITY FOR BOARD OF GOVERNORS ACTION

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

BACKGROUND INFORMATION

Florida State University Athletics Association, Inc. (“FSUAA”), a direct support organization of Florida State University, is requesting approval to issue bonds to finance the construction of a 150,000 sf facility that will serve as the new day-to-day home of FSU football operations. It will be located next to the existing indoor practice facility and the stadium, and will include offices for coaches and staff, a locker room, meeting rooms, strength training and conditioning space, nutrition stations, recovery and rehabilitation resources, video production space, and a recruiting suite.

The Project’s estimated cost of \$138M, or \$920/sf, will be financed primarily with \$116M in bond proceeds, with the remainder funded via private donations and investment earnings. The bonds will be tax-exempt, fixed rate, anticipated to have 20-year maturity, and will be issued by the Division of Bond Finance. Construction is projected to begin in September 2023 and be completed in July 2025.

The bonds will be secured by certain gross revenue streams contractually pledged to FSUAA, including athletic conference distribution revenue, recurring annual Seminole Booster membership fees, Project-specific donations received within 5 years of issuance, sponsorship and advertising money, proceeds from ticket sales, and game guarantees (collectively, “Pledged Revenue”). Pledged Revenue of over \$82M in FY22 is anticipated to increase going forward, providing debt service coverage of at least 6.78x (FY24), exceeding the 1.20x minimum required by the SUS Debt Management Guidelines.

The proposed financing complies with Florida Statutes governing university debt issuance as well as the SUS Debt Management Guidelines.

The Project was approved by the FSUAA Board of Directors and the FSU Board of Trustees on June 5 and June 15, 2023, respectively, and it is included in FSU’s Campus Master Plan.

Supporting Documentation Included:

1. Requesting Resolution
2. Project Summary
3. Estimated Source & Uses
4. Historical & Projected Debt Service Coverage
5. Debt Service Schedule
6. DBF Memorandum

Facilitators/Presenters:

Mr. Kevin Pichard