

STATE UNIVERSITY SYSTEM OF FLORIDA
 BOARD OF GOVERNORS
 USF FINANCING CORPORATION
 USF Research Park – 2019 Mixed-Use Lab and Office Project

Tenant/Product Mix & Rents

Based on interviews with potential occupants, existing demand in the market, and preferences by life science and tech firms nationally, HR&A provided three viable scenarios for tenant and product mix, as follows:

Potential Product/Tenant Mix						
	Scenario 1		Scenario 2		Scenario 3	
<u>Tenant</u>						
Large Firm	22,000	1 firm	44,000	2 firms	65,000	3 firms
Start-Up	37,000	45 firms	37,000	45 firms	41,000	50 firms
Institutional	61,000	58 PI's *	39,000	58 PI's *	14,000	58 PI's *
<u>Product</u>						
Office	84,000	70%	72,000	60%	60,000	50%
Dry Lab	18,000	15%	24,000	20%	30,000	25%
Wet Lab	18,000	15%	24,000	20%	30,000	25%

*Principal investigator (PI); holder of an independent grant and the lead researcher.
 (Source: HR&A Demand Study, December 2018)

Currently, the Project’s proposed product mix and floor plan will be comprised of 40% lab and 30% office space, with the remaining 30% as “flex” (between lab and office). Floor plans will give consideration to large, medium and/or small tenants. Ultimately, the overall composition will depend on industry trends and market demand, as well as the University’s preference and ability to recruit private sector tenants.

HR&A conducted a financial feasibility analysis, estimating feasible rents for the Project (see chart below) for the subject submarket; the N I-75 Corridor, reflected below.

Estimated Rental Rates, subject market

(Source: HR&A Demand Study, December 2018)

HR&A assigned a discount for start-up tenants (21% for office and dry lab, 29% for wet lab) based comparative data of incubator rents to market-rate rents. These rents were utilized for the purpose of projecting Project revenues and overall debt service coverage.