

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Florida Gulf Coast University
Employee Housing Project; \$25M Bonds

Estimated Sources and Uses of Funds

Assumed Interest Rates ¹

<u>Sources of Funds</u>	<u>4.10%</u>	<u>5.00%</u>	<u>5.75%</u>
Bond Par Amount ²	\$ 25,000,000	\$ 22,540,000	\$ 20,770,000
University Cash Contribution ³	1,338,694	3,885,495	5,709,796
Interest Earnings ⁴	265,744	265,774	265,774
Total Sources of Funds	<u>\$ 26,604,438</u>	<u>\$ 26,691,269</u>	<u>\$ 26,745,571</u>
<u>Uses of Funds</u>			
Project Cost ⁵	\$ 24,737,784	\$ 24,737,784	\$ 24,737,784
Capitalized Interest ⁶	1,366,684	1,502,685	1,592,387
Cost of Issuance ⁷	500,000	450,800	415,400
Total Uses of Funds	<u>\$ 26,604,468</u>	<u>\$ 26,691,269</u>	<u>\$ 26,745,571</u>

Footnotes

1) The Sources & Uses above show three different scenarios in accordance with the assumed interest rates. According to DBF, the sizing of the Bonds will be determined by credit rating, market conditions, and interest rates. The not-to-exceed amount of \$25M anticipates that a lower interest rate will allow FGCU to increase the bond par amount and decrease the FGCU Foundation's cash contribution amount. Ultimately, DBF will size the Bonds in light of market conditions such that Project debt service coverage remains at least 1.20x, as required by the SUS Debt Management Guidelines.

2) Bond par based on 30-year, fixed-rate, tax-exempt bonds.

3) Reflects the estimated potential range of the University cash contribution. The final amount will be determined at bond pricing based on maximizing the par amount of bonds issued (up to \$25 million) using the actual interest rate on the bonds while complying with the 1.20x annual debt service coverage ratio. FGCU's cash contribution will come from the administrative overhead auxiliary (which currently has over \$14M in its unrestricted balance).

4) Interest earned on invested balances in the Construction Fund during construction, based on 2% interest rate, through 1/1/2027.

5) Project cost of \$24.7M include \$21.6M in construction, design, equipment, a \$2M developer fee, and \$1.49M (7% of the total project cost net of the developer fee) in contingencies.

6) Funds used to pay interest-only debt service during construction. Estimated based on 16-month construction, 5.00% interest rate, and developers' anticipated draw schedule.

7) Includes an Underwriter's discount (2% of Bond par) and cost of issuance.