



UNIVERSITY SYSTEM OF GEORGIA

Capital Liability Management Plan

FY 2025 - 2029

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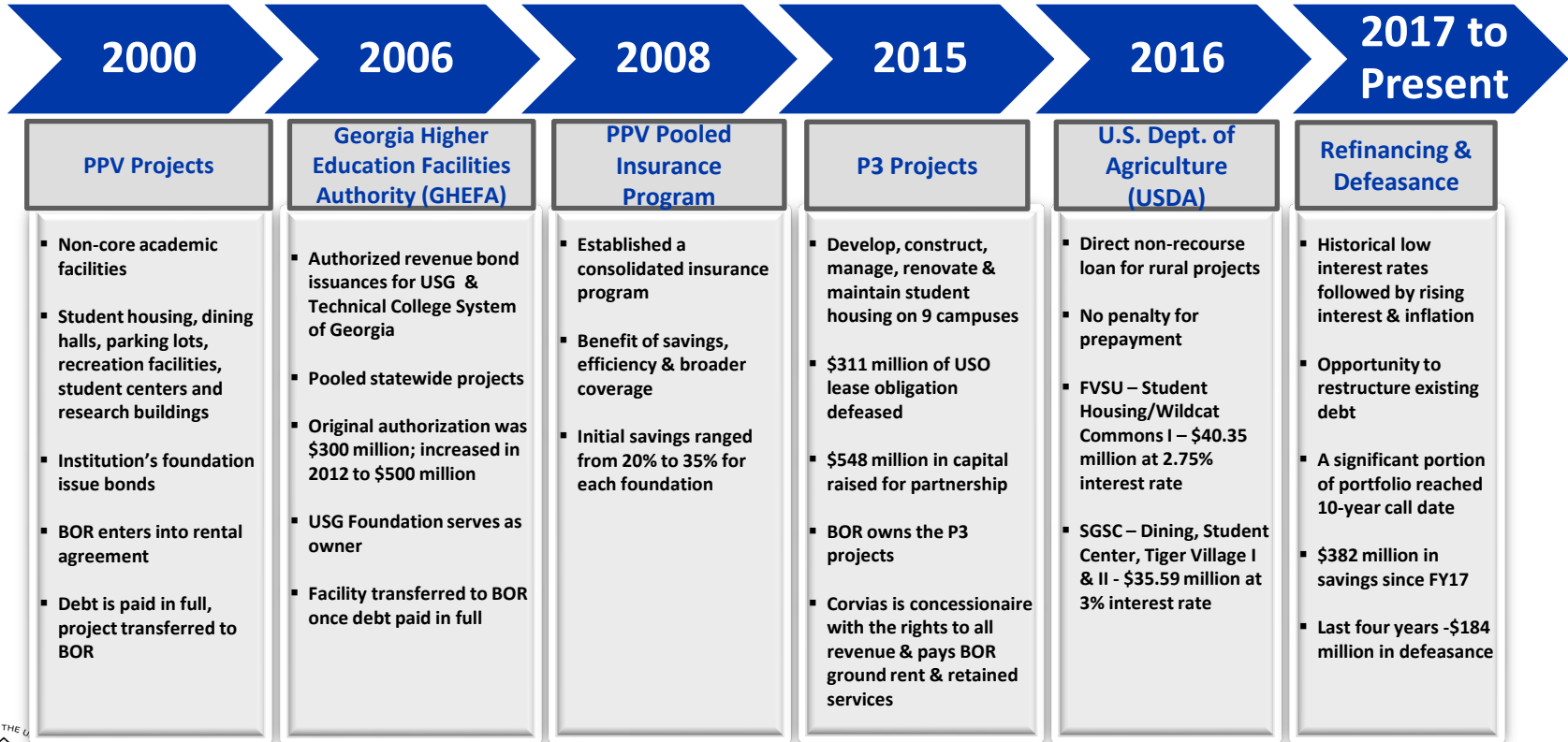
April 16, 2025

Presentation Summary

- I. Overview of USG Public Private Venture (PPV) and Financial Performance for USG Portfolio
- II. Capital Liability Management Plan FY 2025-2029
- III. Update on Multi-Year Leases and Action Item



History of USG Alternative Financing Programs



Types of Alternative Funded Facilities



EGSC Student Housing



KSU Dining Commons



GCSU Wellness & Recreation Center



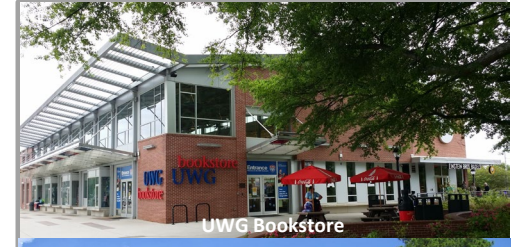
ASU Student Center



UWG Stadium



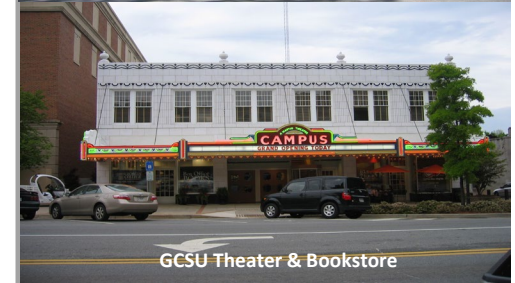
KSU Parking Deck



UWG Bookstore



VSU Health Center



GCSU Theater & Bookstore

Georgia Southern University PPV'S

Year Bonds Issued	PPV Projects	Original Bonds Issued	Bonds Outstanding 12-31-24
2012	Lakeside Dining Hall	\$ 8,185,000	\$6,120,000
2012	Landrum Dining Hall	\$19,095,000	\$14,260,000
2012	Student Housing - Southern Courtyard and Pines	\$27,590,000	\$10,555,000
2013	Student Housing - Eagle Village	\$27,800,000	\$10,915,000
2013	Football Stadium Operation - Ted Smith Family	\$11,680,000	\$8,900,000
2013	Football Stadium Expansion - Paulson Stadium	\$11,680,000	\$8,900,000
2015	Armstrong Center	\$12,445,000	\$8,545,000
2015	Recreation and Activity Center	\$26,270,000	\$12,820,000
2016	Student Union - Armstrong Campus	\$22,030,000	\$17,420,000
2017	Student Housing - Centennial Place	\$39,004,000	\$30,084,000
2020	Student Housing - Kennedy Housing	\$16,420,000	\$15,835,000
2021	Student Housing - Freedom Landing	\$35,820,000	\$32,280,000
		\$258,019,000	\$176,634,000



Landrum Dining Hall



Lakeside Dining Hall



Southern Courtyard

Georgia Southern University PPV's



Rating Agencies Relationship

Moody's Investor Services and Standard & Poor's Rating Agencies rate all PPV Bond Issues

- Proactive Engagement, Communication, and Transparency
- Annual System updates with Rating Agencies
- Provide annual reports on the PPV portfolio
- Provide detail information on each institution
- Oversight, Coordinate, and Participate in all rating presentations
- Review and vet all rating outcomes

Fiscal Year 2026 Rating Goals

- Maintain system Aa2 & AA- rating
- Annual System Rating update with Moody's & S&P
- Obtain ratings for new PPV's and any refinancings

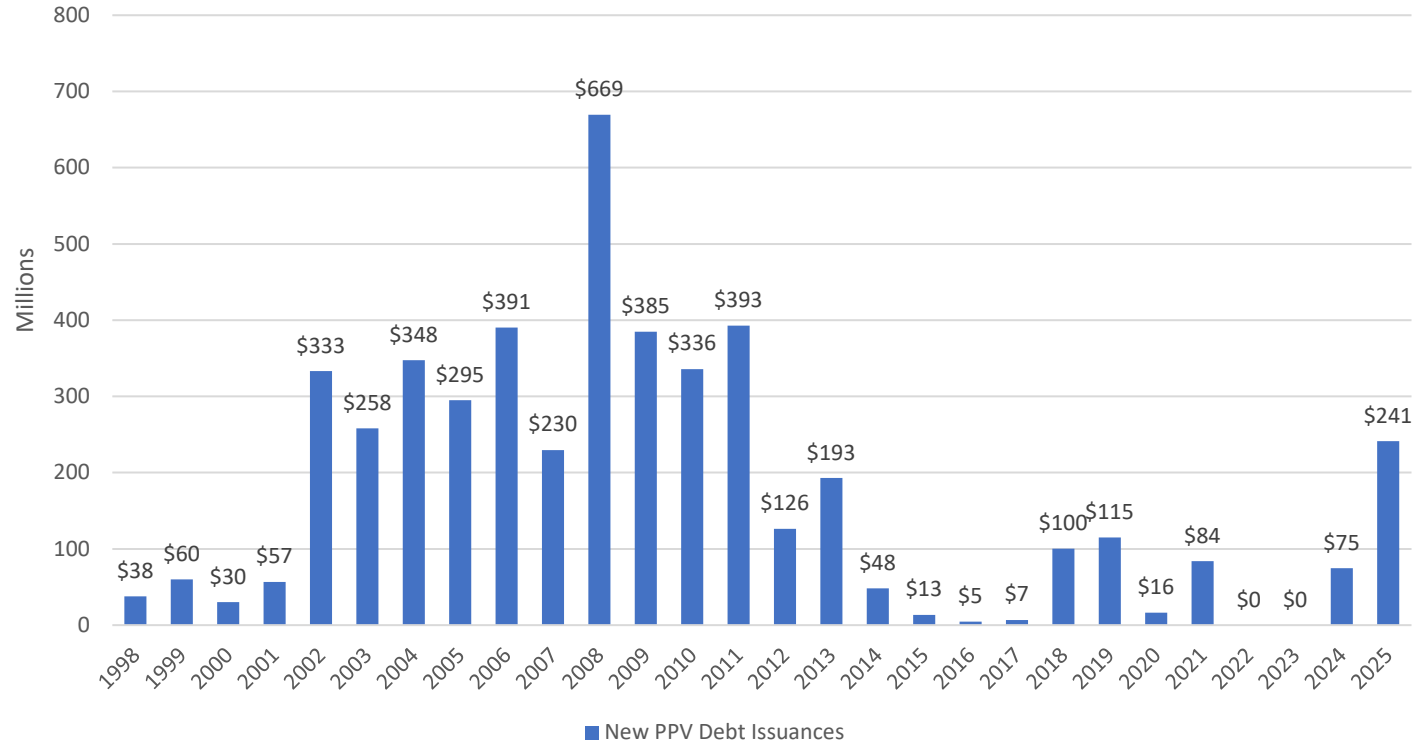
University System of Georgia Outstanding Credit Ratings by Institution		
Institution	Moody's	S&P
University System of Georgia	Aa2	AA-
Augusta University	-	A+
Georgia Institute of Technology (Housing & Research)	Aa3	AA-
Georgia State University	Aa3	-
University of Georgia	Aa3	-
Georgia Southern University - Armstrong Campus	A1	-
Georgia Southern University - Statesboro Campus	A1	-
Kennesaw State University	A1	A+
University of West Georgia	A1	A+
Valdosta State University	A1	-
Albany State University	A1	A+
Clayton State University	-	A+
Columbus State University	A1	A+
Fort Valley State University	A1	A+
Fort Valley State University (USDA Loan)	N/A	N/A
Georgia Gwinnett College	-	A+
Georgia Southwestern State University	A1	-
Middle Georgia State University	-	A+
Savannah State University	A1	A+
University of North Georgia	A1	A+
Abraham Baldwin Agricultural College	N/A	N/A
Atlanta Metropolitan State College	-	A+
College of Coastal Georgia	A1	A+
Dalton State College	A1	A+
East Georgia State College	N/A	N/A
Georgia College & State University	A1	A+
Georgia Highlands College	-	A+
Gordon State College	A1	A+
South Georgia State College (USDA Loan)	N/A	N/A

N/A - Currently No Public Rated Debt Outstanding

PPV Lease Obligations

Fiscal Year 2025 \$2.46 Billion Outstanding

Annual Lease Payments = \$269.1 Million



FY24 Approved Construction Activity



**Augusta University
Parking Deck \$20.64M
Bond Closing – October 2023
Completed – February 2025**



**Georgia Tech
Tech Square III \$54.06M
Bond Closing – January 2024
Delivery Date – January 2026**



**Middle Georgia State University
University Pointe \$18.38M
Bond Closing – March 2024
Completed – Fall 2024**



FY2025 Approved Construction Activity



**Georgia Tech
Curran Street Housing**
862 beds - \$102.32M
Bond Closing: August 2024
Delivery Date: Fall 2026



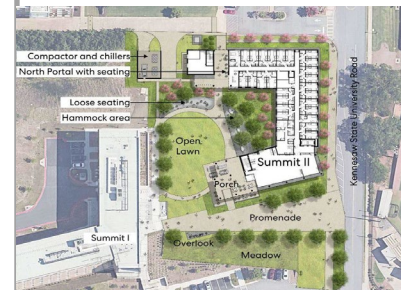
**University of Georgia
Freshmen Housing**
668 beds - \$51.35M
Bond Closing: Sept. 2024
Delivery Date: Fall 2026



**University of Georgia
West Campus Dining,
Learning, Well-Being Center**
68,000 sf. Ft. - \$48.04M
Bond Closing: October 2024
Delivery Date: Fall 2026



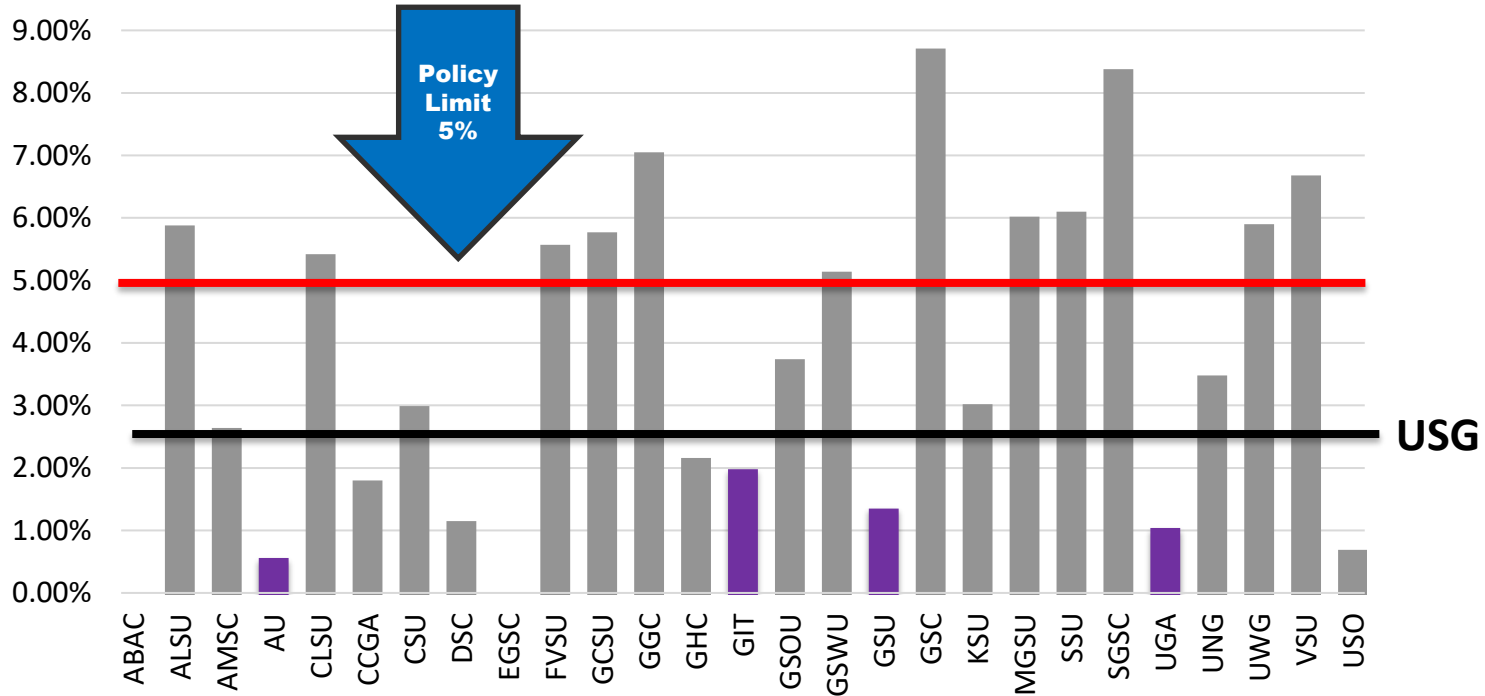
**Kennesaw State University
Summit II Housing**
462 beds - \$40.39M
Bond Closing: April 2025
Delivery Date: Fall 2026



Institutions Liability Ratios

June 30, 2024

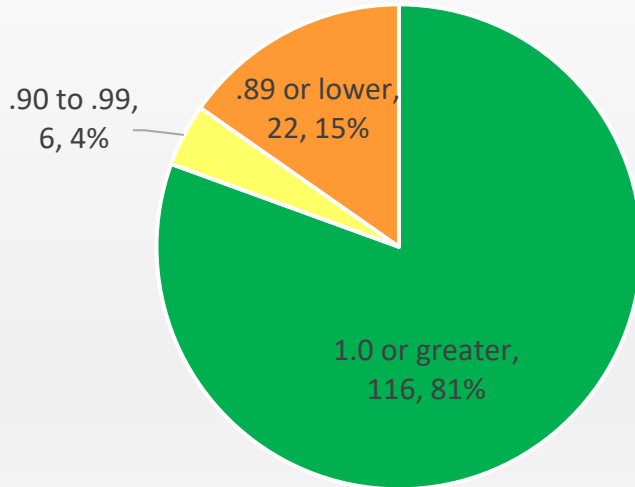
USG: 2.55%



Public Private Venture Lease Portfolio

FY2024 Cash Flow Performance

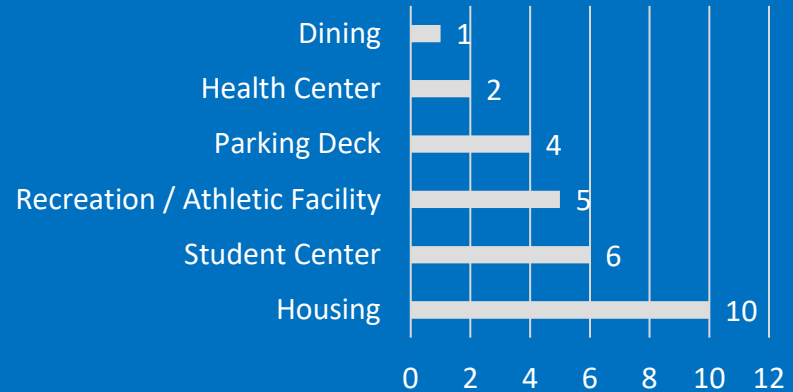
All lease payments paid on time and in full



Primary factors for shortfall

- Enrollment/ Occupancy trends
- Operating expenses/ repairs
- Fee Waivers

Projects Under 1.0X Coverage



Capital Liability Reserve Fund at \$20.0M on deposit. No draws expected.

Refinancing/Defeasance Activity

Board Policy 9.7.3.1 Lease Rental Agreement

- USG institution must receive at least 50% of savings

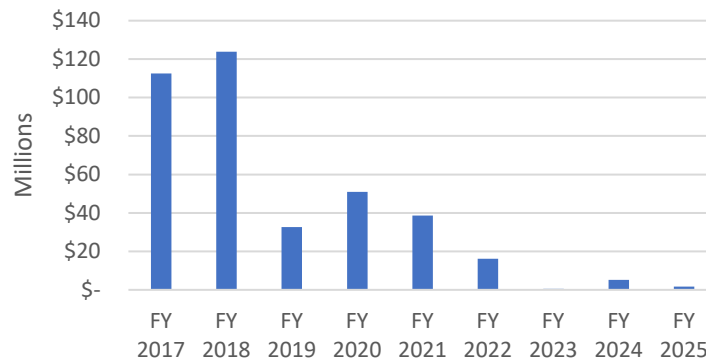
Board Policy Manuel 25.3 Capital Liability Structure

- 4% present value savings should be considered the floor for refinancing

Refinancing Activity

- Monitor bond market for opportunities for savings
- Meet with financial advisors and underwriters to obtain their assessment of the market
- Evaluate the use of savings to provide funds for renovation or enhancement to a project
- Evaluate whether the term should be extended to maintain affordability for students and campus

Refinancing Savings \$382.20 Million



Recent Defeasance – \$184.1 million early payoff of bonds outstanding

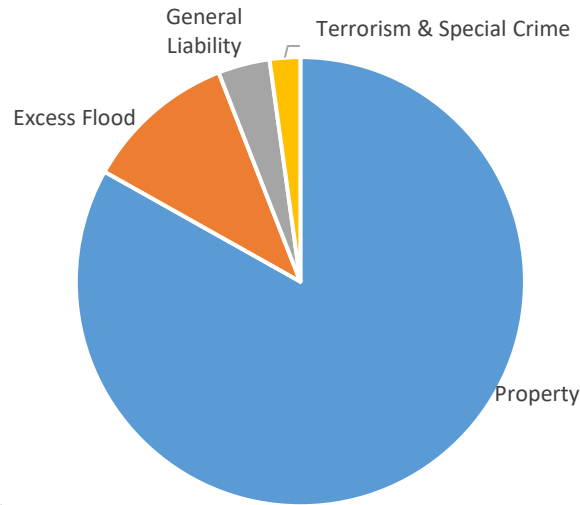
- ❑ FY 2022 Defeasance – 7 projects/\$114.1 million
- ❑ FY 2023 Defeasance – 8 projects/\$50.7 million
- ❑ FY 2024 Defeasance – 1 projects/\$17.8 million
- ❑ FY 2025 Defeasance – 2 projects/\$1.54 million

PPV Pooled Insurance Program

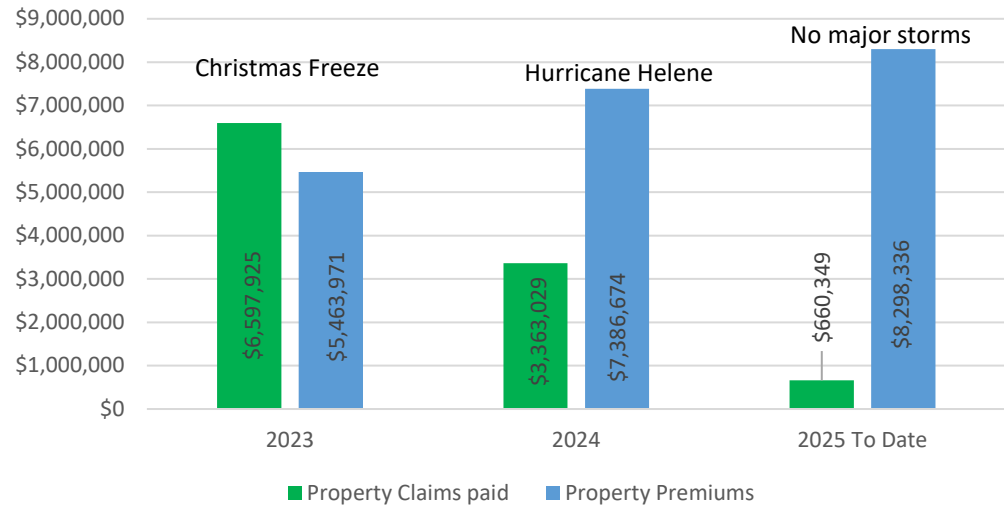
Participating Institutions	22
Properties Covered	248

Total Insured Value	\$ 2,759,570,698
Total Premiums (all 4)	\$ 9,980,878

PPV Pooled Insurance Coverages



Property (ONLY) Premiums vs. Claims paid



University System of Georgia

FY 2025- 2029

Capital Liability Management Plan

(in thousands)

	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
Total Principal Outstanding - Beginning of Year	\$2,404,528	\$2,711,523	\$2,689,251	\$2,734,530	\$2,668,761
Projected New Issuance					
PPV and/or GHEFA	241,160	100,000	180,000	75,000	75,000
Multi-Year Lease Contracts	0	10,000	10,000	10,000	10,000
Multi-Year Energy Performance Contracts	0	15,000	15,000	15,000	15,000
Scheduled Retirements		(388,431)	(519,481)	(719,365)	(802,590)
Total Principal Outstanding - End of Year	\$2,711,523	\$2,689,251	\$2,734,530	\$2,668,761	\$2,602,559
Total Capital Liability Payments (includes MYL & EPC)	\$269,127	\$287,531	\$304,522	\$322,979	\$332,989
USG Budgeted and Projected Operating Revenues	\$10,142,192	\$10,538,769	\$10,801,335	\$11,071,952	\$11,348,846
Capital Liability Payment Ratio (System Policy Limit of 5%)	2.65%	2.73%	2.82%	2.92%	2.93%



USG/BOR Multi-Year Leases

Action Item

Recommended: The Board approve by resolution a request to the Georgia State Financing and Investment Commission (GSFIC) for contract value authority of \$10 million for multi-year office leases for FY 2026.



Georgia Public Library Service Facility



CODA Data Center

QUESTIONS?

