

ITEM: \_\_\_\_\_

**FLORIDA BOARD OF EDUCATION**

October 24, 2002

**SUBJECT:** Resolution of the Florida Board of Education Authorizing the Issuance of Not to Exceed \$9,000,000 Florida Gulf Coast University Certificates of Participation, Series 2002A to Finance Phase V of the North Lake Village Student Residences

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**UNIVERSITY AFFECTED:** Florida Gulf Coast University

**PROPOSED BOARD ACTION**

Approve the financing plan and adopt a resolution authorizing the issuance of fixed or variable rate, tax-exempt certificates of participation by the Florida Gulf Coast University Foundation, Inc. ("Foundation"), in an amount not to exceed \$9,000,000 provided that the housing system debt service coverage ratio is not less than 1.20.

**BACKGROUND INFORMATION**

The Foundation proposes to issue fixed or variable rate, tax-exempt certificates of participation to finance the construction of additional student residences (North Lake Village Phase V) on its campus. Rental revenues will be collected by the university and used for the rental payments due to the Foundation to satisfy the debt service obligations. The University anticipates charging an initial rate of \$2,100 per student per academic term in order to meet its financial obligations under this arrangement. Phase V will incorporate a designed capacity of approximately 284 beds, of which 278 will be revenue producing. The apartment-style buildings will be comprised of single bedrooms. Upon completion for the Fall 2003 semester, the estimated occupancy is 75% with an occupancy rate of 89% in the existing facilities.

Approval was previously granted for the University to enter into a Master Ground Lease Agreement and a Master Operating Lease Agreement (the "Agreements") with the Foundation. The University has subleased approximately forty five acres to the Foundation to construct the apartment-style student residence complex (North Lake Village) with a total designed capacity of approximately 1,696 beds for all phases, of which 1,632 will be revenue producing. The Foundation will use the design-build method, in accordance with the SUS Cost Containment Guidelines. Under the terms of the Agreements, the Foundation is responsible for the construction of the student residence facilities, and the University is responsible for all expenses associated with the ownership, operation and rental of the facilities. The term of the leases is for thirty years and, upon expiration of the leases or retirement of the debt, ownership of the improvements will be transferred to the State.

The Florida Gulf Coast University Board of Trustees approved the construction and financing of the North Lake Village – Phase V project on October 10, 2002. The project was authorized during the 2002 legislative session in Section 11, Chapter 2002-394, Laws of Florida.

**Supporting Documentation Included:** Requesting Resolution  
Project Summary  
Financial Plan  
Summary of the Master Ground Lease  
Summary of Master Operating Lease

**Other Support Documents Available :** Master Ground Lease Agreement  
Master Operating Lease Agreement  
Financial Operating Data

**Facilitators/Presenters:** Wayne V. Pierson