

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Florida State University
\$364.4M Student Housing, Dining, and Parking
“Northwest Campus Project – Phase 1”

Project Summary

Project Description:

Florida State University (the “University” or “FSU”) is seeking authorization to issue up to \$301M in bonds (the “Bonds”) through the Division of Bond Finance (DBF) to finance the design and construction of phase 1 of its “Northwest Campus Project”; a new student housing facility, dining facility, and parking garage (together, the “Project”). The Project’s total cost of approximately \$364M will be funded with Bond proceeds as well as \$61M in University auxiliaries’ funds and roughly \$10M in earnings on invested balances during construction.

The Project represents phase 1 of a 2-phase plan. The Project will include a 380,910 gsf, 10-story, 1,200-bed residence hall, a 765-seat dining facility, and a 7-level, 930-space parking garage to support increased activity on the NW side of campus. Phase 2 is loosely anticipated in 2029-2030, subject to the results of a demand study supporting its build out and requisite Board approval at that time.

FSU does not have a mandatory housing requirement, yet it houses approximately 18% of its full-time students. For the past five years, its housing system has averaged 99% occupancy, and housing applications exceed capacity by over 2,600; more than double the Project’s beds.

The Project’s housing component will primarily target first-time-in-college (FTIC) students, offering mostly double-occupancy units with shared bathrooms, along with some single-occupancy units and mixed suites. The facility’s first two floors will mostly be non-living space; an academic resource center, study spaces, learning common areas, and kitchens/social lounges.

Once the new student housing is completed, FSU intends to close Rogers Hall (c. 1965) and convert one of Salley Hall’s towers (c. 1964, renovated 2000) from double-occupancy to single-occupancy, resulting in a combined loss of 344 beds. As a result, Phase 1 will be a ‘net’ addition of 868 new beds, increasing system inventory by 13% (for a total of 7,543 beds) while helping address persistent unmet demand for on-campus housing. In addition, after replacing 330 parking spaces and 300 dining seats lost in preparation for the Project, Parking will ‘net’ 570 additional parking spaces, and Dining will increase capacity by 465 seats.

The Project is consistent with the University’s approved Campus Master Plan, as amended February 25, 2026, and it was approved by the FSU Board of Trustees (the “BOT”) on June 18, 2026.

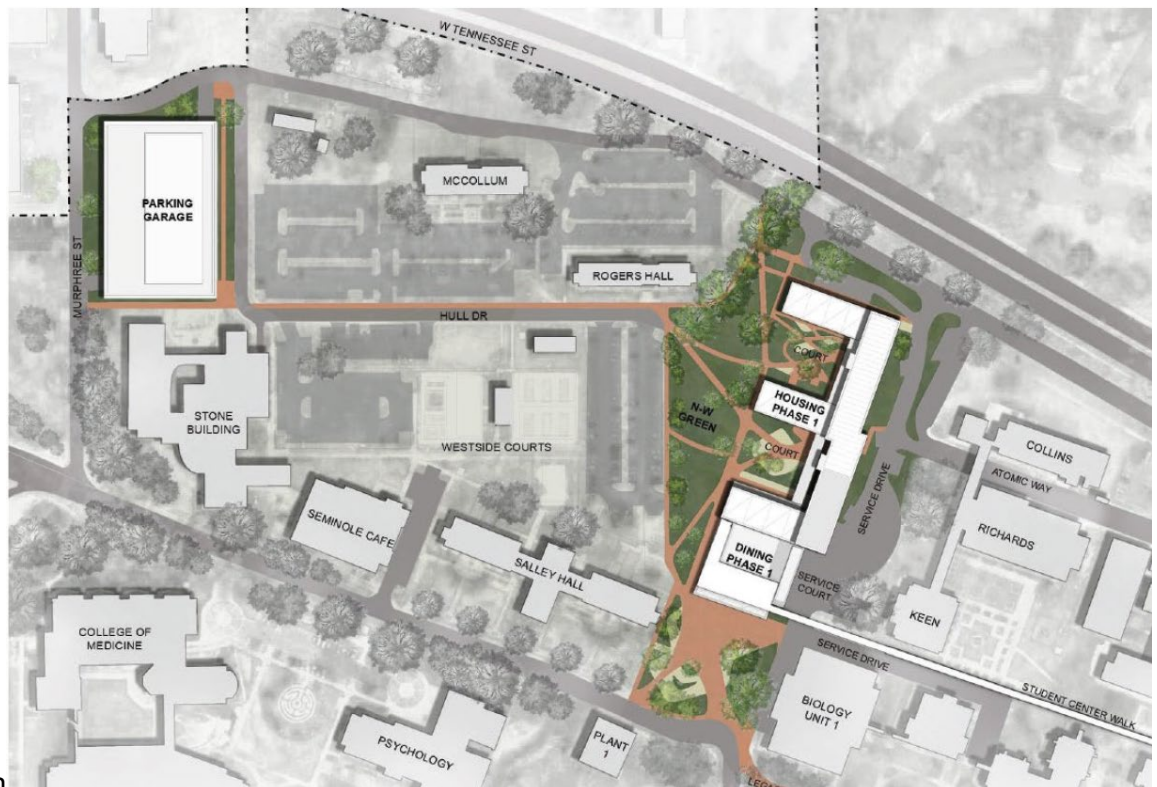
Project Location:

The Project will be located in the northwest quadrant of FSU's Tallahassee campus, north of Call St, between Chieftan Way and Murphree St, as shown below.

[Current View]



[Project, as planned]



Phase I plan

Project Start & Opening Dates:

FSU selected Walker Architects and Culpepper Construction as architect and construction manager, respectively, for the Project.

Parking

The guaranteed maximum price contract (“GMP”) was finalized in late 2025, followed by planning and design in January 2026. **Construction commenced in April 2026**, with an opening projected for May 2027.

Housing and Dining

Planning and design will be finalized in early September 2026, followed by a GMP in November. **Site work started in May 2026**. Opening is projected for August 2028 (for the fall semester).

Project Cost:

Total Project cost is \$364.4M (\$284.4M Housing, \$40M Dining, and \$40M Parking), including \$343.4M in design, construction and FF&E, and \$20.8M (6%) in contingency funding.

Regarding the Housing component, with 1,200 beds, **the per-bed cost is \$237,000; the highest to date in the SUS** (see chart below). Per FSU, the high cost is attributed to floors 1 and 2 (58,000 gsf, combined), being mostly non-living space; common areas, lobbies, administrative offices, and student life amenities. **Excluding these areas, the per-bed cost would be \$201K; the 2nd highest behind FIU (Miami).**

<u>Per-Bed Cost Comparison*</u>					
Approval Date	Univ.	Location	Beds	Cost Per Bed	Notes
26-Jun	FSU	Tallahassee	1,200	\$237.0K	Proposed Project
26-Jun	UF	Gainesville	2,217	\$182.4K	Proposed Project
26-Jan	FIU	Miami	1174	\$211.3K	
26-Jan	UF	Gainesville	1101	\$195.0K	
24-Jun	FAU	Boca Raton	670	\$160.5K	
23-Oct	FAMU	Tallahassee	700	\$121.4K	
23-Sep	UNF	Jacksonville	521	\$147.6K	
Jan-23	FPU	Lakeland	539	\$49.2K	facility
Jan-23	FPU	Lakeland	430	\$95.6K	
Sep-22	USF	Sarasota-Manatee	200	\$105.0K	
Mar-21	UF	Gainesville	1400	\$157.0K	
Mar-20	FIU	Miami	700	\$125.0K	
Jan-20	FSU	Panama City	400	\$57.8K	P3 project
Apr-19	FAU	Boca Raton	616	\$87.8K	
Apr-19	FAU	Jupiter	165	\$91.8K	Includes parking
Nov-18	USF	St. Petersburg	375	\$78.7K	
Nov-18	FAMU	Tallahassee	700	\$85.7K	

*Based on original Board approved Project Summary reports, specifically Project cost and bed count.

Project construction will be supervised by the University’s Planning, Design, and Construction Office, consistent with previous similar campus projects.

Rental rates & fees:

According to FSU, the Project’s housing rental rates are anticipated to match those assessed to other student housing units on campus.

Proposed Rental Rates*
(new 1200-bed housing facility)

Unit type	2028-29	2029-30	2030-31
Double-occupancy w/ shared Bath	\$4,920	\$5,410	\$5,950
Single-occupancy w/ shared Bath	\$5,570	\$6,130	\$6,740
Single-occupancy w/ private Bath	\$6,010	\$6,610	\$7,270

* Per bed per semester

Likewise, the cost to student for the new dining and parking facilities will be based on pre-existing meal plans and parking fees.

Demand Analysis:

Generally speaking, demand for new student housing is driven by student enrollment growth, but enrollment is projected to grow less than 1% annually (see chart below).

Historical and Projected Enrollment
(Fall Semester)

	Historical					Projected				
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Undergraduate	32,933	32,583	33,240	32,750	32,673	33,525	31,040	31,000	31,110	31,230
Graduate/PHD	8,072	9,133	9,765	9,382	9,168	9,592	9,500	9,570	9,630	9,730
FTE:	41,004	41,716	43,006	42,131	41,841	43,117	40,540	40,570	40,740	40,960
% Change	3.2%	1.7%	3.1%	-2.0%	-0.7%	3.0%	-6.0%	0.1%	0.4%	0.5%

Housing Demand

The University provided a demand study from 2017 prepared by Brailsford & Dunlavy, a nationally recognized consulting firm specializing in student housing feasibility/demand studies. Despite its age, the report indicated (at that time) the need to replace residence halls in the NW campus area (i.e., the Project’s location) and further recommended designating the area as a freshman living community, which aligns with the current Project proposal. The absence of an updated study does not materially detract from the overall analysis, as FSU’s housing system has sustained robust demand. **Every year for the past five years, housing system occupancy has averaged 99% or more, with an average waiting list of over 500.** (see chart below). Per FSU, housing applications exceed capacity by over 2,600 annually.

Historical Occupancy
(Fall Semester)

FSU Main Campus	2021	2022	2023	2024	2025
Total Residents	6,654	6,639	6,641	6,657	6,675
Total Beds	6,695	6,706	6,675	6,675	6,702
Total Occupancy (%):	99.4%	99.0%	99.5%	99.7%	99.6%
Students on Wait List:	538	380	596	607	525

The new residence hall will primarily target first-time-in-college (FTIC) students, offering mostly double-occupancy rooms (with a shared bathroom); see chart below.

Project Unit Mix	
#	Description
255	Double Suites (2 double-occupancy rooms)
24	Single Suites (2 single-occupancy rooms)
19	Mixed Suites (1 single room + 1 double room)
44	Hotel Rooms (1 single bed)
31	RA rooms (1 single bed)
373	Total Units

Once completed, FSU intends to close Rogers Hall (c. 1965) and convert one of Salley Hall's towers (c. 1964, renovated 2000) from double-occupancy to single-occupancy, resulting in a combined loss of 344 beds. The Project will replace these 'lost' beds, resulting in a net addition of 868 new beds, increasing the total inventory by 13% to 7,543 beds.

Parking and Dining Demand

Placement of the Project's facilities will result in the loss of 330 existing surface parking spaces; thus, the proposed new Parking garage represents a 'net' addition of 570 new spaces. Similarly, the existing dining facility (Seminole Café) serving the NW campus will be repurposed (a loss of 300 seats) and replaced by the proposed Dining facility, a 'net' addition of 465 new seats. FSU has indicated that the added parking and dining capacity will be easily absorbed by current excess demand as well as the Project's housing component.

Financing Structure:

The Project will be primarily financed with tax-exempt fixed-rate Bonds issued by DBF in the amount of \$301M (\$256M Housing, \$19.5M Dining, and \$25.5M Parking) and, to a lesser extent, \$61M in University cash – i.e., auxiliary unrestricted reserves:

University cash contribution (unrestricted auxiliary reserves)	
\$26M	Housing auxiliary
\$12M	Dining auxiliary
\$5M	Parking auxiliary
\$18M	Business Services auxiliary *
\$61M	Total

* Includes unrestricted reserves from Dining, Parking, the FSU Store, FSU Card Office, and the Business Services Administrative Office.

The University plans to issue the Dining component debt through the Housing System; doing so will reduce borrowing costs relative to a standalone Dining financing. In turn, the Dining System ("Seminole Dining") will make payments to the Housing System in an amount equal to its proportional share of Bond debt service.

The Housing component will be financed for 30 years, whereas Dining and Parking will be financed for 20 years, all structured with level annual debt service. For the purpose of this review, an interest rate of 5.75% was assumed, resulting in an estimated annual debt service of approximately \$24.4M annually for the first 20 years, then dropping to \$18.6M/yr (see attached **Estimated Debt Service Schedules**). The assumed rate (5.75%) is based on the Office of Economic & Demographic Research (EDR) Revenue Estimate Conference long-term rate, which is typically used by the State (and DBF) in debt service projections. The actual interest rate is expected to be lower (based on current market conditions).

Security Structure & Pledged Revenues:

The Housing and Dining Bonds will be secured by and payable solely from a first lien on the University's housing system net revenues (the "Pledged Revenues"), on parity with the system's outstanding debt (i.e., Series 2014A, 2015A, 2021A, and 2023A) currently totaling \$98.8M. Net revenues are derived primarily from rental income and special event fees, as well as other miscellaneous charges for services or space provided, after deducting operating and maintenance expenses. Although not Pledged Revenue and therefore not legally pledged to the bonds, the University Dining System will annually transfer a cash contribution equal to the debt service on the dining component of the financing. This cash contribution includes annual fees collected by the Dining System under its food services contract with Aramark, ranging from \$3.7M to \$4.4M in FY27 through FY30.

The Parking Bonds will be secured by and payable solely from a first lien on the University's parking system net revenues (the "Pledged Revenues"), on parity with the system's outstanding debt (i.e., Series 2021A) currently totaling \$5.9M. Net revenues are derived primarily from the student transportation access per credit hour fee, citations, decals, and other miscellaneous charges for services, after deducting operating and maintenance expenses.

Debt Service Coverage:

As a stand-alone project, the new student housing is not financially viable; its debt service coverage (DSC) is projected to be .31x-.42x (see attached schedule "*Housing Projected Debt Service Coverage – Housing Project Only*"). However, as described in the prior section, the Bonds will be issued on parity with the existing housing system, thus the Project's operating deficits will be effectively subsidized by the existing housing system's cash flow. As such, **calculated on parity with the overall system, the Housing/Dining DSC exceeds the required minimum of 1.20x (per SUS Debt Management Guidelines) in all periods except FY28's 1.18x coverage**, inclusive of the Dining System transfers described above (see attached schedule "*Housing & Dining Historical and Projected Debt Service Coverage*"). However, this is based on 5.75% interest rate in the debt service calculation. The actual interest rate at Bond issuance is expected to be less (e.g., approximately 4.8% based on current market conditions), which results in a DSC of approximately 1.24x. Also, the Housing System's available reserves of \$42M (net of the \$26M contribution to the Project) help mitigate risk imparted by a reduced

DSC. As such, Board staff does not consider this a material deviation from the SUS Debt Management Guidelines.

Comparatively, **the proposed Parking facility has a robust DSC estimated 2.74x in FY28**, the first full fiscal year of operations. As noted above, this exceeds the minimum 1.20x coverage requirement in the Guidelines - see attached schedule "*Parking Historical and Projected Debt Service Coverage*".

Assessment of Private Sector Alternatives:

FSU evaluated several financing structures, including the public private partnership (P3) model, and selected the proposed financing approach because it presented the lowest cost of capital and greatest affordability. According to the University, a P3 structure adds unnecessary complexity with no benefit to FSU, and it potentially dilutes control of housing inventory.

Return on Investment:

The Housing component is calculated to have no internal rate of return (IRR); estimated at **-1.2%** based upon assumptions provided by the University. The Parking component IRR exceeds **24%**. (See attached ***Projected Internal Rate of Return schedules***).

Method of Sale:

The Bonds will be issued through DBF. Based on the proposed bond issuance and current market conditions, a competitive sale is expected to yield the best results in terms of cost.

Selection of Professionals:

All contracted professionals involved in the Project were selected through a competitive process compliant with Florida Statutes and Board regulations. Furthermore, DBF, as Bond issuer, has contracts with outside professionals (e.g., bond counsel, financial advisors, verification agents, etc.) who will be engaged as necessary, all of which were selected via competitive process.

Recommendation:

Staff of the Board of Governors and the Division of Bond Finance have reviewed the resolution and supporting documentation provided by FSU. Based upon this review, the proposed financing appears to comply with Florida Statutes. While the Project's housing component DSC falls below 1.20x in one period, as previously described, it is not considered a material deviation from the SUS Debt Management Guidelines. As such, staff recommend authorization of the proposed Bonds to finance the Project.