

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

November 8, 2018

SUBJECT: Resolution of the Board of Governors authorizing the USF Financing Corporation to issue \$33,000,000 of revenue bonds on behalf of the University of South Florida for the purpose of constructing a new residence hall and associated dining facility on the St. Petersburg campus of the University

PROPOSED BOARD ACTION

Adoption of a resolution approving the issuance of fixed rate, tax-exempt revenue bonds, by the USF Financing Corporation (the "DSO") on behalf of the University of South Florida (the "University"), in an amount not to exceed \$33,000,000 (the "Bonds") for the purpose of financing construction and equipping of a new student housing facility and a new dining facility shell space (collectively, the "Project") on the St. Petersburg campus of the University.

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. 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 proposed housing project will be located on the St. Petersburg campus and will consist of a 6-story building, comprising approximately 125,000 square feet of space and 375 beds in suite style configuration, primarily (60%-75%) 4 bed-2 bath single-occupancy units, with the remainder as 2 bed-1 bath double-occupancy units. The Project includes a dining facility shell space of approximately 12,000 square feet. The Project is consistent with the University's Campus Master Plan.

Construction of the Project is estimated at a total cost of \$30.7M, including \$27.2M for the housing facility, \$2.2M for the dining facility shell and \$1.3M site work and contingencies.

The Project will be financed by fixed rate, tax-exempt bonds issued by the USF Financing Corporation (the "DSO"), in an amount not exceeding \$33,000,000, inclusive of a capitalized interest and cost of issuance. The Bonds will be structured with level debt service and a final maturity no more than 30 years after issuance.

Gross housing system revenues will be pledged for the payment of debt service. These revenues gross income, fees, rentals and other charges received by the DSO or the University on behalf of the DSO derived from housing system facilities, including parking facilities and the retail and commercial uses comprising a part of the housing system.

Projections provided by the University indicate that sufficient net revenues will be generated to pay debt service on the Bonds.

The Project and the financing thereof was approved by the DSO Board of Directors, at its July 9, 2018 meeting, and the University Board of Trustees, at its July 24, 2018 meeting.

Supporting Documentation Included: Information located in the Facilities Committee materials