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Finance and Facilities Committee **MEETING**



Reauthorization to Issue Debt to Finance the Construction of a Student Residence Facility on the Modesto Maidique Campus

Background Information



- Parkview II was originally approved by the FIU BOT March 2017 and the BOG June 2017
- Perkins and Will was selected as the A/E and Moss and Associates was selected as the C/M
- Significant increases in construction costs over the past three years when project cost was originally estimated have necessitated a change in the facility program and a reauthorization of the project by the BOT and the BOG
- If approved by the BOT, the project will be considered by the BOG at their January 30, 2020 meeting; FIU has been working with both the BOG and the Division of Bond Finance on the reauthorization of the Project

Project Comparison

	ORIGINAL PROJECT*	NEW PROJECT
Number of Beds	656	697
Parking Spaces	300	0
Gross Square Feet	268,389	293,962
Total Project Cost**	\$66.5 million	\$87.5 million
Total Construction Cost***	\$52.8 million	\$73.8 million
Maximum Debt Size	\$63.0 million	\$71.8 million

**Excludes \$6 million cost of parking garage*

***Includes FF&E, Contingency, and CSR*

****Includes Telecommunications*

Project Cost Details

PROJECT COST DETAILS

Number of Beds	697
Gross Square Feet	293,962
Total Project Cost*	\$77.84 million
Total Project Cost per Bed	\$111,677
Total Project Cost per GSF	\$265
Total Construction Cost**	\$72.3 million
Total Construction Cost per GSF	\$246

**Excludes FF&E of \$3.6M, Contingency of \$2.5M, Telecommunications of \$1.5M and CSR of \$2.1M (\$9.67M)*

***Excludes Telecommunications of \$1.5M*

Student Housing Demand

- In 2016, Brailsford and Dunlavey (B&D) Housing Master Plan Update confirmed strong demand for additional student housing at MMC
- In May 2019, FIU commissioned B&D to update the Housing Master Plan to account for the impact of off-campus housing in the City of Sweetwater; the new study stated that the housing system on MMC was providing 1,055 less beds when compared to the current student demand and existing inventory
- For Fall 2019, there was a waiting list of 712 students for housing at MMC on the first day of class, compared to only 545 in the Fall of 2016
- FIU has the lowest ratio of beds to undergraduate degree-seeking students, at 8.8 percent; the SUS average is 28 percent. With the new residence hall, this ratio increases to only 10.6 percent
- FIU has the 7th lowest number of on-campus beds in the SUS; only FAMU, UNF, FPU, NCF, and UWF have fewer beds

SUS Bed Count Comparison

University	Fall 2019 Campus Beds	Percentage All Degree Seeking Undergraduates Who Live On-Campus
Florida Gulf Coast University	4,748	34.9%
Florida A&M	2,546	33.0%
New College of Florida	666	89.6%
University of North Florida	3,504	23.5%
Florida Atlantic University	4,471	19.2%
University of Florida	8,903	23.5%
Florida Polytechnic	780	56.2%
University of West Florida	1,496	15.1%
University of South Florida	6,295	19.7%
University of Central Florida	8,052	13.8%
Florida State University	6,707	20.7%
Florida International University	3,707	8.8%

Construction Cost Benchmarks



- Perkins and Will, Moss and Associates, and FIU Housing and Residential Life assisted in identifying 26 Student Housing Projects completed since 2010 to help benchmark construction costs
- Adjusted Construction Costs (5.5%/year) per GSF ranged from \$114 for 236 beds, 4-story project at UC-Davis to \$723 for 658 beds, high-rise project at UC-Hastings
- Hi-rise costs per GSF ranged from \$311 for 332 beds at Ryerson University to \$723 at UC-Hastings
- University of Miami Lakeside Village, a mid-rise project containing 1,115 beds, is under construction at a cost of \$308 per GSF
- Nova-Southeastern University Mako Hall, a mid-rise project containing 609 beds, was completed in 2018 at a cost of \$190 per GSF
- FIU Parkview I, a mid-rise project containing 620 beds, was completed in 2012, has an adjusted cost of \$224 per GSF

Construction Cost Benchmarks

- Parkview I is 6 stories tall (mid-rise) while Parkview II is 13 stories tall (high-rise)
- High-rise construction costs are higher per GSF due to greater amounts of required concrete and steel for the foundation and each floor to support greater weight and the need for greater rigidity due to wind pressure
- Greater construction costs are also reflected in mechanical, utility, and elevator systems
- A 6 to 7 percent premium for high-rise construction increases Parkview I adjusted GSF to \$237 - \$240

Estimated Cost and Financing Structure



Sources	{	Revenue Bond	\$ 71,746,369
		Interest net of Issuance Cost	170,602
		Cash Contribution ¹	23,000,000
			<hr/> \$ 94,916,971
Uses	{	Total Project Cost	\$ 87,500,231
		Debt Reserve	-
		Capitalize Interest ²	7,416,739
			<hr/> \$ 94,916,971
Terms	{	Interest Rate (tax exempt)	5.00%
		Years	30
		Annual Payment	4.82M

¹ Cash contribution from FIU Housing reserves

² 24 months of Capitalized Interest

FIU Housing System Operations



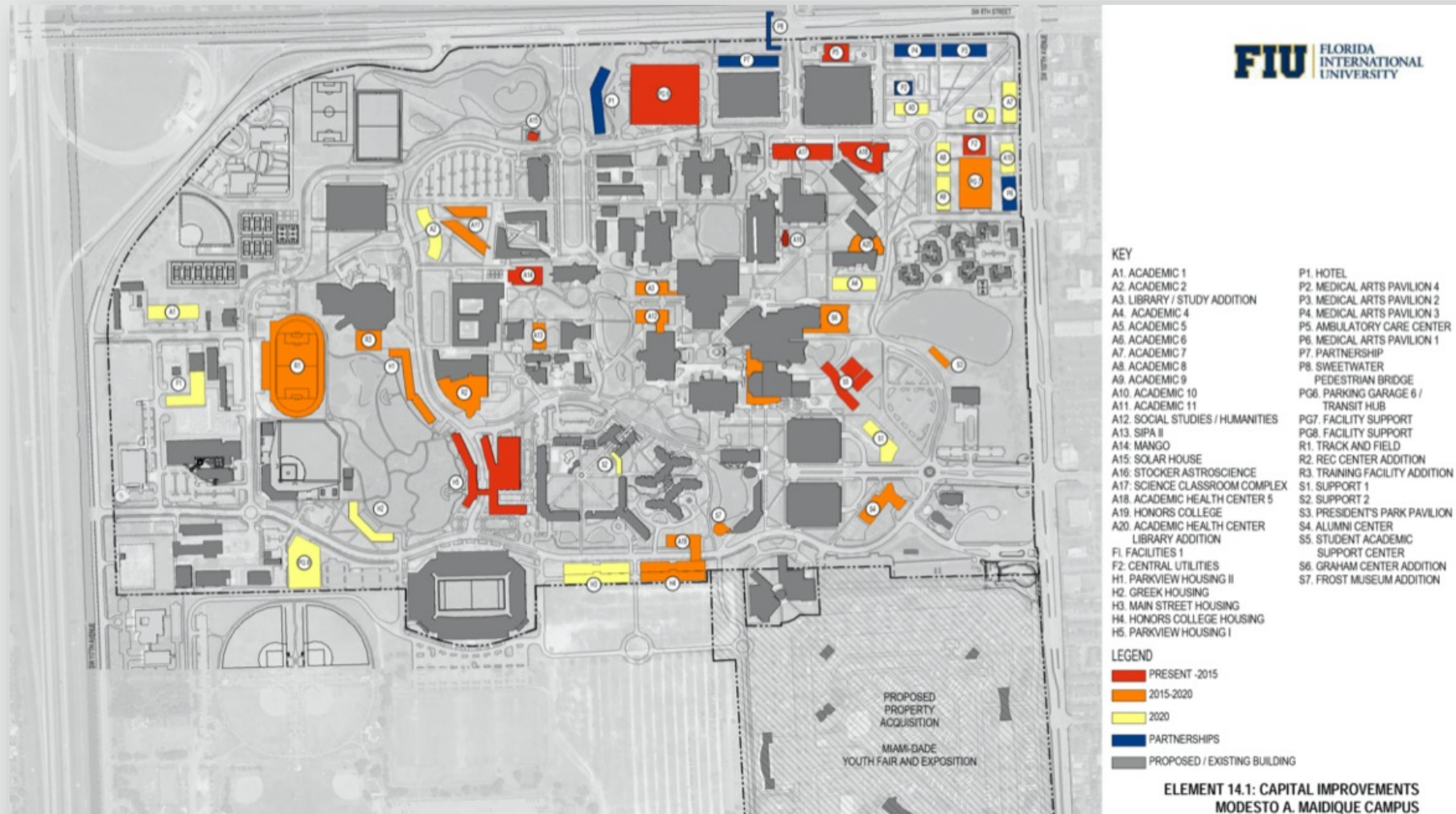
In 000's

	Actuals			Budget	Projected				
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Operating Revenue	29,792	31,053	31,056	25,850	26,250	26,667	34,073	34,413	34,758
Operating Expenses	17,692	18,574	17,902	13,333	13,542	13,813	15,857	16,174	16,498
Debt Services	7,418	7,418	7,419	7,413	7,419	7,425	12,226	12,232	12,298
Total Expenses	25,110	25,993	25,321	20,746	20,961	21,238	28,084	28,406	28,796
Net Income	4,681	5,061	5,735	5,104	5,289	5,429	5,989	6,007	5,961
Debt Service Coverage	1.41x	1.81x	1.94x	1.77x	1.80x	1.82x	1.49x	1.50x	1.49x

New Building Operations Pro Forma

<i>In 000's</i>	Projected		
	FY 2023	FY 2024	FY 2025
Revenues	7,139	7,210	7,282
Salaries and Benefits	471	480	490
Operating Expenses	1,654	1,684	1,714
OCO			
Debt Service	4,816	4,816	4,816
Total Expenses	6,941	6,980	7,019
Net Income	198	230	263
Debt Service Coverage Ratio	1.05X	1.05X	1.06X

Campus Master Plan 2010-20



Selected Site – Aerial View



Selected Site – Aerial View



Selected Site with Future Conceptual Promenade



Building Renderings



Building Renderings



- If approved by the Board of Trustees and by the Board of Governors on January 30, 2020, construction will begin early March 2020
- Construction timeline is 26 months
- Project will open for occupancy Fall 2022

Questions

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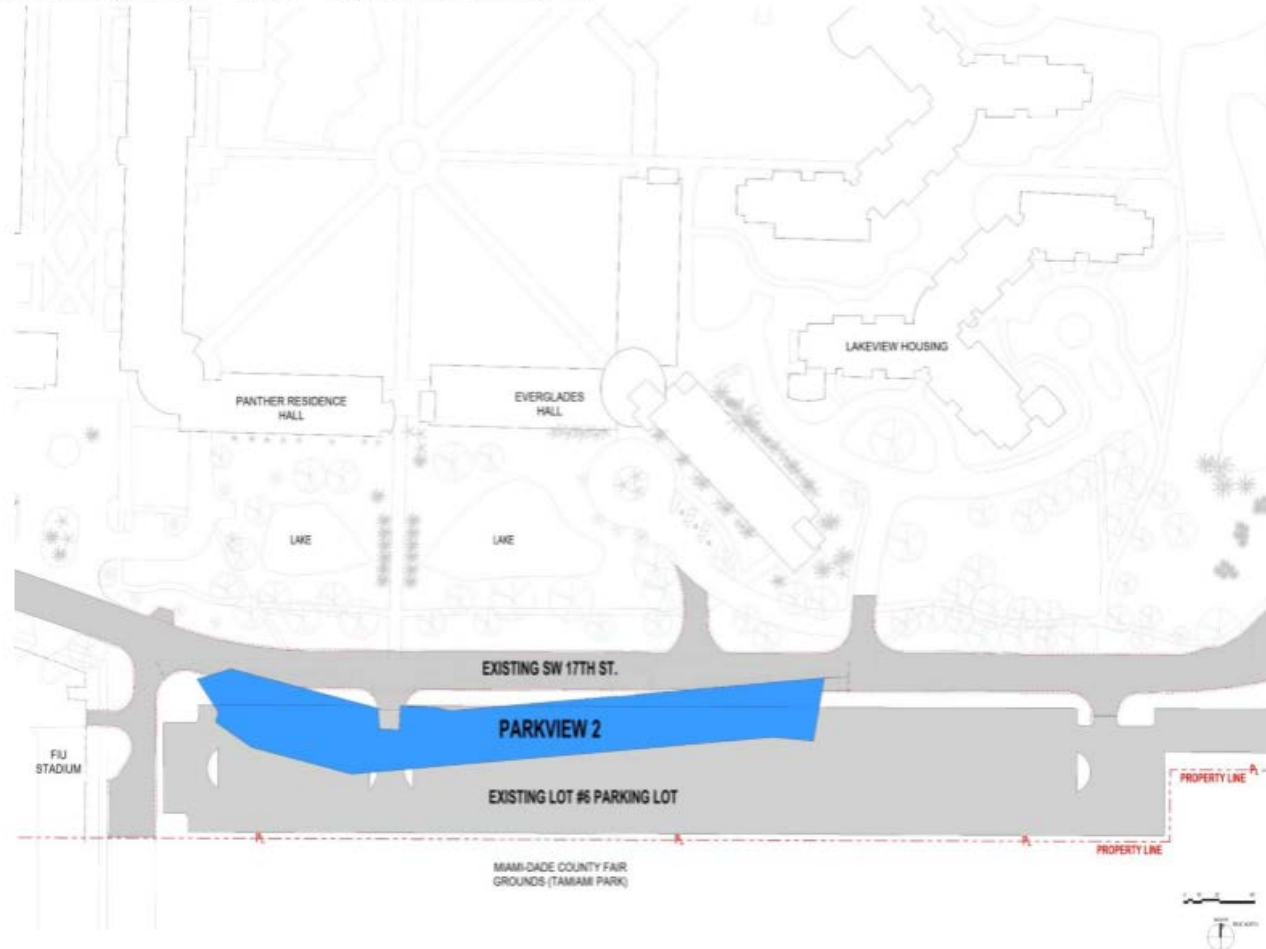
Authorization of Road Relocation

Road Relocation

- To improve student safety and to integrate Parkview housing with existing housing located north of S.W. 17th street, BOT approval is requested to relocate S.W. 17th street south to the southern FIU property line adjacent to Miami-Dade County Tamiami Park
- Approval of the project and budget authority of \$3,869,464 (\$3,685,204 plus \$184,260 contingency)
- Funding for the project will come from the Shared Services Auxiliary fund which is funded by auxiliary fees to support auxiliary operations and services
- If approved, the road relocation project will be incorporated into the Parkview II housing project construction contract

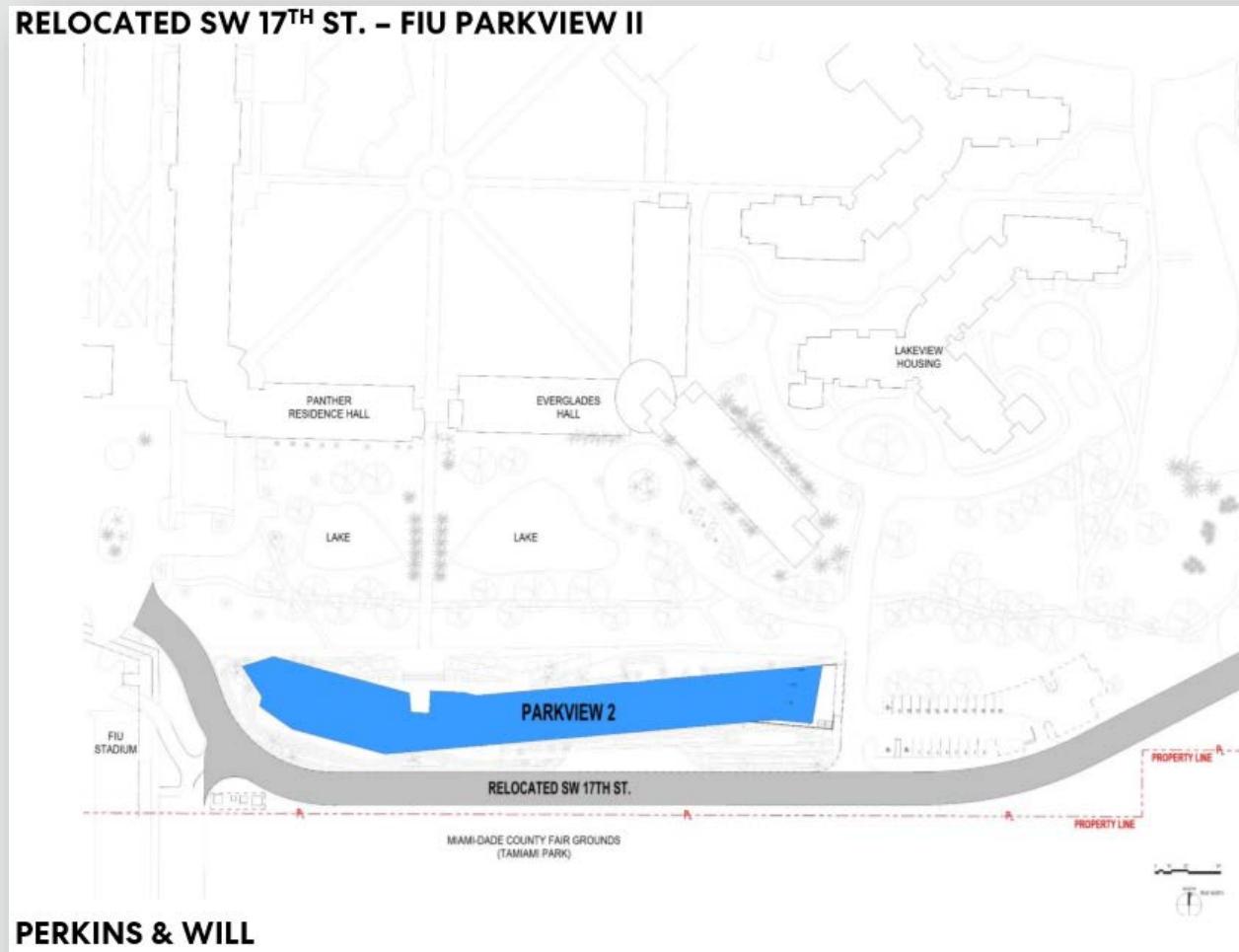
Road Relocation - Existing

EXISTING SW 17TH ST. - FIU PARKVIEW II



PERKINS & WILL

Road Relocation - Proposed



Road Relocation and Sitework Costs

MMC Parkview II Housing 2021 - Road Relocation and Sitework		
697 Private Student Bedrooms, 13 Stories, 300,064 GSF		
Description		Construction Cost
SCHEDULE OF PROJECT COMPONENTS		ESTIMATED COSTS
1. Temporary Road		\$ 250,000
2. Chilled Water Line		\$ 715,000
3. Site Lighting		\$ 100,000
4. Electrical Conduit & Wire from vault to FPL Transformer		\$ 550,000
5. Earthwork, Utilities, Site Concrete & Asphalt Paving		\$ 1,273,601
6. Landscape & Irrigation		\$ 151,400
7. Tree Grates		\$ 52,000
8. Hardscape Allowance		\$ 80,000
Subtotal Direct Cost		\$ 3,172,001
OTHER PROJECT COSTS		
9. Construction Contingency	3%	\$ 95,160
10. Sub-Guard/Sub Contractor Bonds	1.25%	\$ 40,840
TOTAL DIRECT WORK		\$ 3,308,001
11. GL Insurance	1.00%	\$ 36,852
12. CM Payment and Performance Bond	0.90%	\$ 33,167
13. General Conditions		\$ 84,230
SUBTOTAL CONSTRUCTION COST		\$ 3,462,249
14. GC Overhead	2.75%	\$ 101,343
15. GC Profit	1.25%	\$ 46,065
16. Contract Fee	2.05%	\$ 75,547
TOTAL CONSTRUCTION COST		\$ 3,685,204

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