STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
November 13, 2026

SUBJECT: Authorization to Issue Debt – New College of Florida

PROPOSED BOARD ACTION

Adopt a resolution authorizing the issuance of debt in an amount not to exceed $47.5M by New College of Florida Development Corporation, on behalf of New College of Florida, to refinance its outstanding student housing debt and to finance the acquisition of a student housing facility on the University of South Florida Sarasota-Manatee 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

Earlier this year, the Governor signed House Bill HB5601-E, which approved the transfer of the University of South Florida Sarasota-Manatee (USFSM) campus to New College of Florida (NCF). The transfer was effective as of July 1, 2026, subject to NCF arranging financing to defease the USFSM debt on its facilities (and thus acquire the assets) by December 31, 2026.

New College of Florida Development Corporation ("DSO"), on behalf of NCF, is seeking authorization to issue up to $47.5M in debt through tax-exempt and taxable loans (together, the "Debt") through BankUnited (the "Senior Lender") and a private investor (the "Subordinate Lender"). Together, the proposed Debt will finance the acquisition of the USFSM residence hall and student center ('Atala Hall') as well as refinance NCF's outstanding student housing debt; $28.5M and $15.7M, respectively. As part of the financing plan, NCF will increase its housing system rental rates by at least 10% in FY2028 and by at least 5% annually in FY2029, FY2030, and FY2031.

'Atala Hall' is a 6-story, 100,000 sq. ft. facility comprised of a 'student center' (first floor) and student housing (floors 2-6). Currently, over 140 NCF students reside at Atala Hall, as a result of a 2025 agreement with USF to find a more permanent solution to house NCF students. In recent years, NCF was forced to house students in off-campus hotels and apartments due to the lack of capacity in its aged (and, in some cases, failing) on-campus housing units. Given that NCF requires first and second-year students to live on-campus, the transaction will provide a more permanent solution to address increased enrollment and strengthen its housing system.

The Debt will be secured by a pledge of housing system revenues; a portion of the student Activity & Service fee (pursuant to s. 1010.62, F.S.); a $500k operating deficit reserve; and financial support (via 'Support Agreement') from the NCF Foundation, as described in the attached Project Summary.

The financing plan deviates from the State University System Debt Management Guidelines in that (i) the housing system does not consistently achieve a 1.20x or greater debt service coverage until FY2037, (ii) repayment is not structured as level debt service until 2037, and (iii) not all of the debt is secured by a first lien on specified revenues. Risk imparted by these deviations is mitigated by the financial backing of the NCF Foundation.

The acquisition of Atala Hall is consistent with NCF's approved Campus Master Plan, and the proposed Debt issuance was approved by the NCF BOT on November 3, 2026.

Supporting Documentation Included: Supporting documents can be found in Facilities Committee materials.