

STATE BOARD OF EDUCATION
Project Summary
University of Florida, Main Campus
Genetics and Cancer Research Facility

Project Type:

On May 24, 2001, the Board of Regents approved a resolution authorizing the University of Florida Research Foundation, Inc., to issue tax-exempt revenue bonds in an amount not to exceed \$100,000,000 for purposes of financing the construction of a genetics and cancer research center on the University of Florida, main campus. As a result of the reorganization of the state university system and the time that has elapsed since the original resolution was approved, it is necessary for the State Board of Education to reauthorize the bond financing.

The previously designed program included a 325,000 gross square feet facility, providing 197,000 net assignable square feet, and the revised program reports a reduced total project of 283,206 gross square feet, and providing 165,805 net assignable square feet. The project will be composed of two components, will be constructed concurrently to realize maximum cost savings, but will be built as two separate projects for accounting purposes to maintain the integrity of the different funds.

The proposed Genetics and Cancer Research Center will be a multi-disciplinary biomedical research facility with a total of 258,738 gross square feet, and provide 149,282 of net assignable square feet. The proposed facility will provide the necessary space to increase the level of funded grant research, and will also provide efficiencies in operation through the consolidation of the core research support facilities. The total proposed project cost of the Genetics and Cancer Center is \$77,293,978.

The proposed Interdisciplinary Center for Biotechnology Research (ICBR) is programmed to be a 24,468 gross square feet facility, with 16,523 of net assignable square feet. The facility will allow the ICBR to consolidate their operations which are currently located in six different Health Science Center and Institute of Food and Agricultural Sciences facilities, as well as a small one story administrative building. The core laboratory facilities offered by the ICBR will be utilized by the research programs conducted in the Genetics and Cancer Research, as well as by other campus wide entities. The total proposed project cost of the ICBR facility is \$6,500,000.

The two components of the project will be located in the same building and constructed concurrently to reduce the overall project construction cost. The anticipated construction cost of the project is \$83,793,978 to be financed from variable rate, tax-exempt revenue bonds issued by the University of Florida Research Foundation, Inc., in an amount not to exceed \$35,000,000, and PECO and/or Research Foundation funds. Construction will be administered by the University of Florida with the construction phase expected to start November, 2003.

Facility Site Location: The proposed facility will be located on the northwest corner of the intersection of Mowry Road (which is north of Archer Road – State Highway 24) and North-South Drive, on the University of Florida main campus. The site is currently underdeveloped and will provide the ready access that is desired by interdisciplinary research programs that draw resources from many areas of the University and the State. Development of the facility will also achieve a goal of the University of Florida Master Plan to create a gateway image to what is the major southern entrance to the main campus.

Physical Description: The multi-level facility with Gothic Architecture and Gainesville Red Brick will include: (1) The Genetics Institute and Cancer Research Center programmed to be 258,738 gross square feet and 149,282 net assignable square feet, to accommodate the research, training and administrative operations of the University of Florida Genetics Institute and Cancer Research Center, and (2) the Interdisciplinary Center for Biotechnology Research (ICBR), programmed to be 24,468 gross square feet and 16,523 net assignable square feet, and will allow the ICBR to consolidate operations which are currently located in six different Health Science Centers and Institute of Food and Agricultural Sciences facilities, as well as a small one story administrative building.

Demand Analysis: New facilities for the University Genetics Institute are required to provide an arena for the formation of cooperative and synergistic research efforts in genetics originating from University faculty from a wide range of colleges. The research, education, and public service missions of this institute include a number of functions for which there is currently no available space on campus, particularly with regard to the specialized shared resource facilities.

The specialized facilities proposed for this building currently include a rooftop greenhouse for transgenic plant research, a specific pathogen-free animal facility for transgenic mouse and large animal research, a series of special “clean” rooms for genomic analysis including high-throughput sequencing and DNA microarray analysis to name just a few.

The current plan calls for space allotted to a total of 36 faculty members, including both research laboratories and offices. While this would include approximately 24 faculty members for whom some available space is currently assigned on campus, the proximity of this space to the shared facilities and to other investigators is of paramount importance in accomplishing the mission of the Institute.

The University of Florida Shands Cancer Center is dedicated to the conduct of original research into the mechanisms of oncogenesis and normal cell growth, and to facilitating the translation of novel research findings into clinical strategies for therapeutic, diagnostic and/or preventative cancer trials. Patient care is currently provided through Shands HealthCare facilities, including Shands Hospital at the University of Florida, and the

Davis Cancer Center, located just east of the project site. New facilities for research are required to meet the needs of current and future grant funded research. Research is currently being conducted in the College of Medicine research space at the University of Florida Health Science Center but the available laboratory and support facilities are limited to ongoing programs. The center's administration is located on another floor in the adjacent Medical Science Building. Consolidation in new facilities with space for adequate growth will allow the Shands Cancer Center to pursue its mission and create a premier center for cancer research at the University of Florida.

The Interdisciplinary Center for Biotechnology Research laboratory offers a wide array of services to all researchers such as biological computing, DNA sequencing, electron microscopy, glycobiology, hybridoma facility, plant containment, protein chemistry, molecular services and the two environmentally-related labs, genetic analysis and molecular biomarkers. In addition, there are three ICBR affiliate cores, biotechnology mass spectrometry, research histology and biomechanics, and reproductive hormone analysis.

Pledged Revenues: A general obligation of all of the royalties and licensing fees of the University Research Foundation, Inc. will be utilized. The royalties and licensing fee revenues are identified within the Analysis of Financial Plan. Eighty-nine percent of 2001-2002 royalty income was provided from two sources; 61.4% or \$18.7 million from Trusopt, a drug used to treat glaucoma, and 28.1% or \$8.5 million from Gatorade. While the proposed pledged revenue available for debt service in 2006-2007 is projected to be \$6,614,629, a significant amount of gross revenues are utilized for expenses that can be paid from the grant overhead revenue within the University's Sponsored Research Trust Fund. It is the University's plan, should royalty income be insufficient to cover debt service, to charge certain expenses of the Research Foundation to the UF Sponsored Research Foundation, Inc., thereby making a greater portion of Research Foundation revenues available for debt service.

Debt Service Coverage: The Research Foundation intends to issue variable rate revenue bonds. Total debt service annually on \$35,000,000 is \$2,024,341.90 when calculated at 4% interest rate for a term of 30 years. The projected debt service coverage for 2006-2007 would be 3.27, based on this interest rate and term. If debt service was due in 2003-2004, the projected debt service would be 1.85.

Summary of Proforma: The financial proforma reports debt service coverage of 3.27. This coverage assumes continuation of expenses currently charged and issuance of \$35,000,000.

Planned Occupancy Date: It is anticipated that the proposed facility will be ready for occupancy May 2006.