

**State of Florida, Board of Governors**  
**Florida International University - BBC Housing**  
**Projected Debt Service Coverage for 34-Year, Ascending Debt Service**

	<u>2016-2017</u>	<u>2017 - 2018</u>	<u>2018-2019</u>	<u>2019 - 2020</u>	<u>2020 - 2021</u>	<u>2021 - 2022</u>	<u>2022 - 2023</u>	<u>2023 - 2024</u>	<u>2024 - 2025</u>	<u>2025 - 2026</u>
<b>Operating Revenues<sup>1</sup></b>										
Gross Potential Rent	\$4,545,741	\$5,124,209	\$5,277,935	\$5,436,273	\$5,599,361	\$5,767,342	\$5,940,363	\$6,118,573	\$6,302,131	\$6,491,195
Other Income	\$7,780	\$8,721	\$8,982	\$9,252	\$9,529	\$9,815	\$10,110	\$10,413	\$10,725	\$11,047
Vacancy Deduct	\$ (487,832)	\$ (654,844)	\$ (674,490)	\$ (694,724)	\$ (715,566)	\$ (737,033)	\$ (759,144)	\$ (781,918)	\$ (805,376)	\$ (829,537)
<b>Net Rental Revenue</b>	<u>\$4,065,689</u>	<u>\$4,478,086</u>	<u>\$4,612,427</u>	<u>\$4,750,801</u>	<u>\$4,893,324</u>	<u>\$5,040,124</u>	<u>\$5,191,329</u>	<u>\$5,347,068</u>	<u>\$5,507,480</u>	<u>\$5,672,705</u>
<b>Operating Expenses</b>										
Admin	\$13,630	\$15,279	\$15,737	\$16,209	\$16,695	\$17,196	\$17,712	\$18,243	\$18,791	\$19,354
Marketing/Residential Life Programs	\$49,675	\$55,682	\$57,352	\$59,073	\$60,845	\$62,670	\$64,550	\$66,487	\$68,481	\$70,536
Professional Services Fees	\$4,241	\$4,753	\$4,896	\$5,043	\$5,194	\$5,350	\$5,510	\$5,676	\$5,846	\$6,021
Management Staff	\$171,905	\$192,690	\$198,471	\$204,425	\$210,557	\$216,874	\$223,380	\$230,082	\$236,984	\$244,094
Cleaning/Decorating/Turnover	\$96,631	\$108,314	\$111,564	\$114,911	\$118,358	\$121,909	\$125,566	\$129,333	\$133,213	\$137,210
Insurance	\$151,450	\$169,761	\$174,854	\$180,100	\$185,503	\$191,068	\$196,800	\$202,704	\$208,785	\$215,048
Property Management Fee	\$48,625	\$54,504	\$56,139	\$57,823	\$59,558	\$61,344	\$63,185	\$65,080	\$67,033	\$69,044
<b>Total Operating Expense</b>	<u>\$536,157</u>	<u>\$600,983</u>	<u>\$619,012</u>	<u>\$637,583</u>	<u>\$656,710</u>	<u>\$676,412</u>	<u>\$696,704</u>	<u>\$717,605</u>	<u>\$739,133</u>	<u>\$761,307</u>
Deposit Into Replacement Reserve Account	\$73,763	\$82,682	\$85,163	\$87,718	\$90,349	\$93,060	\$95,851	\$98,727	\$101,689	\$104,739
<b>Total Operating Expense &amp; Reserves</b>	<u>\$609,920</u>	<u>\$683,665</u>	<u>\$704,175</u>	<u>\$725,300</u>	<u>\$747,059</u>	<u>\$769,471</u>	<u>\$792,555</u>	<u>\$816,332</u>	<u>\$840,822</u>	<u>\$866,046</u>
Net Operating Income	\$3,455,769	\$3,794,421	\$3,908,252	\$4,025,500	\$4,146,265	\$4,270,653	\$4,398,773	\$4,530,736	\$4,666,658	\$4,806,659
Trustee/Moody's Fee	\$13,129	\$14,716	\$15,157	\$15,612	\$16,081	\$16,563	\$17,060	\$17,572	\$18,099	\$18,642
IDA Fee	\$24,725	\$26,753	\$26,475	\$26,138	\$25,738	\$25,268	\$24,773	\$24,253	\$23,708	\$23,135
Foundation Fee	\$40,579	\$44,694	\$46,034	\$47,415	\$48,838	\$50,303	\$51,812	\$53,367	\$54,968	\$56,617
Net Operating Income After Fees	<u>\$3,377,336</u>	<u>\$3,708,257</u>	<u>\$3,820,586</u>	<u>\$3,936,335</u>	<u>\$4,055,608</u>	<u>\$4,178,519</u>	<u>\$4,305,128</u>	<u>\$4,435,544</u>	<u>\$4,569,884</u>	<u>\$4,708,265</u>
Annual Debt Service <sup>2</sup>										
Senior Loan Debt Service	\$2,819,600	\$3,085,375	\$3,182,775	\$3,280,575	\$3,378,575	\$3,478,575	\$3,481,575	\$3,482,075	\$3,480,075	\$3,480,075
Debt Service Funded by Capitalized Interest Fund	\$1,566,017	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Estimated Debt Service	<u>\$1,253,583</u>	<u>\$3,085,375</u>	<u>\$3,182,775</u>	<u>\$3,280,575</u>	<u>\$3,378,575</u>	<u>\$3,478,575</u>	<u>\$3,481,575</u>	<u>\$3,482,075</u>	<u>\$3,480,075</u>	<u>\$3,480,075</u>
Debt Service Coverage Ratio	2.69	1.20	1.20	1.20	1.20	1.20	1.24	1.27	1.31	1.35
Utilities <sup>3</sup>	\$238,685	\$267,544	\$275,570	\$283,837	\$292,352	\$301,123	\$310,157	\$319,461	\$329,045	\$338,916
Property Management Fee	\$96,251	\$107,889	\$111,126	\$114,459	\$117,893	\$121,430	\$125,073	\$128,825	\$132,690	\$136,670
Developer Reimbursement	\$170,000									
<b>Net Projected Cash Flow to University<sup>4</sup></b>	<u>\$1,618,817</u>	<u>\$247,450</u>	<u>\$251,115</u>	<u>\$257,464</u>	<u>\$266,788</u>	<u>\$277,391</u>	<u>\$388,324</u>	<u>\$505,183</u>	<u>\$628,073</u>	<u>\$752,603</u>

<sup>1</sup>Projections assume 3% annual increases in rental rates and 87% occupancy in the Project (95% during the academic year and 63% during the summer term).

<sup>2</sup>Estimated debt service calculation based on an assumed interest rate of 4.83 (11C)% and a 34-year repayment term.

<sup>3</sup> Expected to be paid by the university and reimbursed to the university should the Project maintain 1.0x coverage of debt service.

<sup>4</sup> Surplus cash flow to FIU is transferred 1 year in arrears, as long as 1.2x debt service coverage is maintained on the Project in the subsequent year. Surplus funds are expected to total \$120.3 million or \$24.6 million on a present value basis discounted at 6%.