

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

**Historical and Project Debt Service Coverage (1)**

USF Research Foundation	Historical				Unaudited	Projected						
	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
<b>Pledged Revenues (2)</b>												
University Technology Center I (UTC I)	\$1,002,330	\$1,027,888	\$1,052,228	\$1,075,363	1,070,109	\$1,102,212	\$1,135,279	\$1,169,337	\$1,204,417	\$1,240,550	\$1,277,766	\$1,316,099
University Technology Center II (UTC II)	850,998	931,723	865,877	915,386	904,828	931,973	959,932	988,730	1,018,392	1,048,944	1,080,412	1,112,824
Multi-Tenant Office Building (MTOB) (3)	2,570,714	3,054,429	1,906,475	2,091,679	2,315,406	2,384,868	2,456,414	2,530,107	2,606,010	2,684,190	2,764,716	2,847,657
New Mixed-use Lab and Office Project (4)	0	0	0	0	0	0	0	703,750	1,449,725	2,239,825	3,076,027	3,611,870
<b>Total Pledged Revenues</b>	<b>\$4,424,042</b>	<b>\$5,014,040</b>	<b>\$3,824,579</b>	<b>\$4,082,427</b>	<b>\$4,290,343</b>	<b>\$4,419,053</b>	<b>\$4,551,625</b>	<b>\$5,391,924</b>	<b>\$6,278,544</b>	<b>\$7,213,509</b>	<b>\$8,198,920</b>	<b>\$8,888,451</b>
<b>Annual Debt Service:</b>												
Existing Debt - Series 2013A (5)	\$923,034	\$903,194	\$981,719	\$961,456	\$1,044,480	\$1,013,082	\$0	\$0	\$0	\$0	\$0	\$0
Existing Debt - Series 2013D (6)	874,683	874,713	50,682	0	0	0	0	0	0	0	0	0
Proposed - Fixed Rate Taxable Bonds (7)	0	0	0	0	0	0	0	2,420,000	2,420,000	2,420,000	2,420,000	2,420,000
<b>Total Debt Service</b>	<b>\$1,797,717</b>	<b>\$1,777,907</b>	<b>\$1,032,401</b>	<b>\$961,456</b>	<b>\$1,044,480</b>	<b>\$1,013,082</b>	<b>\$0</b>	<b>\$2,420,000</b>	<b>\$2,420,000</b>	<b>\$2,420,000</b>	<b>\$2,420,000</b>	<b>\$2,420,000</b>
<b>Estimated Maximum Annual Debt Service</b>	<b>\$1,877,907</b>	<b>\$1,877,907</b>	<b>\$1,044,480</b>	<b>\$1,044,480</b>	<b>\$1,044,480</b>	<b>\$1,013,082</b>	<b>\$0</b>	<b>\$2,420,000</b>	<b>\$2,420,000</b>	<b>\$2,420,000</b>	<b>\$2,420,000</b>	<b>\$2,420,000</b>
<b>Coverage Ratios:</b>												
Annual Debt Service	2.46x	2.82x	3.70x	4.25x	4.11x	4.36x	n/a	2.23x	2.59x	2.98x	3.39x	3.67x
Maximum Annual Debt Service	2.36x	2.67x	3.66x	3.91x	4.11x	4.36x	n/a	2.23x	2.59x	2.98x	3.39x	3.67x

**Net Coverage Ratios provided below are for informational purposes only; the revenue pledge is Gross.**

Total Pledged Revenues	\$4,424,042	\$5,014,040	\$3,824,579	\$4,082,427	\$4,290,343	\$4,419,053	\$4,551,625	\$5,391,924	\$6,278,544	\$7,213,509	\$8,198,920	\$8,888,451
Operating Expenses (2)												
UTC I	(\$272,391)	(\$301,128)	(\$244,381)	(\$200,925)	(193,154)	(\$198,949)	(\$204,917)	(\$211,065)	(\$217,397)	(\$223,918)	(\$230,636)	(\$237,555)
UTC II	(169,110)	(225,492)	(152,697)	(177,173)	(149,987)	(154,487)	(159,121)	(163,895)	(168,812)	(173,876)	(179,092)	(184,465)
MTOB (3)	(1,487,446)	(1,490,395)	(888,944)	(930,872)	(989,076)	(1,018,748)	(1,049,311)	(1,080,790)	(1,113,214)	(1,146,610)	(1,181,008)	(1,216,439)
New Mixed-use Lab and Office Project (4)	0	0	0	0	0	0	0	(349,775)	(683,457)	(1,036,073)	(1,407,704)	(1,643,737)
Total Operating Expenses	(\$1,928,947)	(\$2,017,015)	(\$1,286,022)	(\$1,308,970)	(\$1,332,217)	(\$1,372,184)	(\$1,413,349)	(\$1,805,524)	(\$2,182,878)	(\$2,580,478)	(\$2,998,441)	(\$3,282,196)
Projected Net Income	\$2,495,095	\$2,997,025	\$2,538,557	\$2,773,457	\$2,958,126	\$3,046,870	\$3,138,276	\$3,586,399	\$4,095,665	\$4,633,031	\$5,200,479	\$5,606,255
Annual Debt Service (net)	1.39x	1.69x	2.46x	2.88x	2.83x	3.01x	n/a	1.48x	1.69x	1.91x	2.15x	2.32x
Maximum Annual Debt Service (net)	1.33x	1.60x	2.43x	2.66x	2.83x	3.01x	n/a	1.48x	1.69x	1.91x	2.15x	2.32x

**Notes & Assumptions**

- The financial information related to revenues and expenses was provided by the USF Research Foundation
- Revenue and expense projections for FY 2021 - 2025 assume a 3% increase in annual rental rates.
- MTOB revenues declined in FY17 due to the departure of a 23,015 s.f. tenant - The Charles Stark Draper Laboratory, Inc. The space was subsequently re-leased to new tenants and is currently being renovated. Occupancy has returned to 92% as of FY19. Full revenues won't be achieved until renovations are completed in FY20-21.
- Construction of the Project is expected to be complete in Sept. 2021; however, the projections assume a more conservative timeline of June 2021. Rental rates for the first full year, FY22, are based on HR&A's analysis; \$26.68/sf (office space) and \$31.31/sf (dry lab space). Expenses are based on USF's base operations & maintenance factors. Conservative five (5) year lease up with occupancy for FY22-FY26 at 21%, 42%, 63%, 83% and 95%, respectively. A 3% annual escalation rate for revenue and expenses.
- Series 2013A loan financed the construction of UTC I and II. The loan matures in FY20, with a final payment on or before December 1, 2019.
- Series 2013D loan financed the construction of the MTOB. During FY17, the Research Foundation used \$9,525,000 in cash to pre-pay the loan in full.