



Item IV - Signature Authority for Change Orders

PRESENTED BY

Attorney David Self, Associate General Counsel
Associate Vice President for Facilities, Sameer Kapileshwari

Florida Agricultural and Mechanical University

May 11, 2016



Current Policy

| DOCUMENT | FROM | TO | General Counsel Review | Executive Director/ Director | Associate VP | VP F&A / CFO | President | BOT |
|---|-----------|-----------|------------------------|------------------------------|--------------|--------------|-----------|-----|
| CURRENT POLICY: Contracts/Purchase orders for Consultants and Contractors | \$0 | \$250,000 | X | X | X | X | X | |
| | \$250,001 | No limit | X | X | X | X | X | X |
| CURRENT PRACTICE: <i>(Based on 2012 Memo from former Administration)</i> | \$0 | \$100,000 | X | X | X | X | | |
| | \$100,001 | \$250,000 | X | X | X | X | X | |
| | \$250,001 | No limit | X | X | X | X | X | X |





Proposed Amendment to Policy

| DOCUMENT | FROM | TO | General Counsel Review | Executive Director/ Director | Associate VP | VP F&A / CFO | President | BOT |
|--|-----------|-----------|------------------------|------------------------------|--------------|--------------|-----------|-----|
| PROPOSED POLICY: Change Orders/Amendment to Services up to 25 % change of contract amount | \$0 | \$50,000 | X | X | X | | | |
| | \$50,001 | \$100,000 | X | X | X | X | | |
| | \$100,001 | \$250,000 | X | X | X | X | X | |
| | \$250,001 | no limit | X | X | X | X | X | X |
| Change Orders/Amendment to Services above 25 % change of contract amount | \$0 | \$50,000 | X | X | X | X | | |
| | \$50,001 | \$250,000 | X | X | X | X | X | |
| | \$250,001 | no limit | X | X | X | X | X | X |





THANK YOU

Questions?





Transfer of DSO Building to the University

PRESENTED BY

Acting Vice President/CFO, Angela M. Poole, CPA
Vice President for Advancement, Mr. George R. Cotton

and

Associate Vice President for Facilities, Sameer Kapileshwari

Florida Agricultural and Mechanical University

May 11, 2016



Discussion Outline

- Description of the Need
- Desired Goal
- Possible Solutions and Options for Consideration





Space Needs

- The Division of Academic Affairs intends to create a one stop shop for Student Services at the University Commons, until the Center for Access and Student Success building is constructed.
- To assist in this effort to improve student success, the Information Technology Services (ITS) (approximately 42 employees) currently housed in University Commons would need to relocate and also has needs for more training and consulting space.
- The University is in need of adequate and suitable office space for the Information Technology Services (ITS) and University Advancement and Alumni Affairs
- ITS departments to be relocated (except Helpdesk) include:
 - Campus Solutions
 - Financial Management Systems
 - Human Capital management
 - Information Security
 - IT Services
 - Web Team
 - Networking Infrastructure





Space Consideration

- Located at 625 East Tennessee Street, the building was purchased by the FAMU Foundation in 2012 for \$700,000.
- FAMU Foundation operations are housed at this location with approximately 11 employees.
- University Advancement and Alumni Affairs occupied the building in February 2015.





Building Information



- Interior gross area totals 30,583 square feet
 - FAMU Foundation occupies approx. 6,776 square feet
 - FAMU Office of University Advancement occupies approx. 4,105 square feet
- 97 Parking Spaces, plus 2 designated disabled parking spaces
- Executive board Room, 2 kitchenette and catering prep spaces.
- Building is often used for University meetings and workshops, and corporate and community engagement functions.





Background - Building Floor Plans



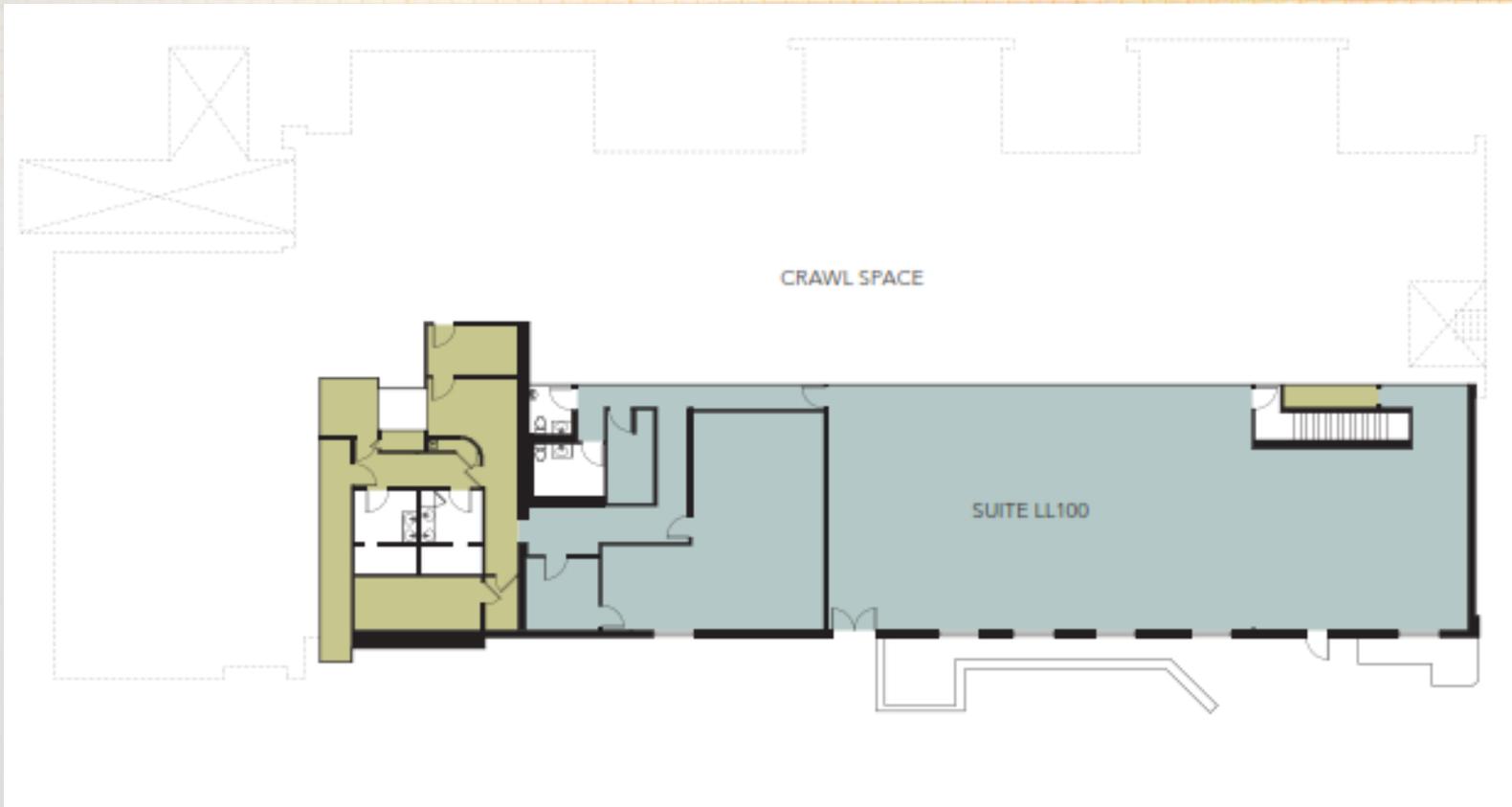


Background - Building Floor Plans





Background - Building Floor Plans



LOWER LEVEL

FLOOR PLAN
LEGEND

| | RSF |
|-----------------------------------|-------|
| SUITE LL100 | 4,959 |
| B.S.A.* - LOBBY, MECHANICAL, ETC. | - |

*B.S.A. - BUILDING SERVICE AREA





Options for Consideration

Option 1: University leases space from Foundation

| Department | Square footage | Annual Rental Rate | Total Annual Rental EXPENSE |
|------------------------|----------------|--------------------|-----------------------------|
| ITS | 15,313 | \$ 15/sq. ft. | \$229,695 |
| University Advancement | 4,105 | \$ 15/sq. ft. | \$61,575 |
| Total | 19,418 | | \$291,270 |

- University leases space from Foundation
- Foundation is responsible for maintenance





Options for Consideration

Option 2: University acquires the property with leaseback to the FAMU Foundation

| Department | Square footage | Annual Rental Rate | Total Annual Rental INCOME |
|------------|----------------|--------------------|----------------------------|
| Foundation | 6,776 | \$ 15/sq. ft. | \$101,640 |
| Total | 6,776 | | \$101,640 |

- University Owns the building and rents to the Foundation.
- The University will receive free and clear title to the property.
- University assumes all responsibilities for utilities, operations and maintenance.
- If approved by the Legislature, PO&M funding through the BOT/BOG process could be estimated at \$6/sq. ft. - \$116,508





Next Steps



- For Option-1,
 - University will negotiate the lease and rental rates with the Foundation and proceed with the moves
- For Option-2,
 - Board of Trustees approval will be needed in the subsequent meeting to acquire simple title to the FAMU Foundation Building
 - Building would need to be added to the FAMU's Capital Improvement Plan (CIP) to be approved by the Board of Trustees
 - Submit to Board of Governors for consideration and approval for inclusion in the University's Legislative Budget Request





THANK YOU

Questions?





Item VI - Florida A&M University Housing Financing Strategies



Executive Summary for FAMU Board of Trustees Facilities Meeting

May 11, 2016



Development Strategy

The development strategy will be consistent with the goals contained in the proposed FAMU Strategic Plan and Master Plan, including:

- FAMU is poised to serve as a catalyst for the revitalization of the Monroe-Adams Corridor and the “main street” of campus.
- We envision a transformational development that will help to make FAMU a best in class, land grant doctoral research university with an international impact.
- This catalyst project will resolve critical housing and aesthetic concerns, and simultaneously enhance our overall student experience.
- One of the University’s long-term strategic initiatives is to develop communities that promote a 21st century living and learning environment.





FAMU Housing Demand

Housing System Occupancy Analysis

| Year | Total Enrollment | Housing Applications Received | Total Capacity | Actual Occupancy | Occupancy as % of Capacity | % of Students in University Housing |
|---------|------------------|-------------------------------|----------------|------------------|----------------------------|-------------------------------------|
| 2009-10 | 12,261 | 3,161 | 2,487 | 2,401 | 96.54% | 19.58% |
| 2010-11 | 13,277 | 3,525 | 2,446 | 2,388 | 97.63% | 17.99% |
| 2011-12 | 13,207 | 3,094 | 2,611 | 2,548 | 97.59% | 19.29% |
| 2012-13 | 12,044 | 2,615 | 2,697 | 2,309 | 85.61% | 19.17% |
| 2013-14 | 10,747 | 3,223 | 2,489 | 2,158 | 86.70% | 20.08% |
| 2014-15 | 10,224 | 4,147 | 2,387 | 2,238 | 93.76% | 21.89% |





Project Sites

Old Development Research School (DRS)



Bragg Memorial Stadium



Pentaplex Complex (Diamond, McGuinn, Wheatley and Cropper Hall. Also Truth Hall)



Palmetto North Apartments





FAMU Housing Challenges

- \$180 million of deferred maintenance campus-wide
- FAMU is facing an urgent need to replace its aging housing facilities and infrastructure in the Pentaplex Complex and Palmetto North
- Diamond, McGuinn, Cropper, and Wheatley Hall are around 70 year old housing and no longer provide optimum environment for student learning





FAMU Housing Challenges

The Pentaplex Complex, which consist of four vacant former women's residential facilities and one occupied women's residential facility, is on the "main street" of FAMU's campus in Tallahassee:

- McGuinn Hall, which opened in 1938
- Diamond and Cropper Halls, which opened in 1947
- Wheatley Hall, which opened in 1953
- Truth Hall, which opened in 1958.
- Palmetto North which opened in 1974.





FAMU Housing Challenges



Pentaplex





FAMU Housing Challenges





FAMU Housing Financial Options

- Traditional Bonds
- Private financing / Public Private Partnerships (“P3”)
- DOE/HBCU Capital Financing





Florida A&M University Public Private Partnership Project

FAMU is exploring various financing options to address its housing challenges. One such option is the Public Private Partnership or P3 program. We envision a three-phased project, including:

- Development of Student Housing along the East Corridor
- Development of a Mixed Use-Town Center
- Development of an Athletics Complex





FAMU P3 Main Street Corridor Project

- A mixed-use living-learning community
 - Several residence halls/ rental apartments /Townhouses
 - Academic support and study space
 - Dining, health & wellness, and retail facilities
- FAMU will manage student experiences such as residential life and education
- Project supports four defining concepts: community, flexibility, sustainability and technology





Project Scope

Student Housing: Redevelopment of Cropper Hall, Wheatley Hall, and Jackson-Davis Building





Project Scope

Athletics: Subject to approval of the State Legislature, the construction of an Athletics Facility





Procurement Process to Select P3 Partner

Conducted strategic, transparent, and inclusive process

- 1 year of due diligence – 4 BOT Meetings (July 2015 – May 2016)
- Early engagement with BOG staff and Division of Bond Finance

Systematic approach to selection of Partner

- 2-stage procurement process
- Qualifications stage
- ITN stage

Secured industry leading consultant

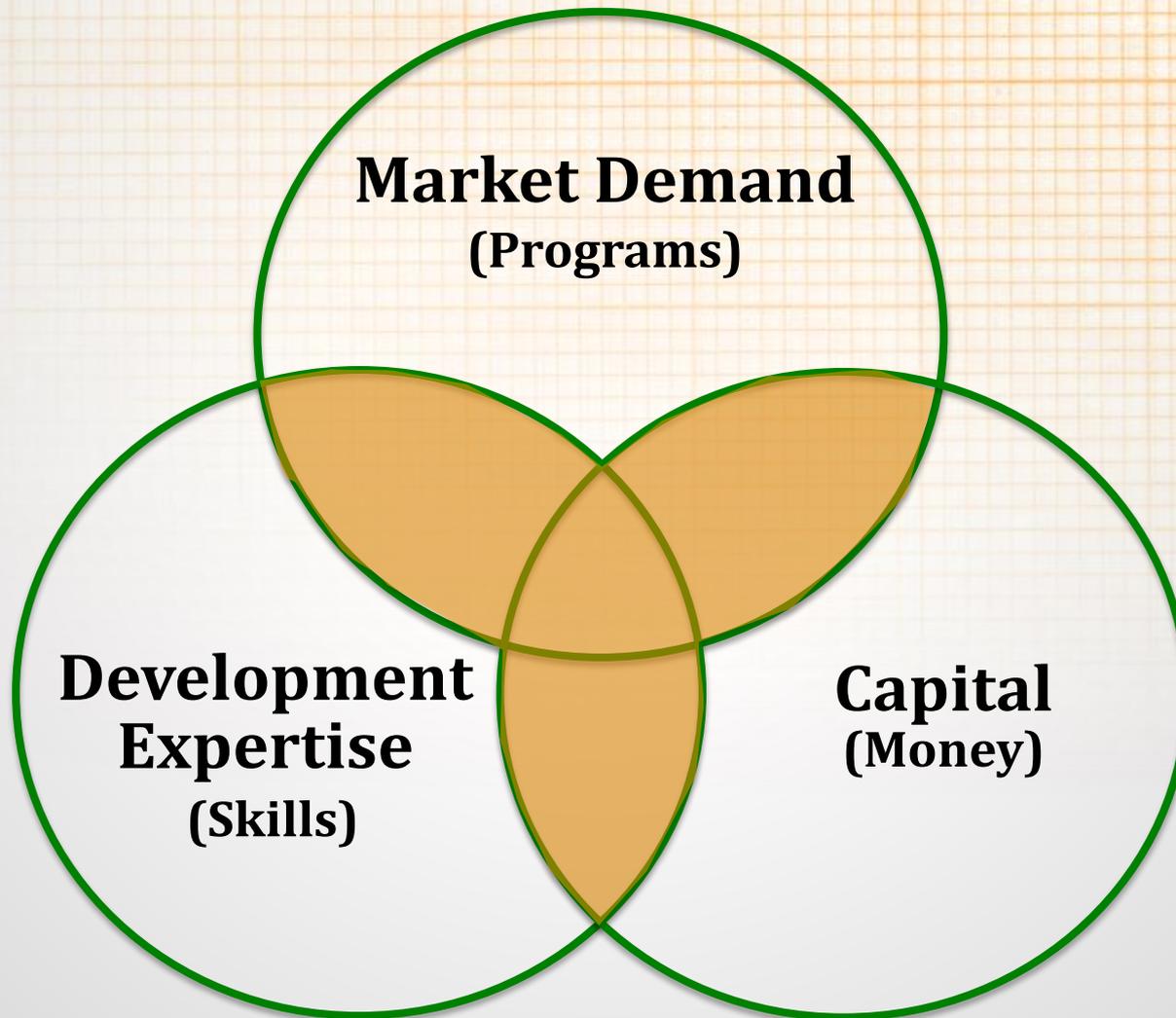
- Jones Lang LaSalle

| ITN Proposal Process Timeline | |
|-------------------------------|---|
| July 2016 | Issue ITN |
| August 2016 | Responses are due |
| September 2016 | Presentations |
| TBD | Shortlist the top 3 companies |
| TBD | Negotiations commence with 2 national firms |
| TBD | Issue Intent to Award |





Elements of a Successful Development





Capital vs. Control

Capital

**Programmatic and
Quality Control**

- Quick return
- Building to commercial standards
- Discipline of market forces

- Patience, long-term view
- Building to 100-year institutional standards
- Flexibility





Comparing Transaction / Development Alternatives

Risk / Reward Matrix

| | | Sale | Ground Lease (no participation) | Ground Lease (with participation) | JV or PPP Development/ LLC | University Stand Alone Development |
|---------|---------------------|---------------------------------------|---|--|--|---|
| Risk | Level | Low | Med-Low | Medium | Med-High | High |
| | Reasons | Cashflows Certain | Cashflows Certain | % of Cashflow Certain, Partial Risk | Cashflows Uncertain, Risks shared | Cash flow uncertain. All risks assumed. |
| | Timing / Control | No Control | No Control until Lease Expiration | Limited Control until Lease Expiration | Shared Control until Agreement Expires | University has Complete Control |
| Results | Return Expectations | Capital Investment plus Growth Factor | Fixed Return on Values Contributed | Fixed Return plus Potential Upside | Variable Return as a % of Cashflows | University would receive market based returns. |
| | Cost Impacts | None | Ground lease can be structured to cover debt carry. | Ground lease can be structured to cover some debt carry additional risk. | Possible equity contribution | University funds all acquisition an development costs until completion; long term refinance |





Project Delivery Structures

Traditional Delivery

Public Delivery

Design-Bid-Build

Design-Build

Public-Private Partnerships

Management Contracts

Operations and Maintenance Contract

Lease-like Agreements

Lease-Develop-Operate

Design-Build-Operate-Maintain

Sale-Leaseback

Concessions

Design-Build-Finance-Operate-Maintain

Build-Operate-Transfer

Privatization

Divestiture

Ground Lease

Sale

Private Sector Ownership and Risk Assumption

LOW

Private Sector Financing

HIGH





Public Private Partnership (P3) *Goals & Objectives*

University Goals

Modernize the campus with amenities that students demand

Focus institutional investment on state-of-the-art facilities for instruction and research rather than amenities

Keep new construction projects credit rating neutral

Generate revenue

P3 Advantages

Access to Additional Financial Resources and Delivery Structures

Risk Allocation & Mitigation

Operational Efficiencies and Life-Cycle Savings

Monetization of Existing Assets





Public Private Partnership (P3)

Risk Allocation & Mitigation

- Financing - Once final agreements are in effect, partner absorbs all risk to funding the debt and changes in interest cost
- Construction - Partner is responsible for completing project within agreed upon budget and schedule, which is likely to result in an accelerated delivery over traditional methods
- Demand - Partner may be at risk if projected student demand or occupancy levels are not achieved over the term of the ground lease; however, most developers will seek some commitments from the University regarding demand-side dynamics
- Capital Maintenance - Requirement that Project is returned to FAMU at end of term in good condition
 - P3 partner required to fund repair & replacement reserve annually and will perform capital asset management
 - P3 partner required to follow a life cycle repair / replacement schedule
 - Independent assessment of facility condition required every 5 years
 - Advisory Committee will be established for oversight of capital maintenance projects and budget





P3 Development Cost Assumptions (1/2)

The following table details the project-level development cost assumptions:

| Cash Flow # | Asset Type - Subtype | Phase | Unit | | Total Development Cost per Unit |
|------------------------------------|----------------------------------|----------|--------|---------|---------------------------------|
| Phase 2 - Student Housing | | | | | |
| 1 | Student Housing - Honors College | Phase 2a | beds | 348 | \$ (46,671) |
| 2 | Surface Parking | Phase 2a | spaces | 120 | \$ (4,046) |
| 3 | Student Housing - LLC | Phase 2b | beds | 140 | \$ (49,948) |
| 4 | Student Housing - LLC | Phase 2c | beds | 172 | \$ (52,835) |
| 5 | GF Support Retail | Phase 2c | RSF | 2,000 | \$ (196) |
| 6 | Surface Parking | Phase 2c | spaces | 60 | \$ (4,617) |
| Phase 3 - Town Center | | | | | |
| 1 | Student Housing - Apartment | Phase 3a | units | 391 | \$ (100,710) |
| 2 | GF Support Retail | Phase 3a | GFA | 12,500 | \$ (176) |
| 3 | Parking Deck | Phase 3a | spaces | 760 | \$ (20,366) |
| 4 | Faculty Housing - Bungalow /TH | Phase 3b | units | 50 | \$ (150,908) |
| Phase 4 - Athletic Facility | | | | | |
| OPTION 1 | | | | | |
| 1 | New Seats | Phase 4a | seats | 9,500 | \$ (449) |
| 2 | Pressbox, Luxury Suites | Phase 4a | GFA | 45,162 | \$ (484) |
| 3 | Football Facility | Phase 4a | GFA | 89,448 | \$ (415) |
| 4 | Student Health Facility | Phase 4a | GFA | 17,500 | \$ (276) |
| 5 | Parking Deck | Phase 4a | spaces | 300 | \$ (19,350) |
| OPTION 2 | | | | | |
| 1 | New Seats | Phase 4a | seats | 35,000 | \$ (449) |
| 2 | Pressbox, Luxury Suites | Phase 4a | GFA | 115,337 | \$ (484) |
| 3 | Football Facility | Phase 4a | GFA | 89,448 | \$ (415) |
| 4 | Student Health Facility | Phase 4a | GFA | 17,500 | \$ (276) |
| 5 | Parking Deck | Phase 4a | spaces | 300 | \$ (19,350) |
| 6 | Regional Shopping Center | Phase 4b | RSF | 22,500 | \$ (204) |
| 7 | 4 Star | Phase 4b | keys | 120 | \$ (205,280) |





P3 Development Cost Assumptions (2/2)

The following table details the project-level development cost assumptions:

| Cash Flow # | Asset Type - Subtype | Phase | Acquisition Costs | Demolition Costs | Construction Costs | Professional Fee | Contingency Fee | Total Development Cost |
|------------------------------------|----------------------------------|----------|-------------------|------------------|--------------------|------------------|-----------------|------------------------|
| Phase 2 - Student Housing | | | \$ - | \$ (538,919) | \$ (24,821,340) | \$ (5,072,052) | \$ (3,043,231) | \$ (33,475,542) |
| 1 | Student Housing - Honors College | Phase 2a | \$ - | \$ (89,668) | \$ (12,214,441) | \$ (2,460,822) | \$ (1,476,493) | \$ (16,241,424) |
| 2 | Surface Parking | Phase 2a | \$ - | \$ (179,362) | \$ (188,470) | \$ (73,566) | \$ (44,140) | \$ (485,539) |
| 3 | Student Housing - LLC | Phase 2b | \$ - | \$ (114,166) | \$ (5,183,320) | \$ (1,059,497) | \$ (635,698) | \$ (6,992,681) |
| 4 | Student Housing - LLC | Phase 2c | \$ - | \$ (50,172) | \$ (6,834,429) | \$ (1,376,920) | \$ (826,152) | \$ (9,087,673) |
| 5 | GF Support Retail | Phase 2c | \$ - | \$ (1,730) | \$ (294,618) | \$ (59,270) | \$ (35,562) | \$ (391,180) |
| 6 | Surface Parking | Phase 2c | \$ - | \$ (103,821) | \$ (106,062) | \$ (41,977) | \$ (25,186) | \$ (277,046) |
| Phase 3 - Town Center | | | \$ (2,412,461) | \$ (62,181) | \$ (47,049,414) | \$ (4,711,159) | \$ (10,364,551) | \$ (64,599,766) |
| 1 | Student Housing - Apartment | Phase 3a | \$ (703,392) | \$ (26,503) | \$ (29,274,001) | \$ (2,930,050) | \$ (6,446,111) | \$ (39,380,058) |
| 2 | GF Support Retail | Phase 3a | \$ (34,593) | \$ (1,303) | \$ (1,636,026) | \$ (163,733) | \$ (360,213) | \$ (2,195,868) |
| 3 | Parking Deck | Phase 3a | \$ (736,139) | \$ (27,737) | \$ (11,140,684) | \$ (1,116,842) | \$ (2,457,053) | \$ (15,478,455) |
| 4 | Faculty Housing - Bungalow /TH | Phase 3b | \$ (938,338) | \$ (6,637) | \$ (4,998,702) | \$ (500,534) | \$ (1,101,175) | \$ (7,545,386) |
| Phase 4 - Athletic Facility | | | | | | | | |
| OPTION 1 | | | \$ - | \$ - | \$ (55,942,779) | \$ (5,594,278) | \$ (12,307,411) | \$ (73,844,468) |
| 1 | New Seats | Phase 4a | \$ - | \$ - | \$ (3,232,788) | \$ (323,279) | \$ (711,213) | \$ (4,267,280) |
| 2 | Pressbox, Luxury Suites | Phase 4a | \$ - | \$ - | \$ (16,550,513) | \$ (1,655,051) | \$ (3,641,113) | \$ (21,846,677) |
| 3 | Football Facility | Phase 4a | \$ - | \$ - | \$ (28,097,141) | \$ (2,809,714) | \$ (6,181,371) | \$ (37,088,226) |
| 4 | Student Health Facility | Phase 4a | \$ - | \$ - | \$ (3,664,699) | \$ (366,470) | \$ (806,234) | \$ (4,837,402) |
| 5 | Parking Deck | Phase 4a | \$ - | \$ - | \$ (4,397,639) | \$ (439,764) | \$ (967,480) | \$ (5,804,883) |
| OPTION 2 | | | \$ - | \$ - | \$ (112,470,425) | \$ (11,247,043) | \$ (24,743,494) | \$ (148,460,962) |
| 1 | New Seats | Phase 4a | \$ - | \$ - | \$ (11,910,271) | \$ (1,191,027) | \$ (2,620,260) | \$ (15,721,558) |
| 2 | Pressbox, Luxury Suites | Phase 4a | \$ - | \$ - | \$ (42,267,537) | \$ (4,226,754) | \$ (9,298,858) | \$ (55,793,148) |
| 3 | Football Facility | Phase 4a | \$ - | \$ - | \$ (28,097,141) | \$ (2,809,714) | \$ (6,181,371) | \$ (37,088,226) |
| 4 | Student Health Facility | Phase 4a | \$ - | \$ - | \$ (3,664,699) | \$ (366,470) | \$ (806,234) | \$ (4,837,402) |
| 5 | Parking Deck | Phase 4a | \$ - | \$ - | \$ (4,397,639) | \$ (439,764) | \$ (967,480) | \$ (5,804,883) |
| 6 | Regional Shopping Center | Phase 4b | \$ - | \$ - | \$ (3,471,320) | \$ (347,132) | \$ (763,691) | \$ (4,582,143) |
| 7 | 4 Star | Phase 4b | \$ - | \$ - | \$ (18,661,819) | \$ (1,866,182) | \$ (4,105,600) | \$ (24,633,601) |

Key Takeaways

- Responsibility for funding infrastructure costs will need to be analyzed further, to ensure that the current program plan is able to support these investments as well as offer financial incentive for private development.
- As the program plan becomes more refined, further cost validation will be important.





P3 Revenue Assumptions

The following table details the project-level revenue assumptions:

| Cash Flow # | Asset Type - Subtype | Phase | Unit | | Base Year (2016) | |
|------------------------------------|----------------------------------|----------|--------|---------|--------------------------------------|------------|
| | | | Unit | Number | Gross Lease Rates per Unit per Annum | |
| Phase 2 - Student Housing | | | | | | |
| 1 | Student Housing - Honors College | Phase 2a | beds | 348 | \$ | 6,600 |
| 2 | Surface Parking | Phase 2a | spaces | 120 | \$ | 780 |
| 3 | Student Housing - LLC | Phase 2b | beds | 140 | \$ | 6,600 |
| 4 | Student Housing - LLC | Phase 2c | beds | 172 | \$ | 6,600 |
| 5 | GF Support Retail | Phase 2c | RSF | 2,000 | \$ | 25 |
| 6 | Surface Parking | Phase 2c | spaces | 60 | \$ | 780 |
| Phase 3 - Town Center | | | | | | |
| 1 | Student Housing - Apartment | Phase 3a | units | 391 | \$ | 13,813 |
| 2 | GF Support Retail | Phase 3a | RSF | 12,500 | \$ | 30 |
| 3 | Parking Deck | Phase 3a | spaces | 760 | \$ | 3,500 |
| 4 | Faculty Housing - Bungalow /TH | Phase 3b | units | 50 | \$ | 24,000 |
| Phase 4 - Athletic Facility | | | | | | |
| OPTION 1 | | | | | | |
| 1 | New Seats | Phase 4a | seats | 9,500 | \$ | 11,683,250 |
| 2 | Pressbox, Luxury Suites | Phase 4a | GFA | 45,162 | | |
| 3 | Football Facility | Phase 4a | GFA | 89,448 | | |
| 4 | Student Health Facility | Phase 4a | GFA | 17,500 | | |
| 5 | Parking Deck | Phase 4a | spaces | 300 | | |
| OPTION 2 | | | | | | |
| 1 | New Seats | Phase 4a | seats | 35,000 | \$ | 12,264,788 |
| 2 | Pressbox, Luxury Suites | Phase 4a | GFA | 115,337 | | |
| 3 | Football Facility | Phase 4a | GFA | 89,448 | | |
| 4 | Student Health Facility | Phase 4a | GFA | 17,500 | | |
| 5 | Parking Deck | Phase 4a | spaces | 300 | \$ | 3,500 |
| 6 | Regional Shopping Center | Phase 4b | RSF | 22,500 | \$ | 30 |
| 7 | 4 Star | Phase 4b | keys | 120 | \$ | 150 |





Bretwood Capital Partners

Transaction Analysis for Florida A&M University's Advanced Refunding of the 2010 & 2012 Revenue Bonds and new Capital Project

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HBCU Capital Finance Program Overview

Program Description

The goal of the program is to provide low-cost capital to finance improvements to the infrastructure of the nation's historically black colleges and universities (HBCUs). The program's authorizing statute caps the total amount of loans and accrued interest available through the program at \$1.1 billion. However, the program can exceed \$1.1 billion if Congress provides for the program to do so in an appropriation bill.

Types of Projects

The loan proceeds of the HBCU Capital Financing Program can be used for repair, renovation or, in exceptional circumstances, the construction or acquisition of -

- Any classroom and related facilities
- Administration, education and student facilities
- Instructional technologies, and research instrumentation
- Maintenance, storage, or utility facilities
- Outpatient health care facilities
- Essential and project related infrastructure
- Facilities related to maintaining of accreditation





Series 2010 A Refunding Analysis

Debt Service Comparison

| Date | Total P+I | DSR | Net New D/S | Old Net D/S | Savings |
|--------------|------------------------|---------------------|------------------------|------------------------|-----------------------|
| 06/30/2017 | 90,676.67 | - | 90,676.67 | 609,670.30 | 518,993.63 |
| 06/30/2018 | 1,068,175.00 | - | 1,068,175.00 | 1,213,196.05 | 145,021.05 |
| 06/30/2019 | 1,025,740.00 | - | 1,025,740.00 | 1,214,102.95 | 188,362.95 |
| 06/30/2020 | 1,023,415.00 | - | 1,023,415.00 | 1,213,336.75 | 189,921.75 |
| 06/30/2021 | 1,025,705.00 | - | 1,025,705.00 | 1,213,872.10 | 188,167.10 |
| 06/30/2022 | 1,022,610.00 | - | 1,022,610.00 | 1,212,556.90 | 189,946.90 |
| 06/30/2023 | 1,024,130.00 | - | 1,024,130.00 | 1,213,365.80 | 189,235.80 |
| 06/30/2024 | 1,020,265.00 | - | 1,020,265.00 | 1,213,146.70 | 192,881.70 |
| 06/30/2025 | 1,021,015.00 | - | 1,021,015.00 | 1,213,823.55 | 192,808.55 |
| 06/30/2026 | 1,021,325.00 | - | 1,021,325.00 | 1,213,244.25 | 191,919.25 |
| 06/30/2027 | 1,021,195.00 | - | 1,021,195.00 | 1,213,358.10 | 192,163.10 |
| 06/30/2028 | 1,020,625.00 | - | 1,020,625.00 | 1,212,987.65 | 192,362.65 |
| 06/30/2029 | 1,019,615.00 | - | 1,019,615.00 | 1,214,056.85 | 194,441.85 |
| 06/30/2030 | 1,023,110.00 | - | 1,023,110.00 | 1,214,362.90 | 191,252.90 |
| 06/30/2031 | 1,021,110.00 | (650,788.50) | 370,321.50 | (146,509.60) | (516,831.10) |
| Total | \$14,448,711.67 | (650,788.50) | \$13,797,923.17 | \$16,238,571.25 | \$2,440,648.08 |

PV Analysis Summary (Net to Net)

| | |
|---|----------------|
| Gross PV Debt Service Savings | 2,201,947.15 |
| Effects of changes in DSR investments | (67,071.02) |
| Net PV Cashflow Savings @ 2.496%(AIC) | 2,134,876.14 |
| Contingency or Rounding Amount | 2,694.92 |
| Net Present Value Benefit | \$2,137,571.06 |
| Net PV Benefit / \$12,058,000 Refunded Principal | 17.727% |
| Net PV Benefit / \$12,365,000 Refunding Principal | 17.287% |





Series 2010B Refunding Analysis

Debt Service Comparison

| Date | Total P+I | DSR | Net New D/S | Old Net D/S | Savings |
|--------------|-----------------------|---------------------|-----------------------|-----------------------|---------------------|
| 06/30/2017 | 58,189.50 | - | 58,189.50 | 632,167.00 | 573,977.50 |
| 06/30/2018 | 986,327.50 | - | 986,327.50 | 1,255,273.00 | 268,945.50 |
| 06/30/2019 | 954,996.25 | - | 954,996.25 | 1,255,689.00 | 300,692.75 |
| 06/30/2020 | 953,665.00 | - | 953,665.00 | 1,261,150.00 | 307,485.00 |
| 06/30/2021 | 956,982.00 | - | 956,982.00 | 1,261,380.00 | 304,398.00 |
| 06/30/2022 | 954,947.25 | - | 954,947.25 | 1,266,402.00 | 311,454.75 |
| 06/30/2023 | 957,560.75 | - | 957,560.75 | 1,267,963.00 | 310,402.25 |
| 06/30/2024 | 954,822.50 | - | 954,822.50 | 1,015,132.00 | 60,309.50 |
| 06/30/2025 | 956,732.50 | - | 956,732.50 | 768,366.00 | (188,366.50) |
| 06/30/2026 | 953,290.75 | - | 953,290.75 | (192,548.00) | (1,145,838.75) |
| 06/30/2027 | 954,497.25 | (457,091.55) | 497,405.70 | - | (497,405.70) |
| Total | \$9,642,011.25 | (457,091.55) | \$9,184,919.70 | \$9,790,974.00 | \$606,054.30 |

PV Analysis Summary (Net to Net)

| | |
|--|--------------|
| Gross PV Debt Service Savings | 865,105.09 |
| Effects of changes in DSR investments | (102,650.17) |
| Net PV Cashflow Savings @ 2.409%(AIC) | 762,454.91 |
| Contingency or Rounding Amount | 1,150.64 |
| Net Present Value Benefit | \$763,605.55 |
| Net PV Benefit / \$8,529,000 Refunded Principal | 8.953% |
| Net PV Benefit / \$8,685,000 Refunding Principal | 8.792% |





Series 2012 Refunding Analysis

Debt Service Comparison

| Date | Total P+I | DSR | Net New D/S | Old Net D/S | Savings |
|--------------|------------------------|-----------------------|------------------------|------------------------|---------------------|
| 06/30/2017 | 336,675.00 | - | 336,675.00 | 912,600.00 | 575,925.00 |
| 06/30/2018 | 3,501,675.00 | - | 3,501,675.00 | 3,414,450.00 | (87,225.00) |
| 06/30/2019 | 3,331,268.75 | - | 3,331,268.75 | 3,410,950.00 | 79,681.25 |
| 06/30/2020 | 3,331,537.50 | - | 3,331,537.50 | 3,408,325.00 | 76,787.50 |
| 06/30/2021 | 3,330,568.75 | - | 3,330,568.75 | 3,406,325.00 | 75,756.25 |
| 06/30/2022 | 3,328,362.50 | - | 3,328,362.50 | 3,404,700.00 | 76,337.50 |
| 06/30/2023 | 3,329,862.50 | - | 3,329,862.50 | 3,403,200.00 | 73,337.50 |
| 06/30/2024 | 3,330,012.50 | - | 3,330,012.50 | 3,396,700.00 | 66,687.50 |
| 06/30/2025 | 3,328,812.50 | - | 3,328,812.50 | 3,394,950.00 | 66,137.50 |
| 06/30/2026 | 3,326,262.50 | - | 3,326,262.50 | 3,392,575.00 | 66,312.50 |
| 06/30/2027 | 3,327,306.25 | - | 3,327,306.25 | 3,389,325.00 | 62,018.75 |
| 06/30/2028 | 3,326,887.50 | - | 3,326,887.50 | 3,384,950.00 | 58,062.50 |
| 06/30/2029 | 3,325,006.25 | - | 3,325,006.25 | 3,384,075.00 | 59,068.75 |
| 06/30/2030 | 3,326,606.25 | - | 3,326,606.25 | 3,381,325.00 | 54,718.75 |
| 06/30/2031 | 3,326,631.25 | - | 3,326,631.25 | 3,391,800.00 | 65,168.75 |
| 06/30/2032 | 3,325,081.25 | - | 3,325,081.25 | 3,386,600.00 | 61,518.75 |
| 06/30/2033 | 3,321,956.25 | (2,362,560.70) | 959,395.55 | (68,463.00) | (1,027,858.55) |
| Total | \$53,754,512.50 | (2,362,560.70) | \$51,391,951.80 | \$51,794,387.00 | \$402,435.20 |

PV Analysis Summary (Net to Net)

| | |
|---|--------------|
| Gross PV Debt Service Savings | 1,267,833.27 |
| Effects of changes in DSR investments | (735,592.08) |
| Net PV Cashflow Savings @ 2.513%(AIC) | 532,241.18 |
| Contingency or Rounding Amount | (437.30) |
| Net Present Value Benefit | \$531,803.88 |
| Net PV Benefit / \$38,420,000 Refunded Principal | 1.384% |
| Net PV Benefit / \$44,890,000 Refunding Principal | 1.185% |





Total Debt Refunding Summary Analysis

Debt Service Comparison

| Date | Total P+I | DSR | Net New D/S | Old Net D/S | Savings |
|--------------|------------------------|-----------------------|------------------------|------------------------|-----------------------|
| 06/30/2017 | 485,541.17 | - | 485,541.17 | 2,154,437.30 | 1,668,896.13 |
| 06/30/2018 | 5,556,177.50 | - | 5,556,177.50 | 5,882,919.05 | 326,741.55 |
| 06/30/2019 | 5,312,005.00 | - | 5,312,005.00 | 5,880,741.95 | 568,736.95 |
| 06/30/2020 | 5,308,617.50 | - | 5,308,617.50 | 5,882,811.75 | 574,194.25 |
| 06/30/2021 | 5,313,255.75 | - | 5,313,255.75 | 5,881,577.10 | 568,321.35 |
| 06/30/2022 | 5,305,919.75 | - | 5,305,919.75 | 5,883,658.90 | 577,739.15 |
| 06/30/2023 | 5,311,553.25 | - | 5,311,553.25 | 5,884,528.80 | 572,975.55 |
| 06/30/2024 | 5,305,100.00 | - | 5,305,100.00 | 5,624,978.70 | 319,878.70 |
| 06/30/2025 | 5,306,560.00 | - | 5,306,560.00 | 5,377,139.55 | 70,579.55 |
| 06/30/2026 | 5,300,878.25 | - | 5,300,878.25 | 4,413,271.25 | (887,607.00) |
| 06/30/2027 | 5,302,998.50 | (457,091.55) | 4,845,906.95 | 4,602,683.10 | (243,223.85) |
| 06/30/2028 | 4,347,512.50 | - | 4,347,512.50 | 4,597,937.65 | 250,425.15 |
| 06/30/2029 | 4,344,621.25 | - | 4,344,621.25 | 4,598,131.85 | 253,510.60 |
| 06/30/2030 | 4,349,716.25 | - | 4,349,716.25 | 4,595,687.90 | 245,971.65 |
| 06/30/2031 | 4,347,741.25 | (650,788.50) | 3,696,952.75 | 3,245,290.40 | (451,662.35) |
| 06/30/2032 | 3,325,081.25 | - | 3,325,081.25 | 3,386,600.00 | 61,518.75 |
| 06/30/2033 | 3,321,956.25 | (2,362,560.70) | 959,395.55 | (68,463.00) | (1,027,858.55) |
| Total | \$77,845,235.42 | (3,470,440.75) | \$74,374,794.67 | \$77,823,932.25 | \$3,449,137.58 |

PV Analysis Summary (Net to Net)

| | |
|---|----------------|
| Gross PV Debt Service Savings | 4,339,808.95 |
| Effects of changes in DSR investments | (906,238.40) |
| Net PV Cashflow Savings @ 2.500%(AIC) | 3,433,570.55 |
| Contingency or Rounding Amount | 3,408.26 |
| Net Present Value Benefit | \$3,436,978.81 |
| Net PV Benefit / \$59,007,000 Refunded Principal | 5.825% |
| Net PV Benefit / \$65,940,000 Refunding Principal | 5.212% |





New Housing Project Analysis

| Financed Amt. | ASSUMPTIONS | | | | Rent Rates | | | Price Per | | | |
|--------------------------|------------------------|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | \$31,124,720.0 | Cost of Project | \$31,124,720 | Interest Rate | 2.92% | Yearly Reimb | \$8,213 | bed | \$70,738 | Total Sq Ft | 160,000 |
| | Total Students | 440 | Term | 30 | Occupancy | 95% | Exp. Per bed | \$8 | | | |
| | 30 Year Surplus | \$33,505,853 | Rent Inflation | 3% | | | | | | | |
| REVENUES | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| New Project Rents | 3,433,034 | 3,433,034 | 3,433,034 | 3,433,034 | 3,433,034 | 3,536,025 | 3,642,106 | 3,751,369 | 3,863,910 | 3,979,827 | 4,099,222 |
| Total Revenue | 3,433,034 | 3,433,034 | 3,433,034 | 3,433,034 | 3,433,034 | 3,536,025 | 3,642,106 | 3,751,369 | 3,863,910 | 3,979,827 | 4,099,222 |
| EXPENSES | | | | | | | | | | | |
| Maintenance/Utilities | \$1,280,000 | \$1,318,400 | \$1,357,952 | \$1,398,691 | \$1,440,651 | \$1,483,871 | \$1,528,387 | \$1,574,239 | \$1,621,466 | \$1,670,110 | \$1,720,213 |
| Total Expenses | \$1,280,000 | \$1,318,400 | \$1,357,952 | \$1,398,691 | \$1,440,651 | \$1,483,871 | \$1,528,387 | \$1,574,239 | \$1,621,466 | \$1,670,110 | \$1,720,213 |
| Avail for Debt Serv. | \$2,153,034 | \$2,114,634 | \$2,075,082 | \$2,034,343 | \$1,992,383 | \$2,052,154 | \$2,113,719 | \$2,177,130 | \$2,242,444 | \$2,309,718 | \$2,379,009 |
| Annual Debt Service | \$1,603,850 | \$1,603,850 | \$1,603,850 | \$1,603,850 | \$1,603,850 | \$1,603,850 | \$1,603,850 | \$1,603,850 | \$1,603,850 | \$1,603,850 | \$1,603,850 |
| Coverage | 1.34 | 1.32 | 1.29 | 1.27 | 1.24 | 1.28 | 1.32 | 1.36 | 1.40 | 1.44 | 1.48 |
| Surplus | \$549,184 | \$510,784 | \$471,232 | \$430,493 | \$388,533 | \$448,304 | \$509,869 | \$573,280 | \$638,594 | \$705,868 | \$775,159 |
| Less Maintenance Reserve | \$75,000 | \$77,250 | \$79,568 | \$81,955 | \$84,413 | \$86,946 | \$89,554 | \$92,241 | \$95,008 | \$97,858 | \$100,794 |
| Net Earnings | \$474,184 | \$433,534 | \$391,665 | \$348,539 | \$304,120 | \$361,359 | \$420,315 | \$481,040 | \$543,587 | \$608,010 | \$674,365 |





Revenue and Expense Assumptions

| | |
|---|--|
| A | Excludes revenues from Wheatley Offline. FY 14-15 Revenue based on Fall 2014 occupancy rates by facility with 5% attrition rate for Spring semester FY 15-16 revenues assume 4% increase from FY 14-15. FY16-17 beyond remain flat. |
| B | Based on 2014-15 rental rate schedule. Assumes 100% occupancy except summer at 50% |
| C | Based on square footage |
| D | Based on MGT Housing study |
| E | 160,000 Sq. Ft Estimate for New Facility. Expenditures are \$8 sq. ft. |
| F | New Dormitory Expense Increase 3.0% |
| G | New Dormitory Fees are Spring (\$3,458) and Summer (\$1,297) for FY 2017-2018 and Fall, Spring, and Summer thereafter |
| H | New Dormitory Occupancy Rate is constant at 95% |





Refinancing Recommendation

- Based on the current level of interest rates we recommend that both bond issues (2010 A&B Series and 2012) be refinanced through the HBCU Capital Finance Program to lock in a lower long term fixed rate.
- The “draw down” feature of the Program is particularly attractive for the financing of new projects in that it allows borrowers to avoid having to borrow the capitalized interest fund all at once as required in a traditional bond financing.
- The 2010A and 2010B refinancing yields approximately \$250k per year in annual cash flow savings over the life of both issues and exceeds the 5% State required savings test.
- Although this transaction would require the advanced refunding of the 2012 Bonds and not meet the State’s desired 5% savings threshold, it does provide approximately 1.8% NPV savings. However, the global refunding of all three combined debt deals does meet the test.
- Additionally, it would allow the University to collapse all of its debt under one Bond indenture agreement.
- We are confident this transaction would be viewed favorable by the rating agencies as a positive step in the restructuring of the University’s indebtedness and maintaining its credit rating since the deposited cash escrow from the HBCU deal would be used to service the existing 2012 Bonds debt service until the 2022 maturity date.





Florida A&M University Public Private Partnership Project

Next step: Issue an “Intent to Negotiate” (ITN) for the Public Private Partnership (P3) Main Street Corridor Project, related to housing and the construction, leasing, financing, and operation of student housing, mixed use project, and New Athletic Complex.





Center for Access and Student Success (CASS)

- The proposed project will consist of the construction of a 72,000 gross-square-foot facility that will house the new Center for Access and Student Success or “CASS.”
- This multipurpose building will house, among other things, recruitment, admissions, financial aid, registrar, student accounts, Center for Disability Access and Resources, Undergraduate Student Success Center, computer labs, study space, and student meeting space.

Current status:

- Architect/Engineer design team is on board (JRA Architects)

Next Step:

- Advertise for the selection of Construction Manager and third party construction audit firm





Thank You

Questions





Item VII - Schedule of Required Committee Activities

PRESENTED BY

Sameer Kapileshwari, Associate Vice President

Florida Agricultural and Mechanical University

May 11, 2016



Schedule of Required Committee Activities

Items coming to this committee:

- Capital Improvement Plan (CIP) – due to Board of Governors on August 1. Presented to BOT for approval prior to BOG submission
- Master Plan – updated and submitted to BOT for approval every 5 years (next update will be submitted for approval in Fall 2016)
- Educational Plant survey - updated and submitted to BOT for approval every 5 years (last updated in 2015)
- Contracts and Change orders as per established procedures
- On going initiatives and major project updates





THANK YOU

Questions?

