



September 12, 2024

**Subject: FIU Athletics Finance Corp Debt Restructure**

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**Proposed Action:**

Florida International University Board of Trustees approval of resolution authorizing the issuance of debt and requesting the Florida Board of Governors to approve the issuance of such debt to refinance a portion of the outstanding Miami-Dade County Industrial Development Authority (the "Authority") Revenue Bonds (FIU Football Stadium Project), Series 2009A Bonds with a debt obligation issued by the FIU Athletics Finance Corporation which will bear interest at a taxable rate in order to remediate the effect of entering into a naming rights and sponsorship agreement related to the Florida International University ("University") athletic program; providing an effective date.

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**RESOLUTION**

**BE IT RESOLVED BY THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES:**

Section 1. The Florida International University Board of Trustees (the "Board of Trustees") as the governing body of the Florida International University hereby authorizes the issuance of debt by the FIU Athletics Finance Corporation (the "DSO") and requests the Board of Governors to approve the issuance of debt in an amount not to exceed \$14,600,000 (the "Debt") for the purpose of refinancing a portion of the previously issued and outstanding Miami-Dade County Industrial Development Authority (the "Authority") Revenue Bonds (FIU Football Stadium Project), Series 2009A Bonds (the "Bonds") that were issued in 2009, to refinance costs of certain capital improvements related to the expansion of the FIU football stadium.

Section 2. Due to the terms of the naming rights and sponsorship agreement with DIMIT, LLC (providing services of Armando Christian Perez, p/k/a the artist "Pitbull") (the "Naming Rights Agreement") approximately \$13,435,000 of the Bonds which bear interest at a tax exempt variable rate (the "Variable Rate Bonds") need to be remediated through the issuance of a taxable obligation to be issued by the DSO.

Section 3. The new fixed rate obligation to be issued by the DSO (the "Debt") will be issued in an amount sufficient to redeem the principal of the Variable Rate Bonds, finance a swap termination fee that will be due when the Variable Rate Bonds are redeemed and pay the costs of issuing the fixed rate obligation, in an amount not to exceed \$14,600,000 (collectively, the "Project").

Section 4. The Debt will be issued pursuant to the terms of a loan agreement by and between the DSO and Regions Bank, the current holder of the Bonds, and be secured by a pledge of Pledged Revenues

(as defined in the Bond documents). Pledged Revenues include all gross operating income and revenues including fees, rentals or other charges received by the DSO, the University on behalf of the DSO, and the University, in its capacity as the manager under the management agreement, derived from the ownership and/or operation of the football stadium including game day, football season, and special events ticket sales, concession revenues, net amounts received with respect to catering activities, advertising and sponsorship revenues, revenues from parking facilities owned by the DSO, and any facility service fees or box office rebates. Pledged Revenues also include non-operating revenues including all revenues, fees and charges collected by the DSO or the University, on behalf of the DSO, including athletics fees, fund raising revenues, conference payments, naming rights revenues, capital gifts and the investment earnings on any of the above. The pledge of Pledged Revenues will be on parity with the lien granted to Regions Bank as the holder of the Bonds that will remain outstanding following delivery of the Debt. The proceeds of the Debt plus other revenues of the DSO will be sufficient to finance the Project. No proceeds of the Debt will be used to finance operating costs. The DSO is legally authorized to secure the Debt with the revenues to be pledged pursuant to section 1010.62, Florida Statutes. The University and the DSO are committed to ensuring that sufficient revenues will be generated to fulfill the obligations with respect to the proposed Debt.

Section 5. The Debt will bear interest at a fixed taxable rate acceptable to the DSO and will mature on March 1, 2032, the original maturity date of the Variable Rate Bonds. The football stadium has an estimated useful life that exceeds 8 years, which is beyond the final maturity of the Debt.

Section 6. The Debt will be issued by the DSO in the form of a bank loan with Regions Bank, the current holder of the Bonds. A negotiated private placement is required because the remediation that needs to be undertaken must be taken within 90 days from the date of entering into the Naming Rights Agreement, which period ends on November 4, 2024. Regions Bank holds all the Variable Rate Bonds and has agreed to hold the Debt.

Section 7. The Board of Trustees will comply and will require the University and the DSO to comply, with all requirements of federal and state law relating to the Debt, including but not limited to continuing secondary market disclosure of information regarding the Debt, if any, and certain other requirements of Regions Bank.

Section 8. The Board of Trustees will comply with the Debt Management Guidelines adopted by the Board of Governors on April 27, 2006, as subsequently amended by the Board of Governors, the University's debt management policy, and applicable law.

Section 9. The President and Chief Financial Officer of the University, or their respective designees, the Chair of the DSO or the Chair's designee, and other authorized representatives of the University or the DSO, on behalf of the University or DSO, as applicable, are hereby authorized to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other actions as they may deem necessary or desirable, in connection with the execution, sale and delivery of the Debt.

Section 10. In making the determination to issue the Debt, the Board of Trustees has reviewed the information attached to Appendix A and finds that the issuance of the Debt is in compliance with the

Debt Management Guidelines adopted by the Board of Governors on April 27, 2006, as subsequently amended by the Board of Governors, the University's debt management policy, and applicable law.

Section 11. This Resolution shall take effect immediately upon its adoption.

ADOPTED this 12th day of September 2024.

**Supporting Documentation:** *Agenda | Finance and Facilities Committee Meeting, September 12, 2024*

#### CERTIFICATE OF THE CORPORATE SECRETARY

The undersigned, Corporate Secretary of the Florida International University Board of Trustees, does hereby certify that the above resolution relating to the FIU Athletics Finance Corp Debt Restructure is a true and accurate copy as adopted by the Florida International University Board of Trustees on September 12, 2024, and said resolution has not been modified or rescinded and is in full force and effect on the date hereof.

BOARD OF TRUSTEES OF  
FLORIDA INTERNATIONAL UNIVERSITY

Dated: September 25, 2024

By:   
Corporate Secretary