



THE FLORIDA STATE UNIVERSITY
DIVISION OF STUDENT AFFAIRS
University Housing

February 22, 2013

Mr. Chris Kinsley
Director, Finance and Facilities
Board of Governors
325 W. Gaines Street
Tallahassee, FL 32399

Dear Mr. Kinsley:

University Housing at Florida State University (FSU) respectfully submits the following reports in support of our bond financing request for the Dorman/Deviney Replacement Project. FSU commissioned a full facility audit of the existing Dorman and Deviney facilities by the ISES Corporation and a financial and market analysis study by Brailsford and Dunlavey to provide supplemental material demonstrating the need and feasibility of the proposed project. The findings of both reports are contained in the attached documents.

The ISES Corporation, the leading provider of Facility Condition Assessment (FCA) services for Facilities Capital Planning purposes, conducted a comprehensive review of the condition of the current Dorman and Deviney facilities: ISES placed the Facility Condition Number Index (FCNI) for Deviney and Dorman at 0.56 and 0.52 respectively. These numbers indicate that the facilities are in “poor condition - total renovation required” and are at the risk of moving into the “complete facility replacement indicated” category if major renovation does not occur within the next few years. ISES estimates the projected costs to address the needs of the current facilities to be in excess of \$22,000,000.

University Housing commissioned a study by Brailsford & Dunlavey (B&D), a nationally recognized leader in the field of campus housing market analysis with a diverse experiential portfolio including approximately 250 student housing clients and more than 350 student housing projects. Through their thorough review of the operation of University Housing and the plans for the Dorman/Deviney Replacement Project, B&D found the following:

- “...on campus housing remains the preferred option for students, and B&D believes that an increase in student housing on campus will be absorbed by students who want to live on campus that have been pushed to the off campus market due to space constraints.”

- “...privately owned [off campus] facilities are not in direct competition with the residences and the experiences that FSU and University Housing aspire to provide for its on-campus residents.”
- “Even with conservative assumptions for a full replacement scenario, B&D believes that the FSU housing system should be able to support the replacement of [aging facilities] while still maintaining a system wide debt coverage ratio of more than 1.50x in any given year.”
- “...it is beneficial for the University to develop, own, and operate the Project. While public-private partnerships can help reduce the burden of balance sheet utilization, the credit rating agencies (such as Moody’s) have all placed strict rules and regulations to insure that most student housing will remain on the University’s credit.”

Focusing predominantly on housing first-time-in-college (FTIC) students, University Housing provides exceptional living opportunities for students to succeed academically. The Dorman/Deviney Replacement project will construct 862 new, state of the art, suite-style beds in the core of the campus proper, insuring the intentional connection of FTIC residents to the academic and co-curricular resources of FSU. Through 100-year quality building construction, professional staffing, innovative programming, and academic partnerships through Living Learning Communities, the Dorman/Deviney Replacement Project represents the completion of the Eastside residential campus community and a center of student growth, development, academic persistence, and success for years to come.

Please feel free to contact me if we can provide any additional information or clarification of these materials.

Sincerely,



Adrienne Otto Frame, Ed.D.

Director, University Housing

Florida State University