



May 2, 2013

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

Dear Mr. Kinsley,

Seminole Boosters, Inc. ("Boosters"), a direct support organization of The Florida State University, respectfully submits the following information in support of our financing requests for the proposed Student Housing Facility Project ("SHF").

Pursuant to the Governor Rick Scott's instruction in his letter dated February 18, 2013, we submit the following information:

**Review quantitative metrics justifying the need for construction**

By constructing the SHF, that will allow the Boosters (as a part of the overall athletic financial program) to retain approximately \$40,000 per month of scholarship resources that are used to pay for room and board for our student-athletes. That equates to a conservative estimate of \$480,000 per year that would be received by the Boosters and would help build equity in the SHF, which is an asset of the Boosters and reported as an asset of the consolidated athletics program. Currently, those funds are being paid to private sources and represent a true expense. The construction of the Booster SHF will allow for those funds to be paid to the Boosters, and the long-term impact is that those funds then could become available for other program funding needs.

The Boosters have been in the student-housing business since 1985 when Burt Reynolds Hall ("BRH") was constructed and student-athletes lived in the facility until 2010. BRH is a very dated facility that no longer is set up to address the housing needs of today's sized student-athletes.

**Calculate an internal rate of return for revenue generating projects**

The Internal Rate of Return ("IRR") calculation for the Booster SHF has been prepared on project construction costs of \$11,600,000 and the net projected revenues for the 25-year term of the loan. Thus, the IRR is 6.4%.

### **Assess whether the private sector can off a comparable alternative at a lower cost**

We reviewed two similar housing facilities within a one-mile radius of the proposed location. The fiscal analysis is as follows:

Facility Name	Two-Bedroom Monthly Rent	Three-Bedroom Monthly Rent
SBI SHF	\$650.00 per bed	\$625.00 per bed
Campus Circle	\$790.00 per bed	Not Available
GrandMarc	\$670.00 per bed	\$660.00 per bed
Source: Chuck Howell, theapartmentseekers.com		

It is important to note that within the targeted area, we did not find that there were many housing options of the size, scale and quality that would make for a meaningful comparison. The facilities compared above do not share the geographical location advantage that Booster SHF would and would not allow the student-athletes, or the other student residents, to walk to campus in a consistent and time effective manner.

In addition to the required analysis above, we feel that this project has a large qualitative component to it as well.

### **Qualitative Factors & Components**

The needs assessment for the Booster SHF is most compellingly made through a consideration of the major qualitative factors as listed below:

- The Booster SHF will allow the Department of Athletics to have 72 of its student-athletes within 200 yards of the Moore Athletic Center, which will provide for easier access for the student-athletes to obtain academic tutoring and assistance and thus enhance the chances for timely graduation and adherence to the NCAA Academic Progress Rates that are required.
- The Booster SHF will allow for the athletic administration and coaches at FSU to more efficiently and effectively monitor student-athletes as they transition to life on campus. It also allows for a better transition for the student-athletes for life after college as the experience of living “off campus” can be obtained yet in a controlled and monitored atmosphere.
- Other major athletic programs for which FSU competes use our decentralized housing situation and the lack of a housing facility as a negative during the recruiting process. The Booster SHF allows the athletic coaches to turn a perceived negative into a positive and to continue to pursue the top prospective student-athletes in the country. Football Coach Jimbo Fisher has stated that this facility is critical to the recruiting process and it is currently the most needed facility the program must obtain.

### **Qualitative Factors & Components (continued)**

Should the NCAA amend their rules regarding student-athletic dormitories, FSU would be positioned to immediately implement the student-athlete housing administration to take advantage of the rules amendment by having a facility already constructed and operational.

### **Summary**

The Booster SHF is critical to the future success of our student-athletes, both in the classroom and on the athletic field of competition. There are many factors, both quantitative and qualitative; that we believe makes this project viable. Furthermore, the lack of housing options of the scale, size, quality and availability within the targeted area coupled with the fact that we have land that is currently not being utilized available, we believe make the SBI SHF a project that should be approved and constructed.

Please feel free to contact me if we can provide any additional information or clarification of this discussion of this project.

Sincerely,

Andy Miller  
President & Chief Executive Officer  
Seminole Boosters, Inc.