

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS**

January 19, 2012

**SUBJECT:** A Resolution of the Board of Governors Requesting the Division of Bond Finance of the State Board of Administration of Florida (the "Division of Bond Finance") to issue revenue bonds on behalf of the University of Florida to finance renovations of multiple existing student residence facilities on the main campus of the University of Florida.

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**PROPOSED BOARD ACTION**

Adoption of a resolution approving the issuance of fixed rate bonds, by the Division of Bond Finance on behalf of the University of Florida (the "University"), in an amount not to exceed \$31,000,000 (the "Bonds") for the purpose of renovating multiple existing student residence facilities on the main campus of University of Florida ("the Project").

Staffs of the Board of Governors, State University System of Florida, and the Division of Bond Finance have reviewed this resolution and all supporting documentation. Based upon this review, it appears that the proposed financing is in compliance with Florida Statutes governing the issuance of university debt and complies with the debt management guidelines adopted by the Board of Governors. Accordingly, staff of the Board of Governors recommends adoption of the resolution and authorization of the proposed financing.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Florida Board of Governors Debt Management Guidelines; Section 1010.62, Florida Statutes; and Article IX, Section 7, Florida Constitution

**BACKGROUND INFORMATION**

The University has submitted a proposal for financing renovations to multiple existing residential facilities on the main campus of the University of Florida in Gainesville. The Project will: 1) update the interiors of the Corry Village apartment buildings to modernize the floor plans, and upgrade the electrical, fire alarm, air conditioning, and plumbing systems; 2) upgrade fire alarms, fire sprinklers, windows, bathrooms and the electrical, plumbing and air conditioning systems of Weaver Hall; and 3) overhaul waste water and plumbing systems, install new air conditioning systems, replace

windows and renovate bathrooms and kitchens in Thomas Hall and Buckman Hall. The Project is not required to be included in the University's Master Plan; however, it is included and is consistent with the University's Housing Master Plan. The total Project cost is expected to be \$27.5 million.

The University's Board of Trustees has requested approval from the Board of Governors for the Division of Bond Finance to issue up to \$31,000,000 of fixed rate bonds to finance the Project, fund a debt service reserve fund, if necessary, and pay costs of issuing the Bonds. The Bonds will mature twenty (20) years after issuance with level annual debt service payments.

The debt service payments will be funded from revenues generated from the operation of the University's housing system, after payments of operation and maintenance costs. Operating revenues are generated primarily from housing fees, rental revenues, fines, special rental fees or other charges for housing services. The Bonds will be issued on parity with the outstanding University of Florida dormitory revenue bonds currently outstanding in the principal amount of \$49,465,000, and will be junior and subordinate to the lien of the Series 1984 Bonds, currently outstanding in the principal amount of \$525,000.

Projections provided by the University indicate that sufficient net revenues will be generated to pay debt service on the Bonds and the outstanding parity bonds.

The University's Board of Trustees approved the Project and the financing thereof at its December 2, 2011 meeting.

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**Supporting Documentation Included:** Located with Facilities Committee Materials