FAU
BOARD OF TRUSTEES
Florida Atlantic University

Innovation Village Workshop

Tuesday, November 7, 2006

SUBJECT: INNOVATION VILLAGE

PROPOSED BOARD ACTION

The Administration requests that the Board of Trustees authorize the development of the Innovation Village project on the Boca Raton campus and specify the character and size of events facilities that should be developed.

BACKGROUND INFORMATION

Pursuant to a Request for Proposal process initiated in the fall of 2005, Florida Atlantic University selected a development team led by KUD International to create and implement a development plan for the Boca Raton campus that would include student residential housing facilities, retail space to serve the university community, and a venue for athletics and cultural events. The RFP required that all financing for the project must be private, with no recourse to University funds.

Throughout 2006, the KUD team has worked with the Administration to develop a plan that is consistent with university enrollment projections, the campus mission statements, and the BOT's directive to enhance the traditional campus environment on the Boca Raton campus. The ultimate goal is to provide physical and programmatic resources that will support FAU's efforts to become recognized as a university of first choice.

These efforts have produced a set of alternative options for the events venue. The Administration seeks the Board's direction as to which option to pursue. One option is to build an enclosed, or domed, stadium with seating capacity of 40,000. A second option builds two structures: an expandable, open air stadium with initial capacity of up to 30,000, and a convocation center with capacity of 10,000. A third option builds a domed stadium in phases.

IMPLEMENTATION PLAN/DATE

The development of the Innovation Village project would commence immediately, with follow up meetings at the appropriate BOT committees anticipated for the spring of 2007. The implementation plans vary depending on the option chosen by the Board.

FISCAL IMPLICATIONS

All of the options do not involve the commitment of University funds for construction. The University anticipates incurring charges totaling less than $100,000 over the next six (6) months to review feasibility and other due diligence analyses, and to finalize development and operating agreements. The University will undertake commitments to raise significant donations and will direct revenues from the new facilities once they are constructed to support operations. All fiscal implications for all phases of the project will be developed in detail under the auspices of the BOT's Audit & Finance Committee.
I

Supporting Documentation:	**Innovation Village PowerPoint Presentation**
Presented by:	**David L. Kian, General Counsel**
Phone:	**(561) 297-3007**

Introduction – President Frank T. Brogan

Enhancing FAU Student Experience – Trustee Armand Grossman

1. Provide Increased Access to Higher Education
2. Meet Statewide Professional Workforce Needs
3. Build World-Class Academic Programs and Research Capacity
4. Meet Community Needs and Fulfill Unique Institutional Responsibilities
5. Build a State-of-the-Art Information Technology Environment
6. Enhance the Physical Environment
7. Increase the University's Visibility

Goals for the Innovation Village

- Improve the student experience
- Promote cultural and social interaction
- Create a traditional, first choice collegiate environment
- Build partnerships with the community
- Advance economic development
- Increase FAU's visibility and reputation
- Further a mutually beneficial relationship with BRCH
- Enhance the success of FAU's athletics programs

Impacts on FAU System

- Attract high quality educators
- Increase freshman retention
- Establish FAU as university of first choice
- Increase FAU visibility
- Provide a forum for FAU system-wide cultural interaction
- Increase graduation rates
- Promote an atmosphere of life-long learning

Addressing Student Population Growth - Michael Armstrong, Associate Provost

- Projected Growth for FAU
- Impact on Boca Raton Campus
- Capturing the First Time in College students
- Becoming the university of First Choice

FTIC Profiles – Fall Entry

	ACT	SAT	GPA
1997 F	21	1053	3.2
1998 F	21	1054	3.3
1999 F	21	1055	3.3
2000 F	21	1051	3.3
2001 F	21	1037	3.4
2002 F	21	1032	3.3
2003 F	20	1026	3.4
2004 F	21	1037	3.4
2005 F	22	1058	3.4
2006 F	22	1052	3.3

FTIC Yield Rates

	Applied	Admitted	Enrolled	Yield
1997 F	3798	2684	1103	41%
1998 F	4109	3076	1424	46%
1999 F	4887	3470	1416	41%
2000 F	5762	4174	1820	44%
2001 F	6289	4495	2031	45%
2002 F	7283	5021	2088	42%
2003 F	7898	5612	2178	39%
2004 F	9198	6023	2380	40%
2005 F	10363	5505	2015	37%
2006 F	9754	5245	2101	40%

FAU Planned FTE Growth

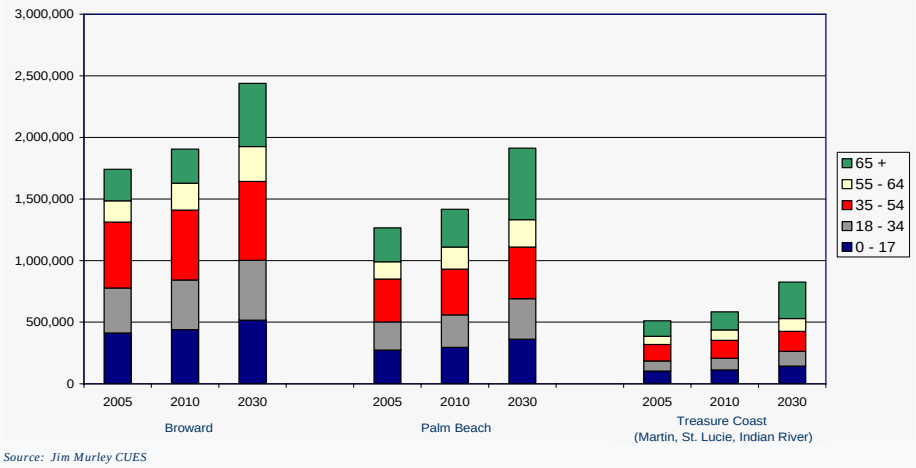
CAMPUS	2005-06	2008-09	2010-11
Boca Raton	10,482	11,481	11,854
Davie	2,241	2,496	2,576
Ft. Lauderdale	466	521	541
Jupiter	872	969	1,000
Port St. Lucie	441	492	509
Off-Campus	197	208	218
TOTALS	14,699	16,167	16,698

Planned FTE/Headcount Growth for Boca Raton

LEVEL	2005-06	2008-09	2010-11
Undergraduate	9,105	9,959	10,268
Graduate	1,377	1,522	1,586
TOTALS	10,482	11,481	11,854
Headcount*	18,047	19,869	20,507

*Based on 1.73 Headcount: FTE Ratio

Population Projections
By county, by age group



Source: Jim Murley CUES

Age	Broward 2005	Broward 2010	Broward 2030	Palm Beach 2005	Palm Beach 2010	Palm Beach 2030	Treasure Coast 2005	Treasure Coast 2010	Treasure Coast 2030
0 - 17	412,903	439,187	517,252	273,019	295,755	362,608	103,469	113,145	143,480
18 - 34	363,952	403,612	484,981	229,899	264,477	327,469	81,928	95,440	119,452
35 - 54	534,945	568,193	640,609	348,003	371,022	420,236	134,418	144,746	162,376
55 - 64	173,347	216,795	282,459	140,081	179,014	222,127	64,716	84,436	103,178
65 +	255,840	277,690	513,959	274,898	307,055	579,940	126,610	146,369	297,373

SWOT Results/Summary

- **FAU conducted a survey of more than 3,000 applicants for admission as freshmen in Fall 2004 who were admitted but chose not to attend. More than 500 responded and nearly all of them were enrolled elsewhere:**
  - 50% in another Florida public university
  - 22% in an out-of-state institution
  - 17% at a Florida community college
  - 11% at a Florida private institution

Selection of First Choice Universities

- **The most common reason for not choosing FAU was that the student was admitted to their FIRST CHOICE institution, most commonly:**
  - University of Central Florida
  - Florida State University
  - University of Florida
- **When asked for reasons why these were their first choice institutions, many stated that they were looking for a MORE TRADITIONAL UNIVERSITY ATMOSPHERE with more ON-CAMPUS ACTIVITIES.**

Characteristics of a First Choice University – Charles Brown, Vice President Student Affairs

- Excellent Academic Programs
- High Retention and Graduation Rates
- Outstanding Facilities/Physical Plant
- Vibrant Campus Life Programs

Vibrant Campus Life Program

A. Traditions/Programs of Pride

- Successful Athletic Teams
- Homecoming
- Parent/Family Weekend
- Student Leadership Seminars/Opportunities
- Volunteerism/Service Learning
- Student Programming (concerts, speaker series etc.)
- Greek Life
- Strong and Visible Student Organizations

Vibrant Campus Life Program

B. Outstanding Student Engagement Facilities

- Recreation and Fitness
- Career Center
- Student Union or Center
- Residence Halls

Vibrant Campus Life Program

C. Entertainment/Shopping District

- Stores
- Cleaners
- Restaurants
- Hair Salon
- Copy Center
- Internet Café
- Coffee Shop

Impact of Campus Housing Persistence to Graduation

- Living in campus housing creates a social-psychological environment for students that is qualitatively different from that experienced by those who live at home or elsewhere off campus and commute to college (Blimling, 1993)

Impact of Campus Housing Persistence to Graduation

- Compared to their counterparts who live at home and commute to college; resident students have significantly more social interaction with peers and faculty and are significantly more likely to be involved in extracurricular activities and to use campus facilities (Billson and Terry, 1982; Chickering, 1974; Everett, 1979; Foster, Sedlacek, and Hardwick,1977; Nelson,1982; Pascarella,1984; Stockham,1974; Welty,1976)

Impact of Campus Housing Persistence to Graduation

- Arthur Chickering (1974), in a landmark study, found that on-campus living had a statistically significant positive effect on persistence and completion of the bachelor's degree, even when controlling for initial differences such as socioeconomic status, academic ability, and past academic performance. Other studies have supported these findings (Anderson, 1981; Astin, 1973, 1975, 1977, 1982; Herndon, 1984; Pascarella and Chapman, 1983; Velez, 1985).

Impact of Campus Housing Persistence to Graduation

- Even when controls are applied for differences in past academic performance, aptitude, socioeconomic status, and other factors associated with educational attainment, students who live in residence halls consistently persist and graduate at significantly higher rates than students who have not had this experience (for example, Anderson, 1981; Astin, 1975, 1977, 1982; Herndon, 1984; Howell, Perkins, and Young, 1979; Levin and Clowes, 1982; Pascarella and Chapman, 1983; Velez, 1985).

Housing Options & Opportunities - Jill Eckardt, Director University Housing

"It is no longer enough for a college or university simply to provide students with four walls and a bed. Students are demanding more from their residential experience. College and University administrators have realized that by offering unique, functional, and technologically advanced living experiences, they are better able to attract and retain students." ***21st Century Project – ACUHO-I***

Comprehensive University Housing Offerings

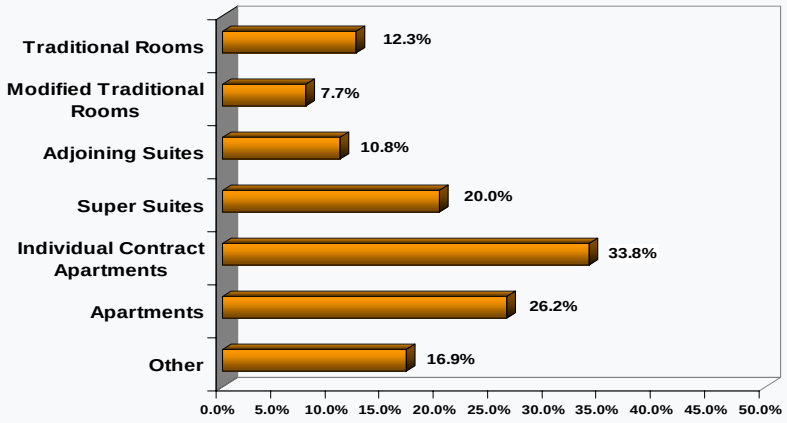
Presently Offered at FAU

- First year, single students
- Upperclass, single students
- Living-Learning Communities

Not Presently Offered at FAU

- Special Interest Housing
- Greek Housing
- Graduate students
- Married students or Family
- Faculty/Staff

National Housing Trends – Type of Living Units



Source: ACUHO-I, Construction & Renovation Survey

National Housing Trends – Reason Facility Was Built

- Meet demand for additional beds (83%)
- Meet the needs and interests of students (71%)
- Increase the variety of housing options (59%)
- Increase percent of undergrads housed (55%)
- Keep pace with enrollment growth (45%)
- Provide higher levels of privacy (45%)
- Replace outdated facilities (34%)

Source: ACUHO-I, Construction & Renovation Survey

FAU Housing Needs

- **Waiting Lists; 2005 and 2006**
- **Room Selection for Current Students**
- **The Future**

Housing Demand – Ron Meers, President, UPI

- **Components that define housing demand**
  - On-Campus housing demand studies
  - Off-Campus demand
  - Available off-campus housing opportunities
  - Competitive rental rates

Comparison to Other Florida Universities

University	Campus Housing %
Florida Atlantic University	10.0%
Central Florida	11.3%
Florida A & M	26.2%
Florida Gulf Coast	27.0%
Florida International	07.9%
Florida State	19.9%
New College of Florida	65.6%
North Florida	13.7%
South Florida	15.0%
University of Florida	15.1%
West Florida	15.4%

Jill Eckardt SUS Housing Comparison: % of freshman living on campus

Current Housing Assessment FAU Housing Bonds, Series 2006A

- **Occupancy rate of 99%**
- **Expected capacity 2,446 beds in Fall of 2007**
- **Requirement that first-year students reside in University housing**
  - Not strictly enforced due to insufficient number of available beds
- **Lack of desirable on-campus housing**
  - Students choosing to live off-campus in higher-priced housing vs. living at home and commuting
- **Some on-campus housing demand from South Campus of Palm Beach Community College (PBCC) students**
  - FAU traditionally accommodates 40 PBCC students in Housing System facilities

Source: FAU Housing Revenue Bonds, Series 2006A

Fall Semester 2005 Occupancy Analysis

Capacity	Occupancy	Occupancy as % of Capacity	Boca Raton Campus Full-Time Enrollment	% of Boca Raton Full-Time Students Residing on Campus
1,795	1,795	100.0%	9,243	19.4%
1,875[1]	1,875	100.0%	10,884	17.3%
1,801[2]	1,783	99.0%	11,517	15.5%
1,910[3]	1,896	99.0%	11,182	17.0%
1,916	1,901	99.0%	12,347	15.4%

If housing ratio increases to other traditional campus environments:
18% = 2,222 20% = 2,469 22% = 2,716 24% = 2,963

Source: FAU Housing Revenue Bonds, Series 2006A

Comparison of Housing Rates

"Although off-campus housing has been an acceptable alternative for some students, rising costs and limited availability are two prohibitive factors. Boca Raton rental rates have typically been high and have increased consistently during the 1990's and early 2000's. The area immediately surrounding the University's Boca Raton campus does not provide adequate options in the way of student-oriented, reasonably priced housing."

Source: FAU Housing Revenue Bonds, Series 2006A

Survey of Off-Campus Housing Rates in Boca Raton

Complex Name	Rental Rate Per Month: One Bedroom	Two Bedroom	Three Bedroom
Addison Place	-	$1,115	$1,359
Boca Bend Marina	$795	900	1,350
Boca Colony	795	955	1,155
Boca Place	1,120	1,500	1,625
Coral Harbor	799	1,425	-
Cynthia Gardens	930	-	-
Mizner on the Green	1,275	1,875	-
Palma Vista	-	1,665	1,900
Palms of Boca Del Mar	940	1,196	-
Royal Colonial	895	1,175	1,795
San Marco at Broken Sound	-	1,675	2,035
Su Casa	780	870	-
Town Colony	1,175	1,600	-
Vinings at Town Place	750	965	1,200
Vinings II at Town Place	1,030	1,350	1,610
Average	$940	$1,305	$1,560

* Off-campus facilities selected for this survey were located within two miles of the University.

Source: FAU Housing Revenue Bonds, Series 2006A

Privatized Financial Model

- **Core Components of the UPI Privatized Model**
  - Competitive rental rates
  - Competitive life-style amenities to off-campus product
  - University led student life programs
  - Operate similar to private apartments
  - Profits accrue to the not-for-profit entity (not the developer)
  - Return on investment accrues to not-for-profit (not the developer)

Surplus Revenue Potential

- **Establish competitive rental rates**
- **Procure competitive financing (not-for-profit rates)**
- **Control operational costs**
- **Create surplus revenues**
  - UCF Housing Projects example
    - Rental rates $683 per bed / per month
    - Costs $174 per bed / per month
    - Debt service $396 per bed / per month
    - Surplus revenues $113 per bed / per month
    - Net Revenues $1350 per bed / per year

Competitive Rental Rates

- **Boca Raton Campus Rental Rates**
  - Freshmen Housing Per Semester
  - Current $6,900 per year
- **Off-campus Rental rates in Boca Raton**
  - 2 bedroom 2 bath apartment within 2 miles
  - $800 to $930 per bedroom on annual lease basis
  - Annual cost of $9,600 to $11,600
- **Potential on-campus rates for competitive product**
  - Assume 90% of off-campus competitive rate is potential

Housing Potential Demand

	2010	2015
Overall FTE	11,854	12,500
Headcount*	20,507	21,600
Freshman @ 15%	3,076	3,240
Resident Freshmen @ 80%	2,481	2,592
All Other Students @ 85%	17,431	18,360
Resident Other Students @ 20%**	3,486	3,672
Total Potential Demand	5,967	6,264

*Based on 1.73 Headcount: FTE Ratio

**KUD estimate of demand

Potential Housing Needs

	2010	2015
Potential Demand	5,967	6,264
Existing Housing	2,446	2,446
Anticipated Need **	3,521	3,818

*Based on 1.73 Headcount: FTE Ratio

**KUD estimate of demand

Potential Surplus Revenue Opportunities for FAU

- **Potential new housing demand**
  - By 2010 3,521 beds
  - By 2015 3,818 beds
- **Utilize privatized not-for-profit model**
  - Annual Revenues 100%
  - Operating Costs 26%
  - Debt Service 58%
  - Net Revenues 16%
- **Example: UCF net revenues = $1,350 per bed per year**

Affiliated Opportunities

- **Support Retail**
- **Food Service**
- **Parking**
- **Concerts**
- **Theater**
- **Convocation & Events Potential**

Master Plan Considerations – Tom Donaudy, University Architect

- Current Master Plan
- Review of Key Components relating to Innovation Village

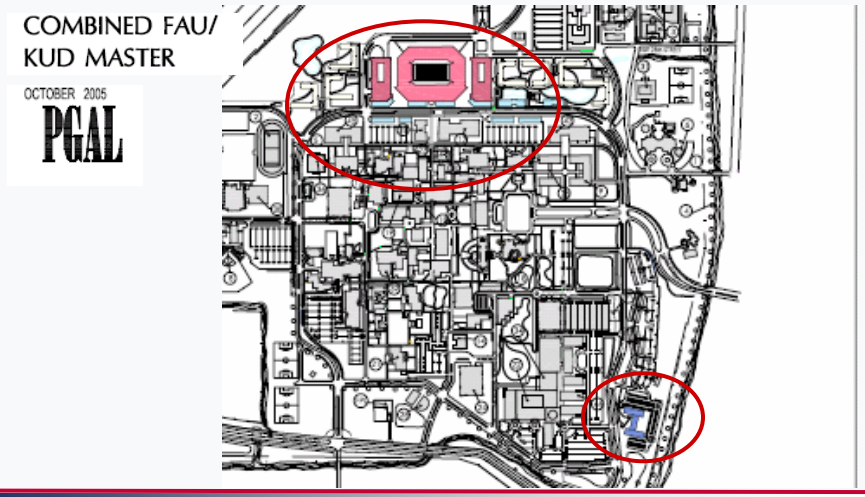
Aerial of Boca Campus

Master Plan Issues

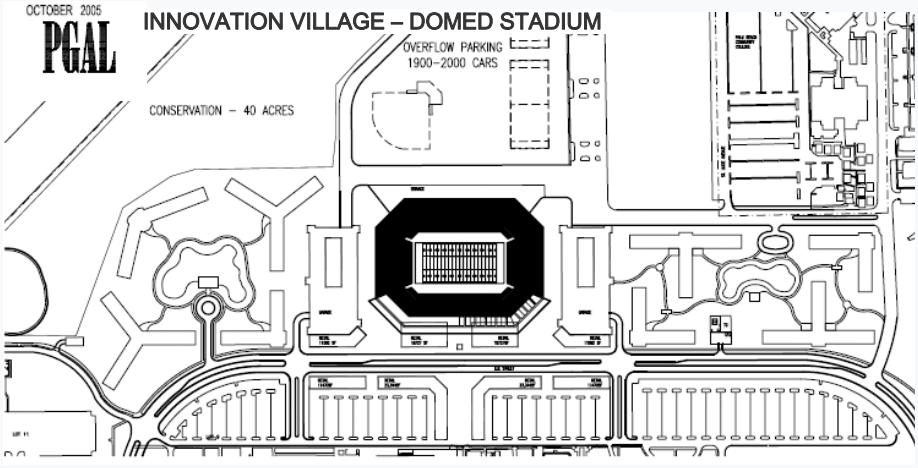
- **Existing Campus Master Plan**
  - Growth assumptions
  - Land-use and planning issues

Current Amendment Plan

Master Plan Options



Master Plan Options - Original Domed Stadium Proposal



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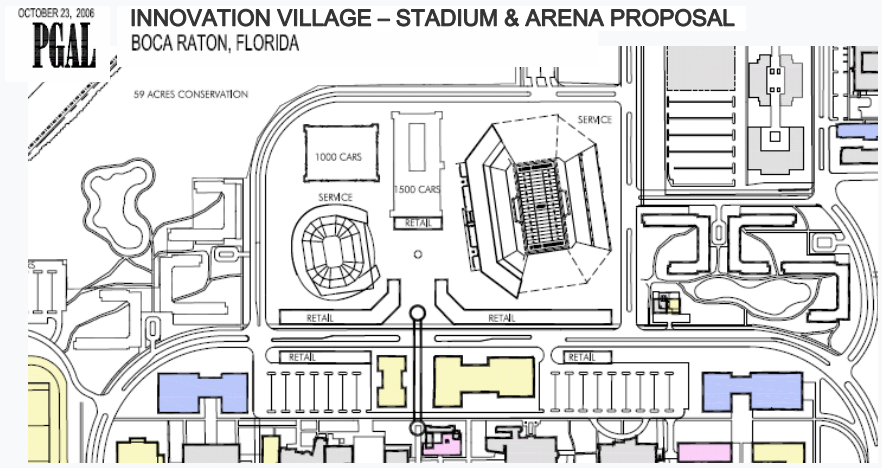

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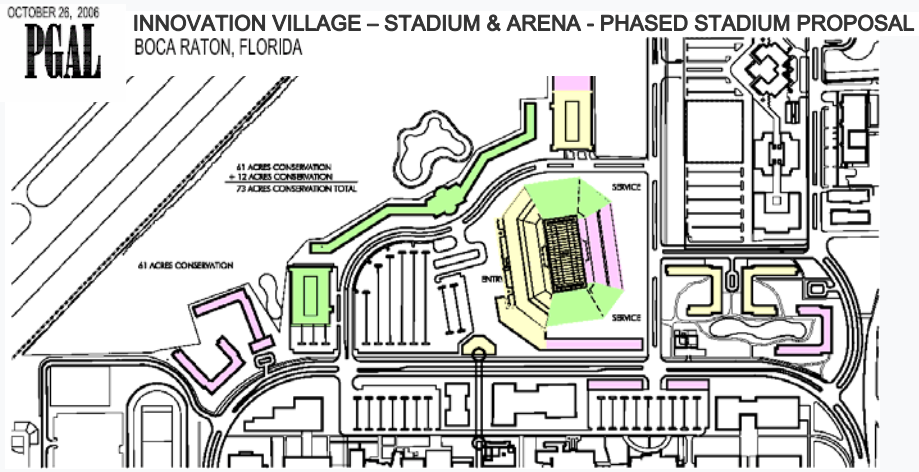


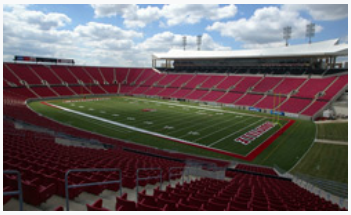
Stadiums – Scott Radecic, HOK Sport

HOKSPORT

University of Louisville

Papa John's Cardinal Stadium

HOKSPORT



- Opened 1998
- Seats: 42,000
- Construction Cost: $50,000,000
- Cost in Boca Raton in 2006: $71,632,000

Princeton University

Princeton Stadium

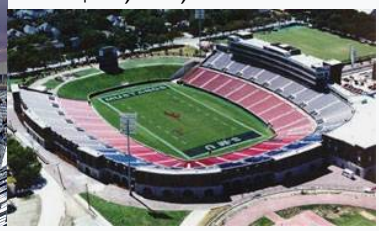
HOKSPORT

- Opened in 1998
- Seats: 27,800
- Cost: $38,000,000
- SF: 321,500
- Cost in Boca Raton in 2006: $43,000,000

Southern Methodist University

Gerald J. Ford Stadium

HOKSPORT

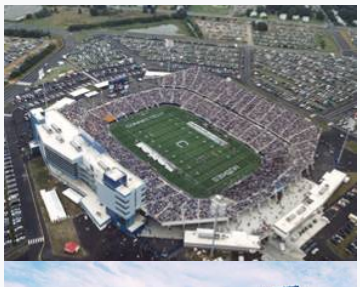


- Opened in 2000
- Seats: 32,000
- Cost: $56,000,000
- Cost in Boca Raton in 2006: $79,290,000

University of Connecticut

Rentschler Field Stadium

HOKSPORT



- Opened in 2003
- Seats: 38,500
- Cost: $76,000,000
- SF: 495,596
- Cost in Boca Raton in 2006: $78,195,000

PaeTec Park

Rochester, NY

HOKSPORT

- Opened in 2006
- Seats: 13,000
- Cost: $32,000,000
- Cost in Boca Raton in 2006: $32,300,000

Colorado Rapids Stadium

Denver, CO

HOKSPORT

- Opens in 2007
- Seats: 20,000
- Cost: $55,000,000
- Cost in Boca Raton in 2006: $52,970,000

University of Central Florida

Bright House Networks Stadium

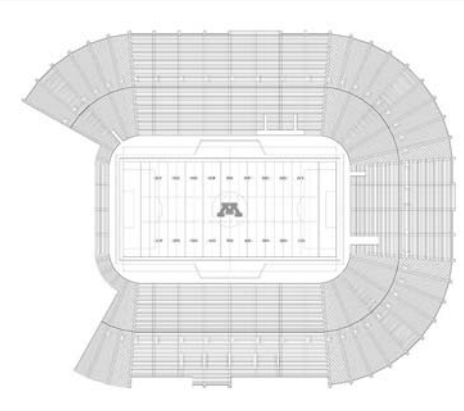
HOKSPORT

- Opens in 2008
- Seats: 45,000
- Cost: $69,771,000
- Cost in Boca Raton in 2006: $68,647,000

University of Minnesota

TCF Bank Stadium

HOKSPORT



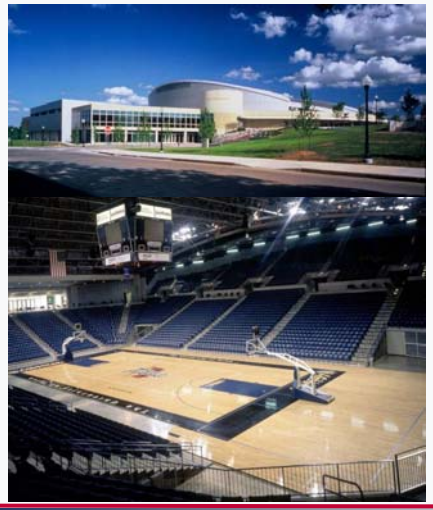
- Opens in 2009
- Seats: 50,000
- Cost: $180,000,000
- SF: 753,000
- Cost in Boca Raton in 2006: $146,530,000

Arenas

HOKSPORT

University of Tulsa

Reynolds Center

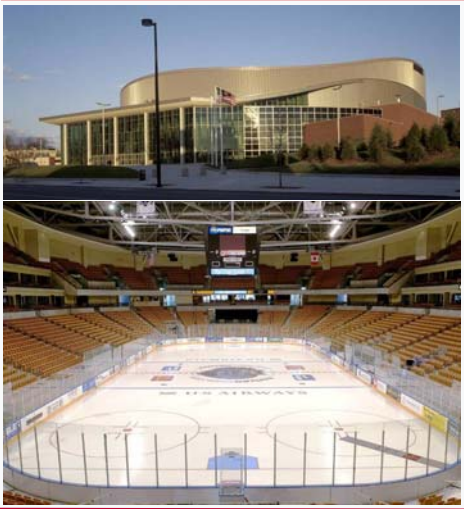


HOKSPORT

- Opened in 1998
- Seats: 8,350
- Cost: $21,500,000
- SF: 147,000
- Cost in Boca Raton in 2006: $33,083,000

Verizon Wireless Arena

Manchester, NH



HOKSPORT

- Opened in 2001
- Seats: 11,100
- Cost: $44,000,000
- SF: 230,000
- Cost in Boca Raton in 2006: $55,061,000

Old Dominion University

Ted Constant Convocation Center

HOKSPORT

- Opened in 2002
- Seats: 7,530
- Cost: $39,000,000
- SF: 219,330
- Cost in Boca Raton in 2006: $53,200,000

University of Rhode Island

The Thomas M. Ryan Center

HOKSPORT

- Opened in 2002
- Seats: 7,700
- Cost: $37,000,000
- SF: 213,000
- Cost in Boca Raton in 2006: $41,039,000

Giant Center

Hershey, PA

HOKSPORT

- Opened in 2003
- Seats: 11,600
- Cost: $53,000,000
- SF: 306,000
- Cost in Boca Raton in 2006: $62,250,000

Gonzaga University

McCarthey Athletic Center

HOKSPORT

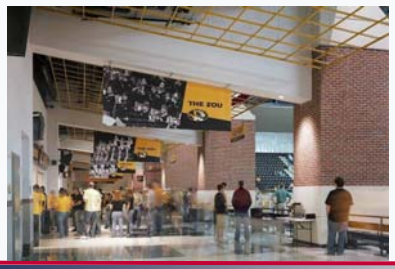
- Opened in 2004
- Seats: 6,000
- Cost: $23,000,000
- SF: 148,000
- Cost in Boca Raton in 2006: $24,235,000

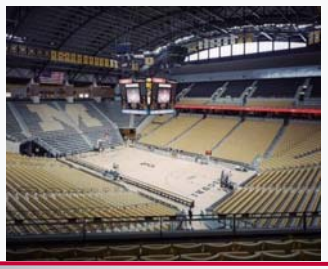
University of Missouri

Mizzou Arena

HOKSPORT

- Opened in 2005
- Seats: 15,000
- Cost: $62,000,000
- Cost in Boca Raton in 2006: $69,990,000





University of Central Florida

Convocation Center

HOKSPORT

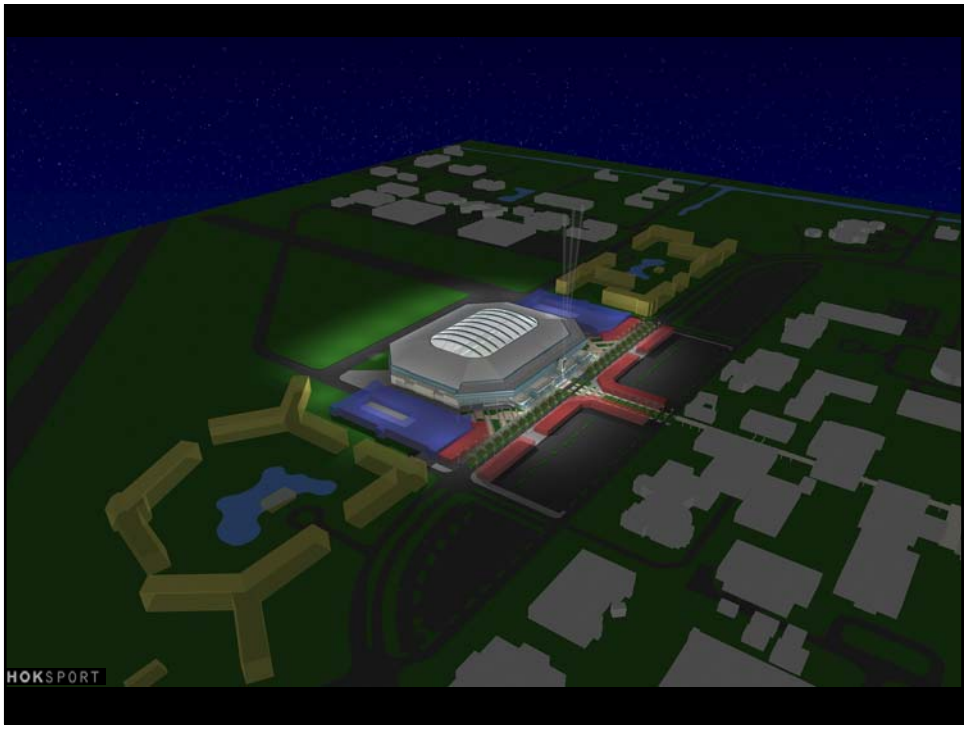
- Opens in 2007
- Seats: 10,000
- Cost: $51,000,000
- Cost in Boca Raton in 2006: $57,900,000

Florida Atlantic University Stadium and Arena Options

HOKSPORT

Domed Stadium

HOKSPORT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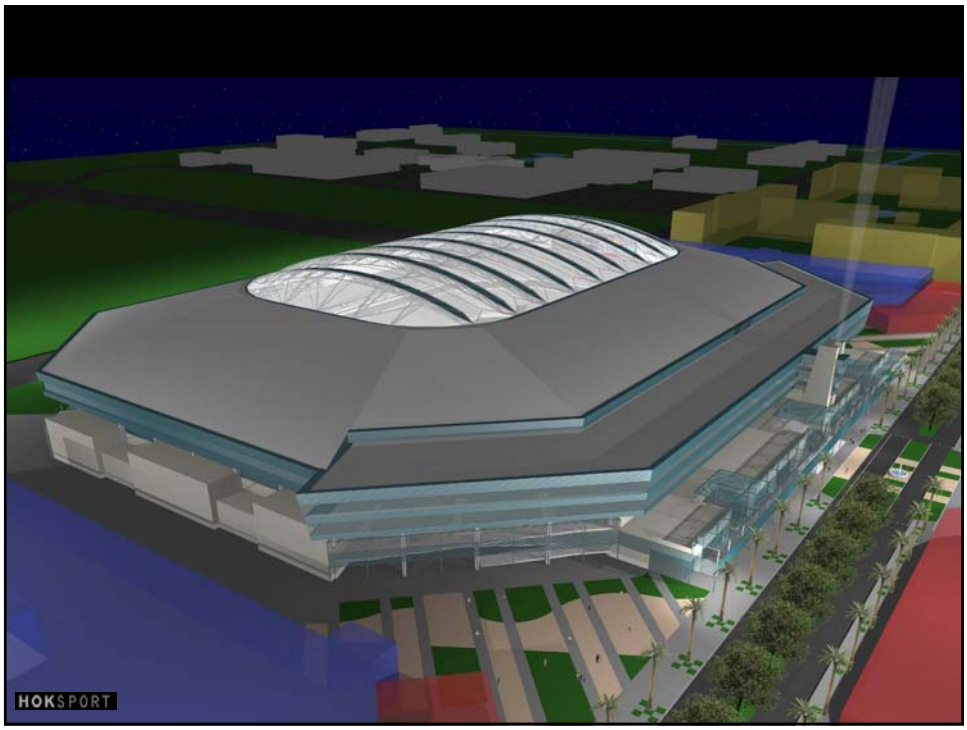
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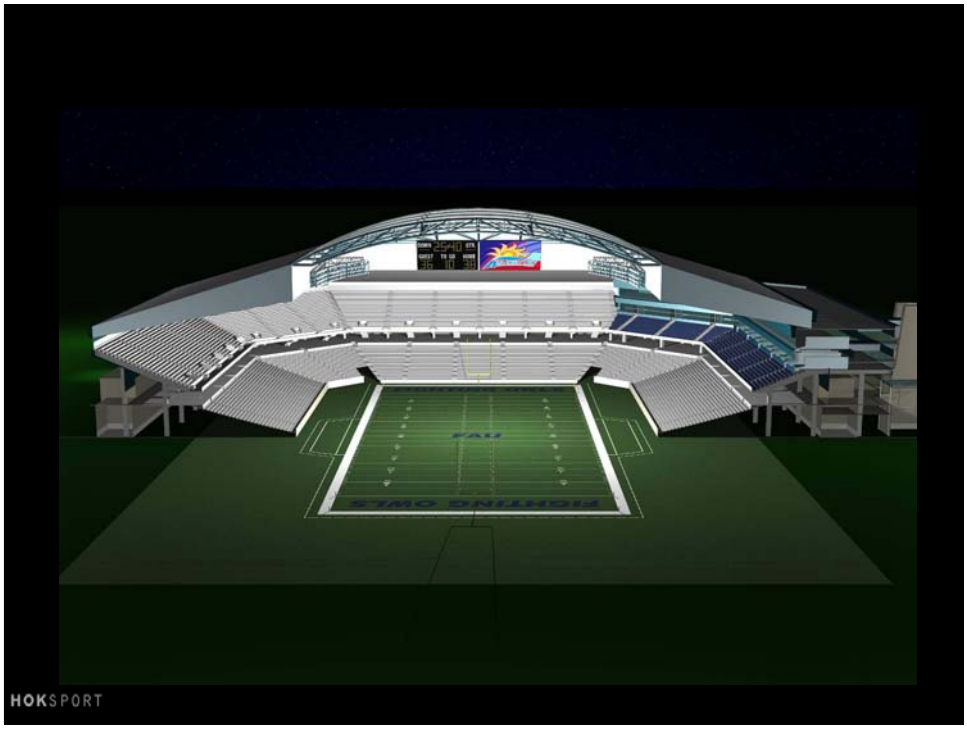
HOKSPORT


DOWN
QUEST
TO GO
HOME
36
10
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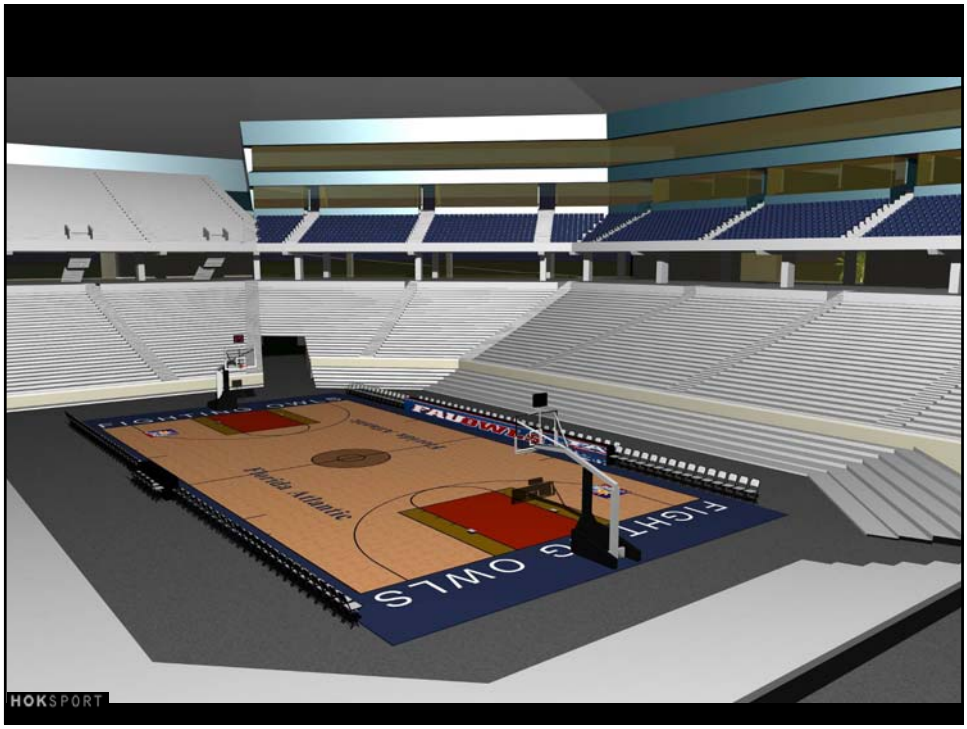
HOKSPORT



Domed Stadium

Two Facilities

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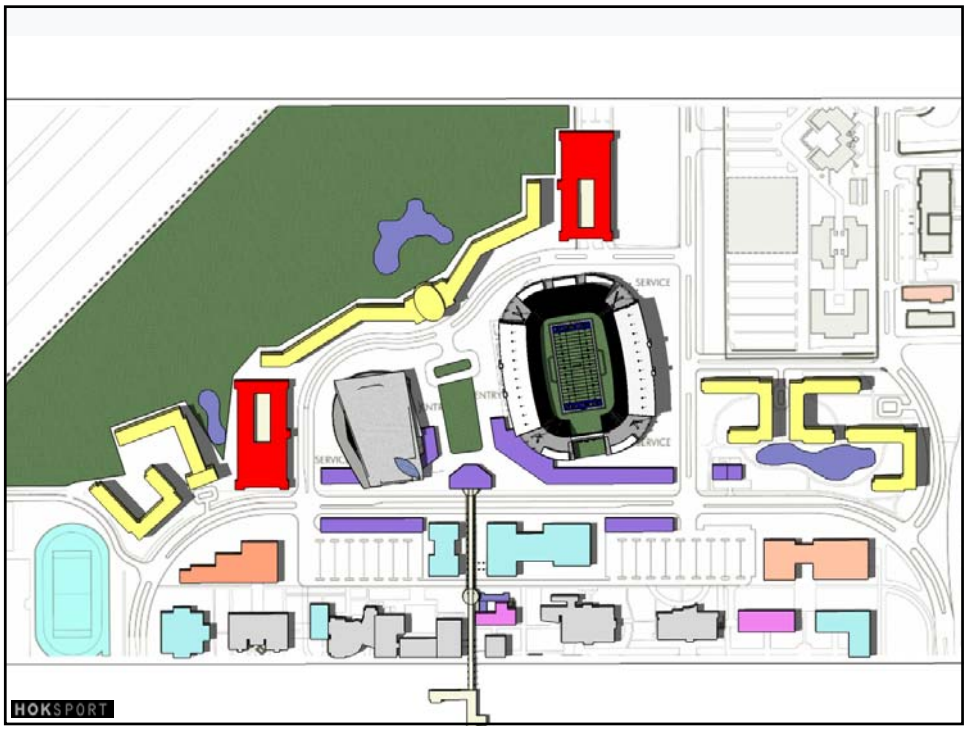

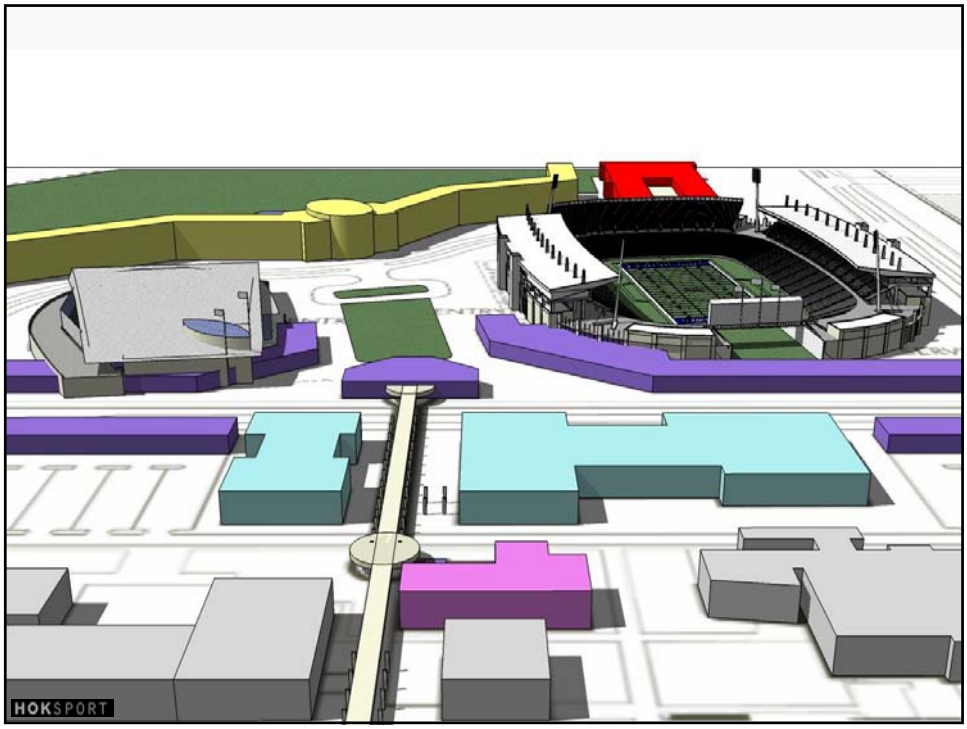
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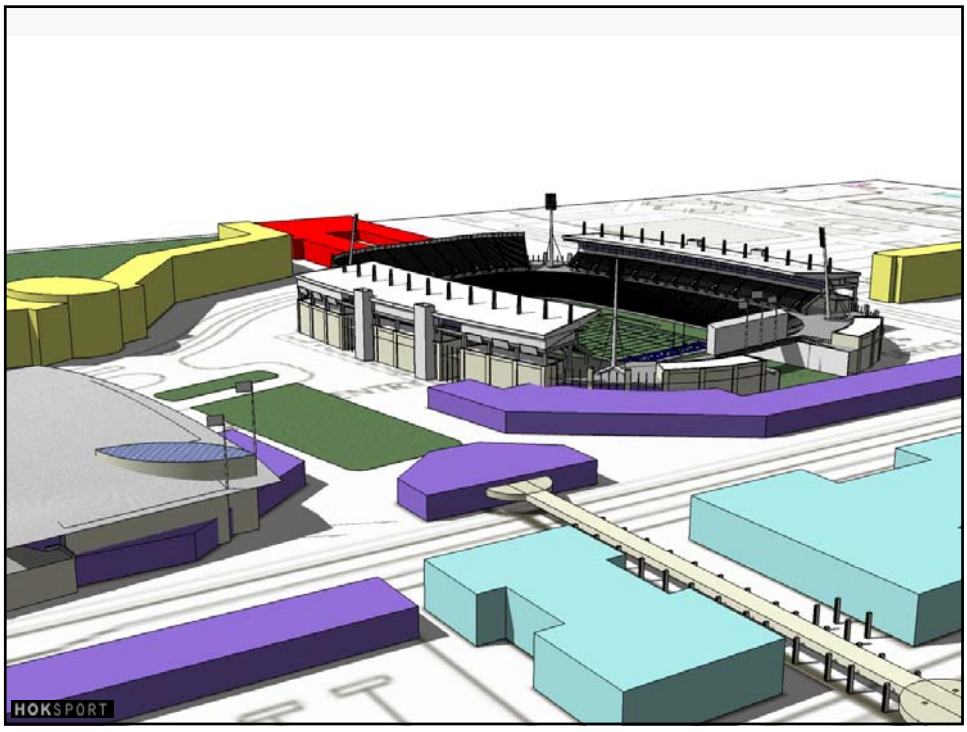
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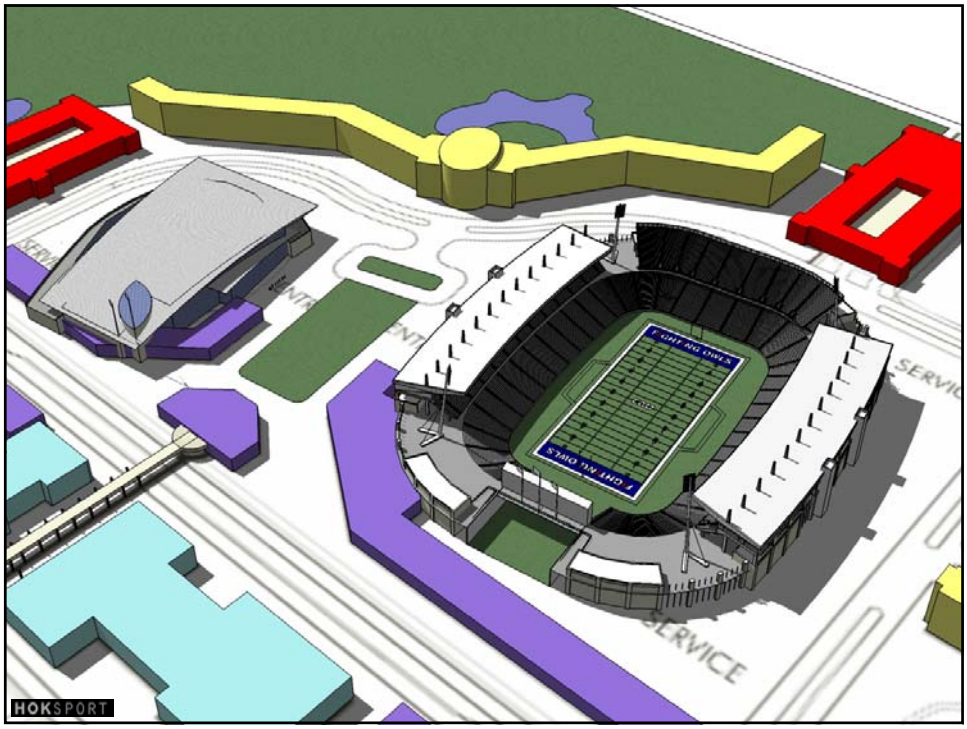
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FIGHTING OWLS
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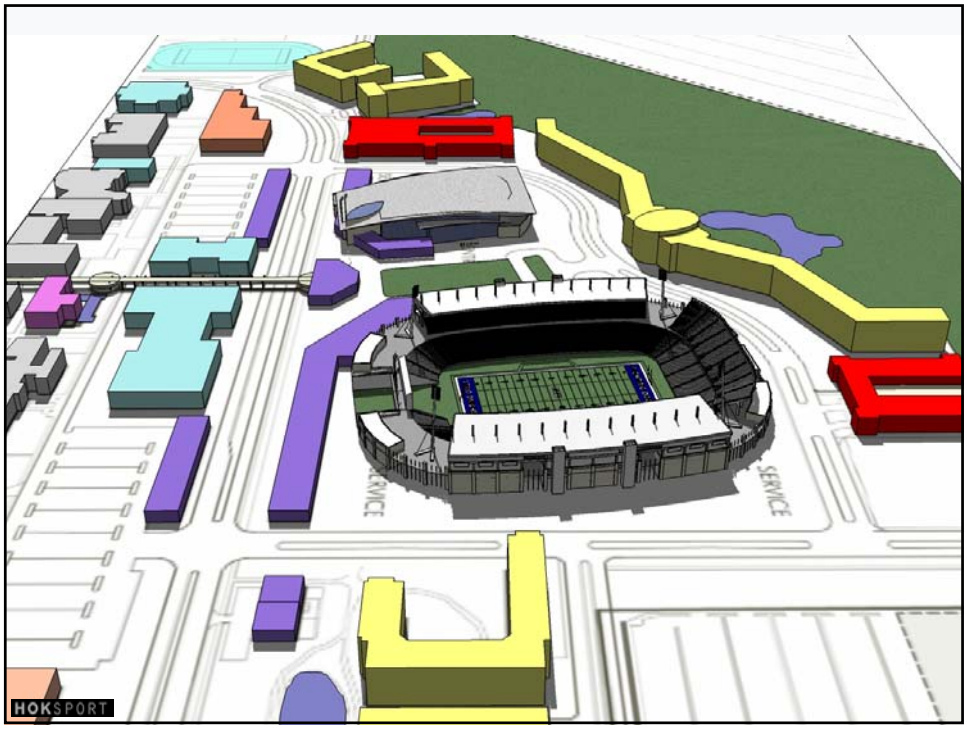
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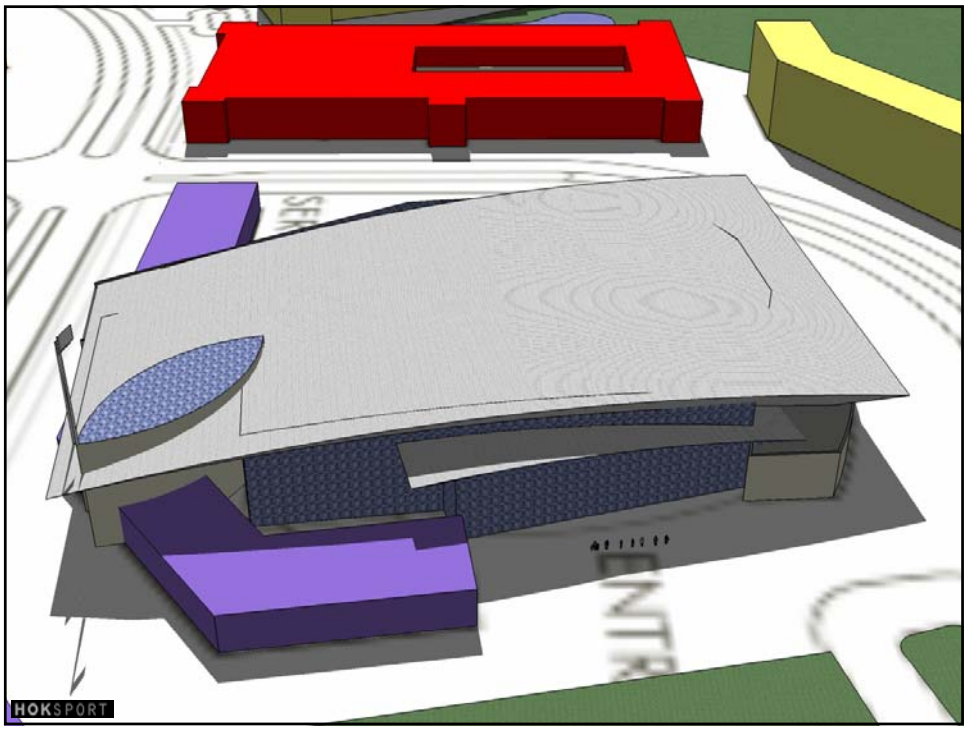
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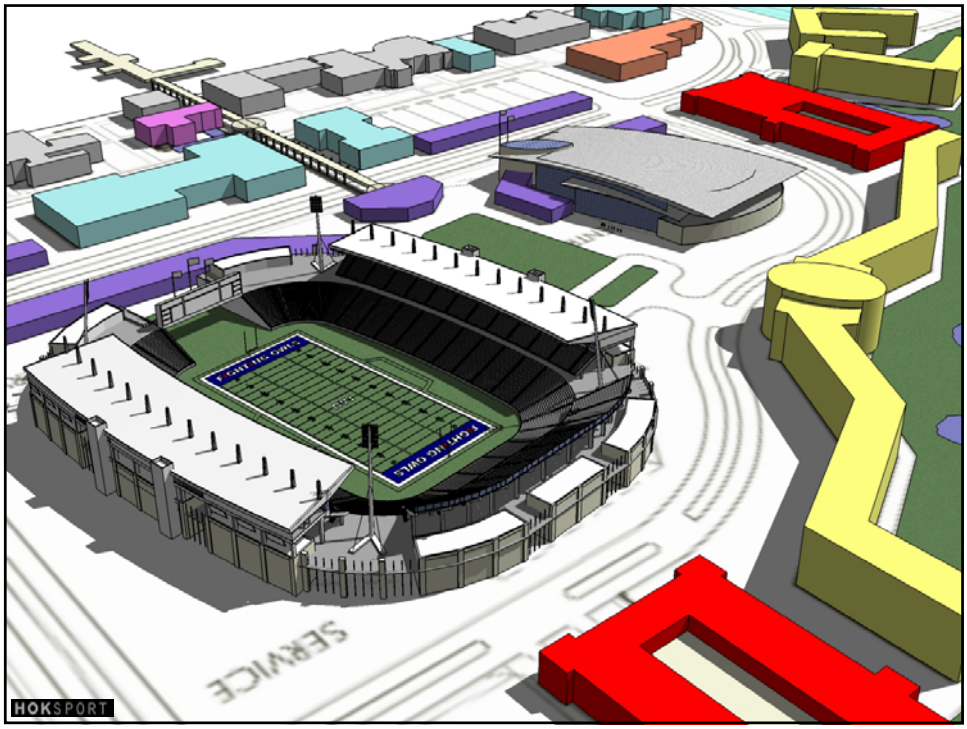

Phased Approach

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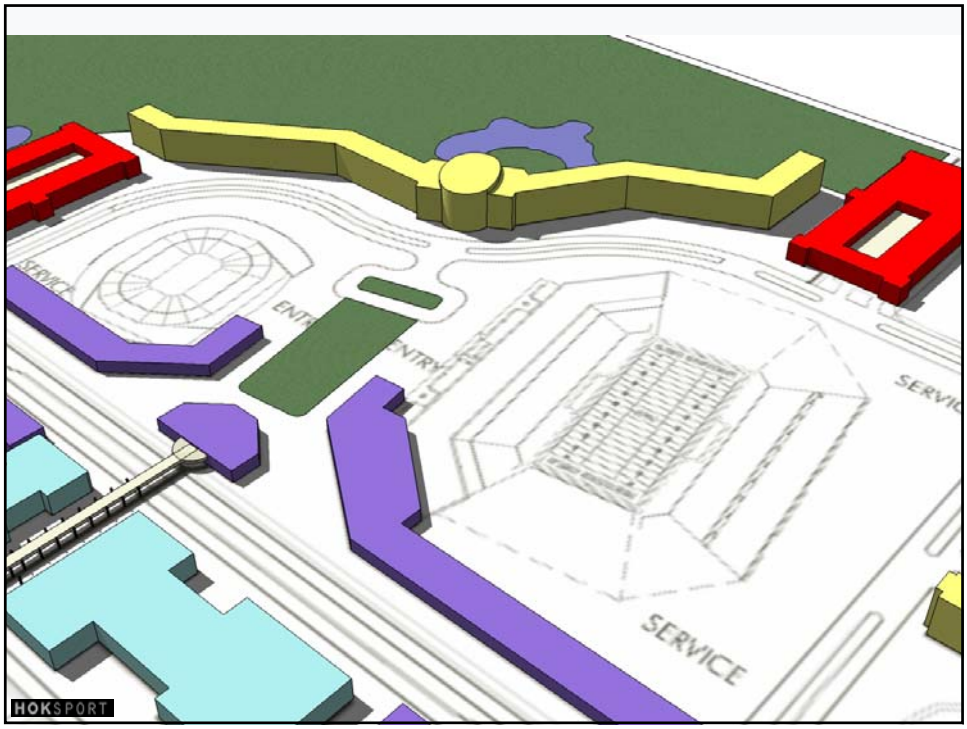
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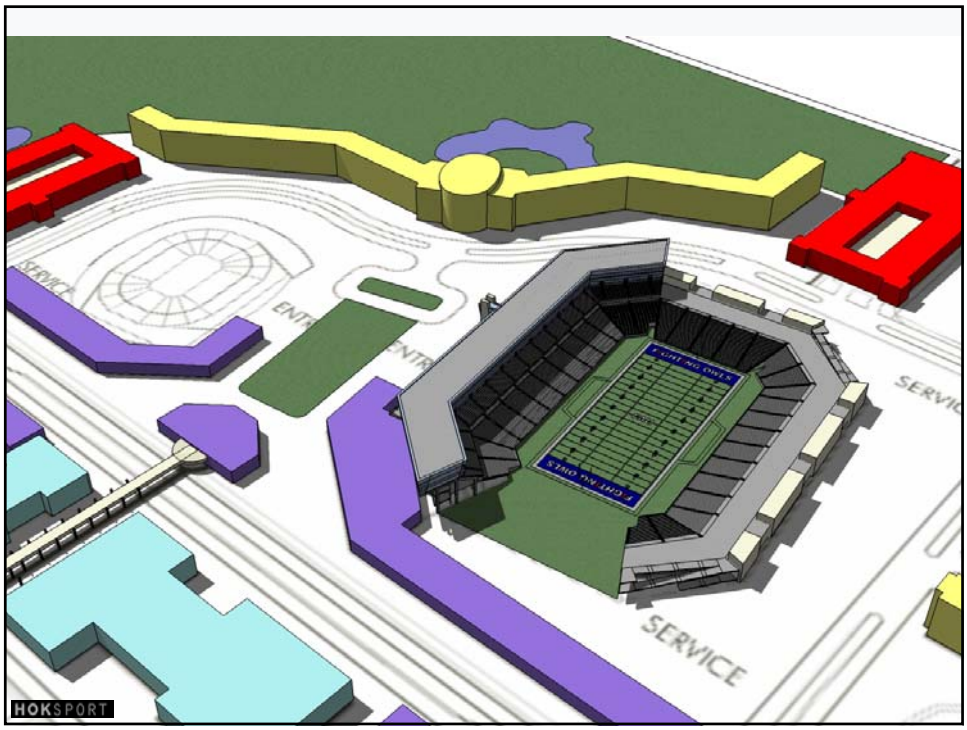
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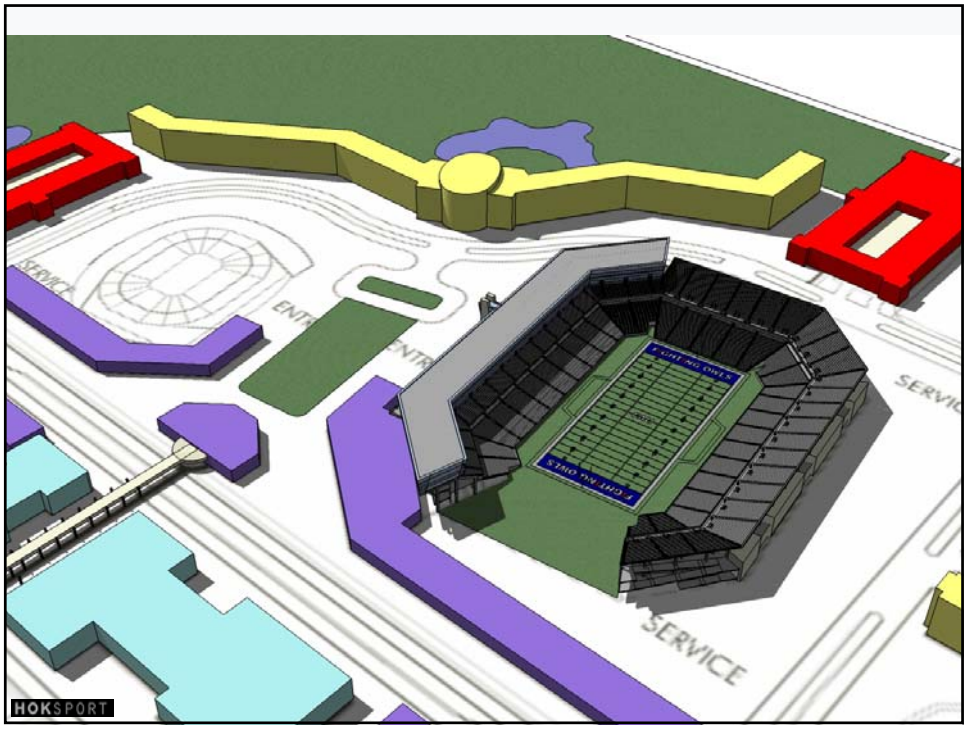
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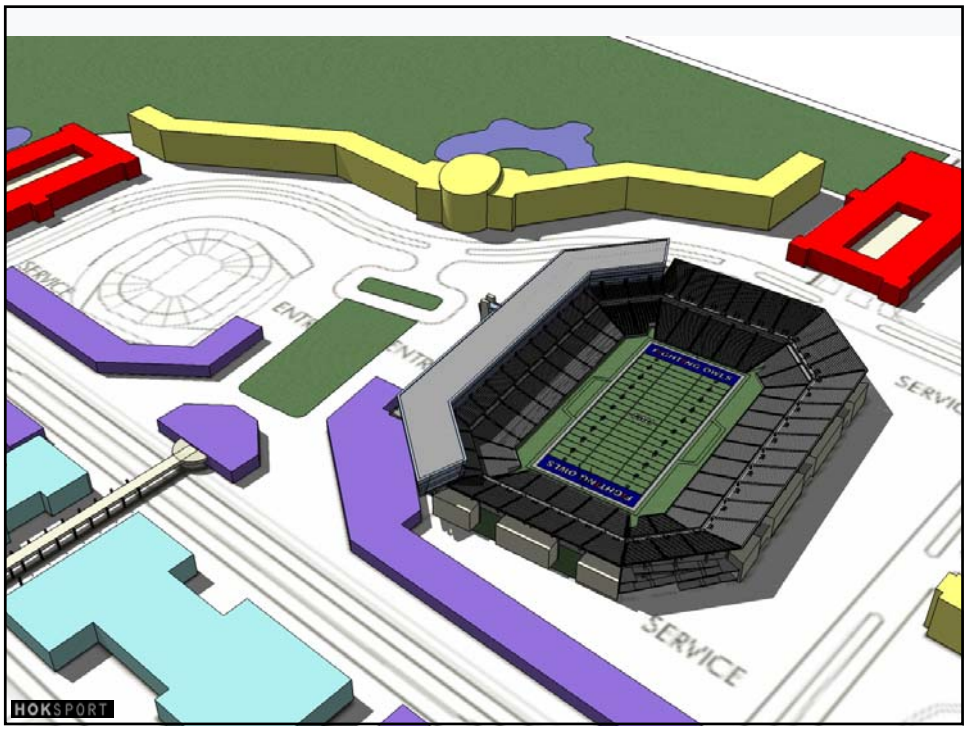
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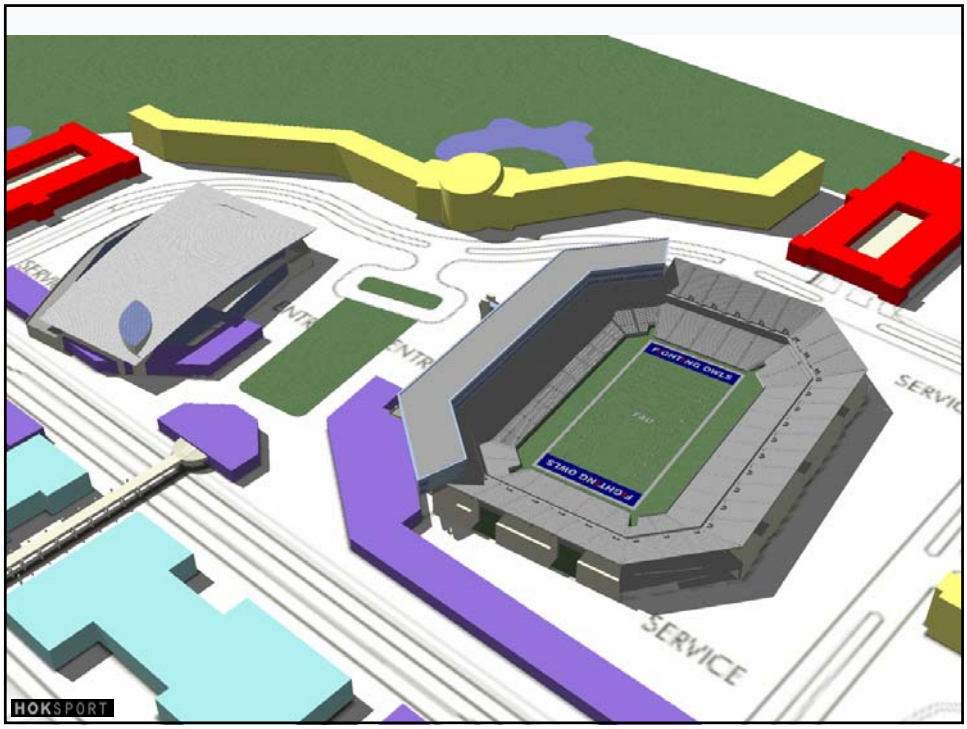
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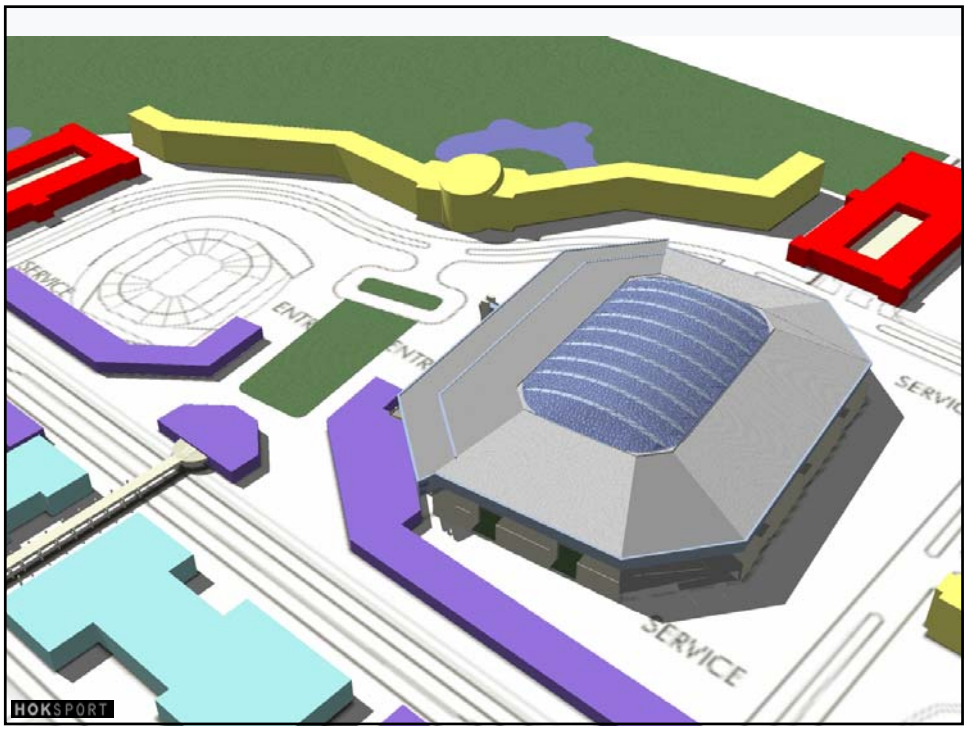
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Cost Modeling Domed Stadium
Dave Hatheway, KUD

- Hard cost of construction
- Soft costs (design, management, financing)
- Total Project Costs
- Financing costs (capitalized interest, placement, insurance)
- Total Project Financing
- Anticipated annual debt service

Domed Stadium
Cost Assumptions

• **Construction Cost**	**$146,850,000**
– 550,000 sf @ $267 / sf	
• **Soft Costs**	**$ 34,736,000**
– Design, permits, testing	
– Insurance, legal, contingency	
– Development fees	
Total Projected Costs	**$181,586,000**

Open Air Stadium Comparisons

Year	Stadium	Seats	Construction Cost	Total SF	Example Campuses, Adjusted to 2006	Example Campuses, Adjusted to Boca Raton 2006	Cost/Seat, Escalated to Boca Raton 2009
1998	University of Louisville	42,000	$50,000,000		$71,263,054	$71,632,019	$2,089
1998	Princeton University	27,800	$38,000,000	321,500	$51,576,498	$43,001,510	$1,895
2000	SMU	32,000	$56,000,000	440,000	$72,464,109	$79,290,438	$3,035
2002	Midland ISD	15,000	$14,000,000		$17,425,714	$20,773,285	$1,697
2003	UCONN	38,500	$76,000,000	495,596	$90,336,413	$78,195,659	$2,488
2003	Round Rock ISD	11,000	$20,500,000	108,000	$24,848,407	$28,690,726	$3,195
2006	PaeTec Park	13,000	$32,000,000	253,700	$34,240,000	$32,314,000	$3,045
2007	Colorado Rapids	20,000	$55,000,000	315,000	$55,000,000	$52,973,069	$3,245
2008	UCF	45,000	$69,771,000		$64,000,000	$68,647,198	$1,869
2009	University of Minnesota	50,000	$180,000,000	753,000	$165,000,000	$146,530,092	$3,590
Average		29,430	$59,127,100				$2,615

Appropriate Preliminary Budget for FAU ~ approx. $2,615 per seat

Stadium Construction Costs

Stadium	Seats	Construction Cost	Cost Basis
FAU – Open Air Stadium	30,000	$ 78,440,000	$2615 / seat
Projected Domed Stadium	40,000	$ 146,850,000	$267 / sf

Costs are hard construction cost only, not including design, development or finance costs
Cost include allowances for infrastructure and F,F & E
Costs are adjusted to Boca Raton, completion date of 2008/2009

Arena Comparisons

Year	Arena	Seats	Construction Cost	Total SF	Adjusted 2006	Adjusted to Boca Raton 2006	Cost/Seat, Escalated to Boca Raton 2009
1998	Reynolds Center, University of Tulsa	8,350	$21,500,000	147,000	$28,823,196	$33,083,381	$4,854
2001	Manchester, NH	11,100	$44,000,000	230,000	$55,426,368	$55,061,721	$6,077
2002	Old Dominion	7,530	$39,000,000	219,330	$48,698,049	$53,199,878	$8,655
2002	University of Rhode Island	7,700	$37,000,000	213,000	$47,048,985	$41,039,519	$6,529
2003	Giant Center, Hershey, PA	11,600	$53,000,000	306,000	$64,405,703	$62,252,739	$6,574
2004	Gonzaga University	8,000	$23,000,000	148,000	$27,588,166	$24,235,500	$3,711
2005	University of Missouri	15,000	$62,000,000	326,500	$66,340,000	$69,996,941	$5,717
2007	UCF	10,000	$59,600,000	260,000	$54,000,000	$57,921,073	$7,096
Average		**8,809**					**$4,959**

Anticipated Arena Cost

FAU –
projected cost / seat **$6,710 /seat** **10,000** **$ 67,100,000**

- **Based on projected cost per square foot in Boca Raton in 2010**
- **Equates to approx. $275 / sf**

Costs are hard construction cost only, not including design, development or finance costs
Cost include allowances for infrastructure and F,F & E
Costs are adjusted to Boca Raton, completion date of 2008/2009

Domed Stadium Compared to Open Air Stadium + Arena

	Construction Costs
• **Domed Stadium Cost**	
– 40,000 seat dome	$ 146,850,000
• **Separate Facilities Cost**	
– 30,000 seat Open Air	$ 78,440,000
– 10,000 seat Convocation Center	$ 67,100,000
TOTAL FOR SEPARATE PROJECTS	$ 145,540,000

Revenue & Operating Comparisons - Dome vs Arena

- **Doug Higgons - Global**
  - Data gathering exercise
  - Participant responses
  - Other domed facilities
  - Event Opportunities

Facility Operations Comparisons
Dome Stadium vs Open Air + Arena

Dome Stadium

- Operations cost similar (not including utilities and conversions)
- Personnel costs similar
- Utility consumption (electricity) greater in Dome Stadium (approx $700k annually)
- Conversion cost per non-football event of: $5,000
- Turf issue for football team

Open Air + Arena

- Operations cost similar (not including utilities and conversions)
- Personnel costs similar
- Utility consumption (electricity) less in Complex (approx $500k annually)
- Conversion is no cost to facility
- Grass or synthetic field for football

Events Potential
Dome Stadium vs Open Air + Arena

Dome Stadium

- Ability to host larger scale concerts
- Large scale tradeshows
- Large scale amateur sporting events with community benefit
- No direct competition from local venues
- Larger family shows might play either - building will not be a factor
- No ice floor - loss of Disney and skating events
- Rental revenues about the same
- Ancillary revenue greater for dome

Open Air Stadium + Arena

- Greater flexibility for smaller events
- Limited tradeshow capability
- Limited large scale community events
- Competition from numerous local venues
- Larger family shows might play either - building will not be a factor
- Ice floor - adds Disney and skating events
- Rental revenues about the same
- Ancillary revenue greater for dome

Events & Revenue Potential
Dome Stadium vs Open Air + Arena

Dome Stadium

Other Factors

- Unique facility that shows commitment to community
- Year round facility

Revenue Potential

- Naming Rights Revenue = $830,000 per year
- Premium Seating Revenue = $7,400,000 per year
- Advertising Revenue = $3,900,000 per year

Open Air + Arena

Other Factors

- Too many arenas in market
- Stadium "hard sell" in summer

Revenue Potential

- Naming Rights Revenue = $913,000 per year
- Premium Seating Revenue = $7,400,000 per year
- Advertising Revenue = $4,200,000 per year

Domed Stadium
Financial Model Assumptions

• **Annual Debt Service**	**$14.8 million**
– $179 million project cost	
• **Revenue Streams**	
– Net operating revenues	$2.8 million
– Parking revenues	$2.1 million
– Housing & Retail cross subsidy	$8.6 million
• (3200 beds, 150k sf retail)	
– Annual fundraising / grants	$1.0 million
– Hotel ground lease	$0.9 million
– Interest & misc. income	$1.6 million
• **Total Potential Revenue**	**$17.0 million**

Domed Stadium Financial Model Assumptions

- **Domed Stadium** — **$146.8 million**
  - Includes hard & soft costs, contingency
- **Donations / Pledges** — **($20.0 million)**
- **Workforce Housing cross-subsidy** — **($15.2 million)**
- **Underwriting, Cap Int, etc.** — **$48.3 million**

- **Anticipated Annual Debt Service** — **$14.6 million**

Comparison of Project Costs

(all numbers in millions)	Domed Stadium 40,000 seat	Open Stadium & Arena	Open Air Stadium 30,000 seat	Arena 10,000 seat
Construction Cost Infrastructure	$146.8	147.4	80.3	67.1
Soft Costs	34.8	34.1	18.4	15.7
Donations	-20.0	-20.0	-10.0	-10.0
Condo Subsidy	-15.2	-15.2	0.0	-15.2
Total Costs	146.2	146.3	88.7	57.6
Finance Costs	48.3	43.9	26.6	17.3
Bond Issue Amount	194.6	190.2	115.3	74.9
Projected Debt Service (annual x 30 years)	14.6	14.2	8.6	5.6

Phased Project Alternative

- Develop project in phases
- Allows ongoing flexibility and options
- Potential to analyze future market conditions

Phased Project Finance Model – Phase 1

- Open-Air Stadium Cost $98.7 million
  - Includes hard & soft costs, contingency
- Donations / Pledges ($10 million)
- Underwriting, Cap Int, etc. $26.6 million

- Anticipated Annual Debt Service $ 8.6 million

Phased Project Finance Model – Phase 1

- **Stadium revenue** — **$1.7 million**
- **Housing, retail cross-subsidy** — **$6.6 million**
  - 2000 beds, 130k sf retail
- **Conference Center lease** — **$1.0 million**
- **FAU rent** — **$0.6 million**
- **Event Parking** — **$0.6 million**
- **Total Revenue** — **$10.5 million**
- **Anticipated Annual Debt Service** — **$8.6 million**

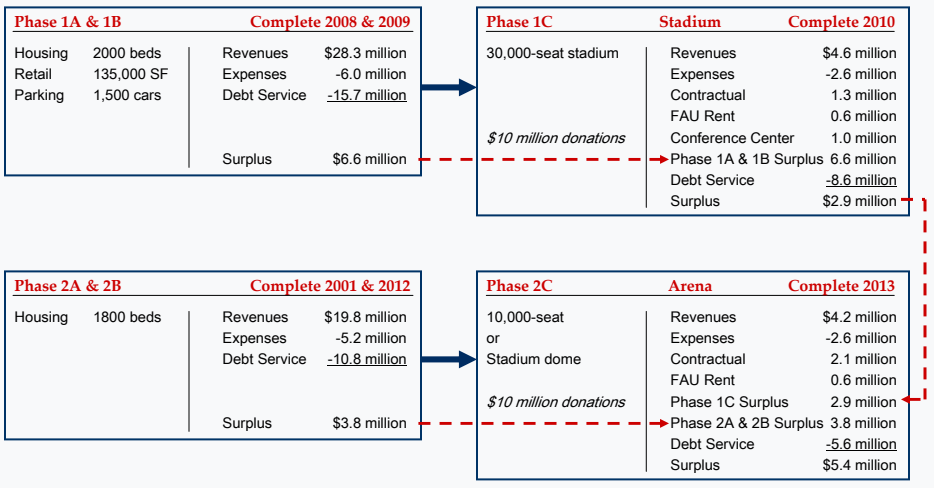
Phased Project Finance Model – Phase 2

- **Assume Phase 2 based on 10,000 seat Convocation Center / Arena**
  - (options could be add'l seating at stadium, dome for stadium or new arena)
- **Convocation / Arena Cost** — **$85.9 million**
  - Includes hard & soft costs, contingency
- **Donations / Pledges** — **($10.0 million)**
- **Workforce Housing cross-subsidy** — **($18.0 million)**
- **Underwriting, Cap Int, etc.** — **$17.4 million**
- **Anticipated Annual Debt Service** — **$ 5.6 million**

Phased Project Finance Model – Phase 2

- Arena revenue $1.6 million
- Phase 1 cross-subsidy $2.8 million
- Phase 2 Housing revenues $3.8 million
- FAU rent $0.6 million
- Event Parking $1.3 million
- Total Revenue $10.1 million
- Anticipated Annual Debt Service $ 5.6 million

Summary of Funds Flow



Project Phasing

• Phase 1A - Housing / Retail	June '07 - Aug '08
• Phase 1B – Housing / Retail	May '08 – Aug '09
• Phase 1C – Stadium	Dec '08 – Aug '10
• Phase 2A – Housing	May '10 – Aug '11
• Phase 2B – Housing	May '11 – Aug '12
• Phase 2C – Convocation / Arena	July '11 – Aug '13

Legal Relationship – David Kian, FAU General Counsel

- Public Private Partnership
- FAU providing land through sublease
- KUD creating SPE
- Not-for-Profit Operating Structure
- Complies with State of Florida BOG Capital Financing requirements as recently revised

Summary – President Frank T. Brogan

- The Innovation Village project will achieve the BOT's goal of transforming the Boca Raton campus into a more traditional, first choice university campus
- The FAU Administration requests that the BOT authorize moving forward with the Innovation Village project on a specified scale
- Additional service providers not affiliated with KUD have been retained for the financial analyses and other due diligence
- All future components of the project will be developed through the appropriate BOT committees, beginning in the first quarter of 2007, with ultimate oversight and approval of all steps by the full BOT