

**FLORIDA BOARD OF EDUCATION
DIVISION OF COLLEGES AND UNIVERSITIES
Project Summary
University of South Florida
Residence Life Enhancement - Phase IIA
(Andros Corners and Special Purpose Housing)**

Project Type:

Phase IIA of the Residence Life Comprehensive Housing Plan consists of the construction of two new student housing projects (Andros Corners and Special Purpose Housing) and demolition of the Village Complex. Andros Corners will have a designed capacity of approximately 230 beds arranged in suites. Special Purpose Housing, with 344 beds, will be configured as duplex units. Of the total designed capacity, 562 beds will be revenue producing. The project will be financed from fixed rate or variable rate tax-exempt bonds issued by the University of South Florida Foundation (the "Foundation") in an amount not to exceed \$24,000,000 provided that the debt service coverage ratio is not less than 1.20. Construction will be arranged through the use of a lease, lease back agreement between the University and the Foundation. The project will be operated and monitored by the University of South Florida through an operating lease agreement with the Foundation.

Demolition of Village Complex:

The Village Complex was constructed during 1983 and 1984 as a temporary housing solution. The present deteriorated condition of the structures, contributed to by the constant use and the impermanent nature of the construction, has significantly increased the maintenance costs. The demolition of this facility has been planned in two phases, beginning in 2001-2002 and ending in 2002-2003. An assessment of current conditions reveals that to keep these units operational for three more years the University needs to spend approximately \$400,000 in repairs for dry rot, termite damage, exterior paint, gutters, downspouts and replacement doors. Extending the life expectancy of these units beyond 20 years will escalate the cost of repairs and replacement roofs to approximately \$900,000. The University has decided not to invest funds in the older facilities and instead will construct replacement facilities.

The Special Purpose Housing site is currently included in the greenway. In order to offset the development of the greenway, it is proposed to dedicate an equivalent amount of converted acreage of the Village Complex. The impervious surface area in the greenway must be offset in order to maintain committed open space in the Master Plan

and comply with regulatory requirements regarding storm water management. The Special Purpose Housing site and resultant Village Complex demolition is included in the USF Master Plan update currently under way.

The University of South Florida Revenue Bonds of 1983 were issued through the federal government to finance the construction of the Village Complex. The revenues from this facility are pledged to the payment of debt service on these bonds. Additionally, the Village Complex is included within the housing system that was created by the University of South Florida Housing Facility Revenue Bonds, Series 1996A. After payment of debt service associated with the 1983 Bonds, excess revenues from the Village Complex are combined with revenues from the housing system to satisfy the debt service requirements of the 1996A Bonds.

Facility Site Location: All buildings will be located on the Tampa Campus of the University of South Florida, Tampa, Florida, on East Holly Drive and Maple Street. All of these buildings will be consistent with the University's Master Plan.

Student Market: Andros Corners will primarily house traditional, undergraduate students with an emphasis on Freshmen. Special Purpose Housing will primarily house student groups who share special interests.

Demand Analysis: Over the past three years, occupancy rates for the housing system have been 100% or 101% during the Fall semesters. Each year a waiting list exceeding 200 students is compiled. Students on the waiting list are placed in temporary accommodations until approved cancellations are identified. For the Fall 2001 semester, over 80 students were not placed in temporary housing facilities on campus and were referred to private facilities within a five-mile radius of campus. The 1996-1997 Market Analysis conducted by consultants Hanbury, Evans, Newill, and Vlattas (HENV) indicates a demand for on-campus housing of over 10,000 students at the Tampa Campus. Through the expansion of housing options for students, the University will be able to better serve the varied needs of its students which will perpetuate the increasing demand for on-campus housing. Additionally, new housing facilities are needed in order to replace the beds lost due to the demolition of the Village Complex.

Physical Description: **Andros Corners** Andros Corners will consist of two buildings for a total of 63,105 gross square feet. The buildings will be suite style

residence hall facilities with two rooms connected by a compartmentalized shared bath for four students. Each student room will have two beds for a total of 230 beds. These new facilities will be compatible with the existing five story residence halls of the Argos complex. The Andros Corners facilities will knit together all residential areas through the blending of existing buildings and open spaces with the new additions.

Special Purpose Housing

Special Purpose Housing will consist of seven two and three story duplexes for a total of 101,775 gross square feet. Suite configuration will accommodate ten to fourteen student rooms, each designed for two students and shared bathrooms on each floor, as well as shared elevators and egress stairways. The double occupancy rooms will have common bathrooms, living and dining rooms and kitchens. The ground floor of each unit will contain four double occupancy bedrooms, an entry lobby with a display wall, a kitchen with adjacent laundry room, two full bathrooms with fixtures, and a living room. Each student group will have the option of making one first floor bedroom an advisor/suite. The second floor of each unit will contain six double bedrooms, two full bathrooms with separate shower and toilet/sink areas, a sunlit lounge space and a storage room. Houses with 20 residents will be a two story structure, houses with 28 residents will have a third floor built either under the eaves of the roof or as a full height floor.

Pledged Revenues:

The USF Foundation will pledge housing rental revenues from Andros Corners and Special Purpose Housing for payment of debt service. In addition, housing system revenues remaining after payment of debt service due on the outstanding prior lien obligations will also be pledged. The \$10,245,000 University of South Florida Housing Facility Revenue Bonds, Series 1996A, have a senior lien on the housing system revenues. The lien of the outstanding \$23,100,000 Series 1999 Certifications of Participation and the outstanding \$24,045,000 Series 2000 Certificates of Participation, along with the proposed Series 2002 Certificates of Participation, have a junior and subordinate lien to the lien of the Series 1996A Bonds on the housing system revenues. Additionally, the lien of the outstanding and proposed certificates of participation will be junior and subordinate to the lien of the University of South Florida Dormitory, Dining and Auxiliary Enterprises Revenue Certificates of 1965 and the University of South Florida Revenue Bonds of 1983 on project revenues. As of June 30, 2001, there was a debt service amount of \$2,832,300

outstanding on the Series 1965 Certificates and the Series 1983 Bonds. The 2002 Certificates of Participation are being issued on parity with the outstanding 1999 and 2000 Certificates of Participation.

Since it is anticipated that the Village Complex will be demolished, the University will be required to satisfy the senior lien status of the 1983 Bonds on project revenues through modification of the revenue pledge as defined in existing bond documents of the federal government or by defeasance of the outstanding debt through the issuance of refunding bonds or by providing cash. The University has filed a request with the federal government to secure a modification to the pledged revenue.

Debt Service Coverage: The debt service coverage ratio in fiscal year 2003-2004 for the housing facility rental income is 1.04 on a par amount of \$23,360,000. Using housing system revenue available for debt service after payment of prior lien obligations, the debt service coverage ratio is 1.35 for fiscal year 2003-2004.

Summary of Proforma: The financial pro forma for the comprehensive residence life enhancement project is based on the following: new construction and renovations taking place over the next nine years; revenue generated from new facilities will help finance renovations; and a post completion occupancy level estimated at 95%. For fiscal year 2003-2004, the rental rate for Andros Corners is \$3,200 per academic year with projected annual gross revenue of \$772,803, excluding vacancies and staff beds. For fiscal 2003-2004, Special Purpose Housing reflects an annual rental fee (academic year and summer) of \$5,035 for doubles. A parlor fee of \$117 per chapter member is included in this annual fee. The annual gross revenue for Special Purpose Housing is estimated to be \$1,932,592. Projected operating revenues include average annual rate increases of 3%.

Current Capacity: The current capacity of on campus housing is 3,783.

Student Life Programs: The new student residence facilities and the renovations will address the needs of both freshmen and upper-class students and will have a resident assistant ratio of 1:49. This ratio is standard for the campus. An integral part of the staffing for the new facilities will be the Resident Director, who will live on-site to supervise undergraduate student staff residing in the facility. The Resident Director will respond to emergencies on a 24 hours basis, coordinate educational and social programs, distribute pertinent information, and provide referral services for advising, counseling and career planning for residents

Planned Occupancy: Andros Corners and Special Purpose Housing are scheduled to open Fall 2003.

Status of Current Projects:

Phase IA of the comprehensive residence life enhancement project, which consisted of the construction of Holly I and Holly II apartments with a total of 728 beds, opened for occupancy during August, 2000. The total project expenditures to date are \$24,438,617. This project was completed on schedule and within budget.

Phase I-B of the comprehensive residence life enhancement project consisted of the construction of Magnolia I apartments and the renovation of Gamma Hall (Betty Castor Hall). The total project expenditures to date are \$24,144,566. These projects opened for the Fall 2001 semester.

Future Projects (Phase IIB):

The University anticipates the renovation of an existing facility (Beta Hall) during 2003-2004, with a reopening date scheduled for the Fall, 2004 semester. Beta will remain a traditional corridor style residence hall with 72,265 gross square feet. When completed, the building will have 295 beds (reduced from 331) with 281 beds revenue producing. The project will be undertaken at an estimated cost of \$7.5 million. This renovation will maintain the existing traditional rooms with enhanced lobbies and lounges, modify social study spaces, and modify hall baths. The renovation will remove asbestos; upgrade electrical, plumbing, and HVAC systems; and include converting some bedrooms into commons space. New paint, lighting, carpeting and furniture will be included. The emphasis of these renovation efforts will be to create highly marketable rental housing focused for the traditional freshman student.

Future phases of the comprehensive residence life enhancement project will address the remaining needs for additional beds capacity and renovation of other existing housing facilities.