

BOARD OF GOVERNORS
Project Summary
Florida Gulf Coast University
Residence Life Enhancement Project
Student Housing Phase VII (North Lake Village)

- Project Type:** The proposed Student Housing Phase VII of the Residence Life Enhancement Project, North Lake Village, will provide an additional 288 beds to the existing Phase I through Phase VI, and will provide additional opportunities for Florida Gulf Coast University students to live on campus.
- The project will be financed from variable rate, tax-exempt bonds issued by the Florida Gulf Coast University Financing Corporation in an amount not to exceed \$8,000,000. Construction of the project will be administered by the Florida Gulf Coast University Financing Corporation under the supervision of Florida Gulf Coast University, which is consistent with construction of previous university housing phases.
- Facility Site Location:** The proposed Student Housing Phase VII will be located on the northern portion of the main campus of Florida Gulf Coast University in Fort Myers, Florida. Phase VII will be built adjacent to the existing Phases I through VI, and utilize inter-connected parking, common areas and amenities.
- The proposed project is included in the 2002 Campus Master Plan Update adopted by the Florida Gulf Coast University Board of Trustees at its October 10, 2002, meeting.
- Student Market:** The primary targeted market for Phase VII will be traditional single, undergraduate, graduate, and professional students with particular emphasis on the University's growing "first time in college" student population.
- Physical Description:** The proposed Student Housing Phase VII will consist of four three-story buildings and a central one-story activity center. Phase VII is planned to serve students with private bedrooms in a four single bedroom apartment with bath, living, and kitchen facilities in each apartment. Each apartment will be fully furnished and wired with Cable television and each bedroom will be wired to the campus network. It is anticipated that the facility will consist of approximately 75,000 gross square feet, with maintenance closets/janitorial closets/mechanical rooms and elevator space. Approximately 200 resident parking spaces will also be a part of this project.
- Pledged Revenues:** Housing system revenues will be pledged for the payment of debt service obligations. These revenues are derived primarily from rental income, damage deposit forfeitures, summer special event rentals and other miscellaneous collections after deducting operating expenses. These revenues will be used by the Financing Corporation to pay all expenses associated with the Housing System, including debt service. Currently, student housing rent is \$2,210 per student, per academic term, and will be

increased to \$2,558 by Year 2010-2011. Student housing rent for Summer Term is currently \$1,105 per bed.

The Series 2004 Bonds will be issued on parity with the outstanding Florida Gulf Coast University Financing Corporation Revenue Bonds, Series 2003, which currently have an outstanding principal amount of \$47,500,000.

Debt Service Coverage: The estimated debt service coverage ratio for fiscal Year 2005-2006 for the proposed Student Housing Phase VII project is 3.13, and 1.45 for the entire housing system. These ratios are calculated based on a debt service payment of interest for six months. The estimated debt service coverage ratio for fiscal Year 2006-2007 for the Student Housing Phase VII project is 1.41, and 1.44 for the entire housing system. These ratios are calculated based on principal and interest payments for twelve months. The estimated debt service is calculated at an interest rate of 6% through the maturity date of July 1, 2034.

Current Housing Facilities: The housing system at Florida Gulf Coast University currently provides approximately 1,624 rentable beds. The proposed Student Housing Phase VII will have a capacity of approximately 288 beds and will increase the total rentable beds to 1,902 by Fall 2005. Additional student residences are in the pre-planning stages and will consist of an additional 3,000 beds to be located in an additional student residence village.

Summary of Pro Forma: The proposed Phase VII housing project is based on estimated 2005-2006 rental rates of \$2,210 per bed (single bedroom), per term. Phase VII will generate significant additional revenues for the housing system through its operations. The 2003-2004 revenues from operations for Phases I through VI were \$5,857,701, with expenses of \$2,097,582, for net revenues from operations of \$3,760,119. In 2005-2006, the projected revenues from operations for Phases I through VII is \$8,079,108, with operating expenses of \$2,942,390, for net revenues from operations of \$5,136,718.

To compensate for the operating costs and debt service costs to the housing system, a series of rent increases of 2% to 5% are planned every two years. However, this may need to be adjusted as conditions warrant. Additional expenses assessed the housing system will be addressed through these planned rent increases, depending on general economic conditions, which resulted in a 2% rate increase this year. Student housing rates are currently \$2,210 per bed, per semester, and will be increased to \$2,558 per bed, per semester, by 2010-2011.

Demand Analysis: Florida Gulf Coast University continues to enjoy strong demand by new students with current enrollment increases in excess of 8%. Since the establishment of the housing system in 1998-1999, average occupancy rates have ranged from 82% to 100%. For the Fall 2004 semester, the average occupancy rate is 95%.

Student enrollment has increased from 2,585 in 1997-1998 to 5,965 for 2004-2005. Approximately 25% of the enrolled students live on campus. The first-time-in-college student enrollment has grown from 864 in the Fall of 2002 to 966 in the Fall 2004 semester.

The facilities also house both summer conference personnel and youth camp participants. Through the expansion of Housing options, the University will be able to better serve the varied needs of its students.

Planned Opening Date: It is anticipated that Student Housing Phase VII will be open for occupancy in August 2005.