

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Florida International University
\$238.5M Student Housing Facility

Historical and Projected Debt Service Coverage

	<u>Historical</u>					<u>Projected</u>				
						<-- construction phase -->		(Project Opens)		
	FY 2021 ²	FY 2022 ²	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Operating Revenues¹										
Existing Housing System ³	\$26,393,015	\$26,255,945	\$31,469,555	\$31,783,613	\$32,631,722	\$35,465,283	\$35,406,919	\$37,531,334	\$39,043,847	\$40,215,162
Proposed Student Housing Project ⁴	-	-	-	-	-	-	-	-	14,891,647	15,338,396
Other Income ⁵	975,791	1,308,596	1,623,431	1,942,101	1,805,280	1,953,994	1,911,101	2,005,808	2,248,000	2,345,500
Interest Income ⁶	891,879	492,412	387,696	836,504	951,492	569,691	525,000	550,000	550,000	550,000
Total Operating Revenues	\$28,260,685	\$28,056,953	\$33,480,682	\$34,562,218	\$35,388,494	\$37,988,968	\$37,843,019	\$40,087,142	\$56,733,494	\$58,449,058
Operating Expenses⁷										
Existing Housing System	9,785,886	16,148,770	16,438,956	17,731,379	16,817,898	19,482,618	18,791,941	19,632,128	20,058,575	20,712,981
Proposed Student Housing Project	-	-	-	-	-	-	-	-	5,444,623	5,553,515
Total Operating Expenses	9,785,886	16,148,770	16,438,956	17,731,379	16,817,898	19,482,618	18,791,941	19,632,128	25,503,198	26,266,496
Total Net Operating Income⁸	\$18,474,799	\$11,908,183	\$17,041,727	\$16,830,838	\$18,570,596	\$18,506,351	\$19,051,078	\$20,455,014	\$31,230,296	\$32,182,562
Annual Debt Service										
Existing Housing System	7,285,730	6,543,575	10,454,075	10,454,975	10,516,725	9,705,725	9,699,825	9,697,325	8,340,481	8,346,269
Proposed Student Housing Project ⁹	-	-	-	-	-	-	15,999,375	13,713,750	17,338,750	17,335,313
Capitalized Interest ¹⁰	-	-	-	-	-	-	(15,999,375)	(13,713,750)	-	-
Estimated Annual Debt Service	\$ 7,285,730	\$ 6,543,575	\$ 10,454,075	\$ 10,454,975	\$ 10,516,725	\$ 9,705,725	\$ 9,699,825	\$ 9,697,325	\$ 25,679,231	\$ 25,681,581
Debt Service Coverage	2.54x	1.82x	1.63x	1.61x	1.77x	1.91x	1.96x	2.11x	1.22x	1.25x

For informational purposes only:

University reimbursements to Housing⁸

Theoretical debt service coverage:

2,115,511 2,178,977

1.30x 1.34x

Data provided by the University

Footnotes

1) Operating revenues assume BOT-approved rental rate increases as follows: 4.70% for FY25 and 6% annually from FY26-FY28. The University assumes a 3% rental rate increase for FY29 and thereafter.

2) Adjusted for HEERF COVID Funding: FY21 (\$10,892,663); FY22 (\$1,922,711).

3) FY27-30 revenues are adjusted to reflect the demolition of 195 beds in the University Apartments complex.

4) Assumes an occupancy rate of 95%, opening in Fall 2028 (FY29) with starting rental rates at \$5,900 (4 bedroom) and \$6,200 (studio) per semester.

5) Comprised of application and cancellation fees, conference revenue (not allocated to the buildings themselves), and damage reimbursements.

6) Interest derived from investing realized earnings from operations.

7) Operating expenses data provided by the University, which includes costs associated with salaries, utilities, routine maintenance, supplies, and repairs, less depreciation expense.

8) The University elected to demolish three (3) older residence halls (no debt outstanding on them), totaling 195 beds, to provide a location for the newly constructed "Healthcare Affiliate" building, from which FIU will receive lease/rental income for specific allocated space therein. Because the three dormitories were removed from the Housing System's inventory earlier than expected, the University chose to compensate the Housing System in the form of "lost rent", estimated at over \$2M annually for 10 years (i.e. the estimated useful life of the demolished beds), beginning in FY29. This pmt is elective on the part of the University, and it is not part Pledged Revenue securing the Bonds, so it is not included in the NOI or DSC calculations above (it has been disclosed above for informational purposes, at University request).

9) Assumes an interest rate of 5.75% (the State's rate for long-term debt) with a principal amount of \$238.5M and level debt service.

10) Approximately twenty-four (24) months of capitalized interest, at a 5.75% rate, to be paid from bond proceeds through the construction period (6/1/2028).