

STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
University of Florida  
New Undergraduate Residential Complex Housing Facility

**Projected Debt Service Coverage - Project Only**

	Projected				
	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
<b>Operating Revenue</b>					
New Undergraduate Residential Complex residence rents <sup>1</sup>	\$ 12,194,000	\$ 12,743,000	\$ 13,125,000	\$ 13,519,000	\$ 13,924,000
<b>Operating Expenses</b>					
Salaries and related fringe benefits <sup>2</sup>	2,200,000	2,266,000	2,334,000	2,404,000	2,476,000
Utilities <sup>3</sup>	1,074,000	1,106,000	1,139,000	1,174,000	1,209,000
Repairs and maintenance <sup>3</sup>	698,000	719,000	741,000	763,000	786,000
Small furniture and equipment <sup>3</sup>	143,000	148,000	152,000	157,000	161,000
Other expenses <sup>3</sup>	230,000	237,000	244,000	252,000	259,000
Total Operating Expenses	<u>4,345,000</u>	<u>4,476,000</u>	<u>4,610,000</u>	<u>4,750,000</u>	<u>4,891,000</u>
<b>Operating income</b>	<b>\$ 7,849,000</b>	<b>\$ 8,267,000</b>	<b>\$ 8,515,000</b>	<b>\$ 8,769,000</b>	<b>\$ 9,033,000</b>
<b>Debt Service (2.5% Rate Assumption)<sup>4</sup></b>					
Principal	6,315,000	6,475,000	6,635,000	6,800,000	6,970,000
Interest	5,986,500	5,828,625	5,666,750	5,500,875	5,330,875
Capitalized Interest					
<b>Total Debt Service</b>	<b><u>12,301,500</u></b>	<b><u>12,303,625</u></b>	<b><u>12,301,750</u></b>	<b><u>12,300,875</u></b>	<b><u>12,300,875</u></b>
<b>Net Operating Income<sup>5</sup></b>	<b>(4,452,500)</b>	<b>(4,036,625)</b>	<b>(3,786,750)</b>	<b>(3,531,875)</b>	<b>(3,267,875)</b>
<b>Debt Service Coverage<sup>5</sup></b>	<b>0.6x</b>	<b>0.7x</b>	<b>0.7x</b>	<b>0.7x</b>	<b>0.7x</b>

**Footnotes**

1 Assumes revenues at 100% occupancy rate and rental rate of \$4,355 / semester opening Fall 2024/Fiscal 2025. Rental rate increases of 4.5% through Fiscal 2026 and 3% thereafter.

2 Assumes initial incremental salary expense of \$2.2 million growing at 3% annually.

3 Assumes same expense/GSF as other Housing System residence halls growing at 3% annually.

4 Because the bond closing must occur on or before June 30, 2021, the narrow window of time minimizes the risk of interest rate volatility. As such, debt service calculations and related projections utilize a rate of 2.5% (closer to current market conditions) instead of the higher 4.5% rate established by EDR and typically used in these analyses.

5 The Project is projected to operate at a loss, with deficits absorbed by the existing Housing System's operating capacity.