

**BOARD OF GOVERNORS**  
**Project Summary**  
**Florida Gulf Coast University**  
**Residence Life Enhancement Project – Phase VI**  
**North Lake Village, Phase VI**

- Project Type:** Construction of an apartment-style residence facility comprised of one or more living-unit buildings with a designed capacity of approximately 284 beds, of which 278 beds will be revenue producing. The project will be financed from fixed or variable rate tax-exempt revenue bonds issued by the Florida Gulf Coast University Financing Corporation, Inc. (the “Financing Corporation”) in an amount not to exceed \$9,000,000. New construction will be provided by a sublease of land through the Financing Corporation pursuant to a ground lease agreement, along with responsibility for design and financing. The Florida Gulf Coast University Board of Trustees will operate the project through an operating lease agreement with the Financing Corporation.
- Facility Site Location:** The proposed student residences will be located on the Florida Gulf Coast University main campus in Fort Myers, Florida. Phase VI will be built adjacent to the existing Phases I through V, and utilize inter-connected parking, common areas and amenities.
- Student Market:** The primary targeted market for Phase VI 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 new student residence facility (North Lake Village Phase VI) will consist of one or more living unit buildings, three or four stories in height. The facility will consist of 71 four bedroom apartment-style units and one staff apartment. Overall designed capacity will be approximately 284 beds, however, only 278 beds will actually generate revenue due to the assignment of six staff members to the facility.
- Pledged Revenues:** The Florida Gulf Coast University Financing Corporation, Inc. will issue debt in an amount not to exceed \$50,000,000 (the “2003 Bonds”), of which \$9,000,000 will be used to finance North Lake Village Phase VI, a new 284-bed apartment style addition to the Housing System. The remainder of the 2003 Bonds will be used to refund the \$38,500,000 of outstanding debt issued by the Florida Gulf Coast University Foundation, Inc. (the “Foundation”), relating to the Housing System (Phases I through V). The Florida Gulf Coast University Board of Trustees and the Foundation will terminate the currently existing Master Ground Lease and the Master Operating Lease with respect to the Housing System. Title to the improvements and construction in process will be transferred from the Foundation to the Florida Gulf Coast University Board of Trustees. The Florida Gulf Coast University Board of Trustees, as lessor, will then lease the ground underlying the Housing System along with the improvements and construction in process constituting the Housing System to the

Financing Corporation, as lessee. The Financing Corporation, as lessor, will then lease the improvements to the Florida Gulf Coast University Board of Trustees, as lessee, pursuant to an operating lease whereby the Florida Gulf Coast University Board of Trustees will agree to pay to the Financing Corporation all of the revenues collected from its operation of the Housing System. These revenues will be used by the Financing Corporation to pay all expenses associated with the Housing System, including debt service. The University anticipates charging an initial rate of \$2,310 per student, per academic term, in order to meet its financial obligations under this arrangement.

**Debt Service Coverage:** Assuming an interest rate of 6% on the proposed bonds, the estimated debt service coverage ratio in 2004-2005 based on the housing system revenues is 1.17. The estimated debt service coverage ratio in 2004-2005 based on revenues generated from the operation of Phase VI is 1.00.

Assuming an interest rate of 5% on the proposed bonds, the estimated debt service coverage ratio in 2004-2005 based on the housing system revenues is 1.30. The estimated debt service coverage ratio in 2004-2005 based on revenues generated from the operation of Phase VI is 1.12.

**Summary of Proforma:** The proposed Phase VI housing project is based on estimated 2004-2005 rental rates of \$2,310 per bed (single bedroom), per term. Annual operating revenue for the Phases I through VI during 2004-2005 is projected to be \$7,445,341 with estimated operating expenses of \$3,151,509. Estimated off-campus housing rates during the 2001-2002 academic year averaged \$4,342 per bed for a two-bedroom unit, \$3,916 per bed for a three-bedroom unit, and \$3,892 per bed for a four-bedroom unit. These rates include utilities, cable television, high speed Internet access and telephone charges. Occupancy rates for the proposed new student residence facilities (North Lake Village Phase VI) are projected at 90% for the Fall semester and 85% for the Spring semester. Overall occupancy rates for the housing system are estimated to be 95%. Rental rates for 2004-2005 include a 5% increase.

**Demand Analysis:** In the first year of operation, occupancy rates for Phase I student housing were 70%. During the 1999-2000 academic year, the occupancy rate was 100%. Phase II opened Fall 2000 with an overall occupancy rate for 2000-2001 of 84%. Phase III opened Fall 2001, with an occupancy rate of 80%, with Phases I and II reaching 89%. At the beginning of Fall 2002 semester, one third of Phase IV was complete with an occupancy rate of 100%, and over 130 students placed in local hotel rooms awaiting the completion of the remainder of Phase IV. Phase V opened in Fall 2003 with 90% occupancy, Phases I through IV had 97% occupancy, and the overall occupancy for Phases I through V was 95%. 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.

From Fall 2001 to Fall 2002 the total headcount increased from 4,235 to 5,358, an increase of 24%, and the number of new freshmen increased from 586 to 871, an increase of 49%. The university experienced a 12% increase in enrollment in Fall, 2003 to a total of 5,888. For the purposes of estimating the need for student housing, the university's enrollment projections reflect a 16% increase in Fall 2004 of 7,075. The University has experienced the greatest increase among first-time-in-college freshmen, from whom the greatest number of student residents are drawn. The University serves one of the fastest growing areas of the country providing an opportunity for enrollment growth.

- Current Housing Capacity:** The current designed capacity of on-campus accommodations is 1,354 revenue-producing beds.
- Status of Current Project:** The University will utilize the design/build method of construction for Phase VI of the Residence Life Enhancement Project. Phase VI groundbreaking is scheduled for Spring 2004.
- Student Life Program:** The proposed new student residence facility will address the needs of single, traditional, undergraduate, and graduate students, and will have a resident assistant ratio of 1:47.
- Planned Occupancy Date:** North Lake Village Phase VI is scheduled for occupancy for the Fall 2004 semester.
- Future Projects:** Future phases will address the remaining needs for additional bed capacity and renovation of other existing housing facilities.