

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
July 1, 2026

SUBJECT: University of Florida Student Housing Project - Phase II

PROPOSED COMMITTEE ACTION

Adopt a resolution authorizing the issuance of bonds in an amount not to exceed \$198M by the Division of Bond Finance, on behalf of the University of Florida, to finance the construction of a new student residence facility on the university's main campus.

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

Phase I of the Project (\$245M) was approved by the Board last January. Phase II of the Project (\$198M) will be nearly identical in design to Phase I, with a project cost of \$182.5M consisting of two 8-9-story residence halls containing approximately 1,116 beds, targeting first year students with a mixture of single-occupancy and double-occupancy rooms, as well as community spaces and a 'grab-and-go' dining area.

The University chose to accelerate the timeline for Phase II, combining it with Phase I under one guaranteed max price contract (GMP) with the same construction manager, which resulted in cost savings and a reduction of the per-bed cost from \$195.0K (phase I only) to \$182.4K (combined, phases I and II). Upon approval, the Board will have authorized a total of \$443M in debt for the University to complete both phases of the Project. The Project will, in part, replace beds lost due to the closure/demolition of four aged dormitories, as well as address UF's persistent annual waiting list of 1,000+ students seeking on-campus housing.

To align rental rates with increased costs in the housing system, over the past several years, the UF Board of Trustees (BOT) has approved multiple rental rate increases, as detailed in the Project Summary.

The Project will be financed with 30-year, fixed-rate, tax-exempt Bonds, with level debt service of approximately \$14.4M per year, issued by DBF in an amount not to exceed \$198M, inclusive of capitalized interest and cost of issuance.

The Project is not financially viable as a stand-alone project; debt service coverage is roughly .60x (phases I and II combined). However, the Bonds will be issued on parity with UF's existing Housing System debt, thus the existing system's robust operating capacity will subsidize the Project's deficits, resulting in an overall coverage of 1.29x.

The Project was approved by the UF BOT on June 11, 2026; it aligns with the University's approved campus master plan; and the proposed financing plan appears to comply with Florida Statutes and the SUS Debt Management Guidelines governing the issuance of university debt.

Supporting Documentation Included:

1. Authorizing Resolution
2. Project Summary
3. Estimated Source & Uses
4. Projected Debt Service Coverage – Project Only
5. Projected Debt Service Coverage – Housing System
6. Debt Service Schedule – Consolidated
7. Internal Rate of Return
8. DBF Memorandum

Facilitators/Presenters:

Mr. Kevin Pichard