

STATE UNIVERSITY SYSTEM
BOARD OF GOVERNORS
Florida Polytechnic University
Acquisition of Phase II and Construction of Phase III

Projected Internal Rate of Return (IRR)

Time	Fiscal Year	University Contribution	Project Costs	Gross Revenue ¹	Operating Expenses	Net Revenue	Annual Debt ² Service	Project Cash Flows	Levered Cash Flows
0	2023	-	66,350,842	-	-	-	1,327,400	(66,350,842)	(1,327,400)
1	2024	-	-	4,016,063	1,367,272	2,648,791	4,261,173	2,648,791	(1,612,382)
2	2025	-	-	8,454,235	2,411,816	6,042,419	4,255,702	6,042,419	1,786,717
3	2026	-	-	8,979,689	2,481,733	6,497,956	5,420,231	6,497,956	1,077,725
4	2027	-	-	9,249,080	2,556,185	6,692,895	5,413,655	6,692,895	1,279,240
5	2028	-	-	9,526,552	2,632,871	6,893,682	5,413,407	6,893,682	1,480,275
6	2029	-	-	9,812,349	2,711,857	7,100,492	5,414,392	7,100,492	1,686,100
7	2030	-	-	10,106,719	2,793,212	7,313,507	5,416,139	7,313,507	1,897,368
8	2031	-	-	10,409,921	2,877,009	7,532,912	5,413,367	7,532,912	2,119,545
9	2032	-	-	10,722,218	2,963,319	7,758,899	5,416,074	7,758,899	2,342,825
10	2033	-	-	11,043,885	3,052,219	7,991,666	5,413,697	7,991,666	2,577,970
11	2034	-	-	11,375,201	3,143,785	8,231,416	5,411,234	8,231,416	2,820,182
12	2035	-	-	11,716,457	3,238,099	8,478,359	5,413,404	8,478,359	3,064,955
13	2036	-	-	12,067,951	3,335,242	8,732,710	5,409,642	8,732,710	3,323,068
14	2037	-	-	12,429,990	3,435,299	8,994,691	5,409,947	8,994,691	3,584,744
15	2038	-	-	12,802,889	3,538,358	9,264,532	5,413,754	9,264,532	3,850,778
16	2039	-	-	13,186,976	3,644,509	9,542,467	5,415,499	9,542,467	4,126,968
17	2040	-	-	13,582,585	3,753,844	9,828,741	5,414,899	9,828,741	4,413,842
18	2041	-	-	13,990,063	3,866,459	10,123,604	5,411,672	10,123,604	4,711,932
19	2042	-	-	14,409,765	3,982,453	10,427,312	5,415,534	10,427,312	5,011,778
20	2043	-	-	14,842,058	4,101,927	10,740,131	5,410,639	10,740,131	5,329,492
21	2044	-	-	15,287,319	4,224,984	11,062,335	5,411,987	11,062,335	5,650,349
22	2045	-	-	15,745,939	4,351,734	11,394,205	5,413,729	11,394,205	5,980,476
23	2046	-	-	16,218,317	4,482,286	11,736,031	5,410,302	11,736,031	6,325,730
24	2047	-	-	16,704,867	4,616,754	12,088,112	5,416,422	12,088,112	6,671,691
25	2048	-	-	17,206,013	4,755,257	12,450,756	5,415,959	12,450,756	7,034,797
26	2049	-	-	17,722,193	4,897,915	12,824,278	5,413,632	12,824,278	7,410,647
27	2050	-	-	18,253,859	5,044,852	13,209,007	5,413,874	13,209,007	7,795,133
28	2051	-	-	18,801,475	5,196,198	13,605,277	5,410,839	13,605,277	8,194,438
29	2052	-	-	19,365,519	5,352,084	14,013,435	5,408,962	14,013,435	8,604,474
30	2053	-	-	19,946,484	5,512,646	14,433,838	5,407,394	14,433,838	9,026,444
				\$ 397,976,631	\$ 110,322,175	\$ 287,654,456	\$ 161,414,555	\$ 221,303,614	\$ 126,239,901

Project (Un-levered) IRR ³ = 10.80%
Levered IRR ⁴ = 45.61%

Footnotes

- 1) Assumes rental rate increases of 9% in FY24, 4.5% in FY25 & FY26, and 3% thereafter.
- 2) For the purpose of calculating IRR above, potential earnings on the capitalized interest account and debt service reserve fund are not net against annual debt service.
- 3) *Project (Un-levered) IRR* reflects a calculated return assuming the Project was fully funded with University cash equity; i.e. no debt financing.
- 4) *Levered IRR* takes into account debt-financing and the lack of equity contribution by the University.