

State of Florida, Board of Governors
University of South Florida
Projected Debt Service Coverage
Projected Debt Service Coverage for Student Village Project

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
Operating Revenue¹										
Academic Rental Revenue	\$8,396,661	\$14,781,524	\$15,224,970	\$15,681,719	\$16,152,171	\$16,636,736	\$17,135,838	\$17,649,913	\$18,179,410	\$18,724,793
Summer Rental Revenue (10% of beds @\$2400)										
Retail	\$176,938	\$182,246	\$187,713	\$193,344	\$199,145	\$205,119	\$211,273	\$217,611	\$224,139	\$230,863
Fees and Recovered Expenses	\$126,500	\$216,500	\$222,995	\$229,685	\$236,575	\$243,673	\$250,983	\$258,512	\$266,268	\$274,256
Dining Hall Rent	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Total Revenues	\$9,000,099	\$15,480,270	\$15,935,678	\$16,404,748	\$16,887,891	\$17,385,528	\$17,898,094	\$18,426,036	\$18,969,817	\$19,529,912
Operating Expenses¹										
Resident Life/ Education Staff/ Programming/ Support	\$1,378,850	\$2,430,646	\$2,503,565	\$2,578,672	\$2,656,032	\$2,735,713	\$2,817,784	\$2,902,318	\$2,989,387	\$3,079,069
Marketing/ Leasing/ Billing/ Collections/ Room Assignments	\$265,650	\$468,290	\$482,338	\$496,808	\$511,713	\$527,064	\$542,876	\$559,162	\$575,937	\$593,215
Utilities	\$679,305	\$1,197,245	\$1,233,162	\$1,270,157	\$1,308,262	\$1,347,510	\$1,387,935	\$1,429,573	\$1,472,460	\$1,516,634
Facilities Maintenance and Operations	\$1,168,836	\$2,049,273	\$2,110,751	\$2,174,074	\$2,239,296	\$2,306,475	\$2,375,669	\$2,446,939	\$2,520,347	\$2,595,958
Taxes & Insurance	\$20,450	\$36,050	\$37,132	\$38,245	\$39,393	\$40,575	\$41,792	\$43,046	\$44,337	\$45,667
Reserves	\$253,000	\$445,990	\$459,370	\$473,151	\$487,345	\$501,966	\$517,025	\$532,535	\$548,511	\$564,967
Total Operating Expenses	\$3,766,091	\$6,627,494	\$6,826,318	\$7,031,107	\$7,242,041	\$7,459,303	\$7,683,081	\$7,913,573	\$8,150,979	\$8,395,510
Net Operating Income	\$5,234,008	\$8,852,776	\$9,109,360	\$9,373,641	\$9,645,850	\$9,926,225	\$10,215,013	\$10,512,463	\$10,818,838	\$11,134,402
Debt Service										
Debt Service ²	\$2,686,793	\$6,217,973	\$6,217,973	\$6,217,973	\$6,217,973	\$6,217,973	\$6,217,973	\$6,217,973	\$6,217,973	\$6,217,973
Debt Coverage Ratio	1.95	1.42	1.47	1.51	1.55	1.60	1.64	1.69	1.74	1.79
Amount Available after Debt Service	\$2,547,215	\$2,634,803	\$2,891,387	\$3,155,668	\$3,427,877	\$3,708,252	\$3,997,040	\$4,294,490	\$4,600,865	\$4,916,429
Preferred Equity										
Equity Cost (Preferred Return of 7%) ³	\$2,547,244	\$2,634,804	\$2,891,388	\$3,077,056	\$2,787,623	\$2,787,623	\$2,787,623	\$2,787,623	\$2,787,623	\$2,787,623
Equity Coverage Ratio	1.00	1.00	1.00	1.03	1.23	1.33	1.43	1.54	1.65	1.76
Total Debt and Equity Payments	\$5,234,037	\$8,852,777	\$9,109,361	\$9,295,029	\$9,005,596	\$9,005,596	\$9,005,596	\$9,005,596	\$9,005,596	\$9,005,596
Combined Debt and Equity Coverage	1.00	1.00	1.00	1.01	1.07	1.10	1.13	1.17	1.20	1.24
Excess Cash Flow	\$0	\$0	\$0	\$78,612	\$640,254	\$920,629	\$1,209,417	\$1,506,867	\$1,813,242	\$2,128,806
Excess Cash Flow Distribution⁴										
USF Share of Remaining Cash Flow (40%)	\$0	\$0	\$0	\$31,445	\$256,102	\$368,252	\$483,767	\$602,747	\$725,297	\$851,522
Owner Share of Remaining Cash Flow (60%)	\$0	\$0	\$0	\$47,167	\$384,152	\$552,377	\$725,650	\$904,120	\$1,087,945	\$1,277,284

¹Projections assume 3% annual increases in rental rates and expenses and 95% occupancy rate for Fall and Spring and 10% for Summer.

²Estimated based on an assumed interest rate of 5.25% and a 32-year repayment term with interest only payable in years 1 and 2.

³Estimated based on an assumed interest rate of 7.0% and a 35-year repayment term with interest only payable during years 1 through 10.

⁴USF receives 40% of the excess cash flow and the Owner 60% until the IRR hurdle of 11.50% is met, then distribution changes where USF receives 60% and the Owner 40%.