

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Facilities Committee  
March 25, 2020**

**SUBJECT:** Authorization of a Resolution of the Board of Governors (the “Board”) approving the issuance of debt by the Florida State University Seminole Boosters, Inc. to refinance College Town phase I.

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**PROPOSED COMMITTEE ACTION**

Authorization of a resolution approving the issuance of fixed rate, taxable debt by the Florida State University Seminole Boosters, Inc. (the “Boosters”), in an amount not to exceed \$17,000,000 (the “Loan”) for the purpose of refinancing the debt on College Town phase I (“the Project”).

Staff 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**

In January 2017, the Board approved a \$15M short-term, interest-only note to fund the buyout of investors in the Project, as well as provide additional funding for the construction of College Town phase III.

College Town is a three-phase mixed use development comprised of student housing, commercial/retail space and associated parking, located off-campus, but adjacent to campus, on property owned by a subsidiary of the Boosters. Initiated in 2011 with the groundbreaking for phase I (the Project), the development of College Town was concluded with the completion of phase III being built and fully-operational in early 2019. The Project (phase I) is comprised of 71 residential units (135 beds), approximately 34,000 square feet of commercial/retail space, and 147 parking spaces. Construction was completed in July 2013, with the Project quickly leasing up and remaining so today; current occupancy is 99% residential and 100% commercial.

At the time of the approval of the \$15M note, it was noted that the Boosters would have to come back to the Board at loan maturity for approval for any refinancing. The loan matured February 1, 2020, but was extended to October 2020 to facilitate refinancing. The proposed \$17M Loan will pay off the outstanding \$15M note, with the remaining proceeds funding, in part, the buyout of investors on College Town phase II. The Loan will have a term of 10 years, fixed rate, with level monthly debt service based on a 30-year amortization, and will be secured by a first lien pledge of net revenues from the Project as well as a first mortgage on the Project. Projections provided by the Boosters indicate that Project operations generate sufficient net revenues to pay debt service.

The University's Board of Trustees approved the Project and the financing thereof at its December 5, 2019, meeting.

The proposed refinancing was approved by the Booster's Board of Directors on January 30, 2020. The Booster's anticipate approval by the FSU Athletic Association, Inc. Board of Directors and the FSU Board of Trustees prior to the Board meeting.

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**Supporting Documentation Included:**

1. Authorizing Resolution
2. Project Summary
3. Estimated Sources and Uses of Funds
4. Historical & Projected Debt Service Coverage
6. Internal Rate of Return calculation
7. DBF memorandum

**Facilitators / Presenters:** Mr. Kevin Pichard