

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Project Summary
Florida Atlantic University
Parking Garage III**

Project Description: Florida Atlantic University (the “University”) currently has two parking garages on the Boca Raton campus (the “Boca Campus”). The proposed Parking Garage III (the “Project”) will be built on the Innovation Village site and will provide an additional 943 parking spaces to the University’s parking system. Upon completion the University will have a total of 15,759 parking spaces on all campuses, 2,968 of which will be parking garage spaces and 11,403 of which will be on the Boca campus. The Project will consist of approximately 306,960 total gross square feet on four levels, with parking spaces for students, faculty and staff.

The Project qualifies as a capital outlay project under s. 1010.62, F.S., and is consistent with the Campus Master Plan and Campus Development Agreement.

Facility Site Location: The Project will be located on the northern edge of the Boca Campus, an area that is a part of the University’s Innovation Village.

Projected Start and Opening Date: It is anticipated that construction of the Project will commence in January 2013 and will be completed in September 2013.

Demand Analysis: The University provides parking for all students, faculty, staff and visitors and has a current inventory of 14,816 parking spaces on all campuses. There are 10,460 spaces on the Boca Campus, of which 2,025 are in Parking Garages 1 and 2. There are no commercial or government parking garages or lots available for overflow parking within walking or shuttle distance from the Boca Campus. In addition, the Boca Campus is bordered by Interstate 95 and Glades Road (a major road with six lanes of traffic), making it impractical for students to approach campus on bike or foot from the west or south.

The Master Plan calls for a student-to-parking space ratio of 2.25:1^[1]. Since 2003, when the University built its last parking garage, headcount at the Boca Campus has increased by 37.5% from 17,472 students to approximately 24,029 students. With preliminary fall 2012 student headcount at 24,029 and student spaces totaling 8,039, the student-to-parking space ratio of 2.99:1 for the Boca Campus falls short of that target by approximately 2,600 spaces. The Project will provide an additional 943 spaces, for a total of 8,982 student spaces on the Boca Campus. Using the preliminary fall 2012 headcount of 24,029 students, the Boca Campus student-to-parking space ratio with the addition of the new garage would be 2.68:1.

As the Boca Campus transitions into a more traditional student academic environment, its parking resources are increasingly insufficient to meet the demand of students, faculty and staff. With the recent addition of new housing facilities (traditional and apartment style), an alumni center, a campus recreation center and a recently constructed 30,000 seat stadium, demand for parking has increased significantly on the Boca Campus. Of special note, the University has the largest senior citizen program in the United States with its Lifelong Learning program that brings 20,000 seniors to the campus annually.

The University has observed the following with respect to the parking shortage:

- With the significant enrollment increases that the University has experienced, the existing parking garages are at full capacity by 10 a.m. daily.
- Similarly, a remote lot (on the periphery of campus but still on University property) that handles around 700 cars is full by 10 a.m. daily. Students are now parking on the grass around the lot, and the University's Police are not ticketing those students because it is understood that campus parking is inadequate.
- All surface lots reach full capacity on a daily basis. Students in cars are following students as they walk to their spaces

^[1] Pursuant to section 1013.30(3), Florida Statutes, the University has adopted a master plan, which is updated at least every five years, identifying general land uses and addressing the need for and plans for provision of roads, parking, public transportation, solid waste drainage, sewer, potable water and recreation and open space. In developing its master plan, the University engaged the services of a Master Plan Consultant, who developed the plan with extensive input from various University departments. For the transportation and parking elements, the consultant collaborated with the University's Police Department, as well as the Traffic and Parking Department to ensure that the data and established goals, objectives and policies were consistent with the University's needs.

in order to take over the space, once empty. Students complain that they are waiting in their cars for 20 minutes or longer in order to find an available parking space. In addition, the University receives continuous complaints that students are missing classes because, regardless of how early they arrive, there are no parking spaces available.

- Similarly, because the garages are full, students wait in their cars in the garage lanes for spaces to become available. With many students waiting and other students attempting to leave, the garage lanes become dangerously congested.

- Recent University Police reports indicate that altercations are occurring because of the on-campus parking shortage. For example, one report indicated that a female student, standing in a space to “hold” it for her friend, was physically “bumped” by a moving vehicle driven by another student who wanted to park in the space.

The Boca Campus will experience an even greater need for additional parking as selected programs offered on partner campuses move to the Boca Campus.

**Project Cost and
Financing Structure:**

The Project will be financed with fixed rate, tax-exempt revenue bonds issued by the Division of Bond Finance in an amount not to exceed \$15,600,000 (the “Bonds”). The Bonds will be structured with a 20-year final maturity and level annual debt service payments. The first principal payment on the Bonds will occur on July 1, 2014.

The Bonds will finance the cost of the Project, fund a debt service reserve account (if necessary), and pay costs of issuance. The estimated cost of the Project totals \$13.75 million, with \$10.5 million estimated for construction and \$3.25 million estimated for planning, design fees, furniture and other project costs.

(See Attachment I for an estimated Sources and Uses of funds).

Security/Lien Structure:

The Bonds will be secured by a first lien on the net revenues of the parking system. Net parking system revenues are derived from the transportation access fee (a mandatory student fee), decal sales, fines, meters, and other miscellaneous revenues, after deducting operating and maintenance expenses. The University’s Board of Trustees approved increases to various parking system revenue components for the 2011-12 academic year, including a \$12 per

semester increase to the student transportation access fee (from \$64.90 to \$76.90 per student) and an average increase of \$5 for administration, faculty and staff decals. Reserved parking decals increased \$23 per year. The University retains the ability to increase student fees, decal rates, fines, meter rates and other sources of revenue upon the approval by the Board of Trustees.

The Bonds will be issued on parity with the Florida Atlantic University Parking Facility Revenue Bonds, Series 2001 and Series 2002, currently outstanding in the aggregate principal amount of \$10,075,000.

Pledged Revenues and Debt Service Coverage:

From fiscal year 2007-08 to fiscal year 2011-12, pledged revenues from the University's parking system grew from \$3,229,491 to \$3,476,040. This resulted in debt service coverage ranging from a low of 2.16x to a high of 2.76x. Based on projected annual enrollment growth of 2% and annual increases in operating expenses of 3%, pledged revenues for the parking system are projected to grow from \$3,818,201 in fiscal year 2012-13 to \$3,877,880 in fiscal year 2016-17. Fee increases are not factored into revenue projections.

The projected debt service on the Bonds has been calculated using a fixed interest rate of 5.75% through the assumed maturity date of July 1, 2032. Debt service coverage is projected to be 2.23x in fiscal year 2012-13 and then 1.43x in fiscal year 2013-14 when the first principal payment on the Bonds will be due.

(See Attachment H 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 upon market conditions and financing options available 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 Florida Atlantic University with respect to the request for Board of Governors approval for the subject financing. System 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. Also, 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 Governors recommends adoption of the resolution authorizing the proposed financing.