



STATE  
UNIVERSITY  
SYSTEM  
of FLORIDA  
Board of Governors

**AGENDA**  
**Facilities Committee**  
**Cohen Center Ballroom**  
**Florida Gulf Coast University**  
**Ft. Myers, Florida**  
**September 13, 2012**  
**8:30 a.m. – 9:30 a.m.**

**Chair: Dick Beard; Vice-Chair: John Temple**  
**Members: Carter, Caruncho, Chopra, Perez, Stavros**

1. **Call to Order** **Governor Dick Beard**
2. **Meeting Minutes, June 21, 2012** **Governor Beard**
3. **Review and Approve the 2013-14 SUS Fixed Capital Outlay Legislative Budget Request** **Mr. Chris Kinsley**  
*Director, Finance & Facilities*  
*Board of Governors*
4. **Renaming, Academic Building 5, Florida Gulf Coast University** **Mr. Kinsley**
5. **Debt Approval** **Mr. Kinsley**  
  

*A Resolution of the Board of Governors Authorizing the Issuance Of Debt by the Florida Gulf Coast University Financing Corporation to Finance the Construction of a Student Residence Facility on the Ft. Myers Campus of Florida Gulf Coast University*
6. **Facility Task Force Update** **Dr. Judy Bense,**  
*President, University of West Florida*
7. **Committee 2012-13 Work Plan** **Mr. Kinsley**
8. **Concluding Remarks and Adjournment** **Governor Beard**

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**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Facilities Committee  
September 13, 2012**

**SUBJECT:** Minutes of Meeting held June 21, 2012

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**PROPOSED COMMITTEE ACTION**

Approval of minutes of the meeting held on June 21, 2012, at the University of Central Florida.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Not applicable

**BACKGROUND INFORMATION**

Board members will review and approve the minutes of the meeting held on June 21, 2012 at the University of Central Florida.

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**Supporting Documentation Included:** Minutes: June 21, 2012

**Facilitators/Presenters:** Governor Dick Beard

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MINUTES  
STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
FACILITIES COMMITTEE  
UNIVERSITY OF CENTRAL FLORIDA  
ORLANDO, FLORIDA  
June 21, 2012

*Video or audio archives of the meetings of the Board of Governors and its Committees are accessible at <http://www.flbog.edu/>.*

Chairman Dick Beard convened the Board of Governors Facilities Committee meeting at 11:30 a.m., June 21, 2012, at the University of Central Florida. The following members were present: John Temple, Matt Carter, Joseph Caruncho, Tico Perez, Gus Stavros and Rick Yost.

1. Call to Order

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

2. Approval of Minutes of the Meeting of the Facilities Committee held March 21, 2012

Governor Temple moved that the Committee approve the Minutes of the Meeting of the Facilities Committee held March 21, 2012. Mr. Caruncho seconded the motion, and members of the Committee concurred.

3. A Resolution of the Board of Governors Authorizing the Issuance of Debt by the Florida Atlantic University Financing Corporation to Finance the Construction of a Student Residence Facility on the Boca Raton Campus of Florida Atlantic University.

Mr. Kinsley reviewed Florida Atlantic University's proposal to issue debt to construct a new undergraduate residence hall. He pointed out that a revised resolution and project summary were provided to the committee in the packet and that the revisions were technical in nature. Mr. Kinsley described the three "tiered" approach being taken by the university for housing debt that necessitated the technical corrections to the materials. Vice Chair Temple stated that he supported the project and moved that the Committee approve the request. Mr. Perez seconded the motion. The committee unanimously approved the revised resolution as presented.

4. A Resolution of the Board of Governors Requesting the Division of Bond Finance of the State Board of Administration to issue Revenue Bonds on behalf of the University of Florida to Finance the Expansion of the J. Wayne Reitz Union on the Main Campus of the University of Florida.

Mr. Kinsley presented the University of Florida's request to issue debt for their student union facility. He stated that the project was in compliance with all guidelines and statutes. He highlighted that a statutory exception had been made by the Legislature to accommodate use of a higher percentage of the student fee for the pledge. Governor Perez

moved that the Committee approve the request. The motion was seconded by Governor Carter. The committee unanimously approved the resolution as presented.

5. A Resolution of the Board of Governors Authorizing the Issuance of Bonds by FSU Financial Assistance, Inc. to Finance the Construction of a Multi-Purpose Indoor Athletic Facility and Related Improvements on the Main Campus of Florida State University.

Mr. Kinsley reviewed a proposal from the Florida State University Financial Assistance, Inc to issue debt to finance an indoor athletic facility. He stated the project was in compliance with the debt management guidelines. Mr. Caruncho moved that the Committee approve the request. The motion was seconded by Governor Temple. The committee unanimously approved the resolution.

6. An Amendment to the Agreement between the City of Tallahassee, Leon County, Florida, Florida State University and the Board of Governors related to the Tallahassee-Leon County Civic Center Authority.

Mr. Kinsley reviewed the Amendment related to the Tallahassee-Leon County Civic Center Agreement. He stated that the City of Tallahassee and Leon County no longer wished to be involved in the direct management and liability of the Civic Center. He said that because the Civic Center was vital to FSU, they wished to assume full ownership of the facility, which also included assuming approximately \$4.1M in debt. It is required that the Board of Governors agrees to release the other two parties from the agreement. At some future date the Legislature will be required to officially dissolve the Civic Center Authority. Governor Temple moved approval of the transaction. Governor Perez seconded the motion and all members of the Committee concurred.

7. Facility Task Force Update

President Judy Bense presented an update on the Facility Task Force.

8. Concluding Remarks and Adjournment

There being no further business, the meeting adjourned at 11:50 a.m., June 21, 2012.

STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Facilities Committee  
September 13, 2012

**SUBJECT:** 2013-14 State University System Fixed Capital Outlay Legislative Budget Request

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**PROPOSED COMMITTEE ACTION**

Review and approve the 2013-2014 SUS Fixed Capital Outlay Legislative Budget Request.

Authorize the Chancellor, State University System of Florida, to make revisions to the 2013-2014 SUS Fixed Capital Outlay Legislative Budget Request.

Approval is recommended by the Chancellor.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 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 March 22, 2012. All university fixed capital outlay budget requests have been approved by the institutional boards of trustees.

**Specific Fixed Capital Outlay Appropriation Requests**

- ◆ **The 2013/2014-2015/2016 SUS Three-Year Public Education Capital Outlay (PECO) Request** provides funding to meet identified academic and academic support facility needs based upon statutory revenue allocation constraints. (**Attachment I**)

- ◆ **Board 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 II)**
- ◆ **The 2013/2014 Alec P. Courtelis Facility Enhancement Challenge Grant Program** requires funding to match private donations which were received by June 30, 2011. **(Attachment III)**
- ◆ **A Request for Capital Improvement Trust Fund Debt Service Appropriation** provides the spending authority necessary to satisfy the debt service requirements of previously issued long term debt. **(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.

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**Supporting Documentation:** To Be Provided

**Facilitators/Presenters:** Chris Kinsley

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Facilities Committee  
September 13, 2012**

**SUBJECT:** Authorization of Florida Gulf Coast University Renaming of the Academic 5 Building

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**PROPOSED COMMITTEE ACTION**

Authorize the re-naming of Florida Gulf Coast University's from Academic 5 Building to "Charlie B. Edwards Hall."

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Board of Governors Regulation 9.005, Naming of Buildings and Facilities.

**BACKGROUND INFORMATION**

The Florida Gulf Coast University Board of Trustees approved re-naming the Academic 5 Building to be "Charlie B. Edwards Hall" at its meeting held April 17, 2012. The proposed naming resolution recognizes the service of Charles B. Edwards to the State of Florida, Southwest Florida, and Florida Gulf Coast University with the re-naming of Academic Building 5 in his honor. The proposed resolution to name the "Charles B. Edwards Hall" ("*Edwards Hall*") is in keeping with this area of the campus' buildings named for individuals who made significant contributions to FGCU through their exceptional leadership and vision.

Board regulation 9.005 requires that the naming of any university facility for an active member of the State University System be authorized by the Board of Governors. Currently, Mr. Edwards serves as a member of the University of Florida's Board of Trustees. The naming decision meets all requirements of FGCU's procedure for naming, including approval by the appropriate university committees; therefore a formal naming exemption is requested.

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**Supporting Documentation Included:** Board of Trustee Agenda Item and Resolution

**Facilitators/Presenters:** Chris Kinsley

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**Florida Gulf Coast University Board of Trustees**  
**April 17, 2012**

**SUBJECT:** Resolution to Name Academic Building 5 the “*Charles B. Edwards Hall*”

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**PROPOSED BOARD ACTION**

Adopt resolution to recommend approval by Board of Governors

**BACKGROUND INFORMATION**

Charles B. Edwards holds a significant role in the founding and development of Florida’s 10<sup>th</sup> state university, now known as Florida Gulf Coast University. The proposed naming resolution recognizes his service to the State of Florida, Southwest Florida, and Florida Gulf Coast University with the naming of Academic Building 5 in his honor.

The proposed resolution to name the “Charles B. Edwards Hall” (“*Edwards Hall*”) is in keeping with this area of the campus’ buildings named for individuals who made significant contributions to FGCU through their exceptional leadership and vision – “Ben Hill Griffin III Hall” (“*Griffin Hall*”), “Charles B. Reed Hall” (“*Reed Hall*”), “W. Thomas Howard Hall” (“*Howard Hall*”), “Roy E. McTarnaghan Hall” (“*McTarnaghan Hall*”), and “William C. Merwin Hall” (“*Merwin Hall*”).

The naming recommendation is presented in accordance with FGCU Policy 1.011 “Namings of University Buildings and Facilities.” Pursuant to section “Non-Gift-Related Naming – A.3” of the Policy, the building or facility naming for an active member of the State University System (faculty, staff, student, or trustee) must be approved by the Board of Governors. Mr. Edwards is a member of the University of Florida Board of Trustees.

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**Supporting Documentation Included:** Resolution for Recommended Action  
(NOTE: News stories detailing Mr. Edwards’ above-described contributions start in the 1980s and are too voluminous to attach here)

**Prepared by:** Chief of Staff & University Spokesperson Susan Evans

**Legal Review by:** N/A

**Submitted by:** FGCU Board of Trustees Chair Larry Hart, and President Wilson G. Bradshaw

## **A Resolution of the Florida Gulf Coast University Board of Trustees**

**WHEREAS**, from 1987 to 1993 Charles B. Edwards served on the Florida Board of Regents, including as its Chair from 1989 to 1991 – a period of time marked by the State of Florida’s and Board of Regents’ significant deliberation and decision to create a 10<sup>th</sup> state university which ultimately was located in Southwest Florida and became known as “Florida Gulf Coast University;” and

**WHEREAS**, the extraordinary vision and support for a comprehensive institution of higher education to be located in Southwest Florida as shown by the leadership of Charles B. Edwards was foundational to the creation, authorization, and site selection for Florida Gulf Coast University; and

**WHEREAS**, Charles B. Edwards has served Florida Gulf Coast University in numerous other supportive ways since those inaugural days, including as one of the founders and a past President of the FGCU Foundation for soliciting donor funds in support of the University; and

**WHEREAS**, Florida Gulf Coast University wishes to erect on its campus a permanent reminder of Charles B. Edwards’ significant contributions to bringing Florida Gulf Coast University to Southwest Florida, with its resulting educational opportunities for students; its advancement of knowledge, research and service, and its positive economic and quality of life impacts,

**NOW, THEREFORE BE IT RESOLVED** that the Florida Gulf Coast University Board of Trustees wishes to recommend to the Board of Governors approval of the naming of the University’s Academic Building 5 as the “Charles B. Edwards Hall” in perpetual tribute and recognition of his leadership and contributions to Florida Gulf Coast University and higher education in Southwest Florida.

**DULY ADOPTED THIS 17th DAY OF APRIL IN THE YEAR 2012.**

**SIGNED:**



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**Larry D. Hart, Chair**  
**Florida Gulf Coast University Board of Trustees**

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Facilities Committee  
September 13, 2012**

**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.

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**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 on the main campus of Florida Gulf Coast University (“the Project”).

Staff of the Board of Governors, State University System of Florida, and the Division of Bond Finance, State Board of Administration of Florida, has 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 debt management guidelines adopted by the Board of Governors. Therefore, staff of the Board of Governor’s 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 has submitted a proposal for financing and construction of a new Student Residence Facility on the main campus of the University. The Project will be the thirteenth in a series of student housing projects which began in 1997 and the fifth in the South Lake Village Residence Life Enhancement Project. The proposed project will be constructed as a six (6) 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 \$25.7 Million. The construction will be accomplished through a guaranteed maximum price construction contract.

The Corporation, a direct support organization of Florida Gulf Coast University, proposes to issue up to \$30,000,000 of fixed rate, tax-exempt, revenue bonds to finance the construction of the project, fund capitalized interest during construction and pay costs of issuance. 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 operations of the University 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 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 \$170,180,000 for student housing.

Projections provided by the University indicate that sufficient net revenues will be generated to pay debt service on the Series 2013A Bonds and the outstanding parity bonds.

The Series 2013A Bonds will be issued as fixed rate revenue bonds.

The Florida Gulf Coast Financing Corporation Board of Directors, at a meeting held on June 6, 2012, and the Florida Gulf Coast University Board of Trustees, at its June 19, 2012 meeting, approved the Project and the financing thereof.

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**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 APPROVING THE ISSUANCE BY THE FLORIDA GULF COAST UNIVERSITY FINANCING CORPORATION (THE "FINANCING CORPORATION"), A UNIVERSITY DIRECT SUPPORT ORGANIZATION, OF ITS CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2013A, IN AN AMOUNT NOT TO EXCEED \$30,000,000 AND PROVIDING AN EFFECTIVE DATE.**

The duly acting and appointed Board of Governors (the "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 section 7, Article IX 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 debt by a state university or its direct support organization pursuant to section 1010.62(3), Florida Statutes.

(B) The Florida Gulf Coast University Financing Corporation ("Financing Corporation") was incorporated by the Florida Gulf Coast University Board of Trustees (the "University Board") to provide direct support to Florida Gulf Coast University (the "University") and designated as a "University Direct Support Organization" by the University Board of Trustees (the "University Board") pursuant to §1004.28, Florida Statutes.

(C) The University Board has requested approval from the Board of Governors for the Financing Corporation to issue Housing System Revenue Bonds, Series 2013A in an amount not to exceed \$30,000,000 (the "Bonds") for the purpose of financing: (i) construction of a new student residence facility of approximately 520 beds to be located on the main campus of the University; (ii) providing improvements, equipment, furnishings; and site work; (iii) funding a debt service reserve fund, if necessary; (iv) funding capitalized interest; and (v) paying certain costs relating to the Bonds (collectively, the "Project"). The foregoing plan to finance the Project, capitalized interest and costs relating to the Bonds, is collectively referred to herein as the "Financing Plan".

(D) Upon consideration of the Financing Plan, the Board of Governors

further finds that the issuance of the debt 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 cover debt services; has been properly analyzed by the staffs of the Board of Governors and the Division of Bond Finance; and is consistent with the Board's Debt Management Guidelines.

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

(F) Pursuant to 1010.62(3), Florida Statutes, the Board of Governors determines that the facilities being financed are functionally related to the auxiliary enterprise revenues being used to secure such debt.

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

**3. Approval of the Bonds.** The Board of Governors hereby approves issuance of the Bonds by the Financing Corporation for the purposes described herein, in an amount not to exceed \$30,000,000, said Bonds to have a final maturity not to exceed thirty (30) years from the date thereof and at a fixed rate of interest acceptable to the Financing Corporation. This approval is subject to the understanding that (i) the Bonds shall be secured by housing system revenues under an operating lease and an indenture, and (ii) the proceeds of the Bonds shall be used exclusively to fund the Financing Plan. The Bonds shall be sold by competitive sale.

**4. Compliance.** The University Board will comply, and will require the University and the Association to comply, with the following:

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

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

**5. 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.

**6. 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 construction, sale or leasing of the Project for use by the University, the issuance of the Bonds or as necessary to preserve the tax-exemption thereon, in such form and content as the Chair, Vice Chair or authorized officers executing the same deem necessary, desirable or appropriate.

7. **Effective Date.** This resolution shall become effective September 13, 2012.

**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 Florida Gulf Coast University Financing Corporation is a true and accurate copy as adopted by the Board of Governors on \_\_\_\_\_, 2012, 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 OF FLORIDA**

Dated: \_\_\_\_\_, 2012

By: \_\_\_\_\_  
Corporate Secretary

00537248.1

**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Project Summary  
Florida Gulf Coast University  
Residence Life Enhancement Project  
Student Residences, Phase XIII,  
And Associated Infrastructure**

**Project Description:** Florida Gulf Coast University currently has 3,693 available beds in North Lake Village and South Village in Student Residences Phase I through XII on the main campus. The University also has a 504 bed apartment complex located approximately one mile from the campus center. The proposed Student Residences, Phase XIII project will be the fifth student housing facility in the South Lake Residences and will provide an additional 520 beds to the housing system for a total of 4,717 rentable beds. The project will be constructed as a suite-style, six story building and will consist of private bedrooms and baths, offices, reception, study, lounge, laundry, and mechanical space.

**Facility Site Location:** The proposed Student Residences, Phase XIII project will be located in the south portion of the main campus of Florida Gulf Coast University in the same area as student residence Phases VIII, IX, X and XII, which opened in fall 2012. This area of campus was recommended in the Master Plan for the development of “undergraduate student housing, a dining center serving the residents of this district, a student recreational facility, intramural play fields, and parking structures to support the residential population”.

**Projected Start and Opening Date:** It is anticipated that construction of the Student Residences, Phase XIII project will commence in February 2013 and will be available for occupancy in August 2014.

**Demand Analysis:** The primary targeted market for Student Residences, Phase XIII will be traditional single, undergraduate, students with particular emphasis on the University’s growing transfer and upper class student population.

Florida Gulf Coast University student head count enrollment has increased from 2,584 in 1997-1998 to 12,670 in 2011-2012. The growth rate over the past five years has been 13%, 9%, 8%, 8%, 5% (fiscal years 2007-2008 through 2011-2012) and is projected to be up to 6% in fiscal year 2012-2013. The first-time-in-college student head count

enrollment has grown from 864 in Fall Semester 2002 to 2,581 in Fall Semester 2011.

Eleven phases of student residence facilities have been built and one acquired over the past twelve years. Since its inception in 1998-1999, the housing system's average occupancy rates have ranged from 93% to 102%. As of Fall 2011, the rate remained near the high end of the range, with an average occupancy rate of 100.03%.

In Fall Semester 2011, over 100 students seeking on-campus housing were turned away due to lack of available housing facilities. Even with the opening of a new 520-bed facility, there are 60 students on the waiting list for Fall 2012. The number of student housing applications increased 13% over the previous year's applications. Historically, the University has been able to fill a new residence facility when a waiting list formed the previous fall, as is the case in fall 2012. This is due to continued growth in University enrollment and the lack of private, non-university housing facilities located near the University to accommodate this growth. Given FGCU's continued growth in enrollment and that it takes two years to bring a new facility on line, the University believes it prudent to begin to finance, plan and construct additional student housing beds. The Phase XIII 520-bed facility is the next facility in the master plan for student housing.

**Project Cost and  
Financing Structure:**

The proposed construction cost is estimated to be \$25,704,839. Construction will be accomplished through a guaranteed maximum price contract. The project will be financed with fixed rate revenue bonds issued by the Florida Gulf Coast University Financing Corporation in an amount not to exceed \$30,000,000. The bonds will be structured with a 30-year final maturity and level annual debt service payments with the first principal payment occurring in February 1, 2015. The bond size includes capitalized interest during the construction period through July 2014. Operation of the project will be administered by the University Residence Life program under the supervision of Florida Gulf Coast University which is consistent with the operation of previous University housing phases. (See Attachment 1 for an estimated sources and uses of funds.)

**Security/Lien Structure:** Net housing system revenues will be pledged for the payment of debt service. These revenues are derived primarily from rental income, damage deposit forfeitures, summer special event rentals, and other miscellaneous collections after deducting operating and

maintenance expenses. When the facility opens in Fiscal Year 2014-2015, the projected rental rate for fall and spring semesters is \$3,228-\$3,340 per bed, per semester, and \$2,163 per bed for the Summer Semester. These rates are consistent with single room rental rates for existing facilities at FGCU.

The Bonds will be issued on parity with the housing debt currently outstanding in the total principal amount of \$170,180,000. Of this amount, \$27,725,000, or 16%, is variable rate debt, with associated LOCs which expire no sooner than May 9, 2013.

To mitigate the liquidity risk, the Corporation has obtained letters of credit from Wachovia, Harris and Bank of America that expire in 2013 through 2015. The letters of credit have a three year evergreen provision that requires the University be provided a notice of non-renewal each year or the letter of credit will automatically renew for an additional year. These provisions effectively provide the University with two years to secure another letter of credit or other form of guarantee in the event of a non-renewal. With regards to reducing interest rate risks, the University actively manages its variable rate debt by monitoring interest rates on a continuous basis, budgeting conservatively high interest rates (currently budgeted at 4.0%), and providing a hedge with short-term investments. Currently, there is over \$15 million in cash reserves from student residence facility revenues, providing a hedge for approximately one-half of the Housing System variable rate debt and sufficiently supporting at least eight years of variable rate debt service. The University intends to maintain this balance; however, prolonged periods of low interest expense on the variable rate debt portfolio will positively affect the balance. The earliest expiring LOC, in the amount of \$7,000,000, will expire on May 9, 2013. The university recently renewed an existing LOC and anticipates no difficulty renewing this LOC in 2013.

The Corporation has total outstanding debt in the amount of \$197,865,000, of which \$46,190,000, or 23%, is variable rate.

**Pledged Revenues and  
Debt Service Coverage:**

For fiscal year 2014-15, the first full year of operation, and for fiscal years 2015-16 and 2016-17 the project net revenues are expected to produce debt service coverage ratios of 1.71x, 1.26x and 1.26x, respectively.

During the past six year period from fiscal year 2005-2006 to 2010-2011, pledged revenues of the housing system grew from \$5,255,055 to \$11,805,145 resulting in debt service coverage which ranged from 1.82x in 2005-2006 to 2.03x in 2010-2011. For fiscal years 2011-2012 to 2015-2016, pledged revenues for the system are projected to grow from \$12,625,837 to \$19,341,640. It has been assumed that interest on the bonds during the construction period through July 2014 will be capitalized. Debt service coverage for fiscal year 2011-12 was 1.32x, and projected coverages during the construction period are 1.50x in fiscal year 2012-2013 and 1.44 in fiscal year 2013-2014. In fiscal year 2014-2015, the first year of operation, the debt service coverage ratio for the housing system is projected to be 1.46x which includes a full 12 months of interest, and coverage in 2015-2016 is projected to be 1.42x.

The projected debt service coverages have been calculated using a fixed interest rate of 5.00% on the bonds through the maturity date of February 1, 2043. The projected revenues are based, in part, upon a 1-2% annual rental rate increase through Fiscal Year 2015-2016 for existing housing facilities and a 1% annual rental rate increase for the new facility. (See Attachment 2 for 5-years historical and 5-years projected pledged revenues and debt service coverage prepared by Florida Gulf Coast University Financing Corporation).

**Type of Sale:**

The University is planning to sell the bonds competitively.

The University used a RFP process to select a financial advisor with experience in structuring competitive deals.

**Analysis and Recommendation:**

Staff of the Board of Governors and the Division of Bond Finance has reviewed the information provided by Florida Gulf Coast 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.

STATE UNIVERSITY SYSTEM OF FLORIDA  
 BOARD OF GOVERNORS  
 FLORIDA GULF COAST UNIVERSITY  
 Estimated Sources and Uses of Funds  
 Student Residences, Phase XIII, and Associated Equipment and Closing  
 for Fiscal Year 2012-2013 and 2013-2014  
 (Student Housing System)

<u>Sources of Funds</u>		<u>Basis for Amounts</u>
Bond Sale Amount	\$ 30,000,000	Bond amount based on a fixed interest rate of 5.00% for 30 years issued by the Florida Gulf Coast University Financing Corporation.
Less: Cost of Issuance	\$ (180,000)	Based on estimated costs. (Disclosure Counsel, \$25,000; Rating, \$44,000; Trustee, \$2,500; Disclosure, \$2,500, Closing Expense, \$3,000, Printing & Shipping, \$7,500; Contingency, \$9,000; MBIA Fees, \$30,000; Financial Advisor, \$16,500; Bond Counsel, \$40,000)
Plus: Interest Earnings (Construction Trust Fund)	\$ 342,964	Based on net bond proceeds invested over 20 months at an interest rate of 3%.
 Total Sources of Funds	 <u>\$ 30,162,964</u>	
 <u>Uses of Funds</u>		
Construction, Equipment and Closing Estimated Interest to be Paid During Rent Up	\$ 25,704,839	Cost of construction, equipment and closing
Debt Service Reserve	\$ 2,058,125	
Underwriter Discount	\$ 150,000	Cost of Underwriter
Capitalized Interest	\$ 2,250,000	This represents 20 months of capitalized interest to be paid from bond proceeds at an interest rate of 5.00%.
 Total Uses of Funds	 <u>\$ 30,162,964</u>	

NOTE:

The financial analysis is based upon information provided by Florida Gulf Coast University Financing Corporation.

STATE UNIVERSITY SYSTEM OF FLORIDA										
BOARD OF GOVERNORS										
FLORIDA GULF COAST UNIVERSITY										
HISTORICAL AND PROJECTED DEBT SERVICE COVERAGE										
	Historical					Projected				
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
<b>REVENUES</b>										
<b>Operating Revenues:</b>										
Rental Income All Phases						\$ 20,319,362	\$ 24,800,025	\$ 25,048,025	\$ 25,264,928	\$ 25,517,577.0
Including conference, misc, cancellation, late and application fees.						\$ 660,000	\$ 666,600	\$ 673,266	\$ 679,998.66	\$ 686,798.65
Phase XIII									\$ 3,391,339	\$ 3,425,252.16
<b>Total Operating Revenue</b>	<b>\$ 9,103,654</b>	<b>\$ 10,105,716</b>	<b>\$ 12,889,320</b>	<b>\$ 15,952,637</b>	<b>\$ 18,995,565</b>	<b>\$20,979,362</b>	<b>\$ 25,466,625</b>	<b>\$ 25,721,291</b>	<b>\$ 29,336,265</b>	<b>\$ 29,629,628</b>
			Phase VIII oper 400 beds	Phase IX opens 400 beds	College Club 504 beds	Phase X opens 415 beds	Phase XII opens 520 beds		Phase XIII opens 520 beds	
<b>EXPENSES</b>										
<b>Operating Expenses:</b>										
Personnel						\$ 2,621,437	\$ 2,869,010	\$ 2,897,700	\$ 3,174,250	\$ 3,205,993
Services & supplies.						\$ 5,732,088	\$ 6,089,478	\$ 6,150,373	\$ 6,185,397	\$ 6,247,251
Phase XIII			Suites						\$ 826,479	\$ 834,744
<b>Total Operating Expenses</b>	<b>\$ 3,984,640</b>	<b>\$ 4,115,531</b>	<b>\$ 5,003,890</b>	<b>\$ 5,893,059</b>	<b>\$ 7,190,420</b>	<b>\$ 8,353,525</b>	<b>\$ 8,958,488</b>	<b>\$ 9,048,073</b>	<b>\$ 10,186,127</b>	<b>\$ 10,287,988</b>
<b>Operating Income (Loss)</b>	<b>\$ 5,119,014</b>	<b>\$ 5,990,185</b>	<b>\$ 7,885,429</b>	<b>\$ 10,059,579</b>	<b>\$ 11,805,145</b>	<b>\$ 12,625,837</b>	<b>\$ 16,508,137</b>	<b>\$ 16,673,218</b>	<b>\$ 19,150,139</b>	<b>\$ 19,341,640</b>
<b>available for debt service</b>						\$ 8,353,525				
<b>Debt Service</b>										
2003 Bonds (PH I-VI) Fixed						\$ 3,037,181	\$ 3,033,806	\$ 3,034,006	\$ 3,037,406	\$ 3,038,806
2005A Bonds (PH VII)						\$ 484,712	\$ 476,712	\$ 468,712	\$ 460,712	\$ 452,712
2007A Bonds (PH VIII) Fixed						\$ 1,599,113	\$ 1,598,713	\$ 1,597,513	\$ 1,600,513	\$ 1,597,513
2008A Bonds (PH IX)						\$ 1,279,367	\$ 1,281,438	\$ 1,282,710	\$ 1,283,181	\$ 1,282,852
2010A Bonds (PH X) Fixed						\$ 2,098,056	\$ 2,094,569	\$ 2,095,569	\$ 2,095,969	\$ 2,095,769
2010B Bonds (PH XI) Fixed						\$ 1,035,668	\$ 1,034,068	\$ 1,037,368	\$ 1,040,468	\$ 1,041,593
2011A Bonds (Phase XII) 30 mm Fixed							\$ 1,498,769	\$ 2,059,269	\$ 2,056,135	\$ 2,047,285
2013A Bonds (Phase XII)I 30 mm Fixed									\$ 1,500,000	\$ 2,058,125
<b>Total Debt Service</b>	<b>\$ 3,314,751</b>	<b>\$ 3,447,265</b>	<b>\$ 4,296,078</b>	<b>\$ 5,486,687</b>	<b>\$ 5,810,901</b>	<b>\$ 9,534,097</b>	<b>\$ 11,018,074</b>	<b>\$ 11,575,146</b>	<b>\$ 13,074,384</b>	<b>\$ 13,614,655</b>
<b>Maximum Debt Coverage Ratio</b>	<b>1.43</b>	<b>1.68</b>	<b>1.52</b>	<b>1.56</b>	<b>1.83</b>	<b>1.32</b>	<b>1.50</b>	<b>1.44</b>	<b>1.40</b>	<b>1.42</b>
<b>Annual Debt Coverage Ratio</b>	<b>1.54</b>	<b>1.74</b>	<b>1.84</b>	<b>1.83</b>	<b>2.03</b>	<b>1.32</b>	<b>1.50</b>	<b>1.44</b>	<b>1.46</b>	<b>1.42</b>
Information and Assumptions										
1% rental increase each year plus new phase revenue										
1% salary expense increase each year in addition to new phase costs										
1% operating expense increase each year in addition to new phase costs										
4.00% used for variable rate debt service										

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**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Facilities Committee  
September 13, 2012**

**SUBJECT:** Facilities Task Force Update

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**PROPOSED COMMITTEE ACTION**

Not applicable

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Not applicable

**BACKGROUND INFORMATION**

The Task Force was initiated by Board Chair Colson at the March Board meeting, with the Task Force and an Advisory panel being appointed by Facilities Chair Beard in April. The first meeting of the Task Force took place on April 30/May 1, the second meeting took place June 19. Several subcommittees met over the summer and the full Task Force met yesterday, September 12.

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**Supporting Documentation Included:** None

**Facilitators/Presenters:** Dr. Judy Bense, Task Force Chair

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**STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Facilities Committee  
September 13, 2012**

**SUBJECT:** Committee Work Plan for 2012-13

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**PROPOSED COMMITTEE ACTION**

Review the draft Facilities Committee Work Plan for 2012-13.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Not applicable

**BACKGROUND INFORMATION**

In an effort to guide the Committee's work over the next year, a draft work plan will be discussed.

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**Supporting Documentation Included:** Committee Work Plan

**Facilitators/Presenters:** Chris Kinsley

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**Board of Governors  
Facilities Committee Work Plan: 2012-13  
Primary Activities**

**DRAFT**

<b>2011-12 Original Work Plan</b>	<b>2011-12 Results</b>	<b>2012-13 Work Plan (Draft for Discussion)</b>
Review University Debt Requests	Approved 5 facilities to be constructed or renovated from bond proceeds, totaling over \$195 million. As forecast, the SUS has seen a reduced level of debt activity in 2011-12. The municipal bond market remains at near historic lows in terms of rates. This has led to a large increase in refunding issues, which do not require Board approval, but do create significant staff workload.	Review university debt request. A moderate increase in volume is anticipated, based on low rates and slowly increasing demand.
Based upon a review of 2011 Session activity, there was no need to modify Board regulations based on changes to law.	No Board Facilities Regulations were modified	Based upon a review of 2012 Session activity, there is no need to modify Board regulations based on changes to law.
CITF Projects	Board staff worked closely with the Florida Student Association in advancing what became Senate Bill 1156. Board staff presented to Senate Higher Education and worked closely with legislative staff and were able to finally achieve Board authority to increase the CITF.	Development of CITF projects and funding for 2013-14 will be a significant effort throughout 2012-13.
Board and university staff continue to work on space factors for branch and medical space, which are currently excluded from main campus space need determination.	This effort was deferred.	This project will be deferred until the Facilities Task Force effort is completed.
2012 Facilities Legislative agenda.	Partially complete - Concurrency - Partially passed CITF Fee Authority – Passed.	See Facilities Task Force

**Board of Governors  
Facilities Committee Work Plan: 2012-13  
Primary Activities**

DRAFT

Government Relations	Facilities staff serve as Legislative Coordinator and Staff POC Liaison in order to assist the Janet Owen during the 2012 Legislative Session in representing the SUS.	
Florida Inventory Tracking System (FITS)	Comprehensive system that for the first time accounts for all state-owned land and real property. Second report completed by July 1, 2012; ongoing for 2013.	Ongoing - Legislative leadership commended this effort, jointly managed by DMS and DEP. Board Staff sit as part of Executive team, as the SUS is a major component of the inventory of state assets.
Educational Plant Survey -	Educational Plant Survey - USF and UWF completed.	FGCU and FSU Survey year.
Ed. Sites	The new Educational Sites Regulation adopted in November requires the classification/reclassification of related facilities data elements. This project has started, and the 2012-13 implementation plans were be discussed at the June 2012 data workshop.	The reclassification of all existing educational sites to the new definitions adopted by the Board will be a major effort during 12-13
Other Committees	Ongoing support to the HECC and Board Strategic Planning Committee related to long-term facility needs analysis.	Additionally, it is anticipated that other panels will be interested in the work of the Facilities Task Force.
Energy Report	Completed January 2012	To be completed January 2013
Facilities Task Force	Effective March 2012, staffing and support for the Task Force has required the full participation of the entire Facilities staff	The work of the Task Force continues through November 2012. Advancing the Task Force agenda will be an ongoing effort throughout fiscal 2012-13
OPPAGA Review	Board staff were informed in June 2012 that OPPAGA was initiating a comprehensive review of all Facilities related issues for Higher Education, with at least 4 staff dedicated to this effort.	Providing information to OPPAG, and working closely with staff to fully explain the entire work of this office will be an important part of this year's work plan. Report is anticipated in early 2013.
Polytechnic University	With the creation of Poly, Board staff have been asked to provide direct hands-on oversight of project construction.	Continue active role in project management to make sure the project stays on track.