

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

April 17, 2012

SUBJECT: Notification of Interest Rate Period on Florida State University Dining Facility Taxable Revenue Bond, Series 2005A

PROPOSED BOARD ACTION

Approve the notification of the bank of the interest rate change on Florida State University Dining Facility Taxable Revenue Bond, Series 2005A

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

Pursuant to the provisions set forth in the resolution authorizing the negotiated sale of the State of Florida, Florida Education System, Florida State University Dining Facility Taxable Revenue Bond, Series 2005A (the "Bond"), the interest rate payable on the Bond during the initial rate period has been 5.083% from the issuance of the Bond through and including the interest payment to be made on July 1, 2012. At least thirty days prior to July 1, 2012, the Board of Governors is required to notify the holder of the Bond, Bank of America, N.A., which of several options the Board of Governors chooses for the next interest rate period.

A 10 year reset period is recommended by staff of the Board of Governors, the Division of Bond Finance and Florida State University based upon an analysis of 3 year, 5 year, 7 year and 10 year resets. The estimated rate will be 2.75%. The outstanding balance on the Bond is \$7,655,000. The estimated savings over the life of the Bond is \$1.6 Million.

Supporting Documentation Included: Requesting Resolution

Facilitators/Presenters: Governor Dick Beard