STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Florida Polytechnic University
Housing Phase IV and Dining Facility
Public-Private Partnership

Project Summary

Project Description:

The Florida Polytechnic University ("FL Poly" or the "University") is requesting authorization from the Board of Governors (the "Board") to enter into a public-private partnership ("P3") to design, build, finance, own and operate a multi-use development (the "Project") on approximately 7 acres of the University's 170-acre formal campus (not including two undeveloped 180-acre parcels).

The Project will include three primary components: (1) an approximately 156,000 sq. ft., 600-bed housing facility ("Housing Facility"); (2) an approximately 25,000 sq. ft., 500-seat dining hall that will replace the University's existing smaller dining facility ("Dining Hall"); and (3) supporting 500 spaces of surface-level parking ("Parking"), together with associated site work, landscaping, and utility infrastructure. The site is presently occupied by the existing dining facility, pedestrian circulation and green space.

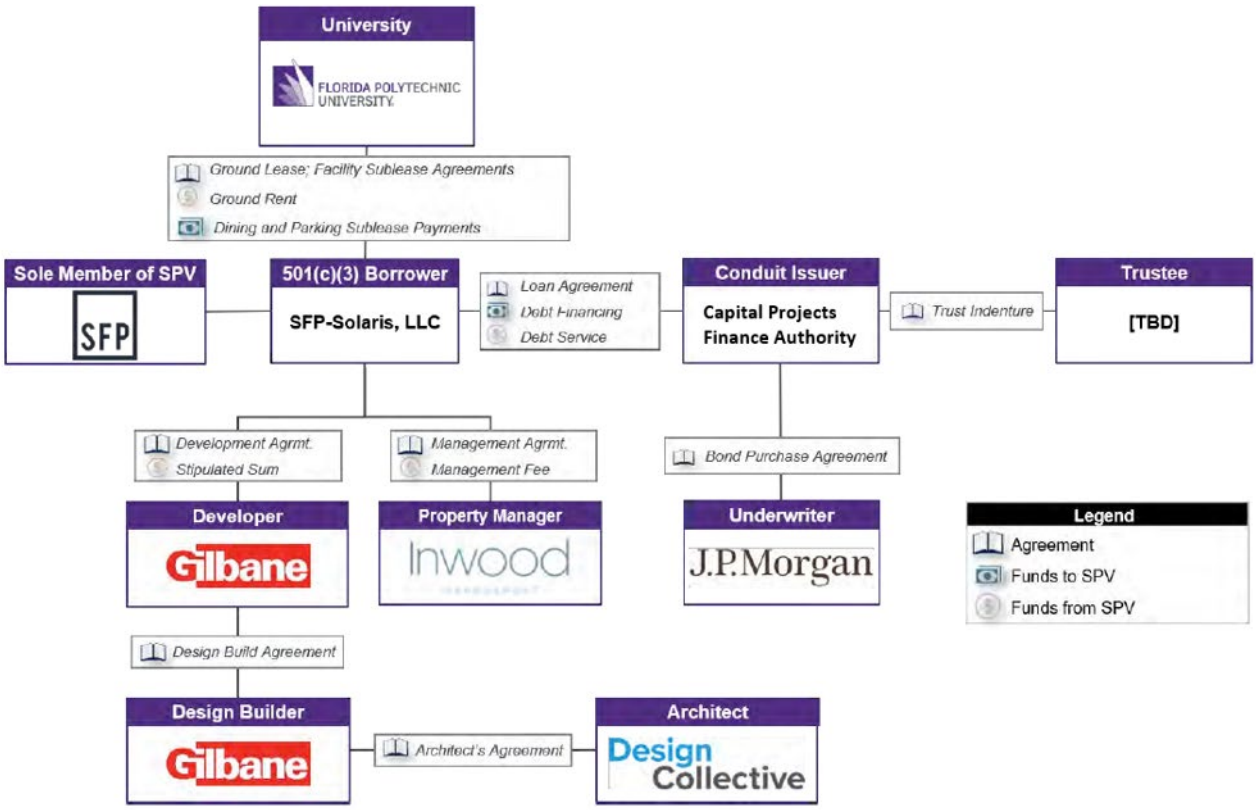
The FL Poly Board of Trustees (the "BOT") approved the Project on August 11, 2026, and the Project is included in the University's approved Campus Master Plan, as amended September 18, 2026.

P3 Structure:

The University selected Gilbane Development Company ("Gilbane" or "Developer") to serve as developer. Gilbane Building Company will serve as design-builder, and Design Collective, Inc. as architect.

On August 27, 2026, the University and Gilbane entered into a Preliminary Development Agreement to further Project design and documents. In order to stay on track with its intended construction timeline, on **September 18, 2026, the BOT approved a predevelopment budget of approximately $4.3M**, the cost of which will be borne upfront by Gilbane and reimbursed from bond proceeds at closing. If the Project is not authorized or closing does not occur, FL Poly will be required to reimburse Gilbane for expenses incurred (plus a 6% 'administrative fee') up to the approved budget.

The University will lease 7 acres of its campus to SFP – Solaris, LLC, ("SFP"), who will design, build, finance, and own the Project. SFP is a wholly-owned subsidiary of Strategic Facility Partners, Inc., an Ohio non-profit corporation (the "Sponsor") registered to do business in Florida. SFP will engage Gilbane under a Development Agreement to deliver the Project on a fixed, all-inclusive stipulated-sum basis, and will engage WGB Property Management LLC (the "Property Manager"), a Gilbane-related entity, to manage the Housing Facility. **The Dining Facility and Parking will be managed, operated, and maintained by FL Poly.**



The term of the Ground Lease is fifty (50) years, during which the title to all improvements vests with SFP and will automatically vest in the University at expiration or earlier termination. FL Poly will have the option, at any time during the ground lease term and subject to the bond documents, to acquire the Project at a purchase price equal to the outstanding bonds (plus any prepayment premium, accrued interest, other charges due under the bond documents) and SFP's reasonable third-party costs. If the bonds have been paid in full, no purchase price is payable.

SFP is governed by a Board of Managers (the "BOM") composed of University faculty, staff and/or Polk County community leaders with demonstrated experience in university housing and governance, higher education, business and real estate. The BOM holds final approval authority over the Project's annual budget, rental rates and capital projects. Resident policies and operating procedures are governed by a committee of two University appointees, two Property Manager appointees and one SFP appointee.

Project Components: **Housing Facility**

The Housing Facility will deliver approximately 600 total beds in 203 units across approximately 156,442 gsf, to include social areas, community kitchen and laundry facilities. The unit mix is predominantly (74%) double-occupancy semi-suite, along with some single-occupancy and RA units; see chart below:

Unit Type	Units	Beds	% of Beds	Total Unit GSF
2-bedroom semi-suite, double occupancy	99	396	65.70%	61,974
2-bedroom semi-suite, single occupancy	68	136	22.60%	28,016
3-bedroom ADA, double occupancy	17	51	8.50%	9,962
Resident Assistant semi-suite singles	18	18	3.00%	5,364
Staff apartment (2 BR / 2 BA)	1	2	0.30%	950
Total	**203**	**603**	**100%**	**106,266**

While FL Poly students will be given priority for available Housing units, eligible residents include University faculty and staff, persons participating in 3rd-party sponsored programs/conferences pre-approved by the University, and students of other accredited institutions of higher education.

According to the University, rental rates for the Housing Facility (see chart below) are consistent with its existing housing system, and include furnishings and utilities.

Project's Housing Facility Rental Rates

Unit Type	Rate per Semester (Fall 26-27)
2-bedroom semi-suite, double occupancy	$4,430
3-bedroom ADA, double occupancy	$4,430
2-bedroom semi-suite, single occupancy	$5,908
Resident Assistant beds and staff apartment	No charge

Demand for single-occupancy beds is anticipated to exceed supply after delivery of the Project, as students prefer single-occupancy units, thus supporting the higher rental rates. Each year, the University will propose rental rates as part of the annual budget process, the rates of which are subject to the final approval of SFP's BOM.

Dining Hall

The proposed Dining Hall will be approximately 25,000 sq. ft., accommodate 500 seats, and will replace the University's existing dining facility. According to the University, the existing facility was sized for a substantially smaller campus population and needs substantial renovation to address accumulated deferred maintenance. As such, it cannot accommodate the University's planned enrollment growth. FL Poly will lease the Dining Hall from SFP, paying rent in the form of a "Dining Facility Fee" from dining surplus revenues projected by the University's dining service provider, Chartwells (to be described later in this document).

Parking

The Parking component is comprised of surface-level parking that is anticipated to primarily serve residents and guests of the Project but will augmenting overall parking capacity to the general campus population. The surface-level lot is expected to contain roughly 500 net new spaces after replacing 149 spaces lost to the Project's construction footprint. FL Poly will pay SFP a "Parking Capital Contribution" over 12 years to repay the upfront cost of Parking and help pay Bond debt service (in the initial project periods) attributable to the portion of debt used to finance parking costs.

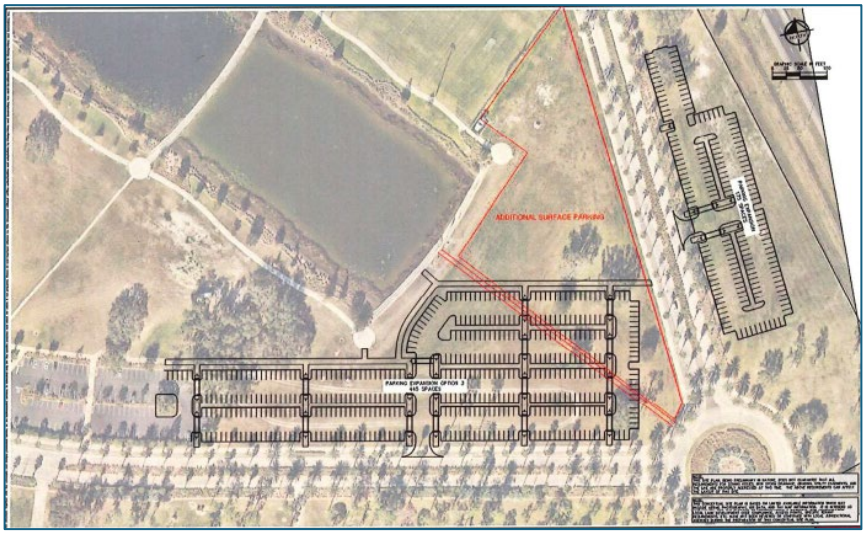
Project Site
Site Location:

The Project will be located in the north-central portion of the University campus immediately south of the Admissions Center and north of The Phoenix (wellness center). The parcel totals approximately 7 acres of the University's 170-acre developed campus (not including two 180-acre undeveloped parcels). An aerial view of the site is provided below (also, see attached '***Campus Land Use Map***').

Site for Housing and Dining (the Site)



Location of Surface Parking (south of the Site)



Project Start and Completion Date:

Design of the Project commenced in June 2026. Construction is anticipated to begin in December 2026, with substantial completion by June 2028, opening August 2028 (for the Fall semester).

If the Housing Facility does not achieve substantial completion timely, the University will relocate affected residents into off-campus hotels or similar

accommodations until the Housing is complete, and the Developer will pay liquidated damages on a per-bed, per-day basis until affected residents can take occupancy. Liquidated damages do not apply to late delivery of the Dining Facility or the Parking Facility.

Demand for Project: **Housing**

The University's existing housing offerings consist of 1,185 beds in three facilities; a 200-bed P3 built in 2014 as well as the 2016 P3 that was acquired with the 2023 bond issue that constructed a third residence hall (the latter two constituting FL Poly's 'Housing System'). The newest residence hall, built with the 2023 bond issuance, did not achieve full lease-up (99% occupancy) at inception; first year was 84%, followed by 92%, and now is 99% for fall 2026.

The University carried a housing waitlist of 99 students for Fall 2026 and is pursuing short-term hotel arrangements for the FY27 and FY28 academic years.

According to FL Poly, enrollment is projected to grow from 1,943 in Fall 2025 to 3,242 in Fall 2028, which exceeds the 2,760 headcount in its approved 2026 Accountability Plan. For Fall 2026, applications increased 36% and tuition deposits increased 45% over the prior year, and 85% of the growth in admitted in-state students came from outside Polk County ("non-local students"). Non-local students are captured in on-campus housing at 74% compared with 13% for Polk County students.

In spring 2025, the University engaged Brailsford & Dunlavey ("B&D"), an independent national consulting firm, to conduct a Student Housing Demand Assessment (the "Study"), which was updated in July 2026. The Study estimated sufficient projected demand for the Housing Facility's 600 beds, as summarized below:

Fall	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Full-time enrollment	2,131	2,450	3,006	2,958	3,077	3,170
Total projected demand (beds)	1,315	1,542	1,963	1,903	1,987	2,053
Projected capture rate	**62%**	**63%**	**65%**	**64%**	**65%**	**65%**
Unmet demand (based on existing supply)	**130**	**357**	**778**	**718**	**802**	**868**
Supply with the Project	—	—	1,786	1,786	1,786	1,786
Remaining unmet demand	**—**	**—**	**177**	**117**	**201**	**267**

Demand for the Housing Facility is based entirely on projected enrollment growth. B&D cited drivers for projected growth as (i) the University having "overhauled its enrollment management and recruiting strategy", and (ii) "a new varsity athletic initiative, beginning in Fall 2026, will further support demand for housing."

B&D noted that delivering 601 student beds in a predominantly double-occupancy configuration requires the University to continue growing its non-local (i.e., outside Polk County) enrollment share and to actively manage housing assignments, as a student survey conducted by B&D indicated students overwhelmingly prefer single-occupancy units.

Off-Campus Options

Currently, the off-campus market cannot absorb projected demand, as no student housing exists or is in the development pipeline proximate to the University. Only 437 apartment units exist within five miles of campus, they are 94% occupied, and none are marketed to students. The average apartment property within 10 miles was built in 1975. Students living off campus report paying an average of $840 per month (including utilities) and commute approximately 30 minutes each way. The Polk County development pipeline consists almost entirely of master-planned single-family communities, workforce and affordable housing.

The University has been working with the landowner of surrounding property (Williams Company) regarding its development. The owner is currently conducting feasibility studies for the property, but has not committed to developing it at this time. Note, related affiliation agreements or marketing for such a project may be limited by the terms of the proposed P3.

Dining Hall

In January 2026, B&D conducted a study to optimize the University's campus dining plan with the goal of emphasizing a dining environment and experience that attracts all campus community members while complementing FL Poly's residential life program. B&D found that, currently, the campus community perceived a lack of value with current dining offerings; there are no retail or grocery options within a mile of campus; and the campus community desires an improved all-you-care-to-eat (AYCTE) venue and additional retail offerings.

According to the Study, the existing 406-seat dining hall, "The Fuse", has excess seating capacity at peak times, but the back-of-house areas limit its ability to accommodate additional dining demand. In light of projected enrollment growth, the Study supported demand for a new dining hall with various recommendations, including the following:

- Shifting to a *continuous dining operating model* (remain open between meal periods).
- Initiate a competitive ITN process to optimize the dining operating agreement terms and conditions.
- Develop 3-5 retail venues in the Student Achievement Center, to serve as the primary hub of retail dining on campus.
- **Plan for future replacement of The Fuse with a new AYCTE facility, delivered concurrently with the new housing**

Parking

According to the University, there is an immediate need for roughly 150-200 parking spaces, and current capacity will not accommodate any near-term enrollment growth. Furthermore, the Project 'footprint' requires removing 149 existing spaces, while adding demand via new on-campus Housing Facility. Consequently, demand for the Parking component is well supported.

Project Cost:

The Project will be financed with the proceeds from an issuance of approximately $101.7M in Housing Revenue Bonds, together with capitalized interest ($11.5M), bond insurance ($3.2M), underwriter's discount and cost of issuance ($2.2M), and funded reserves (see the section titled 'Financing Structure' below). SFP is working with its design-build team to finalize drawings towards a pricing set that will inform subcontractors bids and ultimately, a firm fixed price. Below are indicative ranges of the Project component costs:

Estimated Component Costs	
Housing Facility	$50M - $55M
Dining Hall	$11M - $14M
Parking	$4M - $6.5M
Total:	$65M - $75.5M

Based on the top end of the range for Housing' ($55M) **the per-bed cost is the lowest in the SUS since pre-COVID levels, standing in stark contrast to years of ascending project costs.** See chart below:

Per-Bed Cost Comparison [1]

Approval Date	Univ.	Location	Beds	Cost Per Bed	Notes
26-Nov	FL Poly	Lakeland	600	**$91.7K**	Proposed P3 Project
26-Jun	FSU	Tallahassee	1200	**$237.0K**	
26-Jun	UF	Gainesville	2217 [2]	**$182.4K**	
26-Jan	FIU	Miami	1174	**$211.3K**	
26-Jan	UF	Gainesville	1101	**$195.0K**	
24-Jun	FAU	Boca Raton	670	**$160.5K**	
23-Oct	FAMU	Tallahassee	700	**$121.4K**	
23-Sep	UNF	Jacksonville	521	**$147.6K**	
Jan-23	FL Poly	Lakeland	430	**$95.6K**	
Sep-22	USF	Sarasota-Manatee	200	**$105.0K**	
Mar-21	UF	Gainesville	1400	**$157.0K**	
Mar-20	FIU	Miami	700	**$125.0K**	
Jan-20	FSU	Panama City	400	**$57.8K**	P3 project. Frame const.
Apr-19	FAU	Boca Raton	616	**$87.8K**	
Apr-19	FAU	Jupiter	165	**$91.8K**	Includes parking
Nov-18	USF	St. Petersburg	375	**$78.7K**	
Nov-18	FAMU	Tallahassee	700	**$85.7K**	

1) Based on data from original Board approved Project Summary reports.

2) Includes 1101 (phase 1) beds, Board approved 26-Jan, for overall per-bed cost calculation.

The Developer will deliver the Project for a fixed, all-inclusive Stipulated Sum that covers all costs and expenses necessary to complete the Project. Gilbane represents that the Stipulated Sum includes a reasonable contingency for cost overruns and estimation errors, and it will be solely responsible for costs exceeding the Stipulated Sum (excluding approved change orders, including those requested by the University).

Financing Structure:

The Project will be financed through the issuance of tax-exempt (and taxable, if necessary) revenue bonds (the "Bonds") by Capital Projects Finance Authority (CPFA), as conduit issuer. CPFA will lend the bond proceeds to SFP under a Loan Agreement to finance the Project. SFP's obligations will be secured by a leasehold mortgage on its interest in the Ground Lease and the Project. The financing plan is highlighted as follows:

- Bond aggregate principal amount of approximately **$101.7M** ($94.115M 'senior' and $7.54M 'subordinate')
- Interest rate of **6.01%** (TIC), as of 10/22/2026.
- Debt service on the Bonds is based on a **40-year term**, with final maturity in 2067.
- Whole or partial **deferral of principal amortization on the Bonds** (senior and subordinate) resulting in ascending annual debt service. Level debt service begins in 2039 at approximately $7.7M per year.
- Capitalized interest is sized to fund (i) interest-only debt service through construction, and (ii) **part of debt service in the first year of operations**.
- Debt service coverage of **over 1.20x in every year on the 'Senior" Bonds.** Similar coverage on the 'Subordinate' Bonds is below 1.10x.
- An initial $350,000 deposit to an '***Operations Contingency Fund***', with annual contributions resulting in an aggregate Fund balance of over $1M by 2067, assuming the Fund is never utilized.
- Annual deposits to a '***Repair and Replacement Fund'*** beginning at $150 per bed per year, escalating 3% annually. This will be further supplemented by 20% of *Net Available Cash Flow* from the Project.
- Subordination of certain operating expenses, including the '***University Administrative Services Fee***' (the cost of which will be borne by the University and reimbursed only if there is sufficient cash flow after senior debt service).
- The bonds are payable from net Project revenues, which includes: Housing Facility rental revenue; **FL Poly lease payments to SFP** (to lease the Dining Hall); and **FL Poly capital contributions to SFP** (to pay for the cost of Parking).

Security/Lien Structure:

The Bonds are secured by and payable solely from Project revenues (after payment of certain operating expenses) and a leasehold mortgage on SFP's interest in the ground lease and the Project. The University's title in the land is not mortgaged nor secures the P3 Bonds.

Project revenues consist of housing rental revenue, summer conference, other revenues, as well as payment from FL Poly to SFP for use of the Dining Hall ("Dining Facility Fee") and reimbursement of the upfront cost of the Parking component ("Parking Capital Contribution").

Pursuant to the governing documents, there is a priority of payment regarding certain operating expenses and debt service on the 'senior' and 'subordinate' bonds. It directly impacts debt services coverages. Project revenues will be applied in a 'waterfall' priority pursuant to the financing documents, and the Project pro forma (see attached exhibit) is modeled to reflect this priority-of-payment structure.

The Project's obligation to pay ground lease rents to FL Poly is a residual obligation only. If *Net Available Cash Flow* in any year is zero (or negative), FL Poly receives no remuneration (nor is any accrual carried forward). Similarly, the *University Administrative Services Fee* is payable after senior lien debt service in the 'waterfall' of expenses paid in accordance with the financing documents.

Taxable Debt: Any portion of the Project that does not qualify for financing with the proceeds of tax-exempt bonds will be financed with taxable bonds. The current pro forma (attached) assumes only tax-exempt debt issued in 'senior' and 'subordinate' tranches.

Return on Investment: Per the University, because there is no private developer equity invested, and all surplus cash generated by the Project flows to the University and funds the Repair & Replacement Fund, there is no internal rate of return for the Borrower/Developer.

P3 Justification: The University has not established sufficient experience (credit history) since its inaugural bond issuance in 2023 and, based on the performance to date, cannot satisfy the 'add bonds test' provision tied to those bonds. As such, FL Poly is currently unable to issue new debt to build more supporting auxiliary facilities (housing, dining, parking, etc.). A P3 structure can provide an alternative path to construct new facilities in support of planned enrollment growth.

Remuneration to P3 Parties and FL Poly: Compensation to the P3 private parties is as follows:

- Gilbane (as Developer) will receive a '***Development Fee***' equal to **4%** of the development costs (excluding financing costs and reserves), equal to approximately **$3M**.
- Over the 40-year bond term, SFP will receive an annual '***Borrower Fee***' starting **$150,000**, escalating 3% annually, with half ($75,000) subordinated for the first 10 years.
- Over the 50-yr lease term, the Property Manager receives a '***Property Management Base Fee***', modeled at **3%** of general revenues, as well as a '***Property Management Performance Incentive Fee***' tied to key performance indicators, modeled at **1%** of general revenues. The latter is a subordinated expense.

Compensation to FL Poly is as follows:

- Over the 50-year lease term, the University will receive Ground Lease rent from SFP. Rather than a fixed payment amount, rent will be in the form of **residual net cash flow** from the Project. Specifically, FL Poly will receive 80% of '***Net Available Cash Flow***' (as defined in the governing documents) over the 50-yr term, which, according to the pro forma, equates to over $246M, or an **NPV (at 5%) of $44M**.

University Support to the Project: The financing of the Project will not be a direct legal obligation of the University, nor will the University give any guarantees regarding occupancy, debt service, operating deficits, etc. However, FL Poly will support the Project as follows:

- **Ground lease of the site.** The University will lease approximately 7 acres to SFP for 50 years to accommodate the Project.
- **Dining Facility Fee.** Pursuant to the Ground Lease (instead of a separate sublease), FL Poly will pay SFP a "Dining Facility Fee" (estimated at $768k the first year, escalating 3% annually) to lease the Dining Hall for the University's use. The Fee is payable (to SFP) semi-annually in amounts relative to the proportional share of debt service attributable to the Dining Hall component. To that extent, the University has a preexisting contract with Chartwell (food service provider) that generates commissions to FL Poly from meal plan revenues received by Chartwell. Said 'commissions' are projected at approximately $2M or more annually, providing sufficient funding (as long as the contract is in force) to cover the 'Dining Facility Fee'.
- **Parking Capital Contribution.** In connection with the Parking component, FL Poly will repay SFP over 12 years for the construction cost (approximately $4.5M) associated with the proposed surface parking. According to the University, total annual 'parking system' revenues are estimated at $325k at the time of Project opening, sufficient to cover the first year's payment ($318k). Future payments will require increased parking revenues, which will be accomplished via increased parking fee assessments and enrollment growth. Any other revenue sources used to pay the 'Parking Capital Contribution' must come from legally available sources compliant with Florida Statutes.
- **Administrative Services.** In connection with the Housing Facility, the University will perform certain supportive activities on behalf of SFP, such as the following: residential programming (security, safety and emergency response, including University Police response and live-in resident assistant staffing); marketing and website management; application, assignment and contract administration; front desk operations, key and card access control, and mail and package distribution; and student account billing, payment processing and collections. The University will receive an Administrative Services Fee as compensation to offset overhead associated with these activities. However, the fee is intended to 'offset' overhead costs incurred by FL Poly in performing its responsibilities; it is not free cash flow, and it is subordinated under the financing documents to the majority of operating expenses and debt service on the 'senior' lien bonds.
- **Limits to Additional Housing.** The University covenants (to SFP) in the Ground Lease not to construct or sponsor additional student housing within Polk County that is designed for and primarily marketed to FL Poly students unless: (i) the Project has maintained a Fixed Charges Coverage Ratio (as defined in the Trust Indenture) of at least 1.20 for the preceding two annual periods; (ii) an independent consultant projects that the ratio will not fall below 1.20 through final maturity; (iii) an independent demand study supports the additional beds; and (iv) no event of default exists under the bond documents.

Recommendation: Staff of the Board of Governors and the Division of Bond Finance have reviewed the resolution and supporting documentation provided by FL Poly. Based on this review, the proposed financing appears to comply with Florida Statutes governing the proposed lease. However, the Project deviates from the

State University System Public-Private Partnership Guidelines and, by reference, the State University System Debt Management Guidelines (together, the "Guidelines"), as follows:

- The proposed debt service structure includes approximately $2.8M in capitalized interest beyond construction completion, effectively supplementing first year operations and resulting in a $988k "surplus" cash flow. **This is a deviation from the Guidelines, which call for capitalized interest from bond proceeds to be used to pay debt service until the Project is completed**, not beyond.
- The proposed debt service is structured with full or partial deferral of principal amortization in the early years, resulting in ascending debt service through 2039. **This is a deviation from the Guidelines, which require Debt repayment to be structured with level debt service.** If debt service was structured to be level for the debt term, the project would not consistently achieve a 1.20x debt service coverage ratio (DSCR) on the 'Senior' Bonds (the standard coverage needed to achieve an investment grade rating, the level needed to support marketability to bond investors, and the minimum coverage per the Guidelines). Similar coverage on the 'Subordinate' Bonds is below 1.10x.
- The proposed financing structure calls for a debt term of 40 years. **This is a deviation from the Guidelines, which require debt to be structure over a maximum term of 30 years.** A 40-year term is unprecedented in the SUS. Per the University, limiting the debt term to 30 years would push the DSCR below the minimum 1.20x and, in order to maintain bond investor appeal and targeted rating, would require downsizing project, downsizing the debt, raising housing rental rates, or some combination thereof.

The financial feasibility of the Project, gauged in terms of debt service coverage, is achievable only through the deferral of principal amortization, extending repayment to 40 years, and subordinating certain operating expenses (including the University's Administrative Services Fee). Otherwise, the Project is not feasible.

Furthermore, since the Board adopted the P3 Guidelines a decade ago, no proposed P3 has been authorized requiring material monetary contributions from a University to the P3 private parties to support the transaction. The proposed Project, however, is structured such that pledged revenue for Bond repayment includes FL Poly's lease payments for the Dining Hall and annual capital contributions for the Parking component, deviating from typical SUS P3 structures and without which the Project would not be financially feasible.