STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
November 6, 2025

SUBJECT: Authorization of Public-Private Partnership – USF Fletcher District

PROPOSED COMMITTEE ACTION

Adopt a resolution approving the University of South Florida's proposed Fletcher District project and authorize the Board of Trustees to enter into a master development agreement, and related documents, with ACE Fletcher, LLC, to design, build, finance, own, operate, and maintain the project on the University's campus as well as enter into respective ground subleases with component sublessees. Said approval and authorization being contingent on the following:

1) Legislative authorization of the Project.

2) Extension of the University's master ground lease (with the State) on the subject parcel of land, as well as approval of the proposed 99-year ground subleases, as needed.

3) Amendment of the University's campus master plan to incorporate the Project.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7(d), Florida Constitution; Sections 1013.171 and 1010.62, Florida Statutes.

BACKGROUND INFORMATION

The University of South Florida (USF or University) is seeking approval of a public-private partnership (P3) to design, build, finance, own, operate, and maintain a mixed-use development known as the Fletcher District (the Project), where all members of the USF community; students, employees, alumni, and local partners, can "live, work, learn, and play".

This first phase will develop approximately 27 acres of the total 138 acres of undeveloped land, formerly the site of USF's golf course. The Project will include multiple asset types; student housing, multi-family housing, hotel and conference center, retail, and USF-developed academic research, totaling over 980,000 sq ft of space and over $268M cost, in aggregate. Developer and USF will have the option to mutually agree to develop an additional 20 acres (approximately) of cottage-style, single-family rental housing, contingent on the lease-up of the initial multi-family housing units.

USF will enter into a development agreement with ACE Fletcher, LLC, as master developer whose members are Capstone Development Partners, Capstone

Communities, Aureate Development, and Ellison Development. USF will also enter into separate ground subleases with each entity or entities developing the particular component assets of the Project, excluding the USF-developed academic research asset Design will commence in late 2025, followed by construction starting in spring 2026 and completion in July 2028.

Remuneration to USF will be in the form of ground lease rent from the various Project asset components. Rent for the Student Housing and Multi-family Housing will be in the form of profit sharing, which, over the 40-year lease term, USF projects to generate over $509M. The Hotel and Retail components will generate annual ground lease rent of $200,000 and $100,000, respectively, with a 2% annual escalation factor over the proposed 99-year lease term. Per USF, proposed ground rents for Hotel and Retail are consistent with industry standards and align with the local market. Rent for the Housing components, as profit-sharing rather than fixed ground rent, aligns with USF's existing student housing P3 (The Villages) developed in 2015. Lastly, in addition to ground lease rent for the Retail and Hotel components, should the Project prove extraordinarily successful and certain revenue thresholds are met, USF will receive further remuneration via performance-based mechanism, such as a percentage of rent or profit-sharing. Per USF, the Developer agreed to this provision, but the details have not yet been negotiated.

Brailsford & Dunlavey (B&D), a national consultant/advisor, was engaged to perform an assessment and demand analysis of the Project. B&D's analysis found supporting demand for all Project components.

USF finds the Project consistent with its Strategic Plan and will provide a unique opportunity for student experiential learning. Students will gain hands-on experience operating and managing retail, hospitality, residential, and corporate enterprises. Furthermore, the Project is envisioned as a cultural hub, showcasing student and faculty art, and musical and theatre performances.

Based on a review of the information provided by USF, the proposed Project appears to comply with Florida Statutes governing the ground lease and it generally aligns with the SUS Public-Private Partnership Guidelines.

The USF Board of Trustees approved the proposed Fletcher District Project on September 9, 2025.

Supporting Documentation Included:

1. Authorizing Resolution
2. Project Summary
3. Project Map
4. Project Remuneration to USF
5. Pro Forma – Student Housing
6. Pro Forma – Multi-Family Housing
7. Pro Forma – Hotel / Conference
8. Pro Forma – Retail
9. Div. of Bond Finance Memorandum

10. Special Counsel Memorandum
11. SGA Statement of Support

Facilitators/Presenters: USF Representatives