

STATE BOARD OF EDUCATION

Consent Item

November 15, 2005

SUBJECT: A Resolution of the State Board of Education of the State of Florida Approving the Issuance of Bonds in an Amount Not Exceeding \$19,500,000 by the Escambia County Housing Finance Authority for and on Behalf of the University of West Florida Foundation, Inc., to Finance the Refunding of Certain Outstanding Obligations

UNIVERSITY AFFECTED: UWF

PROPOSED BOARD ACTION

Adopt a resolution for the University of West Florida Foundation, Inc. (the "Foundation") to issue bonds not to exceed \$19,500,000 for the purpose of refunding certain housing revenue debt obligations previously issued on behalf of the Foundation to finance student housing facilities for the University of West Florida (the "University").

AUTHORITY FOR STATE BOARD OF EDUCATION ACTION

Section 1010.60(2), Florida Statutes.

BACKGROUND INFORMATION

The University of West Florida requests approval on behalf of the University of West Florida Foundation, Inc. to issue refunding bonds to convert the University of West Florida Foundation, Inc. Housing System Revenue Note, Series 2002, from variable interest rate revenue bonds to fixed interest rate revenue bonds in order to take advantage of current fixed interest rates. Additionally, the University also requests approval to refund a portion of the Escambia County Housing Finance Authority Dormitory Revenue Bonds, Series 1999, to realize possible interest cost savings. The level of debt service savings and annual true interest cost rate achieved will be impacted by market conditions in existence at the time of issuance.

The University of West Florida Foundation, Inc. has worked with the University of West Florida since 1997 to develop a consolidated student housing system for the University. The Board of Regents approved University of West Florida Foundation, Inc. Housing Revenue Bonds Series 1997, Series 1998, and Series 1999, and also the Florida Board of Education approved a University of West Florida Foundation, Inc. Housing Revenue Note, Series 2002, which have resulted in an integrated Housing System encompassing all housing facilities at the University providing housing for approximately 1,500 students. All facilities of the integrated Housing System are managed by the University pursuant to a management agreement between the University and the Foundation.

The Board of Regents approved the issuance of not to exceed \$13,500,000 Escambia County Housing Finance Authority Dormitory Revenue Bonds, Series 1999 (University of West Florida Foundation, Inc. Project) to finance a 500-bed Student Residence Hall, of which \$12,534,497 is currently outstanding. The Florida Board of Education approved the issuance of a not to exceed \$6,500,000 University of West Florida Foundation, Inc. Housing System Revenue Note, Series 2002, pursuant to a loan agreement with the City of Gulf Breeze, Florida, to finance a 200-bed student residence hall. The 2002 Note was issued as a short-term variable interest rate of which \$6,213,774 is currently outstanding. It is anticipated that a savings will be realized from the refinancing because the debt service payments for the larger amount of new bonds is lower than the debt service payments for the original bonds.

The existing sublease of land with the Foundation includes all parcels for which facilities have been constructed. The sublease will not need to be amended in connection with the refinancing.

The University of West Florida Board of Trustees at its September 9, 2005, meeting adopted a resolution approving the issuance of housing revenue bonds for the purpose of refunding certain housing revenue debt obligations.

Supporting Documentation Included: Requesting Resolution

Facilitator/Presenter: Linda Champion

RESOLUTION

RESOLUTION OF THE STATE BOARD OF EDUCATION OF THE STATE OF FLORIDA APPROVING THE ISSUANCE OF BONDS IN AN AMOUNT NOT EXCEEDING \$19,500,000 BY THE ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY FOR AND ON BEHALF OF UNIVERSITY OF WEST FLORIDA FOUNDATION, INC., TO FINANCE THE REFUNDING OF CERTAIN OUTSTANDING OBLIGATIONS; AUTHORIZING FURTHER ACTIONS CONSISTENT WITH THE RESOLUTION; AND PROVIDING AN EFFECTIVE DATE.

The undersigned, being the duly acting and appointed State Board of Education of the State of Florida (the "State"), created in accordance with and pursuant to Article IX, Section 2 of the State Constitution at a meeting duly held pursuant to notice and a quorum being present, do hereby make the following resolutions:

BE IT RESOLVED:

SECTION 1. FINDINGS.

The State Board of Education (the "Board") hereby finds as follows:

(a) The University of West Florida Foundation, Inc., a Florida not-for-profit corporation (the "Foundation"), was created for the purpose of providing direct support to the University of West Florida (the "University"), and has been designated a "University Direct Support Organization" as defined in Section 1004.28, Florida Statutes.

(b) The Escambia County Housing Finance Authority (the "Authority") has previously issued its Dormitory Revenue Bonds, Series 1998 (University of West Florida Foundation, Inc. Project) (the "1998 Bonds") and its Dormitory Revenue Bonds, Series 1999 (University of West Florida Foundation, Inc. Project) (the "1999 Bonds"), each on behalf of the Foundation to finance student housing projects located on the campus of the University (the "1998 Project" and "1999 Project," respectively).

(c) The Foundation issued its Housing System Revenue Note, Series 2002 (the "2002 Note"), the proceeds of which were used to finance a new residence hall (the "2002 Project" and together with the 1998 Project and the 1999 Project, the "Projects").

(d) The Foundation has requested the Authority to issue bonds (the "2005 Bonds"), in an amount not to exceed \$19,500,000, the repayment of which will be made from revenues of

the University housing operations, in order to finance (i) the refunding of a portion of the 1999 Bonds (the "Refunded 1999 Bonds") and (ii) the refunding of all of the 2002 Note.

SECTION 2. ✦ APPROVAL OF REFINANCING. ✦

The Board hereby approves the refinancing of the Refunded 1999 Bonds and the 2002 Note as herein described. The Refunded 1999 Bonds shall be redeemed on the earliest possible date upon which such Bonds may be called for redemption. The 2002 Note shall be defeased and redeemed on the earliest practicable date following the giving of any required notices.

SECTION 3. ✦ REPEALING CLAUSE. ✦

All resolutions of the Board, 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.

SECTION 4. ✦ AUTHORIZATION OF FURTHER ACTIONS CONSISTENT HEREWITH. ✦

The members of the Board, attorneys, engineers, or other agents or employees are hereby authorized to do all acts and things required of them by this Resolution or desirable or consistent with the requirements thereof, for the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Sublease Agreement and this Resolution including execution of such documents, certificates, contracts, escrow agreements and legal opinions, and other material delivered in connection with the refunding of the Refunded 1999 Bonds and the 2002 Note, or as necessary to preserve the tax-exemption thereon.

SECTION 5. ✦ APPROVAL OF BONDS. ✦

The Board hereby approves issuance of the 2005 Bonds by the Foundation in an amount not to exceed \$19,500,000, having a final maturity not to exceed 20 years from the date thereof and at an interest rate or rates acceptable to the Foundation, for the purposes designated elsewhere in this Resolution and the Exhibits and affirms its approval of the existence and purposes of the Foundation. This approval is subject to the understanding that the 2005 Bonds do not create any obligation, direct or contingent, on the part of Escambia County, the University, the Board, the State of Florida, or any political subdivision, department, or agency thereof, to pay any part of the principal or premium, if any, or interest on the 2005 Bonds, or to levy ad valorem taxation or any other form of taxation to repay the same, but rather such 2005 Bonds shall be solely the non-recourse obligation of the Foundation which are to be repayable solely from revenues of the Student Housing System.

STATE BOARD OF EDUCATION*
CERTIFICATE OF THE SECRETARY*

The undersigned, Corporate Secretary of the State Board of Education, does hereby certify that the attached Resolution relating to the issuance of bonds by the Escambia County Housing Finance Authority, for and on the behalf of University of West Florida Foundation, Inc. is a true and accurate copy as adopted by the State Board of Education on November 15, 2005.

Corporate Secretary