



Item: AF A-1

Thursday, October 18, 2012

SUBJECT: REVIEW AND REQUEST APPROVAL OF A RESOLUTION REQUESTING THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION TO ISSUE REVENUE BONDS ON BEHALF OF FLORIDA ATLANTIC UNIVERSITY IN AN AMOUNT NOT TO EXCEED \$15,600,000 TO FINANCE THE CONSTRUCTION OF A PARKING GARAGE ON THE BOCA RATON CAMPUS.

PROPOSED BOARD ACTION

Provide approval of the Parking Garage 3 Project on the Boca Raton Campus which consists of the following components:

Debt Resolution: (i) requesting the Florida Board of Governors ("BOG") to approve the issuance of the debt by the Division of Bond Finance of the State Board of Administration of Florida not to exceed \$15,600,000, and (ii) authorizing the President or her designees to execute and amend all documents for the issuance of the debt.

Financing Plan: The financing for the Parking Garage 3 will consist of the issuance of the debt by the Division of Bond Finance. The debt will be secured by a lien on pledged revenues from the transportation access fees, decal fees, meters, fines, and other miscellaneous revenue. The University is committed to ensuring that sufficient revenues will be generated to fulfill the University's obligations with respect to the current and proposed debt. The University is legally authorized to secure the debt with the revenues to be pledged pursuant to section 1010.62, Florida Statutes.

This project is in compliance with the Debt Management Guidelines adopted by the Board of Trustees on November 10, 2010.

BACKGROUND INFORMATION

Florida Atlantic University currently has two parking garages on the Boca Raton campus. The proposed Parking Garage 3 project will be built on the Innovation Village site and will provide a net additional 943 parking spaces to the University's parking system. Upon completion FAU will have a total of 2,968 parking garage spaces and a grand total of 11,403 parking spaces on the Boca Raton campus. The project will be constructed as a four-level structure and will consist of spaces for students, faculty and staff.

The Project is consistent with the Campus Master Plan and Campus Development Agreement.

IMPLEMENTATION PLAN/DATE

Once approved, the debt issuance is scheduled to be presented to the BOG for approval at their November 7, 2012 meeting. Upon BOG approval, sale and closing of the bonds by the Division of Bond Finance is scheduled for January 2013. The parking garage will commence construction in January, 2013 and is scheduled for completion in September, 2013.

FISCAL IMPLICATIONS

The Project will be financed with proceeds from a fixed rate bond issue totaling an amount not to exceed \$15,600,000 to be issued by The Division of Bond Finance. The proposed Project construction costs and associated soft costs are approximately \$13,750,000. Other uses of the bond proceeds include a deposit to the debt service reserve fund, \$1,373,900, and cost of issuance, \$476,100. For planning purposes, the Division of Bond Finance requires that the debt will bear interest at an assumed fixed interest rate of 5.75%, mature not more than twenty (20) years after issuance, and will be structured with level debt service payments with the first principal payment occurring July 1, 2014.

Supporting Documentation: Proposed Resolution, Project Summary, Sources and Uses, Estimated Debt Service Schedule, Additional Security and Parity Test, Project Pro-Forma and five year history.

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