



**J. BEN WATKINS III**  
DIRECTOR

**STATE OF FLORIDA**  
**DIVISION OF BOND FINANCE**

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ATTORNEY GENERAL

**BLAISE INGOGLIA**  
CHIEF FINANCIAL OFFICER

**WILTON SIMPSON**  
COMMISSIONER OF AGRICULTURE

**MEMORANDUM**

To: Board of Governors

From: J. Ben Watkins III

Date: May 21, 2026

Re: University of Florida Dormitory

A handwritten signature in blue ink, appearing to read "J. Ben Watkins III", written over the "From:" line.

As required by Section 1010.62, Florida Statutes, the Division of Bond Finance (“DBF”) has reviewed all information provided in connection with a proposal by the University of Florida (“UF”) to finance the construction of student dormitories (the “Project”) on UF’s main campus in Gainesville, Florida. DBF has also reviewed the Board of Governors (“BOG”) staff analysis of the Project.

Phase I of the Project was previously approved by the BOG on January 29, 2026 by a resolution authorizing the issuance of \$245 million of UF Student Housing Bonds. In an effort to constrain costs and accelerate delivery UF is seeking to include Phase II of the Project by the issuance of an additional \$198 million in UF Student Housing Bonds. If Phase II is approved, the financing of Phase I and II will total \$443 million. Phases I and II will add a net total of approximately 820 beds or 7.25% of bed capacity to UF’s housing system after the demolition of 622 beds (Trussler, Simpson and Graham Halls) and 775 beds (Beaty Towers).

From a technical perspective, UF’s proposal meets applicable requirements of law and complies with BOG policy guidelines. Nevertheless, the Project raises certain high-level policy issues that warrant consideration by the BOG. First, the Project cost is significantly higher than historical norms. The elevated cost has implications for the amount of debt needed to finance the Project, and for the rental rates required to support payment of debt service on the bonds. After the proposed issuance, outstanding debt on UF’s housing system will increase by approximately 186% from \$238.5M to an estimated \$681.5M with more to follow as additional phases of the 10-year plan are implemented.

The rental rates associated with the Project will be insufficient to cover the Project’s cost on a standalone basis, necessitating increases in rental rates for UF’s existing housing stock to absorb the increased debt burden on the housing system. The BOG staff analysis provides details of the rental rate increases, which are substantial (cumulative 20% over the last four years with another 50% increase over the next five years). Students living in existing housing facilities will pay higher rental rates, effectively subsidizing the cost of the Project. If the full cost of the Project were covered by the rental rate needed for the Project to generate positive cash flow, they would exceed rental rates of private sector off-campus alternatives. Rebuilding/replacing the UF student

housing system will be expensive and rental rates are increasing substantially to cover the cost which must be borne by students, increasing the cost of attending UF.

cc: Raymond Rodrigues, Chancellor, Board of Governors  
Kevin Pichard, Director, Finance and Facilities, Board of Governors  
Nick Kozlov, Chief Financial Officer, University of Florida  
William Starkey, Assistant Vice President & Treasurer, University of Florida