

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
January 20, 2011**

SUBJECT: A Resolution of the Board of Governors authorizing the issuance by the Florida Gulf Coast University Financing Corporation of Tax-Exempt Revenue Bonds to finance the construction of a Student Residence Facility on the Main Campus of the Florida Gulf Coast University.

PROPOSED COMMITTEE ACTION

Adoption of a resolution approving the issuance of fixed rate, tax-exempt revenue bonds, by the Florida Gulf Coast University Financing Corporation ("Corporation"), in an amount not to exceed \$30,000,000 for the purpose of financing a Student Residence Facility ("the Project") on the main campus of Florida Gulf Coast University.

Staffs of the Board of Governors, State University System of Florida, and the Division of Bond Finance, State Board of Administration of Florida, 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 the Board of Governors' Debt Management Guidelines. Therefore, 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

Florida Gulf Coast University (the "University") has submitted a proposal for the financing and construction of a new Student Residence Facility on the University's main campus. The Project will be the twelfth in a series of student housing projects which began in 1997 and the fourth in the South Lake Village Residence Life Enhancement Project. The Project will be constructed as a six story building and will consist of approximately 520 beds. The Project is consistent with the University's Campus Master Plan. The total Project construction cost is expected to be \$30.0 Million.

The Corporation, a direct support organization of the University, proposes to issue up to \$30,000,000 of fixed rate, tax-exempt, revenue bonds (the "Series 2011 Bonds") to finance the construction of the Project, fund capitalized interest during construction and pay costs of issuance. The Series 2011 Bonds will mature thirty (30) years after issuance, with level annual debt service payments.

The debt service payments will be funded with revenues generated from the operations of the University's housing system, after payments of operation and maintenance costs. Revenues are generated primarily from room rentals, summer special event rentals, damage deposit forfeitures and other miscellaneous collections. The Series 2011 Bonds will be issued on parity with the outstanding Florida Gulf Coast University Financing Corporation Capital Improvement Revenue Bonds with a current aggregate principal amount of approximately \$145,485,000.

Projections provided by the University indicate that sufficient net revenues will be generated to pay debt service on the Series 2011 Bonds and the outstanding parity bonds.

The Series 2011 Bonds will be issued as fixed rate revenue bonds.

The Florida Gulf Coast Financing Corporation Board of Directors, at a meeting held on December 8, 2010, and the Florida Gulf Coast University Board of Trustees, at its January 18, 2011 meeting, approved the Project and the financing thereof.

Supporting Documentation Included:

1. Requesting Resolution
2. Project Summary
3. Attachment I - Estimated Sources and Uses of Funds
4. Attachment II - Historical and Projected Pledged Revenues and Debt Service Coverage

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