

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
November 7, 2012**

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 Florida Atlantic University (the "University") to finance construction of a parking garage on the Boca Raton campus of the University

PROPOSED COMMITTEE ACTION

Adoption of a resolution approving the issuance of fixed rate, tax-exempt revenue bonds, by the Division of Bond Finance on behalf of the University, in an amount not to exceed \$15,600,000 (the "Bonds") for the purpose of financing Parking Garage III on the Boca Raton campus of the University ("the Project").

Staff of the Board of Governors, State University System of Florida, and the Division of Bond Finance 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 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 III. The proposed project will be located on the northern edge of the Boca Raton campus of the University, an area that is a part of the University's Innovation Village. The proposed project will contain approximately 943 parking spaces which will bring the total number of parking spaces on the Boca Campus to 11,403. The Project is consistent with the University's Campus Master Plan and the Campus Development Agreement. The total Project cost is expected to be \$13,750,000.

The University's Board of Trustees is requesting approval from the Board of Governors for the Division of Bond Finance to issue up to \$15,600,000 of fixed rate, tax-exempt revenue bonds to finance the construction of the project, fund a debt service reserve fund, if necessary, and pay costs of issuing the Bonds. 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 of operation and maintenance costs. Operating revenues are primarily from student transportation access fees required to be paid by all students, parking decal sales, fines, meter rates and other parking fees. 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.

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'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 Florida Atlantic University Board of Trustees approved the Project and the financing thereof at its October 18, 2012 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