



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

AGENDA
Facilities Committee
Florida State University
Tallahassee, Florida
March 24, 2011
8:30 a.m.

1. **Call to Order** **Governor Charlie Edwards**
Chair: Charlie Edwards; Vice Chair: Dean Colson
Members: Beard, Martin, Perez, Stavros, Temple, Yost
2. **Meeting Minutes, January 20, 2011** **Governor Edwards**
3. **Review and Approve the 2011-12 SUS Fixed
Capital Outlay Legislative Budget Request** **Mr. Chris Kinsley**
4. **Bond Resolutions** **Mr. Kinsley**
 - A. Resolution of the Board of Governors Authorizing the Division of Bond Finance of the State Board of Administration of Florida to Issue Debt on behalf of the University of Central Florida to Finance the Construction of Student Residences and Related Improvements on the Main Campus, UCF
 - B. Resolution of the Board of Governors Authorizing the Division of Bond Finance of the State Board of Administration of Florida to Issue Debt on behalf of the University of Central Florida to Finance the Construction of a Parking Garage on the Main Campus, UCF
 - C. Resolution of the Board of Governors Authorizing the Issuance of Debt by the University of South Florida Financing Corporation to Finance the Renovation of the USF Arena and Convocation Center on the Tampa Campus, USF
6. **Concluding Remarks and Adjournment** **Governor Edwards**

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
March 24, 2011

SUBJECT: Minutes of Meeting held January 20, 2011

PROPOSED COMMITTEE ACTION

Approval of minutes of the meeting held on January 20, 2011, at the University of West Florida, Pensacola.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

N/A

BACKGROUND INFORMATION

Board members will review and approve the minutes of the meeting held on January 20, 2011, at the University of West Florida, Pensacola.

Supporting Documentation Included: Minutes: January 20, 2011

Facilitators/Presenters: Chair Charlie Edwards

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
FACILITIES COMMITTEE
UNIVERSITY OF WEST FLORIDA
PENSACOLA, FLORIDA
January 20, 2011

Chairman Charlie Edwards convened the Board of Governors Facilities Committee meeting at 8:40a.m., January 20, 2011, in the Conference Center at the University of West Florida. The following members were present: Dean Colson, Dick Beard, Frank Martin, Tico Perez, Gus Stavros, John Temple and Rick Yost.

1. Call to Order

Governor Edwards called the meeting of the Facilities Committee to order.

2. Approval of Minutes of the Meeting of the Facilities Committee held November 3, 2010

Governor Beard moved that the Committee approve the Minutes of the Meeting of the Facilities Committee held November 3, 2010. Mr. Martin seconded the motion, and members of the Committee concurred.

3. Bond Resolutions

Governor Edwards previewed a summary of potential debt transactions for the March meeting and then welcomed Mr. Beard to make a comment. Governor Beard expressed concern that the language being included in the bond resolutions was being carried over from prior Board of Regents days and was no longer technically correct. He asked Mr. Kinsley if the language could be reviewed before the next meeting and modified if necessary.

Mr. Kinsley then reviewed the two requests before the Committee for approval.

- A. Resolution of the Board of Governors Authorizing the Division of Bond Finance of the State Board of Administration of Florida to Issue Debt on behalf of the University of Florida to Finance the Construction of a Translational Research Facility, Main Campus, UF

Mr. Kinsley presented the University of Florida request to issue debt. Mr. Colson moved to approve the resolution, as presented, and the motion was seconded by Mr. Beard. All members voted in favor.

- B. Resolution of the Board of Governors Authorizing the Issuance by Florida Gulf Coast University Financing Corporation of Debt to Finance the Construction of a Student Residences Phase XII, Main Campus, UNF

Mr. Kinsley reviewed the debt request from the Florida Gulf Coast University for their Student Residences Phase XII. Governor Beard made a motion to approve the resolution, as presented, and the motion was seconded by Mr. Colson. All members voted in favor.

4. 2011-2012 SUS Fixed Capital Outlay Budget Request

Chair Edwards called on Mr. Kinsley to review the 2011-2012 Fixed Capital Outlay Request. Mr. Kinsley stated how poor the projection for PECO was and said that the universities and the Chancellor were hoping the Legislature will do a tax shift similar to the one in the 2010-2011 session to increase funding. Mr. Kinsley reviewed the attachments for each section of the Fixed Capital Outlay Budget and answered questions from Governor Rood and Governor Temple. Governor Colson made a motion to approve the budget and the motion was seconded by Mr. Temple. All members voted in favor.

5. Completed Projects Report

Mr. Kinsley presented a report on projects completed during the 2010 calendar year.

6. Energy Reduction Report

Governor Edwards recommended that members read the Energy Reduction Report included in their materials. He stated that the system had done a good job reducing costs where possible and that he had instructed staff to review any opportunities to take advantage of energy savings through common bid procedures or other available methods and report that to the appropriate Board Committee.

7. Student Life Survey

Governor Edwards stated that the Student Life Survey was moving forward. He said that a draft report was completed and would be provided to members soon.

8. Concluding Remarks and Adjournment

There being no further business, the meeting adjourned at 9:10 a.m., January 20, 2011.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
March 24, 2011

SUBJECT: 2011-12 State University System Fixed Capital Outlay Legislative Budget Request

PROPOSED COMMITTEE ACTION

Review and approve the 2011-2012 SUS Fixed Capital Outlay Legislative Budget Request as amended and authorize the Chancellor to make technical changes as necessary.

Discuss PECO forecast and university maintenance challenges.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Subsection 7, Florida Constitution

BACKGROUND INFORMATION

The requested budget provides the State University System of Florida continued capital outlay support and has been prepared in accordance with statutory requirements and guidelines adopted by the Board of Governors on June 26, 2010. All university fixed capital outlay budget requests have been approved by the institutional boards of trustees.

The Board previously approved the 2011-2012 SUS Fixed Capital Outlay Legislative Budget Request (FCO LBR) as a lump sum on September 15, 2010 and further amended this request on January 20, 2011 and February 17, 2011. The latest PECO Revenue Estimating Conference held on March 7, 2011 eliminated PECO available for construction projects. Accordingly, no action is required by the Board with regards to the 2011/2012-2013/2014 SUS Three-Year Public Education Capital Outlay (PECO) Request.

Board action is required to amend other components of the FCO LBR to reflect changes requested by the universities.

Specific Fixed Capital Outlay Appropriation Requests

- ◆ **BOG Request for PECO Remodeling/Renovation/Repair/Maintenance Formula Funds Appropriation** represents a system-wide request for funds used to expand or upgrade educational facilities to prolong the useful life of the plant, pursuant to statute. (Attachment III)
- ◆ **The 2011/2012 Alec P. Courtelis Facility Enhancement Challenge Grant Program** requires funding to match private donations which have been received by July 31, 2010. The projects support high priority instruction and research facilities. (Attachment IV)
- ◆ **A Request for Legislative Authorization for State University System Fixed Capital Outlay projects requiring General Revenue funds to Operate and Maintain** (Attachment V) provides the spending authority for plant and maintenance operations.
- ◆ **Fixed Capital Outlay Projects Requiring Legislative Authorization** (Attachment VI)

Supporting Documentation to be Provided:	Attachment III (as described above)
Supporting Documentation Included:	Attachment IV-VI (as described above)

Facilitators/Presenters:	Chris Kinsley
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**BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
2011-2012 Alec P. Countelis Facility Enhancement Challenge Grant Program List
January 20, 2011**

UNIVERSITY	UNIV PKIDY	PROJECT	PROGRAM BENEHELED	PROJECT TYPE	STATE	PRIVATE	PROJECT COST	Prev. Private year request	New/Resubmitted/Deleted
FGCU	* 2	Environmental Demonstration Lab (P,C,E)	General Academic (Classroom/Office/Exhibit)	New Space	\$1,000,000	\$1,000,000	\$2,000,000	\$1,000,000	Resubmitted (2)
FGCU	* 4	Engineering (E)	Engineering (Classroom)	Equipment	\$596,000	\$596,000	\$1,192,000	\$235,000	Revised 1/5/2011
FIU	* 17	Stadium / Student Academic meeting rooms (C,E)	General Academic (Classroom/Office)	New Space	\$1,026,240	\$1,026,240	\$2,052,480	\$1,010,508	Revised 1/5/2011
FIU	* 18	College of Law (E)	Law (Study)	Equipment	\$304,444	\$304,444	\$608,888	\$290,289	Resubmitted (2)
FIU	* 19	Inst. Hqr. Ctr. Wall of Wind Test Fac. Ph. II (E)	Engineering (Lab)	Equipment	\$100,000	\$100,000	\$200,000	\$60,000	Resubmitted (2)
FIU	* 20	College of Nursing & Health Sciences Laboratory (E)	Nursing (Classroom)	Equipment	\$163,618	\$163,618	\$327,236	\$161,559	Revised 1/5/2011
FIU	* 21	Hospitality Mgmt. Carnival Student Center (P,C,E)	Hospitality Management (Study/Classroom)	New Space	\$500,000	\$500,000	\$1,000,000	\$600,000	Resubmitted
FIU	* 22	Engineering Center Lab (F)	Engineering (Research Lab)	Equipment	\$25,000	\$25,000	\$50,000	\$25,000	Resubmitted (2)
FIU	* 23	Hospitality Mgmt. Beverage Management Center (P,C,E)	Hospitality Management (Labs)	New Space	\$1,792,318	\$1,792,318	\$3,584,636	\$30,000	Revised 1/5/2011
FIU	* 24	Graduate School of Business Phase I (E)	Business (Office/Classroom)	Equipment	\$411,406	\$411,406	\$822,812	\$384,364	Revised 1/5/2011
FIU	* 25	Patricia and Phillip Frost Art Museum (C,E)	Arts (Exhibition)	New Space	\$97,000	\$194,000	\$388,000	\$26,500	Resubmitted (2)
FIU	* 26	Broad Auditorium, Social Sciences Phase I (P,C,E)	International Studies (Classroom)	New Space	\$238,601	\$238,601	\$477,202	\$250,000	Revised 1/5/2011
FIU	* 27	Stocker Astrophysics Center (P,C,E)	Science (Classroom/Labs)	Renovation	\$637,320	\$637,320	\$1,274,640	\$600,202	Revised 1/5/2011
FSU	* 18	College of Music Teaching Improvements (P,C,E)	Music (Teach. Lab/Auditorium)	Equipment	\$1,793,597	\$1,793,597	\$3,587,194	\$1,769,423	Resubmitted (2)
FSU	* 19	Ringling Circus Museum (P,C,E)	General Academic (Exhibition/Classroom/Office)	New Space	\$694,763	\$694,763	\$1,389,526	\$694,263	Revised 1/5/2011
FSU	* 20	Center for Asian Art (P,C,E)	Visual Arts / Education (Exhibition/Office)	New Space/ Ren	\$4,100,000	\$4,100,000	\$8,200,000	\$4,100,000	Resubmitted (2)
FSU	* 21	Student Success Center (P,C,E)	Academics (Office/Classroom/Office)	Renovation	\$494,349	\$494,349	\$988,698	\$497,521	Revised 1/5/2011
FSU	* 22	College of Medicine Clinic Improvements (P,C,E)	Medicine (Teach. Lab)	Renovation	\$2,000,000	\$2,000,000	\$4,000,000	\$2,000,000	Resubmitted (2)
FSU	* 23	College of Educ. Multipurpose Teaching (P,C,E)	Education (Office/Classroom)	New Space	\$1,000,000	\$1,000,000	\$2,000,000	\$1,000,000	Resubmitted (2)
FSU	* 24	Panama City Academic Center (E)	General Academic (Office/Classroom/Teach. Lab)	Equipment	\$433,150	\$433,150	\$866,300	\$434,575	Revised 1/5/2011
FSU	* 25	Ringling Circus Museum Library Improv. (P,C,E)	General Academic (Exhibition/Classroom/Office)	New Space	\$7,645	\$7,645	\$15,290	\$7,120	Resubmitted (2)
UCF	* 42	Barnett Bldg. Medical Science Center (C,E)	Arts and Sciences (Research Lab/ Offices)	New Space	\$2,528,605	\$2,528,605	\$5,057,210	\$2,068,685	Resubmitted (2)
UCF	* 44	Arts Complex II Enhancement (P,C)	Arts and Sciences (Lab/Office)	New Space	\$506,000	\$500,000	\$1,000,000	\$400,000	Resubmitted (2)
UCF	* 45	Medical School Library (P,C,E)	Medical (Classroom / Teach. Lab)	New Space	\$4,000,000	\$4,000,000	\$8,000,000	\$2,000,000	Resubmitted (2)
UCF	* 46	Miragrides National Reading Center (P,C)	Teaching (Lab/Office)	New Space	\$2,068,685	\$2,068,685	\$4,137,370	\$2,064,149	Resubmitted (2)
UCF	* 47	Psychology (E)	Arts and Sciences (Research Lab/Office)	Equipment	\$86,540	\$86,540	\$173,080	\$80,540	Resubmitted (2)
UCF	* 48	Engineering III Enhancement (E)	Engineering (Classroom/Off./Res.&Tech Lab)	Equipment	\$2,384,463	\$2,384,463	\$4,768,926	\$1,284,970	Resubmitted (2)
UCF	* 49	Alumni Center/John & Martha Hitt Library (E)	General Academic (Classroom/Office/Exhibit)	Equipment	\$8,249	\$8,249	\$16,498	\$7,749	Revised 1/5/2011
UCF	* 50	Optics and Photonics Enhancement (E)	Optics (Research Lab/Office)	Equipment	\$69,735	\$69,735	\$139,470	\$69,085	Revised 1/5/2011
UCF	* 51	Career Services & Experiential Learning (E)	General Academic (Classroom/Office)	Equipment	\$196,950	\$196,950	\$393,900	\$19,660	Revised 1/5/2011
UCF	* 52	Physical Science Building (E)	Science (Classroom/Labs)	Equipment	\$1,150	\$1,150	\$2,300	NEW	NEW
UF	* 21	Graduate Studios Building (P,C,E)	Business (Class./Office)	New Space	\$9,824,124	\$9,824,124	\$19,648,248	\$9,824,124	Resubmitted (2)
UF	* 22	Hahn Museum (P,C,E)	Fine Arts(Off/Aud.)	New Space/Reno	\$10,043,260	\$10,043,260	\$20,086,520	\$10,043,260	Resubmitted (2)
UF	* 23	Health Science Center Archive Room (P,C,E)	Hlt. Sci Ctr Arch Rm (Teach. Lab/ Res. Lab)	Renovation	\$100,100	\$100,100	\$200,200	\$100,100	Resubmitted (2)
UF	* 24	Pediatric Dentistry (P,C,E)	Dentistry (Teach. Lab)	Renovation	\$707,056	\$707,056	\$1,414,112	\$650,556	Resubmitted (2)
UF	* 25	Chemical Engineering Building Phase I (P,C,E)	Engineering (Classroom/Office/Tch Lab)	New Space	\$3,073,341	\$3,073,341	\$6,146,682	\$2,904,391	Resubmitted (2)
UF	* 26	Proton Beam VI (P,C,E)	Medicine (Research Lab)	Renovation	\$475,000	\$475,000	\$950,000	\$475,000	Resubmitted (2)
UF	* 27	Periodontology (P,C,E)	Dentistry (Teach. Lab)	Renovation	\$483,115	\$483,115	\$966,230	\$483,115	Resubmitted (2)
UF	* 28	Extension Professional Development Center (P,C,E)	IFAS (Office/Exhibit)	New Space	\$600,000	\$600,000	\$1,200,000	\$600,000	Resubmitted (2)
UF	* 29	Trial Advocacy Center Phase III (P,C,E)	Law (Teach. Lab)	New Space	\$1,470,350	\$1,470,350	\$2,941,100	\$1,450,050	Resubmitted (2)
UF	* 30	Pharmacy Building Atriole/Oriando (P,C,E)	Pharmacy (Office/Teach. Lab)	New Space	\$1,232,374	\$1,232,374	\$2,464,748	\$1,232,374	Resubmitted (2)
UF	* 31	Conference Room/ REC. One (P,C,E)	IFAS (Classroom)	Renovation	\$40,000	\$40,000	\$80,000	\$40,000	Resubmitted (2)
UF	* 32	Mid-Florida REC Multi-purpose (P,C,E)	IFAS (Classroom/Teach. Lab)	New Space	\$203,500	\$203,500	\$407,000	\$203,500	Resubmitted (2)
UF	* 33	West Hall (Renov.) (P,C,E)	Engineering (Office/Study/Classroom)	New Space	\$200,000	\$200,000	\$400,000	\$500,000	Resubmitted (2)
UF	* 34	Graduate Studies Building Phase II (P,C,E)	Business (Class./Office)	New Space	\$868,693	\$868,693	\$1,737,386	\$868,693	Resubmitted (2)
UF	* 35	Computer Science Engineering (P,C,E)	Engineering (Classroom/Office/Exhibit)	New Space	\$75,000	\$75,000	\$150,000	\$75,000	Resubmitted

STATE UNIVERSITY SYSTEM OF FLORIDA
 2011-2012 Alex P. Courtelis Facility Enhancement Challenge Grant Program List
 January 20, 2011

UNIVERSITY	UNIV PRY	PROJECT	PROGRAM/BENEFITED	PROJECT TYPE	STATE	PRIVATE	PROJECT COST	Prev. Private year request	New/Resubmitted/Deleted
UNF	*	1 Science and Engineering Building #50 (E)	Science/Engineering (Classroom/Labs)	Equipment	\$344,416	\$344,416	\$688,832	\$350,000	Revised 1/5/2011
UNF	*	2 Disability Resources Center (E)	Academics (Office/Classroom/Office)	Equipment	\$100,000	\$100,000	\$200,000		NEW
UNF	*	3 Hidden Lake Project (E)	Academics (Office/Classroom/Office)	Equipment	\$50,000	\$50,000	\$100,000		NEW
USF	*	USF Health Major renovation/Remodeling/ Addition	Medicine (Office/Classroom)	New Space	\$2,192,163	\$2,192,163	\$4,384,326	\$2,173,413	Revised 1/5/2011
USF	*	Health - ByrdSuncoast 3th Floor Build-Out (P,C,E)	Medicine (Office/Classroom)	New Space	\$1,447,873	\$1,447,873	\$2,895,746	\$1,440,075	Revised 1/5/2011
USF	*	Medical Office Building North Clinic (C,E)	Medicine (Office/Classroom)	New Space	\$3,180,424	\$3,180,424	\$6,360,848	\$3,180,424	Resubmitted (2)
USF	*	Nursing Expansion (E)	Nursing (Office/Labs)	Equipment	\$63,000	\$63,000	\$126,000	\$113,739	Revised 1/5/2011
USF	*	Joint Military Leadership Center (E)	General Academic (Office/Classroom /Teach.Lab)	Equipment	\$67,084	\$67,084	\$134,168	\$66,924	Resubmitted
USF	*	USF Polytechnic I-4 Campus Phase I-R (P,C,E)	General Academic (Office/Classroom /Teach.Lab)	New Space	\$10,634,108	\$10,634,108	\$21,268,216	\$10,500,000	Revised 1/5/2011
USF	*	USF Polytec Inteduc. Center for Wellness Res.(P,C)	General Academic (Office/Classroom /Teach.Lab)	New Space	\$1,500,000	\$1,500,000	\$7,000,000	\$1,800,000	Revised 1/5/2011
USF	*	USF Polytec PH II-A High Tech Bus.Incubator (P,C)	General Academic (Office/Classroom /Teach.Lab)	New Space	\$700,000	\$700,000	\$1,400,000	\$700,000	Resubmitted
USF	*	School of Music at the College of Arts(E)	Music (Office/Classroom)	Equipment	\$833,772	\$833,772	\$1,667,544	\$498,000	Revised 1/5/2011
UWF	*	Maritime Museum & Educational Center Ph I (P,C,E)	General Academic (Classroom /Office/Exhibit)	New Space	\$3,441,000	\$3,441,000	\$6,882,000	\$5,159,750	Revised 1/5/2011
UWF	*	Maritime Museum & Educational Center Ph II (P,C,E)	General Academic (Classroom /Office/Exhibit)	New Space	\$4,000,000	\$4,000,000	\$8,000,000	\$5,725,000	Resubmitted
TOTAL							\$176,480,362	\$84,368,850	

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

Proposed Language for 2011-2012 Fixed Capital Outlay Plant, Operation and
Maintenance Appropriation request

The following language is proposed to provide legislative authorization for general revenue for plant, operation and maintenance appropriations:

Section _____. Pursuant to s. 1013.74 and s. 1013.78, Florida Statutes, the following facilities may be constructed or acquired from non-appropriated sources, which upon completion will require general revenue funds for operation.

1. UF – Minor Projects for UF Facilities
2. UF/HSC – Minor Projects for HSC Facilities
3. UF/IFAS – Minor Projects for IFAS Facilities
4. UF – Clinical Translational Research Building Expansion
5. FSU – Minor Projects for FSU Facilities
6. FSU – Free Electron Laser Laboratory
7. FSU – Fine Arts Research Building
8. FSU – School of Visual Arts Annex
9. FSU – College of Motion Picture, Television and Recording Arts Studio
10. USF – Sun Dome Arena Renovation, Academic Classroom
11. USF – Center for Advanced Medical Learning & Simulation
12. USF – Dali Museum Acquisition
13. UWF – School of Allied Health & Life Sciences
14. UCF – Bio-Medical Science Center II
15. UCF – MMAE Lab (Mechanical, Material & Aerospace Engineering)
16. UCF – Pegasus Health
17. UCF – Biology Field Research Center
18. FIU – Building #MB03 (former Miami Beach Women’s Club)
19. NCF – Robertson Hall Renovation/Remodeling

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

**2011-2012 Projects Requiring Legislative Approval to be Constructed, Acquired and/or
Financed by a University or a University Direct Support Organization**

Section _____. Pursuant to section 1010.62, Florida Statutes, and section 11(d) and (f), Art. VII of the State Constitution, the following fixed capital outlay projects may be constructed, acquired, and financed by a university or university direct support organization. Financing mechanisms include any form of approved debt or bonds authorized by the Board of Governors.

UF	University Athletic Association (UAA) projects
FSU	Research and Development Facility - Number Four
FSU	Italian Study Center
FSU	Free Electron Laser Laboratory
USF	Tennis Complex
UCF	Strategic Land and Property Purchase
UCF	BrightHouse Networks Tower Expansion
UCF	Academic Center
UCF	Athletics Facilities Expansion
FIU	Department of Health/FIU Public Health Building

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
March 24, 2011**

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 Central Florida to finance construction of student residences and related improvements on the main campus of the University of Central Florida

PROPOSED COMMITTEE ACTION

Adoption of a resolution approving the issuance of fixed rate bonds, by the Division of Bond Finance on behalf of the University of Central Florida (the "University"), in an amount not to exceed \$55,000,000 (the "Bonds") for the purpose of financing the construction of the Academic Village and Greek Park expansions, the addition of a central chiller plant for the University's Housing System, and other general capital improvements of the existing Housing System, all of which will be or are located on the University's main campus ("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(d), Florida Constitution

BACKGROUND INFORMATION

The University has submitted a proposal for financing and construction of an expansion and capital improvements to its Housing System. The Project will be located on the University's main campus and will include the expansion of Academic Village consisting of approximately 670 residence hall beds; the expansion of Greek Park consisting of approximately 40 beds in a Greek fraternity/sorority house and an administrative center; a central chiller plant; and other Housing System capital improvements including the replacement of the roofs on 15 existing housing facilities;

the replacement of 180 HVAC units; the completion of a security camera project; and the first phase of a wireless Ethernet project. The Academic Village and Greek Park expansions will result in a total of 4,450 residence hall beds and 124 Greek beds, respectively, in the University Housing System. In addition to the residence hall beds and Greek beds, the Convocation Housing System provides approximately 2,000 beds on the main campus of the University. The total Project cost is expected to be \$44.3 million.

The Project will be consistent with the University's 2010 Campus Master Plan upon the execution of the University's Campus Development Agreement (the "CDA") with the local host government. The Board of Governors' adoption of the resolution approving the issuance of the Bonds is contingent upon the successful negotiation and execution of the CDA.

The University Board of Trustees has requested approval from the Board of Governors for the Division of Bond Finance to issue up to \$55,000,000 of fixed rate bonds to finance construction of the Project, pay capitalized interest, fund a debt service reserve fund and pay costs of issuing the Bonds. The Bonds will mature thirty (30) 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 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 Housing System Revenue Bonds, currently outstanding in the aggregate principal amount of \$73,120,000.

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 of Central Florida Board of Trustees approved the Project and the financing thereof at its November 10, 2010 meeting.

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

Facilitators/Presenters: Chris Kinsley

A RESOLUTION REQUESTING THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA TO ISSUE REVENUE BONDS ON BEHALF OF THE UNIVERSITY OF CENTRAL FLORIDA TO FINANCE THE CONSTRUCTION OF AND CAPITAL IMPROVEMENTS TO STUDENT HOUSING FACILITIES ON THE CAMPUS OF THE UNIVERSITY OF CENTRAL FLORIDA IN AN AMOUNT NOT TO EXCEED \$55,000,000; AND PROVIDING AN EFFECTIVE DATE.

The duly acting and appointed Board of Governors of the State of Florida at a meeting duly held pursuant to notice and a quorum being present do hereby make the following resolutions:

BE IT RESOLVED:

1. Findings. The Board of Governors hereby finds as follows:

(A) Pursuant to Article IX, Section 7 of the Florida Constitution, the Board of Governors is vested with the power to operate, regulate, control and manage the State University System of Florida. The Board of Governors is further vested with the authority to approve the issuance of revenue bonds by a state university pursuant to Section 1010.62(2), Florida Statutes.

(B) The Board of Trustees of the University of Central Florida (the "University") has requested approval from the Board of Governors for the Division of Bond Finance to issue revenue bonds in an amount not exceeding \$55,000,000 (the "Bonds"), for the purpose of financing: (i) student housing facilities containing approximately 710 beds to be located on the main campus of the University; (ii) the addition of a central chiller plant for the University's housing system; (iii) capital improvements to the University's housing system; (iv) a debt service reserve; (v) capitalized interest and (vi) certain costs relating to the Bonds (collectively, the "Project"). The foregoing plan to finance the Project is collectively referred to herein as the "Financing Plan".

(C) The Project will be part of the housing system at the University.

(D) Upon consideration of the Financing Plan, the Board of Governors further finds that the issuance of the Bonds is for a purpose that is consistent with the mission of the University; is structured in a manner appropriate for the prudent financial management of the University; is secured by revenues adequate to provide for all debt service payments; has been properly analyzed by the staffs of the Board of Governors and the Division of Bond Finance; and is consistent with the Board of Governors' Debt

Management Guidelines.

(E) The Board of Governors declares that the Project will serve a public purpose by providing housing facilities at the University.

(F) The Project is included in the master plan of the University.

2. Approval of the Project. The Project is approved by the Board of Governors as being consistent with the strategic plan of the University and the programs offered by the University.

3. Approval of the Bonds. The Board of Governors hereby approves and requests the Division of Bond Finance of the State Board of Administration of Florida (the "Division") to issue the Bonds for the purpose of financing the construction of the Project. Proceeds of the Bonds may be used to pay the costs of issuance of such Bonds, to provide for capitalized interest, if any, to provide for a municipal bond insurance policy, if any, and to fund a reserve account or provide debt service reserve insurance, if necessary. The Bonds are to be secured by the net revenues of the housing system of the University, which may include but are not limited to, housing fees, rental revenues, fines, special rental fees or other charges for housing services, and may additionally be secured by other revenues that are determined to be necessary and legally available. The Division shall determine the amount of the Bonds to be issued and the date, terms, maturities, and other features of a fiscal or technical nature necessary for the issuance of the Bonds. Proceeds of the Bonds and other legally available monies shall be used for the Project, which is authorized by Section 1010.62, Florida Statutes, or such other housing facility project at the University which is authorized by Section 1010.62, Florida Statutes. The issuance of Bonds by the Division for the purpose of reimbursing the University for capital expenditures paid for the Project from legally available funds of the University is hereby authorized. Furthermore, approval is contingent upon execution of a Campus Development Agreement by the University Board of Trustees. The University will provide a copy of the Campus Development Agreement to the Chancellor upon execution to indicate satisfaction of the contingency.

4. Refunding Authority. Authority is further granted for the issuance of bonds for the purpose of refunding all or a portion of any bonds secured by the revenues described, if it is deemed by the Division to be in the best financial interest of the State. The limitation on the amount authorized for the Bonds in Section 1 above shall not apply to such refunding bonds. Other terms of this resolution shall apply to any such refunding bonds as appropriate.

5. Compliance. The Board of Governors will comply, and will require the University to comply, with the following:

(A) All federal tax law requirements upon advice of bond counsel or the Division as evidenced by a "Certificate as to Tax, Arbitrage and Other Matters" or similar

certificate to be executed by the Board prior to the issuance of the Bonds.

(B) All other requirements of the Division with respect to compliance with federal arbitrage law, pursuant to Section 215.64 (11), Florida Statutes.

(C) All requirements of federal securities law, state law, or the Division, relating to continuing secondary market disclosure of information regarding the Bonds, the University, and the University's housing system, including the collection of the revenues pledged to the Bonds. Such requirements currently provide for the disclosure of information relating to the Bonds, the University, and the University's housing system, including the collection of the revenues pledged to the Bonds, on an annual basis and upon the occurrence of certain material events.

(D) All covenants and other legal requirements relating to the Bonds.

6. **Fees.** As provided in Section 215.65, Florida Statutes, the fees charged by the Division and all expenses incurred by the Division in connection with the issuance of the Bonds (except for periodic arbitrage compliance fees, if any, which shall be paid from other legally available funds) shall be paid and reimbursed to the Division from the proceeds of the sale of such Bonds. If for any reason (other than a reason based on factors completely within the control of the Division) the Bonds herein requested to be authorized are not sold and issued, the Board agrees and consents that such fees, charges and expenses incurred by the Division shall, at the request of the Division, be reimbursed to the Division by the Board from any legally available funds of the Board.

7. **Authorization.** The Division is hereby requested to take all actions required to issue the Bonds.

8. **Reserve and Insurance.** If determined by the Division to be in the best interest of the State, the Board of Governors may cause to be purchased a debt service reserve credit facility and/or municipal bond insurance, issued by a nationally recognized bond insurer.

9. **Repealing Clause.** All resolutions of the Board of Governors or parts thereof, in conflict with the provisions herein contained, to the extent they conflict herewith, are, to the extent of such conflict, hereby superseded and repealed.

10. **Authorization of Further Actions Consistent Herewith.** The members of the Board of Governors, attorneys, or other agents or employees of the Board of Governors are hereby authorized and directed to do all acts and things required of them by this resolution or desirable or consistent with the requirements hereof, to assure the full, punctual and complete performance of all the terms, covenants and agreements contained in the Bonds and this resolution; including execution of such documents, certificates, contracts and legal

opinions and other material delivered in connection with the construction or financing of the Project for use by the University, the issuance of the Bonds or as necessary to preserve the exemption from the taxation of interest on any of the Bonds which are tax-exempt, in such form and content as the Chair, Vice Chair or authorized officers executing the same deem necessary, desirable or appropriate.

11. Effective Date. This resolution shall become effective immediately upon its adoption.

Adopted this 24th day of March 2011.

CERTIFICATE OF THE CORPORATE SECRETARY

The undersigned, Corporate Secretary of the Board of Governors, does hereby certify that the attached resolution relating to the issuance of Bonds by the Division of Bond Finance of the State Board of Administration of Florida is a true and accurate copy as adopted by the Board of Governors on March 24, 2011, and said resolution has not been modified or rescinded and is in full force and effect on the date hereof.

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

Dated: _____, 2011

By: _____
Corporate Secretary

00538599.1

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Project Summary
University of Central Florida
Academic Village and Greek Park Expansions**

Project Description: The University of Central Florida (the "University" or "UCF") currently provides beds for approximately 3,780 students plus 84 fraternity and sorority students in the Housing System on the University's main campus. The Convocation Center Housing provides approximately 2,000 additional beds on the University's main campus. The proposed Academic Village and Greek Park Expansions will provide an additional 670 residence hall beds, approximately 40 beds in a Greek fraternity/sorority house, an administrative center, a central chiller plant and other capital improvements to the University Housing System (collectively referred to as the "Project").

Facility Site Location: The proposed residence halls (the "AV Expansion") and the central chiller plant (the "Chiller") will be located in the south section of the University's main campus in Orlando, Florida adjacent to current student housing.

The fraternity or sorority house and administrative center (the "Greek Park Expansion") will be located in the northwest corner of the University in Greek Park (Greek Park, Lot 1).

The capital improvement items (the "CIP Repairs") are to be made to existing residence facilities in the Academic Village as well as the Lake Claire Halls, located in the northwest quadrant of campus and Osceola Hall, located on the southwest side of the academic core.

The Project will be consistent with the University's 2010 Campus Master Plan upon the execution of the University's Campus Development Agreement (the "CDA") with the local host government. The Board of Governors' adoption of the resolution approving the issuance of the Bonds is contingent upon the successful negotiation and execution of the CDA.

**Projected Start and
Opening Date:**

It is anticipated that all portions of the Project will run concurrently, with the design phase of the Project completed in spring 2011, construction beginning in May 2011, and the new facilities opening

for the fall 2012 semester. The CIP Repairs on the existing facilities will also be completed by fall 2012.

Demand Analysis:

The primary targeted market for the AV Expansion will be traditional single, undergraduate students, with particular emphasis on the University's First Time in College ("FTIC") population. Because the University has very limited University owned, on-campus, nine month housing, priority is given to freshmen. Spring 2011 occupancy rates were 98.5% for the University Housing System and 97.5% for the Convocation Housing. Currently, the University is only able to house 70% of fall FTICs and 60% of summer FTICs. In order to enhance first year retention rates, the University has set a goal of housing 80% of fall FTICs; thus, a need exists for more on campus nine month housing to meet this goal. The current housing inventory allows returning residents to participate in a lottery for approximately 500 beds. Over the past three years, an average of 650 second year students and 570 other students have been turned away per year.

The primary targeted market for the Greek Park Expansion will be active fraternity and sorority organizations. Two Greek organizations have expressed interest in immediately occupying the new facility. Each resident of the Greek Park Expansion will have an individual housing agreement with the University's Department of Housing and Residence Life. In addition, the Greek organization will pay to lease the common areas within the facilities. In 2008, the University purchased and remodeled two Greek properties and is operating them as part of their Housing System with success. On-campus housing and the involvement of students in campus life activities are an integral part of the goals of the University. The University believes that the Housing System's oversight of the Greek houses provides a more stable environment for the fraternity/sorority students to have a complete student experience. In addition, inclusion of these facilities in the Housing System allows for consistent operations and maintenance similar to other existing housing, and contributes to the University's administrative overhead costs.

The Chiller will immediately serve the AV Expansion. It was determined by the University Department of Energy and Sustainability that a chiller plant would provide a more economical and efficient use of HVAC than stand alone units at individual facilities. The infrastructure for the Chiller will be constructed to

accommodate the future addition of the existing residence halls on the Academic Village site as their current HVAC systems reach the end of their useful life. The University has been able to achieve significant savings by addressing energy usage in the beginning of projects.

The CIP Repairs include the completion of a security camera project and Phase I of a wireless Ethernet project. Both of these projects are for the entire Housing System. Also included are 15 roof replacements and 180 HVAC unit replacements at the Lake Claire and Osceola Hall facilities. The roofs were installed in 1993-1994 and are nearing the end of their life cycle, as are the HVAC units.

**Project Cost and
Financing Structure:**

The total construction cost of the proposed Project is estimated to be \$44,321,794. This includes planning, construction and equipment costs of \$33,292,800 for the AV Expansion, \$3,828,994 for the Greek Park Expansion, \$4,200,000 for the Chiller and \$3,000,000 for the CIP Repairs. While normal University practice is to pay for CIP Repairs from their Repair and Replacement Fund (the "R&R Fund"), they prefer to maintain that fund for emergencies and unexpected repairs. The University is including these CIP Repairs in the Project because they are planned. Currently, the University has a balance in the R&R Fund of \$2.9 million.

The Project will be financed with fixed rate, Housing System revenue bonds to be issued by the Division of Bond Finance of the State Board of Administration in an amount not exceeding \$55,000,000 (the "Bonds"). A debt service reserve of approximately \$4,017,050 (maximum annual debt service on the Bonds) has been included in the size of the bond issue along with a capitalized interest fund of \$4,900,050. The Bonds will be structured with a 30-year final maturity and level annual debt-service payments.

(See Attachment 1 for an estimated sources and uses of funds).

Security Structure:

Housing System revenues derived primarily from housing fees, rental revenues, fines, special rental fees or other charges for housing services, after deducting operating expenses, will be pledged for the payment of debt service.

When the facilities open in Fiscal Year 2012-13, the projected double occupancy rental rates for the residence halls are \$3,000 for the fall

and spring and \$2,250 for the summer. Projected occupancy rates are 98.5% for fall and spring and 50% for summer. Projected rental rates for the Greek expansion are \$2,800 for the fall and spring and \$2,100 for the summer, with projected occupancy rates of 97% and 50%, respectively. For the Greek Park portion of the Project, the fraternal organization will make lease payments to the University for common areas and facilities. Additionally, it is anticipated that the Greek Life Center will transfer their operations from the Student Union to the new administrative center of the Greek Park expansion and pay rental fees.

The Bonds will be issued on parity with the outstanding University of Central Florida Housing and Dormitory Revenue Bonds Series 1992, 2000, 2002 and 2007A, which are outstanding in the aggregate principal amount of \$73,120,000.

Pledged Revenues and Debt Service Coverage:

During the five fiscal years from 2005-06 to 2009-10, pledged revenues grew from \$9,158,548 to \$10,232,159, increasing the debt service coverage ratio from 1.37x to 1.57x.

Pledged revenues are projected to dip slightly in 2010-11 to \$9,972,456 due to withdrawal by the University of its affiliation with an off-campus housing complex but then continue growing to \$16,182,072 in fiscal year 2014-15. Debt service coverage ratios are projected to range from 1.50x to 1.88x over this same period. The projected debt service coverage ratio in fiscal year 2013-14 (the first year of both principal and interest payments on the Bonds) is 1.50x, based on an estimated debt service payment of \$10,508,621 for the Housing System inclusive of the Bonds.

Assumptions include annual rental revenue and expense increases of 3% and an estimated interest rate of 6% on the bonds.

(See Attachment 2 for a table of historical and projected pledged revenues and debt service coverage prepared based upon revenue and expense information supplied by the University).

Type of Sale:

The Division of Bond Finance will make a determination to sell the Bonds through either a competitive or a negotiated sale based on market conditions at the time of sale.

**Analysis and
Recommendation:**

Staffs of the Board of Governors and the Division of Bond Finance have reviewed the information provided by the University with respect to the request for Board of Governors approval for the subject financing. The pledged revenues have historically generated positive debt service coverage and are projected to continue to provide adequate debt service coverage in the future based on what appear to be reasonable assumptions as to revenue and expenditure growth. It appears that the proposed financing is in compliance with the Florida Statutes governing the issuance of university debt and the Board of Governors Debt Management Guidelines. Accordingly, staff of the Board of Governor's recommends adoption of the resolution authorizing the proposed financing.

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
UCF Housing
Estimated Sources and Uses of Funds

<u>Sources of Funds</u>		<u>Basis for Amounts</u>
Bond Sale Amount	\$ 54,445,000	Estimated Series 2011A Bond sale amount based on an interest rate of 6% for 30 years.
Less: Total Costs of Issuance	\$ (113,756)	Estimated Bond Counsel; bank fee; arbitrage compliance; DBF Fees; Misc.
Underwriter's Discount	\$ (1,088,900)	
	<hr/>	
Total Sources of Funds	<u>\$ 53,242,344</u>	
<u>Uses of Funds</u>		
Design, Construction and Equipment	\$ 44,321,794	Cost of planning, design, construction and equipment.
Capitalized Interest	\$ 4,900,050	Represents 18 months of Capitalized Interest to be paid from bond proceeds at an interest rate of 6%.
Debt Service Reserve Account	\$ 4,017,050	Estimated maximum annual debt service on the bonds.
Additional Proceeds	\$ 3,450	
	<hr/>	
Total Uses of Funds	<u>\$ 53,242,344</u>	

STATE UNIVERSITY SYSTEM OF FLORIDA
 BOARD OF GOVERNORS
 University of Central Florida
 Housing System
 Historical and Projected Revenues and Expenditures

	Historical				Projected					
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue ^{1, 2, 3}										
Current housing system revenue	\$ 18,403,636.00	\$ 18,592,088.00	\$ 20,263,836.00	\$ 21,173,100.00	\$ 22,627,185.00	\$ 23,164,693.00	\$ 23,859,633.79	\$ 24,938,852.80	\$ 25,687,018.39	\$ 26,457,628.94
AV expansion ⁴								4,630,590.00	4,769,507.70	4,912,592.93
Greek expansion ^{5, 6}								438,430.00	448,582.90	459,040.39
Total Revenue	18,403,636.00	18,592,088.00	20,263,836.00	21,173,100.00	22,627,185.00	23,164,693.00	23,859,633.79	30,007,872.80	30,905,108.99	31,829,262.26
Operating Expense ^{1, 3, 7}										
Current housing system expense	(9,245,088.32)	(9,499,846.99)	(10,842,922.79)	(11,388,482.10)	(12,395,026.00)	(13,192,237.00)	(13,385,254.00)	(13,347,558.09)	(13,747,984.84)	(14,160,424.38)
AV expansion expense								(1,300,671.98)	(1,339,692.14)	(1,379,882.90)
Greek expansion expense								(100,747.09)	(103,769.51)	(106,882.59)
Total Operating Expense	(9,245,088.32)	(9,499,846.99)	(10,842,922.79)	(11,388,482.10)	(12,395,026.00)	(13,192,237.00)	(13,385,254.00)	(14,748,977.16)	(15,191,446.49)	(15,647,189.87)
Net Revenue Available for Debt Service	\$ 9,158,547.68	\$ 9,092,241.01	\$ 9,420,913.21	\$ 9,784,617.90	\$ 10,232,159.00	\$ 9,972,456.00	\$ 10,474,379.79	\$ 15,258,895.64	\$ 15,713,662.50	\$ 16,182,072.39
Debt Service										
Current housing system revenue bonds	\$ (6,667,981.00)	\$ (6,663,241.00)	\$ (6,578,768.00)	\$ (6,506,194.00)	\$ (6,505,718.00)	\$ (6,505,436.25)	\$ (6,501,603.75)	\$ (6,504,725.00)	\$ (6,495,021.25)	\$ (6,498,719.09)
AV and Greek expansion revenue bonds ^{8, 9}	\$ (6,667,981.00)	\$ (6,663,241.00)	\$ (6,578,768.00)	\$ (6,506,194.00)	\$ (6,505,718.00)	\$ (6,505,436.25)	\$ (6,501,603.75)	\$ (8,138,075.00)	\$ (4,013,600.00)	\$ (4,015,900.00)
Total Debt Service	1.37	1.36	1.43	1.50	1.57	1.53	1.61	1.88	1.50	1.54
Historic and Estimated Debt service coverage ratio										
Estimated Maximum Annual Debt Service (MADS)						10,518,443.75	10,518,443.75	10,518,443.75	10,518,443.75	10,518,443.75
Estimated MADS coverage ratio						0.95	1.00	1.45	1.49	1.54

¹ Revenues and Operating Expenses based upon Department of Housing & Residence Life projections for Fiscal Years 2010-11 through 2014-15.

² Revenue includes income, conference revenue, late fees, interest income, cancellation fees and other miscellaneous revenue.

³ Rental Rates and Expenses increase 3% per year.

⁴ Rental rates for Academic Village Exp are \$3,000 for fall & spring and \$2,250 for summer w/projected occupancy rates of 98.5% for fall & spring and 50% for summer.

⁵ Rental rates for Greek Exp are \$2,800 for fall & spring and \$2,100 for summer w/projected occupancy rates of 97% for fall & spring and 50% for summer.

⁶ Occupants of Greek Life Center will pay annual rent for use of space.

⁷ Expense does not include depreciation, administrative overhead or renewal and replacement projects.

⁸ Assumed interest of 6.00%

⁹ Debt service payments on the Bonds for 2012 and one half of 2013 are provided from capitalized interest.

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
March 24, 2011**

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 Central Florida to finance construction of a Parking Garage on the main campus of the University of Central Florida

PROPOSED COMMITTEE ACTION

Adoption of a resolution approving the issuance of fixed rate parking facility revenue bonds, by the Division of Bond Finance on behalf of the University of Central Florida (the "University"), in an amount not to exceed \$12,000,000 (the "Bonds") for the purpose of financing Parking Garage VII on the main campus of the University of Central 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 and construction of Parking Garage VII. The Project will be located in the southeast section of the University's main campus. The Project will contain approximately 1,080 parking spaces, bringing the total number of parking spaces on campus to 18,907. The Project is consistent with the University's Campus Master Plan. The total Project cost is expected to be \$12,572,280.

The University's Board of Trustees has requested approval from the Board of Governors for the Division of Bond Finance to issue up to \$12,000,000 of fixed rate parking facility revenue bonds to finance a portion of the construction of the Project, fund a debt service reserve fund and pay costs of issuing the Bonds. The University also anticipates contributing \$2,500,000 in Parking System cash reserves. 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 Parking System, after payments for operation and maintenance costs. The primary source of revenues being used to pay debt service on the Bonds will be transportation access fees required to be paid by all students, faculty and staff parking decal sales, and fines. The Bonds will be issued on parity with the outstanding Parking Facility Revenue Bonds, currently outstanding in the aggregate principal amount of \$42,875,000.

Projections provided by the University indicate that sufficient net revenues will be generated by the transportation access fees, faculty and staff parking decal sales, fines, and other parking fees to pay debt service on the Bonds and the outstanding parity bonds. The Project will generate additional revenues for the Parking System through the availability of visitor parking at a cost of \$5 per day. The transportation access fee for 2011-12 will be \$9.00 per credit hour. The pro-forma assumes a \$0.25 increase each fiscal year beyond 2011-12.

The University's Board of Trustees approved the Project and the financing thereof at its January 21, 2011 meeting.

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

Facilitators/Presenters: Chris Kinsley

**A RESOLUTION REQUESTING THE DIVISION OF
BOND FINANCE OF THE STATE BOARD OF
ADMINISTRATION OF FLORIDA TO ISSUE REVENUE
BONDS ON BEHALF OF THE UNIVERSITY OF
CENTRAL FLORIDA TO FINANCE THE
CONSTRUCTION OF A PARKING GARAGE ON THE
CAMPUS OF THE UNIVERSITY OF CENTRAL FLORIDA
IN AN AMOUNT NOT TO EXCEED \$12,000,000; AND
PROVIDING AN EFFECTIVE DATE.**

The duly acting and appointed Board of Governors of the State of Florida at a meeting duly held pursuant to notice and a quorum being present do hereby make the following resolutions:

BE IT RESOLVED:

1. Findings. The Board of Governors hereby finds as follows:

(A) Pursuant to Article IX, Section 7 of the Florida Constitution, the Board of Governors is vested with the power to operate, regulate, control and manage the State University System of Florida. The Board of Governors is further vested with the authority to approve the issuance of revenue bonds by a state university pursuant to section 1010.62(2), Florida Statutes.

(B) The Board of Trustees of the University of Central Florida (the "University") has requested approval from the Board of Governors for the Division of Bond Finance to issue revenue bonds in an amount not exceeding \$12,000,000 (the "Bonds"), for the purpose of financing: (i) a parking garage of approximately 1,000 spaces to be located on the main campus of the University; (ii) a debt service reserve; and (iii) certain costs relating to the Bonds (collectively, the "Project"). The foregoing plan to finance the Project is collectively referred to herein as the "Financing Plan".

(C) The project will be part of the parking system at the University.

(D) Upon consideration of the Financing Plan, the Board of Governors further finds that the issuance of the Bonds is for a purpose that is consistent with the mission of the University; is structured in a manner appropriate for the prudent financial management of the University; is secured by revenues adequate to provide for all debt service payments; has been properly analyzed by the staffs of the Board of Governors and the Division of Bond Finance; and is consistent with the Board of Governors' Debt Management Guidelines.

(E) The Board of Governors declares that the Project will serve a public purpose by providing parking facilities at the University.

(F) The Project is included in the master plan of the University.

2. Approval of the Project. The Project is approved by the Board of Governors as being consistent with the strategic plan of the University and the programs offered by the University.

3. Approval of the Bonds. The Board of Governors hereby approves and requests the Division of Bond Finance of the State Board of Administration of Florida (the "Division") to issue the Bonds for the purpose of financing the construction of the Project, in an amount not to exceed \$12,000,000. Proceeds of the Bonds may be used to pay the costs of issuance of such Bonds, to provide for capitalized interest, if any, to provide for a municipal bond insurance policy, if any, and to fund a reserve account or provide debt service reserve insurance, if necessary. The Bonds are to be secured by the net revenues of the parking system of the University, which may include but are not limited to, transportation access fees, parking decal fees, fines, special rental fees or other charges for parking services or parking spaces, and may additionally be secured by other revenues that are determined to be necessary and legally available. The Division shall determine the amount of the Bonds to be issued and the date, terms, maturities, and other features of a fiscal or technical nature necessary for the issuance of the Bonds. Proceeds of the Bonds and other legally available monies shall be used for the Project, which is authorized by Section 1010.62, Florida Statutes, or such other parking facility project at the University which is authorized by Section 1010.62, Florida Statutes. The issuance of Bonds by the Division for the purpose of reimbursing the University for capital expenditures paid for the Project from legally available funds of the University is hereby authorized.

4. Refunding Authority. Authority is further granted for the issuance of bonds for the purpose of refunding all or a portion of any bonds secured by the revenues described, if it is deemed by the Division to be in the best financial interest of the State. The limitation on the amount authorized for the Bonds in Section 1 above shall not apply to such refunding bonds. Other terms of this resolution shall apply to any such refunding bonds as appropriate.

5. Compliance. The Board of Governors will comply, and will require the University to comply, with the following:

(A) All federal tax law requirements upon advice of bond counsel or the Division as evidenced by a "Certificate as to Tax, Arbitrage and Other Matters" or similar certificate to be executed by the Board prior to the issuance of the Bonds.

(B) All other requirements of the Division with respect to compliance

with federal arbitrage law, pursuant to Section 215.64 (11), Florida Statutes.

(C) All requirements of federal securities law, state law, or the Division, relating to continuing secondary market disclosure of information regarding the Bonds, the University, and the University's parking system, including the collection of the revenues pledged to the Bonds. Such requirements currently provide for the disclosure of information relating to the Bonds, the University, and the University's parking system, including the collection of the revenues pledged to the Bonds, on an annual basis and upon the occurrence of certain material events.

(D) All covenants and other legal requirements relating to the Bonds.

6. **Fees.** As provided in Section 215.65, Florida Statutes, the fees charged by the Division and all expenses incurred by the Division in connection with the issuance of the Bonds (except for periodic arbitrage compliance fees, if any, which shall be paid from other legally available funds) shall be paid and reimbursed to the Division from the proceeds of the sale of such Bonds. If for any reason (other than a reason based on factors completely within the control of the Division) the Bonds herein requested to be authorized are not sold and issued, the Board agrees and consents that such fees, charges and expenses incurred by the Division shall, at the request of the Division, be reimbursed to the Division by the University from any legally available funds of the University .

7. **Authorization.** The Division is hereby requested to take all actions required to issue the Bonds.

8. **Reserve and Insurance.** If determined by the Division to be in the best interest of the State, the Board of Governors may cause to be purchased a debt service reserve credit facility and/or municipal bond insurance, issued by a nationally recognized bond insurer.

9. **Repealing Clause.** All resolutions of the Board of Governors or parts thereof, in conflict with the provisions herein contained, to the extent they conflict herewith, are, to the extent of such conflict, hereby superseded and repealed.

10. **Authorization of Further Actions Consistent Herewith.** The members of the Board of Governors, attorneys, or other agents or employees of the Board of Governors are hereby authorized and directed to do all acts and things required of them by this resolution or desirable or consistent with the requirements hereof, to assure the full, punctual and complete performance of all the terms, covenants and agreements contained in the Bonds and this resolution; including execution of such documents, certificates, contracts and legal opinions and other material delivered in connection with the construction or financing of the Project for use by the University, the issuance of the

Bonds or as necessary to preserve the exemption from the taxation of interest on any of the Bonds which are tax-exempt, in such form and content as the Chair, Vice Chair or authorized officers executing the same deem necessary, desirable or appropriate.

11. **Effective Date.** This resolution shall become effective immediately upon its adoption.

CERTIFICATE OF THE CORPORATE SECRETARY

The undersigned, Corporate Secretary of the Board of Governors, does hereby certify that the attached resolution relating to the issuance of Bonds by the Division of Bond Finance of the State Board of Administration of Florida is a true and accurate copy as adopted by the Board of Governors on March 24, 2011, and said resolution has not been modified or rescinded and is in full force and effect on the date hereof.

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

Dated: _____, 2011

By: _____
Corporate Secretary

00538599.1

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Project Summary
University of Central Florida
Parking Garage VII

Project Description: The University of Central Florida (the "University") is proposing the construction of a multi-level parking garage consisting of approximately 1,080 spaces to provide general campus parking (the "Project"). The targeted market for this parking garage will be students, faculty members and staff members who purchase decals. Visitors who purchase a daily parking permit will also be allowed to park in the garage.

The Project is consistent with the University's Campus Master Plan and Campus Development Agreement.

Facility Site Location: The proposed Project will be located in the southeast section of campus on the University's main campus.

Projected Start and Opening Date: It is anticipated that construction of the Project will commence in August 2011 and the garage will open for the Fall 2012 semester.

Demand Analysis: Currently, the University provides 16,503 parking spaces for students, faculty, staff and visitors. This includes 8,177 in existing parking garages, with an additional 1,324 garage spaces under construction. The Project will provide an additional 1,080 spaces, which will bring the total number of on-campus parking spaces to 18,907. The number of student decals purchased at the University during the 2009-10 academic year was approximately 52,500. This figure continues to increase at the rate of 3-4 percent per year as enrollment and the number of University employees grows. It is estimated that over 5,000 new parking spaces will be required on campus during the next seven to ten years.

Project Cost and Financing Structure: The estimated total construction cost of the Project is \$12,572,280. The Project will be financed with \$2,500,000 of Parking and Transportation reserves along with fixed rate parking facility revenue bonds to be issued by the Division of Bond Finance of the State Board of Administration in an amount not exceeding \$12,000,000 (the "Bonds"). A debt service reserve of approximately

\$1,049,400 (estimated maximum annual debt service on the Bonds) has been included in the size of the bond issue. The Bonds will be structured with a 20-year final maturity and level annual debt-service payments.

(See Attachment I for an estimated sources and uses of funds).

Security/Lien Structure: Parking system revenues derived primarily from decal sales, per credit-hour transportation access fees, traffic fines, and other parking fees, after deducting operating expenses, will be pledged for the payment of debt service. The proposed parking garage will generate additional revenues for the parking system through the availability of visitor parking at a cost of \$5 per day. The transportation access fee for 2011-12 will be \$9.00 per credit hour. The pro-forma assumes a \$0.25 increase each fiscal year beyond 2011-12.

The 2011 Bonds will be issued on parity with the outstanding University of Central Florida Parking Facility Revenue Bonds Series 1997, 1999, 2001, 2004A, and 2010A&B which are outstanding in the aggregate principal amount of \$42,875,000.

Pledged Revenues and Debt Service Coverage:

During the five fiscal year period from 2005-06 to 2009-10, pledged revenues grew from \$6,221,868 to \$12,798,669, which resulted in debt service coverage ratios ranging from a low of 1.81X in Fiscal Year 2005-06 to a high of 3.43x in Fiscal Year 2008-09. These calculations of pledged revenues and coverage assume that the payment of shuttle expenditures do not constitute operating expenses of the Parking System and are thus subordinated to the payment of debt service on the Bonds. For this five-year period, shuttle expenditures grew from approximately \$3,071,000 in 2005-06 to approximately \$4,946,500 in 2009-10.

Pledged revenues are projected to be \$12,383,743 in 2010-11, growing to \$13,708,539 in 2014-15. Projected debt service coverage ratios are 2.60x in Fiscal Year 2010-11 and ranging from 2.20x in Fiscal Year 2011-12 to 2.36x in Fiscal Year 2014-15. During this five-year projection period, shuttle expenditures are expected to be \$5,625,000 to \$6,632,400 as shuttle services are expanded. The Project is designed to meet the needs of the proposed on-campus housing expansion. The shuttle service expansion is designed to meet the transportation needs of students living off campus. The projected debt service coverage ratio in 2012-13 (the first year of operation of Parking Garage VII) is 2.23x based on a principal amount of

\$12,000,000 for the Bonds and an assumed interest rate of 6.0 percent through the maturity date of July 1, 2031.

(See Attachment II for a detailed summary of historical and projected debt service coverage)

Type of Sale:

The Division of Bond Finance will make a determination to sell the Bonds through either a competitive or negotiated sale based on market conditions at the time of sale.

Analysis and Recommendation:

Staff of the Board of Governors and the Division of Bond Finance has reviewed the information provided by the University of Central Florida with respect to the request for Board of Governors approval for the subject financing. Projections provided by the University indicate that sufficient net revenues will be generated from mandatory student fees, decal sales, fines and meters to pay debt service on the Bonds and the outstanding 1997, 1999, 2001, 2004A and 2010A&B Bonds. It appears that the proposed financing is in compliance with the Florida Statutes governing the issuance of university debt and is in compliance with the Board of Governors' Debt Management Guidelines. Accordingly, staff of the Board of Governors recommends adoption of the resolution authorizing the proposed financing.

STATE UNIVERSITY SYSTEM OF FLORIDA
 BOARD OF GOVERNORS
 UNIVERSITY OF CENTRAL FLORIDA PARKING SYSTEM
 Estimated Sources and Uses of Funds
 Parking Garage VII

<u>Sources of Funds</u>		<u>Basis for Amounts</u>
Bond Sale Amount	\$ 12,000,000	Estimated Series 2011 Bond sale amount based on an interest rate of 6% for 20 years.
Parking System Cash Contribution	\$ 2,500,000	
Less: Underwriter's Discount	\$ (120,000)	Estimated at 1% of par.
Total Costs of Issuance	\$ (59,060)	Estimated legal fees (\$6,200); ratings fees (\$27,810); arbitrage compliance (\$3,600); DBF fees (\$15,000); printing, advertising, other (\$6,450).
	<hr/>	
Total Sources of Funds	<u>\$ 14,320,940</u>	
<u>Uses of Funds</u>		
Project Cost	\$ 12,572,280	Cost of planning, design, construction and equipment.
Debt Service Reserve Account	\$ 1,049,400	Estimated maximum annual debt service on the bonds.
Bond Sizing Contingency	\$ 699,260	
	<hr/>	
Total Uses of Funds	<u>\$ 14,320,940</u>	

STATE UNIVERSITY SYSTEM OF FLORIDA
 BOARD OF GOVERNORS
 UNIVERSITY OF CENTRAL FLORIDA
 PARKING FACILITY REVENUE BONDS
 HISTORICAL AND PROJECTED DEBT SERVICE COVERAGE¹

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	Projected 2012-13	2013-14	2014-15
Operating Revenues										
Decal Sales ²	\$ 3,334,441	\$ 3,553,089	\$ 3,813,033	\$ 3,921,221	\$ 4,094,846	\$ 4,299,588	\$ 4,795,845	\$ 5,035,637	\$ 5,287,419	\$ 5,551,790
Transportation Fee ³	4,033,382	6,174,195	7,836,024	8,602,437	9,588,327	10,282,045	11,455,528	11,857,149	12,239,015	12,646,745
Parking Fines	1,332,552	1,346,129	1,167,447	1,364,134	1,356,215	1,350,000	1,200,000	1,200,000	1,200,000	1,200,000
Metered Parking & Daily Permit Fees	611,194	592,682	726,739	843,356	926,383	850,000	700,000	700,000	700,000	700,000
Miscellaneous & Interest	229,812	197,445	210,659	274,548	214,858	196,439	146,128	146,128	133,315	115,218
Total Parking System Revenue	\$ 9,541,361	\$ 11,863,540	\$ 13,753,901	\$ 15,005,696	\$ 16,180,630	\$ 16,978,072	\$ 18,382,762	\$ 18,998,915	\$ 19,559,748	\$ 20,215,752
Operating Expenses										
Operating Expenditures	\$ 3,319,493	\$ 4,067,574	\$ 3,338,560	\$ 3,229,163	\$ 3,381,961	\$ 4,594,329	\$ 4,782,045	\$ 4,999,898	\$ 5,228,643	\$ 5,468,825
Shuttle Expenditures	3,071,042	3,767,546	3,782,918	4,295,530	4,946,519	5,625,064	6,069,566	6,251,653	6,439,203	6,632,379
Lease Payment on Tower Garages E & G							829,110	1,036,388	1,036,388	1,036,388
Total Parking Operating Expenditures	\$ 6,390,535	\$ 7,835,120	\$ 7,121,479	\$ 7,524,693	\$ 8,328,481	\$ 10,219,393	\$ 11,680,721	\$ 12,287,939	\$ 12,704,234	\$ 13,137,592
Net Parking System Revenues	\$ 3,150,826	\$ 4,028,420	\$ 6,632,423	\$ 7,481,003	\$ 7,852,149	\$ 6,758,679	\$ 6,702,041	\$ 6,650,976	\$ 6,855,514	\$ 7,076,160
Revenues Available for Debt Service										
Net Revenue	\$ 3,150,826	\$ 4,028,420	\$ 6,632,423	\$ 7,481,003	\$ 7,852,149	\$ 6,758,679	\$ 6,702,041	\$ 6,650,976	\$ 6,855,514	\$ 7,076,160
Plus Shuttle Expenditures	3,071,042	3,767,546	3,782,918	4,295,530	4,946,519	5,625,064	6,069,566	6,251,653	6,439,203	6,632,379
Total Revenues Available for Debt Service	\$ 6,221,868	\$ 7,795,966	\$ 10,415,341	\$ 11,776,533	\$ 12,798,669	\$ 12,383,743	\$ 12,771,607	\$ 12,902,629	\$ 13,294,717	\$ 13,708,539
Annual Debt Service										
Debt Service - Garages 1 Thru 6	\$ 3,433,969	\$ 3,432,342	\$ 3,437,077	\$ 3,434,101	\$ 4,761,101	\$ 4,755,234	\$ 4,747,829	\$ 4,750,084	\$ 4,751,381	\$ 4,761,100
Debt Service - Academic Village Garage VII							1,045,000	1,045,500	1,044,800	1,047,900
Total Annual Debt Service	\$ 3,433,969	\$ 3,432,342	\$ 3,437,077	\$ 3,434,101	\$ 4,761,101	\$ 4,755,234	\$ 5,792,829	\$ 5,795,584	\$ 5,796,181	\$ 5,809,000
Maximum Annual Debt Service (MADS)										
Coverage Ratios										
Annual Debt Service	1.81	2.27	3.03	3.43	2.69	2.60	2.20	2.23	2.29	2.36
Maximum Annual Debt Service						2.60	2.20	2.22	2.29	2.36

¹ The financial information related to revenues and expenses was provided by the University and has not been audited.

² Decal Sales projected to increase 5% per year

³ Pro Forma assumes \$0.25 per credit hour increase in Transportation Access Fees each year

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
March 24, 2011**

SUBJECT: A Resolution of the Board of Governors Authorizing the Issuance by the University of South Florida Financing Corporation of Debt to Finance the Renovation of the USF Arena and Convocation Center on the Tampa campus of the University of South Florida

PROPOSED COMMITTEE ACTION

Adoption of a resolution approving the issuance of debt, by the University of South Florida Financing Corporation (the "Corporation"), in an amount not to exceed \$26,500,000 (the "Debt") for the purpose of financing a major renovation of the USF Arena and Convocation Center (the "Project"). The facility is currently named the USF Sun-Dome, and is located on the Tampa campus of the University of South Florida.

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

To Be Provided – Pending Division of Bond Finance Final Review

Supporting Documentation: To Be Provided

Facilitators/Presenters: Chris Kinsley

