



**FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND FACILITIES COMMITTEE**

Thursday, June 1, 2017

8:30 am

Florida International University

Modesto A. Maidique Campus

College of Business Complex, Special Events Center, Room 233

Committee Membership:

Leonard Boord, *Chair*; Justo L. Pozo, *Vice Chair*; Cesar L. Alvarez; Dean C. Colson; Natasha Lowell; Marc D. Sarnoff; Kathleen L. Wilson

Liaison:

Richard Brilliant, *Foundation Board of Directors*

AGENDA

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|----|--|--------------------|
| 1. | Call to Order and Chair's Remarks | Leonard Boord |
| 2. | Approval of Minutes | Leonard Boord |
| 3. | Action Items | |
| | FF1. Proposed 2017-18 University and DSO Operating Budgets | Kenneth A. Jessell |
| | FF2. Proposed 2017-18 Fixed Capital Outlay Budget | Kenneth A. Jessell |
| | FF3. Request for Approval of Florida International University's 2018-19 Fixed Capital Outlay Legislative Budget Request, Consisting of the five-year Capital Improvement Plan | Kenneth A. Jessell |
| | FF4. Self-Supporting Program Tuition, 2018-19 Academic Year | Kenneth A. Jessell |
| | A. Doctorate of Athletic Training | |
| | B. Master of Science in Applied Behavior Analysis | |
| | FF5. Approval of Amendment to the 2010-20 Campus Master Plan for the Modesto A. Maidique Campus to Accommodate the Construction of a Hotel, Conference Center, Alumni Center and Parking and Approval of Terms of the Ground Lease Associated with the Hotel, Conference Center, Alumni Center and Parking | Kenneth A. Jessell |

4. Discussion Items *(No Action Required)*

4.1 Review of FIU Financial Statement Audit for Fiscal Year Ended June 30, 2016 **Kenneth A. Jessell**

4.2 Financial Performance Review – Third Quarter FY 2016-17 **Kenneth A. Jessell**

5. Reports *(For Information Only)*

5.1 Athletics Update **Pete Garcia**

5.2 Business Services Report **Aime Martinez**

5.3 Emergency Management Status Report **Ruben D. Almaguer**

5.4 Facilities and Construction Update **John Cal**

5.5 Foundation Report **Richard Brilliant**

5.6 Safety and Environmental Compliance Report **Ruben D. Almaguer**

5.7 Treasury Report **Phong Vu**

6. New Business *(If Any)* **Leonard Boord**

7. Concluding Remarks and Adjournment **Leonard Boord**

The next Finance and Facilities Committee Meeting is scheduled for Thursday, September 7, 2017

2. Approval of Minutes

Approval of Minutes

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee
June 1, 2017

Subject: Approval of Minutes of Meeting held March 3, 2017

Proposed Committee Action:

Approval of Minutes of the Finance and Facilities Committee meeting held on Friday, March 3, 2017 at the FIU, Modesto A. Maidique Campus, Graham Center, Room 243.

Background Information:

Finance and Facilities Committee members will review and approve the Minutes of the Finance and Facilities Committee meeting held on Friday, March 3, 2017 at the FIU, Modesto A. Maidique Campus, Graham Center, Room 243.

Supporting Documentation:	Minutes: Finance and Facilities Committee Meeting, March 3, 2017
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Facilitator/Presenter:	Leonard Boord, <i>Finance and Facilities Committee Chair</i>
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**FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND FACILITIES COMMITTEE
MINUTES
MARCH 3, 2017**

1. Call to Order and Chair's Remarks

The Florida International University Board of Trustees' Finance and Facilities Committee meeting was called to order by Committee Vice Chair Justo L. Pozo at 8:30 am on Friday, March 3, 2017, at the Modesto A. Maidique Campus, Graham Center, Room 243.

The following attendance was recorded:

Present

Justo L. Pozo, *Vice Chair*
Cesar L. Alvarez
Natasha Lowell
Marc D. Sarnoff
Kathleen L. Wilson

Excused

Leonard Boord, *Chair*

Board Chair Claudia Puig, Board Vice Chair Jorge L. Arrizurieta, Trustee Alian Collazo and University President Mark B. Rosenberg were also in attendance.

Committee Vice Chair Pozo welcomed all Trustees, faculty, and staff to the meeting.

2. Welcome and Introduction: Charge of the Finance and Facilities Committee

Committee Vice Chair Pozo provided a brief overview of the Finance and Facilities Committee's responsibilities, which include providing review, policy guidance, and strategic oversight of the University's financial matters, financial reporting statements, campus master planning activities and other real estate type activities for both the University and its direct support organizations.

3. Follow-up to Items from Finance and Audit Committee Meeting

Senior Vice President of Administration and Chief Financial Officer Kenneth A. Jessell, in response to Trustee requests, presented reports on (1) the age and status of University facilities, usage statistics, and analysis of usage compared to other State University System (SUS) institutions; (2) the University's plans of action for addressing any possible budgetary challenges resulting from proposed changes to the Board of Governors (BOG) Performance Metrics; and (3) a financial performance report for each College and School that details profitability and income generation.

Sr. VP and CFO Jessell provided a brief overview of a land utilization comparison across the SUS, noting that FIU is the second smallest in size and has the highest Full-Time-Equivalent (FTE) and headcount per acre. He added that in terms of classroom space utilization, FIU is the most efficient, exceeding the SUS average by 39.90%. He discussed the University's asset management data system, which he indicated was implemented in March 2011 and provides a central source for facility data and delivers a condition index for each building. Sr. VP and CFO Jessell noted that SUS institutions have invested in Sightlines software and reported that in September 2016 the BOG provided preliminary trend information about the SUS in terms of facilities benchmarking, capital planning, space management, and campus sustainability. He added that when implemented across the SUS, the Sightlines software will allow for benchmarking analysis to improve facility and infrastructure investment decisions.

Trustee Marc D. Sarnoff inquired about the conclusions regarding the University's utilization and space needs. Sr. VP and CFO Jessell noted that FIU continues its advocacy efforts in seeking state funds in support of FIU's expansion. He stated that FIU has maximized use of its existing space and needs to expand its footprint in order to continue meeting the needs of the South Florida community, spur economic activity, and serve a greater public purpose.

Committee Vice Chair Pozo requested more information on off-campus housing. Sr. VP and CFO Jessell noted that the University is experiencing 98% occupancy levels for on-campus student housing, adding that the renewals for the fall semester have exceeded the projections. President Mark B. Rosenberg discussed concerns with off-campus housing, noting that while facilities are not University property, FIU is committed to ensuring that off-campus housing providers remain responsive to student needs and concerns.

Sr. VP and CFO Jessell noted that he discussed the University's plans of action for addressing any possible budgetary challenges resulting from proposed changes to the BOG's Performance Metrics with Trustee Leonard Boord. Sr. VP and CFO Jessell added that Florida Statute prescribes levels that must be maintained in terms of reserve balances, adding that the University's current unencumbered reserve totals \$24M. He stated that should the University experience a shortfall in Performance Based funding, reserve balances may be drawn upon. He added that an approximate \$44M in anticipated 2017-18 carryforward balances may be utilized to then recover reserve funds.

Trustees engaged in a substantive discussion regarding the University's expansion needs and off-campus housing projects. In response to Trustee Natasha Lowell's inquiry, Sr. VP and CFO Jessell noted that in order to maintain affordable student housing rental rates at the Biscayne Bay Campus, a non-for profit entity was formed, which establishes the University as the beneficiary of all net profits and Servitas, the manager, as the recipient of a small fixed fee. He added that the University does not generate revenue from other off-campus housing, such as the 109 Towers. Vice President for Student Affairs Larry Lunsford noted that the University maintains the highest levels of collaboration and communication with off-campus housing providers in order to support in training, education, and other matters that can enhance the student experience.

Committee Vice Chair Pozo noted that given the level of involvement the University maintains with off-campus housing providers, FIU should consider the establishment of a management fee in addition to policies and procedures as it pertains to agreements with future off-campus housing providers.

4. Approval of Minutes

Committee Vice Chair Pozo asked that the Committee approve the Minutes of the meeting held on December 1, 2016. A motion was made and passed to approve the Minutes of the Finance and Audit Committee Meeting held on Thursday, December 1, 2016.

5. Action Items

FF1. Authorization for the Issuance of Debt to Finance the Construction of a Student Residence Facility at the University's Modesto A. Maidique Campus (MMC)

Sr. VP and CFO Jessell presented the request for the Authorization for the Issuance of Debt to Finance the Construction of a Student Residence Facility for Committee review, noting that the University is the lowest among the State University System in terms of students that are housed on university facilities. He added that current residence halls are at capacity and cannot meet student demand for on-campus housing. He stated that Brailsford and Dunlavey, consultants contracted by the University, estimated immediate demand for 500 additional beds with 309 more needed in the next few years. He also mentioned that recent off-campus housing projects and the new Bayview facility at BBC have not reduced the high demand for MMC housing. He presented SUS data that compared enrollment data in terms of on-campus housing. He noted that four year graduation rates are slightly higher for students residing on-campus and that nationally this has proven to be an indicator for student success.

Trustee Sarnoff inquired about the requested funding for the Project, noting an excess of approximately \$5 - \$7M in projected costs. Sr. VP and CFO Jessell stated that the University has not begun the design process and that the total Project construction cost is expected to be approximately \$66,500,000 with approximately \$16,400,000 cash contribution from Housing and Parking reserves. He indicated that these are conservative estimates and that upon conclusion of the design phase of the Project, costs projections will have greater specificity and that the Project cost and indebtedness will not be greater than necessary.

Sr. VP and CFO Jessell provided a programming overview, noting that the Project will consist of a suite-style residence hall with 656 beds and will include approximately 300 parking spaces and ancillary space to service the residents. He added that the Project is contemplated on the University's 2010-20 Campus Master Plan and discussed the proposed site. He stated that depending upon the final site recommendation, an amendment to the Campus Master Plan may be required by the Board of Trustees. He noted that the financing term is expected to be 30 years but not to exceed 35 years on minimum debt service coverage.

Sr. VP and CFO Jessell delineated the estimated cost, financing structure, and Pro Forma. He noted that Board of Trustees approval is needed in order to authorize a request from the Board of Governors to the Division of Bond Finance to issue fixed rate revenue bonds in an amount not exceeding (i) \$60,000,000 plus (ii) an additional five (5) percent, or \$3,000,000, to adjust Project

components, including Project cost and amount of debt issuance, as deemed necessary by the University to finance the construction of the Project, finance capitalized interest, fund a debt service reserve fund and pay costs of issuing the Bonds.

In response to Trustee Lowell's inquiry, Sr. VP and CFO Jessell noted that, as per BOG requirement, the minimum debt service coverage ratio is 1.2 although rating agencies seek higher ratios. He added that the University's debt service coverage ratio for the Project is 1.62. In response to Trustee Kathleen L. Wilson's inquiry, Sr. VP and CFO Jessell stated that in terms of the current proposed site, 90 parking spaces will be displaced, but the Project's parking garage will add 300 spaces.

Trustee Sarnoff made a motion to recommend for Board of Trustees approval \$55,000,000 for the total Project cost and amount of debt issuance, while maintaining all other Project terms and conditions. Sr. VP and CFO Jessell noted that a reduction in the requested amount was not advisable given that the design phase of the Project had not yet started. He added that bids are not awarded based on low price, but are awarded to the most responsible and responsive qualified bidder who meets all specifications, terms, and conditions of the bid proposal through a Construction Manager at Risk process. He stated that the construction manager then bids the project components, such as concrete and mechanical systems through a competitive process.

Trustees discussed Trustee Sarnoff's motion. After further discussion, Trustee Sarnoff withdrew his motion.

A motion was made and passed that the FIU Board of Trustees Finance and Facilities Committee recommend that the Board of Trustees authorize a request to the Board of Governors to request the Division of Bond Finance of the State Board of Administration to issue revenue bonds on behalf of Florida International University to finance construction of a Student Residence Facility on the Modesto A. Maidique campus of the University.

Trustee Sarnoff voted against the motion.

FF2. Amendment to Signature Authority

Sr. VP and CFO Jessell presented the request to amend Signature Authority for Committee review. He introduced the Committee to Ms. Katharine A. Brophy, Associate Vice President and University Controller. He noted that signature authority has been removed for Ms. Cecilia Hamilton, former Associate Vice President and University Controller, due to her retirement from FIU, adding that signature authority is being requested for Ms. Brophy. He stated that the change in Signature Authority was also being requested in association with certain foreign research program accounts.

A. Authorization to Sign Checks for the University

A motion was made and passed that the FIU Board of Trustees Finance and Facilities Committee recommend that the Board of Trustees amend the Signature Authority – Authorization to sign checks to pay the legal obligations of the University from any and all designated University depositories to reflect the following changes:

Removed: Cecilia Hamilton, former Associate Vice President and University Controller

Approve: Katharine A. Brophy, Associate Vice President and University Controller

B. Authorization to Sign Checks for Certain Foreign Research Program Accounts

A motion was made and passed that the FIU Board of Trustees Finance and Facilities Committee recommend that the Board of Trustees amend the Signature Authority - Authorization to sign checks for certain foreign research program accounts to reflect the following changes:

For the West Africa Water Supply, Sanitation, and Hygiene Program:

- Removed: Cecilia Hamilton, former Associate Vice President and University Controller
- Approve: Katharine A. Brophy, Associate Vice President and University Controller
- Approve: Joseph Wethe, West Africa Program Deputy Director

For the Tanzania Integrated Water Sanitation and Hygiene Program:

- Removed: Cecilia Hamilton, former Associate Vice President and University Controller
- Approve: Katharine A. Brophy, Associate Vice President and University Controller

FF3. Authorization to Close Certain Foreign Program Accounts

Sr. VP and CFO Jessell presented the request to Close Certain Foreign Program Accounts for Committee review, noting that Board approval is required in order to formally close accounts associated with certain foreign research programs.

A motion was made and passed that the FIU Board of Trustees Finance and Facilities Committee recommend that the Board of Trustees close the following bank accounts and remove all signature authorities:

Account at the Bank of Kigali in Kigali, for the USAID project in Rwanda, the Rwanda Integrated Water Security Program.

Account at the TBC Bank in Tblisi, for the Integrated Natural Resource Management in Watersheds of the Republic of Georgia, INRMW, the Georgia Program.

Bank account for the Italy Program as it was never established.

FF4. Tuition for Doctorate of Business Administration in International Business Self-Supporting Program, 2017-2018 Academic Year

Sr. VP and CFO Jessell presented the request to establish Tuition for the Doctorate of Business Administration in International Business as a Self-Supporting Program, effective 2017-2018 Academic Year, for Committee review. He noted that the FIU Board of Trustees approved the

Doctorate of Business Administration in International Business (DBA) degree at the June 2, 2016 Board of Trustees meeting and in accordance with BOG Regulation, FIU submitted the DBA proposal to the BOG for authorization subsequent to BOT approval in June.

Sr. VP and CFO Jessell indicated that the final step in the BOG's approval process is to establish the program's tuition, adding that the DBA is a self-supporting graduate degree program offered through the Division of Continuing Education, and all costs are covered by student tuition. He mentioned that Educational and General funds are not used to support the program, adding that tuition for the program is \$33,000 annually for 24 credits and that the total program is 72 credits for a total cost of \$99,000.

A motion was made and passed that the FIU Board of Trustees Finance and Facilities Committee recommend that the Board of Trustees approve the self-supporting tuition of \$33,000 annually for 24 credits for the Doctorate of Business Administration in International Business (DBA) offered through continuing education beginning academic year 2017-2018.

FF5. Naming of FIU Stadium as the "Riccardo Silva Stadium" and FIU Arena as the "Ocean Bank Convocation Center"

Executive Director of Sports and Entertainment Pete Garcia presented the Naming of FIU Stadium as the "Riccardo Silva Stadium" and FIU Arena as the "Ocean Bank Convocation Center" for Committee review. He noted that in recognition of the significant \$2.26M gift from Mr. Riccardo Silva, the University proposes to name FIU Stadium as the "Riccardo Silva Stadium" for the next four years. Mr. Garcia noted that the gift will total \$3.46M given the portion of the gift that relates to the Ocean Bank Convocation Center, indicating that this represents that largest gift in the history of the University's Department of Intercollegiate Athletics.

A motion was made and passed that the FIU Board of Trustees Finance and Facilities Committee recommend that Board of Trustees approve the naming of (i) FIU Stadium as the "Riccardo Silva Stadium" and (ii) FIU Arena as the "Ocean Bank Convocation Center", each in accordance with the gift agreement related thereto and the University's and the FIU Foundation, Inc.'s Donative Naming Policy.

In response to Trustee Wilson's inquiry, Senior Vice President for University Advancement Howard R. Lipman noted that the University adopted a Naming Policy, which delegates to the BOT the authority to grant naming recognition in connection with a University building, subject to certain conditions, including established minimum gift amounts.

6. Discussion Item

6.1 Financial Performance Review, Second Quarter FY 2016-17

Sr. VP and CFO Jessell presented the Financial Performance Review for the second quarter of 2016-17 and provided a summary of University revenues and expenditures. He reported that the University and direct support organizations' operating revenues were above estimates by \$6.7M (or 1 percent), which can be primarily attributed to: higher student fee revenue and lower bad debt, higher housing occupancy, and increased sales at the Panther TECH store. He added that these were offset by less cash contributions and pledged payments received from the FIU Foundation, lower

undergraduate enrollment, and less Bright Futures awards due to fewer eligible recipients. He noted that expenses were below estimates by \$18.3M (or 4 percent), primarily due to lower expenditures, delayed spending, and timing of scholarships and program disbursements across all areas of the DSOs.

7. Reports

Committee Vice Chair Pozo requested that the Athletics Update, Business Services Report, Emergency Management Status Report, Facilities and Construction Update, Foundation Report, Safety and Environmental Compliance Report, and Treasury Report be accepted as written. There were no objections.

8. New Business

FF6. Review of Test Preparation Fee

Associate Dean for Academic Affairs and Professor of Law Tawia Ansah presented the Review of the Test Preparation Fee for Committee review. He noted that the Board of Trustees approved on December 9, 2010 the establishment of a Test Preparation Fee that applies only to students who, as part of their graduation requirements, are expected to obtain specific preparation for a practice-based examination. Additionally, he stated, by including the Test Preparation Fee as part of the degree requirements of the program, students may be eligible to pay for the course through financial aid.

Associate Dean Ansah mentioned that currently, the Test Preparation Fee is used only in the College of Law for the Bar Preparation Course. In addition to benefits of lower cost and inclusion of the Fee in financial aid calculations, Associate Dean Ansah indicated that the intended outcomes of the Test Preparation Fee have been achieved. He described the improved performance of FIU law students, noting that FIU had achieved the highest level of overall passage rates in the Florida General Bar Examinations compared to all other law schools in Florida.

A motion was made and passed that the FIU Board of Trustees Finance and Facilities Committee recommend that the Board of Trustees approve the continuation of the Test Preparation Fee.

Committee Vice Chair Pozo congratulated FIU College of Law Dean R. Alexander Acosta on his nomination for the position of secretary of the U.S. Department of Labor. Dean Acosta discussed his ongoing commitment to the University and the College of Law, noting that he will continue to serve as Dean until such time that his nomination is confirmed by the U.S. Senate.

9. Concluding Remarks and Adjournment

With no other business, Committee Vice Chair Justo L. Pozo adjourned the meeting of the Florida International University Board of Trustees Finance and Facilities Committee on Friday, March 3, 2017 at 10:07 am.

There were no Trustee requests.

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THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee
June 1, 2017

Subject: Proposed 2017-18 University and Direct Support Organizations Operating Budgets

Proposed Committee Action:

Recommend that the Florida International University Board of Trustees (the BOT) approve the FIU 2017-18 University and Direct Support Organizations (DSO) Operating Budgets and authorize the University President to amend the budgets consistent with Legislative, Board of Governors', and BOT directives and guidelines.

Background Information:

The BOT is required to adopt an annual budget for the general operation of the University prior to submission to the Florida Board of Governors. The FY 2017-18 Proposed Operating Budget for the University is due to the Florida Board of Governors on June 23, 2017.

The DSOs (FIU Athletics Finance Corp., FIU Foundation, Inc., and FIU Research Foundation, Inc.) and The Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc. budgets are incorporated into the University's Operating Budget.

The following funding groups are included:

- A. Educational and General (E&G)
- B. Auxiliary Enterprises Proposed Budget Allocation
- C. Intercollegiate Athletics Proposed Budget Allocation
- D. Activity and Service Proposed Budget Allocation
- E. Technology Fee Proposed Budget Allocation
- F. Board Approved Fees Budget Allocation
- G. Contracts and Grants Proposed Budget Allocation
- H. Student Financial Aid Proposed Budget Allocation
- I. Concessions Proposed Budget Allocation
- J. FIU Athletics Finance Corp.
- K. FIU Foundation, Inc.
- L. FIU Health Care Network
- M. FIU Self-Insurance Program
- N. FIU Research Foundation, Inc.
- O. University Treasury Operations

Authority for the University President to amend the budgets is necessary to accommodate changes in revenues, expenditures, and statutory budget amendments. The University President shall keep the BOT informed of the status of the operating budgets through quarterly updates and will notify the BOT of any changes in excess of two percent (2%) made to the total approved 2017-18 Operating Budget during the operating year.

Florida Statute 1011.40(2) provides that “each university board of trustees shall adopt an operating budget for the operation of the university as prescribed by law and rules of the Board of Governors.” The University has prepared the proposed 2017-18 Operating Budget in accordance with the requirements set forth in Florida Board of Governors Regulations 9.007 and 9.011.

Supporting Documentation: 2017-18 Proposed University and DSO Operating Budgets

Facilitator/Presenter: Kenneth A. Jessell

Florida International University
Board of Trustees Financial Summary
2017-18 Budget
Overview¹

	Final Budget 2016-17	Forecast 2016-17	Forecast vs. Final Budget	Requested Budget 2017-18	Forecast vs. Requested Budget
<i>(In millions of dollars)</i>					
<u>Revenue / Receipts</u>					
University					
Educational and General (net) ²	\$ 507.0	\$ 514.8	\$ 7.8	\$ 540.3	\$ 25.5
University	457.1	464.1	7.0	490.0	25.9
College of Medicine	49.9	50.7	0.8	50.3	(0.4)
FIU Self-Insurance Program	0.4	0.3	(0.1)	0.5	0.2
Auxiliary Enterprises	215.6	217.0	1.4	220.4	3.4
Intercollegiate Athletics	27.3	27.7	0.4	27.2	(0.5)
Activities and Service	19.7	20.0	0.3	20.3	0.3
Technology Fee	10.0	10.4	0.4	10.3	(0.1)
Board Approved Fees	0.4	0.4	-	0.4	-
Contracts and Grants	118.4	125.7	7.3	127.3	1.6
Student Financial Aid	164.2	161.0	(3.2)	163.4	2.4
Concessions	0.9	0.9	-	0.9	-
Direct Support Organizations / Component Units					
FIU Athletics Finance Corp	4.6	3.6	(1.0)	3.9	0.3
FIU Foundation Inc.	28.8	31.5	2.7	32.4	0.9
FIU Health Care Network	6.6	7.8	1.2	7.2	(0.6)
FIU Research Foundation Inc.	-	0.1	0.1	-	(0.1)
Interfund Adjustments ³	(5.8)	(5.8)	-	(5.8)	-
Total Operating Revenues	1,098.1	1,115.4	17.3	1,148.7	33.3
University (net)	4.9	4.3	(0.6)	3.2	(1.1)
FIU Foundation Inc.	9.7	26.1	16.4	12.0	(14.1)
Total Investment Revenues	14.6	30.4	15.8	15.2	(15.2)
Student Loans ⁴	298.5	280.3	(18.2)	284.2	3.9
Total Revenues / Receipts	1,411.2	1,426.1	14.9	1,448.1	22.0
<u>Expenses</u>					
University					
Educational and General	\$ 507.0	483.3	(23.7)	540.3	57.0
University	457.1	438.0	(19.1)	490.0	52.0
College of Medicine	49.9	45.3	(4.6)	50.3	5.0
FIU Self-Insurance Program	0.4	0.1	(0.3)	0.5	0.4
Auxiliary Enterprises	195.4	192.9	(2.5)	198.0	5.1
Intercollegiate Athletics	25.7	26.4	0.7	25.9	(0.5)
Activities and Service	19.7	18.0	(1.7)	20.6	2.6
Technology Fee	9.7	10.2	0.5	10.5	0.3
Board Approved Fees	0.4	0.4	-	0.4	-
Contracts and Grants	117.2	122.0	4.8	122.8	0.8
Student Financial Aid	166.1	165.3	(0.8)	163.6	(1.7)
Concessions	0.9	0.7	(0.2)	0.9	0.2
Direct Support Organizations / Component Units					
FIU Athletics Finance Corp	2.4	2.4	-	2.1	(0.3)
FIU Foundation Inc.	27.6	31.1	3.5	33.4	2.3
FIU Health Care Network	4.6	4.8	0.2	5.4	0.6
FIU Research Foundation Inc.	-	-	-	-	-
Interfund Adjustments ³	(5.8)	(5.8)	-	(5.8)	-
Total Operating Expenses	1,071.3	1,051.8	(19.5)	1,118.6	66.8
Principal Payment of Debt ⁵	7.5	7.6	0.1	8.3	0.7
Student Loans ⁴	298.5	280.3	(18.2)	284.2	3.9
Total Expenses	1,377.3	1,339.7	(37.6)	1,411.1	71.4
Change in Net Assets (incl. Investments)	\$ 33.9	\$ 86.4	\$ 52.5	\$ 37.0	\$ (49.4)
Change in Net Assets (excl. Investments)	\$ 19.3	\$ 56.0	\$ 36.7	\$ 21.8	\$ (34.2)

Florida International University
Board of Trustees Financial Summary
2017-18 Budget
Overview¹

Notes:

¹ The financials presented above reflects the state budgeting methodology which differs from full accrual Financial Statements. The following have the most significant impact:

- *Depreciation of Assets:* For budgeting purposes equipment purchases are fully expensed in their acquisition year, therefore depreciation is not included in the budget.
- *Unrealized gains and losses:* The investment results are recognized as revenues in the budget however GASB accounting principles require that it be recorded as a non-operating revenue / expense.

² Educational and General (E&G) revenues include State Funding and Tuition and are net of waivers, uncollectible amounts, credit card surcharge, and 30% financial aid need-based amounts per Florida statute 1009.24 (16)(a). State Appropriations include an estimated \$58.3M associated with FY 2017-18 performance funding, which is contingent upon approval by the Board of Governors.

³ Interfund transactions have been included in the individual funds to allow for individual fund performance analysis. This has resulted in higher revenues and expenses by fund. The Interfund Adjustments eliminate this double counting of revenues and expenses with the exception of interfund transactions for auxiliary services provided to other units and Direct Support Organizations which have not been eliminated.

⁴ Student loans represent a pass through for the university.

⁵ Principal payment of debt is reflected above per Florida Board of Governors requirement that debt service payments be shown on a cash basis.

Florida International University
Financial Summary
2017-18 E&G Revenue Growth

	General Revenue	Educational Enhancement (Lottery)	Total State Funding	Student Fee (net) ¹	Total
<i>(In thousands of dollars)</i>					
<u>I. University (ex-Legislative Items: Risk Management & Financial Aid)</u>					
2016 - 17 Base Budget	\$ 204,369	\$ 33,200	\$ 237,569	\$ 217,031	\$ 454,600
Deduct Prior Year Non-Recurring	(3,655)	-	(3,655)		(3,655)
2016 - 17 Adjusted Base Budget	\$ 200,714	\$ 33,200	\$ 233,914	\$ 217,031	\$ 450,945
2017 - 18 Incremental Changes					
Tuition				4,984	4,984
Performance Based Funding ²					
Reduction Prior Year State Investment	(25,254)		(25,254)		(25,254)
Current Year - State Investment	27,468		27,468		27,468
Transfer Base Funding to Performance	(30,832)		(30,832)		(30,832)
Current Year - Institutional Investment	30,832		30,832		30,832
New Legislative Appropriations					
FIU - Washington Center Scholarship Program	550		550		550
FIU - UP:LIFT (University Paradigm: Learn, Interact, Facilitate)	5,000		5,000		5,000
FIU - RCL Hazardous Substance Mitigation	1,000		1,000		1,000
World Class Faculty and Scholar Program	7,167		7,167		7,167
SUS Professional and Graduate Degree Excellence Program	8,945		8,945		8,945
Plant Operations & Maintenance (PO&M) - New Space	-		-		-
Florida Retirement System Adjustment	1,346		1,346		1,346
Health Insurance Increases	4,190		4,190		4,190
Educational Enhancement Trust Fund adj.	5,621	(5,621)	-		-
Total Incremental Changes	36,033	(5,621)	30,413	4,984	35,397
2017 - 18 Base Budget	\$ 236,748	\$ 27,579	\$ 264,327	\$ 222,015	\$ 486,342

II. University (Legislative Items: Risk Management & Financial Aid)

2016 - 17 Base Budget	\$ 2,459		\$ 2,459		\$ 2,459
Adjustment to Risk Management Insurance Base	1,186		1,186		1,186
2016 - 17 Adjusted Base Budget	\$ 3,645	\$ -	\$ 3,645	\$ -	\$ 3,645
2017 - 18 Base Budget	\$ 3,645	\$ -	\$ 3,645	\$ -	\$ 3,645

<u>I. & II. University</u>					
2016 - 17 Base Budget	\$ 206,828	\$ 33,200	\$ 240,028	\$ 217,031	\$ 457,059
Adjustments to Base Budget	(2,469)	-	(2,469)	-	(2,469)
2016 - 17 Adjusted Base Budget	\$ 204,359	\$ 33,200	\$ 237,559	\$ 217,031	\$ 454,590
Total Incremental Changes	36,033	(5,621)	30,413	4,984	35,397
2017 - 18 Base Budget	\$ 240,393	\$ 27,579	\$ 267,972	\$ 222,015	\$ 489,987

¹ Tuition revenues are net of waivers, uncollectible amounts, credit card surcharge, and 30% financial aid need-based amounts per Florida statute 1009.24 (16)(a).

² Performance based funding is an estimate of the allocation to FIU of the State Investment of \$245M (\$20M new funds and \$225M prior year allocation) and \$275M Institutional Investment (reallocation of base funds). Performance funds allocations to institutions are subject to approval by the Florida Board of Governors in their June 2017 meeting.

Florida International University
Financial Summary
2017-18 E&G Revenue Growth

	General Revenue	Educational Enhancement (Lottery)	Total State Funding	Student Fee (net) ¹	Total
<i>(In thousands of dollars)</i>					
<u>III. College of Medicine (ex-Legislative Items: Risk Management)</u>					
2016 - 17 Base Budget	\$ 31,618		\$ 31,618	\$ 18,238	\$ 49,856
Deduct Prior Year Non-Recurring	-	-	-		-
2016 - 17 Adjusted Base Budget	\$ 31,618	\$ -	\$ 31,618	\$ 18,238	\$ 49,856
2017 - 18 Incremental Changes					
Tuition			-	(0)	(0)
Legislative Line Items					-
FIU - Neuroscience Centers of Florida Foundation	(200)		(200)		(200)
Florida Retirement System Adjustment	168		168		168
Health Insurance Increases	348		348		348
Total Incremental Changes	316	-	316	(0)	315
2017 - 18 Base Budget	\$ 31,934	\$ -	\$ 31,934	\$ 18,238	\$ 50,171

IV. College of Medicine (Legislative Items: Risk Management)

2016 - 17 Base Budget	\$ 60		\$ 60		\$ 60
Adjustment to Risk Management Base	20		20		20
2016 - 17 Adjusted Base Budget	\$ 80	\$ -	\$ 80	\$ -	\$ 80

<u>III. & IV. College of Medicine</u>					
2016 - 17 Base Budget	\$ 31,679	\$ -	\$ 31,679	\$ 18,238	\$ 49,917
Adjustments to Base Budget	20	-	20	-	20
2016 - 17 Adjusted Base Budget	\$ 31,699	\$ -	\$ 31,699	\$ 18,238	\$ 49,937
Total Incremental Changes	316	-	316	(0)	315
2017 - 18 Base Budget	\$ 32,014	\$ -	\$ 32,014	\$ 18,238	\$ 50,252

¹ Tuition revenues are net of waivers, uncollectible amounts, and credit card surcharge.

**Florida International University
Financial Summary
E&G Summary**

	Final Budget 2016-17	Forecast 2016-17	Forecast vs. Final Budget	Requested Budget ¹ 2017-18	Forecast vs. Requested Budget
<i>(In millions of dollars)</i>					
<u>I. University:</u>					
Revenues					
General Revenues ¹	\$ 203.2	\$ 206.8	\$ 3.6	\$ 233.8	\$ 27.0
General Revenues - Legislative Line Item	3.7	3.7	-	6.6	2.9
Educational Enhancement (Lottery) ¹	33.2	33.2	-	27.6	(5.6)
Total State Appropriations	240.0	243.7	3.6	268.0	24.3
Gross Tuition	270.1	270.2	0.0	274.6	4.5
Waivers	(34.2)	(31.2)	3.0	(33.2)	(2.0)
Financial Aid (30%)	(18.9)	(18.5)	0.5	(19.4)	(0.9)
Net Tuition ²	217.0	220.5	3.4	222.0	1.5
Total Revenue Available	\$ 457.1	\$ 464.1	\$ 7.1	\$ 490.0	\$ 25.9
Expenses					
Salaries and Benefits	319.7	309.0	(10.7)	338.4	29.4
Other Personal Services (OPS)	40.7	38.9	(1.8)	33.4	(5.5)
Other Expenses	88.9	82.0	(6.9)	110.8	28.8
Operating Capital Outlay (OCO)	7.8	8.1	0.3	7.3	(0.8)
Total Operating Expenses	\$ 457.1	\$ 438.0	\$ (19.1)	\$ 490.0	\$ 52.0
Change in Net Assets	\$ (0.0)	\$ 26.1	\$ 26.1	\$ 0.0	\$ (26.1)
<u>II. College of Medicine:</u>					
Revenues					
General Revenues	30.7	30.9	0.2	32.0	1.1
General Revenues - Legislative Line Item	1.0	1.0	-	-	(1.0)
Total State Appropriations	31.7	31.9	0.2	32.0	0.1
Gross Tuition	18.4	18.9	0.5	18.4	(0.5)
Waivers	(0.2)	(0.1)	0.0	(0.2)	(0.0)
Net Tuition ²	18.2	18.8	0.5	18.2	(0.5)
Total Revenue Available	\$ 49.9	\$ 50.7	\$ 0.8	\$ 50.3	\$ (0.4)
Expenses					
Salaries and Benefits	40.4	37.0	(3.4)	41.4	4.4
Other Personal Services (OPS)	2.6	2.1	(0.5)	2.5	0.4
Other Expenses	6.9	6.1	(0.8)	6.4	0.2
Operating Capital Outlay (OCO)	-	0.0	0.0	-	(0.0)
Total Operating Expenses	\$ 49.9	\$ 45.3	\$ (4.7)	\$ 50.3	\$ 5.0
Change in Net Assets	\$ (0.0)	\$ 5.4	\$ 5.4	\$ 0.0	\$ (5.4)

Notes:

¹ The amounts reported as state appropriations are based on the appropriations bill approved by the legislature (SB 2500). FY 2017-18 state appropriations for the University include an estimate \$58.3M of performance funding, which is contingent upon approval by the Florida Board of Governors at their June 2017 meeting.

² Net tuition revenues are gross tuition revenues net of waivers, uncollectible amounts, credit card surcharge, and 30% financial aid need-based amounts per Florida statute 1009.24 (16)(a).

Florida International University
Financial Summary
E&G Summary

(In millions of dollars)

I. University Carry Forward:

FY 2016-17 Beginning Balance	\$ 78.0
Carry Forward Expenditure Forecast FY 2016-17	(34.2)
Estimated Unused FY 2016-17 Current Year Funds	26.1
FY 2017-18 Estimated Beginning Balance	\$ 70.0
FY 2017-18 Expenses	(24.3)
• Legislative Earmarked Funds	(7.5)
• College and Area Commitments	(8.5)
• Minor Projects and Information Technology Infrastructure	(5.3)
• Plant Operations & Maintenance for New Buildings	(1.0)
• Capital Campaign	(2.0)
Estimated Available Balance	\$ 45.7
Minimum Statutory Reserve	\$ 25.6

II. College of Medicine Carry Forward:

FY 2016-17 Beginning Balance	\$ 10.8
Carry Forward Expenditure Forecast FY 2016-17	(6.5)
Estimated Unused FY 2016-17 Current Year Funds	5.4
FY 2017-18 Estimated Beginning Balance	\$ 9.7
FY 2017-18 Expenses	(9.1)
• Legislative Earmarked Funds	(2.6)
• Tuition Remission	(1.8)
• Contractual Commitments	(4.0)
• Operational Investments	(0.7)
Estimated Available Balance	\$ 0.6
Minimum Statutory Reserve	\$ 2.5

**Florida International University
Financial Summary
Total Auxiliary Enterprises**

	Final Budget	Forecast	Forecast vs.	Requested Budget	Forecast vs.
<i>(In thousands of dollars)</i>	2016-17	2016-17	Final Budget	2017-18	Requested Budget
Operating Revenues	\$ 215,571	\$ 216,982	\$ 1,411	\$ 220,400	\$ 3,418
Expenses					
Salaries and Benefits	80,800	76,598	(4,202)	83,791	7,193
Other Personal Services (OPS)	15,229	15,548	318	16,793	1,246
Other Expenses	89,561	91,212	1,652	88,357	(2,856)
Operating Capital Outlay (OCO)	2,368	2,062	(305)	1,956	(105)
Debt Service Interest	7,438	7,463	25	7,140	(323)
Total Operating Expenses	195,394	192,882	(2,512)	198,037	5,154
Net Operating Income	20,176	24,100	3,923	22,363	(1,736)
Investment Revenues	30	557	528	1,335	779
Principal Payment of Debt	(6,885)	(6,885)	-	(7,195)	(310)
Operational Transfers	-	1	2	-	(2)
Change in Net Assets	13,321	17,772	4,453	16,504	(1,270)
Fund Balance					
Beginning Fund Balance	138,565	140,408		153,600	
Change in Net Assets	13,321	17,772		16,504	
Capital Expenses	(4,710)	(4,847)		(8,365)	
Third Party Transfers	-	-		-	
Institutional Transfers	422	267		457	
Ending Fund Balance	\$ 147,599	\$ 153,600		\$ 162,196	

Notes

Budget figures represent total revenue and Expenses for all Auxiliary activities, hence interdepartmental transactions have not been eliminated.

Financial Highlights

FY 2016-17 revenue is \$1.4M greater than budget and mostly due to other auxiliaries and greater parking revenue from visitor and metered parking, more events on campus requiring parking services, and enforcement fines as a result of the transition to a new parking enforcement system (tag recognition and transition away from parking decals). Other auxiliaries, mainly Division of Information Technology's Panther Tech computer store and network and operation support services are outperforming as compared to budget. In contrast, self-supporting and other academic programs like the Nicole Wertheim College of Nursing & Health Sciences Masters in Health Services Administration (budgeted for four cohorts but was only able to accommodate two), College of Business new MS in Marketing and continuing and professional education programs, and College of Engineering Dual Degree programs, are down compared to budget, but are likely to rebound with greater marketing efforts and retooling of curriculum.

Total operating expenses in FY 2016-17 are \$2.5M below budget. The majority of the savings is due to postponed or cancelled planned Housing infrastructure projects, savings due to vacancies in Student Health Services partially due to the transition to a managed services model with the FIU Health Care Network, and savings in various academic auxiliaries driven by the College of Business effort to reduce operating costs across multiple academic programs and central office functions, corresponding savings from lower enrollment in Nursing's Masters in Health Services Administration and College of Engineering Dual Enrollment programs. These savings are in part offset by overages in Parking and Transportation due to additional routes for shuttle services to enhance and meet additional demand and other auxiliaries like the Division of IT Panther Tech computer store commensurate with greater sales.

Capital expenditures in FY 2016-17 are \$0.1M greater than budget due to unbudgeted transfers for Primera Casa (PC Building) and English Language Institute offices, and unplanned infrastructure projects for Parking and Transportation at the Biscayne Bay Campus and Gold Parking Garage.

Florida International University
Financial Summary

Operating revenue for FY 2017-18 is \$3.4M higher than FY 2016-17 forecast and is mostly attributable to growth in academic auxiliary programs, both market rate and self-supporting, across several colleges like the College of Business online and on premise programs as a result of new marketing efforts and revised curriculum like the Executive MBA, MACC, and MSF, greater emphasis by Business on promoting executive and continuing education programs, Nursing's Masters in Health Services Administration increasing the number of cohorts from two to four, and other academic auxiliaries like the FIU Global First Year program. In addition, Parking and Transportation is contributing to the higher overall revenue due to an increase in revenues from fines and enforcement as a result of the new parking enforcement system and greater demand for event services, and Housing continues to experience revenue growth as a result of continued strong demand for on-campus housing. The growth in academic auxiliary programs, Parking and Transportation, and Housing is in part offset by lower revenues in other auxiliary enterprises including Business Services and Division of Information Technology.

Total operating expenses for FY 2017-18 are \$5.2M greater than FY 2016-17 forecast. This increase is largely driven by Housing due to vacant positions, higher OPS expenses related to Residential Life support, and in-house maintenance, renovation, and facilities related projects. Academic auxiliary programs like the Nursing Masters in Health Services Administration, the English Language Institute, and the College of Medicine Physician Assistant program, and growth in FIU Online operations are also contributing to the increase. Additionally, expenses in Parking and Transportation are up as a result of the transition to full-time drivers for shuttle service, added staffing to support more on campus events, and greater cost driven by more routes for the Golden Panther Express. Student Health Services has also seen an increase in expenditures as compared to forecast as vacancies are anticipated to be filled and improvements to facilities completed.

In FY 2017-18, capital expenditures are greater than FY 2016-17 forecast due to planned renovations by Business Services in the Graham and Wolfe University Centers, Chili's patio improvements, the Recreations Center Café, student housing dining facility, and various other minor projects.

**Florida International University
Financial Summary
Academic Auxiliaries**

	Final Budget	Forecast	Forecast vs.	Requested Budget	Forecast vs.
<i>(In thousands of dollars)</i>	2016-17	2016-17	Final Budget	2017-18	Requested Budget
Operating Revenues	\$ 102,737	\$ 100,984	\$ (1,753)	\$ 103,683	\$ 2,699
Expenses					
Salaries and Benefits	47,606	45,734	(1,871)	49,310	3,576
Other Personal Services (OPS)	10,962	11,413	452	11,798	384
Other Expenses	41,773	43,112	1,340	40,996	(2,116)
Operating Capital Outlay (OCO)	364	246	(118)	238	(8)
Debt Service Interest	-	20	20	22	2
Total Operating Expenses	100,704	100,526	(177)	102,364	1,837
Net Operating Income	2,033	458	(1,575)	1,319	862
Investment Revenues	7	185	178	342	157
Principal Payment of Debt	-	-	-	-	-
Operational Transfers	438	674	236	762	87
Change in Net Assets	2,478	1,317	(1,161)	2,423	1,106
Fund Balance					
Beginning Fund Balance	44,384	38,279		39,675	
Change in Net Assets	2,478	1,317		2,423	
Capital Expenditures	-	(223)		-	
Third Party Transfers	-	-		-	
Institutional Transfers	422	302		457	
Ending Fund Balance	\$ 47,284	\$ 39,675		\$ 42,554	

Academic Auxiliary programs are comprised primarily of market rate and self-supporting programs, web based courses, conferences, labs, recharge centers, and distance learning programs. The revenues generated serve to support the actual programs and their growth.

Financial Highlights

FY 2016-17 operating revenues are \$1.8M less than budgeted primarily due to self-supporting academic programs and other academic auxiliaries. The largest driver of this decrease is self-supporting academic programs including the new Nicole Wertheim College of Nursing & Health Sciences (Nursing) Masters in Health Services Administration program (two out of four planned cohorts started), College of Business (COB) new MS in Marketing, significant declines in College of Engineering's dual degree programs, a change in how FIU Online processes revenue share distributions, and less distance learning fee revenue. Other academic auxiliaries like the COB non-credit professional and continuing education program, Center for Labor Studies, English Language Institute, Wall of Wind Recharge Facility, and the transition of the Excess Credit Surcharge from auxiliaries to E&G have also contributed to this shortfall. In contrast, market rate academic programs are flat as compared to budget and gains for programs like the COB Masters of Science in Human Resource Management (MSHRM), Masters of International Business (MIB) are offset by enrollment shortfalls in programs like the Green School of International and Public Affairs (SIPA) Masters of Disaster Management, COB MACC and Masters of Science in Finance (MSF), and College of Engineering MS in Computer Engineering.

FY 2016-17 overall academic auxiliary operating expenses are under budget by \$0.2M compared to budget. These savings are driven by College of Business efforts to reduce operating costs across multiple academic programs and central office functions, corresponding savings from lower enrollment in Nursing's new Masters of Health Services Administration (two less cohorts) and College of Engineering's dual degree programs, and lower costs at the English Language Institute. Altogether, these savings are offset by unbudgeted costs associated with the new Center for Imaging Science and several study abroad programs across multiple colleges, and greater spend in the Global First Year (G1Y) program, College of Arts, Sciences, and Education (CASE) self-supporting Masters in Special Education and Masters in Curriculum and Instruction.

Unbudgeted capital expenditures in FY 2016-17 represent renovations in various offices located in Primera Casa (PC) and the English Language Institute.

Florida International University
Financial Summary

Operating revenues for FY 2017-18 are projected to increase by \$2.7M as compared to FY 2016-17 forecast. This revenue increase is driven primarily by greater projected enrollment in existing market rate and self-supporting academic programs across several colleges. In the College of Business, revenue growth is driven by programs both on premise and online because of new marketing efforts and revised curriculum like the Executive MBA (EMBA), MACC, and MSF, and greater emphasis on promoting executive and professional education programs. Academic programs in other colleges are also seeing increased enrollment like the Nursing Masters of Health Services Administration (MHSA) ramping up to the planned four cohorts and the College of Medicine Physician Assistant program. In addition, other academic auxiliaries like the International Hurricane Research Center and FIU Global First Year (G1Y) are also seeing gains.

Altogether, the growth in existing market rate and self-supporting academic programs as compared to FY 2016-17 forecast is partially offset by less planned study abroad programs across several colleges and less revenue from the Center for Leadership.

Projected operating expenses for FY 2017-18 increase by \$1.8M as compared to FY 2016-17 forecast. The majority of the increase is driven by FIU Online, which is investing in Canvas (replacing Blackboard, the current platform for online classes) and associated staffing in preparation for continued growth in distance learning enrollment. Expenses associated with existing programs are also increasing, for example, the College of Medicine Physician Assistant program, Nursing's Masters of Health Services Administration (MHSA) increasing from two to four cohorts plus the addition of taking this program online, the English Language Institute, School of International and Public Affairs (SIPA) Masters of Global Governance (MAGG), growth in the new Center for Imaging Science, and other academic auxiliary programs. Savings in other academic programs such as College of Business MSF, PMBA Flex, MACC, MIB, Healthcare MBA and Corporate MBA, and less spending in support of academic projects reduce these increases.

Florida International University
Financial Summary
Housing

	Final Budget	Forecast	Forecast vs.	Requested Budget	Forecast vs.
(In thousands of dollars)	2016-17	2016-17	Final Budget	2017-18	Requested Budget
Operating Revenues	\$ 29,897	\$ 29,833	\$ (63)	\$ 30,210	\$ 377
Expenses					
Salaries and Benefits	4,244	4,097	(147)	4,394	297
Other Personal Services (OPS)	1,326	1,277	(48)	1,528	251
Other Expenses	14,279	10,718	(3,561)	12,006	1,288
Operating Capital Outlay (OCO)	38	28	(10)	46	17
Debt Service Interest	3,668	3,673	5	3,503	(170)
Total Operating Expenses	23,554	19,793	(3,762)	21,476	1,683
Net Operating Income	6,343	10,040	3,698	8,734	(1,306)
Investment Revenues	8	145	137	262	117
Principal Payment of Debt	(3,750)	(3,750)	-	(3,915)	(165)
Operational Transfers	35	53	19	14	(39)
Change in Net Assets	2,635	6,488	3,853	5,095	(1,392)
Fund Balance					
Beginning Fund Balance	22,904	23,872		27,685	
Change in Net Assets	2,635	6,488		5,095	
Capital Expenditures	(3,499)	(2,640)		(2,805)	
Third Party Transfers	-	-		-	
Institutional Transfers	-	(35)		-	
Ending Fund Balance	\$ 22,040	\$ 27,685		\$ 29,975	

The Housing Auxiliary generates revenues in the form of rental income from students seeking housing accommodations on campus and from summer conference housing.

Financial Highlights

Opening day Housing occupancy in FY 2016-17 was 99.4% and 98.1% for the fall and spring semesters, respectively, at the Modesto A. Maidique Campus (MMC). The overall FY 2016-17 average occupancy rate was 97.8% compared to 98.2% as budgeted, a decline of 0.4%, which was driven by the new public-private partnership at Bayview Hall located at the Biscayne Bay Campus (BBC) and the transition of Honors students to Parkview Hall. For FY 2016-17, Housing revenue is tracking with budget and is \$0.1M less than budget; lower than budgeted occupancy in multiple residence halls is offset by higher than budgeted revenues from conferences and meetings. Operating expenses are \$3.8M less than budget and driven by delays or cancellations of planned infrastructure projects.

Capital Expenditures in FY 2016-17 are \$0.9M less than budget corresponding to delays in planned major capital projects. In FY 2016-17, Housing completed several projects including renovations at University Towers, upgrades to fire alarm systems, and upgrades to door access systems at University Towers, Panther Hall, and Everglades Hall.

Expected average occupancy in FY 2017-18 is projected to be in line with the average actual occupancy in FY 2016-17 of 97.9%. Lower projections for freshmen Housing agreements through April 2017 are of concern, but because of strong existing demand occupancies are projected to be flat. Housing rates and meal plans prices are flat as compared to FY 2016-17. Overall revenue is increase as compared to forecast by \$0.4M, which is due to strong demand for on-campus housing offset, in part, by less anticipated conference and meeting revenues. Housing is increasing marketing and partnership efforts to increase conference and meeting space revenue in FY 2017-18.

FY 2017-18 operating expenses are \$1.7M greater than FY 2016-17 forecast and is due to budgeting of vacant positions, higher OPS expenses related to Residential Life support, and in-house maintenance, renovation, and facilities related projects that are slated to be completed in FY 2017-18 or rolled over from FY 2016-17 due to delays.

Florida International University
Financial Summary

Capital expenditures in FY 2017-18 represent renovation projects that rolled over from FY 2016-17, but also new projects for Everglades Hall (door card access system, replacement of appliances, new room furniture, painting and flooring replacement), University Towers (lobby restroom renovations, HVAC replacement, and replacing flooring, kitchen cabinets, toilets and showers in certain units), Panther Hall (lobby restroom renovations, and implementation of wireless thermostats and other HVAC upgrades), Lakeview Hall (replacing showers in north wing and adding community kitchens to floor lounges), and Wi-Fi enhancements at several residence halls.

Housing continues to have sufficient operating revenues to cover the debt service payment and meet required debt services ratios. The fund balance is held as a reserve as required as part of the bond indenture for major repairs and capital replacement, and for future expansion of Housing facilities.

**Florida International University
Financial Summary
Parking and Transportation**

	Final Budget	Forecast	Forecast vs.	Requested Budget	Forecast vs.
<i>(In thousands of dollars)</i>	2016-17	2016-17	Final Budget	2017-18	Requested Budget
Operating Revenues	\$ 13,894	\$ 15,168	\$ 1,274	\$ 15,772	\$ 604
Expenses					
Salaries and Benefits	2,618	2,432	(186)	2,620	188
Other Personal Services (OPS)	762	464	(300)	722	258
Other Expenses	4,194	4,667	475	5,324	657
Operating Capital Outlay (OCO)	77	303	227	140	(163)
Debt Service Interest	3,770	3,770	0	3,614	(155)
Total Operating Expenses	11,420	11,636	216	12,421	784
Net Operating Income	2,474	3,532	1,058	3,351	(181)
Investment Revenues	4	59	56	99	40
Principal Payment of Debt	(3,135)	(3,135)	-	(3,280)	(145)
Operational Transfers	65	53	(13)	46	(7)
Change in Net Assets	(592)	509	1,101	216	(293)
Fund Balance					
Beginning Fund Balance	5,756	8,425		8,569	
Change in Net Assets	(592)	509		216	
Capital Expenditures	-	(348)		-	
Third Party Transfers	-	-		-	
Institutional Transfers	-	(18)		-	
Ending Fund Balance	\$ 5,164	\$ 8,569		\$ 8,786	

The Parking and Transportation auxiliary operating revenues are primarily generated from parking access fees charged to students, faculty, staff, and visitors. There are currently 6 garages and 52 parking lots in operation totaling 16,242 parking spaces.

Financial Highlights

Favorable revenue variance in FY 2016-17 of \$1.3M is mostly attributable to greater revenues from fines as a result of the transition to a new parking enforcement system (tag recognition and transition away from parking decals), greater demand for metered and visitor parking, and more on-campus events.

Operating expenses are slightly above budget by \$0.2M and mostly due to additional routes with outsourced transportation services to enhance and meet additional demand for Golden Panther Express services, and unbudgeted minor projects including bus shelter construction, additional call boxes, Parkeon machines (visitor parking), and electronic car count and message boards.

In FY 2012-13, the Board of Governors approved the issuance of a fixed rate revenue bond not to exceed \$33.5M for the purpose of financing Parking Garage 6 on Modesto A. Maidique Campus and with the restriction that student parking access fees will not increase for the next six fiscal years; two years remain on the restriction.

For FY 2017-18, operating revenues are projected to be \$0.6M greater than FY 2016-17 forecast. This is due to an increase in revenues from fines as a result of the new parking enforcement system, growth in employee parking fee revenue, and greater demand for Parking event services. Student Parking Access Fee revenue for FY 2017-18 is up as compared to FY 2016-17 forecast due to higher projections of on campus students.

Operating expenses in FY 2017-18 are \$0.8M greater than FY 2016-17 forecast due to the transition to full-time drivers for Panther Mover shuttles, added staffing to support more events on campus, and greater costs associated with additional routes for the Golden Panther Express. These overages are partially offset by savings in debt service costs and absence of one-time projects that occurred in FY 2016-17.

Florida International University
Financial Summary

Capital expenditures in FY 2016-17 were greater than budget due to unplanned infrastructure projects at Biscayne Bay Campus (BBC) and modernization of the Gold Parking Garage. No capital expenditures are planned for FY 2017-18.

Parking continues to have sufficient operating revenues to cover the debt service payment and meet required debt service ratios. The fund balance is held as a reserve as required as part of the bond indenture for major repairs and capital replacement, and for future expansion of parking facilities.

Florida International University
Financial Summary
Student Health Services

	Final Budget	Forecast	Forecast vs.	Requested Budget	Forecast vs.
(In thousands of dollars)	2016-17	2016-17	Final Budget	2017-18	Requested Budget
Operating Revenues	\$ 11,645	\$ 11,960	\$ 315	\$ 12,053	\$ 94
Expenses					
Salaries and Benefits	7,874	7,183	(691)	8,253	1,070
Other Personal Services (OPS)	551	584	33	536	(48)
Other Expenses	2,889	3,168	279	3,291	123
Operating Capital Outlay (OCO)	41	35	(5)	-	(34)
Debt Service Interest	-	-	-	-	-
Total Operating Expenses	11,355	10,970	(385)	12,080	1,110
Net Operating Income	290	990	700	(26)	(1,016)
Investment Revenues	-	-	-	-	-
Principal Payment of Debt	-	-	-	-	-
Operational Transfers	-	-	-	-	-
Change in Net Assets	290	990	700	(26)	(1,016)
Fund Balance					
Beginning Fund Balance	6,771	6,946		7,591	
Change in Net Assets	290	990		(26)	
Capital Expenditures	-	(345)		-	
Third Party Transfers	-	-		-	
Institutional Transfers	-	-		-	
Ending Fund Balance	\$ 7,061	\$ 7,591		\$ 7,565	

The Student Health Centers at the Modesto A. Maidique Campus (MMC) and Biscayne Bay Campus (BBC) provide health, wellness, and mental health care services to students, who fund the operations through a health fee paid each semester. Services provided at no additional cost include routine medical exams, certain screenings, medical education, and counseling and disability services. Other clinical services, such as laboratory tests, immunization and pharmacy services, are available for a nominal fee. In FY 2015-16, clinical operations of Student Health Services transitioned to FIU Health Care Network as part of a management agreement with Student Affairs.

Financial Highlights

FY 2016-17 operating revenues are \$0.3M greater than budget due to higher headcount enrollment and lower bad debt expense. Operating expenses for FY 2016-17 are down by \$0.4M due to multiple unfilled positions across both the fee for service and clinical operations of Student Health.

The student health fee remains unchanged in FY 2017-18 at \$93.69 per semester. FY 2017-18 operating revenues increased by \$0.1M as compared to FY 2016-17 forecast due to greater projected headcount enrollment and increased fee for service operations including the MMC Pharmacy. Operating expenses are up by \$1.1M due to budgeting of currently vacant positions and planned improvements to the MMC Student Health Services building.

**Florida International University
Financial Summary
Other Auxiliaries**

	Final Budget	Forecast	Forecast vs.	Requested Budget	Forecast vs.
<i>(In thousands of dollars)</i>	2016-17	2016-17	Final Budget	2017-18	Requested Budget
Operating Revenues	\$ 57,398	\$ 59,037	\$ 1,639	\$ 58,681	\$ (356)
Expenses					
Salaries and Benefits	18,458	17,152	(1,307)	19,214	2,062
Other Personal Services (OPS)	1,628	1,810	182	2,211	401
Other Expenses	26,426	29,546	3,120	26,740	(2,807)
Operating Capital Outlay (OCO)	1,848	1,449	(399)	1,532	83
Debt Service Interest	-	-	-	-	-
Total Operating Expenses	48,361	49,957	1,596	49,696	(261)
Net Operating Income	9,037	9,080	43	8,985	(95)
Investment Revenues	11	168	157	632	464
Principal Payment of Debt	-	-	-	-	-
Operational Transfers	(538)	(779)	(241)	(822)	(44)
Change in Net Assets	8,510	8,468	(41)	8,795	326
Fund Balance					
Beginning Fund Balance	58,750	62,887		70,081	
Change in Net Assets	8,510	8,468		8,795	
Capital Expenditures	(1,210)	(1,291)		(5,560)	
Third Party Transfers	-	-		-	
Institutional Transfers	-	17		-	
Ending Fund Balance	\$ 66,050	\$ 70,081		\$ 73,316	

Other auxiliaries include the remaining activities which have the following revenue streams:

- Commission and rental earnings from food service, bookstore and retail operations managed by the Office of Business Services.
- Interdepartmental services such as information technology and telecom, construction service reimbursement charges (CSR), and the Auxiliary Shared Services Fee. The shared services fee funds the pro-rata share of university-wide services indirectly benefitting auxiliary businesses (such as functions performed by legal, finance, human resources, etc.) along with funding special projects.
- Other auxiliary enterprises support marketing and sponsorship activities, such as the operations of the PantherTech computer store, South Beach Wine and Food Festival, alumni activities and miscellaneous university-wide initiatives.

Financial Highlights

FY 2016-17 forecasted favorable revenue variance of \$1.6M is driven mainly by greater sales at the Panther Tech computer store, higher than expected Division of Information Technology network and operations support services, greater than anticipated revenue from network printing services, and unbudgeted revenue from the Institute for Hospitality, Tourism, Education and Research (IHTER) Brew Fest. These gains are partially offset by a change in accounting for the Academic Affairs overhead fee now under Academic Auxiliaries, lower Shared Services Fee collections because of lower forecasted auxiliary expenses, and delays in construction projects resulting in less Construction Services Reimbursement fee revenue.

FY 2016-17 operating expenses are over budget by \$1.6M, mainly attributable to higher expenses in the Panther Tech computer store due to greater than anticipated sales, unanticipated expenses in Information Technology Enterprise Operations and Networking as a result of new maintenance contracts and additional staffing to meet demand, and departmental printing services driven by greater demand. These overages are reduced, in part, by delays in information technology capital refresh projects, savings in South Beach Wine and Food Festival, savings generated by Business Services as a result of vacancies, outsourcing of vehicle services, and other expenses, savings related to changes in funding source for Commencement, and less expenses associated with auxiliary construction projects.

Capital expenditures for FY 2016-17 relate mainly to Business Services renovations and new food venues such as Tropical Smoothie Café, the patio at Chili's in the Graham Center, and the Vicky's Bakery at the Patricia and Phillip Frost Art Museum. Other capital projects include renovations and information technology expansion at the Green Library, refurbishment of Ilan Averbuch artwork, and expansion of the FIU Baseball Stadium. Overall, capital expenditures are on target as compared to FY 2016-17 budget.

**Florida International University
Financial Summary**

Projected revenues in FY 2017-18 decline by \$0.4M as compared to FY 2016-17 forecast. This decline is comprised of a reduction in Business Services revenue due to a scheduled decrease in fixed cash payments from Aramark per contract, lower network revenues as there are less capital projects requiring network infrastructure installations and less network maintenance charges, and less network printing revenues. Increases in Shared Services Fee collections corresponding with higher auxiliary expenses, and deferred revenue from the Bayview housing public-private partnership, offset the declines in revenue.

FY 2017-18 operating expenses are down by \$0.3M as compared to FY 2016-17 forecast. Lower technology costs associated with less capital equipment refresh and less network infrastructure projects associated with new buildings, and lower network printing expenses are offset by vacancies across various auxiliaries expected to be filled in FY 2017-18.

Capital expenditures in FY 2017-18 are mainly related to Business Services planned renovations in Graham Center, Wolfe University Center, Chili's patio, Recreation Center Café, and various other minor projects.

**Florida International University
Financial Summary
Intercollegiate Athletics**

	Final Budget	Forecast	Forecast vs.	Requested Budget	Forecast vs.
<i>(In thousands of dollars)</i>	2016-17	2016-17	Final Budget	2017-18	Requested Budget
Operating Revenues	\$ 27,287	\$ 27,698	\$ 411	\$ 27,213	\$ (485)
Expenses					
Salaries and Benefits	9,113	10,147	1,034	11,021	874
Other Personal Services (OPS)	1,019	746	(273)	916	169
Other Expenses	15,560	14,986	(574)	13,996	(990)
Operating Capital Outlay (OCO)	-	500	500	-	(500)
Total Operating Expenses	25,692	26,380	688	25,933	(447)
Net Operating Income	1,595	1,318	(277)	1,280	(38)
Investment Revenues	1	12	12	20	8
Operational Transfers	-	1,800	1,800	-	(1,800)
Change in Net Assets	1,596	3,131	1,534	1,300	(1,829)
Fund Balance					
Beginning Fund Balance	3,053	2,582		1,815	
Change in Net Assets	1,596	3,131		1,300	
Capital Expenditures	-	(2,197)		-	
Institutional Transfers	(2,520)	(1,701)		(1,864)	
Ending Fund Balance	\$ 2,129	\$ 1,815		\$ 1,251	

Intercollegiate Athletics is the functional area of the University responsible for team sports and their support activities. The principle revenue sources for this fund are a per credit hour and a per semester athletics fee charged to students excluding those admitted to fully online programs. The Athletics Stadium operations and its associated bonds are reflected in the Athletics Finance Corp., a Direct Support Organization (DSO) within FIU.

Financial Highlights

FY 2016-17 revenues are \$0.4M greater than budget primarily due to higher Athletic Fee revenue due to greater student credit hour enrollment.

FY 2016-17 expenses are higher than budget by \$0.7M. The unfavorable variance is due to turnover in football team coaching staff and unbudgeted replacement cost for golf carts. This overage is offset by lower scholarship disbursements resulting from greater than anticipated financial aid for student athletes and OPS savings due to less bonuses for coaches (bonuses are a function of how many teams make it to the conference playoffs).

Institutional transfers in FY 2016-17 consist primarily of payments to the Athletics Finance Corp. of pledged revenues applied towards the payment of Stadium debt service payments and funding of the FIU marching band, offset by a transfer in from the School of Hospitality and Tourism Management for scholarships.

Athletics Fees remain unchanged in FY 2017-18 at \$16.10 per credit hour and \$10 per semester. In FY 2017-18, revenues are projected to decrease by \$0.5M, driven by the loss of one-time conference and NCAA distributions for cost of attendance received in FY 2016-17, less support from the Athletics Finance Support (return of revenue from Trustee), less revenue from television contract, and one-time cash payments associated with a legal settlement. These decreases are partially offset by greater game guarantee payments, additional Athletics Fee revenue associated with growth in student credit hour enrollment, and anticipated bowl game conference support.

Florida International University
Financial Summary
Intercollegiate Athletics

Expenses in FY 2017-18 are decreasing by \$0.5M vs. FY 2016-17 forecast as a result of less game guarantee payouts, the one-time contract payout for the football coach, and less chartered football team travel costs. These savings are partially offset by salaries mainly driven by the hiring of a new head football coach and support staff.

Institutional transfers in FY 2017-18 consist primarily of payments to the Athletics Finance Corp. of pledged revenues applied towards the payment of Stadium debt service payments and funding of the FIU marching band, offset by a transfer in from the School of Hospitality and Tourism Management for scholarships.

Florida International University
Financial Summary
Activity and Service

	Final Budget	Forecast	Forecast vs.	Requested Budget	Forecast vs.
(In thousands of dollars)	2016-17	2016-17	Final Budget	2017-18	Requested Budget
Operating Revenues	\$ 19,703	\$ 20,029	\$ 326	\$ 20,305	\$ 277
Expenses					
Salaries and Benefits	8,297	7,577	(720)	8,699	1,121
Other Personal Services (OPS)	2,453	2,499	47	2,567	68
Other Expenses	8,907	7,893	(1,014)	9,304	1,411
Operating Capital Outlay (OCO)	12	76	64	-	(76)
Total Operating Expenses	19,669	18,046	(1,623)	20,570	2,524
Net Operating Income	34	1,983	1,949	(265)	(2,248)
Investment Revenues	-	-	-	-	-
Change in Net Assets	34	1,983	1,949	(265)	(2,248)
Fund Balance					
Beginning Fund Balance	6,522	6,962		7,076	
Change in Net Assets	34	1,983		(265)	
Capital Expenditures	(2,132)	(1,854)		(1,455)	
Institutional Transfers	206	(14)		168	
Ending Fund Balance	\$ 4,629	\$ 7,076		\$ 5,524	

The Activity and Service Fee fund is the student life component of the University which supports clubs, organizations, student centers and recreational sports for all campuses. The purpose of this activity is to provide students with the opportunity to enhance learning through co-curricular activities. The principle revenue source for this fund is a per credit hour activity and service fee charged to all students excluding those admitted to fully online programs.

Financial Highlights

Forecast revenues in FY 2016-17 are above budget due to higher than anticipated activity and service fees due to higher student credit hour enrollment, higher orientation program revenues, and other unbudgeted student activity revenues.

FY 2016-17 forecasted expenses are \$1.6M lower than budget mainly due to delays in student government approved projects and vacant positions.

FY 2016-17 institutional transfers are lower than budget due to lower enrollment in the Shorelight Program.

The Activity and Service Fee remains unchanged at \$14.85 per credit hour for FY 2017-18. Revenues in FY 2017-18 are \$0.3M higher than FY 2016-17 forecast mainly due to increased student credit hour enrollment.

Expenses in FY 2017-18 are \$2.5M higher than FY 2016-17 forecast due to budgeting of currently vacant positions, completion of delayed, prior year student government projects, and new allocations for projects related to equipment, office furniture, and fixtures for the new student government space, student wellness and beautification of common spaces at the Biscayne Bay Campus, and Graham Center renovations.

Planned capital expenditures in FY 2017-18 are related to the continuation of the installation of the indoor track at the Recreation Center at Modesto A. Maidique campus and Graham Center renovations. Additionally, the student government approved new projects such as the Biscayne Bay Campus outdoor recreation building and Wolfe University Center upgrades and repairs.

The fund balance is held as a reserve to cover unexpected repairs and building maintenance at the Wolfe University Center, Graham Center and both Modesto A. Maidique Campus and Biscayne Bay Campus wellness and recreation centers.

Florida International University
Financial Summary
Technology Fee

	Final Budget	Forecast	Forecast vs.	Requested Budget	Forecast vs.
(In thousands of dollars)	2016-17	2016-17	Final Budget	2017-18	Requested Budget
Operating Revenues	\$ 9,959	\$ 10,375	\$ 417	\$ 10,348	\$ (27)
Expenses					
Salaries and Benefits	935	893	(42)	933	40
Other Personal Services (OPS)	275	266	(9)	308	42
Other Expenses	7,683	8,440	757	8,683	244
Operating Capital Outlay (OCO)	846	637	(209)	563	(74)
Total Operating Expenses	9,739	10,235	496	10,486	251
Net Operating Income	220	140	(80)	(138)	(278)
Investment Revenues	-	-	-	-	-
Change in Net Assets	220	140	(80)	(138)	(278)
Fund Balance					
Beginning Fund Balance	5,159	3,256		2,513	
Change in Net Assets	220	140		(138)	
Capital Expenditures	-	(883)		-	
Institutional Transfers					
Ending Fund Balance	\$ 5,380	\$ 2,513		\$ 2,375	

Technology fee revenues are 5% of resident base tuition. The fee revenues are used to enhance instructional technology resources for students and faculty. Project proposals are reviewed by the Technology Fee Committee which makes investment recommendations to the President for final approval. The Committee is composed of 12 members (6 students & 6 Faculty / Staff) from across the University.

Financial Highlights

Current projects include the renovation of classrooms and computer labs with state-of-the art technology, Math Mastery Lab technology revitalization and maintenance, and upgrades to audio visual equipment.

FY 2016-17 forecast revenues are above budget due to higher than anticipated student credit hour enrollment.

Operating expenditures for FY 2016-17 are \$0.5M greater than budgeted as a result of more projects starting earlier than anticipated.

FY 2016-17 unbudgeted capital expenditures reflect the cost of technology infrastructure buildouts mostly associated with the new Student Academic Success Center (SASC) building, Health Simulation Lab, and Math Mastery Lab II.

FY 2017-18 revenues are largely in-line with FY 2016-17 forecast.

Operating expenses in FY 2017-18 are \$0.3M greater than FY 2016-17 forecast due to more projects underway than in the prior year.

Florida International University
Financial Summary
Board Approved Fees

	Final Budget	Forecast	Forecast vs.	Requested Budget	Forecast vs.
(In thousands of dollars)	2016-17	2016-17	Final Budget	2017-18	Requested Budget
Operating Revenues	\$ 420	\$ 419	\$ (1)	\$ 409	\$ (10)
Expenses					
Salaries and Benefits	-	-	-	-	-
Other Personal Services (OPS)	-	-	-	-	-
Other Expenses	420	415	5	402	13
Operating Capital Outlay (OCO)	-	-	-	-	-
Total Operating Expenses	420	415	5	402	13
Net Operating Income	-	4	(4)	7	3
Investment Revenues	-	-	-	-	-
Change in Net Assets	-	4	4	7	3
Fund Balance					
Beginning Fund Balance		27		31	
Change in Net Assets	-	4		7	
Capital Expenditures	-	-		-	
Institutional Transfers	-	-		-	
Ending Fund Balance	\$ -	\$ 31		\$ 37	

Board Approved Fees are fees specific to the University and have been approved by the Board of Governors.

This fee currently consists of the Florida Bar Test Preparation Fee.

Only those students in certain programs where licensing to practice requires successful completion of an examination and where FIU provides this preparation through a third party vendor are charged the fee. Only students in the College of Law are required to pay the fee.

The purpose of the test preparation fee is to increase accessibility to test preparation courses in programs where students are expected to obtain specific preparation for a practice-based examination. By making the test preparation a required activity in the final semester of the program, the fee will be part of the cost of attendance and thus eligible for financial aid.

Financial Highlights

FY 2016-17 revenue is in line with budget. Revenue for FY 2017-18 is slightly below forecast due to lower levels of enrollment resulting in less students eligible to take the bar prep exam, plus the timing of students reaching 3L status.

FY 2016-17 expenses (pass-thru payments to third-party vendors) slightly lower than budget due to timing of payments to the bar prep course vendors. FY 2017-18 expenses are below FY 2016-17 forecast and reflect a lower projected number of students taking bar prep courses.

**Florida International University
Financial Summary
Contracts & Grants**

	Final Budget	Forecast	Forecast vs.	Requested Budget	Forecast vs.
(In thousands of dollars)	2016-17	2016-17	Final Budget	2017-18	Requested Budget
Operating Revenues	\$ 118,401	\$ 125,673	\$ 7,272	\$ 127,346	\$ 1,673
Expenses					
Salaries and Benefits	61,934	61,793	(141)	64,780	2,986
Other Personal Services (OPS)	12,940	16,100	3,160	15,581	(519)
Other Expenses	40,507	40,857	350	40,287	(570)
Operating Capital Outlay (OCO)	1,852	3,269	1,418	2,138	(1,132)
Debt Service Interest	-	24	24	-	(24)
Total Operating Expenses	117,233	122,043	4,810	122,785	742
Net Operating Income	1,168	3,630	2,462	4,561	930
Investment Revenues	-	0	0	-	(0)
Principal Payment of Debt	(205)	(435)	(230)	-	435
Change in Net Assets	963	3,195	2,233	4,561	1,365
Fund Balance					
Beginning Fund Balance	9,103	6,918		8,527	
Change in Net Assets	963	3,195		4,561	
Capital Expenditures	(400)	(1,296)		-	
Third Party Transfers	-	-		-	
Institutional Transfers	(532)	(290)		(461)	
Ending Fund Balance	\$ 9,134	\$ 8,527		\$ 12,627	

Contracts and grants include sponsored research, public service and training activities, incidental non-research initiatives, and direct support organization (DSO) reimbursements.

Sponsored research revenues are derived from federal, state, local and private sources in support of the sponsored programs of the University. The use of these funds is restricted to the specific purpose for which they are awarded. Sponsored research awards are comprised of direct costs and facilities & administrative (F&A) costs. Direct costs are those costs directly related to research projects such as the salaries and benefits of researchers and supplies, while F&A costs represent the University's overhead costs, which are not directly allocable to a specific project such as administrative functions, utilities, etc.

Expenditure levels of the Office of Research and Economic Development (ORED) administration are driven by the University's direct research expenditures and the associated F&A cost recovery. F&A cost recovery derived from sponsored research projects supports the administrative costs of sponsored research and provides funding to deans, department chairs, and faculty in support of research.

Incidental non-research activities receive revenue from external sources in exchange for goods or services.

DSO Reimbursements are revenues received from the University's 501c3 Direct Support Organizations and the FIU Health Care Network, which exist solely to support the University's mission.

Financial Highlights

The federally negotiated F&A cost reimbursement rate for on-campus research has increased to 46.5%. This new rate will affect the F&A reimbursement rate from new projects, while currently executed research projects continue with the old F&A rates of 45%.

Since state and other private sponsors often reimburse for FIU overhead at a lower rate than the federally negotiated rate, the FY 2016-17 forecasted actual recovery rate is 15.8%. The projected FY 2017-18 effective F&A return on sponsored projects is \$15.5M, which is equivalent to a blended rate of 16.0%.

Florida International University
Financial Summary
Contracts & Grants

FY 2016-17 favorable revenue variance of \$7.3M to FY 2016-17 budget is primarily driven by greater sponsored research revenue and by incidental revenues from the College of Medicine Faculty Group Practice due to the recent strategic realignment and reorganization. Sponsored Research revenues are higher than budget due to greater local government and private entity sponsored activity in addition to unbudgeted revenue for research related conferences. Overall, the favorable variance in incidental external contracts and sponsored research is partially offset by less than expected DSO reimbursements, mainly delays in hiring for the Capital Campaign, and lower contractual revenue generated from the Center for Internet Augmented Research (CIARA).

FY 2016-17 expenditures are \$4.8M greater than budget mainly due to greater spending on sponsored research projects commensurate with greater local government and private entity sponsored revenues, and greater incidental revenues mainly due to the strategic realignment and reorganization of the College of Medicine Faculty Group Practice. These overages are offset, in part, by less DSO Reimbursement spending related to the Capital Campaign, less expenses related to the College of Medicine Neighborhood Help program, and CIARA due to the timing of contracted services to be provided and overall less demand for services.

FY 2017-18 revenue is \$1.7M greater as compared to FY 2016-17 forecast. This increase is mainly due to additional DSO Reimbursement revenue driven by the planned increase in staffing to support the Capital Campaign, new DSO support for the Executive MD Program, additional DSO reimbursement revenue from the FIU Health Care Network due to growth in managed clinical services throughout the University, increases in Neighborhood Help projects across multiple colleges, and various other College of Medicine reimbursements such as the Pediatrics and Leon Geriatrics chairs and the Wertheim Education Endowment. This positive variance is offset by a decline in incidental revenue for the College of Medicine Faculty Practice and other clinical operations. Sponsored Research revenues are flat as compared to FY 2016-17 forecast.

FY 2017-18 expenditures are \$0.7M greater as compared to FY 2016-17 forecast. This increase is mainly due to greater DSO reimbursable costs driven by planned increases in staffing to support the Capital Campaign, increases in Neighborhood Help projects across multiple colleges, and variance College of Medicine reimbursed activities including the new Executive MD Program, Wertheim Education Endowment, and Wertheim Residency Pilot Program. In addition, various new College of Medicine graduate medical education programs are also contributing to the greater expenses as compared to forecast. In contrast, sponsored research expenditures have declined as compared to forecast, mainly due to savings in the Office of Research and Economic Development (ORED) and strategic spending of F&A in support of further sponsored and institutional research.

ORED will apply 52.5% of F&A collected to directly support research at the University, which includes areas outside of ORED that directly support research activity such as the Controller's office, Environmental Health and Safety (EH&S), Internal Audit, and the Applied Research Center (ARC), as well as returning F&A to colleges, centers, and Principal Investigators (PI's). The remaining 47.5% of the \$15.5M in F&A projected to be generated in FY 2017-18 will support ORED internal operations including the newly created Innovation and Economic Development Unit.

FY 2017-18 capital expenditures are mainly driven by a transfer to Facilities for the first payment to MCM for the Tiger Grant Pedestrian Bridge, buildout of the Startup FIU incubator space on MARC 3rd floor, and card reader installation at the Hospitality Management Lab.

**Florida International University
Financial Summary
Student Financial Aid**

	Final Budget	Forecast	Forecast vs.	Requested Budget	Forecast vs.
(In thousands of dollars)	2016-17	2016-17	Final Budget	2017-18	Requested Budget
Operating Revenues	\$ 164,166	\$ 160,955	\$ (3,211)	\$ 163,425	\$ 2,470
Expenses					
Salaries and Benefits	2,117	2,038	(80)	2,177	140
Other Personal Services (OPS)	2,038	1,989	(49)	2,079	90
Other Expenses	161,920	161,315	(604)	159,374	(1,941)
Operating Capital Outlay (OCO)	-	-	-	-	-
Total Operating Expenses	166,075	165,341	(733)	163,630	(1,711)
Net Operating Income	(1,908)	(4,387)	(2,478)	(206)	4,181
Investment Revenues	5	70	64	129	60
Change in Net Assets	(1,903)	(4,317)	(2,415)	(76)	4,241
Fund Balance					
Beginning Fund Balance	10,358	10,737		6,421	
Institutional Transfers	-	1		-	
Change in Net Assets	(1,903)	(4,317)		(76)	
Ending Fund Balance	\$ 8,455	\$ 6,421		\$ 6,345	

Student Financial Aid is the functional area of the University responsible for administering Financial Aid to students. It is comprised of funding from student financial aid fees (5% of base tuition and out-of-state fee), support from federal and state financial aid awards, institutional programs, as well as numerous private scholarships.

Financial Highlights

Lower Pell, \$4.0M and Bright Futures, \$1.8M awards are the main drivers of the decrease in FY 2016-17 forecast revenues vs. budget. Less students qualified for Bright Futures due to stricter eligibility requirements. Higher than expected departmental scholarships, due to greater donor-related scholarships, \$1.7M, and a higher allocation of Federal Supplemental Educational Opportunity Grant (FSEOG), \$0.6M, offset the lower Pell and Bright Futures awards. The same factors as revenues drive the \$0.7M decrease in FY 2016-17 forecast expenses vs. budget, with the planned spend down of institutional aid fund balances offsetting the decrease.

Revenue projections for FY 2017-18 are \$2.5M higher than FY 2016-17 forecast. Institutional aid increases of \$1.4M are in support of the enrollment strategy to increase the number of high achieving students through merit-based scholarships. An increase in the maximum Pell Grant award of \$105 to \$5,920 generates an additional \$2.7M of revenue. Bright Futures Scholarships revenues are \$0.2M greater than FY 2016-17 forecast - recent legislature changing coverage for Academic Scholars from 50% to 100% and funding for summer semesters offsets the continued impact of stricter eligibility requirements (a cohort with less strict requirements graduates and is replaced with a new cohort under the new requirements). Departmental scholarship revenues are \$1.4M lower than FY 2016-17 forecast due to the absence of one-time donor-related scholarships received in FY 2016-17. FY 2017-18 expenses are \$1.7M lower than FY 2016-17 forecast and reflect the changes described above for revenues and the continued, planned spend down of institutional aid fund balances.

OPS expenses include Federal Work Study. The department match of 25% of the award, using departmental funding sources, continues into FY 2017-18; the match offsets award obligations after federal funding cuts in a prior year.

Student Financial Aid includes institutional aid revenues, which are derived from financial aid fees to students (net of administrative costs), 30% allocation of tuition differential fees collected by Florida statute, University strategic allocations, and E&G tuition allocations. FY 2017-18 budgeted institutional aid revenue of \$43.7M is projected to increase by \$2.0M vs. FY 2016-17 budget, mainly driven by the enrollment strategy to increase the number of high achieving students. University strategic allocations will fund this increase.

**Florida International University
Financial Summary
Concessions**

	Final Budget	Forecast	Forecast vs.	Requested Budget	Forecast vs.
<i>(In thousands of dollars)</i>	2016-17	2016-17	Final Budget	2017-18	Requested Budget
Operating Revenues	896	\$ 949	\$ 52	940	\$ (9)
<u>Expenses</u>					
Salaries and Benefits	-	-	-	-	-
Other Personal Services (OPS)	-	-	-	-	-
Other Expenses	896	681	(215)	940	259
Operating Capital Outlay (OCO)	-	-	-	-	-
Total Operating Expenses	896	681	(215)	940	259
Net Operating Income	-	267	267	-	(267)
Investment Revenues	-	-	-	-	-
Change in Net Assets	-	267	267	-	(267)
<u>Fund Balance</u>					
Beginning Fund Balance	1,062	1,062		1,365	
Institutional Transfers	-	36		-	
Change in Net Assets	-	267		-	
Ending Fund Balance	\$ 1,062	\$ 1,365		\$ 1,365	

This activity contains all the commission based revenues from beverage and pouring, snack vending as well as student housing laundry machines. The commission revenues in the concession fund are used to support the purchase of food and refreshment items at university-wide events, faculty and staff recruitment, commencements, training, lecture series, board of trustees, student housing socials and convocation events.

Financial Highlights

The beverage pouring and vending contract with Pepsi provides an annual amount for sponsorship in addition to commissions on product sales. Pepsi will provide an annual sponsorship for exclusive pouring rights valued at \$2.7M over the life of the contract which ends March 15, 2019. The Concessions fund will receive \$325K of Pepsi sponsorship revenue in FY 2017-18.

The increase in forecast revenues for FY 2016-17 represents an increase in beverage (18%) and snack sales (7%), due to continued growth in credit card sales and an increase sales of higher priced products, which result in higher vending commissions. The favorable variance in expenses represents unspent vending contingencies, savings in utilities, repairs and maintenance in vending operations, and unallocated revenues.

The decrease in revenues for FY 2017-18 vs. FY 2016-17 forecast is driven by lower projected laundry commissions due to lower usage. FY 2017-18 expenses are expected to increase vs. FY 2016-17 forecast as incremental revenues and prior year savings are allocated in support of university-wide events and vending operations.

**Florida International University
Financial Summary
FIU Athletics Finance Corp**

	Final Budget	Forecast	Forecast vs.	Requested Budget	Forecast vs.
<i>(In thousands of dollars)</i>	2016-17	2016-17	Final Budget	2017-18	Requested Budget
Total Revenues	\$ 4,566	\$ 3,604	\$ (962)	\$ 3,885	\$ 281
<u>Expenses</u>					
Salaries and Benefits	-	-	-	-	-
Other Personal Services (OPS)	-	-	-	-	-
Other Expenses	1,233	1,359	126	825	(534)
Operating Capital Outlay (OCO)	-	-	-	-	-
Net Unrealized Investment Loss	-	(2)	(2)	-	2
Debt Service Interest	1,146	1,020	(127)	1,307	287
Total Operating Expenses	2,379	2,377	(2)	2,132	(245)
Net Operating Income	2,187	1,228	(960)	1,753	525
Principal Payment of Debt	(371)	(260)	111	(1,150)	(889)
Change in Net Assets	1,816	968	(848)	603	(365)
<u>Net Assets</u>					
Beginning Net Assets	6,347	6,562		5,730	
Change in Net Assets	1,816	968		603	
Operational Transfers	(1,125)	(1,800)		(700)	
Total Net Assets	\$ 7,038	\$ 5,730		\$ 5,633	

The Athletics Finance Corp serves as the entity to finance and operate the FIU Football Stadium. Primary sources of revenues are transferred into the AFC from the University's Athletics Department and include beverage vending and pouring contract support, naming rights, premium suite and ticket revenues and a percentage of athletic student fees (per statute 1010.62). These revenue streams are pledged for the annual debt service associated with the stadium's construction cost.

Financial Highlights

FY 2016-17 revenue is forecasted to be \$1.0M less than budget mainly due an unanticipated decrease in television revenue from the Conference and less than anticipated premium seating revenues and concessions sales.

FY 2016-17 operating expenses are in line with budget. Higher stadium enhancement costs are reduced by lower debt service costs associated with the refinancing of stadium debt by the year end.

FY 2016-17 operational transfers are \$0.7M greater than budget and are the result of additional conference revenue reserves being transferred to the University to support athletics operations.

FY 2017-18 revenues are projected to be \$0.3M greater than current year forecast due to an overall increase in football ticket sales, premium seating, and corresponding increase in demand for concessions as a result of the renewed interest driven by the hiring of a new football coach. This anticipated increase in ticket sales is offsetting the loss of one home game this upcoming football season. In addition, a minor growth in other rental income due to the Miami FC soccer team events at the stadium is expected.

FY 2017-18 expenses are \$0.2M less than forecast due to less planned stadium enhancements, repairs and maintenance mainly due to the installation of new equipment in FY 2016-17 including scoreboards and HVAC. Additionally, it is anticipated that having seven home games, one less than FY 2016-17, will result in less total game day costs.

FY 2017-18 operational transfers of \$0.7M represent the return of conference revenue transfer to the University from the Athletics Finance Corp.

Florida International University
Financial Summary
FIU Foundation Inc.

	Final Budget	Forecast	Forecast vs.	Requested Budget	Forecast vs.
(In thousands of dollars)	2016-17	2016-17	Final Budget	2017-18	Requested Budget
REVENUES:					
<u>Contributions:</u>					
Endowments	\$ 4,592	\$ 5,094	\$ 502	\$ 5,713	\$ 619
Scholarships & Programs (Non-Endowed)	16,749	19,798	3,049	19,480	(318)
Building Funds	3,697	3,121	(577)	4,151	1,030
Annual Fund	908	1,109	202	1,063	(47)
Pledged Revenue	-	-	-	-	-
Total Contributions	25,946	29,122	3,176	30,407	1,284
<u>Other Revenues:</u>					
MARC Building - Rental Income	1,699	1,788	89	1,687	(101)
Foundation Enterprise Holdings I	200	222	22	205	(17)
Foundation Enterprise Holdings II	58	62	3	69	7
Foundation Enterprise Holdings III	875	215	(660)	-	(215)
Foundation Enterprise Holdings IV	27	20	(7)	20	(0)
Estimated Investment Returns	9,744	26,147	16,403	11,968	(14,179)
Total Other revenues	12,602	28,454	15,851	13,948	(14,506)
Total Revenues	38,548	57,577	19,029	44,355	(13,222)
EXPENSES:					
<u>University Programs:</u>					
Scholarships & Programs	17,164	22,246	5,082	21,611	(635)
Building Funds	1,660	459	(1,201)	1,750	1,291
Annual Fund	2,171	2,111	(60)	2,209	97
Total University programs	20,995	24,816	3,821	25,569	753
<u>Operational:</u>					
MARC Building	498	471	(28)	471	(0)
Foundation Enterprise Holdings I	178	188	11	188	(1)
Foundation Enterprise Holdings II	56	98	42	60	(38)
Foundation Enterprise Holdings III	710	775	65	0	(775)
Foundation Enterprise Holdings IV	26	21	(5)	18	(2)
Administrative Reserve	1,784	1,644	(139)	1,957	312
General Reserve	3,396	3,120	(275)	5,099	1,978
Total Operational Expenditures	6,648	6,317	(331)	7,792	1,475
Total Operating Expenses	27,643	31,133	3,490	33,361	2,229
Net Operating Income	\$ 10,905	\$ 26,443	\$ 15,538	\$ 10,992	\$ (15,450)

Notes: Pending Foundation Board of Directors approval.

Florida International University
Financial Summary
FIU Foundation Inc.

Financial Highlights

Revenues:

Cash contributions for FY 2017-18 are comprised of pledge payments on existing receivables, cash installments on expected new pledges, and outright cash gifts to the Foundation. The breakdown of the \$30.4M in expected cash contributions are as follows: 19% endowed, 64% non-endowed, 14% for buildings, and 3% unrestricted is annual revenues.

MARC building rental income is projected to be \$1.8M for FY 2017-18, a 2.1% increase over the prior year. Tenants of the MARC building include the Office of Research and Economic Development, College of Business, FIU Online, University College, Office of the Treasurer, University Advancement, the FIU Foundation, and Florida Power & Light. The MARC Building is currently operating at 100% occupancy; however, a 5% vacancy rate has been built into the budget.

Foundation Subsidiaries represent the operating budget of several properties acquired since 2011, and which are included in the Foundation budget.

Foundation Enterprise Holdings I is a wholly-owned subsidiary of the Foundation consisting of 5,353 square feet of commercial real-estate on Washington Avenue on Miami Beach. Budgeted revenues for fiscal year 2017-18 include rental income from three building tenants, common area maintenance (CAM); a vacancy rate of 10% has been built into the budget.

Foundation Enterprise Holdings II is a single member LLC currently holding the Jewish Museum of Florida-FIU (JMOF). Budgeted revenues in FY 2017-18 of \$69K are derived from plant operations and maintenance and transfers made from the JMOF projects in the FIU Foundation to support building expenses.

Foundation Enterprise Holding III is a single member LLC currently holding real property located on 100 East Flagler Street. In January 2016, the Foundation Board of Directors authorized the sale of the asset, with the proceeds to be used for the Wolfsonian capital expansion plan. The property was sold in October 2016.

Foundation Enterprise Holdings IV (FEH IV) is a single member LLC currently holding real property in Islamorada that supports the Aquarius Reef Base project. Budgeted revenues for FY 2017-18 of \$20K are derived from payments made by the College of Arts, Sciences, and Education, pursuant to the lease agreement, which are required to fund budgeted LLC expenses including insurance, professional fees, and taxes and licenses.

Investment returns for FY 2017-18 are projected at 5.0% or \$12.0M and assume a \$247M beginning market value and net cash flows into the portfolio consistent with budgeted cash receipts and expenses. The Foundation is forecasting a 10.2% or \$24.6M based on fiscal year to date investments as of April 30, 2017.

Expenses:

Scholarships and Programs expenses for FY 2017-18 are increasing by 22% over FY 2016-17 budget and are budgeted at \$21.6M. Scholarships and programs in the College of Medicine, College of Business, College of Engineering & Computing, School of Hospitality and Tourism Management, and College of Nursing and Health Sciences account for 57% of the total scholarships and programs expense budget.

Donated building funds proceeds of \$1.8M, which is \$0.5M more than the current year budget, have been requested to cover \$1.0M for the World of Tropical Botany Building (also known as the Kampong Building), and \$0.8M for the Hospitality Management Beverage Lab.

MARC building expenses are expected to total approximately \$0.5M in FY 2017-18, which represents a 6% decrease relative to the current year budget. Current year savings are a result of repayment of principal. Budgeted expenses for the MARC building include utilities, repairs and maintenance, custodial services, interest on loan, insurance for the building, overhead and bank fees. It should be noted that the budget does not include the renovation of the planned first floor flooring and bathrooms for approximately \$0.6M as they are expected to be capitalized. Also, it does not include the payment for the principal portion of the note payable due in FY 2017-18 of \$785K.

Foundation Enterprise Holdings expenses reflect customary costs related to owning commercial real estate including management fees, replacement reserve, bank fees, repairs and maintenance, other building costs, and real estate taxes. In FY 2017-18, expenses related to the Washington Avenue Properties have been budgeted at \$188K, Jewish Museum of Florida-FIU at \$60K, Wolfson properties at \$139, and the Islamorada site at \$18K.

**Florida International University
Financial Summary
FIU Health Care Network**

	Final Budget	Forecast	Forecast vs.	Requested Budget	Forecast vs.
<i>(In thousands of dollars)</i>	2016-17	2016-17	Final Budget	2017-18	Requested Budget
Total Revenues	\$ 6,593	\$ 7,809	\$ 1,216	\$ 7,247	\$ (562)
<u>Expenses</u>					
Salaries and Benefits	2,265	2,103	(162)	2,201	98
Other Personal Services (OPS)	-	-	-	-	-
Other Expenses	2,198	2,553	356	3,002	449
Operating Capital Outlay (OCO)	-	-	-	-	-
Debt Service Interest	167	166	(0)	161	(6)
Total Operating Expenses	4,629	4,823	194	5,364	542
Net Operating Income	1,964	2,986	1,022	1,882	(1,103)
Change in Net Assets	1,964	2,986	1,022	1,882	(1,103)
<u>Net Assets</u>					
Beginning Net Assets	2,373	2,162		2,828	
Institutional Transfers	(1,264)	(2,320)		(774)	
Change in Net Assets	1,964	2,986		1,882	
Total Net Assets	\$ 3,072	\$ 2,828		\$ 3,936	

The FIU Health Care Network (HCN) serves as the entity for the collection and administration of income generated from the University's clinical operations. Pursuant to Florida Board of Governors regulation 9.017 governing SUS Faculty Practices, the distribution of all faculty practice funds will be for the improvement and support of the academic mission of FIU.

HCN provides management and staffing (non-clinical staff only) services to support clinical operations, including Student Health Services, throughout the University. The budget reflects the management services portion provided by HCN and does not include clinical services.

Financial Highlights

Increased enrollment in the international student programs and additional management fee income - from the increased enrollment in the international student programs and greater clinical activity in the Student Health Centers, faculty practice locations, and mobile clinics - have resulted in FY 2016-17 revenues higher than expected by \$1.2M.

FY 2016-17 forecast operating expenses are \$0.2M greater than budget. The increased enrollment in the international student programs has given rise to higher contracted services for preceptors. Additionally, higher clinical activity has resulted in increased pharmaceutical and medical supplies costs.

HCN revenue in FY 2017-18, is budgeted to decrease by \$0.6M compared to FY 2016-17 forecast. Management services revenue is expected to decline in FY 2017-18 due to a reporting change whereby the operating expense reimbursement for the clinics will be reduced against the management fee instead of being charged as an expense. Additionally, there is a slight reduction in the international program revenue as the budget reflects the impact of changes in the visa environment for international students.

FY 2017-18 operating expenses are \$0.6M greater than FY 2016-17 forecast. Higher personnel costs, the HCN will be absorbing all of the HCN administrative personnel costs, and higher contractual expenses in the international programs are offset by the reporting change for clinical operating expenses described for revenues above.

Institutional transfers in FY 2017-18 represent cash transfers from HCN's gain in net assets due to international operations to the University to support clinical operations in the Faculty Group Practice.

**Florida International University
Financial Summary
FIU Self-Insurance Program**

	Final Budget	Forecast	Forecast vs.	Requested Budget	Forecast vs.
<i>(In thousands of dollars)</i>	2016-17	2016-17	Final Budget	2017-18	Requested Budget
Total Revenues	\$ 393	\$ 311	\$ (84)	\$ 500	\$ 190
<u>Expenses</u>					
Salaries and Benefits	-	-	-	-	-
Other Personal Services (OPS)	-	-	-	-	-
Expense (Admin. & Overhead)	-	-	-	-	-
Operating Capital Outlay (OCO)	-	-	-	-	-
Incurred But Not Reported - Contingent Liability Expense	393	119	(274)	500	381
Total Operating Expenses	393	119	(274)	500	380
Net Operating Income	-	192	192	-	(190)
Investment Earnings	-	-	-	-	(0)
Change in Net Assets	-	192	192	-	(190)
<u>Fund Balance</u>					
Beginning Fund Balance	878	-		192	
Change in Net Assets	-	192		-	
Institutional Transfer	-	-		-	
Ending Fund Balance	\$ 878	\$ 192		\$ 192	

The Self-Insurance Program has been established by the Florida Board of Governors regulation 10.001 to provide professional liability protection to the Florida Board of Governors, the FIU Board of Trustees, and other authorized entities and individuals. The Self-Insurance Program (SIP) entity serves to record the activities associated with the Self-Insurance Program and is subject to oversight by the SIP Council.

The SIP includes coverage for the clinical activities of the Colleges of Medicine, Nursing, and University Health Services. Revenues include funding for premium contributions, claims, and insurance premiums directly associated with the SIP. In addition, provisions are made for administrative expenses primarily for the University of Florida as the SIP administrator.

Financial Highlights

FY 2016-17 revenue is \$0.1M less than budget due to anticipated lower operating costs.

FY 2016-17 forecast operating expenses are \$0.3M less compared to budget due to lower than expected payouts, premiums, and management costs.

FY 2017-18 budgeted revenues are based on current estimates of SIP related costs as the SIP Council has not approved premiums for FY 2017-18.

FY 2017-18 operating expenses mirror revenues and are based on current estimates since the SIP Council has not approved premiums for FY 2017-18.

**Florida International University
Financial Summary
FIU Research Foundation, Inc.**

	Final Budget	Forecast	Forecast vs.	Requested Budget	Forecast vs.
<i>(In thousands of dollars)</i>	2016-17	2016-17	Final Budget	2017-18	Requested Budget
Total Revenues	\$ 30	\$ 89	\$ 59	\$ 30	\$ (59)
<u>Expenses</u>					
Salaries and Benefits		4		4	
Expense	25	19	(6)	20	1
Debt Service Interest	-	-	-	-	-
Total Expenditures	25	23	(2)	24	1
Net Operating Income	5	66	61	6	(60)
Principal Payment of Debt	-	-	-	-	-
Unrealized Gains & Losses	-	-	-	-	-
Change in Net Assets	5	66	61	6	(60)
<u>Net Assets</u>					
Beginning Net Assets	87	83		149	
Change in Net Assets	5	66		6	
Institutional Transfers	-	-		-	
Total Net Assets	\$ 92	\$ 149		\$ 155	

The FIU Research Foundation serves as an agent with respect to special grants awarded to the University. These activities and the entire amount of the grant is recognized by FIU in the Sponsored Research Development Trust Fund and is not in the budget above.

Financial Highlights

FY 2016-17 revenue funding is from the Office of Research and Economic Development to cover audit, accounting, professional development, and economic development efforts. Additionally, unanticipated one-time revenue for royalty payments directly to the Research Foundation in FY 2016-17 drives the positive variance of \$59K versus FY 2016-17 budget.

FY 2016-17 operating expenses include audit and accounting fees, travel related to international research partnerships, and professional services related to research development, technology management, and commercialization.

FY 2017-18 projected revenues are expected to come from royalty income for technology management, commercialization, and research development efforts. They are lower than FY 2016-17 forecast due to the absence of Office of Research and Economic Development cash transfer to support the Research Foundation in FY 2016-17. Going forward, revenue for the Research Foundation will be from Royalties and not cash support from the Office of Research and Economic Development.

FY 2017-18 projected operating expenses are for audit and accounting fees, foreign country ventures, and professional services related to research development, technology management, and commercialization activities.

**Florida International University
Financial Summary
University Treasury Operations**

	Final Budget	Forecast	Forecast vs.	Requested Budget	Forecast vs.
<i>(In thousands of dollars)</i>	2016-17	2016-17	Final Budget	2017-18	Requested Budget
Investment Revenues	\$ 11,994	\$ 11,941	\$ (54)	\$ 11,476	\$ (466)
Operating Expenses	\$ (7,106)	\$ (7,592)	\$ (486)	\$ (8,317)	\$ (725)
Net Revenues	\$ 4,889	\$ 4,349	\$ (540)	\$ 3,159	\$ (1,190)
Net Operating Income	4,889	4,349	(540)	3,159	(1,190)
Investment Earnings Distribution	(223)	(1,232)	(1,010)	(1,836)	(604)
Operational Transfers	(6,300)	(6,301)	(1)	(2,100)	4,201
Change in Net Assets	\$ (1,634)	\$ (3,185)	\$ (1,551)	\$ (778)	\$ 2,407

Treasury operations revenue consists of earnings from the University's investment portfolio. Earnings include interest income, realized gains (which are reinvested each month) and unrealized gains or losses.

Financial Highlights

Investment earnings in FY 2016-17 are expected to be flat to budget with higher than expected interest earnings offset by higher distributions and lower realized gains in the Strategic Capital and Reserve Pools. Overall, net investment returns are projected to be flat to budget at 3.6%. FY 2016-17 forecasted expenses are expected to be higher than budget due to greater support for Financial Aid merit-based scholarships initiative.

Investment earnings are projected to be 3.8%, net of fees, in FY 2017-18. FY 2017-18 expenses are \$0.7M greater as compared to FY 2016-17 forecast mostly due to vacancies and greater institutional financial aid support for the merit-based scholarship program.

Investments earnings are distributed to Educational and General (E&G) carry forward, Auxiliary Enterprises and Financial Aid funds. E&G funds receive the State Treasury Special Purpose Investment Account (SPIA) rate and the non-E&G funds receive the risk free rate (30-Day T-Bill). FY 2016-17 distributions are forecasted to be higher than planned due to higher projected T-Bill rates and lower operating expenses. FY 2017-18 distributions are projected to be higher than FY 2016-17 forecast due to a projected 2 - 25 basis point increase in the T-Bill rates.

In FY 2016-17, \$6.3M in operational transfers will be made to Facilities to fund a portion of the practice fields being constructed on the southwest side of the Modesto A. Maidique Campus. This transfer is funded by Treasury's unrestricted fund balance. The remaining commitment of \$2.1M by Treasury to fund a portion of the practice fields will be transferred to Facilities in FY 2017-18.

In FY 2010-11, Treasury Operations entered into a working capital agreement with Athletics, in which four annual disbursements were made totaling \$5.0M. The first, second, third and fourth disbursements were made in June 2011, December 2011, June 2013 and June 2014 in the amounts of \$1.9M, \$1.8M, \$0.9M, and \$0.4M respectively. These disbursements were reflected as operational transfers.

In FY 2013-14, Treasury Operations agreed to support Financial Aid merit-based scholarship initiatives from FY 2015-16 through FY 2017-18 with maximum annual funding of \$5.0M. Additionally, in FY 2017-18, Treasury agreed to provide \$0.8M in additional support for the expanded merit-based scholarship program. The funding from Treasury is dependent on available returns as determined by investment market conditions.

In FY 2013-14, Treasury agreed to fund the redemption of the Series 1995 Parking Bonds (\$1.8M) and to pay the accrued interest on the Series 1999 and 2002 Parking Bonds (\$0.2M) as part of refunding provisions in the Series 2013 Parking Bonds. Treasury will be reimbursed by the semi-annual Build America Bonds subsidy payments.

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THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee
June 1, 2017

Subject: Proposed 2017-18 Fixed Capital Outlay Budget/Capital Improvement

Proposed Committee Action:

Recommend to The Florida International University Board of Trustees (the BOT) approval of Florida International University's 2017-18 Fixed Capital Outlay Budget and authorize the University President to amend the budget as necessary, consistent with Legislative, Florida Board of Governors', and BOT directives and guidelines.

Background Information:

Section 1013.61, Florida Statutes, requires that the BOT adopt a capital outlay budget for the ensuing year in order that the capital outlay needs of the BOT for the entire year may be well understood by the public.

Florida Board of Governors Regulation 1.001(6)(a) provides, in relevant part, that each board of trustees shall submit an institutional budget request, including a request for fixed capital outlay, to the Board of Governors for approval in accordance with the guidelines established by the Board of Governors.

The capital outlay budget is part of the annual budget and shall be based upon and in harmony with the BOT's capital outlay plan. The budget shall designate the proposed capital outlay expenditures by project for 2017-18 from all fund sources, as amended.

The Capital Outlay Budget governs the University's capital expenditures during the year.

Supporting Documentation: 2017-18 Capital Outlay Budget Request/Capital Improvement for Florida International University

Facilitator/Presenter: Kenneth A. Jessell

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee**

**PUBLIC EDUCATION CAPITAL OUTLAY PROJECTS (PECO) / CAPITAL
IMPROVEMENT**

Critical Deferred Maintenance	\$3,913,226
School of International & Public Affairs (SIPA) II	\$15,000,000
Engineering Building Phase I and II	\$10,000,000

TOTAL 2017-18 CAPITAL OUTLAY BUDGET (PECO)/ CAPITAL IMPROVEMENT	\$28,913,226
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CAPITAL IMPROVEMENT TRUST FUND PROJECTS (CITF)

TOTAL CITF	\$6,475,636
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TOTAL 2017-18 CAPITAL OUTLAY BUDGET	\$35,388,862
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Agenda Item 3

FF3

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

Finance and Facilities Committee

June 1, 2017

Subject: Request for Approval of Florida International University's 2018-19 Fixed Capital Outlay Legislative Budget Request, Consisting of the Five-Year Capital Improvement Plan

Proposed Committee Action:

Recommend to The Florida International University Board of Trustees (the BOT) approval of FIU's 2018-19 Fixed Capital Outlay Legislative Budget Request, consisting of the five-year Capital Improvement Plan (CIP) and authorize the University President to amend the Legislative Budget Request as necessary, consistent with Florida Board of Governors' and BOT directives and guidelines.

Background Information:

Section 1013.64(4)(a), Florida Statutes, requires the BOT to update annually its fixed capital outlay budget request. In addition to Public Education Capital Outlay (PECO) projects, the capital request will include Capital Improvement Trust Fund (CITF) projects, projects from other state sources, and projects from non-state sources including debt. It is anticipated that Florida International University will have the opportunity to submit a revised Fixed Capital Outlay Budget Request to the Florida Board of Governors in December 2017.

The Fixed Capital Outlay Budget Request governs the University's proposed capital expenditures during the next five years. The Fixed Capital Outlay Budget Request must be approved annually by the BOT.

Supporting Documentation:

Florida Board of Governors 2018-19 Fixed Capital Outlay Budget Request

Facilitator/Presenter:

Kenneth A. Jessell

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Florida International University

Board of Trustees



Florida Board of Governors

2018-2019 FIXED CAPITAL OUTLAY BUDGET REQUEST

FIVE – YEAR CAPITAL IMPROVEMENT PLAN

June 2, 2017

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**FLORIDA INTERNATIONAL UNIVERSITY
AGENCY CAPITAL IMPROVEMENTS PROGRAM
2018-2019 through 2022-2023**

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STATE UNIVERSITY SYSTEM
Five-Year Capital Improvement Plan (CIP-2) and Legislative Budget Request
Fiscal Years 2018-19 through 2022-23

Florida International University

PECO-ELIGIBLE PROJECT REQUESTS							BOT Approval 6/2/2017						
Priority No.	Project Title	2018-19	2019-20	2020-21	2021-22	2022-23	Academic or Other Programs to Benefit from Projects	Net Assignable Square Feet (NASF)	Gross Square Feet (GSF)	Project Cost	Project Cost Per GSF (Proj. Cost/ GSF)	Educational Plant Survey Recommended Date/Rec No.	Approved by Law - Include GAA reference
1	* FACILITIES INFRASTRUCTURE /CAPITAL RENEWAL - UW (P,C,E)	\$11,100,000	\$16,900,000	\$10,500,000	\$10,500,000	\$10,500,000	All	n/a	n/a	\$127,994,982	n/a	01/20/16	n/a
2	** ENGINEERING BUILDING, Phase I & II - MMC (P)(C,E)(C,E)	\$53,000,000	\$42,000,000				Engineering	171,500	274,400	\$150,000,000	\$546.65	01/20/16	n/a
3	SCIENCE LABORATORY COMPLEX - MMC (P,C)(C)(C,E)	\$15,000,000	\$20,000,000	\$42,000,000			Sciences	79,500	127,200	\$77,000,000	\$605.35	01/20/16	n/a
4	STRATEGIC LAND ACQUISITION - UW (A)	\$20,000,000	\$20,000,000				All	n/a	n/a	n/a	n/a	01/20/16	n/a
5	***ACADEMIC HEALTH CENTER STUDY COMPLEX - MMC (P,C)(C,E)		\$5,000,000	\$12,500,000			Academic Health	39,086	62,538	\$35,000,000	\$559.66	01/20/16	n/a
6	REMODEL./RENOV. OF DM BUILDING - MMC (P,C,E)(P,C,E)		\$7,000,000	\$6,800,000			All	140,807	140,807	\$13,800,000	\$98.01	01/20/16	n/a
7	***HONORS COLLEGE - MMC (P,C)(C,E)		\$2,000,000				Honors	8,231	10,371	\$4,000,000	\$385.71	01/20/16	n/a
8	GREEN LIBRARY ADDITION FOR STUDY, HUB AND STUDENT SUCCESS SPACE- MMC (P)(C)(E)			\$15,000,000	\$25,000,000	\$25,000,000	All	88,000	123,200	\$65,000,000	\$527.60	01/20/16	n/a
9	SCIENCE & HUMANITIES CTR., (SCIENCE, TECH., ENG., ARTS & MATH.) - MMC (P,C)(C,E)				\$24,500,000	\$22,500,000	Sciences	50,000	80,000	\$47,000,000	\$587.50	01/20/16	n/a
10	REMODEL./RENOV. OF ACADEMIC DATA CENTER - MMC (P,C,E)(P,C,E)				\$12,775,000	\$6,725,000	All	24,000	24,000	\$19,500,000	\$812.50	01/20/16	n/a
11	REMODEL./RENOV. OF OE BUILDING - MMC (P,C,E)(P,C,E)				\$10,500,000	\$10,000,000	All	117,306	117,306	\$20,500,000	\$174.76	01/20/16	n/a
TOTAL		\$99,100,000	\$112,900,001	\$86,800,000	\$83,275,000	\$74,725,000							

CITF PROJECT REQUESTS

Priority No.	Project Title	2018-19	2019-20	2020-21	2021-22	2022-23	Academic or to Benefit from Projects	Net Square Feet (NASF)	Gross Feet (GSF)	Project Cost	Project Cost (Proj. Cost/ GSF)	Committee Date
1	GRAHAM UNIVERSITY CENTER - MMC (P,C,E)	\$12,000,000	\$12,000,000				All					
2	WOLFE UNIVERSITY CENTER RENOVATIONS - BBC (P,C,E)	\$3,000,000	\$3,000,000				All					
3	RECREATION CENTER EXPANSION - BBC (P,C,E)	\$1,000,000	\$1,000,000				All					
4	RECREATION CENTER REMODELING - MMC (P,C,E)	\$1,000,000					All					
TOTAL		\$17,000,000	\$ 16,000,000	0	0	0						

REQUESTS FROM OTHER STATE SOURCES

Priority No.	Project Title	2018-19	2019-20	2020-21	2021-22	2022-23	Academic or to Benefit from Projects	Net Square Feet (NASF)	Gross Feet (GSF)	Project Cost	Project Cost (Proj. Cost/ GSF)
1	RESEARCH 1 - MMC, (P,C,E)						Research				
TOTAL		0	0	0	0	0					

REQUESTS FROM NON-STATE SOURCES, INCLUDING DEBT

Priority No.	Project Title	2018-19	2019-20	2020-21	2021-22	2022-23	Academic or to Benefit from Projects	Net Square Feet (NASF)	Gross Feet (GSF)	Project Cost	Project Cost (Proj. Cost/ GSF)	Expected Funding (if known)	Master Plan Date
1	MEDICAL ARTS PAVILION - MMC, (P,C E)						COM					M-Dade/Private	03/27/14
TOTAL		0	0	0	0	0							

* Includes BBC Lift Station and Sewer Line Repair of \$4 million and Engineering And Computer Science Building Envelope of \$3 million.
** Amount reflects 70 percent PECO; remaining 30 percent (\$45 million) private funding.
*** Amount reflects 50 percent PECO; remaining 50 percent private funding.

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CIP-3 SHORT-TERM PROJECT EXPLANATION

CIP-3, A – NARRATIVE DESCRIPTION

Page 1 of 1

AGENCY: Florida International University
BUDGET ENTITY: State University System
PROJECT TITLE: Facilities IFS/Capital Renewal
University Wide

AGENCY PRIORITY 1
DATE BUILDING PROGRAM
APPROVED N/A

PURPOSE, NEED, SCOPE, RELATIONSHIP OF PROJECT TO AGENCY OBJECTIVES

The purpose of this program is to provide funding for the renovation and replacement of critical infrastructure needs and to support capital renewal programs of the educational plant. A broad range of projects encompassing all campuses of the University and all program areas is planned.

In order to continue to support the University's rapid growth, roadway infrastructure is needed to meet the requirements of the University's Master Plan. Funding is needed for new roadways, curb and gutter, signage, catch basins and traffic controls. Also planned are the renovation of existing and the construction of new pedestrian pathways and sidewalks. Funding is also requested for lighting to ensure public safety and appropriate landscape and irrigation.

The existing plumbing systems in some of our older buildings continue to deteriorate. Funding is needed to renovate and replace these aging systems. Renovation and replacement of restroom fixtures with ADA accessible and environmentally appropriate new water saving units is planned.

Infrastructure is needed for a number of buildings on campus that require upgrades to multiple systems. These improvements include fire alarm panels, air handlers, electrical and mechanical systems. ADA retrofits and renovations continue to be a top priority. Replacement and renovation of aging elevators is also planned.

The University also plans to continue the renovation and retrofit of classroom, laboratory and learning areas. These retrofits and renovations will address ADA issues, replace aging infrastructure and support current curriculum needs.

Stormwater flood management also continues to be a priority issue. As pervious land is consumed with new development, existing pedestrian sidewalks and roadways are often impacted adding to costs beyond estimated project constructed costs. Infrastructure funds are needed to increase drainage capacity throughout campus for the safety of both pedestrian and vehicular traffic.

In recognition of the University's commitment to sustainability practices infrastructure projects will be designed and built with the goal of meeting the USGBC's LEED "Silver" certification rating level at a minimum when applicable. All projects shall comply with Florida Statutes 255.251 Energy Conservation and Sustainable Buildings Act including 255.252 (3) and (4).

This project is included in the "2015-2020 Educational Plant Survey" dated 1/20/2016, recommendation 1).

CIP-3, D
Higher Educational Facilities
Return on Investment

This is a tool developed by a collaborative group of stakeholders designed to facilitate the identification of return on investment metrics for higher education facilities. Check any box(es) that apply, provide a quantitative explanation, and identify the term or years in which ROI information is provided.

Institution: Florida International University

Project: Facilities Infrastructure/Capital Renewal

Total Project Cost: \$ 128.0 M

Previous Funding (State): \$ 68.5 M

Current Request: \$ 11.1 M

STEM (Yes or No): YES

Contact Person (Name, Position, Office and Cell Phone No., Email): John M. Cal, AVP, Facilities Management, O: 305-348-4001, C: 305-323-1488, e-mail: John.Cal@fiu.edu

Check any box(es) that apply and provide a quantitative explanation. Identify the term or years in which ROI information is projected.

1. ☐ Number of Additional Degrees and Certificates Produced and How Those Degrees are Meeting the Needs of our State (Job Openings, Average Wages of those Job Openings, etc)

Explanation: N/A

2. ☐ Number of Additional Students Served and the Benefits/Efficiencies Created (increase graduation rate, alleviate waitlist, increase academic support, etc)

Explanation: N/A

3. ☐ Amount of Additional Research Funding to be Obtained; Patents Awarded

Explanation: N/A

4. ☐ Project is in an Area of Strategic Emphasis as Determined by the Board of Governors' Gap Analysis or the Department of Economic Opportunity's National Occupational Forecast

Explanation: N/A

5. ☐ Improves the Ranking of a Preeminent Program or Improves on a Performance Funding Model Metric

Explanation: N/A

6. ☐ Increase Business Partnerships Which Will Lead to Guaranteed Internships and Jobs for Students

Explanation: N/A

7. ☒ Project Improves the Use, either Operationally or Academically, of Existing Space

Explanation: The project includes capital renewal of existing facilities which in turn will improve the learning environment with safer more efficient and better control of the indoor teaching environment.

8. ☐ Contribution of Local Funds Through Matching Grants, Property Donations, etc.

Explanation: N/A

9. ☒ Reduces Future Deferred Maintenance Cost and Extends the Life of the Facility by Bringing the Project up to Existing Standards (cost-benefit analysis of renovation or new facility vs. maintenance)

Explanation: Infrastructure and capital renewal investments are essential to continue to reduce energy costs by maintaining aging infrastructure with more efficient replacement systems.

Other Pertinent Information not included above:

CIP-3 SHORT-TERM PROJECT EXPLANATION

CIP-3, A – NARRATIVE DESCRIPTION

Page 1 of 1

AGENCY: Florida International University
BUDGET ENTITY: State University System
PROJECT TITLE: Engineering Building – Phase I & Phase II
Modesto Maidique Campus

AGENCY PRIORITY 2
DATE BUILDING PROGRAM
APPROVED N/A

PURPOSE, NEED, SCOPE, RELATIONSHIP OF PROJECT TO AGENCY OBJECTIVES

This new building will house classrooms, instructional and research laboratories and collaboration space for approximately 75 faculty and 1400 engineering majors as well as other students taking relevant engineering courses. The building will be designed for active learning classrooms and teaching laboratories through which FIU will continue its very successful STEM curricular reforms.

The building will be located on the Modesto A. Maidique campus to facilitate and enhance ongoing and future collaborations between the College of Engineering and Computing and the health sciences colleges of medicine, nursing, and public health. Many of the most significant breakthroughs in health sciences will increasingly be at the interface between these disciplines and engineering and computer science.

The building is needed for at least three reasons: (1) to accommodate the growth in the College of Engineering and Computing in response to the FIU 2020 Strategic Plan, the Department of Defense identified decadal growth needs in engineering disciplines, and the President's Jobs and Competitiveness Council call for an additional 10,000 engineers annually; (2) to allow FIU to fully capitalize on the available research funding and job opportunities for graduates that are occurring at the interface between engineering and health science disciplines; and (3) to allow engineering units with major national funding through NSF Engineering Research Centers and NSF Natural Hazards Engineering Research Infrastructure programs to expand at the Engineering Center.

The project budget includes costs of upgrading and extending existing central campus infrastructure to the project site. Private donation funding will comprise \$45 million of \$150 million total project cost, 30% of the total budget.

In recognition of the University's commitment to sustainability practices this project will be designed and built with the goal of meeting the USGBC's LEED-NC "Silver" certification rating level at a minimum. The Project shall comply with Florida Statutes 255.251 Energy Conservation and Sustainable Buildings Act including 255.252 (3) and (4).

This project is partially included in the approved 2015-2020 Educational Plant Survey dated 1/20/2016, recommendation 12).

STATISTICAL JUSTIFICATION

The Statistical Justification portion of the CIP-3 is not required this year.

STATE UNIVERSITY SYSTEM

CIP-3 SHORT TERM PROJECT EXPLANATION

Page 1 of 1

GEOGRAPHIC LOCATION: Modesto Maidique Campus

COUNTY: Miami-Dade County

2. ENGINEERING BUILDING

PROJECT BT No.:

CIP-3, B - PROJECT DESCRIPTION								
Facility/Space Type	Net Area (NASF)	Net to Gross Conversion	Gross Area (GSF)	Unit Cost (Cost/GSF)*	Construction Cost	Assumed Bid Date	Occupancy Date	
Classroom	28,000	1.6	44,800	\$354.72	\$15,891,263	1/1/2020	6/1/2021	(Phase I)
Teaching Lab	10,000	1.6	16,000	\$436.31	\$6,980,914	1/1/2021	6/1/2022	(Phase II)
Study	18,000	1.6	28,800	\$345.86	\$9,960,852			
Research Lab	80,000	1.6	128,000	\$448.39	\$57,394,436			
Office/Computer	28,000	1.6	44,800	\$384.10	\$17,207,520			
Instructional Media	7,500	1.6	12,000	\$257.81	\$3,093,678			
Space Detail for Remodeling Projects								
					BEFORE		AFTER	
					Space Type	Net Area (NASF)	Space Type	Net Area (NASF)
Totals	171,500		274,400					
*Apply Unit Cost to total GSF based on primary space type								
Remodeling/Renovation								
Total Construction - New & Rem./Renov.					\$110,528,664	Total	0	Total 0

CIP-3, C - SCHEDULE OF PROJECT COMPONENTS							
ESTIMATED COSTS							
	Funded to Date	2018-19	2019-20	2020-21	2021-22	2022-23	Funded & In CIP
Basic Construction Cost							
1. a.Construction Cost (from above)	\$5,000,000	\$73,000,000	\$32,528,664				\$110,528,664
Add'l/Extraordinary Const. Costs							
b.Environmental Impacts/Mitigation		\$50,000					
c.Site Preparation		\$300,000					\$50,000
d.Landscape/Irrigation		\$400,000					\$300,000
e.Plaza/Walks		\$300,000					\$400,000
f.Roadway Improvements		\$500,000					\$300,000
g.Parking ___ spaces		\$450,000					\$500,000
h.Telecommunication		\$300,000					\$450,000
i.Electrical Service		\$200,000					\$300,000
j.Water Distribution		\$300,000					\$200,000
k.Sanitary Sewer System		\$350,000					\$300,000
l.Chilled Water System		\$700,000					\$350,000
m.Storm Water System		\$200,000					\$700,000
n.Energy Efficient Equipment							\$0
Total Construction Costs	\$5,000,000	\$77,050,000	\$32,528,664	\$0	\$0	\$0	\$114,578,664
2. Other Project Costs							
a.Land/existing facility acquisition							
b.Professional Fees	\$2,000,000	\$1,000,000	\$6,166,293				\$9,166,293
CM Fees	\$1,145,787						\$1,145,787
c.Fire Marshall Fees	\$286,447						\$286,447
d.Inspection Services			\$300,000				\$300,000
e.Insurance Consultant		\$57,289	\$57,289				\$114,579
f.Surveys & Tests	\$10,000		\$70,000				\$80,000
g.Permit/Impact/Environmental Fees			\$300,000				\$300,000
h.Artwork			\$572,893				\$572,893
i.Moveable Furnishings & Equipment			\$11,479,824				\$11,479,824
j.Project Contingency	\$1,057,767	\$1,392,711	\$5,025,036				\$7,475,514
k.Construction Service Reimbursement	\$500,000	\$500,000	\$3,500,000				\$4,500,000
Total - Other Project Costs	\$5,000,000	\$2,950,000	\$27,471,336	\$0	\$0	\$0	\$35,421,336
ALL COSTS 1+2	\$10,000,000	\$80,000,000	\$60,000,000	\$0	\$0	\$0	\$150,000,000

Appropriations to Date			Project Costs Beyond CIP Period			Total Project In CIP & Beyond
Source	Fiscal Year	Amount	Source	Fiscal Year	Amount	
PECO 2017-18		\$10,000,000	PECO 2018-19		\$53,000,000	
Private 2017-18		\$0	Private 2018-19		\$27,000,000	
			PECO 2019-20		\$42,000,000	
			Private 2019-20		\$18,000,000	
TOTAL		\$10,000,000	TOTAL		\$140,000,000	
						\$150,000,000

CIP-3, D
Higher Educational Facilities
Return on Investment

This is a tool developed by a collaborative group of stakeholders designed to facilitate the identification of return on investment metrics for higher education facilities. Check any box(es) that apply, provide a quantitative explanation, and identify the term or years in which ROI information is provided.

Institution: Florida International University

Project: Engineering Building – Phase I & Phase II

Total Project Cost: \$ 150.0 M

Previous Funding (State): N/A

Current Request: \$53.0 M

STEM (Yes or No): YES

Contact Person (Name, Position, Office and Cell Phone No., Email): Ranu Jung, PhD, Interim Dean,
College of Engineering and Computing O: 305-348-3722 C: 602-327-7567, rjung@fiu.edu

Check any box(es) that apply and provide a quantitative explanation. Identify the term or years in which ROI information is projected.

1. ☒ Number of Additional Degrees and Certificates Produced and How Those Degrees are Meeting the Needs of our State (Job Openings, Average Wages of those Job Openings, etc)

Explanation:

- a. How many degrees is this request currently serving?

The College of Engineering and Computing (CEC) offers 10 bachelor's, 12 master's, 3 professional master's and 6 research doctorate degrees.

In the Academic Year 2015-16, CEC awarded 1,201 degrees (842 bachelor's, 314 master's, and 45 research doctorates). CEC's degree production accounted for 9% of the bachelor's, 10% of the master's and 30% of the research doctorates awarded by FIU during that academic year. CEC awarded 51% of FIU's STEM degrees in 2015-16 (49% of bachelor's STEM, 56% of master's STEM, and 57% of research doctorate STEM degrees).

2015-16 Degrees Awarded in CEC Programs

DEGREE CIP DESCRIPTION	DEGREE CIP	BACHELORS DEGREES	MASTERS DEGREES	RESEARCH DOCTORATES
Biomedical Engineering	14.0501	78	7	4
Civil Engineering	14.0801	77	21	11
Computer Engineering	14.0901	63	24	N/A
Computer Science	11.0101	101	42	8
Construction Management	15.1001	33	35	N/A
Engineering Management	14.3501	N/A	97	N/A
Electrical Engineering	14.1001	135	31	15
Environmental Engineering	14.1401	10	4	N/A
Information Technology	11.0103	220	34	N/A
Materials Science Engineering	14.1801	N/A	7	3
Mechanical Engineering	14.1901	125	9	4
Telecommunications	14.1090	N/A	13	N/A
Grand Total		842	324	44

*N/A indicates that degree is not offered.

b. How are these degrees meeting the needs of the State of Florida?

Based on what employers are willing to pay FIU CEC graduates, these graduates are meeting critical needs in Florida business and industry. The average wage for full-time employed 2013-14 CEC bachelor's degree graduates (FETPIP data) was \$50,789. This compares with an overall SUS average bachelor's degree recipient wage of \$38,632 and an overall FIU average bachelor's degree recipient wage of \$41,112 (FETPIP 2013-14 data).

Florida and the US need an increased number of STEM graduates overall but in particular they need an increase in the number of STEM graduates from traditionally underrepresented minorities. African-Americans, American Indians, and Hispanics between 18 and 24 years account for 34% of the total U.S. population but earn only 12% of all undergraduate degrees in engineering. CEC is number 2 in the nation in graduating Hispanic engineering and computer science bachelor's degree recipients (second only to University of Puerto Rico) and is number 5 for graduating African American engineering and computer science bachelor's degree recipients.

2. ☒ Number of Additional Students Served and the Benefits/Efficiencies Created (increase graduation rate, alleviate waitlist, increase academic support, etc)

Explanation:

a. Additional students served

Although the question is based on students served, our response will be based on degree awarded. FIU is not focused on enrollment numbers but rather on degrees awarded. The Federal Administration's Jobs and Competitiveness Council has called for graduating an additional 10,000 engineers per year. The Department of Defense, with cooperation from the Departments of Commerce, Education, and Labor projected the percentage increase in demand for specific engineering majors in the decade 2012 to 2022. These numbers were: Biomedical Engineering 27%, Civil Engineering 20%, Computer Engineering 7%, Computer Science 15%, Electrical

Engineering 4%, Environmental Engineering 15%, Information Technology 22%, Mechanical Engineering 5%, Materials Science and Engineering 4.1%.

The FIU Beyond Possible 2020 strategic plan calls for a 20% increase. In determining the growth of CEC and the demand for additional space, we looked to 2025 to achieve both the 20% overall strategic plan growth and the additional Department of Defense degree-specific percentage growth. These calculations lead to an overall growth in degrees of 353 (38%) with the growth by department of: Biomedical Engineering 41 (53%), Civil Engineering 52 (44%), Computer Engineering 25 (28%), Computer Science 43 (39%), Electrical Engineering 42 (25%), Environmental Engineering 4 (36%), Information Technology 114 (47%), and Mechanical Engineering 32 (26%).

Overall 78% of the projected growth in degrees awarded will occur in the disciplines expanding into the new building.

b. Benefits and efficiencies created

Engineering and other STEM fields are undergoing a radical pedagogical change in the way students interact in the classroom and in particular in the laboratory. The new design incorporates active learning and inverts the teaching sequence from acquiring information during a lecture to acquiring the information online prior to the lecture and using the face-to-face time with the instructor and classmates to applying that information to structured problems thereby turning information into knowledge and preparing the student for the collaborative problem solving they will be expected to demonstrate to future employers. This approach increases student engagement, enhances retention and reduces time to degree.

This new learning paradigm is conducted in entirely redesigned classrooms and laboratories. FIU has redesigned current space to create such classrooms and laboratories, but for redesigned classrooms and laboratories on the scale we need, it will be much less expensive to design and build in the new space required for the production of the new degrees.

CEC is planning an additional engineering curricular change by creating a Continuum of Design and Problem-based Education. Currently all engineering programs require a senior design project. Our new approach is to incorporate design and problem solving from the beginning of the student's career in engineering. The students will have greater engagement with engineering through learning how it can address real problems and will be better prepared to enter the workforce. Team projects that utilize problem-based learning offer advantages that go beyond pedagogy, to learning organizational skills, time management, and most importantly communication skills. This curricular change will require more laboratory space on a per degree produced basis than we currently have available.

The complexities of such an engineering curriculum will require greater mentoring. Some of the most effective mentoring occurs when postdoctoral fellows mentor graduate students who in turn mentor upper division undergraduate students who then mentor lower division undergraduate students. This chain of mentorship leads to greater understanding of engineering principles for those doing the mentoring and enhances learning for those being mentored. The design of the new building incorporates collaborative learning spaces where interaction between postdoctoral fellows, graduate students, and undergraduates is enhanced.

FIU is also one of 120 universities nationwide and one of four in Florida to commit to implementing an educational program responsive to the National Academy of Engineering Grand

Challenges for Engineering in the 21st Century. The pedagogical changes required to implement the National Academy of Engineering's educational plan will require the redesigned classrooms and laboratories envisioned for the new building.

c. Graduation outcomes

Engineering typically has a lower 6-yr graduation rate than non-STEM disciplines. The current 6-yr graduation rate is 42%. With the new facilities and the new pedagogical approaches these facilities provide, it is expected that the graduation rate will surpass 70% by 2025. The first year retention is currently 88% and this will surpass 90% by 2020.

3. ☒ Amount of Additional Research Funding to be Obtained; Patents Awarded

Explanation:

a. Additional research funding

Based on SUS colleges of engineering data, the growth in degrees will required the addition of 109 faculty members. FIU has committed to this number by 2025. This represents a continuing additional investment of \$17 million and one-time start-up costs of \$42 million by 2025. These faculty along with current faculty will be expected, based on SUS average research expenditures per full-time, tenured/tenure-earning engineering faculty member, to have total annual research expenditures of \$48 million, an increase of \$30 million annually.

b. Additional jobs created

Each additional million dollars in research expenditures generates 18.2 jobs thus creating 550 high quality jobs in South Florida.

c. Additional patents and start-up companies

Based on national data, the projected increase in research expenditures will generate 27 additional patent applications per year and result in the establishment of one new company based on university intellectual property every other year.

4. ☒ Project is in an Area of Strategic Emphasis as Determined by the Board of Governors' Gap Analysis or the Department of Economic Opportunity's National Occupational Forecast

Explanation:

All CEC degree programs are identified in the STEM area of Strategic Emphasis

5. ☒ Improves the Ranking of a Preeminent Program or Improves on a Performance Funding Model Metric

Explanation:

Performance Funding Metrics:

Percent bachelor's in graduate school or employed (>\$25,000) will increase. For CEC graduates this value currently is 81% compared to FIU's overall 75%.

Median bachelor's wages 1 yr after graduation will increase. For CEC graduates the average wage is \$9,677 greater than the FIU average hence increases in CEC graduates will increase this university metric.

Six-year graduation rate full- and part-time FTIC will increase. CEC is currently (42%) below the FIU overall rate. Hence as CEC improves this metric it will have a major enhancement for the university rate.

Bachelor's in areas of Strategic Emphasis (includes STEM) will increase because all CEC degrees are STEM degrees.

Graduates in areas of Strategic Emphasis (includes STEM) will increase because all CEC degrees are STEM degrees.

Bachelor's to minorities will increase. CEC is a major producer of engineering degrees to underrepresented minorities in the US. The ethnic distribution of future degrees will match the diversity of Florida.

Preeminence Funding Metrics:

Total annual research expenditures, including federal research expenditures, of \$200 million or more, as reported annually by the National Science Foundation (NSF) will be reached sooner with the increase in external research funding through engineering expansion.

Total annual research expenditures in diversified nonmedical sciences of \$150 million or more, based on data reported annually by the NSF will be reached sooner with the increase in external research funding through engineering expansion.

A top-100 university national ranking for research expenditures in five or more science, technology, engineering, or mathematics fields of study, as reported annually by the NSF is already achieved, but will be easily sustained with the increase in external research through engineering expansion.

One hundred or more total patents awarded by the United States Patent and Trademark Office for the most recent 3-year period will be achieved with engineering expansion which in and of itself is projected to result in 27 additional patent applications per year.

Four hundred or more doctoral degrees awarded annually, including professional doctoral degrees awarded in medical and health care disciplines, as reported in the Board of Governors Annual Accountability Report will be easily surpassed with the addition of 109 more engineering faculty.

Two hundred or more postdoctoral appointees annually, as reported in the TARU annual report will be easily surpassed with the addition of 109 more engineering faculty.

6. ☒ Increase Business Partnerships Which Will Lead to Guaranteed Internships and Jobs for Students

Explanation:

Additional space within the College of Engineering and Computing will unequivocally increase business partnerships and lead to guaranteed internships and jobs for students.

Here are three case studies:

- 1) Senior design sponsorship by industry impacts job placement. Additional space within the Department of Biomedical Engineering (BME) will exponentially help grow our senior design program beyond the existing participation. BME actively engages corporate sponsorships for the Senior Design capstone projects. Students solicit partnerships with industry leaders to work with them in collaboration on a year-long project. Since the fall of 2012, 31 different companies, and some multiple times, have sponsored projects through our senior design course. These relationships have resulted in more than 31 students receiving internships or job placement after the completion of their undergraduate degree. In order to maintain our current level of success and expand our reach to even more companies, additional design space is needed. Many of the local

biomedical device start-up companies lack the space resources on-site that are required to accommodate our senior design teams. The space would also allow us to expand the design based curriculum to sophomore and junior years thereby preparing more students for industry internships.

- 2) New design and innovation spaces will allow for academic-industry collaboration with student participation, and also give students a place to showcase their work and host design challenges. This fall, Fiat Chrysler Automobiles (FCA) will visit the Engineering Center for an on-campus recruitment event. FCA has requested to conduct a design challenge that will serve as a working interview for the 150 participating students. Due to our limited space, we are unable to house the design challenge in one room. Instead, we are forced to break up the students into three classrooms, making it difficult for recruiters to evaluate student performance.
- 3) Expanded space within the college will allow corporations to conduct on-site interviews and hold focused presentations, therefore, extending recruitment opportunities for our students. For example, The School of Computing and Information Sciences at the MMC maximizes their current space in PG6 Tech Station (acquired in part by Performance funding from the State) to foster relationships with corporate partners while providing their students with an array of internship and job opportunities. Each semester six companies come on campus to provide information sessions that serves as a recruitment tool for the companies, and at the same time, exposes our students to new possibilities in planning for their future careers. Big companies such as Ultimate Software, IBM, and UBER draw large crowds of students looking to learn more about the industry. Companies utilize the space to conduct on-campus interviews for internships and full-time positions. This service caters to the companies and helps to streamline their interview process, making it easier for them to hire SCIS students.

Space for student design and innovation is of utmost importance to our college. Added space will strengthen our partnerships with industry leaders and will better enable us to serve our students in their search for career opportunities.

7. ☒ Project Improves the Use, either Operationally or Academically, of Existing Space

Explanation:

The new building will be built on the Modesto A. Maidique Campus (MMC). Education and research in Biomedical Engineering and areas of Electrical and Computer Engineering, Environmental Engineering and Mechanical and Materials Engineering that have strong ongoing and future collaborations with the colleges of Medicine, Nursing and Health Sciences, Public Health and Social Work, Arts and Sciences, and School of International and Public Affairs will occupy the new building. The Engineering Center is two miles north of the MMC. Greater propinquity will lead to operational and academic efficiencies, cross-fertilization and collaboration.

Program growth at the Engineering Center means that lack of space inhibits capitalizing on exciting areas of research that have received national recognition. These include: Accelerated Bridge Construction University Transportation Center (FIU lead; University of Nevada, Reno and Iowa State University, partners); NSF Engineering Research Center for Advanced Self-Powered Systems of Integrated Sensors and Technologies (ASSIST) (North Carolina State University, lead; FIU and three other universities, partners); and the Wall of Wind Facility designated as one of the nation's major "Experimental Facilities" under the NSF Natural Hazards Engineering Research Infrastructure

program. These programs and others at the Engineering Center will grow in the space freed up by the relocation of some research and education to the new building.

8. ☒ Contribution of Local Funds Through Matching Grants, Property Donations, etc.

Explanation:

30% (\$45 million) of the building cost will contributed through local funds.

9. ☐ Reduces Future Deferred Maintenance Cost and Extends the Life of the Facility by Bringing the Project up to Existing Standards (cost-benefit analysis of renovation or new facility vs. maintenance)

Explanation:

Other Pertinent Information not included above:

CIP-3 SHORT-TERM PROJECT EXPLANATION

CIP-3 SHORT-TERM PROJECT EXPLANATION

Page 1 of 1

AGENCY: Florida International University
BUDGET ENTITY: State University System
PROJECT TITLE: Science Laboratory Complex
Modesto Maidique Campus

AGENCY PRIORITY 3
DATE BUILDING PROGRAM
APPROVED N/A

PURPOSE, NEED, SCOPE, RELATIONSHIP OF PROJECT TO AGENCY OBJECTIVES

To support current and expanding science programs, Florida International University is in need of considerable science specific classrooms, teaching laboratories and offices. Existing facilities are severely inadequate to meet University needs.

This facility will provide critically needed classrooms, laboratories and offices to address existing shortfalls and to meet educational and research needs of the University. The Science Laboratory Complex is an essential element in the FIU/State University System Strategic Plan to meet statewide professional and workforce needs in the science area.

The project budget includes extraordinary costs of upgrading and extending existing central campus infrastructure to the project site.

In recognition of the University's commitment to sustainability practices this project will be designed and built with the goal of meeting the USGBC's LEED-NC "Silver" certification rating level at a minimum. The Project shall comply with Florida Statutes 255.251 Energy Conservation and Sustainable Buildings Act including 255.252 (3) and (4).

This project is included in the "2015-2020 Educational Plant Survey" dated 1/20/2016, recommendation 9).

STATISTICAL JUSTIFICATION

The Statistical Justification portion of the CIP-3 is not required this year.

STATE UNIVERSITY SYSTEM

CIP-3 SHORT TERM PROJECT EXPLANATION

Page 1 of 1

 GEOGRAPHIC LOCATION: **Modesto Maidique Campus**

 COUNTY: **Miami-Dade County**
3. SCIENCE LABORATORY COMPLEX

PROJECT BT No.:

CIP-3, B - PROJECT DESCRIPTION

Facility/Space	Net Area	Net to Gross	Gross Area	Unit Cost	Construction	Assumed	Occupancy
Type	(NASF)	Conversion	(GSF)	(Cost/GSF)*	Cost	Bid Date	Date
Classrooms	7,500	1.6	12,000	\$363.97	\$4,367,630	1/1/2021	6/1/2022
Teaching Lab	4,000	1.6	6,400	\$447.69	\$2,865,210		
Study	18,000	1.6	28,800	\$354.89	\$10,220,701		
Office/ Computer	20,000	1.6	32,000	\$394.12	\$12,611,723		
Instructional Media	2,000	1.6	3,200	\$264.53	\$846,502		
Research Lab	28,000	1.6	44,800	\$460.09	\$20,612,089		
Space Detail for Remodeling Projects							
				BEFORE		AFTER	
				Space	Net Area	Space	Net Area
				Type	(NASF)	Type	(NASF)
Totals	79,500		127,200		\$51,523,854		
*Apply Unit Cost to total GSF based on primary space type							
Remodeling/Renovation							
Total Construction - New & Rem./Renov.					\$51,523,855	Total	0

CIP-3, C - SCHEDULE OF PROJECT COMPONENTS
ESTIMATED COSTS

	Funded to Date	2018-19	2019-20	2020-21	2021-22	2022-23	Funded & In CIP
Basic Construction Cost							
1. a. Construction Cost (from above)		\$11,000,000	\$14,000,000	\$26,523,855			\$51,523,855
Add'l/Extraordinary Const. Costs							
b. Environmental Impacts/Mitigation							
c. Site Preparation			\$300,000				\$300,000
d. Landscape/Irrigation			\$500,000				\$500,000
e. Plaza/Walks			\$250,000				\$250,000
f. Roadway Improvements			\$250,000				\$250,000
g. Parking ___ spaces			\$300,000				\$300,000
h. Telecommunication			\$450,000				\$450,000
i. Electrical Service			\$100,000				\$100,000
j. Water Distribution			\$100,000				\$100,000
k. Sanitary Sewer System			\$200,000				\$200,000
l. Chilled Water System			\$350,000				\$350,000
m. Storm Water System			\$100,000				\$100,000
n. Energy Efficient Equipment			\$25,000				\$25,000
Total Construction Costs	\$0	\$11,000,000	\$16,925,000	\$26,523,855	\$0	\$0	\$54,448,855
2. Other Project Costs							
a. Land/existing facility acquisition							
b. Professional Fees		\$2,000,000	\$750,000	\$1,605,908			\$4,355,908
CM Fees		\$544,489		\$0			\$544,489
c. Fire Marshall Fees		\$136,122		\$0			\$136,122
d. Inspection Services			\$125,000	\$275,000			\$400,000
e. Insurance Consultant			\$27,224	\$27,224			\$54,449
f. Surveys & Tests		\$50,000	\$50,000	\$175,000			\$275,000
g. Permit/Impact/Environmental Fees		\$40,000	\$40,000	\$0			\$80,000
h. Artwork				\$136,122			\$136,122
i. Moveable Furnishings & Equipment				\$10,328,441			\$10,328,441
j. Project Contingency		\$617,680	\$1,471,067	\$1,841,867			\$3,930,614
k. Construction Service Reimbursement		\$611,709	\$611,709	\$1,086,582			\$2,310,000
Total - Other Project Costs	\$0	\$4,000,000	\$3,075,000	\$15,476,145	\$0	\$0	\$22,551,145
ALL COSTS 1+2	\$0	\$15,000,000	\$20,000,000	\$42,000,000	\$0	\$0	\$77,000,000

Appropriations to Date

Source Fiscal Year Amount

Project Costs Beyond CIP Period

Source Fiscal Year Amount

Total Project In

CIP & Beyond

TOTAL

\$0

TOTAL

\$77,000,000

Higher Educational Facilities Return on Investment

Institution: Florida International University
Project: Science Laboratory Complex
Total Funding: \$77.0 M
Previous Funding (State and Local): N/A
STEM (Yes or No): Yes
Contact Person (Name, Position, Phone No.): _____

Check any box(es) that apply and provide a quantitative explanation. Identify the term or years in which ROI information is projected.

1. ☒ Number of Additional Degrees and Certificates Produced and How Those Degrees are Meeting the Needs of our State (Job Openings, Average Wages of those Job Openings, etc)

Explanation:

In 2015-16 FIU awarded 2079 degrees in Board of Governors identified STEM programs. This represents an increase of 749 or 56% from 2011-12. A number of factors have contributed to these gains: (1) FIU has placed more science teachers in South Florida high schools thereby improving preparation for STEM degrees; (2) FIU science departments have enhanced their outreach programs attracting more students to STEM disciplines; (3) FIU has developed Math Mastery Labs with adaptive learning to help students succeed in mathematics, a necessary common language for STEM disciplines; (4) FIU has initiated a complete redesign of the way many science courses are taught; and (5) a national dialogue has emphasized the importance for individuals and the nation to excel in STEM disciplines. This national dialogue is reflected in the Board of Governor's Strategic Plan that calls for expanding the number of STEM degrees awarded in the SUS.

According to the National Association of Colleges and Employers, 2017 STEM graduates are expected to continue commanding higher salaries than their non-STEM counterparts. The starting salary differential is expected to be 17.4% in favor of STEM graduates (\$61,342 cf. \$52,230).

FIU is addressing another state and national need though enhancing the diversity of the STEM workforce. African-Americans, American Indians, and Hispanics between 18 and 24 years account for 34% of the total U.S. population but earn only 18.3% of all undergraduate degrees in STEM (latest NSF data). At FIU these underrepresented minorities are awarded 78.8% of the baccalaureates in STEM. A similar contribution of FIU is shown at the Master's level with 44% of the recipients being underrepresented minorities (cf. 13.4% nationally) and at the doctoral level with 13.9% of recipients at FIU compared to 6.6% nationally.

2. ☒ Number of Additional Students Served and the Benefits/Efficiencies Created (increase graduation rate, alleviate waitlist, increase academic support, etc)

Explanation:

STEM fields are undergoing a radical pedagogical change in the way students interact in the classroom and in particular in the laboratory. The new design incorporates active learning and inverts the teaching sequence from acquiring information during a lecture to acquiring the information online prior to the lecture and using the face-to-face time with the instructor and classmates to applying that information to structured problems thereby turning information into knowledge and preparing the student for the collaborative problem solving they will be expected to demonstrate to future employers. This approach increases student engagement, enhances retention and reduces time to degree as evidenced from the 56% increase in STEM degrees awarded over the past four years at FIU.

This new learning paradigm is conducted in entirely redesigned classrooms and laboratories. FIU has redesigned current space to create such classrooms and laboratories, but for redesigned classrooms and laboratories on the scale we need, it will be much less expensive to design and build in the new space required for the production of the new degrees.

STEM majors have shown improved first-year retention from 82.2% in 2011 to 88.1% in 2015. Similarly 4-yr graduation rates have increased from 17.0% for the 2010 cohort to 25.3% for the 2013 cohort (6-yr graduation increased from 45.5% for the 2007 cohort to 52.0 for the 2011 cohort). With these new facilities and the new pedagogical approaches these facilities allow, it is expected that the 4-yr graduation rate will surpass 40% by 2025.

3. ☒ Amount of Additional Research Funding to be Obtained; Patents Awarded

Explanation:

Based on SUS data, the 28,000 sq. ft. of research laboratory space in this building will provide laboratory space for 26 Tenured/Tenure-track faculty. Again using SUS data, these faculty would be expected to generate \$7 M annually in additional research funding. Based on national data, each additional million dollars in research expenditures generates 18.2 jobs thus creating 127 high quality jobs in South Florida. Based on national data, the projected increase in research expenditures will generate 6 additional patent applications per year and result in the establishment of one new company based on university intellectual property every eight years.

4. ☒ Project is in an Area of Strategic Emphasis as Determined by the Board of Governors' Gap Analysis or the Department of Economic Opportunity's National Occupational Forecast

Explanation:

All degree programs centered in this building will be in the STEM area of Strategic Emphasis.

5. ☐ Improves the Ranking of a Preeminent Program or Improves on a Performance Funding Model Metric

Explanation:

6. ☒ Increase Business Partnerships Which Will Lead to Guaranteed Internships and Jobs for Students

Explanation:

FIU has long recognized the importance of internships in preparing students for the workforce. The number of students obtaining internships has increased significantly in the last few years to reach 5,565 in 2015-16, an 11.6% increase over the prior year. The new STEM pedagogy that will be emphasized in this facility incorporates teamwork for STEM problem solving. This is exactly the type of experience corporations are interested in and hence more willing to provide internships to our students who have experienced multiple courses taught with the new pedagogy. A few STEM examples are: Maytal Maor who interned at Google and now has a clear career path when she graduates; David Vallejo who interned for Raytheon Missile Systems in Arizona and was offered a full-time job with the company; Alexis Smoot who worked for the Office of Environmental Management in the Department of Energy in Washington, D.C.; Annette Dominguez who interned at blueEnergy, an international organization dedicated to sustainable solutions to complex challenges in Bluefields, Nicaragua, where she helped local residents become energy independent; and Lilian Marrero who interned with NASA's Water Science of Coupled Aquatic Processes and Ecosystems from Space (WaterSCAPES) and with Sullivan International Group, Inc., an applied science, environmental and technology firm, and is now a Department of Energy Fellow in environmental engineering at FIU.

7. ☐ Project Improves the Use, either Operationally or Academically, of Existing Space
Explanation:

8. ☐ Contribution of Local Funds Through Matching Grants, Property Donations, etc.
Explanation:

9. ☐ Reduces Future Deferred Maintenance Cost and Extends the Life of the Facility by Bringing the Project up to Existing Standards (cost-benefit analysis of renovation or new facility vs. maintenance)
Explanation:

Other Pertinent Information not included above:

10. ☒ Projected Facility Utilization Rate
Explanation:

Approximately 700 STEM majors will be taking classes in the new building and approximately 26 faculty will have their offices and research labs in the building. Given the current space needs as defined in the Net Assignable Square Feet Eligible for Fixed Capital Outlay Budgeting (Form B), as described under item 10 below, all aspects of the building will be 100% utilized. The latest Fall classroom utilization percentage available shows FIU at 124%. See Section 10 for how the projected building will address some of the identified space needs.

11. ☒ Current/Projected Campus Utilization Rate
Explanation:

Values in table below are in net assignable square feet from the Net Assignable Square Feet Eligible for Fixed Capital Outlay Budgeting (Form B).

Category	% Need Currently Met	Net Need	Proposed in Projected Facility	Net Need with Projected Facility	% Need Met with Projected Facility
Classrooms	71%	88,552	7,500	81,052	73%
Teaching Labs	69%	165,148	4,000	161,148	70%
Study Space	34%	432,324	18,000	414,324	37%
Offices	88%	119,392	20,000	99,392	90%
Research Labs	48%	375,439	28,000	347,439	52%
Instructional Media	23%	55,308	2,000	53,308	26%

CIP-3 SHORT-TERM PROJECT EXPLANATION

CIP-3, A – NARRATIVE DESCRIPTION

Page 1 of 1

AGENCY: Florida International University
BUDGET ENTITY: State University System
PROJECT TITLE: STRATEGIC LAND ACQUISITION
University Wide

AGENCY PRIORITY 4
DATE BUILDING PROGRAM
APPROVED N/A

PURPOSE, NEED, SCOPE, RELATIONSHIP OF PROJECT TO AGENCY OBJECTIVES

Over the past 15 years, the Campus Master Plan has anticipated the need to expand the boundaries of the Modesto A. Maidique Campus as evidenced by various plans for joint use facilities shared with Miami-Dade county and the county fair. Additional land is necessary to accommodate space to house planned growth in student enrollment with additional academic programs, to create vibrant student life activities, and expand utility/infrastructure needs. Achievement of educational goals are expected to expand jobs and increase economic development in our communities,

Available land for development in Miami-Dade County has become scarce as the population continues to grow. Local comprehensive planning policies have constrained growth due to limited natural resources and major transportation challenges. This request to fund land acquisition has been given top priority for capital improvement needs.

This project is included in the "2015-2020 Educational Plant Survey" dated 1/20/2016, recommendation 2).

STATISTICAL JUSTIFICATION

The Statistical Justification portion of the CIP-3 is not required this year.

STATE UNIVERSITY SYSTEM

CIP-3 SHORT TERM PROJECT EXPLANATION

Page 1 of 1

GEOGRAPHIC LOCATION: **Universitywide, Miami, North Miami, and Miami Beach**

COUNTY: **Miami-Dade County**

4. STRATEGIC LAND ACQUISITION

PROJECT BT No.:

CIP-3, B - PROJECT DESCRIPTION								
Facility/Space Type	Net Area (NASF)	Net to Gross Conversion	Gross Area (GSF)	Unit Cost (Cost/GSF)*	Construction Cost	Assumed Bid Date	Occupancy Date	
Space Detail for Remodeling Projects								
						BEFORE	AFTER	
						Space Type	Net Area (NASF)	Space Type
								Net Area (NASF)
Totals	0		0		\$0			
*Apply Unit Cost to total GSF based on primary space type								
Remodeling/Renovation								
Total Construction - New & Rem./Renov.					\$0	Total	0	Total 0

CIP-3, C - SCHEDULE OF PROJECT COMPONENTS							
ESTIMATED COSTS							
	Funded to Date	2018-19	2019-20	2020-21	2021-22	2022-23	Funded & In CIP
Basic Construction Cost							
1. a.Construction Cost (from above)			\$0				\$0
Add'l/Extraordinary Const. Costs							
b.Environmental Impacts/Mitigation							
c.Site Preparation							
d.Landscape/Irrigation							
e.Plaza/Walks							
f.Roadway Improvements							
g.Parking ___ spaces							
h.Telecommunication							
i.Electrical Service							
j.Water Distribution							
k.Sanitary Sewer System							
l.Chilled Water System							
m.Storm Water System							
n.Energy Efficient Equipment							
Total Construction Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2. Other Project Costs							
a.Land/existing facility acquisition	\$9,200,000	\$18,400,000	\$18,400,000				\$36,800,000
b.Professional Fees							\$0
CM Fees							\$0
c.Fire Marshall Fees							\$0
d.Inspection Services							\$0
e.Insurance Consultant							\$0
f.Surveys & Tests							\$0
g.Permit/Impact/Environmental Fees							\$0
h.Artwork (not applicable)							\$0
i.Moveable Furnishings & Equipment							\$0
j.Project Contingency	\$500,000	\$1,000,000	\$1,000,000	\$0	\$0	\$0	\$100,000
k.Project Administration	\$300,000	\$600,000	\$600,000	\$0	\$0	\$0	\$60,000
Total - Other Project Costs	\$10,000,000	\$20,000,000	\$20,000,000	\$0	\$0	\$0	\$50,000,000
ALL COSTS 1+2	\$10,000,000	\$20,000,000	\$20,000,000	\$0	\$0	\$0	\$50,000,000

Appropriations to Date			Project Costs Beyond CIP Period			Total Project In CIP & Beyond
Source	Fiscal Year	Amount	Source	Fiscal Year	Amount	
PECO	2014-2015	\$10,000,000				
	2015-2016	\$0				
	2016-2017	\$0				
	2017-2018	\$0				
TOTAL		\$10,000,000	TOTAL			\$50,000,000

CIP-3, D
Higher Educational Facilities
Return on Investment

This is a tool developed by a collaborative group of stakeholders designed to facilitate the identification of return on investment metrics for higher education facilities. Check any box(es) that apply, provide a quantitative explanation, and identify the term or years in which ROI information is provided.

Institution: Florida International University

Project: Strategic Land Acquisition

Total Project Cost: \$ 50.0 M

Previous Funding (State): \$ 10.0 M

Current Request: \$ 20.0 M

STEM (Yes or No): YES

Contact Person (Name, Position, Office and Cell Phone No., Email): Sandra Gonzalez-Levy, VP, University & Community Relations, O: 305-348-7235, C: 786-423-5805, e-mail: Sandra.Gonzalez-Levy@fiu.edu

Check any box(es) that apply and provide a quantitative explanation. Identify the term or years in which ROI information is projected.

1. ☐ Number of Additional Degrees and Certificates Produced and How Those Degrees are Meeting the Needs of our State (Job Openings, Average Wages of those Job Openings, etc)

Explanation: N/A

2. ☒ Number of Additional Students Served and the Benefits/Efficiencies Created (increase graduation rate, alleviate waitlist, increase academic support, etc)

Explanation:

a. FIU's Main Campus is the second smallest in size and has the highest FTE and headcount per acre in the SUS, at 104 headcount/acre, and 59 FTE/acre, as compared to the SUS averages of 37 headcount/acre and 22 FTE/acre.

b. Land acquisition would support the enrollment of approximately 11,000 additional students.

3. ☒ Amount of Additional Research Funding to be Obtained; Patents Awarded

Explanation: FIU estimates that within 5-10 years of the land acquisition (i.e. allowing time for construction, etc.), FIU will increase research funding by \$50-60 million annually.

4. ☐ Project is in an Area of Strategic Emphasis as Determined by the Board of Governors' Gap Analysis or the Department of Economic Opportunity's National Occupational Forecast

Explanation: N/A

5. ☒ Improves the Ranking of a Preeminent Program or Improves on a Performance Funding Model Metric

Explanation: *U.S. News & World Report* ranks FIU first among public universities in Florida for graduating students with the lowest debt, and ranks FIU 13th in the entire nation. This strategic land acquisition would enable FIU to further magnify its impact.

6. ☒ Increase Business Partnerships Which Will Lead to Guaranteed Internships and Jobs for Students

Explanation:

- a. FIU, Miami Dade County and Miami Dade County Fair and Expo have been working together since 2010 to develop FIU expansion and Fair relocation plans. An independent economic impact study indicates that FIU acquisition would contribute \$900M in construction and a recurring economic benefit of \$541M per year to the local economy.
- b. Academic space built on this land would support instruction, research, service, and community engagement. FIU has educated more than 200,000 graduates in its 50 year history, 115,000 of whom continue to live and work in south Florida. Increasing enrollment has a direct impact on the local economy.
- c. Emphasis placed on jobs and ties to the business community, working with local businesses, such as utilities, design/engineering and construction firms in addition to industry and government to promote the development and commercialization of research. The land acquisition would result in an expansion of an estimated 500 permanent new jobs within 5 years.

7. ☐ Project Improves the Use, either Operationally or Academically, of Existing Space

Explanation: N/A

8. ☐ Contribution of Local Funds Through Matching Grants, Property Donations, etc.

Explanation: N/A

9. ☐ Reduces Future Deferred Maintenance Cost and Extends the Life of the Facility by Bringing the Project up to Existing Standards (cost-benefit analysis of renovation or new facility vs. maintenance)

Explanation: N/A

Other Pertinent Information not included above:

This initiative was approved in 2014 by Miami-Dade residents in a county-wide referendum by 65% vote

CIP-3 SHORT-TERM PROJECT EXPLANATION

CIP-3, A – NARRATIVE DESCRIPTION

Page 1 of 1

AGENCY: Florida International University
BUDGET ENTITY: State University System
PROJECT TITLE: Academic Health Center Study Complex
Modesto Maidique Campus

AGENCY PRIORITY 5
DATE BUILDING PROGRAM
APPROVED N/A

PURPOSE, NEED, SCOPE, RELATIONSHIP OF PROJECT TO AGENCY OBJECTIVES

The purpose of this project is to consolidate study environments for three colleges, the Herbert Wertheim College of Medicine, the Nicole Wertheim College of Nursing and Health Sciences and the Robert Stempel College of Public Health & Social Work into one facility - consistent with the spirit of an Academic Health Center.

A variety of learning spaces are necessary to provide casual, small group learning and quiet individual study environments. The proposed program anticipates informal gathering environments, open collaborative spaces, quiet reading rooms, small group study rooms, a student lounge with vending area, as well as other support functions. It is anticipated that the facility will have the capacity to serve a population of 560 upper division students from the three colleges. In addition, the program calls for administrative offices for the Academic Health Center.

A beneficial byproduct of this project will be to support the growth in undergraduate enrollment in the university as a whole. Upon its completion, the third floor dedicated HWCOM Library spaces (approximately 6,500 net square feet) will be released back to the Green Library.

The project budget includes extraordinary costs required to integrate new structure and building systems with the two adjacent existing buildings, AHC1 & AHC2.

In recognition of the University's commitment to sustainability practices this project will be designed and built with the goal of meeting the USGBC's LEED-NC "Silver" certification rating level at a minimum. The Project shall comply with Florida Statutes 255.251 Energy Conservation and Sustainable Buildings Act including 255.252 (3) and (4).

This project is included in the "2015-2020 Educational Plant Survey" dated 1/20/2016, recommendation 16).

STATISTICAL JUSTIFICATION

The Statistical Justification portion of the CIP-3 is not required this year.

STATE UNIVERSITY SYSTEM

CIP-3 SHORT TERM PROJECT EXPLANATION

Page 1 of 1

GEOGRAPHIC LOCATION: **Modesto Maidique Campus**

COUNTY: **Miami-Dade County**

5. ACADEMIC HEALTH CENTER STUDY COMPLEX

PROJECT BT No.:

CIP-3, B - PROJECT DESCRIPTION

Facility/Space	Net Area		Gross Area	Unit Cost	Construction	Assumed	Occupancy
Type	(NASF)	Net to Gross Conversion	(GSF)	(Cost/GSF)*	Cost	Bid Date	Date
Classroom	4,500	1.6	7,200	\$363.97	\$2,620,578	1/1/2021	6/1/2022
Teaching Lab	5,250	1.6	8,400	\$447.69	\$3,760,588		
Study	12,390	1.6	19,824	\$354.89	\$7,035,249	Space Detail for Remodeling Projects	
Office /Computers	15,866	1.6	25,386	\$394.12	\$10,004,880		
Instructional Media	480	1.6	768	\$264.53	\$203,161		
Campus Support Services	600	1.6	960	\$336.10	\$322,656		
Totals	39,086		62,538		\$23,947,111		
*Apply Unit Cost to total GSF based on primary space type							
Remodeling/Renovation							
Total Construction - New & Rem./Renov.					\$23,947,111	Total	0

CIP-3, C - SCHEDULE OF PROJECT COMPONENTS

	Funded to Date	2018-19	2019-20	2020-21	2021-22	2022-23	Funded & In CIP
Basic Construction Cost			\$7,500,000	\$16,447,111			\$23,947,111
1. a. Construction Cost (from above)							
Add'l/Extraordinary Const. Costs							
b. Environmental Impacts/Mitigation							
c. Site Preparation (integration with existing AHC1 & AHC2)			\$215,000				\$215,000
d. Landscape/Irrigation				\$65,000			\$65,000
e. Plaza/Walks (covered walkway reconfiguration of AHC1 & AHC2)				\$650,000			\$650,000
f. Roadway Improvements							\$0
g. Parking ___ spaces							\$0
h. Telecommunication				\$110,000			\$110,000
i. Electrical Service				\$100,000			\$100,000
j. Water Distribution				\$75,000			\$75,000
k. Sanitary Sewer System				\$100,000			\$100,000
l. Chilled Water System				\$150,000			\$150,000
m. Storm Water System				\$120,000			\$120,000
n. Energy Efficient Equipment							\$0
Total Construction Costs	\$0	\$0	\$7,715,000	\$17,817,111	\$0	\$0	\$25,532,111
2. Other Project Costs							
a. Land/existing facility acquisition							
b. Professional Fees			\$960,310	\$1,592,901			\$2,553,211
CM Fees			\$255,321				\$255,321
c. Fire Marshall Fees			\$63,830				\$63,830
d. Inspection Services			\$100,000	\$200,000			\$300,000
e. Insurance Consultant			\$12,766	\$12,766			\$25,532
f. Surveys & Tests			\$80,000	\$40,000			\$120,000
g. Permit/Impact/Environmental Fees			\$50,000	\$70,000			\$120,000
h. Artwork				\$127,661			\$127,661
i. Moveable Furnishings & Equipment				\$3,102,334			\$3,102,334
j. Project Contingency			\$615,038	\$1,134,962			\$1,750,000
k. Construction Service Reimbursement			\$147,735	\$902,265			\$1,050,000
Total - Other Project Costs	\$0	\$0	\$2,285,000	\$7,182,889			\$9,467,889
ALL COSTS 1+2	\$0	\$0	\$10,000,000	\$25,000,000	\$0	\$0	\$35,000,000

Appropriations to Date	Source	Fiscal Year	Amount
TOTAL			

Project Costs Beyond CIP Period	Source	Fiscal Year	Amount
Private	2018-19		\$5,000,000
PECO	2018-19		\$5,000,000
Private	2018-19		\$12,500,000
PECO	2018-19		\$12,500,000
TOTAL			\$35,000,000

Total Project In CIP & Beyond

\$35,000,000

CIP-3 SHORT-TERM PROJECT EXPLANATION

CIP-3, A – NARRATIVE DESCRIPTION

Page 1 of 1

AGENCY: Florida International University
BUDGET ENTITY: State University System
PROJECT TITLE: Remodeling/Renovation of the Deuxieme Maison (DM) Building
Modesto Maidique Campus

AGENCY PRIORITY 6
DATE BUILDING PROGRAM
APPROVED N/A

PURPOSE, NEED, SCOPE, RELATIONSHIP OF PROJECT TO AGENCY OBJECTIVES

This request will accommodate renovations to space vacated in conjunction with construction of new facilities that require no significant changes in space categories. In addition, it will provide much needed renovation to existing classroom space in the DM building, the second oldest building on campus.

Academic reorganizations and university strategic initiatives such as classroom, class lab and open lab refurbishments, media upgrades, renovations and/or remodeling will take place throughout the building. Large scale renovations will include upgrades to life safety systems and replacements of HVAC, electrical and conveying systems that are not possible in smaller room-by-room-type renovations.

Comprehensive renovation is crucial to compliance with Florida Statute 255.251 Energy Conservation and Sustainable Building Act including Sections 255.252 (3) and (4) regarding retrofitting buildings. FIU is a signatory to the ACUP Climate Commitment with a goal of meeting a minimum rating of USGBC LEED Silver.

This project is included in the "2015-2020 Educational Plant Survey" dated 1/20/2016, recommendation 5).

STATISTICAL JUSTIFICATION

The Statistical Justification portion of the CIP-3 is not required this year.

STATE UNIVERSITY SYSTEM

CIP-3 SHORT TERM PROJECT EXPLANATION

Page 1 of 1

GEOGRAPHIC LOCATION: **Modesto Maidique Campus**

COUNTY: **Miami-Dade County**

6. REMODEL./RENOV. OF DM BUILDING

PROJECT BT No.:

CIP-3, B - PROJECT DESCRIPTION

Facility/Space Type	Net Area (NASF)	Net to Gross Conversion	Gross Area (GSF)	Unit Cost (Cost/GSF)*	Construction Cost	Assumed Bid Date	Occupancy Date
Classroom		1.6	0	\$336.21	\$0	1/1/2020	6/1/2022
Teaching Lab		1.6	0	\$413.54	\$0		
Study		1.6	0	\$327.82	\$0		
Office/Computer		1.6	0	\$364.06	\$0		
Other Assignable		1.6	0	\$310.46	\$0		
Space Detail for Remodeling Projects							
				BEFORE		AFTER	
				Space Type	Net Area (NASF)	Space Type	Net Area (NASF)
Totals	0		0		\$0		
*Apply Unit Cost to total GSF based on primary space type							
			NSF				
Remodeling/Renovation			140,807	\$75.00	\$10,560,525		
Total Construction - New & Rem./Renov.					\$10,560,525	Total	0

CIP-3, C - SCHEDULE OF PROJECT COMPONENTS

ESTIMATED COSTS

	Funded to Date	2018-19	2019-20	2020-21	2021-22	2022-23	Funded & In CIP
Basic Construction Cost							
1. a.Construction Cost (from above)			\$5,400,000	\$5,160,525			\$10,560,525
Add'l/Extraordinary Const. Costs							
b.Environmental Impacts/Mitigation							
c.Site Preparation							\$0
d.Landscape/Irrigation							\$0
e.Plaza/Walks							\$0
f.Roadway Improvements							\$0
g.Parking ___ spaces							\$0
h.Telecommunication							\$0
i.Electrical Service							\$0
j.Water Distribution							\$0
k.Sanitary Sewer System							\$0
l.Chilled Water System							\$0
m.Storm Water System							\$0
n.Energy Efficient Equipment							\$0
Total Construction Costs	\$0	\$0	\$5,400,000	\$5,160,525	\$0	\$0	\$10,560,525
2. Other Project Costs							
a.Land/existing facility acquisition							
b.Professional Fees			\$510,000	\$546,053			\$1,056,053
CM Fees			\$55,000	\$50,605			\$105,605
c.Fire Marshall Fees			\$15,000	\$11,401			\$26,401
d.Inspection Services			\$100,000	\$100,000			\$200,000
e.Insurance Consultant							
f.Surveys & Tests			\$130,000	\$120,000			\$250,000
g.Permit/Impact/Environmental Fees			\$80,000	\$70,000			\$150,000
h.Artwork (not applicable)							
i.Moveable Furnishings & Equipment			\$150,000	\$197,416			\$347,416
j.Project Contingency			\$350,000	\$340,000			\$690,000
j.Construction Service Reimbursement			\$210,000	\$204,000			\$414,000
Total - Other Project Costs	\$0	\$0	\$1,600,000	\$1,639,475	\$0	\$0	\$3,239,475
ALL COSTS 1+2	\$0	\$0	\$7,000,000	\$6,800,000	\$0	\$0	\$13,800,000

Appropriations to Date

Source Fiscal Year Amount

Project Costs Beyond CIP Period

Source Fiscal Year Amount

Total Project In

CIP & Beyond

TOTAL

TOTAL

\$13,800,000

CIP-3, D
Higher Educational Facilities
Return on Investment

This is a tool developed by a collaborative group of stakeholders designed to facilitate the identification of return on investment metrics for higher education facilities. Check any box(es) that apply, provide a quantitative explanation, and identify the term or years in which ROI information is provided.

Institution: Florida International University

Project: Remodel./Renov. of the Deuxieme Maison (DM) building - MMC

Total Project Cost: \$ 13.8 M

Previous Funding (State): n/a

Current Request: \$ 0 M

STEM (Yes or No): YES

Contact Person (Name, Position, Office and Cell Phone No., Email): John M. Cal, AVP, Facilities Management, O: 305-348-4001, C: 305-323-1488, e-mail: jcal@fiu.edu

Check any box(es) that apply and provide a quantitative explanation. Identify the term or years in which ROI information is projected.

1. ☐ Number of Additional Degrees and Certificates Produced and How Those Degrees are Meeting the Needs of our State (Job Openings, Average Wages of those Job Openings, etc.)

Explanation:

2. ☐ Number of Additional Students Served and the Benefits/Efficiencies Created (increase graduation rate, alleviate waitlist, increase academic support, etc.)

Explanation:

3. ☐ Amount of Additional Research Funding to be Obtained; Patents Awarded

Explanation:

4. ☐ Project is in an Area of Strategic Emphasis as Determined by the Board of Governors' Gap Analysis or the Department of Economic Opportunity's National Occupational Forecast

Explanation:

5. ☐ Improves the Ranking of a Preeminent Program or Improves on a Performance Funding Model Metric

Explanation:

6. ☐ Increase Business Partnerships Which Will Lead to Guaranteed Internships and Jobs for Students

Explanation:

7. ☒ Project Improves the Use, either Operationally or Academically, of Existing Space

Explanation: These projects include multiple renovation and remodeling needed to adapt classrooms, laboratories, support spaces and office areas to meet current and projected requirements.

8. ☐ Contribution of Local Funds Through Matching Grants, Property Donations, etc.

Explanation:

9. ☒ Reduces Future Deferred Maintenance Cost and Extends the Life of the Facility by Bringing the Project up to Existing Standards (cost-benefit analysis of renovation or new facility vs. maintenance)

Explanation: These projects include major renovations of various buildings at the main campus including 5 that are more than 40-years old. The renovations will result in significantly better indoor environments, lower energy usage and reduced maintenance costs.

Other Pertinent Information not included above:

CIP-3 SHORT-TERM PROJECT EXPLANATION

CIP-3, A – NARRATIVE DESCRIPTION

Page 1 of 1

AGENCY: Florida International University
BUDGET ENTITY: State University System
PROJECT TITLE: Honors College
Modesto Maidique Campus

AGENCY PRIORITY 7
DATE BUILDING PROGRAM
APPROVED N/A

PURPOSE, NEED, SCOPE, RELATIONSHIP OF PROJECT TO AGENCY OBJECTIVES

This project is meant both to satisfy university space needs and to facilitate the enrollment growth and programmatic development of Honors consistent with our mandate to become "the centerpiece of undergraduate educational excellence" at Florida International University.

The main components of the facility will include space for: a reception area/visitor's lounge, an auditorium for occupancy of 375, an Information Technology Center, student support services, private study rooms, a student communal area, offices for faculty and administration, conference room to accommodate 25 users, and archives. Space dedicated to instruction will include 8 seminar rooms that each can accommodate 25 students. Architecturally, the building will be distinguished as a place of educational excellence and achievement by recognition of some of the great contributors to different civilizations and to the acquisition of knowledge.

The project budget includes extraordinary costs of upgrading and extending existing central campus infrastructure to the project site.

In recognition of the University's commitment to sustainability practices remodeling/renovation projects will be designed and built with the goal of meeting the USGBC's LEED-NC "Silver" certification rating level at a minimum. All projects shall comply with Florida Statutes 255.251 Energy Conservation and Sustainable Buildings Act including 255.252 (3) and (4).

This project is included in the "2015-2020 Educational Plant Survey" dated 1/20/2016, recommendation 14).

STATISTICAL JUSTIFICATION

The Statistical Justification portion of the CIP-3 is not required this year.

STATE UNIVERSITY SYSTEM

CIP-3 SHORT TERM PROJECT EXPLANATION

Page 1 of 1

GEOGRAPHIC LOCATION: **Modesto Maidique Campus**

COUNTY: **Miami-Dade County**

7. HONORS COLLEGE

PROJECT BT No.:

CIP-3, B - PROJECT DESCRIPTION							
Facility/Space Type	Net Area (NASF)	Net to Gross Conversion	Gross Area (GSF)	Unit Cost (Cost/GSF)*	Construction Cost	Assumed Bid Date	Occupancy Date
Classroom	0	1.5	0	\$277.60	\$0	1/1/2022	6/1/2023
Auditorium	0	1.6	0	\$332.36	\$0		
Teaching Lab	965	1.6	1,544	\$379.40	\$585,790		
Office	3,121	1.5	4,682	\$300.60	\$1,407,246		
Other Assignable	4,145	1	4,145	\$256.35	\$1,062,559		
Space Detail for Remodeling Projects							
				BEFORE		AFTER	
				Space Type	Net Area (NASF)	Space Type	Net Area (NASF)
Totals	8,231		10,371				
*Apply Unit Cost to total GSF based on primary space type							
Remodeling/Renovation							
Total Construction - New & Rem./Renov.				\$3,055,594		Total 0	Total 0

CIP-3, C - SCHEDULE OF PROJECT COMPONENTS			ESTIMATED COSTS				
	<u>Funded to</u> <u>Date</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>Funded & In</u> <u>CIP</u>
Basic Construction Cost							
1. a.Construction Cost (from above)			\$3,055,594				\$3,055,594
Add'l/Extraordinary Const. Costs							
b.Environmental Impacts/Mitigation							
c.Site Preparation			\$25,000				\$25,000
d.Landscape/Irrigaiton			\$10,000				\$10,000
e.Plaza/Walks			\$20,000				\$20,000
f.Roadway Improvements							\$0
g.Parking ____ spaces							\$0
h.Telecommunication			\$10,000				\$10,000
i.Electrical Service			\$10,000				\$10,000
j.Water Distribution			\$5,000				\$5,000
k.Sanitary Sewer System			\$10,000				\$10,000
l.Chilled Water System							\$0
m.Storm Water System			\$5,000				\$5,000
n.Energy Efficient Equipment							\$0
Total Construction Costs	\$0	\$0	\$3,150,594	\$0	\$0	\$0	\$3,150,594
2. Other Project Costs							
a.Land/existing facility acquisition							
b.Professional Fees			\$252,048				\$252,048
CM Fees			\$31,506				\$31,506
c.Fire Marshall Fees			\$7,876				\$7,876
d.Inspection Services			\$20,000				\$20,000
e.Insurance Consultant							
f.Surveys & Tests			\$5,000				\$5,000
g.Permit/Impact/Environmental Fees			\$10,000				\$10,000
h.Artwork			\$7,876				\$7,876
i.Moveable Furnishings & Equipment			\$195,100				\$195,100
j.Project Contingency			\$200,000				\$200,000
k.Construction Service Reimbursement			\$120,000				\$120,000
Total - Other Project Costs	\$0	\$0	\$849,406	\$0	\$0		\$849,406
ALL COSTS 1+2	\$0	\$0	\$4,000,000	\$0	\$0		\$4,000,000

Appropriations to Date
Source Fiscal Year Amount

Project Costs Beyond CIP Period

Source Fiscal Year Amount
Private 2018-19 \$2,000,000
PECO 2018-19 \$2,000,000

Total Project In
CIP & Beyond

TOTAL

TOTAL

\$4,000,000

\$4,000,000

CIP-3 SHORT-TERM PROJECT EXPLANATION

CIP-3, A – NARRATIVE DESCRIPTION

Page 1 of 2

AGENCY: Florida International University
BUDGET ENTITY: State University System
PROJECT TITLE: Green Library Addition
Modesto Maidique Campus

AGENCY PRIORITY 8
DATE BUILDING PROGRAM
APPROVED N/A

PURPOSE, NEED, SCOPE, RELATIONSHIP OF PROJECT TO AGENCY OBJECTIVES

This project includes expansion of the Green Library, by building an addition to the existing structure. The addition will provide 88,000 square feet of space to be allocated for student study spaces, open group collaborative spaces, group study rooms, and designated graduate student study areas.

Standards of the Association for College and Research Libraries recommend allocating seating for 20% of FTE enrollment. Currently we have seating for approximately 1300 students, roughly 4% of the recommended allocation. This addition will add much needed study space.

The project budget includes extraordinary costs of upgrading and extending existing central campus infrastructure to the project site.

In recognition of the University's commitment to sustainability practices this project will be designed and built with the goal of meeting the USGBC's LEED-NC "Silver" certification rating level at a minimum. The Project shall comply with Florida Statutes 255.251 Energy Conservation and Sustainable Buildings Act including 255.252 (3) and (4).

This project is included in the "2015-2020 Educational Plant Survey" dated 1/20/2016, recommendation 6).

STATISTICAL JUSTIFICATION

The Statistical Justification portion of the CIP-3 is not required this year.

STATE UNIVERSITY SYSTEM

CIP-3 SHORT TERM PROJECT EXPLANATION

Page 1 of 1

GEOGRAPHIC LOCATION: **Modesto Maidique Campus**

COUNTY: **Miami-Dade County**

8. GREEN LIBRARY ADDITION

PROJECT BT No.:

CIP-3, B - PROJECT DESCRIPTION

Facility/Space Type	Net Area (NASF)	Net to Gross Conversion	Gross Area (GSF)	Unit Cost (Cost/GSF)*	Construction Cost	Assumed Bid Date	Occupancy Date
Classrooms		1.4	0	\$363.97	\$0	1/1/2021	6/1/2022
Teaching Lab		1.4	0	\$447.69	\$0		
Study	88,000	1.4	123,200	\$354.89	\$43,721,887		
Office/ Computer		1.4	0	\$394.12	\$0		
Instructional Media		1.4	0	\$264.53	\$0		
Campus Support Services		1.4	0	\$336.10	\$0		
Research Lab		1.4	0	\$460.09	\$0		
Space Detail for Remodeling Projects							
				BEFORE		AFTER	
				Space Type	Net Area (NASF)	Space Type	Net Area (NASF)
Totals	88,000		123,200		\$43,721,887		
*Apply Unit Cost to total GSF based on primary space type							
Demolition/Remodeling/Renovation	8800		12320		\$4,140,746		
Total Construction - New + Rem./Renov.					\$47,862,633	Total	0

CIP-3, C - SCHEDULE OF PROJECT COMPONENTS

ESTIMATED COSTS

	Funded to Date	2018-19	2019-20	2020-21	2021-22	2022-23	Funded & In CIP
Basic Construction Cost							
1. a. Construction Cost (from above)				\$7,000,000	\$23,000,000	\$17,862,633	\$47,862,633
Add'l/Extraordinary Const. Costs							
b. Environmental Impacts/Mitigation							
c. Site Preparation				\$300,000			\$300,000
d. Landscape/Irrigation				\$100,000			\$500,000
e. Plaza/Walks				\$250,000			\$250,000
f. Roadway Improvements				\$250,000			\$250,000
g. Parking ___ spaces							\$300,000
h. Telecommunication				\$250,000			\$450,000
i. Electrical Service				\$100,000			\$100,000
j. Water Distribution				\$100,000			\$100,000
k. Sanitary Sewer System				\$200,000			\$200,000
l. Chilled Water System				\$350,000			\$350,000
m. Storm Water System				\$100,000			\$100,000
n. Energy Efficient Equipment				\$25,000			\$25,000
Total Construction Costs	\$0	\$0	\$0	\$9,025,000	\$23,000,000	\$17,862,633	\$49,887,633
2. Other Project Costs							
a. Land/existing facility acquisition							
b. Professional Fees				\$3,991,011			\$3,991,011
CM Fees				\$498,876			\$498,876
c. Fire Marshall Fees				\$124,719			\$124,719
d. Inspection Services				\$125,000	\$225,000	\$50,000	\$400,000
e. Insurance Consultant							
f. Surveys & Tests				\$175,000	\$50,000	\$50,000	\$275,000
g. Permit/Impact/Environmental Fees				\$49,061	\$32,598		\$81,659
h. Artwork						\$176,450	\$176,450
i. Moveable Furnishings & Equipment					\$34,870	\$4,329,782	\$4,364,652
j. Project Contingency				\$510,235	\$1,207,532	\$1,532,234	\$3,250,000
k. Construction Service Reimbursement				\$501,098	\$450,000	\$998,902	\$1,950,000
Total - Other Project Costs	\$0	\$0	\$0	\$5,975,000	\$2,000,000	\$7,137,367	\$15,112,367
ALL COSTS 1+2	\$0	\$0	\$0	\$15,000,000	\$25,000,000	\$25,000,000	\$65,000,000

Appropriations to Date

Source Fiscal Year Amount

Project Costs Beyond CIP Period

Source Fiscal Year Amount

Total Project In

CIP & Beyond

TOTAL

\$0

TOTAL

\$65,000,000

CIP-3 SHORT-TERM PROJECT EXPLANATION

CIP-3, A – NARRATIVE DESCRIPTION

Page 1 of 1

AGENCY: Florida International University
BUDGET ENTITY: State University System
PROJECT TITLE: Science & Humanities Center (S.T.E.A.M)
Modesto Maidique Campus

AGENCY PRIORITY 9
DATE BUILDING PROGRAM
APPROVED N/A

PURPOSE, NEED, SCOPE, RELATIONSHIP OF PROJECT TO AGENCY OBJECTIVES

This project includes a new Humanities Center for the College of Arts and Sciences. The College of Arts and Sciences is experiencing continued growth and current facilities are not adequate to meet current or projected needs. The College of Arts and Sciences embraces nearly half the student body at FIU and awards close to 40% of all degrees. Arts & Sciences touches almost every student at some point in their education and offers 72 degree programs.

The Humanities Center will be an integral part of the College. The provision of adequate facilities for these core classes is integral to meeting current needs and is an essential element of the University's strategy to retain students and increase graduation rates. The Center will house a range of programs including English, Modern Languages, History, Linguistics, Asian Studies and Philosophy and will work in concert with other programs in the College.

The project budget includes extraordinary costs of upgrading and extending existing central campus infrastructure to the project site.

In recognition of the University's commitment to sustainability practices remodeling/renovation projects will be designed and built with the goal of meeting the USGBC's LEED-NC "Silver" certification rating level at a minimum. All projects shall comply with Florida Statutes 255.251 Energy Conservation and Sustainable Buildings Act including 255.252 (3) and (4).

This project is included in the "2015-2020 Educational Plant Survey" dated 1/20/2016, recommendation 15).

STATISTICAL JUSTIFICATION

The Statistical Justification portion of the CIP-3 is not required this year.

STATE UNIVERSITY SYSTEM

CIP-3 SHORT TERM PROJECT EXPLANATION

Page 1 of 1

GEOGRAPHIC LOCATION: **Modesto Maidique Campus**
9. SCIENCE & HUMANITIES CENTER (S.T.E.A.M.)

COUNTY: **Miami-Dade County**
 PROJECT BT No.:

CIP-3, B - PROJECT DESCRIPTION							
Facility/Space Type	Net Area (NASF)	Net to Gross Conversion	Gross Area (GSF)	Unit Cost (Cost/GSF)*	Construction Cost	Assumed Bid Date	Occupancy Date
Classroom	5,500	1.6	8,800	\$354.72	\$3,121,498	1/1/2022	6/1/2023
Teaching Lab	15,000	1.6	24,000	\$436.31	\$10,471,371		
Study	4,000	1.6	6,400	\$345.86	\$2,213,523		
Research Lab	5,000	1.6	8,000	\$448.39	\$3,587,152		
Office/Computer	15,500	1.6	24,800	\$384.10	\$9,525,592		
Other Assignable	5,000	1.6	8,000	\$327.55	\$2,620,437		
Space Detail for Remodeling Projects							
				BEFORE		AFTER	
				Space Type	Net Area (NASF)	Space Type	Net Area (NASF)
Totals	50,000		80,000		\$31,539,572		
*Apply Unit Cost to total GSF based on primary space type							
Remodeling/Renovation							
Total Construction - New & Rem./Renov.					\$31,539,572	Total 0	Total 0

CIP-3, C - SCHEDULE OF PROJECT COMPONENTS		ESTIMATED COSTS						
	<u>Funded to</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>Funded & In CIP</u>	
	<u>Date</u>							
Basic Construction Cost								
1. a. Construction Cost (from above)					\$17,499,115	\$14,040,457	\$31,539,572	
Add'l/Extraordinary Const. Costs								
b.Environmental Impacts/Mitigation							\$0	
c.Site Preparation					\$500,000		\$500,000	
d.Landscape/Irrigation						\$200,000	\$200,000	
e.Plaza/Walks					\$150,000		\$150,000	
f.Roadway Improvements							\$0	
g.Parking ____ spaces					\$500,000		\$500,000	
h.Telecommunication					\$100,000		\$100,000	
i.Electrical Service					\$300,000		\$300,000	
j.Water Distribution					\$200,000		\$200,000	
k.Sanitary Sewer System					\$350,000		\$350,000	
l.Chilled Water System					\$100,000		\$100,000	
m.Storm Water System					\$300,000		\$300,000	
n.Energy Efficient Equipment							\$0	
Total Construction Costs	\$0	\$0	\$0	\$0	\$19,999,115	\$14,240,457	\$34,239,572	
2. Other Project Costs								
a.Land/existing facility acquisition								
b.Professional Fees					\$2,783,700	\$126,664	\$2,910,364	
CM Fees					\$342,396		\$342,396	
c.Fire Marshall Fees					\$85,599		\$85,599	
d.Inspection Services					\$250,000		\$250,000	
e.Insurance Consultant					\$17,120	\$17,120	\$34,240	
f.Surveys & Tests					\$50,000	\$50,000	\$0	
g.Permit/Impact/Environmental Fees					\$120,000		\$120,000	
h.Artwork						\$171,198	\$171,198	
i.Moveable Furnishings & Equipment						\$4,986,631	\$4,986,631	
j.Project Contingency					\$443,002	\$1,906,998	\$2,350,000	
k.Construction Service Reimbursement					\$409,068	\$1,000,933	\$1,410,000	
Total - Other Project Costs	\$0	\$0	\$0	\$0	\$4,500,885	\$8,259,543	\$12,760,428	
ALL COSTS 1+2	\$0	\$0	\$0	\$0	\$24,500,000	\$22,500,000	\$47,000,000	

Appropriations to Date			Project Costs Beyond CIP Period			Total Project In CIP & Beyond
Source	Fiscal Year	Amount	Source	Fiscal Year	Amount	
TOTAL			TOTAL			\$47,000,000

CIP-3 SHORT-TERM PROJECT EXPLANATION

CIP-3, A – NARRATIVE DESCRIPTION

Page 1 of 1

AGENCY: Florida International University
BUDGET ENTITY: State University System
PROJECT TITLE: Remodeling/Renovation of Academic Data Center
Modesto Maidique Campus

AGENCY PRIORITY 10
DATE BUILDING PROGRAM
APPROVED N/A

PURPOSE, NEED, SCOPE, RELATIONSHIP OF PROJECT TO AGENCY OBJECTIVES

This request will accommodate renovation and remodeling of space vacated in conjunction with construction of new facilities that require no significant changes in space categories. In addition, it will provide much needed renovation to existing data room spaces in various buildings university wide.

The current Data Center is outdated and at capacity. This proposal for a new Data Center will offer several key benefits which include increased data center space to implement new technologies that will improve efficiencies. This project will also allow the University to save money on cooling by having an area to consolidate University servers in one location.

The project budget includes extraordinary costs of upgrading and extending existing central campus fiber optic backbone infrastructure to the project site.

In recognition of the University's commitment to sustainability practices remodeling/renovation projects will be designed and built with the goal of meeting the USGBC's LEED "Silver" certification rating level at a minimum. All projects shall comply with Florida Statutes 255.251 Energy Conservation and Sustainable Buildings Act including 255.252 (3) and (4).

This project is included in the "2015-2020 Educational Plant Survey" dated 1/20/2016, recommendation 11).

STATISTICAL JUSTIFICATION

The Statistical Justification portion of the CIP-3 is not required this year.

STATE UNIVERSITY SYSTEM

CIP-3 SHORT TERM PROJECT EXPLANATION

Page 1 of 1

GEOGRAPHIC LOCATION: **Modesto Maidique Campus**

COUNTY: **Miami-Dade County**

10. REMODEL./RENOV. ACADEMIC DATA CENTER

PROJECT BT No.:

CIP-3, B - PROJECT DESCRIPTION

Facility/Space Type	Net Area (NASF)	Net to Gross Conversion	Gross Area (GSF)	Unit Cost (Cost/GSF)*	Construction Cost	Assumed Bid Date	Occupancy Date
Classroom		1.6	0	\$354.72	\$0	1/1/2021	6/1/2022
Teaching Lab		1.6	0	\$436.31	\$0		
Study		1.6	0	\$345.86	\$0		
Office/Computer		1.6	0	\$384.10	\$0		

Space Detail for Remodeling Projects

	BEFORE		AFTER	
	Space Type	Net Area (NASF)	Space Type	Net Area (NASF)
Totals	0		0	
*Apply Unit Cost to total GSF based on primary space type				
Remodeling/Renovation			24,000	\$475.00
Total Construction - New & Rem./Renov.				\$11,400,000
	Total	0	Total	0

CIP-3, C - SCHEDULE OF PROJECT COMPONENTS		ESTIMATED COSTS						
		Funded to Date	2018-19	2019-20	2020-21	2021-22	2022-23	Funded & In CIP
Basic Construction Cost								
1. a. Construction Cost (from above)						\$8,970,800	\$2,429,200	\$11,400,000
Add'l/Extraordinary Const. Costs								
b. Environmental Impacts/Mitigation								
c. Site Preparation								\$0
d. Landscape/Irrigation								\$0
e. Plaza/Walks								\$0
f. Roadway Improvements								\$0
g. Parking ___ spaces								\$0
h. Telecommunication						\$1,500,000		\$1,500,000
i. Electrical Service								\$0
j. Water Distribution								\$0
k. Sanitary Sewer System								\$0
l. Chilled Water System								\$0
m. Storm Water System								\$0
n. Energy Efficient Equipment						\$500,000		\$500,000
Total Construction Costs		\$0	\$0	\$0	\$0	\$10,970,800	\$2,429,200	\$13,400,000
2. Other Project Costs								
a. Land/existing facility acquisition								
b. Professional Fees						\$1,000,000	\$340,000	\$1,340,000
CM Fees						\$114,000	\$20,000	\$134,000
c. Fire Marshall Fees						\$28,500	\$5,000	\$33,500
d. Inspection Services						\$30,000	\$120,000	\$150,000
e. Insurance Consultant						\$6,700	\$6,700	\$13,400
f. Surveys & Tests						\$50,000	\$30,000	\$80,000
g. Permit/Impact/Environmental Fees						\$25,000	\$25,000	\$50,000
h. Artwork (not applicable)							\$0	\$0
i. Moveable Furnishings & Equipment							\$2,739,100	\$2,739,100
j. Project Contingency						\$250,000	\$725,000	\$975,000
k. Construction Service Reimbursement						\$300,000	\$285,000	\$585,000
Total - Other Project Costs		\$0	\$0	\$0	\$0	\$1,804,200	\$4,295,800	\$6,100,000
ALL COSTS 1+2		\$0	\$0	\$0	\$0	\$12,775,000	\$6,725,000	\$19,500,000

Appropriations to Date			Project Costs Beyond CIP Period			Total Project In CIP & Beyond
Source	Fiscal Year	Amount	Source	Fiscal Year	Amount	
TOTAL			TOTAL			\$19,500,000

CIP-3 SHORT-TERM PROJECT EXPLANATION

CIP-3, A – NARRATIVE DESCRIPTION

Page 1 of 1

AGENCY: Florida International University
BUDGET ENTITY: State University System
PROJECT TITLE: Remodeling/Renovation of the Owa Ehan (OE) Building
Modesto Maidique Campus

AGENCY PRIORITY 11
DATE BUILDING PROGRAM
APPROVED N/A

PURPOSE, NEED, SCOPE, RELATIONSHIP OF PROJECT TO AGENCY OBJECTIVES

This request will accommodate renovations to space vacated in conjunction with construction of new facilities that require no significant changes in space categories. In addition, it will provide much needed renovation to existing classroom space in the DM building, the second oldest building on campus.

Academic reorganizations and university strategic initiatives such as classroom, class lab and open lab refurbishments, media upgrades, renovations and/or remodeling will take place throughout the building. Large scale renovations will include upgrades to life safety systems and replacements of HVAC, electrical and conveying systems that are not possible in smaller room-by-room-type renovations.

Comprehensive renovation is crucial to compliance with Florida Statute 255.251 Energy Conservation and Sustainable Building Act including Sections 255.252 (3) and (4) regarding retrofitting buildings. FIU is a signatory to the ACUP Climate Commitment with a goal of meeting a minimum rating of USGBC LEED Silver.

This project is included in the "2015-2020 Educational Plant Survey" dated 1/20/2016, recommendation 5).

STATISTICAL JUSTIFICATION

The Statistical Justification portion of the CIP-3 is not required this year.

STATE UNIVERSITY SYSTEM

CIP-3 SHORT TERM PROJECT EXPLANATION

Page 1 of 1

GEOGRAPHIC LOCATION: **Biscayne Bay Campus, North Miami**

COUNTY: **Miami-Dade County**

11 REMODEL./RENOV OF OE BUILDING

PROJECT BT No.:

CIP-3, B - PROJECT DESCRIPTION

Facility/Space Type	Net Area (NASF)	Net to Gross Conversion	Gross Area (GSF)	Unit Cost (Cost/GSF)*	Construction Cost	Assumed Bid Date	Occupancy Date
Classroom		1.6	0	\$336.21	\$0	1/1/2020	6/1/2022
Teaching Lab		1.6	0	\$413.54	\$0		
Study		1.6	0	\$327.82	\$0		
Office/Computer		1.6	0	\$364.06	\$0		

Space Detail for Remodeling Projects

		BEFORE		AFTER	
		Space Type	Net Area (NASF)	Space Type	Net Area (NASF)
Totals	0		0		\$0
*Apply Unit Cost to total GSF based on primary space type					
Remodeling/Renovation			ACC II /2 117,306	\$140.00	\$16,422,840
Total Construction - New & Rem./Renov.				\$16,422,840	
		Total	0	Total	0

CIP-3, C - SCHEDULE OF PROJECT COMPONENTS				ESTIMATED COSTS				
	Funded to Date	2018-19	2019-20	2020-21	2021-22	2022-23	Funded & In CIP	
Basic Construction Cost								
1. a. Construction Cost (from above)					\$8,250,000	\$8,172,840	\$16,422,840	
Add'l/Extraordinary Const. Costs								
b. Environmental Impacts/Mitigation								
c. Site Preparation							\$0	
d. Landscape/Irrigation							\$0	
e. Plaza/Walks							\$0	
f. Roadway Improvements							\$0	
g. Parking ____ spaces							\$0	
h. Telecommunication							\$0	
i. Electrical Service							\$0	
j. Water Distribution							\$0	
k. Sanitary Sewer System							\$0	
l. Chilled Water System							\$0	
m. Storm Water System							\$0	
n. Energy Efficient Equipment							\$0	
Total Construction Costs	\$0	\$0	\$0	\$0	\$8,250,000	\$8,172,840	\$16,422,840	
2. Other Project Costs								
a. Land/existing facility acquisition								
b. Professional Fees					\$750,000	\$728,056	\$1,478,056	
CM Fees					\$108,310	\$55,918	\$164,228	
c. Fire Marshall Fees					\$27,077	\$13,980	\$41,057	
d. Inspection Services					\$77,498	\$154,995	\$232,493	
e. Insurance Consultant								
f. Surveys & Tests					\$83,333	\$166,667	\$250,000	
g. Permit/Impact/Environmental Fees					\$50,000	\$100,000	\$150,000	
h. Artwork (not applicable)							\$0	
i. Moveable Furnishings & Equipment					\$250,000	\$75,184	\$325,184	
j. Project Contingency					\$483,782	\$337,360	\$821,142	
k. Construction Service Reimbursement					\$420,000	\$195,000	\$615,000	
Total - Other Project Costs	\$0	\$0	\$0	\$0	\$2,250,000	\$1,827,160	\$4,077,160	
ALL COSTS 1+2	\$0	\$0	\$0	\$0	\$10,500,000	\$10,000,000	\$20,500,000	

Appropriations to Date			Project Costs Beyond CIP Period			Total Project In CIP & Beyond
Source	Fiscal Year	Amount	Source	Fiscal Year	Amount	
TOTAL			TOTAL			\$20,500,000

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THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee
June 1, 2017

Subject: Tuition for Doctorate of Athletic Training Self-Supporting Program, 2018-19 Academic Year

Proposed Committee Action:

Recommend that the Florida International University Board of Trustees (the BOT) approve the self-supporting tuition of \$16,800 annually for 24 credits for the Doctor of Athletic Training (DAT) beginning academic year 2018-19 pending program approval by the Board of Trustees.

Background Information:

The BOT Academic Policy and Student Affairs Committee will review the DAT new program proposal at its June 2, 2017 meeting. In accordance with Board of Governors (BOG) Regulation 8.011, Authorization of New Academic Degree Programs and Other Curricular Offerings, FIU will submit the DAT proposal to the BOG for authorization subsequent to BOT approval.

The DAT is a self-supporting graduate degree program offered through the University's Continuing Education and all costs are covered by student tuition. Educational and General funds are not used to support the program. Tuition for the program is \$16,800 annually for 24 credits; the program requires 48 credits for a total cost of \$33,600.

Pursuant to BOG Regulation 8.002, Continuing Education, university boards of trustees may establish non-fundable, self-supporting tuition rates for graduate level courses offered through the university's continuing education unit for consideration by the BOG.

Upon BOT approval of the tuition for the DAT, it is anticipated that the BOG will approve the academic program and established tuition at its November 2017 meeting.

Supporting Documentation: DAT Executive Summary

Facilitator/Presenter: Kenneth A. Jessell

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New Degree Proposal: Doctor of Athletic Training (CIP 51.0913)

Nicole Wertheim College of Nursing and Health Sciences

EXECUTIVE SUMMARY

The proposed Doctor of Athletic Training (DAT) is a two-year program that will provide post-professional education and advanced evidence-based clinical practice experience to athletic trainers with a focus on injury/illness prevention and entrepreneurial leadership. The DAT is a 48-credit, stand-alone degree plan of doctoral study for athletic trainers previously certified through the National Athletic Trainers' Association (NATA) Board of Certification who seek advanced athletic training education and clinical skills on the doctoral level. The DAT program will offer the majority of the curriculum in an online format (87.5% online; 12.5% face-to-face) and will cover the following content areas: applied research (18 credits), advanced clinical skills (6 credits), injury/illness prevention strategies (6 credits), entrepreneurial leadership (6 credits), and individualized clinical residency experiences (12 credits). This is a professional doctorate-level education program that meets the post-professional education needs of athletic trainers to enhance patient-centered care, outcomes, and quality of life for patients and physically active individuals across the lifespan.

Athletic Training is classified as one of the Health Professions and Related Programs (CIP 51) and it is included on the State University System (SUS) Programs of Strategic Emphasis list to meet critical workforce needs in the area of health. Athletic trainers are regulated and licensed health care providers who practice under state statutes similar to physical therapists, occupational therapists, and other health care professionals. The Bureau of Labor Statistics reports that employment of athletic trainers is projected to grow by 21% from 2014 to 2024, which is much faster than the average for all occupations. According to the SUS employment projections table, employment of athletic trainers in the state of Florida is projected to grow by 16.9% from 2015 to 2023. The proposed DAT program is uniquely positioned to assist in meeting statewide, as well as national, professional, and workforce needs by increasing degree productivity (approximately 20 doctoral degrees per year upon full implementation), particularly for underrepresented groups, by leveraging the nationwide reputation and diversity of FIU's Master of Science in Athletic Training (MS-AT) program.

FIU was the first to develop and implement the MS-AT degree program in the state of Florida. FIU can continue to be on the forefront of athletic training education by developing and implementing the first DAT degree program in the southeast region and be one of only five programs nationwide. To date, there is no DAT program offered within the SUS. There are four hybrid DAT programs offered nationwide: A.T. Still University, Indiana State University, University of Idaho, and Temple University. The foci of the proposed DAT program is unique in that no other program focuses on business and entrepreneurial leadership; therefore, FIU DAT students will have the skill set to identify or create opportunities to engage with the community and assume leadership roles to assist with meeting the aforementioned workforce needs in Florida and across the country. These unique foci of the DAT program will foster new research synergies between faculty and community partners that could lead to innovation and possible commercialization of ideas in the areas of injury/illness prevention, improved patient outcomes,

expansion of athletic training services, employment in non-traditional work settings, start-up businesses, and more. Given that DAT students will be practicing clinicians from across the country, this enhances the ability to conduct multi-site research studies with an interprofessional team of researchers, which would positively affect efforts to seek external research funding and enhance FIU's reputation nationwide. In summary, the DAT program contributes to the SUS strategic priorities related to Teaching and Learning, Scholarship, Research, and Innovation, and Community & Business Engagement.

Traditionally, professional athletic training education has been provided at the undergraduate level; however, the future of athletic training education is at the graduate level. The Athletic Training Strategic Alliance (consisting of the Board of Certification, the Commission on Accreditation of Athletic Training Education, the National Athletic Trainers' Association, and the National Athletic Trainers' Association Foundation) and the Executive Committee for Education, which sets the direction for athletic training education, has determined that professional (entry-level) education should be at the master's level and that post-professional education should be at the clinical doctorate level. The current MS-AT program offered at FIU is the path to professional education. The proposed DAT program is the path to post-professional education. In a survey conducted on FIU athletic training alumni, 77% (n=41/53; response rate=71%) indicated they would be interested in pursuing a DAT degree. This level of interest in the DAT is expected given the transition of the entry-level athletic training degree to the MS-AT. The FIU MS-AT program has established a strong reputation as evidenced by the first-time pass rates on the Board of Certification exam, the high ratio of out-of-state students attending the program, and the number of students obtaining highly-sought-after internships and jobs with high profile professional sports organizations. FIU can leverage this reputation to recruit high quality faculty and students for the DAT program. The MS-AT program, which has an average retention rate of 82%, could serve as a feeder for the DAT program thereby retaining students at FIU for the completion of not only the MS-AT degree, but also the DAT degree (two degrees).

Implementation Timeframe	Projected Enrollment (From Table 1)	
	HC	FTE
Year 1	20	20
Year 2	40	40
Year 3	40	40
Year 4	40	40
Year 5	40	40

Projected Program Costs (From Table 2)				
E&G Cost per FTE	E&G Funds	Contract & Grants Funds	Auxiliary Funds	Total Cost
0	0	0	273,000	\$273,000
0	0	0	672,000	\$672,000

Agenda Item 3

FF4-B

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee
June 1, 2017

Subject: Tuition for the Master of Science in Applied Behavior Analysis, 2018-19 Academic Year

Proposed Committee Action:

Recommend that the Florida International University Board of Trustees (the BOT) approve the self-supporting tuition of \$25,393 for 45 credits completed in four semesters for the Master of Science in Applied Behavior Analysis (MSABA) beginning academic year 2018-19. The BOT approved the program at its March 2017 meeting.

Background Information:

The BOT approved the MSABA at its March 3, 2017 meeting. In accordance with Board of Governors (BOG) Regulation 8.011, Authorization of New Academic Degree Programs and Other Curricular Offerings, FIU will submit the MSABA proposal to the BOG for authorization subsequent to BOT approval.

The MSABA is a self-supporting graduate degree program offered through the University's Continuing Education and all costs are covered by student tuition. Educational and General funds are not used to support the program. Tuition for the program is \$25,393 for 45 credits.

Pursuant to BOG Regulation 8.002, Continuing Education, university boards of trustees may establish non-fundable, self-supporting tuition rates for graduate level courses offered through the university's continuing education unit for consideration by the BOG.

Upon BOT approval of the tuition for the MSABA, it is anticipated that the BOG will approve the established tuition at its September 2017 meeting.

Supporting Documentation: MSABA Executive Summary

Facilitator/Presenter: Kenneth A. Jessell

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New Degree Proposal: Master of Science in Applied Behavior Analysis

College of Arts, Sciences & Education

EXECUTIVE SUMMARY

The College of Arts, Sciences & Education proposes to offer a Master of Science in Applied Behavior Analysis (MSABA) degree, CIP code 11.0101. No other concentrations, tracks or specializations are proposed. The program will consist of 45 credit hours. Content courses will be taken in a hybrid format, with approximately half of the course content delivered online and half face-to-face. The purpose of the program is to prepare students to be highly-skilled and experienced Board Certified Behavior Analysts (BCBA) who can apply their skills in classrooms and other instructional settings. The BCBA credential is recognized nationally, by all states, and internationally. It will afford individuals with degrees in education and psychology greater professional opportunities to work in school systems and other educational, training, and intervention settings, such as early intervention, adult vocational training, rehabilitation programs, treatment centers and other clinical settings. The program will include all of the content and experience hours required for professional certification. Thus, students will be eligible to take the BCBA examination upon graduation. While the program certification affords graduates professional mobility, the high level of demand for behavior analysts in South Florida enables place-bound graduates to obtain a job in the area. The MSABA program will attract teachers and working professionals, and recent bachelors-level graduates in psychology and education.

The proposed program will award degrees in the Critical Workforce – Education category of the State University System of Florida Board of Governors Programs of Strategic Emphasis list. The program includes the use of applied behavior analysis in the classroom and other instructional settings, such as vocational training and early intervention programs. The program will also help meet the increased need and demand for specialized skills in behavior analysis in the greater Miami area. Due to the growing incidence of children diagnosed with Autism Spectrum Disorder (ASD) and other developmental disabilities, schools, training programs and treatment centers are under increasing pressure to provide the specialized educational and therapeutic services these students need. Students in the program will provide behavior analysis services to the community through practicum placements.

The population of South Florida far exceeds the population surrounding (within approximately a 50-mile radius) each of the other state universities (US Census Bureau 2010 data) and has a comparably high demand for expertise in Applied Behavior Analysis. Therefore, the MSABA program is expected to attract greater numbers of students than many programs in the state. There is increasing demand for teachers and service providers with the BCBA credential. ABA is the intervention of choice for

individuals with ASD and other developmental disorders. Recent legislative changes in many states around the country, including Florida, have resulted in expanded insurance coverage of ABA services for individuals with ASD. As a result, the ABA field is growing. From March 1, 2016 to December 21, 2016 job announcements were received for more than 240 BCBA positions around the country, with salaries ranging from \$65,000 to \$90,000. At least 56 positions were within Florida. Typical job titles include Behavior Analyst and Behavior Therapist.

Implementation Timeframe	Projected Enrollment (From Table 1)	
	HC	FTE
Year 1	18	24.75
Year 2	40	39.25
Year 3	46	47
Year 4	49	46.38
Year 5	51	48.25

Projected Program Costs (From Table 2)				
E&G Cost per FTE	E&G Funds	Contract & Grants Funds	Auxiliary Funds	Total Cost
0	0	0	\$335,188	\$335,188
0	0	0	\$653,447	\$653,447

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee

June 1, 2017

Subject: Approval of Amendment to the 2010-20 Campus Master Plan for the Modesto A. Maidique Campus to Accommodate the Construction of a Hotel, Conference Center, Alumni Center and Parking; and Approval of Terms of the Ground Lease Associated with the Hotel, Conference Center, Alumni Center and Parking; Authorize the President or his designee to undertake all steps necessary or desirable to complete the Ground Lease and all documents related to the Project

Proposed Committee Action:

Recommend that the Florida International University Board of Trustees hereby approve an amendment to the Campus Master Plan for the Modesto A. Maidique Campus (“MMC”) to accommodate the construction of a Hotel, Conference Center, Alumni Center and Parking; and approve the terms of the Ground Lease and other key terms associated with the Hotel, Conference Center, Alumni Center and Parking (the “Project”).

Background Information:

Approval of Amendment to the 2010 Campus Master Plan for the MMC Campus: The 2010-20 Campus Master Plan currently shows the approved location of a Hotel on the north part of the MMC campus, just east of the entrance at SW 112th Avenue, south of SW 8th Street, north of SW 10th Street, and west of Parking Garage 6. The 2010-20 Campus Master Plan shows the approved location of an Alumni Center and Conference Center on the southeast corner of campus, just east of Blue Garage and south of SW 16th Street on current Parking Lot 4.

As part of the Invitation to Negotiate competitive solicitation process for the design, development, construction, and operation of a Hotel, Conference Center, Alumni Center and Parking (the “Project”), a single site on the north side of campus allows for design and construction savings and for greater visibility of the Project. The proposed site, containing approximately 5.21 acres, is located on the north part of the MMC campus, just east of the campus recreation field, south of SW 8th Street, north of SW 10th Street, and west of Henington Island.

The amendment to the 2010-20 Campus Master Plan addresses the Land Use Map (4.1A), Recreation and Space Map (8.1), and Conservation Map (13.1).

Approval of Terms of the Ground Lease and other related agreements of the Project: FIU has explored the construction of a hotel, conference center, and alumni center for approximately 10 years. FIU’s 2005-15 and 2010-20 Campus Master Plans for the MMC campus and 5-year Capital Improvement Plans have reflected these projects. A hotel and conference center will serve the accommodation and conference needs of visitors, faculty, researchers and the community by providing an appropriate venue for academic, research and professional conferences; meeting and seminar rooms for symposia and career fairs; and special events, weddings, award ceremonies, and speakers series. An alumni center will be a place for

alumni to call home, create affinity, and encourage alumni to mentor students and assist them with jobs, professional and leadership development and internships. By incorporating the alumni center into the hotel and conference center, design and construction efficiencies are achieved, particularly eliminating the need to have separate conference facilities in the alumni center that were originally envisioned.

Initial and updated feasibility studies were completed in 2008, 2013 and 2015 and a task force was appointed by the University President to evaluate and assess the need and opportunities for the Project in 2014. Jones Lang LaSalle, external consultants, were hired in 2015 to review and assess prior studies, including project cost and amenity needs. On July 8, 2016, the FIU Foundation Board of Directors approved funding of \$6.8 million from cash and direct investment for the support of the alumni center. Also in 2016, an evaluation committee and a subject matter expert committee were established and an Invitation to Negotiate was issued, with four developer proposals submitted November 2, 2016 as part of the step-one qualifications based segment of the ITN. Three developers were shortlisted as part of the step-two technical segment of the ITN. The joint meeting of the evaluation and subject matter expert committees heard the formal presentations of each of the three developers on April 10, 2017 and the evaluation committee heard updated presentations on April 11, 2017. One of the three developers withdrew subsequent to the April 11, 2017 presentation meeting as the developer did not believe they could meet all of the program requirements. The evaluation committee received updated presentations by the two developers on May 12 and May 15, 2017. Best and Final Offers were received on May 24.

The evaluation committee has recommended that the proposal from Concord Benchmark, LLC (the "Developer") be accepted as providing the greatest benefits to FIU and best fulfilling the requirements of the ITN. The Senior Vice President for Finance and Administration/CFO and the Senior Vice President for University Advancement and Chief Executive Officer of the FIU Foundation have reviewed all of the supporting materials and concur with the recommendation of the Committee. The President of the University has also reviewed the supporting materials and concurs with the recommendation of the Committee.

The summary of key terms articulating all of the essential and required terms and conditions of the Project are presented for approval. FIU has been working with staff at the Board of Governors ("BOG") and the Florida Division of Bond Finance ("DBF") early in the process. Upon approval by the FIU BOT, the summary of terms will be submitted to the BOG and DBF for their review. It is anticipated that the BOG will consider the request at their August 2017 meeting. Approval will also be sought by the Trustees of the Internal Improvement Trust Fund ("TIITF") since the Project will require approval of the sub-lease of the land from TIITF.

The Project is in compliance with FIU and BOG Debt Management Guidelines and BOG Public Private Partnership Guidelines.

Legal Authority:

Florida Statute 1013.30 authorizes the university boards of trustees to adopt campus master plans and amendments related thereto. The master plan identifies general land uses and addresses the need for and plans for provision of roads, parking, public transportation, solid waste, drainage, sewer, potable water, and recreation and open space during the coming 10 to 20 years. The university BOT is authorized by Florida.

Supporting Documentation: Resolution Approving Amendment to the Campus Master Plan and the Project.
Statement of Key Terms
PowerPoint Presentation
Best and Final Offer, Concord Benchmark, LLC.
Feasibility Studies (*Nov. 2013 Feasibility Study Executive Summary included: full report available upon request*)

Facilitator/Presenter: Kenneth A. Jessell

A RESOLUTION APPROVING AMENDMENT OF THE 2010-20 CAMPUS MASTER PLAN FOR THE MODESTO A. MAIDIQUE CAMPUS (“MMC”), A HOTEL, CONFERENCE CENTER, PARKING, AND ALUMNI CENTER (THE “PROJECT”) AND AUTHORIZING ENTERING INTO A GROUND LEASE AGREEMENT AND OTHER RELATED AGREEMENTS WITH CONCORD BENCHMARK, LLC TO DESIGN, BUILD, FINANCE, OPERATE, MANAGE AND MAINTAIN THE PROJECT; REQUESTING THE FLORIDA BOARD OF GOVERNORS TO APPROVE THE PROJECT; PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES:

Section 1. The Board of Trustees hereby finds that the Project is necessary and desirable to be erected on its Modesto A. Maidique Campus. The Board hereby approves the construction of the Project, as more particularly described herein, and entering into a Ground Lease Agreement and other related agreements with the Developer, or an affiliated entity, to design, build, finance, manage and maintain the Project, consistent with the Summary of Key Terms attached hereto as Exhibit A (the “Summary of Terms”), and shall request that the Florida Board of Governors (the “Board of Governors”) and the Trustees of the Internal Improvement Trust Fund (“TIITF”) approve the Project.

Section 2. The Project is consistent with the objectives contained in the FIU’s 2005-15 and 2010-20 Campus Master Plans for the MMC campus (collectively, the “Master Plan”) and 5-year Capital Improvement Plans, and the Board hereby approves amendment of the 2010-20 Campus Master Plan to reflect the proposed location of the Project.

Section 3. The Board of Trustees hereby finds that development of the Project is consistent with the goals contained in the Board’s 2012-2018 Strategic Plan. Construction of the Project is expected to begin no earlier than March 2018 and to be completed in June 2019. Construction of Alumni Center is expected to begin no later than March 2018 and to be completed in June 2019.

Section 4. The University President, the authorized representatives of the University and the members of the Board are hereby authorized to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other actions as they may deem necessary or desirable, in connection with the Project and this resolution, including the execution and delivery of a Ground Lease Agreement and any other definitive agreements contemplated as part of the Project, consistent in all material respects with the terms outlined in the Summary of Terms (the “Definitive Agreements”). The University’s President or the President’s designee is authorized to execute and deliver the Definitive Agreements in a final form acceptable to the President, or the President’s designee, General Counsel and Bryant Miller Olive P.A., the University’s Special Counsel.

Section 5. In making the determination to approve the Project, the Board has reviewed the information attached as Appendix A and finds that it is in compliance with the University's master plan and applicable law.

Section 6. This Resolution shall take effect immediately upon its adoption.

Appendix A

The following documents have been reviewed by the Board prior to the execution of this Resolution:

- (a) the Project operating pro-forma and cost information provided by Concord Benchmark, LLC as validated by Jones Lang LaSalle and FIU Division of Finance;
- (b) the Summary of Key Terms outlining the significant terms to be contained in the Ground Lease Agreement and other related definitive agreements, agreed to in all material respects by the Developer in its Best and Final Offer submission pursuant to E-ITN 67-001; and
- (c) the depiction of the Project location on the Campus Master Plan Map, along with Project renderings, the Project program, and proposed floor plans.

SUBLEASE AGREEMENT
AND OTHER KEY AGREEMENTS

STATEMENT OF KEY TERMS

Parties: Florida International University Board of Trustees, as Landlord / University, and Concord Benchmark, LLC as Tenant / Developer.

Hotel Operator / Hotel Flag: BMC – The Benchmark Management Company, LLC, as Operator
The Hotel and Conference Center will be independent.

Subleased Premises: 5.21 acres of land at the northwestern segment of the Modesto A. Maidique Campus, fronting the 8th Street Boundary.

Please see Exhibit A.

Project: Public Private Partnership for a Hotel, Conference Center, Parking and Alumni Center at Florida International University’s Modesto Maidique Campus (E-ITN 67-001) (the “Project”).

Description and Uses of Hotel and Conference Center Facility:

The Hotel and Conference Center will serve the transient accommodation needs of students and their parents, visiting faculty, researchers, staff and the community. It will serve FIU’s commitment to community engagement by providing convenient quality accommodations and state-of-the-art conference and meeting space.

The Hotel and Conference Center will be designed, privately financed, developed, constructed, owned, maintained and operated by the Tenant as an upscale to upper-upscale market-based hotel and conference center.

Hotel and Conference Center GSF: 153,721

Description and Uses of the Alumni Center:

A two-floor facility with public/event areas, Alumni Association offices, storage/service rooms and a covered, outdoor event area.

Alumni Center GSF: 13,737

The Alumni Center will be designed and built by the Developer, but will not be owned or operated by the Developer or Operator. The FIU Foundation will occupy, own, and operate the Alumni Center, and will enter into a separate ground sublease with the Landlord.

Lease Term:	The lease term will be for forty years (40) with two five-year (5) renewal periods.
Permitted Use:	Hotel, Conference Center, Parking and Alumni Center at Florida International University's Modesto Maidique Campus.
Leasehold Interest Only:	Tenant shall only hold a leasehold interest in the Property. In no event, shall Tenant be deemed to hold or encumber the fee simple title to the Property.
FIU Purchase Option and Lease Expiration:	<p>Upon the expiration of the Sublease and renewal periods, the Facility will revert to the Landlord at no cost to the Landlord.</p> <p>Tenant shall offer the Landlord a termination right, which shall be negotiated by the parties, but will not be effective until at least ten years (10) after the project has opened. Such termination after that time would require the Landlord to compensate the investors and lenders in the project for such early termination, which valuation and compensation would be determined and based on an appraisal by a mutually agreed upon third party appraiser.</p>
No Sale / Assignment:	Except as otherwise expressly provided in the Sublease: (a) Tenant shall not have the right at any time to pledge, hypothecate, mortgage, or assign the Sublease, or to sublet the Property or any part thereof, or to grant any concession or license, or to allow anyone to occupy the Property, without the prior written consent of Landlord; and (b) Tenant shall not permit nor grant security interests or other interests upon Tenant's trade fixtures, personal property and equipment on the Property without first obtaining Landlord's written consent.
Guarantees:	<p>Construction and Completion Guaranty: Construction and completion guaranty will be negotiated with the equity and debt lenders.</p> <p>Tenant will adhere to the Landlord's Facility Guidelines, including all bonding requirements. Additionally, Subcontractor Default Insurance (SDI) is included and a Payment Performance Bond will be provided, if required.</p>
Agreements:	<p>In addition to the Ground Sublease Agreement between Landlord and Tenant, a Facility Operating and Management Agreement may be executed as part of this transaction.</p> <p>A separate Ground Sublease Agreement will be entered into between the FIU Foundation and the University for the Alumni Center.</p>

**Anticipated
Schedule:**

The current project schedule is as follows:

- Florida Board of Governors approval: August 2017
- Sublease agreement execution: September 2017
- Schematic drawing completion: February 2018
- Design development and permit document completion: February 2018
- Financial closing: March 2018
- Permit documents completed: March 2018
- Construction commencement: March 2018
- Construction completion: June 2019
- Hotel and Conference Center occupancy: June 2019
- Alumni Center occupancy: June 2019

**Due Diligence
Period:**

Duration will be 120 days from the date of execution of the Sublease.

**Debt Term and
Provisions:**

The project capital stack is composed of 40% equity provided by the Tenant and their equity partners and 60% project debt.

**Project Cost,
Financing Options
and Parameters:**

The total development cost for the Project is anticipated to be \$66,218,580, which includes all costs associated with the development and construction of the Hotel and Conference Center and Parking, as well as the Alumni Center, outdoor amenities and additional site work.

The total development cost for the Hotel and Conference Center is anticipated to be \$59,446,409. The total hard costs are \$46,997,447. The total soft costs are \$12,448,962.

The total development cost for the Alumni Center is anticipated to be \$6,772,171. The total hard costs are \$5,302,872. The total soft costs are \$1,269,298.

Financing Restrictions:

- The project will be 100% privately financed.
- Interest in Sublease may NOT be used as collateral for any financing.

Tenant will be paid a developer's fee of 3.5% of total costs for the Hotel, Conference Center, and Parking, and the Alumni Center for development services.

Developer is at risk for all cost overruns on the design and construction of the Project, with the exception of changes requested by the University.

**Private Party
Qualifications:**

The Developer has significant experience developing, marketing, financing and operating first class hotels, resorts and conference centers across the United States, and specifically, in conjunction with Universities.

Given that the development entity, Concord Benchmark, LLC, is a single purpose entity, it currently has a net worth of \$0. The Developer has demonstrated the ability to finance and construct similar size and scope projects. Concord Eastridge developed, and built the Mason Inn Hotel and Conference Center (149 rooms, 25,000 sf conference center) on the campus of George Mason University in Fairfax, VA. They also built Eagle Village at University of Mary Washington, which included a Hyatt Place Hotel (93 rooms) in Fredericksburg, VA and is developing (and financing) The StateView Hotel, a Marriott Autograph Collection hotel (164 rooms, 22,000 sf conference center) at North Carolina State University in Raleigh, NC. Benchmark has provided technical services and has marketed and operated more than 60 new build hotels, resorts and conference centers across the country, including The Chattanooga Hotel and Conference Center (199 rooms, 25,000 sf of meeting space) in Chattanooga, TN, The Heldrich Hotel and Conference Center (248 rooms, 25,000 sf of meeting space) in New Brunswick, NJ, Stonewall Resort (208 rooms, 22,000 sf of meeting space) in Roanoke, WV and is currently developing a conference center hotel (250 rooms, 23,000 sf of meeting space) on the campus of Texas A&M University in College Station, TX. Additionally, Benchmark's capital partner, Miami-based Gencom, is among the world's leading developers and owners of luxury, upper-upscale and mixed-use resorts and properties in North America. Gencom maintains significant industry relationships within the hospitality, private equity and lending communities, and Gencom has partnered with many of the world's leading investment institutions on similar transactions and would look to lead the efforts to implement these relationships for long-term financial stability of the project.

**Financial
Projections:**

Occupancy Year 1 – 66.0%
Occupancy at Stabilization* – 74.5%

Average Daily Rate Year 1 – \$152.76
Average Daily Rate at Stabilization* - \$232.56

RevPar Year 1 - \$100.82
RevPar at Stabilization* \$173.26

Net Operating Income Year 1 - \$1,904,000
Net Operating Income at Stabilization* - \$4,836,000

Internal Rate of Return for Tenant / Developer - 15.10%

Total Value of Project at Stabilization* - \$66,703,448

* Stabilization assumed at year 8 of operations

**Deposits, Ground
Rent Payments,**

Deposit: No Deposit is anticipated

Escalation, and Participation:

Annual Base Rent and Escalations:

- Annual Ground Rent

Annual ground rent for the Hotel and Conference Center will be \$210,000, and will increase by 5% every five years..

Please note the Ground Rent listed above is a minimum amount based on an assumed property value. Should the Developer and University agree to use a third-party appraisal, the ground rent could be higher based upon value of the land.

- Variable Rent

No variable rent– Profit Participation in lieu of variable rent

Default in Money Payments for Late Charges:

Any amount owed by Tenant to Landlord which is not paid when due and which remains unpaid for a period of thirty (30) days or more, shall bear interest at the rate of 350 basis points over LIBOR on all unpaid amounts from the date such funds were due through the date of payment in full.

Profit Participation:

Tenant agrees to split residual cash flow after a preferred return in lieu of variable rent:

Cash on cash return 10.0% to 12.5% with 6.0% return to FIU

Cash on cash return 12.5% to 15.0% with 8.0% return to FIU

Cash on cash return > 15.0% with 10.0% return to FIU

Parking:

Current plans contemplate 300 spaces with 30 of those spaces having the ability to be tented for additional outdoor event space. If needed, an additional 60-80 vehicles could be accommodated on site without blocking any entrances or exits if valet parking used.

The cost of parking per vehicle is estimated to be \$15 per self-parked car and \$25 per valet-parked car (in 2017 dollars) which inflates to \$16.39 and \$27.32 in 2020, respectively, increasing by inflation annually thereafter. Financial projections assume that 70% of occupied room nights will self-park and 10% will valet. Remainder will utilize various other transportation options (public transportation, taxi's, UBER, etc).

Occasional excess demand for FIU parking, if needed, will be negotiated between Landlord and Tenant at a market rate.

Utilities:

Tenant may be permitted to connect to chilled water, potable water, and sanitary sewer utilities and may purchase chilled water, potable water and sewer services from Landlord reimbursed at Landlord's cost. Tenant will work with the University to explore the option of connecting to the University's chilled water, potable water and sewer services.

Payment of Taxes:

Tenant is responsible for the payment of all appropriate taxes.

Insurance:

As outlined in E-ITN 67-001.

Maintenance and Operations:

Tenant will operate and maintain the hotel and conference center in a first-class fashion commensurate to the level expected by our guests and partners, and as executed in various similar locations across the country. Tenant will be responsible for all operations (e.g., rooms, food and beverage, sales and marketing, finance, accounting, IT, human resources) and maintenance, including housekeeping, repair and maintenance and engineering functions.

Tenant must implement and adhere to all University regulations and policies applicable to the University's campus and in effect from time to time, including, without limitation, the student code of conduct, no firearms policy, no smoking policy, the alcohol use policy, and handle any resident complaints pursuant to the Facility Operating and Management Agreement.

A description of optional maintenance, janitorial, and landscaping services for the Alumni Center is described below.

Tenant may assist, subject to negotiation, with the management of the Alumni Center including staffing and support from the hotel operations. Engineering, housekeeping, security and administration would provide the necessary operational support, ongoing day-to-day and longer-term maintenance, janitorial services, landscaping, etc.

Other University Benefits:

- Internships: Tenant will provide opportunities for paid student internships during construction and operations subject to negotiation.
- Post Graduate Job Opportunities: Tenant will provide opportunities for post graduate job opportunities subject to negotiation.
- Work-study: Tenant will provide opportunities for work studies subject to negotiation.

- Curricula: Tenant will coordinate with University to create opportunities to expand curricula.
- Research: Tenant will make an accommodation of graduate student and faculty for applicable research activities.
- Preferential Room Rates: Tenant will provide a 15% discount to overall Transient (independent traveler) rates for the University.
- Preferential Conference Center Rates: Tenant will negotiate preferential conference center rates with the University on a case-by-case basis, with the intent to give benefit to the University whenever and wherever possible and feasible.
- Tours: Tenant will provide tours focused on operations and discussed opportunities for food and beverage specific tours and classes, as well as job shadowing.

Approvals:

The program, design, and site layout, as well as the Hotel Operator, are subject to the approval of the Florida International University President and, to the extent required, by the Florida International University Board of Trustees, the State of Florida Board of Governors, State of Florida Department of Environmental Protection Trustees of the Internal Improvement Trust Fund, and the FIU Foundation Board of Directors.

Developer will design the Project in accordance with all applicable codes and plans and specifications approved by University. Developer will engage an architect for such purpose. All permits will be obtained by Developer.

Developer will engage a general contractor to construct the project on a guaranteed maximum price basis. All contractors and subcontractors require Owner approval. All change orders involving a change in cost require Owner approval.

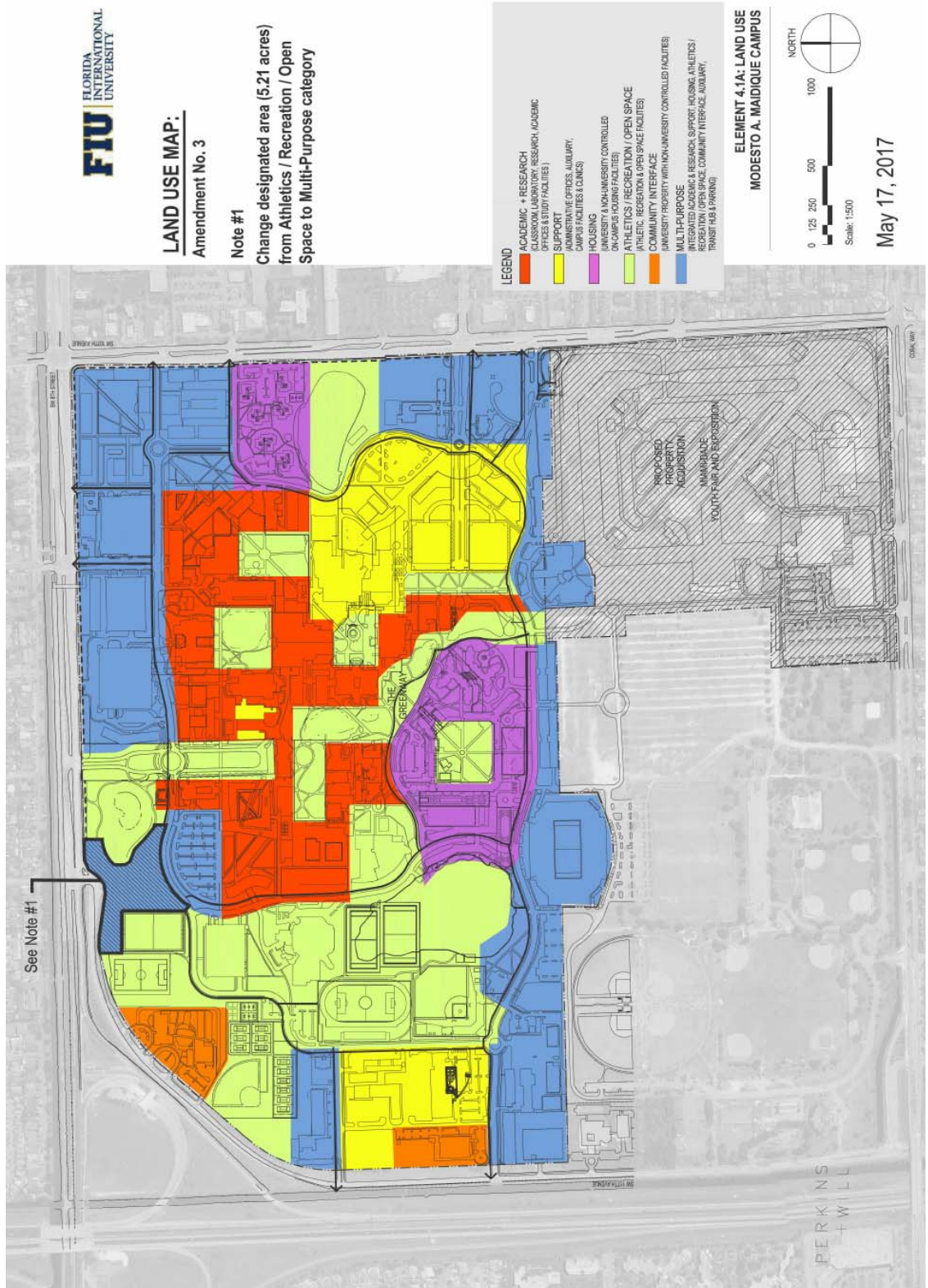
Access to Property:

Landlord may have free access to all public areas of the Property at all reasonable times, and to all private areas upon reasonable notice and coordination with Tenant, for the purpose of inspecting the same for compliance with this Sublease.

Summary of Terms Only:

This Statement of Key Terms is only a summary of material terms, and remains subject in all respects to negotiation and execution of definitive agreements.

Exhibit A



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FLORIDA INTERNATIONAL UNIVERSITY

Finance and Facilities Committee Meeting

June 1, 2017

FIU | **Board of
Trustees**



*FF5: Amendment to the FIU 2010-20 Campus Master
Plan to Modify Location of Hotel, Conference Center,
and Alumni Center; and Approval of Terms for Ground
Lease and Development Agreement*



Hotel, Conference Center, and Alumni Center

- A Hotel and Conference Center is needed to serve the accommodation and conference needs of visitors, faculty, researchers, and the community:
 - Academic, Research, and Professional Conferences
 - Meeting and Seminar Rooms for Symposia and Career Fairs
 - Special Events, Weddings, Award Ceremonies, Speakers Series
- An Alumni Center will be a place for alumni to call home, create affinity, and encourage alumni to mentor students and assist them with jobs, professional and leadership development and internships
- The Hotel, Conference Center, and Alumni Center have been included in FIU's 2005-15 and 2010-20 Campus Master Plans and BOT/BOG Capital Improvement Plans, and have received Legislative authorization

Process and Timeline

- **2008:** Initial feasibility study by PKF was initiated and completed
- **2013:** Updated feasibility studies by PKF were completed; updated 2015
- **2014** President appoints Task Force to evaluate and assess need and opportunity
- **2015:** Jones Lang LaSalle (JLL) contracted to review and assess prior studies, including project cost and amenity needs
- **2016:** FIU Foundation approves \$6.8 million in support of Alumni Center (\$1.3M cash; \$5.5M direct investment) July 8
 - Draft Invitation to Negotiate submitted to BOG and Division of Bond Finance
 - Invitation to Negotiate issued July 15
 - Step-One qualifications-based proposals received October 13
 - Evaluation Committee reviewed proposals and short-listed Respondents November 2
 - Site Location Meetings November 22, 23
- **2017:** Step-Two technical responses received February 16
 - Evaluation Committee reviewed proposals March 10
 - Proposal presentations by Respondents April 12
 - Negotiation meetings April 13, May 12 and 15
 - Receipt of Best and Final Offers May 19
 - Intent to Award May 23

Evaluation Committee

- Evaluation Committee Members
 - Richard Brilliant, Senior Vice President and Chief Audit Officer, Carnival Cruise Lines, FIU Foundation Vice Chair
 - Aime Martinez, Associate Vice President, Finance and Administration
 - Eric Beckman, Assistant Professor, Chaplin School of Hospitality & Tourism Management
 - Robert Griffith, Director, Facilities Planning
 - Thomas Hartley, Executive Director, Parking and Transportation
 - Patrick Meagher, Director, Construction Management
 - David H. Snider, Director of Budget, Auxiliary & Enterprise Development
 - Tony Vu, University Treasurer, Office of the Treasurer
 - Duane Wiles, Associate Vice President Advancement / Alumni Affairs Director, Alumni Relations
- Consultants
 - Jones Lang LaSalle
 - Fernando Garcia-Chacon, Executive Vice President, Hotels & Hospitality Group
 - Martine Combal, Vice President, Public Institutions
 - Tim Eachus – Managing Director
 - Bryant Miller Olive, P.A.
 - Kenneth A. Artin, Esq.

Evaluation Committee

- Subject Matter Experts – non voting members of the Evaluation Committee
 - Nancy Cadavid, Director of Business Services
 - John Cal, Associate Vice President Facilities Administration
 - Maria Rosa Drake, University IT Director
 - Christina Jardim, Director of Budget, Auxiliary & Enterprise Development
 - Rafael F. Prohias, Associate General Counsel
 - Shannon Roddy, Assistant Vice President, FIU Foundation and Director Support Organizations
 - Rodolfo Vila, Assistant Vice President, Business Services
 - James R. Wassenaar, Director of Facilities Planning

Selected Respondent

Concord Benchmark LLC – Developer, consists of the following companies:

- Concord Eastridge, Inc.
- Benchmark Management Company, LLC

Benchmark Management Company, LLC – Operator

Rabun Architects, Inc. – Architectural services

Moss & Associates, LLC – Construction services

Selected Respondent – Team Members

Concord Eastridge, Inc. Developer

- Active development portfolio valued in excess of \$1.7B
- Projects range in size from 20,000 SF to over 2 million SF and \$40M to \$600M
- Woman owned real estate development firm with a focus on public private and mixed-use development
- Founded in 2004

Rabun Reasche Rector Reece Architects Design Team

- Specializes in the design of hotels, resorts, conference centers, and various hospitality-related facilities
- Founded in 1994
- Active member of the International Association of Conference Centers (IACC)

Benchmark Management Company Co-Developer and Operator

- Founded in 1984, global leader in development, management, and marketing of independent resorts, hotels, and conference centers
- 59 unique destinations around the world, 70 home office associates, and 6,000 associates world-wide
- Annual revenue of \$715M and \$3B in assets under management
- Developed more than 50 new projects

Moss Construction General Contractor

- Construction management at risk, design-build, and public private partnerships
- Successfully delivered over \$4.5B in projects on time and on budget
- 9 regional offices and 500 employees
- Founded in 2004

Hotel and Conference Center Amenity Overview

- Upper-Upscale hotel with 150 guest rooms
- Mid to high-rise building not to exceed seven floors
- Full-service conference center (32,717 SF) includes a ballroom (6,000 SF), three conference rooms, nine break out rooms, a learning lab and a board room
- Full-service indoor/outdoor three meal restaurant including buffet area (approx. 190 seats), private dining, lounge/bar plus outdoor seating, rooftop bar plus outdoor seating
- Indoor fitness center and outdoor swimming pool and entertaining areas
- Minimum 300 parking spaces on site with 30 of those spaces having ability to be tented for additional outdoor event space. If needed an additional 60-80 vehicles could be accommodated on site if valet parking is used

Hotel and Conference Center Project Funding Overview

- Hotel, conference center, and parking will be designed, built, owned and operated by the Developer/Operator; FIU will approve design
- FIU and FIU Foundation will have no financial obligation to support the hotel or conference center operations or debt obligations
- Land will not be subordinated to any debt
- FIU will receive market value ground rent and/or net income in return for leasing the parcel of land to the hotel operator
- FIU will agree to refer campus visitors requiring overnight accommodations to the Hotel and will direct all FIU-paid/reimbursed local lodging to the Hotel on a best-price match basis
- FIU will not guarantee any number of room nights or any level of revenue operating support

Alumni Center Amenity Overview

- Vision of the Alumni Center is to be the premier multi-purpose facility for academic, social and business gathering of alumni, students, and faculty
- With an alumni base of 250,000, the Alumni Center will be a community focal point—a place for alumni and their families to call home while celebrating FIU's past and visionary future
- The Alumni Center will offer a wide range of student and alumni mentoring, career services and study centers, library and launch
- The Alumni will build affinity, cultivate an expanded donor base, and increase philanthropic giving
- Alumni Center will contain 13,737 square feet, will be managed by FIU Foundation

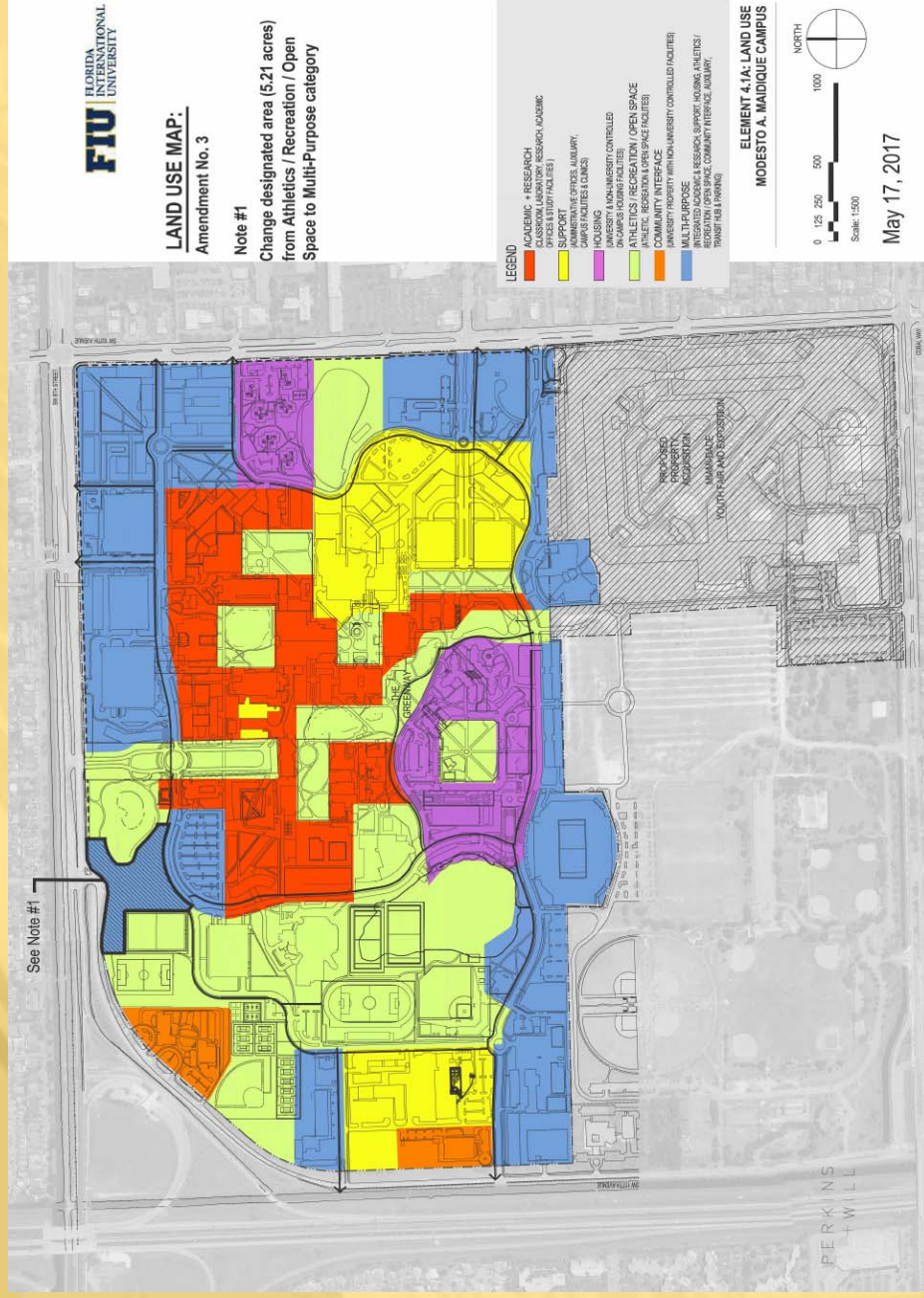
Alumni Center Funding Overview

- Alumni Center will cost \$6.8 million, with \$1.3 million from Bank of America royalties, accumulated fund balances and new cash gifts as well as \$5.5 million in direct investment
- Direct investment will receive an internal rate of return of 4.5 percent from external and internal rental of office and atrium space net of operating expenses, affinity partnership revenues and philanthropy
- Operating expenses include janitorial, insurance, repairs and maintenance, and utilities
- FIU Foundation will create a wholly-owned subsidiary for the operation and maintenance of the Alumni Center

2010-20 Campus Master Plan-Proposed Site



2010-20 Campus Master Plan-Proposed Site



Change 5.21 acres currently designated as special purpose athletics/recreation open space to multi-purpose space.

Detail of Proposed Site Location



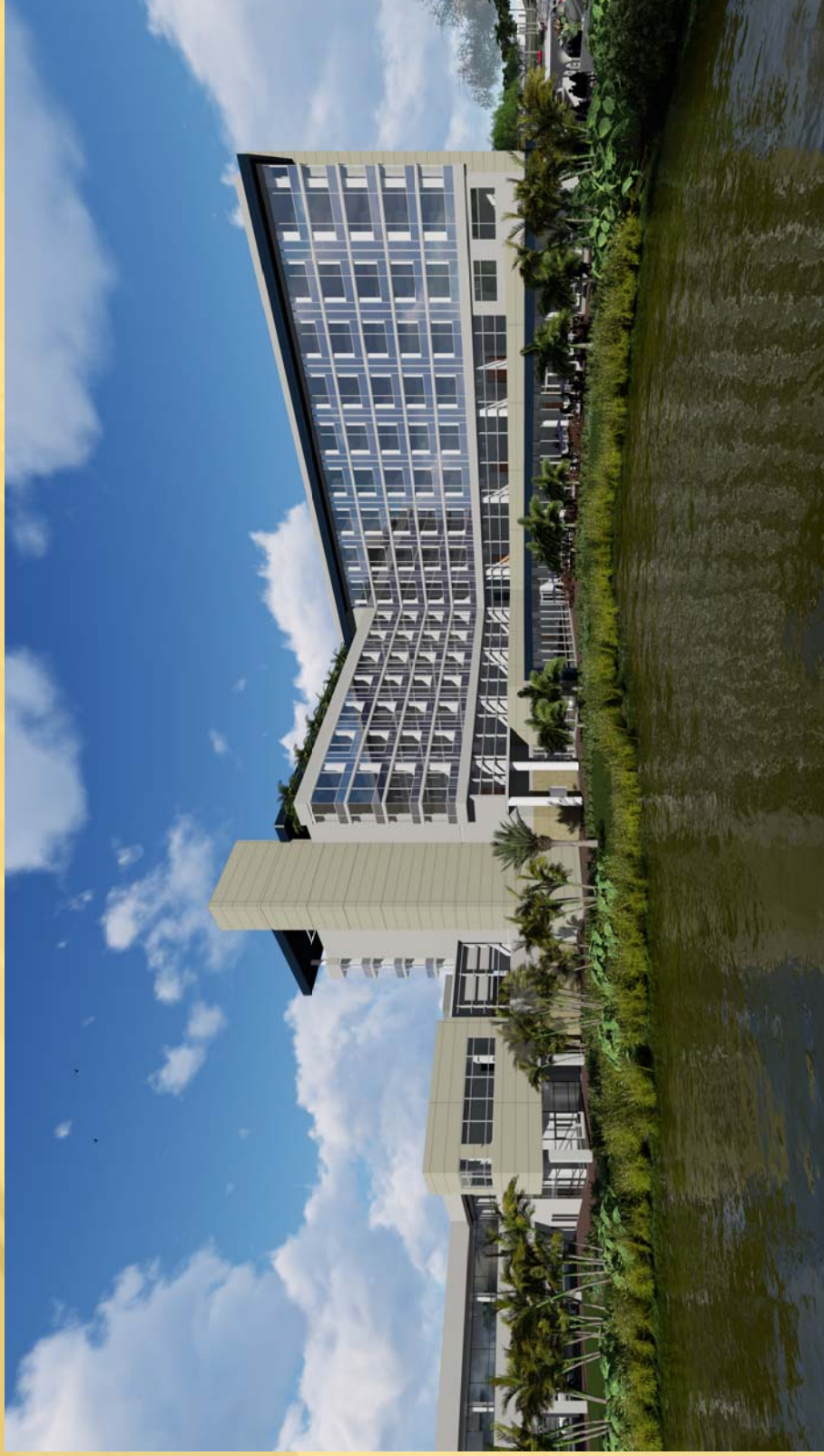
Design Concept



Design Concept



Design Concept



Design Concept



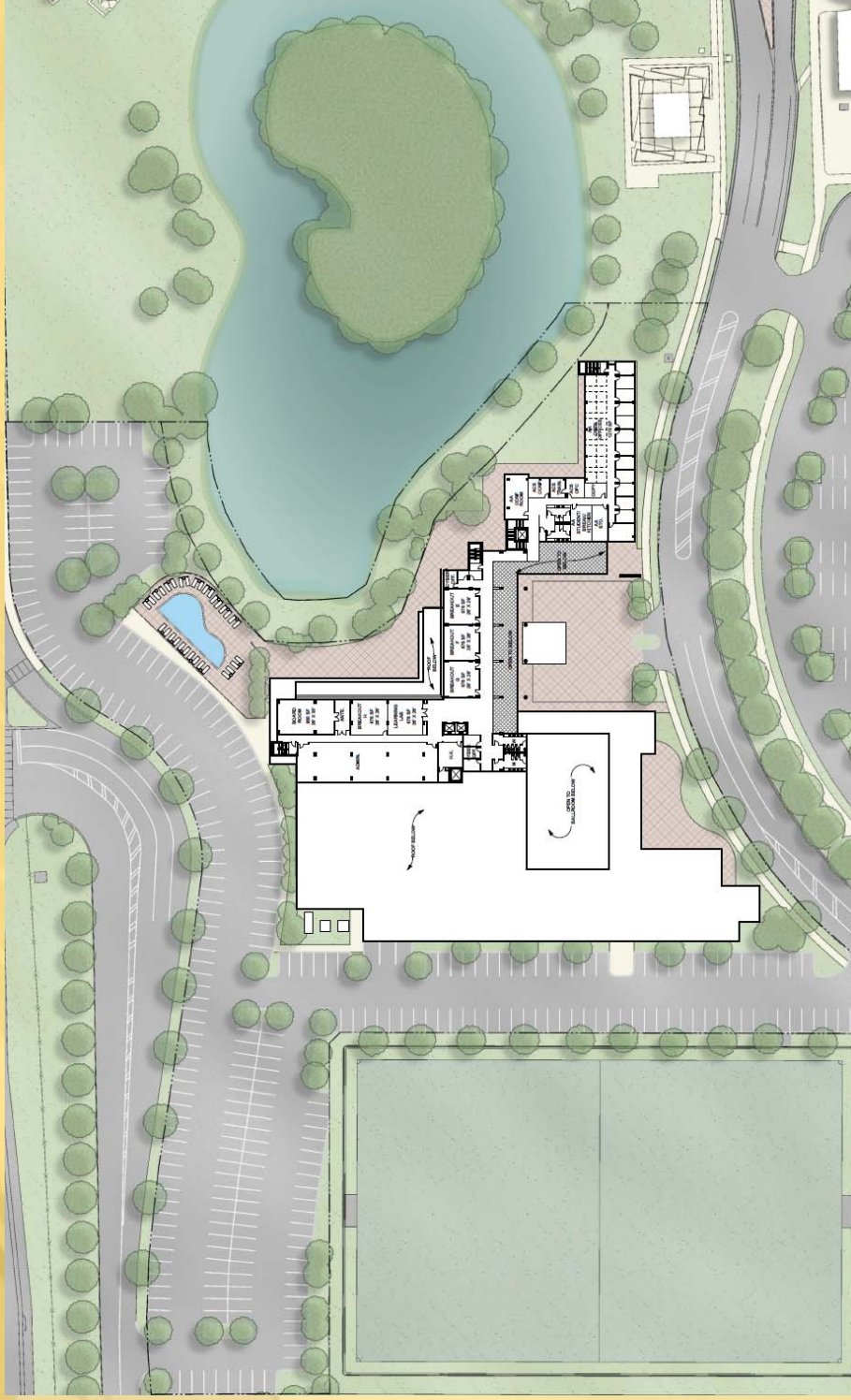
Design Concept



Design Concept – Ground Floor



Design Concept – Second Floor



Summary of Key Terms

- Lease Term: Forty years with two potential five-year renewal periods
- Leasehold Interest: Tenant shall only hold a leasehold interest in the Property. Tenant may not hold or encumber the fee simple title to the property
- Termination Right: University shall have option to terminate the leasehold improvements after year ten given investors and lenders are compensated for early termination, otherwise the improvements will revert to the University at no cost at the end of the lease term
- Sale/Assignment: Tenant has the right to sell, assign, and transfer interest in the sublease provided the assignee assumes all obligations, tenant is not in material default, the new manager if any shall provide Landlord with evidence of qualifications and obtain Landlord's approval
- Guarantees: Construction and Completion Guaranty required
- Anticipated Schedule: Construction completions twenty-four months from sublease contract execution, June 2019
- Due Diligence Period: 120 days from sublease contract execution
- Debt Term and Provisions: 100% Private financing 40% equity and 60% project debt
- Hotel, Conference Center and Surface Parking Total Development Cost: \$ 59.4 M
- Alumni Center Total Development Cost: \$ 6.8M
- Developer: Will be paid fee for services of 3.5% of total costs and is at risk for all cost overruns on the design and construction of the Project. Developer will also maintain 5.0% project contingency and a minimum of 1.2X debt service coverage

Summary of Key Terms

- **Parking:** Minimum 300 parking spaces on site, guests will be charged for parking \$15 self-parked and \$25 valet per day (in 2017 dollars), and 30 of the onsite spaces having ability to be tented for additional outdoor event space. Ability for an additional 60-80 vehicles accommodated if valet parking is used. For any off-site parking requests, FIU will reach an independent agreement with the developer
- **Utilities:** Developer has assumed that all utilities will be available at the edge of the property and that all needs will be addressed by equipment on site. Developer will work with the University to explore the option of connecting to the University's chilled water, potable water and sewer services reimbursed at Landlord's cost
- **Taxes:** Developer responsible for payment of all taxes
- **Maintenance and Operations:** Manager must implement all FIU Regulations and policies applicable to University's campus and maintain reserves for repairs and maintenance
- **Approvals:** Program, design, site layout and hotel operator are subject to approval by the President and the FIU Foundation where appropriate. All permits will be obtained by the Developer who will engage a general contractor on a guaranteed maximum price basis. All contractors, subs and change orders require University approval

Project Financial Projections

• Average Daily Rate (ADR) at Year 1:	\$152.76
• ADR Growth:	3.0% at Stabilization*
• Revenue Per Available Room (RevPAR) at Stabilization:	\$173.26
• ADR at Stabilization*:	\$232.56
• Occupancy Rate at Year 1:	66%
• Occupancy Rate at Stabilization*:	74.5%
• Capitalization Rate:	7.25%
• NOI at Opening:	\$1.9M
• NOI at Stabilization*:	\$4.8M
• Value at Stabilization*:	\$66,703,448
• Value Per Key at Stabilization*:	\$444,690
• IRR to Partner:	15.10%
• ROI to Partner:	3.25x

Benefits to FIU

- Sublease Ground Rent: \$210,000 per year, escalation of 5% every five years
- FIU Profit Share:
 - Cash-on-Cash Return (annual net cash flow/equity investment) 10.0% - 12.5% = 6.0% to FIU; 12.5% - 15.0% = 8.0% to FIU; > 15.0% = 10.0% to FIU
- Parking: Ability to generate revenue from off-site parking demands
- Internship opportunities
- Post graduate job opportunities
- Work study opportunities
- Hotel Leadership to work with faculty on innovative curricula and research studies
- Preferential Rates: FIU related room nights will receive, in general, a 15% discount to overall transient rates. Conference Center rates on a case-by-case basis
- Funding received by the project will be used to support instructional and research activities and student scholarships

Next Steps

- Request BOT approval to amend the Campus Master Plan to reflect the new location of the Hotel, Conference Center, and Alumni Center and associated parking
- Request BOT approval to authorize the President to enter into a ground lease and development agreement with the developer reflecting the terms and conditions identified and to execute any and all documents in connection with the Hotel and Conference Center
- Submit BOT approval package to Board of Governors and Division of Bond Finance for August 30, 2017 approval
- Finalize Ground Lease, Development Agreement, and Operating Agreements and submit to BOT, BOG, and Division of Bond Finance for review and compliance with approved terms and conditions
- Request approval from the Trustees of the Internal Improvement Trust Fund to sublease the land and to retain the revenue generated by the sublease to further the University's educational and research mission

FLORIDA INTERNATIONAL UNIVERSITY

Finance and Facilities Committee Meeting

June 1, 2017

FIU | **Board of Trustees**





May 19, 2017

Selection Committee – Florida International University – Facilities Planning
Campus Support Complex
11555 SW 17th Street, Room 142
Modesto A. Maidique Campus
Miami, Florida 33199

RE: Best and Final Offer - Completive Solicitation Number: E-ITN 67-001

Dear Selection Committee:

Concord Benchmark, LLC and our Development Team are pleased to submit to **Florida International University and Florida International University Foundation, Inc.** our **Best and Final Offer (BAFO)** to the Competitive Solicitation Number: E-ITN 67-001, Public Private Partnership for Hotel, Conference Center, Parking and Alumni Center at Modesto Maidique Campus in Miami, Florida.

Concord Benchmark, LLC is a limited liability company that combines the on-campus public private development experience of Concord Eastridge, Inc., based in Fairfax, Virginia and Scottsdale, Arizona, with the on-and-off campus hotel, conference center and alumni center management experience of Houston, Texas based Benchmark Management Company.

The Concord Benchmark Development Team, is a collection of companies with expertise in the various areas needed to develop, design, build, finance and operate a successful hospitality facility. Though we have met numerous times in the past months we want to reintroduce our Development Team that includes **Concord Eastridge, Inc.** as developer, **Benchmark Management Company** as co-developer and the facility's manager, **Rabun Rasche Rector Reece Architects** as our design team and **Moss Construction** as our general contractor. Each firm is a respected industry leader in their area of expertise. Some have previously partnered with FIU, delivering successful on-campus projects and in some cases, have corporate leadership who are active alumni of FIU. One impressive statistic to note, Moss Construction currently employs more than 40 FIU graduates.

Our Development Team has conceived a project for FIU that will meet, and in it is our intention to exceed, your expectations for this facility. That is what drives each organization on our Team.

The documents enclosed in our BAFO represent significant refinement from the initial Step One and Step Two submissions and reflect the questions and ideas that the FIU Evaluation Committee has shared with us throughout our negotiation sessions. The pro formas show a project that is not without challenges, but given the benefits of the true partnership that will unite FIU and the Concord Benchmark Team, this project will bring a new level of opportunity, success and enjoyment to the FIU community.

This has been a long process and the selection of your Development Partner is imminent. The Concord Benchmark Development Team is the most experienced group for this endeavor and we look forward to a long-lasting partnership with Florida International University and the FIU Alumni Foundation.

Mike Haller remains the primary point of contact and if you have any questions, please direct them to him at mhaller@concordeastridge.com or by telephone at 703.563.9810.

Sincerely,

Concord Eastridge, Inc.

Susan H. Eastridge
CEO and President

Benchmark Management Company

Burt Cabanas
Founder and Chairman

**SUBLEASE AGREEMENT
AND OTHER KEY AGREEMENTS**

DRAFT STATEMENT OF KEY TERMS

Parties: Florida International University Board of Trustees, as Landlord, and *CONCORD BENCHMARK, LLC* as Tenant.

Hotel Operator / Hotel Flag: *BMC – THE BENCHMARK MANAGEMENT COMPANY, LLC - PLEASE SEE STEP I, STEP II AND CLARIFYING QUESTIONS SUBMITTALS FOR CLARIFICATIONS ON HOTEL FLAG.*

Subleased Premises: *See attached Exhibit 'D'*

Project: Public Private Partnership for a Hotel, Conference Center, Parking and Alumni Center at Florida International University's Modesto Maidique Campus (E-ITN 67-001)

Description and Uses of Hotel and Conference Center Facility:

THE HOTEL AND CONFERENCE CENTER WILL BE POSITIONED AS THE "LIVING ROOM" OF THE UNIVERSITY, AS A PLACE TO HOST, GATHER, ENTERTAIN AND RELAX. WHILE FOCUSED ON SERVING ALL UNIVERSITY CONSTITUENTS, THE HOTEL AND CONFERENCE CENTER WILL BE UTILIZED FOR BOTH UNIVERSITY AND NON-UNIVERSITY USES. THE HOTEL ROOMS WILL BE MARKETED TO SUPPORT UNIVERSITY AND NON-UNIVERSITY GROUP BUSINESS, AS WELL AS TRANSIENT (INDIVIDUAL TRAVELER) BUSINESS. THE CONFERENCE CENTER WILL SUPPORT UNIVERSITY AND NON-UNIVERSITY GROUP, MEETING AND EVENT BUSINESSES. FURTHER, THE FACILITY WILL OFFER, AND THE OPERATOR WILL MANAGE, MULTIPLE FOOD AND BEVERAGE OUTLETS SERVING ALL RELATED FOOD AND BEVERAGE OPERATIONS. PLEASE SEE THE CONCEPT DOCUMENTS AND AREA SUMMARIES FOR ADDITIONAL INFORMATION ON ALL GUEST ROOMS, FOOD AND BEVERAGE OUTLETS AND MEETING SPACES BEING PROPOSED.

SEE ATTACHED EXHIBIT 'F' FOR ADDITIONAL DETAIL ON THE HOTEL CONFERENCE CENTER PROGRAMS

Hotel and Conference Center:

153,721 SF

Description and Uses of the Alumni Center:

A TWO-FLOOR FACILITY WITH PUBLIC/EVENT AREAS, ALUMNI ASSOCIATION OFFICES, STORAGE/SERVICE ROOMS AND A COVERED, OUTDOOR EVENT AREA.

SEE ATTACHED EXHIBIT 'F' FOR A MORE DETAILED LISTING OF THE ALUMNI CENTER PROGRAM

Alumni Center:

13,737 SF

Lease Term: The lease term will be for forty years with two five-year renewal periods.

Permitted Use: *HOTEL, CONFERENCE CENTER, PARKING AND ALUMNI CENTER AT FLORIDA INTERNATIONAL UNIVERSITY'S MODESTO MAIDIQUE CAMPUS.*

Insurance: As outlined in the ITN.

Leasehold Interest Only: Tenant shall only hold a leasehold interest in the Property. In no event, shall Tenant be deemed to hold or encumber the fee simple title to the Property.

FIU Purchase Option and Lease Expiration: *UPON THE EXPIRATION OF THE SUBLEASE AND RENEWAL PERIODS, THE FACILITY WILL REVERT TO THE UNIVERSITY AT NO COST TO THE UNIVERSITY*

REGARDING THE UNIVERSITY'S REQUEST FOR THE RIGHT TO TERMINATE THE LEASE EARLY, AND WITHOUT CAUSE, CONCORD BENCHMARK SHALL OFFER THE UNIVERSITY SUCH A TERMINATION RIGHT, WHICH SHALL BE NEGOTIATED BY THE PARTIES, BUT WILL NOT BE EFFECTIVE UNTIL AT LEAST TEN YEARS AFTER THE PROJECT HAS OPENED. SUCH TERMINATION AFTER THAT TIME WOULD REQUIRE THE UNIVERSITY TO COMPENSATE THE INVESTORS AND LENDERS IN THE PROJECT FOR SUCH EARLY TERMINATION, WHICH VALUATION AND COMPENSATION WOULD BE DETERMINED AND BASED ON AN APPRAISAL BY A MUTUALLY AGREED UPON THIRD PARTY APPRAISER.

THE CONCORD BENCHMARK TEAM NOTES THAT IT HAS BEEN OUR POSITION TO PROVIDE THE HIGHEST QUALITY FACILITY AND OPERATIONS OF THE HOTEL AND CONFERENCE CENTER FOR FIU.

THE TEAM ACKNOWLEDGES THAT IT IS HIGHLY UNUSUAL FOR A PRIVATELY FINANCED, OWNED AND OPERATED HOTEL ON UNIVERSITY LAND BE REQUIRED REVERT TO THE UNIVERSITY UNLESS THE FACILITY IS DEVELOPED AND OPERATED UNDER A CAPITAL LEASE STRUCTURE WITH THE UNIVERSITY. OUR TEAM WILL WORK WITH THE UNIVERSITY TO PUT IN PLACE A STRUCTURE THAT MAY MEET THIS REQUIREMENT WITH THE UNDERSTANDING THAT THIS PROVISION MAY BE A SIGNIFICANT HINDRANCE TO THE PRIVATE SECTOR EQUITY AND DEBT INVESTMENT MARKET.

No Sale / Assignment: Except as otherwise expressly provided in the Sublease: (a) Tenant shall not have the right at any time to pledge, hypothecate, mortgage, or assign the Sublease, or to sublet the Property or any part thereof, or to grant any concession or license, or to allow anyone to occupy the Property, without the prior written consent of Landlord; and (b) Tenant shall not permit nor grant security interests or other interests upon Tenant's trade fixtures, personal property and equipment on the Property without first obtaining Landlord's written consent.

Guarantees:

Construction and Completion Guaranty:

CONSTRUCTION AND COMPLETION GUARANTY IS TYPICALLY NEGOTIATED WITH THE EQUITY AND DEBT LENDERS. THE CONCORD BENCHMARK TEAM WILL MEET ALL LENDER REQUIREMENTS FOR THE PROJECT.

Developer will adhere to the Facility Guidelines, including all bonding requirements.

SUBCONTRACTOR DEFAULT INSURANCE (SDI) IS INCLUDED AND A PAYMENT AND PERFORMANCE BOND WILL BE PROVIDED IF REQUIRED.

Agreements:

In addition to the Sublease Agreement, a Facility Operating and Management Agreement will be executed as part of this transaction.

THE DEVELOPMENT TEAM EXPECTS TO EXECUTE A FACILITY OPERATING AND MANAGEMENT AGREEMENT WITH THE HOTEL AND CONFERENCE CENTER OWNERSHIP.

Anticipated
Schedule:

The current project schedule is as follows: *SEE ATTACHED EXHIBIT 'I'*

- Sublease agreement execution:
- Schematic drawing completion:
- Design development and permit document completion:
- Financial closing:
- Permit documents completed:
- Construction commencement:
- Construction completion:
- Hotel and Conference Center occupancy:
- Alumni Center occupancy:

A construction draw schedule for the entire project is attached

SEE ATTACHED EXHIBIT 'A'

Due Diligence
Period:

Duration will be *120* days from the date of execution of the Sublease.

Debt Term and
Provisions:

The project capital stack is composed of *40%* equity provided by the Developer and their equity partners and *60%* project debt. Additional information regarding the financial structure is included in the project assumptions and pro forma attachment.

SEE ATTACHED EXHIBIT 'A'

Project Cost,
Financing Options
and Parameters:

The total development cost for the project is anticipated to be *\$66,218,580*, which includes all costs associated with the development and construction of the Hotel and Conference Center and Parking, as well as the Alumni Center, outdoor amenities and additional site work.

DEBT AND EQUITY ASSUMPTIONS VARY DEPENDING ON THE PROJECT.

SEE ATTACHED EXHIBIT 'A'.

The total development cost for the Hotel and Conference Center project is anticipated to be *\$59,446,409*. The total hard costs are *\$46,997,447*. The total soft costs are *\$12,448,962*.

The total development cost for the Alumni Center project is anticipated to be *\$6,772,171*. The total hard costs are *\$5,302,872*. The total soft costs are *\$1,269,298*.

Financing Restrictions:

- Public financing has not been assumed; the project will be 100% privately financed.
- Interest in Sublease may NOT be used as collateral for any financing.

Developer will be paid a developer's fee for its services as specified in the Hotel and Conference Center Sources and Uses Table. All fees are outlined in the attachment.

SEE ATTACHED EXHIBIT 'A'

Developer will be paid a developer's fee for its services as specified in the Alumni Center Sources and Uses Table]. All fees are outlined in the attachment.

SEE ATTACHED EXHIBIT 'A'

Developer reserve funds are outlined in the pro forma for the Hotel and Conference Center

SEE ATTACHED EXHIBIT 'A'

Developer is at risk for all cost overruns on the design and construction of the Project, with the exception of changes requested by the University.

Private Party
Qualifications:

The Developer has significant experience developing, marketing, financing and operating first class hotels, resorts and conference centers across the United States, and specifically, in conjunction with Universities.

GIVEN THAT THE DEVELOPMENT ENTITY, CONCORD BENCHMARK, LLC, IS A SINGLE PURPOSE ENTITY, IT CURRENTLY HAS A NET WORTH OF \$0. THE DEVELOPER HAS DEMONSTRATED THE ABILITY TO FINANCE AND CONSTRUCT SIMILAR SIZE AND SCOPE

PROJECTS. CONCORD EASTRIDGE DEVELOPED, AND BUILT FOR THE UNIVERSITY, THE MASON INN HOTEL AND CONFERENCE CENTER (149 ROOMS, 25,000 SF CONFERENCE CENTER) ON THE CAMPUS OF GEORGE MASON UNIVERSITY IN FAIRFAX, VA, THE UNIVERSITY OF MARY WASHINGTON – EAGLE VILLAGE AT UNIVERSITY OF MARY WASHINGTON, WHICH INCLUDED A HYATT PLACE HOTEL (93 ROOMS) IN FREDERICKSBURG, VA AND IS DEVELOPING (AND FINANCED) THE STATEVIEW HOTEL, A MARRIOTT AUTOGRAPH COLLECTION HOTEL (164 ROOMS, 22,000 SF CONFERENCE CENTER) AT NORTH CAROLINA STATE UNIVERSITY IN RALEIGH, NC. BENCHMARK HAS PROVIDED TECHNICAL SERVICES, MARKETING AND OPERATED MORE THAN 60 NEW BUILD HOTELS, RESORTS AND CONFERENCE CENTERS ACROSS THE COUNTRY, INCLUDING THE CHATTANOOGAN HOTEL AND CONFERENCE CENTER (199 ROOMS, 25,000 SF OF MEETING SPACE) IN CHATTANOOGA, TN, THE HELDRICH HOTEL AND CONFERENCE CENTER (248 ROOMS, 25,000 SF OF MEETING SPACE) IN NEW BRUNSWICK, NJ, STONEWALL RESORT (208 ROOMS, 22,000 SF OF MEETING SPACE) IN ROANOKE, WV AND IS CURRENTLY DEVELOPING A NEW-BUILD CONFERENCE CENTER HOTEL (250 ROOMS, 23,000 SF OF MEETING SPACE) ON THE CAMPUS OF TEXAS A&M IN COLLEGE STATION, TX. ADDITIONALLY, BENCHMARK'S CAPITAL PARTNER, MIAMI-BASED GENCOM, IS AMONG THE WORLD'S LEADING DEVELOPERS AND OWNERS OF LUXURY, UPPER-UPSCALE AND MIXED-USE RESORTS AND PROPERTIES IN NORTH AMERICA. GENCOM MAINTAINS SIGNIFICANT INDUSTRY RELATIONSHIPS WITHIN THE HOSPITALITY, PRIVATE EQUITY AND LENDING COMMUNITIES, AND GENCOM HAS PARTNERED WITH MANY OF THE WORLD'S LEADING INVESTMENT INSTITUTIONS ON SIMILAR TRANSACTIONS AND WOULD LOOK TO LEAD THE EFFORTS TO IMPLEMENT THESE RELATIONSHIPS FOR LONG-TERM FINANCIAL STABILITY OF THE PROJECT.

Financial
Projections:

Project revenue assumptions are outlined in the project assumptions attachment

SEE ATTACHED EXHIBIT 'A'

FIU anticipates that the project will provide the University with approximately of ground rent and participation.

SEE ATTACHED EXHIBIT 'A'

Revenue and returns to the developer, partners and FIU are identified in the project pro forma

SEE ATTACHED EXHIBIT 'A'

Deposits, Ground
Rent Payments,
Escalation, and
Participation:

Deposit: *NO DEPOSIT IS ANTICIPATED*

Annual Base Rent and Escalations:

SEE ATTACHED EXHIBIT 'A'

- Annual ground rent.

AT STABILIZATION THE ANNUAL GROUND RENT FOR THE HOTEL AND CONFERENCE CENTER WILL BE \$210,000 AND THE ANNUAL GROUND RENT FOR THE ALUMNI CENTER WILL BE \$27,219. SEE EXHIBIT 'A' FOR MORE DETAIL ON THE GROUND RENT CALCULATIONS.

PLEASE NOTE THE GROUND RENT LISTED ABOVE IS BASED ON AN ASSUMED PROPERTY VALUE. SHOULD THE DEVELOPER AND UNIVERSITY AGREE TO USE A THIRD-PARTY APPRAISAL, THE METRIC DESCRIBED IN THE PRO FORMA ASSUMPTIONS COULD BE UTILIZED.

- An escalation of *5% EVERY FIVE YEARS* has been assumed.

Variable Rent:

- In addition to Base Rent as described above, Tenant will pay Landlord “Variable Rent” annually in arrears. The value is estimated to be approximately per year starting in year

NO VARIABLE RENT– PROFIT PARTICIPATION IN LIEU OF VARIABLE RENT

- Adjustments to variable rent threshold will include

NO VARIABLE RENT – PROFIT PARTICIPATION IN LIEU OF VARIABLE RENT

Default in Money Payments: for late charges.

ANY AMOUNT OWED BY TENANT TO LANDLORD WHICH IS NOT PAID WHEN DUE AND WHICH REMAINS UNPAID FOR A PERIOD OF THIRTY (30) DAYS OR MORE, SHALL BEAR INTEREST AT THE RATE OF 350 BASIS POINTS OVER LIBOR ON ALL UNPAID AMOUNTS FROM THE DATE SUCH FUNDS WERE DUE THROUGH THE DATE OF PAYMENT IN FULL.

Parking:

Amount of Parking Provided On-Site:

- Surface parking spaces accommodated on site.

CURRENT PLANS CONTEMPLATE 300 WITH 30 OF THOSE SPACES HAVING THE ABILITY TO BE TENTED FOR ADDITIONAL OUTDOOR EVENT SPACE.

- An increase in parking could be provided if valet parking was used.

IF NEEDED, AN ADDITIONAL 60-80 VEHICLES COULD BE ACCOMMODATED ON SITE WITHOUT BLOCKING ANY ENTRANCES OR EXITS, IF VALET PARKING WAS USED.

- The cost of parking per vehicle is estimated to be:

\$15 PER SELF-PARKED CAR AND \$25 PER VALET-PARKED CAR (IN 2017 DOLLARS) WHICH INFLATES TO \$16.39 AND \$27.32 IN 2020, RESPECTIVELY, INCREASING BY INFLATION ANNUALLY THEREAFTER. FURTHER, OUR PROJECTIONS ASSUME THAT 70% OF OCCUPIED ROOM NIGHTS WILL SELF-PARK AND 10% WILL VALET.

For any off-site parking requests, FIU will need to reach an independent agreement with the Developer.

Utilities: Tenant may be permitted to connect to chilled water, potable water, and sanitary sewer utilities and may purchase chilled water, potable water and sewer services from Landlord at Landlord's cost.
A description of key assumptions regarding utilities are outlined here.

DEVELOPER HAS ASSUMED THAT ALL UTILITIES WILL BE AVAILABLE AT THE EDGE OF THE PROPERTY AND THAT ALL NEEDS WILL BE ADDRESSED BY EQUIPMENT ON SITE. DEVELOPER WILL WORK WITH THE UNIVERSITY TO EXPLORE THE OPTION OF CONNECTING TO THE UNIVERSITY'S CHILLED WATER, POTABLE WATER AND SEWER SERVICES.

Payment of Taxes: Tenant is responsible for the payment of all appropriate taxes.

Insurance: As outlined in the ITN.

Maintenance and Operations: A description of key maintenance and operation assumptions are outlined here.

BENCHMARK WILL OPERATE AND MAINTAIN THE HOTEL AND CONFERENCE CENTER IN A FIRST-CLASS FASHION COMMENSURATE TO THE LEVEL EXPECTED BY OUR GUESTS AND PARTNERS, AND AS EXECUTED IN VARIOUS SIMILAR LOCATIONS ACROSS THE COUNTRY. BENCHMARK WILL BE RESPONSIBLE FOR ALL OPERATIONS (E.G., ROOMS, FOOD AND BEVERAGE, SALES AND MARKETING, FINANCE, ACCOUNTING, IT, HUMAN RESOURCES) AND MAINTENANCE, INCLUDING HOUSEKEEPING, REPAIR AND MAINTENANCE AND ENGINEERING FUNCTIONS.

Manager must implement and adhere to all FIU regulations and policies applicable to the University's campus and in effect from time to time, including, without limitation, the student code of conduct, no firearms policy, no smoking policy, the alcohol use policy, and handle any resident complaints pursuant to the Facility Operating and Management Agreement.

A description of optional maintenance, janitorial, and landscaping services for the Alumni Center is described below.

BENCHMARK CAN ASSIST THE ALUMNI CENTER WITH THE MANAGEMENT OF THE FACILITY WITH STAFFING AND SUPPORT FROM THE HOTEL OPERATIONS. ENGINEERING, HOUSEKEEPING, SECURITY AND ADMINISTRATION WOULD PROVIDE THE NECESSARY OPERATIONAL SUPPORT, ONGOING DAY-TO-DAY AND LONGER-TERM MAINTENANCE, JANITORIAL SERVICES, LANDSCAPING, ETC.

Other University Benefits:

- Revenue Share: Revenue share opportunities to FIU based on a defined percentage of gross revenues.

PLEASE REFER TO CONCORD BENCHMARK'S STEP I, STEP II AND CLARIFYING QUESTIONS SUBMITTAL.

- Internships: Opportunities for paid student internships during construction and operations.

PLEASE REFER TO CONCORD BENCHMARK'S STEP I, STEP II AND CLARIFYING QUESTIONS SUBMITTAL.

- Post Graduate Job Opportunities:

PLEASE REFER TO CONCORD BENCHMARK'S STEP I, STEP II AND CLARIFYING QUESTIONS SUBMITTAL.

- Work-study: Opportunities for paid work-study programs were proposed by the development team.

PLEASE REFER TO CONCORD BENCHMARK'S STEP I, STEP II AND CLARIFYING QUESTIONS SUBMITTAL.

- Curricula: The development team will coordinate with FIU to create opportunities to expand curricula.

PLEASE REFER TO CONCORD BENCHMARK'S STEP I, STEP II AND CLARIFYING QUESTIONS SUBMITTAL.

- Research: The development team will make an accommodation of graduate student and faculty for applicable research activities.

PLEASE REFER TO CONCORD BENCHMARK'S STEP I, STEP II AND CLARIFYING QUESTIONS SUBMITTAL.

- Preferential Room Rates:

OUR PROJECTIONS ASSUME THAT FIU-RELATED ROOM NIGHTS WILL RECEIVE, IN GENERAL, A 15% DISCOUNT TO OVERALL TRANSIENT (INDEPENDENT TRAVELER) RATES.

- Preferential Conference Center Rates:

CONCORD BENCHMARK WILL NEGOTIATE PREFERENTIAL CONFERENCE CENTER RATES WITH THE UNIVERSITY ON A CASE-BY-CASE BASIS, WITH THE INTENT TO GIVE BENEFIT TO THE UNIVERSITY WHENEVER AND WHEREVER POSSIBLE AND FEASIBLE.

- Tours: The development team offered to provide tours focused on operations and discussed opportunities for food and beverage specific tours and classes, as well as job shadowing.

PLEASE REFER TO CONCORD BENCHMARK'S STEP I, STEP II AND CLARIFYING QUESTIONS SUBMITTAL.

- Approvals: The program, design, and site layout, as well as the Hotel Operator, are subject to the approval of the Florida International University President and, to the extent required, by the Florida International University Board of Trustees, the State of Florida Board of Governors, and, to the extent appropriate, the FIU Foundation Board of Directors.
- Developer will design the Project in accordance with all applicable codes and plans and specifications approved by University. Developer will engage an architect for such purpose. All permits will be obtained by Developer.
- Developer will engage a general contractor to construct the project on a guaranteed maximum price basis. All contractors and subcontractors require Owner approval. All change orders involving a change in cost require Owner approval.
- Access to Property: Landlord may have free access to all public areas of the Property at all reasonable times, and to all private areas upon reasonable notice and coordination with Tenant, for the purpose of inspecting the same for compliance with this Sublease.
- Summary of Terms Only: This Draft Statement of Key Terms is only a summary of material terms, and remains subject in all respects to negotiation and execution of definitive agreements.

May 19, 2017

Concord Benchmark, LLC – BAFO Submission

E-ITN67-001 Public Private Partnership for a Hotel, Conference Center, Parking and Alumni Center at Modesto Maidique Campus

Attached Exhibits:

Exhibit 'A' - Pro forma for Hotel and Conference Center (Trade Secrets)

Exhibit 'B' – Benchmark Financials (Trade Secrets) Not Attached

Exhibit 'C' – Concord Eastridge Financials (Trade Secrets) Not Attached

Exhibit 'D' – Subleased Premises Hotel and Conference Center and Alumni Center

Exhibit 'E' – Proforma for Alumni Center and Capital Lease Structures (Trade Secrets)

Exhibit 'F' – Facility Program Information, Hotel and Conference Center and Alumni Center

Exhibit 'G' – Site Plan and Floor Plans, Hotel and Conference Center and Alumni Center

Exhibit 'H' – Conference Center Use Matrix

Exhibit 'I' – Anticipated Schedule

EXHIBIT "A"

Concord Benchmark

FIU Hotel & Conference Center

TRADE SECRETS

Miami, FL

5/18/2017

FIU HOTEL & CONFERENCE CENTER

EXHIBIT "A" Assumptions and Clarifications

Disclosure:

The information below represent milestones events that Concord Benchmark are striving to achieve. There are many variables such as the approval processes or weather conditions that could delay or fluctuate the costs below. All information below is subject to change at the discretion of the development team.

Project Overview

Hotel & Conference Land SF: 4.62 Acres

Hotel & Conference GSF: 153,721 GSF

Hotel Keys: 150 Keys

Parking Stalls: 300 Stalls

Development Schedule

Ground Lease Executed: 9/1/2017

Pre-Construction Duration: 7 Months

Construction Duration: 16 Months

Certificate of Occupancy & Ground Rent Commencement: 6/1/2019

Development Budget

Hard Costs: \$46,997,447

Soft Costs: \$9,360,153

Financing Costs: \$3,088,809

Total Development Costs: \$59,446,409

Construction Financing

Equity Investment: \$23,778,000 or 40% Loan to Development Costs (LTDC)

*The LTDC ratio will fluctuate depending on lending institution requirements and the development team.

Construction Debt: \$33,944,654

Permanent Financing: Refinance into permanent debt will occur 12 - 24 months after the completion of construction depending on stabilization.

FIU Hotel & Conference Center

RETURN ANALYSIS																					
DEVELOPMENT PERIOD	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
ANALYSIS START DATE	8/1/2017	8/1/2018	8/1/2019	8/1/2020	8/1/2021	8/1/2022	8/1/2023	8/1/2024	8/1/2025	8/1/2026	8/1/2027	8/1/2028	8/1/2029	8/1/2030	8/1/2031	8/1/2032	8/1/2033	8/1/2034	8/1/2035	8/1/2036	8/1/2037
DEVELOPMENT YEAR	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
HOTEL OPERATING REVENUE	\$ -	\$ -	\$ 7,158,817	\$ 12,742,416	\$ 14,433,485	\$ 15,971,429	\$ 16,945,759	\$ 17,852,463	\$ 18,351,643	\$ 18,902,193	\$ 19,469,259	\$ 20,093,105	\$ 20,654,936	\$ 21,274,584	\$ 21,912,822	\$ 22,614,967	\$ 23,247,313	\$ 23,944,732	\$ 24,663,074	\$ 25,453,344	\$ 26,165,055
HOTEL DEPARTMENTAL EXPENSE	\$ -	\$ -	\$ (3,348,264)	\$ (6,002,036)	\$ (6,402,814)	\$ (6,636,924)	\$ (6,745,876)	\$ (6,982,682)	\$ (7,181,928)	\$ (7,397,385)	\$ (7,619,307)	\$ (7,859,070)	\$ (8,083,323)	\$ (8,325,822)	\$ (8,575,597)	\$ (8,845,453)	\$ (9,097,851)	\$ (9,370,786)	\$ (9,651,910)	\$ (9,955,635)	\$ (10,239,711)
HOTEL DEPARTMENTAL INCOME	\$ -	\$ -	\$ 3,810,552	\$ 6,740,379	\$ 8,030,670	\$ 9,334,505	\$ 10,199,883	\$ 10,869,781	\$ 11,169,716	\$ 11,504,807	\$ 11,849,952	\$ 12,234,035	\$ 12,571,614	\$ 12,948,762	\$ 13,337,225	\$ 13,769,514	\$ 14,149,462	\$ 14,573,946	\$ 15,011,164	\$ 15,497,709	\$ 15,925,344
HOTEL UNDISTRIBUTED OPERATING EXPENSE	\$ -	\$ -	\$ (1,712,528)	\$ (3,059,137)	\$ (3,163,479)	\$ (3,360,812)	\$ (3,517,437)	\$ (3,635,843)	\$ (3,744,173)	\$ (3,856,594)	\$ (3,972,390)	\$ (4,092,577)	\$ (4,214,516)	\$ (4,341,059)	\$ (4,447,885)	\$ (4,558,599)	\$ (4,670,307)	\$ (4,786,186)	\$ (4,905,300)	\$ (5,028,901)	\$ (5,153,611)
HOTEL GROSS OPERATING PROFIT	\$ -	\$ -	\$ 2,098,025	\$ 3,681,243	\$ 4,867,191	\$ 5,973,693	\$ 6,682,446	\$ 7,233,939	\$ 7,425,543	\$ 7,648,214	\$ 7,877,562	\$ 8,141,458	\$ 8,357,097	\$ 8,607,703	\$ 8,889,340	\$ 9,210,915	\$ 9,479,155	\$ 9,787,759	\$ 10,105,864	\$ 10,468,808	\$ 10,771,733
HOTEL MANAGEMENT FEES	\$ -	\$ -	\$ (214,243)	\$ (382,272)	\$ (433,005)	\$ (479,143)	\$ (508,373)	\$ (535,574)	\$ (550,549)	\$ (567,066)	\$ (584,078)	\$ (602,793)	\$ (619,648)	\$ (638,238)	\$ (657,385)	\$ (678,449)	\$ (697,419)	\$ (718,342)	\$ (739,892)	\$ (763,600)	\$ (784,952)
HOTEL INCOME BEFORE NON-OPERATING EXPENSE	\$ -	\$ -	\$ 1,883,782	\$ 3,298,970	\$ 4,434,187	\$ 5,494,551	\$ 6,174,074	\$ 6,698,365	\$ 6,874,993	\$ 7,081,148	\$ 7,293,484	\$ 7,538,664	\$ 7,737,449	\$ 7,969,465	\$ 8,231,956	\$ 8,532,466	\$ 8,781,736	\$ 9,069,417	\$ 9,365,972	\$ 9,705,207	\$ 9,986,781
HOTEL FIXED CHARGES	\$ -	\$ -	\$ (502,348)	\$ (866,936)	\$ (872,876)	\$ (1,036,129)	\$ (1,124,871)	\$ (1,167,822)	\$ (1,191,336)	\$ (1,212,401)	\$ (1,311,886)	\$ (1,340,484)	\$ (1,369,848)	\$ (1,402,429)	\$ (1,433,309)	\$ (1,467,952)	\$ (1,497,972)	\$ (1,537,008)	\$ (1,577,001)	\$ (1,616,092)	\$ (1,649,982)
HOTEL FF&E RESERVES	\$ -	\$ -	\$ (142,829)	\$ (254,848)	\$ (433,005)	\$ (638,857)	\$ (677,830)	\$ (714,099)	\$ (734,066)	\$ (756,088)	\$ (778,770)	\$ (803,724)	\$ (826,197)	\$ (850,983)	\$ (876,513)	\$ (904,599)	\$ (929,893)	\$ (957,789)	\$ (986,523)	\$ (1,018,134)	\$ (1,046,602)
HOTEL NET OPERATING INCOME	\$ -	\$ -	\$ 1,238,605	\$ 2,177,186	\$ 3,128,307	\$ 3,819,565	\$ 4,371,372	\$ 4,816,444	\$ 4,949,592	\$ 5,112,659	\$ 5,202,828	\$ 5,394,457	\$ 5,541,403	\$ 5,716,053	\$ 5,922,134	\$ 6,159,916	\$ 6,353,872	\$ 6,574,620	\$ 6,802,448	\$ 7,070,981	\$ 7,290,197
COMBINED NET OPERATING INCOME	\$ -	\$ -	\$ 1,238,605	\$ 2,177,186	\$ 3,128,307	\$ 3,819,565	\$ 4,371,372	\$ 4,816,444	\$ 4,949,592	\$ 5,112,659	\$ 5,202,828	\$ 5,394,457	\$ 5,541,403	\$ 5,716,053	\$ 5,922,134	\$ 6,159,916	\$ 6,353,872	\$ 6,574,620	\$ 6,802,448	\$ 7,070,981	\$ 7,290,197
LESS DEBT SERVICE	\$ -	\$ -	\$ (26,522)	\$ (1,357,786)	\$ (1,357,786)	\$ (1,357,786)	\$ (1,616,256)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)
NET OPERATING CASH FLOW	\$ -	\$ -	\$ 1,212,082	\$ 819,400	\$ 1,770,520	\$ 2,461,779	\$ 2,755,116	\$ 3,114,031	\$ 3,247,179	\$ 3,410,246	\$ 3,500,415	\$ 3,692,043	\$ 3,838,990	\$ 4,013,640	\$ 4,219,720	\$ 4,457,502	\$ 4,651,458	\$ 4,872,207	\$ 5,100,035	\$ 5,368,568	\$ 5,587,784
SOURCES AND USES OF FUNDS																					
DEVELOPMENT COSTS	\$ 477,106	\$ 31,415,073	\$ 25,856,998	\$ 1,357,786	\$ 339,447	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET REVENUE TOWARDS COSTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EQUITY	\$ (477,106)	\$ (23,300,894)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DEBT	\$ -	\$ 8,114,178	\$ 25,856,998	\$ 1,357,786	\$ 339,447	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CAPITAL EVENTS NET PROCEEDS																					
HOTEL SALE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LEVERED CASH FLOW	\$ (477,106)	\$ (23,300,894)	\$ 1,212,082	\$ 819,400	\$ 1,770,520	\$ 2,461,779	\$ 2,755,116	\$ 3,114,031	\$ 3,247,179	\$ 3,410,246	\$ 3,500,415	\$ 3,692,043	\$ 3,838,990	\$ 4,013,640	\$ 4,219,720	\$ 4,457,502	\$ 4,651,458	\$ 4,872,207	\$ 5,100,035	\$ 5,368,568	\$ 5,587,784
RISK ANALYSIS METRICS	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
RETURN ON COSTS	0.0%	0.0%	2.1%	3.7%	5.3%	6.4%	7.4%	8.1%	8.3%	8.6%	8.8%	9.1%	9.3%	9.6%	10.0%	10.4%	10.7%	11.1%	11.4%	11.9%	12.3%
CASH-ON-CASH RETURN	0.0%	0.0%	4.6%	3.1%	6.7%	9.3%	10.4%	11.8%	12.3%	12.9%	13.2%	13.9%	14.5%	15.2%	15.9%	16.8%	17.6%	18.4%	19.3%	20.3%	21.1%
DEBT SERVICE COVERAGE RATIO	0.00x	0.00x	46.70x	1.60x	2.30x	2.81x	2.70x	2.83x	2.91x	3.00x	3.06x	3.17x	3.26x	3.36x	3.48x	3.62x	3.73x	3.86x	4.00x	4.15x	4.28x
NET PRESENT VALUE @ DISCOUNT RATE 9.00%	\$2,479,601																				
TOTAL PROJECT UNLEVERED IRR	9.76%																				
RETURN SUMMARY																					
	ERAL PARTNER	LIMITED PARTNER	TOTAL PROJECT																		
EQUITY INVESTMENT	\$2,647,571	\$23,825,916	\$26,473,488																		
EQUITY SHARE RATIO	10.00%	90.00%	100.00%																		
GROSS RETURN	NA	NA	NA																		
CASH-ON-CASH RETURN	#N/A	#N/A	NA																		
EQUITY MULTIPLE	NA	NA	NA																		
LEVERED INTERNAL RATE OF RETURN	#VALUE!	#VALUE!	#VALUE!																		
MONTHLY INVESTMENT PERIOD	502 months	502 months	502 months																		



21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43
8/1/2038	8/1/2039	8/1/2040	8/1/2041	8/1/2042	8/1/2043	8/1/2044	8/1/2045	8/1/2046	8/1/2047	8/1/2048	8/1/2049	8/1/2050	8/1/2051	8/1/2052	8/1/2053	8/1/2054	8/1/2055	8/1/2056	8/1/2057	8/1/2058	8/1/2059	8/1/2060
2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060

\$ 26,950,007	\$ 27,758,507	\$ 28,647,963	\$ 29,449,000	\$ 30,332,470	\$ 31,242,445	\$ 32,243,535	\$ 33,145,109	\$ 34,139,463	\$ 35,163,647	\$ 36,290,383	\$ 37,305,113	\$ 38,424,266	\$ 39,576,994	\$ 40,845,145	\$ 41,987,233	\$ 43,246,850	\$ 44,544,255	\$ 45,971,571	\$ 47,257,001	\$ 48,674,711	\$ 50,134,952	\$ 21,521,259
\$ (10,546,903)	\$ (10,863,310)	\$ (11,205,155)	\$ (11,524,885)	\$ (11,870,632)	\$ (12,226,751)	\$ (12,611,501)	\$ (12,971,360)	\$ (13,360,501)	\$ (13,761,316)	\$ (14,194,355)	\$ (14,599,380)	\$ (15,037,361)	\$ (15,488,482)	\$ (15,975,872)	\$ (16,431,731)	\$ (16,924,683)	\$ (17,432,423)	\$ (17,980,984)	\$ (18,494,058)	\$ (19,048,880)	\$ (19,620,346)	\$ (8,432,398)
\$ 16,403,104	\$ 16,895,197	\$ 17,442,808	\$ 17,924,115	\$ 18,461,838	\$ 19,015,694	\$ 19,632,034	\$ 20,173,749	\$ 20,778,962	\$ 21,402,331	\$ 22,096,027	\$ 22,705,733	\$ 23,386,905	\$ 24,088,512	\$ 24,869,274	\$ 25,555,502	\$ 26,322,167	\$ 27,111,832	\$ 27,990,587	\$ 28,762,943	\$ 29,625,831	\$ 30,514,606	\$ 13,088,860
\$ (5,283,006)	\$ (5,416,031)	\$ (5,554,096)	\$ (5,693,399)	\$ (5,837,964)	\$ (5,986,603)	\$ (6,140,905)	\$ (6,296,588)	\$ (6,458,183)	\$ (6,624,353)	\$ (6,796,885)	\$ (6,970,960)	\$ (7,151,678)	\$ (7,337,533)	\$ (7,530,537)	\$ (7,725,266)	\$ (7,927,459)	\$ (8,135,423)	\$ (8,351,420)	\$ (8,569,346)	\$ (8,795,662)	\$ (9,028,459)	\$ (3,862,619)
\$ 11,120,098	\$ 11,479,166	\$ 11,888,712	\$ 12,230,716	\$ 12,623,875	\$ 13,029,090	\$ 13,491,130	\$ 13,877,161	\$ 14,320,779	\$ 14,777,977	\$ 15,299,143	\$ 15,734,772	\$ 16,235,227	\$ 16,750,978	\$ 17,338,737	\$ 17,830,236	\$ 18,394,708	\$ 18,976,409	\$ 19,639,167	\$ 20,193,596	\$ 20,830,169	\$ 21,486,147	\$ 9,226,242
\$ (808,500)	\$ (832,755)	\$ (859,439)	\$ (883,470)	\$ (909,974)	\$ (937,273)	\$ (967,306)	\$ (994,353)	\$ (1,024,184)	\$ (1,054,909)	\$ (1,088,711)	\$ (1,119,153)	\$ (1,152,728)	\$ (1,187,310)	\$ (1,225,354)	\$ (1,259,617)	\$ (1,297,405)	\$ (1,336,328)	\$ (1,379,147)	\$ (1,417,710)	\$ (1,460,241)	\$ (1,504,049)	\$ (646,768)
\$ 10,311,598	\$ 10,646,411	\$ 11,029,273	\$ 11,347,246	\$ 11,713,901	\$ 12,091,817	\$ 12,523,824	\$ 12,882,808	\$ 13,296,595	\$ 13,723,068	\$ 14,210,431	\$ 14,615,619	\$ 15,082,499	\$ 15,563,669	\$ 16,113,382	\$ 16,570,619	\$ 17,097,302	\$ 17,640,082	\$ 18,260,020	\$ 18,775,886	\$ 19,369,928	\$ 19,982,098	\$ 8,579,474
\$ (1,688,160)	\$ (1,732,974)	\$ (1,782,455)	\$ (1,820,704)	\$ (1,863,781)	\$ (1,908,176)	\$ (1,963,660)	\$ (2,012,464)	\$ (2,061,059)	\$ (2,111,139)	\$ (2,167,243)	\$ (2,221,956)	\$ (2,282,690)	\$ (2,339,173)	\$ (2,402,437)	\$ (2,457,359)	\$ (2,525,488)	\$ (2,595,400)	\$ (2,666,728)	\$ (2,728,667)	\$ (2,798,360)	\$ (2,976,115)	\$ (886,270)
\$ (1,078,000)	\$ (1,110,340)	\$ (1,145,919)	\$ (1,177,960)	\$ (1,213,299)	\$ (1,249,698)	\$ (1,289,741)	\$ (1,325,804)	\$ (1,365,579)	\$ (1,406,546)	\$ (1,451,615)	\$ (1,492,205)	\$ (1,536,971)	\$ (1,583,080)	\$ (1,633,806)	\$ (1,679,489)	\$ (1,729,874)	\$ (1,781,770)	\$ (1,838,863)	\$ (1,890,280)	\$ (1,946,988)	\$ (2,005,398)	\$ (862,357)
\$ 7,545,438	\$ 7,803,097	\$ 8,100,899	\$ 8,348,583	\$ 8,636,821	\$ 8,933,943	\$ 9,270,422	\$ 9,544,539	\$ 9,869,957	\$ 10,205,383	\$ 10,591,572	\$ 10,901,459	\$ 11,262,837	\$ 11,641,416	\$ 12,077,140	\$ 12,433,771	\$ 12,841,940	\$ 13,262,911	\$ 13,754,429	\$ 14,156,939	\$ 14,624,580	\$ 15,000,586	\$ 6,830,848

\$ 7,545,438	\$ 7,803,097	\$ 8,100,899	\$ 8,348,583	\$ 8,636,821	\$ 8,933,943	\$ 9,270,422	\$ 9,544,539	\$ 9,869,957	\$ 10,205,383	\$ 10,591,572	\$ 10,901,459	\$ 11,262,837	\$ 11,641,416	\$ 12,077,140	\$ 12,433,771	\$ 12,841,940	\$ 13,262,911	\$ 13,754,429	\$ 14,156,939	\$ 14,624,580	\$ 15,000,586	\$ 6,830,848
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\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)	\$ (1,702,413)
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\$ 5,843,024	\$ 6,100,683	\$ 6,398,486	\$ 6,646,169	\$ 6,934,408	\$ 7,231,530	\$ 7,568,009	\$ 7,842,126	\$ 8,167,544	\$ 8,502,970	\$ 8,889,159	\$ 9,199,045	\$ 9,560,424	\$ 9,939,003	\$ 10,374,726	\$ 10,731,358	\$ 11,139,527	\$ 11,560,498	\$ 12,052,016	\$ 12,454,526	\$ 12,922,167	\$ 13,298,172	\$ 5,128,435
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\$ 5,843,024	\$ 6,100,683	\$ 6,398,486	\$ 6,646,169	\$ 6,934,408	\$ 7,231,530	\$ 7,568,009	\$ 7,842,126	\$ 8,167,544	\$ 8,502,970	\$ 8,889,159	\$ 9,199,045	\$ 9,560,424	\$ 9,939,003	\$ 10,374,726	\$ 10,731,358	\$ 11,139,527	\$ 11,560,498	\$ 12,052,016	\$ 12,454,526	\$ 12,922,167	#N/A	\$ (1,702,413)

21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43
12.7%	13.1%	13.6%	14.0%	14.5%	15.0%	15.6%	16.1%	16.6%	17.2%	17.8%	18.3%	18.9%	19.6%	20.3%	20.9%	21.6%	22.3%	23.1%	23.8%	24.6%	25.2%	11.5%
22.1%	23.0%	24.2%	25.1%	26.2%	27.3%	28.6%	29.6%	30.9%	32.1%	33.6%	34.7%	36.1%	37.5%	39.2%	40.5%	42.1%	43.7%	45.5%	47.0%	48.8%	50.2%	19.4%
4.43x	4.58x	4.76x	4.90x	5.07x	5.25x	5.45x	5.61x	5.80x	5.99x	6.22x	6.40x	6.62x	6.84x	7.09x	7.30x	7.54x	7.79x	8.08x	8.32x	8.59x	8.81x	4.01x

TRADE SECRETS

FIU Hotel & Conference Center
Summary of Office Building Development Assumptions - 5/25/2017

PROJECT					BUDGET					Per GSF	Total
Project Name: FIU Hotel & Conference Center					Land & Acquisition Costs					\$0.00	\$0
Lot Square Footage 201,176 SF					Ground Lease during Development					0.00%	\$0.00
Total Gross Building Area Above Grade 153,721 GSF					Total Hard Costs					79.06%	\$305.73
Total Parking Stalls 300 Stalls					Hotel Construction					33.64%	\$130.10
Parking Stall SF/Stall 336 SF					Conference Construction					13.21%	\$516.58
Parking Structure SF 100,857 SF					Back of House					5.30%	\$207.33
Parking Levels 0.00 Levels					On-Site Improvements						
Parking Floorplate 0 SF					FF&E Hotel					10.18%	\$30.10
Hotel GSF 99,995 GSF					FF&E Conference					5.95%	\$23.00
Hotel Back of House 21,009 GSF					OS&E Hotel					2.83%	\$10.95
Conference Public Space 32,717 GSF					OS&E Conference					0.93%	\$3.61
Conference Meeting Space 15,200 LSF					IT/AV Hotel					0.46%	\$1.79
Hotel Keys 150 Keys					IT/AV Conference					1.32%	\$51.64
Avg Room LSF 316 LSF					Hard Cost Contingency					1.46%	\$57.10
Room LSF 47.4% 47,400 LSF					Total Soft Costs and Fees						
Non-Room GSF 52,595 GSF					Soft Costs					19.92% of Hard Costs	\$60.89
Building GSF 153,721 SF					Total Development Cost Including Operating Deficit					10.19%	\$39.40
Total Building Parking GSF 254,578 SF					Financing Costs excluding any Operating Deficit					5.20%	\$20.09
Annual Real Estate Taxes at 1.35%					Total Development Cost (Uses of Funds)					100.00%	\$386.72
\$458,933					Operating Deficit (Funded by Equity)					0.00%	\$0.00
					CONSTRUCTION FINANCING						
					Developer Fee					3.50% of Total Costs	2.99%
					CM Fee (FIU)					1.50% of Total Costs	1.28%
					CM Fee (Developer)					1.50% of Total Costs	1.28%
					Financing Costs excluding any Operating Deficit					5.20%	\$20.09
					Total Development Cost (Uses of Funds)					100.00%	\$386.72
					Operating Deficit (Funded by Equity)					0.00%	\$0.00
					Total Development Cost Including Operating Deficit					100.00%	\$386.72 PSF
					Equity					% of Total	Initial
					General Partner Equity					Equity	Investment
					Limited Partner Equity					10.00%	\$2,378,000
					Equity Total					90.00%	\$21,400,000
					Debt & Financing Fees					2.77%	\$1,723,755
					Senior Loan Rate *					4.00% Interest	\$33,944,654
					Equity Placement Fees					0.00%	\$0.00
					Debt Placement and Loan Fees					1.00%	\$3,944,654
					Loan Fees - At Draws					0.00%	\$0.00
					Debt Total					54.62%	\$33,944,654
					Property Cash Flow					2.77%	\$1,723,755
					Total Sources of Funds					100.00%	\$62,141,897
					* Loan amount includes capitalized interest and capitalized points/fees						

FIU Hotel & Conference Center HOTEL OPERATING ASSUMPTIONS May 18, 2017														TRADE SECRETS	
Hotel Summary	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Days In Period	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365
Number of Rooms	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150
Meeting Space SF	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200
Rooms Available	54,750	54,750	54,750	54,900	54,750	54,750	54,750	54,900	54,750	54,750	54,750	54,900	54,750	54,750	54,750
Occupied Rooms	36,135	36,135	36,135	36,234	36,051	40,241	40,515	40,301	40,789	40,789	40,789	40,801	40,789	40,789	40,789
Occupancy	66.0%	66.0%	66.0%	66.0%	69.5%	73.5%	74.0%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%
-Occupancy %	0.0%	0.0%	0.0%	0.0%	5.3%	5.8%	0.7%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Average Daily Rate (ADR)	\$152.76	\$157.34	\$162.06	\$162.02	\$163.17	\$200.26	\$218.17	\$232.55	\$235.40	\$246.72	\$254.12	\$261.75	\$269.60	\$277.69	\$286.02
-ADR %	3.0%	3.0%	3.0%	3.0%	11.0%	9.9%	7.6%	6.1%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
RevPar	\$100.82	\$103.85	\$106.96	\$110.17	\$128.78	\$149.74	\$162.19	\$173.26	\$178.45	\$183.81	\$189.32	\$195.00	\$200.85	\$206.88	\$213.08
-RevPar %	3.0%	3.0%	3.0%	3.0%	16.9%	16.3%	8.3%	6.8%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Operating Revenue	5,520	5,686	5,856	6,048	7,051	8,188	8,880	9,512	9,770	10,064	10,365	10,706	10,997	11,327	11,666
Rooms	5,520	5,408	5,570	5,551	6,464	7,468	7,237	7,468	7,692	7,924	8,150	8,405	8,587	8,917	9,177
Food & Beverage	1,662	1,712	1,793	1,827	1,989	2,167	2,247	2,337	2,450	2,472	2,548	2,630	2,701	2,782	2,866
-F&B Outlet	\$46.00	\$47.38	\$48.80	\$50.27	\$52.28	\$53.85	\$55.46	\$57.13	\$58.84	\$60.61	\$62.43	\$64.30	\$66.23	\$68.21	\$70.26
-F&B Outlet SPOR %	3.0%	3.0%	3.0%	3.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
-F&B B&C Revenue	3,588	3,695	3,806	4,030	4,474	4,601	4,777	4,820	5,088	5,220	5,378	5,538	5,704	5,875	6,051
-F&B B&C Revenue per SF	\$236.04	\$243.12	\$250.42	\$265.10	\$294.36	\$302.70	\$314.27	\$320.70	\$333.41	\$343.41	\$353.72	\$364.33	\$375.26	\$386.52	\$398.11
-F&B B&C Revenue per SF %	3.0%	3.0%	3.0%	5.9%	11.0%	2.8%	3.8%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Spa	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
-Spa POR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
-Spa POR %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Parking	470	484	498	515	557	605	629	654	672	692	713	736	756	779	802
-Parking POR	\$13.00	\$13.39	\$13.79	\$14.21	\$14.63	\$15.05	\$15.47	\$15.89	\$16.31	\$16.74	\$17.16	\$17.59	\$18.03	\$18.46	\$18.89
-Parking POR %	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Other Operating Departments	152	156	161	166	181	198	205	214	219	226	233	240	247	254	262
-Operated Departments POR	\$4.20	\$4.33	\$4.46	\$4.59	\$4.77	\$4.92	\$5.06	\$5.22	\$5.38	\$5.54	\$5.70	\$5.88	\$6.05	\$6.23	\$6.42
-Operated Departments %	3.0%	3.0%	3.0%	2.9%	4.0%	3.2%	2.8%	3.2%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Leased Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
-Leased Income POR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Income	148	153	157	162	181	201	208	216	222	229	236	244	250	258	265
-Leased Income POR	\$4.10	\$4.22	\$4.35	\$4.48	\$4.75	\$4.99	\$5.14	\$5.29	\$5.45	\$5.61	\$5.78	\$5.95	\$6.13	\$6.32	\$6.51
-Leased Income %	3.0%	3.0%	3.0%	3.0%	6.0%	8.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Total Operating Revenues	11,540	11,886	12,242	12,742	14,433	15,971	16,946	17,852	18,352	18,902	19,469	20,093	20,655	21,275	21,913
Departmental Expenses	1,319	1,358	1,399	1,445	1,578	1,719	1,783	1,854	1,904	1,961	2,020	2,087	2,143	2,208	2,274
-Room Expense POR	\$38.50	\$37.60	\$38.72	\$39.85	\$41.46	\$42.72	\$44.01	\$45.33	\$46.68	\$48.07	\$49.50	\$50.95	\$52.45	\$53.97	\$55.52
-Room Expense %	3.0%	3.0%	3.0%	3.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Food & Beverage	3,938	4,056	4,177	4,388	4,654	4,738	4,776	4,935	5,078	5,231	5,387	5,554	5,716	5,887	6,064
-F&B Profit Margin %	25.0%	25.0%	25.0%	25.0%	28.0%	30.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%
Spa	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
-Spa Profit Margin %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Parking	70	73	75	77	84	91	94	98	101	104	107	110	113	117	120
-Parking Profit Margin %	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%
Other Operating Departments	83	86	89	91	87	89	92	96	99	102	105	108	111	114	118
-Operating Departments Profit Margin %	45.0%	45.0%	45.0%	45.0%	52.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%
Leased Income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
-Leased Income Profit Margin %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Income	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
-Other Income Profit Margin %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Departmental Expenses	5,410	5,573	5,740	6,002	6,403	6,637	6,746	6,983	7,182	7,397	7,619	7,859	8,083	8,326	8,576
Departmental Income/Loss	4,201	4,327	4,457	4,603	5,473	6,478	7,087	7,858	7,866	8,102	8,345	8,619	8,853	9,119	9,393
Rooms	1,313	1,352	1,392	1,453	1,810	2,030	2,248	2,322	2,390	2,461	2,535	2,614	2,690	2,770	2,853
Food & Beverage	399	411	424	438	473	515	535	556	571	588	606	626	643	662	682
Spa	68	70	72	75	94	109	113	117	121	124	128	132	136	140	144
Parking	68	70	72	75	94	109	113	117	121	124	128	132	136	140	144
Other Operating Departments	68	70	72	75	94	109	113	117	121	124	128	132	136	140	144
Leased Income	148	153	157	162	181	201	208	216	222	229	236	244	250	258	265
Other Income	148	153	157	162	181	201	208	216	222	229	236	244	250	258	265
Total Departmental Income	6,129	6,313	6,503	6,740	8,031	9,335	10,200	10,870	11,170	11,505	11,850	12,234	12,572	12,949	13,337
Undistributed Operating Expenses	685	705	727	747	769	792	816	840	866	892	918	946	974	1,004	1,034
Administrative & General	\$4,966	\$4,703	\$4,644	\$4,979	\$5,127	\$5,281	\$5,440	\$5,603	\$5,771	\$5,944	\$6,122	\$6,306	\$6,495	\$6,690	\$6,891
-A&G CPAR %	3.0%	3.0%	3.0%	2.8%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Credit Card Commissions	265	273	282	293	332	367	390	411	422	435	448	462	475	489	504
-CCC of Total Revenue %	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Info Systems	114	117	121	125	128	128	216	246	269	277	285	294	303	312	321
-Info Systems CPAR %	\$760	\$783	\$806	\$830	\$855	\$1,454	\$1,643	\$1,742	\$1,794	\$1,848	\$1,903	\$1,960	\$2,019	\$2,080	\$2,142
-Info Systems CPAR %	3.0%	3.0%	3.0%	3.0%	3.0%	70.0%	13.0%	6.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Marketing	\$5,387	816	824	853	852	910	959	985	1,014	1,045	1,076	1,108	1,142	1,176	1,188
-On-Property Marketing CPAR	\$5,387	\$5,441	\$5,495	\$5,549	\$5,603	\$5,657	\$5,711	\$5,765	\$5,819	\$5,873	\$5,927	\$5,981	\$6,035	\$6,089	\$6,143
-On-Property Marketing CPAR %	1.0%	1.0%	1.0%	1.0%	1.0%	2.0%	5.5%	2.6%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
-Frequent Guest Fee % of Total Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Franchise Fees	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
-Royalty Fee % of Total Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
-Program Fee % of Total Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
-Group Marketing Allocation % of Total Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Property Operations & Maintenance	481	496	511	526	542	558	575	592	610	628	647	666	687	707	729
-Property Operations & Maintenance CPAR	\$3,208	\$3,304	\$3,403	\$3,506	\$3,611	\$3,719	\$3,831	\$3,946	\$4,064	\$4,187	\$4,313	\$4,443	\$4,577	\$4,715	\$4,857
-Property Operations & Maintenance CPAR %	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Utilities	445	458	472	486	501	516	531	547	563	580	598	616	634	653	673
-Utilities CPAR	\$2,965	\$3,054	\$3,146	\$3,240	\$3,338	\$3,438	\$3,541	\$3,647	\$3,756	\$3,869	\$3,985	\$4,105	\$4,228	\$4,355	\$4,485
-Utilities CPAR %	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Total Undistributed Expenses	2,798	2,866	2,936	3,059	3,163	3,261	3,357	3,456	3,557	3,657	3,757	3,857	3,957	4,057	4,157
Gross Operating Profit	3,331	3,447	3,567	3,681	4,867	5,974	6,682	7,2							

FIU Hotel & Conference Center

HOTEL OPERATING ASSUMPTIONS

May 18, 2017

TRADE SECRETS

Hotel Summary		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Days In Period	365	365	365	366	365	365	365	366	365	365	365	366	365	366	365	366	365	366	366	365	365	365	365	366	365	365	365	365	365	365	365	365
Number of Rooms	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150
Meeting Space SF	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200	15,200
Rooms Available	54,750	54,750	54,750	54,900	54,900	54,750	54,750	54,750	54,750	54,750	54,750	54,900	54,750	54,900	54,750	54,750	54,750	54,750	54,750	54,900	54,750	54,750	54,900	54,750	54,750	54,750	54,750	54,750	54,750	54,750	54,750	54,750
Rooms Occupied	36,135	36,135	36,135	36,234	38,051	40,241	40,515	40,789	40,789	40,789	40,801	40,789	40,789	40,801	40,789	40,789	40,789	40,789	40,789	40,789	40,801	40,789	40,789	40,789	40,801	40,789	40,789	40,789	40,789	40,789	40,789	40,789
Occupancy	66.0%	66.0%	66.0%	66.0%	69.5%	73.5%	74.0%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%
-Occupancy %	0.0%	0.0%	0.0%	0.0%	5.3%	5.8%	0.7%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Average Daily Rate (ADR)	\$152.76	\$157.34	\$162.06	\$166.92	\$195.30	\$203.73	\$219.17	\$222.56	\$239.54	\$246.72	\$254.12	\$261.75	\$269.60	\$277.69	\$286.02	\$294.60	\$303.44	\$312.54	\$321.92	\$331.57	\$341.52	\$351.77	\$362.02	\$373.19	\$384.39	\$395.92	\$407.80	\$420.03	\$432.63	\$445.61	\$458.98	\$472.74
-ADR %	3.0%	3.0%	3.0%	3.0%	11.0%	9.8%	7.6%	6.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
RevPar	\$100.82	\$103.85	\$106.96	\$110.17	\$128.78	\$149.74	\$162.19	\$173.26	\$178.45	\$183.81	\$189.32	\$195.00	\$200.85	\$206.88	\$213.08	\$219.48	\$226.06	\$232.84	\$239.83	\$247.02	\$254.43	\$262.07	\$269.93	\$278.03	\$286.37	\$294.96	\$303.81	\$312.92	\$322.31	\$331.98	\$341.94	\$352.19
-RevPar %	3.0%	3.0%	3.0%	3.0%	16.9%	16.3%	8.9%	6.8%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Operating Revenue																																
Rooms	5,520	5,686	5,856	6,048	7,051	8,198	8,880	9,512	9,770	10,064	10,365	10,706	10,997	11,327	11,666	12,049	12,377	12,748	13,131	13,562	13,930	14,348	14,779	15,264	15,679	16,149	16,633	17,137	17,646	18,176	18,721	
Food & Beverage	5,250	5,408	5,570	5,851	6,684	7,788	7,024	7,257	7,468	7,892	8,168	8,168	8,405	8,657	8,917	9,183	9,450	9,714	10,036	10,347	10,648	10,967	11,296	11,645	11,994	12,343	12,714	13,107	13,488	13,893	14,306	
-F&B Outlet	1,692	1,772	1,793	1,821	2,177	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	
-F&B Outlet SPOR	\$46.00	\$47.38	\$48.80	\$50.27	\$52.28	\$53.65	\$55.44	\$57.13	\$58.84	\$60.61	\$62.43	\$64.30	\$66.23	\$68.21	\$70.26	\$72.37	\$74.54	\$76.78	\$79.08	\$81.45	\$83.89	\$86.41	\$88.90	\$91.47	\$94.02	\$96.54	\$99.14	\$101.78	\$104.46	\$107.17	\$109.92	
-F&B Outlet SPOR %	3.0%	3.0%	3.0%	3.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Other Operating Departments	152	156	161	166	181	198	205	214	219	226	233	240	247	254	262	270	278	286	295	304	313	322	332	343	352	362	373	386	396	408	420	432
-Operating Departments POR	\$4.20	\$4.33	\$4.46	\$4.59	\$4.77	\$4.92	\$5.06	\$5.22	\$5.38	\$5.54	\$5.70	\$5.88	\$6.05	\$6.23	\$6.42	\$6.61	\$6.81	\$7.02	\$7.23	\$7.44	\$7.67	\$7.90	\$8.13	\$8.38	\$8.63	\$8.89	\$9.15	\$9.43	\$9.71	\$10.00	\$10.30	\$10.60
-Operating Departments POR %	3.0%	3.0%	3.0%	3.0%	4.0%	3.2%	2.8%	3.2%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
-Leased Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
-Leased Income POR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
-Other Income	148	153	157	162	181	201	208	216	222	229	236	244	250	258	265	274	282	290	299	308	317	326	336	347	357	367	378	391	401	413	426	439
-Leased Income POR	\$4.40	\$4.22	\$4.35	\$4.48	\$4.75	\$4.99	\$5.14	\$5.29	\$5.45	\$5.61	\$5.78	\$5.95	\$6.13	\$6.32	\$6.51	\$6.70	\$6.90	\$7.11	\$7.32	\$7.54	\$7.77	\$8.00	\$8.24	\$8.49	\$8.74	\$9.01	\$9.28	\$9.55	\$9.84	\$10.14	\$10.44	\$10.74
-Leased Income %	3.0%	3.0%	3.0%	3.0%	6.0%	8.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Total Operating Revenues		11,540	11,886	12,242	12,742	14,433	15,971	16,946	17,852	18,352	18,902	19,469	20,083	20,655	21,275	21,913	22,615	23,347	23,945	24,663	25,433	26,165	26,950	27,759	28,648	29,449	30,332	31,242	32,244	33,145	34,139	35,164
Departmental Expenses																																
Rooms	1,319	1,358	1,399	1,445	1,578	1,719	1,783	1,854	1,904	1,961	2,020	2,087	2,143	2,208	2,274	2,348	2,412	2,485	2,559	2,642	2,715	2,796	2,880	2,975	3,066	3,147	3,242	3,348	3,439	3,542	3,649	
-Room Expense POR	\$36.50	\$37.00	\$37.50	\$38.00	\$40.72	\$44.01	\$46.89	\$49.69	\$50.69	\$53.49	\$56.29	\$59.09	\$61.89	\$64.69	\$67.49	\$70.29	\$73.09	\$75.89	\$78.69	\$81.49	\$84.29	\$87.09	\$90.09	\$92.89	\$95.69	\$98.49	\$101.29	\$104.09	\$106.89	\$109.69	\$112.49	\$115.29
-Room Expense %	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Food & Beverage	3,938	4,056	4,177	4,388	4,654	4,738	4,776	4,935	5,078	5,231	5,387	5,554	5,716	5,887	6,064	6,251	6,433	6,626	6,825	7,036	7,240	7,458	7,681	7,919	8,149	8,394	8,645	8,913	9,172	9,447	9,730	
-F&B Outlet	25.0%	25.0%	25.0%	25.0%	28.0%	30.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%
-F&B Outlet SPOR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
-F&B Outlet SPOR %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Operating Departments	83	86	89	91	87	89	92	96	99	102	105	108	111	114	118	122	125	129	133	137												

TRADE SECRETS

TRADE SECRETS

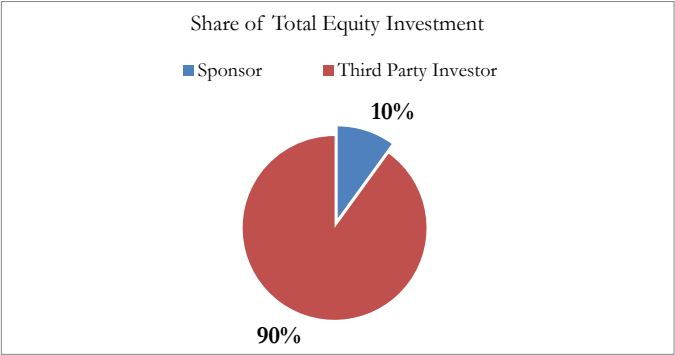
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Joint Venture Return Detail

FIU Hotel & Conference Center

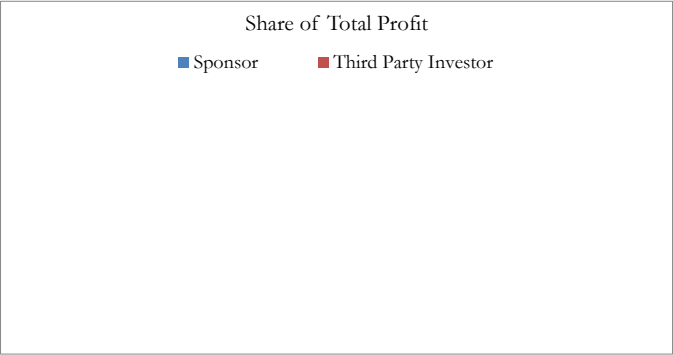
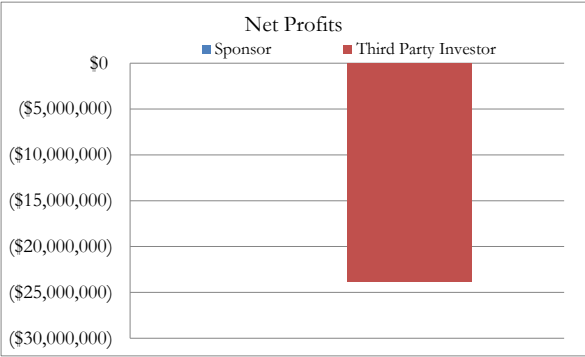
	General Partner	Limited Partner	Total Project
Equity Investment	\$2,647,571	\$23,825,916	\$26,473,488
Share of Equity Investment	10.00%	90.00%	100.00%
Gross Return	NA	NA	NA
Net Profit (Return on Equity)	#N/A	#N/A	NA
Multiple on Equity	NA	NA	NA
Levered Internal Rate of Return	#VALUE!	#VALUE!	#VALUE!
Unlevered Internal Rate of Return			9.76%
Equity Investment to Final Return (months)	502	502	502

Profit Sharing Summary - General Partner/ and Limited Partner					
Tier	General Partner/	General Partner/	Limited Partner	Limited Partner	Total Cashflow
	Partner/	Share	Cashflow	Share	
Fier 1 ROC and Pref Return	#N/A	0%	NA	0%	NA
Tier 2	#N/A	0%	NA	0%	NA
Tier 3	#N/A	0%	NA	0%	NA
Tier 4	#N/A	0%	NA	0%	NA
Total	#N/A	NA	\$0	NA	#N/A
Less Equity Investment	(\$2,647,571)	10%	(\$23,825,916)	90%	(\$26,473,488)
Net Profit (Return on Equity)	#N/A	#N/A	(\$23,825,916)	#N/A	#N/A



TRADE SECRETS

Internal Rate of Return Ranges/Hurdle				General Partner Equity Pro-Rata Share	General Partner Promote	Total General Partner Profit Share	Limited Partner Profit Share	Total (must be 100%)
Tier 1	From	0.0%	through	9.0%	10.0%	0.0%	10.0%	90.0%
Tier 2	Above	9.0%	through	15.0%	10.0%	15.0%	25.0%	75.0%
Tier 3	Above	15.0%	through	20.0%	10.0%	20.0%	30.0%	70.0%
Tier 4			Above	20.0%	10.0%	25.0%	35.0%	65.0%



Equity Joint Venture Partnership Structure

FIU Hotel & Conference Center

TRADE SECRETS

Total Required Equity (Purchase + Operation)		\$26,473,488 (Includes any Deficit Funding)
General Partner	10.00%	\$2,647,571
Limited Partner	<u>90.00%</u>	<u>\$23,825,916</u>
	100.00%	\$26,473,488

Internal Rate of Return Ranges/Hurdle					General Partner Equity Pro-Rata Share	General Partner Promote	Total General Partner Profit Share	Limited Partner Profit Share	Total (must be 100%)
Tier 1	From	0.0%	through	9.0%	10.0%	0.0%	10.0%	90.0%	100.0%
Tier 2	Above	9.0%	through	15.0%	10.0%	15.0%	25.0%	75.0%	100.0%
Tier 3	Above	15.0%	through	20.0%	10.0%	20.0%	30.0%	70.0%	100.0%
Tier 4			Above	20.0%	10.0%	25.0%	35.0%	65.0%	100.0%

Capital Structure (bar heights are not to scale)

TRADE SECRETS

FIU Hotel & Conference Center

	% Equity	% TDC	Equity % TDC	Debt % TDC	Amount **	Total Equity *	Total Debt *	Deficits Funded by Equity	Equity Investment including Deficit Liabilities	% TDC - Actual %
General Partner Equity +	10.00%	4.54%			\$2,378,000				\$2,647,571	General Partner Equity + 4.26%
Limited Partner Equity + Equity +	90.00%	40.84%	45.38%		\$21,400,000	\$23,778,000		\$2,695,488	\$23,825,916	Limited Partner Equity + Equity + 38.34%
Senior Loan **		54.62%		54.62%	\$33,944,654		\$33,944,654		\$26,473,488	Senior Loan ** 54.62%
Total Sources of Funds (TDC)	100%	100%			\$60,418,142					Property Cash Flow as Source of Funds 2.77%
Sources of Funds From Above					\$60,418,142					100.00%
Property Cash Flow As Source of Funds					\$1,723,755					
Total Sources of Funds					\$62,141,897					

+ While the equity slices are shown stacked vertically, note that this is simply the graphic representation and does not imply that there is any Preferred equity in the transaction.

* The Senior Loan Amount on a residual basis after designating the dollar amounts of the other sources of funds.

** Principal Amount includes Funded Interest Reserve and Funded Loan Fees.

^ Equity amounts in this column do not include the pro-rata portion of the Operating and Financing Deficits to be funded by the Equity Limited Partners. See Column T for adjusted totals.

Permanent Loan Amortization Schedule
FIU Hotel & Conference Center

TRADE SECRETS

Loan Assumptions			
Loan Amount:		\$33,944,654	
Interest Rate:		4.00%	
Term:		40 Years	
Amortization:		40 Years	
Interest Only:		2 Years	
Total Annual Loan Payment		\$1,257,786	

Annual Summary				
Year	Interest	Principal	Total	End Balance
1	1,357,786	0	1,357,786	33,944,654
2	1,357,786	0	1,357,786	33,944,654
3	1,351,397	551,016	1,702,413	33,593,639
4	1,337,096	365,317	1,702,413	33,228,522
5	1,322,213	380,200	1,702,413	32,848,121
6	1,306,723	395,690	1,702,413	32,452,431
7	1,290,602	411,811	1,702,413	32,040,619
8	1,273,824	428,589	1,702,413	31,612,030
9	1,256,363	446,051	1,702,413	0
10	1,238,190	464,223	1,702,413	0
11	1,219,277	483,137	1,702,413	0
12	1,199,593	502,820	1,702,413	0
13	1,179,107	523,306	1,702,413	0
14	1,157,787	544,626	1,702,413	0
15	1,135,598	566,815	1,702,413	0
16	1,112,505	589,908	1,702,413	0
17	1,088,471	613,942	1,702,413	0
18	1,063,458	638,955	1,702,413	0
19	1,037,426	664,987	1,702,413	0
20	1,010,334	692,080	1,702,413	0
21	982,137	720,276	1,702,413	0
22	952,792	749,621	1,702,413	0
23	922,251	780,162	1,702,413	0
24	890,466	811,947	1,702,413	0
25	857,387	845,027	1,702,413	0
26	822,959	879,454	1,702,413	0
27	787,128	915,285	1,702,413	0
28	749,838	952,575	1,702,413	0
29	711,029	991,384	1,702,413	0
30	0	0	0	0
31	0	0	0	0
32	0	0	0	0
33	0	0	0	0
34	0	0	0	0
35	0	0	0	0
36	0	0	0	0
37	0	0	0	0
38	0	0	0	0
39	0	0	0	0
40	0	0	0	0
41	0	0	0	0
42	0	0	0	0
43	0	0	0	0
44	0	0	0	0

					Repayment of	Repayment of	Interim	Repayment of	
					Principal from	Principal from	Ending	Principal from	Ending
Month #	Amort Period	Beginning Balance	Interest	Principal	Retail Sale	Hotel Sale	Balance	Office Building Sale	Balance
5	1	I/O	33,944,654	113,149	0	0	33,944,654	0	33,944,654
6	2	I/O	33,944,654	113,149	0	0	33,944,654	0	33,944,654
7	3	I/O	33,944,654	113,149	0	0	33,944,654	0	33,944,654
8	4	I/O	33,944,654	113,149	0	0	33,944,654	0	33,944,654
9	5	I/O	33,944,654	113,149	0	0	33,944,654	0	33,944,654
10	6	I/O	33,944,654	113,149	0	0	33,944,654	0	33,944,654
11	7	I/O	33,944,654	113,149	0	0	33,944,654	0	33,944,654
12	8	I/O	33,944,654	113,149	0	0	33,944,654	0	33,944,654
13	9	I/O	33,944,654	113,149	0	0	33,944,654	0	33,944,654
14	10	I/O	33,944,654	113,149	0	0	33,944,654	0	33,944,654
15	11	I/O	33,944,654	113,149	0	0	33,944,654	0	33,944,654
16	12	I/O	33,944,654	113,149	0	0	33,944,654	0	33,944,654
17	13	I/O	33,944,654	113,149	0	0	33,944,654	0	33,944,654
18	14	I/O	33,944,654	113,149	0	0	33,944,654	0	33,944,654
19	15	I/O	33,944,654	113,149	0	0	33,944,654	0	33,944,654
20	16	I/O	33,944,654	113,149	0	0	33,944,654	0	33,944,654
21	17	I/O	33,944,654	113,149	0	0	33,944,654	0	33,944,654
22	18	I/O	33,944,654	113,149	0	0	33,944,654	0	33,944,654
23	19	I/O	33,944,654	113,149	0	0	33,944,654	0	33,944,654
24	20	I/O	33,944,654	113,149	0	0	33,944,654	0	33,944,654
25	1	I/O	33,944,654	113,149	28,719	0	33,915,936	0	33,915,936
26	2	I/O	33,915,936	113,053	28,815	0	33,887,121	0	33,887,121
27	3	I/O	33,887,121	112,957	28,911	0	33,858,210	0	33,858,210
28	4	I/O	33,858,210	112,861	29,007	0	33,829,203	0	33,829,203
29	5	I/O	33,829,203	112,764	29,104	0	33,800,099	0	33,800,099
30	6	I/O	33,800,099	112,667	29,201	0	33,770,899	0	33,770,899
31	7	I/O	33,770,899	112,570	29,298	0	33,741,600	0	33,741,600
32	8	I/O	33,741,600	112,472	29,396	0	33,712,205	0	33,712,205
33	9	I/O	33,712,205	112,374	29,494	0	33,682,711	0	33,682,711
34	10	I/O	33,682,711	112,276	29,592	0	33,653,119	0	33,653,119
35	11	I/O	33,653,119	112,177	29,691	0	33,623,428	0	33,623,428
36	12	I/O	33,623,428	112,078	29,790	0	33,593,639	0	33,593,639
37	13	I/O	33,593,639	111,979	29,889	0	33,563,750	0	33,563,750
38	14	I/O	33,563,750	111,879	29,989	0	33,533,761	0	33,533,761
39	15	I/O	33,533,761	111,779	30,089	0	33,503,672	0	33,503,672
40	16	I/O	33,503,672	111,679	30,189	0	33,473,483	0	33,473,483
41	17	I/O	33,473,483	111,578	30,289	0	33,443,194	0	33,443,194
42	18	I/O	33,443,194	111,477	30,390	0	33,412,804	0	33,412,804
43	19	I/O	33,412,804	111,376	30,492	0	33,382,312	0	33,382,312
44	20	I/O	33,382,312	111,274	30,593	0	33,351,718	0	33,351,718
45	21	I/O	33,351,718	111,172	30,695	0	33,321,023	0	33,321,023
46	22	I/O	33,321,023	111,070	30,798	0	33,290,225	0	33,290,225
47	23	I/O	33,290,225	110,967	30,900	0	33,259,325	0	33,259,325
48	24	I/O	33,259,325	110,864	31,003	0	33,228,322	0	33,228,322
49	25	I/O	33,228,322	110,761	31,107	0	33,197,215	0	33,197,215
50	26	I/O	33,197,215	110,657	31,210	0	33,166,005	0	33,166,005
51	27	I/O	33,166,005	110,553	31,314	0	33,134,690	0	33,134,690
52	28	I/O	33,134,690	110,449	31,419	0	33,103,271	0	33,103,271
53	29	I/O	33,103,271	110,344	31,524	0	33,071,748	0	33,071,748
54	30	I/O	33,071,748	110,239	31,629	0	33,040,119	0	33,040,119
55	31	I/O	33,040,119	110,134	31,734	0	33,008,385	0	33,008,385
56	32	I/O	33,008,385	110,028	31,840	0	32,976,545	0	32,976,545
57	33	I/O	32,976,545	109,922	31,946	0	32,944,599	0	32,944,599
58	34	I/O	32,944,599	109,815	32,052	0	32,912,547	0	32,912,547
59	35	I/O	32,912,547	109,708	32,159	0	32,880,388	0	32,880,388
60	36	I/O	32,880,388	109,601	32,266	0	32,848,121	0	32,848,121
61	37	I/O	32,848,121	109,494	32,374	0	32,815,747	0	32,815,747
62	38	I/O	32,815,747	109,386	32,482	0	32,783,265	0	32,783,265
63	39	I/O	32,783,265	109,278	32,590	0	32,750,675	0	32,750,675
64	40	I/O	32,750,675	109,169	32,699	0	32,717,976	0	32,717,976
65	41	I/O	32,717,976	109,060	32,808	0	32,685,168	0	32,685,168
66	42	I/O	32,685,168	108,951	32,917	0	32,652,251	0	32,652,251
67	43	I/O	32,652,251	108,841	33,027	0	32,619,224	0	32,619,224
68	44	I/O	32,619,224	108,731	33,137	0	32,586,087	0	32,586,087
69	45	I/O	32,586,087	108,620	33,247	0	32,552,840	0	32,552,840
70	46	I/O	32,552,840	108,509	33,358	0	32,519,481	0	32,519,481
71	47	I/O	32,519,481	108,398	33,469	0	32,486,012	0	32,486,012
72	48	I/O	32,486,012	108,287	33,581	0	32,452,431	0	32,452,431
73	49	I/O	32,452,431	108,175	33,693	0	32,418,738	0	32,418,738
74	50	I/O	32,418,738	108,062	33,805	0	32,384,932	0	32,384,932
75	51	I/O	32,384,932	107,950	33,918	0	32,351,014	0	32,351,014
76	52	I/O	32,351,014	107,837	34,031	0	32,316,983	0	32,316,983
77	53	I/O	32,316,983	107,723	34,144	0	32,282,839	0	32,282,839
78	54	I/O	32,282,839	107,609	34,258	0	32,248,581	0	32,248,581
79	55	I/O	32,248,581	107,495	34,373	0	32,214,208	0	32,214,208
80	56	I/O	32,214,208	107,381	34,487	0	32,179,721	0	32,179,721
81	57	I/O	32,179,721	107,266	34,602	0	32,145,119	0	32,145,119
82	58	I/O	32,145,119	107,150	34,717	0	32,110,402	0	32,110,402
83	59	I/O	32,110,402	107,035	34,833	0	32,075,569	0	32,075,569
84	60	I/O	32,075,569	106,919	34,949	0	32,040,619	0	32,040,619
85	61	I/O	32,040,619	106,802	35,066	0	32,005,554	0	32,005,554
86	62	I/O	32,005,554	106,685	35,183	0	31,970,371	0	31,970,371
87	63	I/O	31,970,371	106,568	35,300	0	31,935,071	0	31,935,071
88	64	I/O	31,935,071	106,450	35,418	0	31,899,654	0	31,899,654
89	65	I/O	31,899,654	106,332	35,536	0	31,864,118	0	31,864,118
90	66	I/O	31,864,118	106,214	35,654	0	31,828,464	0	31,828,464
91	67	I/O	31,828,464	106,095	35,773	0	31,792,691	0	31,792,691
92	68	I/O	31,792,691	105,976	35,892	0	31,756,799	0	31,756,799
93	69	I/O	31,756,799	105,856	36,012	0	31,720,787	0	31,720,787
94	70	I/O	31,720,787	105,736	36,132	0	31,684,655	0	31,684,655
95	71	I/O	31,684,655	105,616	36,252	0	31,648,403	0	31,648,403
96	72	I/O	31,648,403	105,495	36,373	0	31,612,030	0	31,612,030

[illegible]

Month	Amort Period	Beginning Balance	Interest	Principal	Repayment of Principal		Interim Ending Balance	Repayment of Principal from Office Building Sale		Ending Balance
					From Retail Sale	From Hotel Sale		From Office Building Sale	From Office Building Sale	
205	181	26,877,201	89,591	52,277	0	0	26,884,924	0	26,884,924	0
206	182	26,874,224	89,546	52,261	0	0	26,877,472	0	26,877,472	0
207	183	26,772,473	89,242	52,076	0	0	26,769,846	0	26,769,846	0
208	184	26,719,846	89,066	52,078	0	0	26,667,045	0	26,667,045	0
209	185	26,667,045	88,890	52,982	0	0	26,614,067	0	26,614,067	0
210	186	26,614,067	88,714	53,584	0	0	26,560,913	0	26,560,913	0
211	187	26,560,913	88,536	53,931	0	0	26,507,582	0	26,507,582	0
212	188	26,507,582	88,359	53,959	0	0	26,454,072	0	26,454,072	0
213	189	26,454,072	88,180	53,688	0	0	26,400,385	0	26,400,385	0
214	190	26,400,385	88,001	53,866	0	0	26,346,518	0	26,346,518	0
215	191	26,346,518	87,822	53,646	0	0	26,292,472	0	26,292,472	0
216	192	26,292,472	87,642	54,226	0	0	26,238,246	0	26,238,246	0
217	193	26,238,246	87,461	54,407	0	0	26,183,399	0	26,183,399	0
218	194	26,183,399	87,279	54,788	0	0	26,129,251	0	26,129,251	0
219	195	26,129,251	87,098	54,570	0	0	26,074,481	0	26,074,481	0
220	196	26,074,481	86,915	53,953	0	0	26,009,528	0	26,009,528	0
221	197	26,019,528	86,732	55,136	0	0	25,964,392	0	25,964,392	0
222	198	25,964,392	86,548	55,320	0	0	25,909,072	0	25,909,072	0
223	199	25,909,072	86,364	55,504	0	0	25,853,588	0	25,853,588	0
224	200	25,853,588	86,179	55,689	0	0	25,797,879	0	25,797,879	0
225	201	25,797,879	85,993	55,875	0	0	25,742,004	0	25,742,004	0
226	202	25,742,004	85,807	56,061	0	0	25,685,943	0	25,685,943	0
227	203	25,685,943	85,620	56,248	0	0	25,629,695	0	25,629,695	0
228	204	25,629,695	85,432	56,435	0	0	25,573,259	0	25,573,259	0
229	205	25,573,259	85,244	56,624	0	0	25,516,636	0	25,516,636	0
230	206	25,516,636	85,055	56,810	0	0	25,459,823	0	25,459,823	0
231	207	25,459,823	84,866	57,002	0	0	25,402,822	0	25,402,822	0
232	208	25,402,822	84,676	57,192	0	0	25,345,530	0	25,345,530	0
233	209	25,345,530	84,485	57,383	0	0	25,288,248	0	25,288,248	0
234	210	25,288,248	84,294	57,574	0	0	25,230,974	0	25,230,974	0
235	211	25,230,974	84,102	57,766	0	0	25,172,909	0	25,172,909	0
236	212	25,172,909	83,910	57,958	0	0	25,114,951	0	25,114,951	0
237	213	25,114,951	83,717	58,151	0	0	25,056,799	0	25,056,799	0
238	214	25,056,799	83,523	58,345	0	0	24,998,454	0	24,998,454	0
239	215	24,998,454	83,328	58,540	0	0	24,939,951	0	24,939,951	0
240	216	24,939,951	83,133	58,735	0	0	24,881,380	0	24,881,380	0
241	217	24,881,380	82,937	58,931	0	0	24,822,249	0	24,822,249	0
242	218	24,822,249	82,741	59,127	0	0	24,763,122	0	24,763,122	0
243	219	24,763,122	82,545	59,324	0	0	24,703,798	0	24,703,798	0
244	220	24,703,798	82,346	59,520	0	0	24,644,277	0	24,644,277	0
245	221	24,644,277	82,148	59,722	0	0	24,584,556	0	24,584,556	0
246	222	24,584,556	81,949	59,919	0	0	24,524,637	0	24,524,637	0
247	223	24,524,637	81,749	60,119	0	0	24,464,518	0	24,464,518	0
248	224	24,464,518	81,548	60,319	0	0	24,404,199	0	24,404,199	0
249	225	24,404,199	81,347	60,520	0	0	24,343,678	0	24,343,678	0
250	226	24,343,678	81,146	60,722	0	0	24,282,956	0	24,282,956	0
251	227	24,282,956	80,943	60,925	0	0	24,222,032	0	24,222,032	0
252	228	24,222,032	80,739	61,128	0	0	24,160,904	0	24,160,904	0
253	229	24,160,904	80,536	61,331	0	0	24,099,573	0	24,099,573	0
254	230	24,099,573	80,332	61,536	0	0	24,038,037	0	24,038,037	0
255	231	24,038,037	80,127	61,741	0	0	23,976,296	0	23,976,296	0
256	232	23,976,296	79,921	61,947	0	0	23,914,349	0	23,914,349	0
257	233	23,914,349	79,714	62,153	0	0	23,852,196	0	23,852,196	0
258	234	23,852,196	79,507	62,360	0	0	23,789,835	0	23,789,835	0
259	235	23,789,835	79,299	62,567	0	0	23,727,267	0	23,727,267	0
260	236	23,727,267	79,091	62,774	0	0	23,664,490	0	23,664,490	0
261	237	23,664,490	78,882	62,986	0	0	23,601,504	0	23,601,504	0
262	238	23,601,504	78,672	63,196	0	0	23,538,308	0	23,538,308	0
263	239	23,538,308	78,461	63,407	0	0	23,474,901	0	23,474,901	0
264	240	23,474,901	78,250	63,618	0	0	23,411,283	0	23,411,283	0
265	241	23,411,283	78,038	63,830	0	0	23,347,453	0	23,347,453	0
266	242	23,347,453	77,825	64,043	0	0	23,283,410	0	23,283,410	0
267	243	23,283,410	77,611	64,256	0	0	23,219,153	0	23,219,153	0
268	244	23,219,153	77,397	64,471	0	0	23,154,683	0	23,154,683	0
269	245	23,154,683	77,182	64,685	0	0	23,089,997	0	23,089,997	0
270	246	23,089,997	76,967	64,891	0	0	23,025,096	0	23,025,096	0
271	247	23,025,096	76,750	65,097	0	0	22,959,979	0	22,959,979	0
272	248	22,959,979	76,533	65,305	0	0	22,894,644	0	22,894,644	0
273	249	22,894,644	76,315	65,535	0	0	22,829,092	0	22,829,092	0
274	250	22,829,092	76,097	65,751	0	0	22,763,321	0	22,763,321	0
275	251	22,763,321	75,878	65,960	0	0	22,697,331	0	22,697,331	0
276	252	22,697,331	75,658	66,210	0	0	22,631,121	0	22,631,121	0
277	253	22,631,121	75,437	66,431	0	0	22,564,600	0	22,564,600	0
278	254	22,564,600	75,216	66,652	0	0	22,498,038	0	22,498,038	0
279	255	22,498,038	74,993	66,874	0	0	22,431,164	0	22,431,164	0
280	256	22,431,164	74,771	67,097	0	0	22,364,067	0	22,364,067	0
281	257	22,364,067	74,547	67,321	0	0	22,296,746	0	22,296,746	0
282	258	22,296,746	74,322	67,545	0	0	22,229,201	0	22,229,201	0
283	259	22,229,201	74,097	67,770	0	0	22,161,430	0	22,161,430	0
284	260	22,161,430	73,871	68,000	0	0	22,093,434	0	22,093,434	0
285	261	22,093,434	73,645	68,223	0	0	22,025,211	0	22,025,211	0
286	262	22,025,211	73,417	68,450	0	0	21,956,760	0	21,956,760	0
287	263	21,956,760	73,189	68,679	0	0	21,888,082	0	21,888,082	0
288	264	21,888,082	72,960	68,907	0	0	21,819,174	0	21,819,174	0
289	265	21,819,174	72,731	69,137	0	0	21,750,037	0	21,750,037	0
290	266	21,750,037	72,500	69,368	0	0	21,680,670	0	21,680,670	0
291	267	21,680,670	72,269	69,599	0	0	21,611,071	0	21,611,071	0
292	268	21,611,071	72,037	69,831	0	0	21,541,240	0	21,541,240	0
293	269	21,541,240	71,804	70,064	0	0	21,471,177	0	21,471,177	0
294	270	21,471,177	71,571	70,297	0	0	21,400,879	0	21,400,879	0
295	271	21,400,879	71,336	70,532	0	0	21,330,348	0	21,330,348	0
296	272	21,330,348	71,101	70,767	0	0	21,259,581	0	21,259,581	0
297	273	21,259,581	70,865	71,002	0	0	21,188,578	0	21,188,578	0
298	274	21,188,578	70,629	71,239	0	0	21,117,339	0	21,117,339	0
299	275	21,117,339	70,391	71,477	0	0	21,045,863	0	21,045,863	0
300	276	21,045,863	70,153	71,715	0	0	20,974,148	0	20,974,148	0
301	277	20,974,148	69,914	71,954	0	0	20,902,194	0	20,902,194	0
302	278	20,902,194	69,674	72,194	0	0	20,830,000	0	20,830,000	0
303	279	20,830,000	69,433	72,434	0	0	20,757,566	0	20,757,566	0
304	280	20,757,566	69,192	72,674	0	0	20,684,890	0	20,684,890	0
305	281	20,684,890	68,950	72,915	0	0	20,611,971	0	20,611,971	0
306	282	20,611,971	68,707	73,156	0	0	20,538,808	0	20,538,808	0
307	283	20,538,808	68,463	73,398	0	0	20,465,405	0	20,465,405	0
308	284	20,465,405	68,218	73,650	0	0	20,391,755	0	20,391,755	0
309	285	20,391,755	67,973	73,895	0	0	20,317,860	0	20,317,860	0
310	286	20,317,860	67,726	74,142	0	0	20,243,719	0	20,243,719	0
311	287	20,243,719	67,479	74,390	0	0	20,169,333	0	20,169,333	0
312	288	20,169,333	67,231	74,637	0	0	20,094,603	0	20,094,603	0

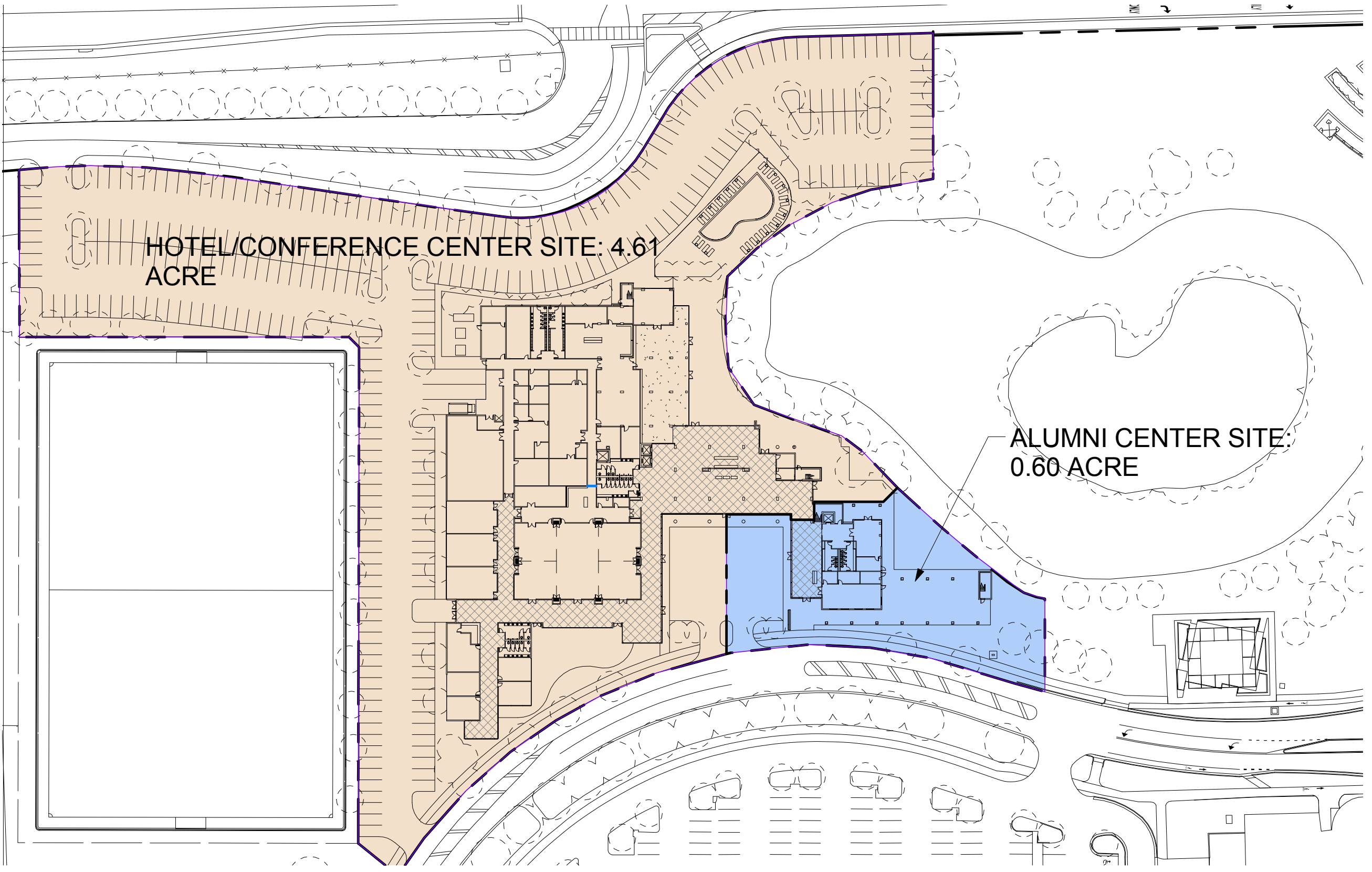
Month #	Amort Period	Beginning Balance	Interest	Principal	Repayment of Principal from Retail Sale		Repayment of Principal from Hotel Sale		Repayment of Principal from Office Building Sale		Month #	Amort Period	Beginning Balance	Interest	Principal	Repayment of Principal from Retail Sale		Repayment of Principal from Hotel Sale		Repayment of Principal from Office Building Sale	
					Principal	Ending Balance	Principal	Ending Balance	Principal	Ending Balance						Principal	Ending Balance	Principal	Ending Balance	Principal	Ending Balance
357	313	289	20,094,693	66,982	74,885	0	0	20,019,808	0	20,019,808	465	421	397	10,378,944	34,596	107,271	0	0	10,271,672	0	10,271,672
358	314	290	20,019,808	66,733	75,135	0	0	19,944,673	0	19,944,673	466	422	398	10,271,672	34,239	107,629	0	0	10,164,043	0	10,164,043
359	315	291	19,944,673	66,482	75,386	0	0	19,869,287	0	19,869,287	467	423	399	10,164,043	33,880	107,988	0	0	10,056,056	0	10,056,056
360	316	292	19,869,287	66,231	75,637	0	0	19,793,650	0	19,793,650	468	424	400	10,056,056	33,520	108,348	0	0	9,947,708	0	9,947,708
361	317	293	19,793,650	65,979	75,889	0	0	19,717,761	0	19,717,761	469	425	401	9,947,708	33,159	108,709	0	0	9,838,999	0	9,838,999
362	318	294	19,717,761	65,726	76,142	0	0	19,641,620	0	19,641,620	470	426	402	9,838,999	32,797	109,071	0	0	9,729,928	0	9,729,928
363	319	295	19,641,620	65,472	76,396	0	0	19,565,224	0	19,565,224	471	427	403	9,729,928	32,433	109,435	0	0	9,620,494	0	9,620,494
364	320	296	19,565,224	65,217	76,650	0	0	19,488,574	0	19,488,574	472	428	404	9,620,494	32,068	109,799	0	0	9,510,694	0	9,510,694
365	321	297	19,488,574	64,962	76,906	0	0	19,411,668	0	19,411,668	473	429	405	9,510,694	31,702	110,165	0	0	9,400,529	0	9,400,529
366	322	298	19,411,668	64,706	77,162	0	0	19,334,505	0	19,334,505	474	430	406	9,400,529	31,335	110,533	0	0	9,289,996	0	9,289,996
367	323	299	19,334,505	64,448	77,419	0	0	19,257,086	0	19,257,086	475	431	407	9,289,996	30,967	110,901	0	0	9,179,095	0	9,179,095
368	324	300	19,257,086	64,190	77,677	0	0	19,179,409	0	19,179,409	476	432	408	9,179,095	30,597	111,271	0	0	9,067,824	0	9,067,824
369	325	301	19,179,409	63,931	77,936	0	0	19,101,472	0	19,101,472	477	433	409	9,067,824	30,226	111,642	0	0	8,956,182	0	8,956,182
370	326	302	19,101,472	63,672	78,196	0	0	19,023,276	0	19,023,276	478	434	410	8,956,182	29,854	112,014	0	0	8,844,169	0	8,844,169
371	327	303	19,023,276	63,411	78,457	0	0	18,944,819	0	18,944,819	479	435	411	8,844,169	29,481	112,387	0	0	8,731,781	0	8,731,781
372	328	304	18,944,819	63,149	78,718	0	0	18,866,301	0	18,866,301	480	436	412	8,731,781	29,106	112,762	0	0	8,619,020	0	8,619,020
373	329	305	18,866,301	62,887	78,981	0	0	18,787,120	0	18,787,120	481	437	413	8,619,020	28,730	113,138	0	0	8,505,882	0	8,505,882
374	330	306	18,787,120	62,624	79,244	0	0	18,707,876	0	18,707,876	482	438	414	8,505,882	28,353	113,515	0	0	8,392,367	0	8,392,367
375	331	307	18,707,876	62,360	79,508	0	0	18,628,368	0	18,628,368	483	439	415	8,392,367	27,975	113,893	0	0	8,278,474	0	8,278,474
376	332	308	18,628,368	62,095	79,773	0	0	18,548,595	0	18,548,595	484	440	416	8,278,474	27,595	114,273	0	0	8,164,201	0	8,164,201
377	333	309	18,548,595	61,829	80,039	0	0	18,468,555	0	18,468,555	485	441	417	8,164,201	27,214	114,654	0	0	8,049,547	0	8,049,547
378	334	310	18,468,555	61,562	80,306	0	0	18,388,249	0	18,388,249	486	442	418	8,049,547	26,832	115,036	0	0	7,934,511	0	7,934,511
379	335	311	18,388,249	61,294	80,574	0	0	18,307,676	0	18,307,676	487	443	419	7,934,511	26,448	115,419	0	0	7,819,092	0	7,819,092
380	336	312	18,307,676	61,026	80,842	0	0	18,226,834	0	18,226,834	488	444	420	7,819,092	26,064	115,804	0	0	7,703,288	0	7,703,288
381	337	313	18,226,834	60,756	81,112	0	0	18,145,722	0	18,145,722	489	445	421	7,703,288	25,678	116,190	0	0	7,587,098	0	7,587,098
382	338	314	18,145,722	60,486	81,382	0	0	18,064,340	0	18,064,340	490	446	422	7,587,098	25,290	116,577	0	0	7,470,520	0	7,470,520
383	339	315	18,064,340	60,214	81,653	0	0	17,982,687	0	17,982,687	491	447	423	7,470,520	24,902	116,966	0	0	7,353,554	0	7,353,554
384	340	316	17,982,687	59,942	81,925	0	0	17,900,761	0	17,900,761	492	448	424	7,353,554	24,512	117,356	0	0	7,236,198	0	7,236,198
385	341	317	17,900,761	59,669	82,199	0	0	17,818,563	0	17,818,563	493	449	425	7,236,198	24,121	117,747	0	0	7,118,451	0	7,118,451
386	342	318	17,818,563	59,395	82,473	0	0	17,736,090	0	17,736,090	494	450	426	7,118,451	23,728	118,140	0	0	7,000,312	0	7,000,312
387	343	319	17,736,090	59,120	82,747	0	0	17,653,343	0	17,653,343	495	451	427	7,000,312	23,334	118,533	0	0	6,881,778	0	6,881,778
388	344	320	17,653,343	58,844	83,023	0	0	17,570,319	0	17,570,319	496	452	428	6,881,778	22,939	118,929	0	0	6,762,850	0	6,762,850
389	345	321	17,570,319	58,568	83,300	0	0	17,487,019	0	17,487,019	497	453	429	6,762,850	22,543	119,325	0	0	6,643,525	0	6,643,525
390	346	322	17,487,019	58,290	83,578	0	0	17,403,442	0	17,403,442	498	454	430	6,643,525	22,145	119,723	0	0	6,523,802	0	6,523,802
391	347	323	17,403,442	58,011	83,856	0	0	17,319,585	0	17,319,585	499	455	431	6,523,802	21,746	120,122	0	0	6,403,680	0	6,403,680
392	348	324	17,319,585	57,732	84,136	0	0	17,235,449	0	17,235,449	500	456	432	6,403,680	21,346	120,522	0	0	6,283,158	0	6,283,158
393	349	325	17,235,449	57,451	84,416	0	0	17,151,033	0	17,151,033	501	457	433	6,283,158	20,944	120,924	0	0	6,162,234	0	6,162,234
394	350	326	17,151,033	57,170	84,698	0	0	17,066,336	0	17,066,336	502	458	434	6,162,234	20,541	121,327	0	0	6,041,000	0	6,041,000
395	351	327	17,066,336	56,888	84,980	0	0	16,981,156	0	16,981,156	503	459	435	6,041,000	20,136	121,730	0	0	5,919,450	0	5,919,450
396	352	328	16,981,156	56,605	85,263	0	0	16,896,092	0	16,896,092	504	460	436	5,919,450	19,730	122,133	0	0	5,797,076	0	5,797,076
397	353	329	16,896,092	56,320	85,547	0	0	16,810,545	0	16,810,545	505	461	437	5,797,076	19,323	122,536	0	0	5,673,880	0	5,673,880
398	354	330	16,810,545	56,035	85,833	0	0	16,724,712	0	16,724,712	506	462	438	5,673,880	18,915	122,939	0	0	5,549,860	0	5,549,860
399	355	331	16,724,712	55,749	86,119	0	0	16,638,594	0	16,638,594	507	463	439	5,549,860	18,506	123,342	0	0	5,425,000	0	5,425,000
400	356	332	16,638,594	55,462	86,406	0	0	16,552,188	0	16,552,188	508	464	440	5,425,000	18,096	123,745	0	0	5,299,290	0	5,299,290
401	357	333	16,552,188	55,174	86,694	0	0	16,465,494	0	16,465,494	509	465	441	5,299,290	17,685	124,148	0	0	5,172,720	0	5,172,720
402	358	334	16,465,494	54,885	86,983	0	0	16,378,511	0	16,378,511	510	466	442	5,172,720	17,273	124,551	0	0	5,045,290	0	5,045,290
403	359	335	16,378,511	54,595	87,273	0	0	16,291,238	0	16,291,238	511	467	443	5,045,290	16,861	124,954	0	0	4,916,990	0	4,916,990
404	360	336	16,291,238	54,304	87,566	0	0	16,203,675	0	16,203,675	512	468	444	4,916,990	16,448	125,357	0	0	4,787,720	0	4,787,720
405	361	337	16,203,675	54,012	87,859	0	0	16,115,819	0	16,115,819	513	469	445	4,787,720	16,034	125,760	0	0	4,657,480	0	4,657,480
406	362	338	16,115,819	53,719	88,148	0	0	16,027,671	0	16,027,671	514	470	446	4,657,480	15,619	126,163	0	0	4,526,270	0	4,526,270
407	363	339	16,027,671	53,426	88,442	0	0	15,939,229	0	15,939,229	515	471	447	4,526,270	15,203	126,566	0	0	4,394,090	0	4,394,090
408	364	340	15,939,229	53,131	88,737	0	0	15,850,492	0	15,850,492	516	472	448	4,394,090	14,786	126,969	0	0	4,260,940	0	4,260,940
409	365	341	15,850,492	52,835	89,033	0	0	15,761,459	0	15,761,459	517	473	449	4,260,940	14,368	127,372	0	0	4,126,820	0	4,126,820
410	366	342	15,761,459	52,538	89,330	0	0	15,672,129	0	15,672,129											

EXHIBIT B – BENCHMARK FINANCIALS

This document was declared Trade Secret and therefore exempt from public record.

EXHIBIT C – CONCORD EATRIDGE FINANCIALS

This document was declared Trade Secret and therefore exempt from public record.



Site Area Summary

ALUMNI CENTER:	0.60 acre
HOTEL/CONF CTR.:	4.61 acre
TOTAL SITE AREA:	5.21 acre

FIU HOTEL, CONFERENCE CENTER, AND ALUMNI CENTER

MIAMI, FLORIDA

R A B U N R A S C H E R E C T O R R E E C E
170/634

SITE PLAN - SITE AREA

1" = 80'-0"
05/18/17

Concord Benchmark, LLC

Fee Development Pro Forma

FIU - Alumni Center

Miami, FL

5/17/2017

***Trade Secrets**

FIU - Alumni Center
Summary of Office Building Operating and Sale Assumptions - 5/25/2017

PERMANENT LOAN REFINANCING OF DEVELOPMENT LOAN(S)				
Stabilization	6/1/2019	Month 23	NOI at Point of Refinancing	NA
Last TI Completed	6/1/2019	Month 23	Maximum Loan Amount *	\$0
Month # of Refinancing (Enter 0 if None)		Month 0	Amount Borrowed	Remaining Balance
Date of Refinancing		7/1/2017	Principal Amount	\$0
Term		10 Years	Remaining Senior Loan Principal	NA
Amortization Period		30 Years		
Interest Rate		4.50%	Excess Proceeds to Equity	NA
Monthly Payment		\$0		
New Loan LTC		0.00%	Loan/Broker Fees/Closing Costs	0.00%
* The Lesser of the two Maximum Loan Proceeds Amounts			Interest Only Period (Enter 0 if None)	0 years

DISPOSITION		
<u>Alumni Center Building Asset</u>		
Disposition of Alumni Center & Parking	Month 36	
Sale Date	7/1/2020	
(Year 2 of operation)		
Capitalization Rate	5.29%	
Selling Costs	0.00%	
Annual NOI in Month 48:	\$398,759	
Space Disposition, Net	\$7,531,255	

RETURNS SUMMARY, FROM MONTHLY CASH FLOWS				
Total Equity Invested *	\$2	<i>Internal Rate of Return</i>		
Going-In NOI	\$398,759	Project		43887.30%
Going-In Yield	5.89%			
		Waterfall #1		
Net Cash Flow	\$1,224,303	General Partner		54454.61%
Multiple on Equity **	612152.58x	Limited Partner		30406.53%
Net Present Value	\$1,224,303			

Notes

* Includes equity funding of any operating and funding shortfalls.

** Ignores the time value of money.

Permanent Loan Test	
NOI Test	
Annual NOI at Point of Refinancing	NA
Capitalization Rate at Point of Refinancing	5.00%
Gross Valuation at Point of Refinancing	NA
Maximum LTV	70%
Maximum Loan Proceeds	NA
Debt Coverage Ratio Test	
Annual NOI at Point of Refinancing	NA
Required Debt Service Coverage Ratio	1.20
Maximum Allowable Debt Service	NA
Maximum Loan Proceeds	NA

**FIU - Alumni Center
Fee Development Pro Forma**

BUILDING PROFILE					*Trade Secrets	DEVELOPMENT USES OF FUNDS					Per GSF	LAND SF	Total
Project Name:	FIU - Alumni Center					Land & Acquisition Costs	0.00% Deposit		0.00%	\$0.00	\$0.00	\$0	
						Parking Acquisition Costs	\$0/Space					\$0	
Lot Square Footage	26,072 SF					Total Hard Costs		78.30%		\$367.92		\$5,302,872	
Total Gross Building Area Above Grade	14,413 SF					Building & Pro-Rata Parking Hard Costs		53.06%		\$267.72		\$3,728,823	
						Site Work - Pro Rata Share		11.07%		\$0.00		\$750,000	
						GC Fees, Insurance, P&P Bond		9.77%		\$45.92		\$661,916	
						Construction Contingency	3.00% of Hard Costs	1.98%		\$9.32		\$134,365	
						3rd Party Consultant	0.37% of Hard Costs					\$16,572	
						State Fire Marshal	0.25% of Hard Costs					\$11,197	
						Total Soft Costs and Fees	28.34% of Base Building Hard Costs	18.74%		\$88.07		\$1,269,298	
						Soft Costs		11.90%		\$18.33		\$806,188	
						Soft Costs Contingency	5.00% of Soft Costs					\$40,309	
						CM Fee (FIU)	3.00% of Total Costs					\$158,550	
Alumni Center GSF	13,928 SF					Developer Fee	3.50% of Total Costs	2.73%		\$12.83		\$184,975	
Alumni Center LSF	96.63%	13,928 LSF				CM Fee (Developer)	1.50% of Total Costs	1.17%		\$5.50		\$79,275	
						Owner's Contingency		2.95%		\$13.88		\$200,000	
						Financing Costs excluding any Operating Deficit		0.00%		\$0.00		\$0	
						Total Development Cost (Uses of Funds)		100.00%		\$469.87		\$6,772,171	
						Operating Deficit (Funded by Equity)		0.00%		\$0.00		\$0	
						Total Development Cost Including Operating Deficit		100.00%		\$469.87 PSF		\$6,772,171	
PROJECT TIMING VARIABLES					DEVELOPMENT SOURCES OF FUNDS								
	Month	Date/ # Duration		Date/Month	Equity	% of Total Equity	Initial Investment	Deficit Share *	% of Cost	Total Equity w/Deficits			
Project/Analysis Start Date	1	8/1/2017	Alumni Center		General Partner Equity	50.00%	\$0	0.00%		\$1			
Land Contract Execution	1	8/1/2017	1st Tenant Rent Commencement	Month 23	Limited Partner Equity	50.00%	\$1	\$0	0.00%	\$1			
Land Deposit Date	1	8/1/2017			Equity Total	100.00%	\$2	\$0	0.00%	\$2			
Land Purchase Date	2	9/1/2017											
Months of Pre-Construction *		7 Months			Debt & Financing Fees				% of Cost	Amount			
Construction Start Date	8	3/1/2018			Senior Loan Rate *	0.00% Interest			100.00%	\$6,772,169			
# of Months of Construction		16 Months			Equity Placement Fees	0.00%							
Constr. End/C of O Revd	23	6/1/2019			Debt Placement and Loan Fees	0.00%							
Total Development Period		23 Months			Loan Fees - At Draws	0.00%							
								Debt Total	100.00%	\$6,772,169			
								Property Cash Flow	0.00%	\$0			
								Total Sources of Funds	100.00%	\$6,772,171			

* Loan amount includes capitalized interest and capitalized points/fees

Sources and Uses of Funds
FIU - Alumni Center

Table with 6 columns: Event, Duration, Month #, Event, Month #. Rows include Project Analysis start, Land Purchase Closing, Pre-Construction (months), Construction Start, Construction Duration (months), Construction End/C of O Received, and Land Lease Start.

Month #
Elapsed Year
Calendar Year
Calendar Month
Month #
Construction Month #
Construction Status
Year Counter
Event

USES OF FUNDS

Table with multiple columns including Leased Alumni Center SF, % SF, Tenant and Payment #, Allowance, % TDC, Payment Share, Total, Data Series Profile, and Total. Rows are categorized into Land, Parking and Acquisition Costs; Building & Pro-Rata Parking Hard Costs; Tenant Improvements (TIs); Retail Tenant Improvements (TIs); Soft Costs; Financing Costs; and Total Development Costs.

Operating Deficit And Financing-Related Deficits Combined >>>>>>>> \$0
Net Revenue Before Financing Costs (from Cash Flow Tab) >>>>>>>> \$7,996,474
Net Revenue After Financing Costs (from Cash Flow Tab) >>>>>>>> \$7,996,474
Net Revenue Paid Towards Financing Costs >>>>>>>> \$0

USES OF FUNDS

US OF FUNDS			Total												
		Land, Parking and Acquisition Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.00%	3.00%	5.00%	6.00%		
		Building & Pro-Rata Parking Hard Costs	\$3,728,823	\$0	\$0	\$0	\$0	\$0	\$0	\$74,576	\$111,865	\$186,441	\$223,729		
		Site Work - Pro Rata Share	\$750,000	\$0	\$0	\$0	\$0	\$0	\$0	\$15,000	\$22,500	\$37,500	\$45,000		
		Ground Rent During Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
		GC Fees, Insurance, P&P Bond	\$661,916	\$0	\$0	\$0	\$0	\$0	\$0	\$13,238	\$19,857	\$33,096	\$39,715		
		3rd Party Consultant	\$16,572	\$0	\$0	\$0	\$0	\$0	\$0	\$331	\$497	\$829	\$994		
		State Fire Marshal	\$11,197	\$0	\$0	\$0	\$0	\$0	\$0	\$224	\$336	\$560	\$672		
		Owner's Contingency	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$4,000	\$6,000	\$10,000	\$12,000		
		Tenant Improvements (TIs)													
Leased Alumni Center SF	% SF	Tenant and Payment #													
13,928 LSF	100%	Total Alumni Center TIs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
		Retail Tenant Improvements (TIs)													
Leased Retail SF	% SF	Tenant and Payment #													
0 LSF	#DIV/0!	Total Retail TIs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Paid Pre-Construction:	0%	Total Hard Costs	\$5,368,508	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$107,370	\$161,055	\$268,425	\$322,110	
			100.00%	0.0%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%		
		Developer Fee	\$184,975	\$0	\$8,408	\$8,408	\$8,408	\$8,408	\$8,408	\$8,408	\$8,408	\$8,408	\$8,408		
		CM Fee (Developer)	\$79,275	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,586	\$2,378	\$3,964	\$4,757	
		CM Fee (FIU)	\$158,550	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,171	\$4,757	\$7,928	\$9,513	
	100%	Total Development Fees	\$422,801	\$0	\$8,408	\$8,408	\$8,408	\$8,408	\$8,408	\$8,408	\$8,408	\$13,164	\$15,543	\$20,299	\$22,678
			100.00%	L.P. Executed							Construx. Start				
				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	3.0%	5.0%	6.0%	
		Soft Costs	\$846,497	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,930	\$25,395	\$42,325	\$50,790	
		Total Soft Costs and Fees	\$1,269,298	\$0	\$8,408	\$8,408	\$8,408	\$8,408	\$8,408	\$8,408	\$30,094	\$40,938	\$62,624	\$73,467	
		Construction Contingency	\$134,365	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,687	\$4,031	\$6,718	\$8,062	
Subtotal Eligible Development Costs for Senior Loan Funding		\$6,772,171	\$0	\$8,408	\$8,408	\$8,408	\$8,408	\$8,408	\$8,408	\$140,152	\$206,024	\$337,768	\$403,640		
Financing Costs															
Senior Debt Financing															
Senior Loan Placement Fees		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Capitalized (funded) Loan Fees at Loan Draws		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Capitalized (funded) Loan Interest Reserve		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Loan Interest - paid in Cash		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Equity Placement Fees		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total Financing Costs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total Development Costs (TDC) before Operating Deficit		\$6,772,171	\$0	\$8,408	\$8,408	\$8,408	\$8,408	\$8,408	\$8,408	\$8,408	\$140,152	\$206,024	\$337,768	\$403,640	
Operating Deficit		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total Development Costs including Operating Deficit		\$6,772,171	\$0	\$8,408	\$8,408	\$8,408	\$8,408	\$8,408	\$8,408	\$8,408	\$140,152	\$206,024	\$337,768	\$403,640	
		\$6,772,171													
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
		\$7,996,474	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
		\$7,996,474	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		

USES OF FUNDS

USE OF FUNDS			Total													
Land, Parking and Acquisition Costs			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
			7.00%	8.00%	9.00%	10.00%	10.00%	9.00%	8.00%	7.00%	6.00%	5.00%	3.00%	2.00%	0.00%	
Building & Pro-Rata Parking Hard Costs			\$3,728,823	\$261,018	\$298,306	\$335,594	\$372,882	\$372,882	\$335,594	\$298,306	\$261,018	\$223,729	\$186,441	\$111,865	\$74,576	\$0
Site Work - Pro Rata Share			\$750,000	\$52,500	\$60,000	\$67,500	\$75,000	\$75,000	\$67,500	\$60,000	\$52,500	\$45,000	\$37,500	\$22,500	\$15,000	\$0
Ground Rent During Construction			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GC Fees, Insurance, P&P Bond			\$661,916	\$46,334	\$52,953	\$59,572	\$66,192	\$66,192	\$59,572	\$52,953	\$46,334	\$39,715	\$33,096	\$19,857	\$13,238	\$0
3rd Party Consultant			\$16,572	\$1,160	\$1,326	\$1,491	\$1,657	\$1,657	\$1,491	\$1,326	\$1,160	\$994	\$829	\$497	\$331	\$0
State Fire Marshal			\$11,197	\$784	\$896	\$1,008	\$1,120	\$1,120	\$1,008	\$896	\$784	\$672	\$560	\$336	\$224	\$0
Owner's Contingency			\$200,000	\$14,000	\$16,000	\$18,000	\$20,000	\$20,000	\$18,000	\$16,000	\$14,000	\$12,000	\$10,000	\$6,000	\$4,000	\$0
Tenant Improvements (TIs)																
Leased Alumni Center SF	% SF	Tenant and Payment #														
13,928 LSF	100%	Total Alumni Center TIs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Retail Tenant Improvements (TIs)																
Leased Retail SF	% SF	Tenant and Payment #														
0 LSF	#DIV/0!	Total Retail TIs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Paid Pre-Construction:	0%	Total Hard Costs	\$5,368,508	\$375,796	\$429,481	\$483,166	\$536,851	\$536,851	\$483,166	\$429,481	\$375,796	\$322,110	\$268,425	\$161,055	\$107,370	\$0
			100.00%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	0.0%
		Developer Fee	\$184,975	\$8,408	\$8,408	\$8,408	\$8,408	\$8,408	\$8,408	\$8,408	\$8,408	\$8,408	\$8,408	\$8,408	\$8,408	\$0
		CM Fee (Developer)	\$79,275	\$5,549	\$6,342	\$7,135	\$7,928	\$7,928	\$7,135	\$6,342	\$5,549	\$4,757	\$3,964	\$2,378	\$1,586	\$0
		CM Fee (FIU)	\$158,550	\$11,099	\$12,684	\$14,270	\$15,855	\$15,855	\$14,270	\$12,684	\$11,099	\$9,513	\$7,928	\$4,757	\$3,171	\$0
	100%	Total Development Fees	\$422,801	\$25,056	\$27,434	\$29,812	\$32,191	\$32,191	\$29,812	\$27,434	\$25,056	\$22,678	\$20,299	\$15,543	\$13,164	\$0
			100.00%	7.0%	8.0%	9.0%	10.0%	10.0%	9.0%	8.0%	7.0%	6.0%	5.0%	3.0%	2.0%	0.0%
		Soft Costs	\$846,497	\$59,255	\$67,720	\$76,185	\$84,650	\$84,650	\$76,185	\$67,720	\$59,255	\$50,790	\$42,325	\$25,395	\$16,930	\$0
		Total Soft Costs and Fees	\$1,269,298	\$84,311	\$95,154	\$105,997	\$116,840	\$116,840	\$105,997	\$95,154	\$84,311	\$73,467	\$62,624	\$40,938	\$30,094	\$0
		Construction Contingency	\$134,365	\$9,406	\$10,749	\$12,093	\$13,436	\$13,436	\$12,093	\$10,749	\$9,406	\$8,062	\$6,718	\$4,031	\$2,687	\$0
Subtotal Eligible Development Costs for Senior Loan Funding			\$6,772,171	\$469,512	\$535,384	\$601,256	\$667,128	\$667,128	\$601,256	\$535,384	\$469,512	\$403,640	\$337,768	\$206,024	\$140,152	\$0
Financing Costs																
Senior Debt Financing																
Senior Loan Placement Fees			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capitalized (funded) Loan Fees at Loan Draws			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capitalized (funded) Loan Interest Reserve			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Loan Interest - paid in Cash			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Placement Fees			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Financing Costs			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Development Costs (TDC) before Operating Deficit			\$6,772,171	\$469,512	\$535,384	\$601,256	\$667,128	\$667,128	\$601,256	\$535,384	\$469,512	\$403,640	\$337,768	\$206,024	\$140,152	\$0
Operating Deficit			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Development Costs including Operating Deficit			\$6,772,171	\$469,512	\$535,384	\$601,256	\$667,128	\$667,128	\$601,256	\$535,384	\$469,512	\$403,640	\$337,768	\$206,024	\$140,152	\$0
			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
			\$7,996,474	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$33,230	\$33,230
			\$7,996,474	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$33,230	\$33,230
			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

SOURCES OF FUNDS *

General Partner Equity	% TDC 0.00%	Total \$1	% Equity 50.0%	General Partner Equity
				Invests Pro Rata
Limited Partner Equity	0.00%	\$1	50.0%	Limited Partner Equity
				Invests Pro Rata
Senior Loan	100.00%	Total \$6,772,169		Senior Loan
	100.00%			

* Listed from top to bottom in the chronological order of their funding.

General Partner Equity		Total
Direct Project Costs Draw		\$1
Cumulative Direct Project Costs Draw		
Operating and Financing Deficit Draw		\$0
Post-Refinancing Development Costs Draw		\$0
Refinancing Shortfall Draw		\$0
Total Funding		\$1
Limited Partner Equity		
Direct Project Costs Draw		\$1
Cumulative Direct Project Costs Draw		
Operating and Financing Deficit Draw		\$0
Post-Refinancing Development Costs Draw		\$0
Refinancing Shortfall Draw		\$0
Total Funding		\$1
Total Equity Draws		\$2
Beginning Balance		
Direct Project Costs Draw		\$6,772,169
Loan Fees - Front End	0.00%	\$0
Loan Fees - At Loan Draws	0.00%	\$0
Funded Interest Reserve	0.00%	\$0
Cash Interest Payments, if any		\$0
Repayment from Disposition of Alumni Center		(\$6,772,169)
Repayment from Disposition of Retail		\$0
Repayment from Refinancing, if any		\$0
Equity to Cover Permanent Loan Principal Re-fi Shortfall		\$0
Ending Balance		\$0
Remaining Loan Principal - Senior Loan		
MODEL CHECKS FOR EQUIVALENCY BETWEEN USES AND SOURCES OF FUNDS		
Total Uses of Funds (from above)		\$6,772,171
Sources of Funds		
Sources of Funds before Deficits		\$6,772,171
Late Development Costs		\$0
Sources towards Late Development Costs		
Net Revenue After Debt Service		\$0
New Equity Contribution		\$0
Total Funding Towards Late Development Costs		\$0
Net Revenue Paid Towards Financing Costs		\$0
Sources of Funds after Deficits and Late Development Cost Funding		\$6,772,171
Difference In Uses And Sources Of Funds		\$0

01

General Partner Equity													
Direct Project Costs Draw	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Direct Project Costs Draw	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
Operating and Financing Deficit Draw	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Post-Refinancing Development Costs Draw	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Refinancing Shortfall Draw	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Limited Partner Equity													
Direct Project Costs Draw	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Direct Project Costs Draw	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
Operating and Financing Deficit Draw	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Post-Refinancing Development Costs Draw	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Refinancing Shortfall Draw	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Equity Draws	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Beginning Balance	\$1,138,029	\$1,607,541	\$2,142,924	\$2,744,180	\$3,411,307	\$4,078,435	\$4,679,690	\$5,215,074	\$5,684,586	\$6,088,225	\$6,425,993	\$6,632,017	\$6,772,169
Direct Project Costs Draw	\$469,512	\$535,384	\$601,256	\$667,128	\$667,128	\$601,256	\$535,384	\$469,512	\$403,640	\$337,768	\$206,024	\$140,152	\$0
Loan Fees - Front End	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Loan Fees - At Loan Draws	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Funded Interest Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Interest Payments, if any	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repayment from Disposition of Alumni Center	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repayment from Disposition of Retail	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repayment from Refinancing, if any	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity to Cover Permanent Loan Principal Re-fi Shortfall	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$1,607,541	\$2,142,924	\$2,744,180	\$3,411,307	\$4,078,435	\$4,679,690	\$5,215,074	\$5,684,586	\$6,088,225	\$6,425,993	\$6,632,017	\$6,772,169	\$6,772,169
Remaining Loan Principal - Senior Loan	\$1,607,541	\$2,142,924	\$2,744,180	\$3,411,307	\$4,078,435	\$4,679,690	\$5,215,074	\$5,684,586	\$6,088,225	\$6,425,993	\$6,632,017	\$6,772,169	\$6,772,169
MODEL CHECKS FOR EQUIVALENCY BETWEEN USES AND SOURCES OF FUNDS													
Total Uses of Funds (from above)	\$469,512	\$535,384	\$601,256	\$667,128	\$667,128	\$601,256	\$535,384	\$469,512	\$403,640	\$337,768	\$206,024	\$140,152	\$0
Sources of Funds													
Sources of Funds before Deficits	\$469,512	\$535,384	\$601,256	\$667,128	\$667,128	\$601,256	\$535,384	\$469,512	\$403,640	\$337,768	\$206,024	\$140,152	\$0
<i>Late Development Costs</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
Sources towards Late Development Costs													
Net Revenue After Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Equity Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Funding Towards Late Development Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Revenue Paid Towards Financing Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sources of Funds after Deficits and Late Development Cost Funding	\$469,512	\$535,384	\$601,256	\$667,128	\$667,128	\$601,256	\$535,384	\$469,512	\$403,640	\$337,768	\$206,024	\$140,152	\$0
Difference In Uses And Sources Of Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

CONCORDEASTRIDGE

FIU - Alumni Center (20 Year Capital Lease Option)

Miami, FL

5/17/2017

***Trade Secrets**

FIU - Alumni Center (20 Year Capital Lease Option)

SITE AND BUILDING INFORMATION

SITE AREA	0.60 Acres
BUILDING GROSS SF	14,413 SF
BUILDING EFFICIENCY	97%
BUILDING LEASABLE SF	13,928 SF
ALUMNI CENTER GROSS SF	14,413 SF
ALUMNI CENTER LEASABLE SF	13,928 SF

DEVELOPMENT COST SUMMARY

LAND ACQUISITION	\$0
TOTAL HARD COSTS	\$4,478,823
FF&E	\$661,916
CONTINGENCY	\$134,365
TENANT IMPROVEMENTS	\$0
SOFT COSTS	\$806,188
LEADING COMMISSIONS	\$0
DEVELOPER FEES	\$264,251
FINANCING	\$208,936
TOTAL DEVELOPMENT COSTS	\$5,753,106

FINANCING ASSUMPTIONS

TOTAL EQUITY OF T	20%	\$1,356,219
SENIOR LOAN LTC	80%	\$5,387,855
SENIOR LOAN RATE	4.50%	
PERMANENT LOAN	80%	\$5,387,855
PERMANENT LOAN	4.50%	
TERM / AMORTIZAI	20 Years	20 Years

LEASE TERMS

LEASE TYPE	NNN
LEASE TERMS	240 months
COMMENCEMENT	6/1/2019
T1 ALLOWANCE	\$0.00
INITIAL ANNUAL RENT PER SF	\$39.14
INITIAL MONTHLY LEASE PAYM	\$45,430
INITIAL ANNUAL LEASE PAYMENT	\$545,162
EVERY 5TH YEAR RENT BUMP	0.0%

DISPOSITION

SALE DATE	9/1/2039
NET OPERATING INCOME	\$513,860

*Trade Secrets

RETURN ANALYSIS

Milestone Events	Land Purchase		Rent																	Capital Event					
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
DEVELOPMENT PERIOD	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
DEVELOPMENT YEAR	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
OPERATING CASH FLOW																									
WINI CENTER GROSS POTENTIAL RENT	\$ -	\$ -	\$ 318,011	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 318,011	\$ -
WINI CENTER EXPENSE REIMBURSEMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ALUMNI CENTER VACANCY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CENTER LOSS TO LEASE/CONCESSIONS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WINI CENTER EFFECTIVE GROSS INCOME	\$ -	\$ -	\$ 318,011	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 545,162	\$ 318,011	\$ -
ALUMNI CENTER OPERATING EXPENSES	\$ -	\$ -	\$ (13,610)	\$ (27,219)	\$ (27,219)	\$ (27,219)	\$ (27,219)	\$ (27,219)	\$ (28,013)	\$ (28,580)	\$ (28,580)	\$ (28,580)	\$ (28,580)	\$ (29,374)	\$ (29,941)	\$ (29,941)	\$ (29,941)	\$ (29,941)	\$ (30,735)	\$ (31,302)	\$ (31,302)	\$ (31,302)	\$ (31,302)	\$ (31,302)	\$ (18,260)
WINI CENTER NET OPERATING INCOME	\$ -	\$ -	\$ 304,402	\$ 517,943	\$ 517,943	\$ 517,943	\$ 517,943	\$ 517,943	\$ 517,149	\$ 516,582	\$ 516,582	\$ 516,582	\$ 516,582	\$ 515,788	\$ 515,221	\$ 515,221	\$ 515,221	\$ 515,221	\$ 514,427	\$ 513,860	\$ 513,860	\$ 513,860	\$ 513,860	\$ 299,752	\$ -
COMBINED NET OPERATING INCOME																									
LESS DEBT SERVICE	\$ -	\$ -	\$ (207,454)	\$ (409,035)	\$ (409,035)	\$ (409,035)	\$ (409,035)	\$ (409,035)	\$ (409,035)	\$ (409,035)	\$ (409,035)	\$ (409,035)	\$ (409,035)	\$ (409,035)	\$ (409,035)	\$ (409,035)	\$ (409,035)	\$ (409,035)	\$ (409,035)	\$ (409,035)	\$ (409,035)	\$ (409,035)	\$ (238,604)	\$ -	\$ -
NET OPERATING CASH FLOW	\$ -	\$ -	\$ 96,948	\$ 108,908	\$ 108,908	\$ 108,908	\$ 108,908	\$ 108,908	\$ 108,114	\$ 107,547	\$ 107,547	\$ 107,547	\$ 107,547	\$ 106,753	\$ 106,186	\$ 106,186	\$ 106,186	\$ 106,186	\$ 105,393	\$ 104,825	\$ 104,825	\$ 275,257	\$ 513,860	\$ 513,860	\$ 299,752
SOURCES AND USES OF FUNDS																									
DEVELOPMENT COSTS	\$ 244,800	\$ 4,551,451	\$ 1,984,846	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET REVENUE TOWARDS COSTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EQUITY	\$ (244,800)	\$ (1,111,419)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DEBT	\$ -	\$ 3,440,031	\$ 1,984,846	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CAPITAL EVENTS NET PROCEEDS																									
ALUMNI CENTER SALE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ -
TOTAL LEVERED CASH FLOW	\$ (244,800)	\$ (1,111,419)	\$ 96,948	\$ 108,908	\$ 108,908	\$ 108,908	\$ 108,908	\$ 108,908	\$ 108,114	\$ 107,547	\$ 107,547	\$ 107,547	\$ 107,547	\$ 106,753	\$ 106,186	\$ 106,186	\$ 106,186	\$ 106,186	\$ 105,393	\$ 104,825	\$ 104,825	\$ 104,825	\$ 104,825	\$ 61,149	\$ -
ment Debt Annual Ending Balance				(\$5,217,794)	(\$5,039,921)	(\$4,853,877)	(\$4,659,286)	(\$4,455,755)	(\$4,242,874)	(\$4,020,214)	(\$3,787,324)	(\$3,543,736)	(\$3,288,957)	(\$3,022,474)	(\$2,743,748)	(\$2,452,218)	(\$2,147,295)	(\$1,828,364)	(\$1,494,781)	(\$1,145,874)	(\$780,938)	(\$399,237)	\$0	\$0	\$0

RISK ANALYSIS METRICS	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
RETURN ON COSTS				7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%
CASH-ON-CASH RETURN				8.0%	8.0%	8.0%	8.0%	8.0%	7.9%	7.9%	7.9%	7.9%	7.9%	7.8%	7.8%	7.8%	7.8%	7.8%	7.7%	7.7%	7.7%	20.3%	37.9%		
DEBT SERVICE COVERAGE RATIO				1.27	1.27	1.27	1.27	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	2.15				
DEBT YIELD RATIO				9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.5%	9.5%	9.5%	9.5%				
WINI CENTER OPERATING EXPENSE RATIO				5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	6%	6%	6%	6%	6%			
BREAK EVEN RATIO				80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	81%	81%	81%	81%	81%	81%	81%	50%	6%			

TOTAL PROJECT UNLEVERED IRR 4.38%

RETURN SUMMARY	SPONSOR	INVESTOR	TOTAL PROJECT
EQUITY INVESTMENT	\$1,356,218	\$1	\$1,356,219
EQUITY SHARE RATIO	100.00%	0.00%	100.00%
GROSS RETURN	\$2,188,226	\$2	\$2,188,228
CASH-ON-CASH RETURN	\$832,008	\$1	\$832,009
EQUITY MULTIPLE	1.61x	1.61x	1.61x
LEVERED INTERNAL RATE OF RETURN	4.77%	4.91%	4.77%
MONTHLY INVESTMENT PERIOD	264 months	264 months	264 months

FIU - Alumni Center (20 Year Capital Lease Option)
Summary of Office Building Development Assumptions - 5/25/2017

BUILDING PROFILE					*Trade Secrets	DEVELOPMENT USES OF FUNDS					Per GSF	LAND SF	Total
Project Name:		FIU - Alumni Center (20 Year Capital Lease Option)				Land & Acquisition Costs	0.00% Deposit	0.00%	\$0.00	\$0.00		\$0	
						Parking Acquisition Costs	\$0/Space		\$0.00			\$0	
Lot Square Footage		26,072 SF				Total Hard Costs		78.20%	\$367.92			\$5,302,872	
Total Gross Building Area		14,413 SF				Building Hard Costs		54.99%	\$258.71			\$3,728,823	
*Estimate obtained from General Contractor						Site Work		11.06%	\$52.04			\$750,000	
						GC Fees, Insurance, P&P Bond		9.76%	\$45.92			\$661,916	
						Construction Contingency	3.00% of Base Building Hard Costs	1.98%	\$9.32			\$134,365	
						3rd Party Consultant	0.37% of Base Building Hard Costs	0.24%	\$1.15			\$16,572	
						State Fire Marshal	0.25% of Base Building Hard Costs	0.17%	\$0.78			\$11,197	
		Above-Grade GSF excluding Parking			14,413 SF	Total Soft Costs and Fees	28.34% of Base Building Hard Costs	18.72%	\$88.07			\$1,269,298	
		Total Building Gross SF including Parking			14,413 SF	Soft Costs	18.00% of Hard Costs	11.89%	\$55.93			\$806,188	
						Soft Costs Contingency	5.00% of Soft Costs	0.59%	\$2.80			\$40,309	
						CM Fee (FIU)	3.00% of Total Costs	2.34%	\$11.00			\$158,550	
						Developer Fee	3.50% of Total Costs	2.73%	\$12.83			\$184,975	
						CM Fee (Developer)	1.50% of Total Costs	1.17%	\$5.50			\$79,275	
Alumni Center GSF		14,413 SF				Financing Costs excluding any Operating Deficit		3.08%	\$14.50			\$208,926	
Alumni Center LSF		96.63%	13,928 RSF			Total Development Cost (Uses of Funds)		100.00%	\$470.48			\$6,781,096	
						Operating Deficit (Funded by Equity)		0.00%	\$0.00			\$0	
						Total Development Cost Including Operating Deficit		100.00%	\$470.48			\$6,781,096	
PROJECT TIMING VARIABLES					DEVELOPMENT SOURCES OF FUNDS								
	Month	Date/				% of Total		Initial	Deficit	% of	Total Equity		
	#	Duration		Duration	Date/Month	Equity		Investment	Share *	Cost	w/Deficits		
Project/Analysis Start Date	1	8/1/2017	Office			Sponsor Equity	100.00%	\$1,356,218	\$0	20.00%	\$1,356,218		
Land Contract Execution	2	8/1/2017	1st Office Tenant Rent Commencement		6/1/2019	Investor Equity	0.00%	\$1	\$0	0.00%	\$1		
Land Deposit Date		8/1/2017	Last Office Tenant Rent Commencement		6/1/2019	Equity Total	100.00%	\$1,356,219	\$0	20.00%	\$1,356,219		
Land Purchase Date		9/1/2017	Post-Construction Leasing	0 Months									
Months of Pre-Construction *		7 Months				Debt & Financing Fees				% of Cost	Amount		
Construction Start Date	8	3/1/2018				Senior Loan Rate *	4.50% Interest			79.45%	\$5,387,855		
# of Months of Construction		16 Months				Equity Placement Fees	0.00% Interest						
Constr. End/C of O Revd	23	6/1/2019				Debt Placement and Loan Fees	1.00% Interest						
Total Development Period		23 Months				Loan Fees - At Draws	0.00% Interest						
% of Development Fee Paid Pre-Construction:		25%				* Loan amount includes capitalized interest and capitalized points/fees							
									Debt Total	79.45%	\$5,387,855		
									Property Cash Flow	0.55%	\$37,023		
									Total Sources of Funds	100.00%	\$6,781,096		

Capital Structure (bar heights are not to scale)

FIU - Alumni Center (20 Year Capital Lease Option)

***Trade Secrets**

	% Equity	% TDC	Equity % TDC	Debt % TDC	Amount **	Total Equity *	Total Debt *	Deficits Funded by Equity	Equity Investment including Deficit Liabilities		% TDC - Actual %s
Developer Sponsor Equity +	100.00%	20.55%			\$1,356,218				\$1,356,218	Developer Sponsor Equity +	20.00%
Third Party Investor Equity +	0.00%	0.00%	20.55%		\$1	\$1,356,219		\$0	\$1	Third Party Investor Equity +	0.00%
Senior Loan **		79.45%		79.45%	\$5,387,855		\$5,387,855		\$1,356,219	Senior Loan **	79.45%
Total Sources of Funds (TDC)	100%	100%			\$6,744,074					Property Cash Flow as Source of Funds	0.55%
Sources of Funds From Above	\$6,744,074										100.00%
Property Cash Flow As Source of Funds	\$37,023										
Total Sources of Funds	\$6,781,096										

⁺ While the equity slices are shown stacked vertically, note that this is simply the graphic representation and does not imply that there is any Preferred equity in the transaction.

^{*} The Senior Loan Amount on a residual basis after designating the dollar amounts of the other sources of funds.

^{**} Principal Amount includes Funded Interest Reserve and Funded Loan Fees.

[^] Equity amounts in this column do not include the pro-rata portion of the Operating and Financing Deficits to be funded by the Equity investors. See Column T for adjusted totals.

Tenant Name:	FIU - Alumni Center	*Trade Secrets
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GENERAL LEASE INFORMATION

Property Name:			Lease Type		NNN	
FIU - Alumni Center (20 Year Capital Lease Option)			Elapsed Year			
Business Type:	Educational		1			
Date of Lease Signature	4/1/2019					
Lease Commencement Date	4/1/2019					
Customer (Tenant)	FIU - Alumni Center					
Type of Lease:	New					
Annual Ground Rent	\$27,219	\$1.044 PSF	*Grows 5% every five years			
Suite RSF	13,928 RSF					
Pro-Rata %	100.00%					
Building RSF	13,928 RSF					
Parking Spots	0 Spots	\$0/Spot/Month				
Storage	0 RSF	\$0.00 PSF per Year				
Rent Commencement Date	6/1/2019		1			
			22			
Total TI Amount *	\$0					
TI per RSF - Entire Term	\$0.00					

EXPENSES & SERVICE CHARGE			
Line Item	Escalation	Value	Start Date
Base Year Total O & M	0.00%	\$0.00	6/1/2019
Base Year Total Real Estate Taxes	0.00%	\$0.00	6/1/2019
Programming Charge/BID	0.00%	\$0.00	6/1/2019
Service Charge		\$0.00	6/1/2019
Parking O & M	0.00%	\$0/Spot/Year	6/1/2019

CANCELLATION OPTION		
Exercise Date	-(1 Months Post Rent Start)	5/1/2019
Rate	Not Applicable >>>	\$0
	Rate:	0.00%
Annual Interest Rate (Lease Commencement through Lease Term End) to Calculate Residual Obligation by Tenant		
T.I.s		0.00%
Leasing Commissions		0.00%

TOTAL INCOME (RENT, PARKING, SIGNAGE, ETC.)

From	To	Annual Rate per SF	Escalation Factor: Percentage Step Factor	# Months	Monthly Rental Income	Average Monthly Service Charge	Monthly Parking Revenue	Monthly Storage Revenue	Less Free Rent Months Annual Total	Total Periodic Revenue
6/1/2019	5/31/2020	\$39.14		12	\$45,430	\$0	\$0	\$0	0 \$0	\$545,162
6/1/2020	5/31/2021	\$39.14	0.00% \$0.00	12	\$45,430	\$0	\$0	\$0	0 \$0	\$545,162
6/1/2021	5/31/2022	\$39.14	0.00% \$0.00	12	\$45,430	\$0	\$0	\$0	0 \$0	\$545,162
6/1/2022	5/31/2023	\$39.14	0.00% \$0.00	12	\$45,430	\$0	\$0	\$0	0 \$0	\$545,162
6/1/2023	5/31/2024	\$39.14	0.00% \$0.00	12	\$45,430	\$0	\$0	\$0	0 \$0	\$545,162
6/1/2024	5/31/2025	\$39.14	0.00% \$0.00	12	\$45,430	\$0	\$0	\$0	0 \$0	\$545,162
6/1/2025	5/31/2026	\$39.14	0.00% \$0.00	12	\$45,430	\$0	\$0	\$0	0 \$0	\$545,162
6/1/2026	5/31/2027	\$39.14	0.00% \$0.00	12	\$45,430	\$0	\$0	\$0	0 \$0	\$545,162
6/1/2027	5/31/2028	\$39.14	0.00% \$0.00	12	\$45,430	\$0	\$0	\$0	0 \$0	\$545,162
6/1/2028	5/31/2029	\$39.14	0.00% \$0.00	12	\$45,430	\$0	\$0	\$0	0 \$0	\$545,162
6/1/2029	5/31/2030	\$39.14	0.00% \$0.00	12	\$45,430	\$0	\$0	\$0	0 \$0	\$545,162
6/1/2030	5/31/2031	\$39.14	0.00% \$0.00	12	\$45,430	\$0	\$0	\$0	0 \$0	\$545,162
6/1/2031	5/31/2032	\$39.14	0.00% \$0.00	12	\$45,430	\$0	\$0	\$0	0 \$0	\$545,162
6/1/2032	5/31/2033	\$39.14	0.00% \$0.00	12	\$45,430	\$0	\$0	\$0	0 \$0	\$545,162
6/1/2033	5/31/2034	\$39.14	0.00% \$0.00	12	\$45,430	\$0	\$0	\$0	0 \$0	\$545,162
6/1/2034	5/31/2035	\$39.14	0.00% \$0.00	12	\$45,430	\$0	\$0	\$0	0 \$0	\$545,162
6/1/2035	5/31/2036	\$39.14	0.00% \$0.00	12	\$45,430	\$0	\$0	\$0	0 \$0	\$545,162
6/1/2036	5/31/2037	\$39.14	0.00% \$0.00	12	\$45,430	\$0	\$0	\$0	0 \$0	\$545,162
6/1/2037	5/31/2038	\$39.14	0.00% \$0.00	12	\$45,430	\$0	\$0	\$0	0 \$0	\$545,162
6/1/2038	5/31/2039	\$39.14	0.00% \$0.00	12	\$45,430	\$0	\$0	\$0	0 \$0	\$545,162

CONCORDEASTRIDGE

FIU - Alumni Center (10 Year Capital Lease Option)

Miami, FL

5/17/2017

***Trade Secrets**

FIU - Alumni Center (10 Year Capital Lease Option)

SITE AND BUILDING INFORMATION	
SITE AREA	0.60 Acres
BUILDING GROSS SF	14,413 SF
BUILDING EFFICIENCY	97%
BUILDING LEASABLE SF	13,928 SF
ALUMNI CENTER GROSS SF	14,413 SF
ALUMNI CENTER LEASABLE SF	13,928 SF

DEVELOPMENT COST SUMMARY	
LAND ACQUISITION	\$0
TOTAL HARD COSTS	\$4,478,823
FE&E	\$0
CONTINGENCY	\$134,365
TENANT IMPROVEMENTS	\$0
SOFT COSTS	\$806,188
LEASING COMMISSIONS	\$0
DEVELOPER FEES	\$264,251
FINANCING	\$209,295
TOTAL DEVELOPMENT COSTS	\$6,781,466

FINANCING ASSUMPTIONS		
TOTAL EQUITY OF TC	20%	\$1,356,293
SENIOR LOAN LTC	80%	\$5,417,422
SENIOR LOAN RATE	4.50%	
PERMANENT LOAN L	80%	\$5,417,422
PERMANENT LOAN F	4.50%	
TERM / AMORTIZATION	10 Years	10 Years

LEASE TERMS	
LEASE TYPE	NNN
LEASE TERMS	120 months
COMMENCEMENT	6/1/2019
T.I. ALLOWANCE	\$0.00
INITIAL ANNUAL RENT PER SF	\$62.55
INITIAL MONTHLY LEASE PAYMENT	\$72,601
INITIAL ANNUAL LEASE PAYMENT	\$871,211
EVERY 5TH YEAR RENT BUMP	0.0%

DISPOSITION	
SALE DATE	7/1/2029
NET OPERATING INCOME	\$842,630

RETURN ANALYSIS																
Milestone Events	Land Purchase		Rent Commencement										Capital Event			
DEVELOPMENT PERIOD	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
DEVELOPMENT YEAR	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
OPERATING CASH FLOW																
NI CENTER GROSS POTENTIAL RENT	\$ -	\$ -	\$ 508,206	\$ 871,211	\$ 871,211	\$ 871,211	\$ 871,211	\$ 871,211	\$ 871,211	\$ 871,211	\$ 871,211	\$ 871,211	\$ 871,211	\$ 508,206	\$ -	\$ -
NI CENTER EXPENSE REIMBURSEMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ALUMNI CENTER VACANCY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ENTER LOSS TO LEASE/CONCESSIONS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
I CENTER EFFECTIVE GROSS INCOME	\$ -	\$ -	\$ 508,206	\$ 871,211	\$ 871,211	\$ 871,211	\$ 871,211	\$ 871,211	\$ 871,211	\$ 871,211	\$ 871,211	\$ 871,211	\$ 871,211	\$ 508,206	\$ -	\$ -
ALUMNI CENTER OPERATING EXPENSES	\$ -	\$ -	\$ (13,610)	\$ (27,219)	\$ (27,219)	\$ (27,219)	\$ (27,219)	\$ (28,013)	\$ (28,580)	\$ (28,580)	\$ (28,580)	\$ (28,580)	\$ (28,580)	\$ (16,672)	\$ -	\$ -
II CENTER NET OPERATING INCOME	\$ -	\$ -	\$ 494,597	\$ 843,991	\$ 843,991	\$ 843,991	\$ 843,991	\$ 843,197	\$ 842,630	\$ 842,630	\$ 842,630	\$ 842,630	\$ 842,630	\$ 491,534	\$ -	\$ -
OMBINED NET OPERATING INCOME	\$ -	\$ -	\$ 494,597	\$ 843,991	\$ 843,991	\$ 843,991	\$ 843,991	\$ 843,197	\$ 842,630	\$ 842,630	\$ 842,630	\$ 842,630	\$ 842,630	\$ 491,534	\$ -	\$ -
LESS DEBT SERVICE	\$ -	\$ -	\$ (288,478)	\$ (673,744)	\$ (673,744)	\$ (673,744)	\$ (673,744)	\$ (673,744)	\$ (673,744)	\$ (673,744)	\$ (673,744)	\$ (673,744)	\$ (673,744)	\$ (393,017)	\$ -	\$ -
NET OPERATING CASH FLOW	\$ -	\$ -	\$ 206,119	\$ 170,248	\$ 170,248	\$ 170,248	\$ 170,248	\$ 169,454	\$ 168,887	\$ 168,887	\$ 168,887	\$ 168,887	\$ 168,887	\$ 449,613	\$ 491,534	\$ -
SOURCES AND USES OF FUNDS																
DEVELOPMENT COSTS	\$ 244,800	\$ 4,551,751	\$ 1,984,915	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET REVENUE TOWARDS COSTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EQUITY	\$ (244,800)	\$ (1,111,493)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DEBT	\$ -	\$ 3,440,258	\$ 1,984,915	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CAPITAL EVENTS NET PROCEEDS																
ALUMNI CENTER SALE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ -
TOTAL LEVERED CASH FLOW	\$ (244,800)	\$ (1,111,493)	\$ 206,119	\$ 170,248	\$ 170,248	\$ 170,248	\$ 170,248	\$ 169,454	\$ 168,887	\$ 168,887	\$ 168,887	\$ 168,887	\$ 168,887	\$ 98,518	\$ -	\$ -
Debt Annual Ending Balance				(\$4,978,483)	(\$4,519,379)	(\$4,039,183)	(\$3,536,928)	(\$3,011,599)	(\$2,462,137)	(\$1,887,432)	(\$1,286,326)	(\$657,604)	\$0	\$0	\$0	\$0
PLEASE NOTE THAT METRICS ARE BASED ON ANNUAL INCOME AND PERMANENT DEBT SERVICE. IF METRICS APPEAR TO BE OFF PLEASE VERIFY INCOME AND DEBT IN ANNUAL CASH FLOW SECTION.																
RISK ANALYSIS METRICS	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
RETURN ON COSTS				12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%	12.4%
CASH-ON-CASH RETURN				12.6%	12.6%	12.6%	12.6%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%
DEBT SERVICE COVERAGE RATIO				1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
DEBT YIELD RATIO				15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%	15.6%
I CENTER OPERATING EXPENSE RATIO				3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
BREAK EVEN RATIO				80%	80%	80%	80%	81%	81%	81%	81%	81%	81%	81%	81%	81%
TOTAL PROJECT UNLEVERED IRR																
	4.32%															
SPONSOR INVESTOR TOTAL PROJECT																
EQUITY INVESTMENT	\$1,356,292	\$1		\$1,356,293												
EQUITY SHARE RATIO	100.00%	0.00%		100.00%												
GROSS RETURN	\$1,830,628	\$1		\$1,830,629												
CASH-ON-CASH RETURN	\$474,336	\$0		\$474,336												
EQUITY MULTIPLE	1.35x	1.35x		1.35x												
LEVERED INTERNAL RATE OF RETURN	5.36%	5.62%		5.36%												
MONTHLY INVESTMENT PERIOD	144 months	144 months		144 months												

FIU - Alumni Center (10 Year Capital Lease Option)
Summary of Office Building Development Assumptions - 5/25/2017

BUILDING PROFILE					*Trade Secrets	DEVELOPMENT USES OF FUNDS					Per GSF	LAND SF	Total	
Project Name: FIU - Alumni Center (10 Year Capital Lease Option)						Land & Acquisition Costs	0.00% Deposit	0.00%	\$0.00	\$0.00			\$0	
						Parking Acquisition Costs	\$0/Space		\$0.00				\$0	
Lot Square Footage					26,072 SF	Total Hard Costs		78.20%	\$367.92				\$5,302,872	
Total Gross Building Area Above Grade					14,413 SF	Building Hard Costs		54.99%	\$258.71				\$3,728,823	
						Site Work		11.06%	\$52.04				\$750,000	
						GC Fees, Insurance, P&P Bond		9.76%	\$45.92				\$661,916	
						Construction Contingency	3.00% of Base Building Hard Costs	1.98%	\$9.32				\$134,365	
						3rd Party Consultant Charge	0.37% of Base Building Hard Costs	0.24%	\$1.15				\$16,572	
						State Fire Marshal	0.25% of Base Building Hard Costs	0.17%	\$0.78				\$11,197	
					Above-Grade GSF excluding Parking	14,413 SF	Total Soft Costs and Fees	28.34% of Base Building Hard Costs	18.72%	\$88.07			\$1,269,298	
					Total Building Gross SF including Parking	14,413 SF	Soft Costs	18.00% of Hard Costs	11.89%	\$55.93			\$806,188	
						Soft Costs Continency	5.00% of Soft Costs	0.59%	\$2.80				\$40,309	
						CM Fee (FIU)	3.00% of Total Costs	2.34%	\$11.00				\$158,550	
						Developer Fee	3.50% of Total Costs	2.73%	\$12.83				\$184,975	
						CM Fee (Developer)	1.50% of Total Costs	1.17%	\$5.50				\$79,275	
Alumni Center GSF					14,413 SF	Financing Costs excluding any Operating Deficit					3.09%	\$14.52	\$209,295	
Alumni Center LSF					96.63%	13,928 RSF	Total Development Cost (Uses of Funds)					100.00%	\$470.51	\$6,781,466
							Operating Deficit (Funded by Equity)					0.00%	\$0.00	\$0
							Total Development Cost Including Operating Deficit					100.00%	\$470.51 PSF	\$6,781,466
PROJECT TIMING VARIABLES					DEVELOPMENT SOURCES OF FUNDS									
	Month	Date/					% of Total	Initial	Deficit	% of	Total Equity			
	#	Duration		Duration	Date/Month	Equity	Equity	Investment	Share *	Cost	w/Deficits			
Project/Analysis Start Date	1	8/1/2017	Office			Sponsor Equity	100.00%	\$1,356,292	\$0	20.00%	\$1,356,292			
Land Contract Execution	2	8/1/2017	1st Office Tenant Rent Commencement		6/1/2019	Investor Equity	0.00%	\$1	\$0	0.00%	\$1			
Land Deposit Date		8/1/2017	Last Office Tenant Rent Commencement		6/1/2019	Equity Total	100.00%	\$1,356,293	\$0	20.00%	\$1,356,293			
Land Purchase Date		9/1/2017	Post-Construction Leasing	0 Months										
Months of Pre-Construction *		7 Months				Debt & Financing Fees				% of Cost	Amount			
Construction Start Date	8	3/1/2018				Senior Loan Rate *	4.50% Interest			79.89%	\$5,417,422			
# of Months of Construction		16 Months				Equity Placement Fees	0.00% Interest							
Constr. End/C of O Rcvd	23	6/1/2019				Debt Placement and Loan Fees	1.00% Interest							
Total Development Period		23 Months				Loan Fees - At Draws	0.00% Interest							
% of Development Fee Paid Pre-Construction:					25%	* Loan amount includes capitalized interest and capitalized points/fees					Debt Total	79.89%	\$5,417,422	
											Property Cash Flow	0.11%	\$7,751	
											Total Sources of Funds	100.00%	\$6,781,466	

Capital Structure (bar heights are not to scale)

FIU - Alumni Center (10 Year Capital Lease Option)

	% Equity	% TDC	Equity % TDC	Debt % TDC	Amount **	Total Equity *	Total Debt *	Deficits Funded by Equity	Equity Investment including Deficit Liabilities		% TDC - Actual %s
Developer Sponsor Equity +	100.00%	20.11%			\$1,356,292				\$1,356,292	Developer Sponsor Equity +	20.00%
Third Party Investor Equity +	0.00%	0.00%	20.11%		\$1	\$1,356,293		\$0	\$1	Third Party Investor Equity +	0.00%
Senior Loan **		79.89%		79.89%	\$5,417,422		\$5,417,422		\$1,356,293	Senior Loan **	79.89%
Total Sources of Funds (TDC)	100%	100%			\$6,773,715					Property Cash Flow as Source of Funds	0.11%
Sources of Funds From Above	\$6,773,715										100.00%
Property Cash Flow As Source of Funds	\$7,751										
Total Sources of Funds	\$6,781,466										

Tenant Name:	FIU - Alumni Center	*Trade Secrets
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GENERAL LEASE INFORMATION

Property Name: FIU - Alumni Center (10 Year Capital Lease Option)			Elapsed Year	Lease Type NNN			
Business Type:	Educational			EXPENSES & SERVICE CHARGE			
Date of Lease Signature	4/1/2019			Line Item	Escalation	Value	Start Date
Lease Commencement Date	4/1/2019		1	Base Year Total O & M	0.00%	\$0.00	6/1/2019
Customer (Tenant)	FIU - Alumni Center			Base Year Total Real Estate Taxes	0.00%	\$0.00	6/1/2019
Type of Lease:	New			Programming Charge/BID	0.00%	\$0.00	6/1/2019
Annual Ground Rent	\$27,219	\$1.044 PSF		Service Charge		\$0.00	6/1/2019
Suite RSF	13,928 RSF			Parking O & M	0.00%	\$0/Spot/Year	6/1/2019
Pro-Rata %	100.00%			CANCELLATION OPTION			
Building RSF	13,928 RSF			Exercise Date	-(1 Months Post Rent Start)	5/1/2019	
Parking Spots	0 Spots	\$0/Spot/Month *refer to parking model		Rate	Not Applicable >>>>	\$0	
Storage	0 RSF	\$0.00 PSF per Year		Rate:		0.00%	
Rent Commencement Date	6/1/2019		1	Annual Interest Rate (Lease Commencement through Lease Term End) to Calculate Residual Obligation by Tenant			
			21	TIs		0.00%	
Total TI Amount *	\$0			Leasing Commissions		0.00%	
TI per RSF - Entire Term	\$0.00						

TOTAL INCOME (RENT, PARKING, SIGNAGE, ETC.)

From	To	Annual Rate per SF	Escalation Factor:		# Months	Monthly Rental Income	Average Monthly Service Charge	Monthly Parking Revenue	Monthly Storage Revenue	Less Free Rent		Total Periodic Revenue
			Percentage	Step Factor						Months	Annual Total	
6/1/2019	5/31/2020	\$62.55			12	\$72,601	\$0	\$0	\$0	0	\$0	\$871,211
6/1/2020	5/31/2021	\$62.55	0.00%	\$0.00	12	\$72,601	\$0	\$0	\$0	0	\$0	\$871,211
6/1/2021	5/31/2022	\$62.55	0.00%	\$0.00	12	\$72,601	\$0	\$0	\$0	0	\$0	\$871,211
6/1/2022	5/31/2023	\$62.55	0.00%	\$0.00	12	\$72,601	\$0	\$0	\$0	0	\$0	\$871,211
6/1/2023	5/31/2024	\$62.55	0.00%	\$0.00	12	\$72,601	\$0	\$0	\$0	0	\$0	\$871,211
6/1/2024	5/31/2025	\$62.55	0.00%	\$0.00	12	\$72,601	\$0	\$0	\$0	0	\$0	\$871,211
6/1/2025	5/31/2026	\$62.55	0.00%	\$0.00	12	\$72,601	\$0	\$0	\$0	0	\$0	\$871,211
6/1/2026	5/31/2027	\$62.55	0.00%	\$0.00	12	\$72,601	\$0	\$0	\$0	0	\$0	\$871,211
6/1/2027	5/31/2028	\$62.55	0.00%	\$0.00	12	\$72,601	\$0	\$0	\$0	0	\$0	\$871,211
6/1/2028	5/31/2029	\$62.55	0.00%	\$0.00	12	\$72,601	\$0	\$0	\$0	0	\$0	\$871,211

FIU Hotel, Conference Center, and Alumni Center

Miami, Florida

Executive Summary

5/17/2017

Hotel & Conference Center

	<u>Hotel</u>	<u>Conf. Ctr.</u>	<u>Total</u>	
Floor 1	34,443 SF	21,511 SF	55,954 SF	
Floor 2	3,173 SF	11,206 SF	14,379 SF	
Floor 3	17,928 SF		17,928 SF	
Floor 4	17,928 SF		17,928 SF	
Floor 5	17,928 SF		17,928 SF	
Floor 6	17,938 SF		17,938 SF	
Floor 7	11,666 SF		11,666 SF	
Subtotal	121,004 SF	32,717 SF	153,721 SF	1,005 SF/KEY

- 156 guest room bays
- (4) 2-bay suites
- (1) 3-bay suite
- 150 total keys
- 16,020 SF total function space (107 SF/KEY)

Alumni Center

	<u>Gross Area</u>
Floor 1	5,449 SF
Floor 2	8,288 SF
Total	13,737 SF

FIU Hotel Conference Center, Program
5/16/17

A. Guestrooms

	SF	Qty	Area, SF
Kings	350	41	14,350
Double Queen	377	99	37,323
Accessible Double Queen	667	5	3,335
2 Bay Suites	754	4	3,016
3 Bay Suites	1053	1	1,053
Net Total		150	59,077

Room Matrix

	Level	K	DQ	ACC DQ	2 BAY STE	PRES
	3	9	21	1	1	0
	4	9	24	1	1	0
	5	9	24	1	1	0
	6	9	24	1	1	0
	7	5	6	1	0	1
TOTALS		41	99	5	4	1
TOTAL KEYS		150				

5/17/17

	Area, SF	Notes
B. Public Areas		
Lobby	5,315	
Elevator Lobbies		included in Lobby
Registration Desk		included in Lobby
Concierge Desk		included in Lobby
Bell Desk		included in Lobby
Luggage Storage		included in Lobby
Valet Office and Desk		included in Lobby
Public Restrooms (serves F&B)	830	
Retail Shop		included in Lobby
Total, Public Areas	6,145	
C. Restaurants and Bars/Support		
F&B Outlets		
3 Meal Restaurant incl. buffet area		
Approx. 190 seats	3,769	Plus Outdoor Seating
Private Dining	929	
Lounge/Bar	2,237	Plus Outdoor Seating
Rooftop Bar	1,540	Plus Outdoor Seating
Subtotal, F&B Outlets	8,475	
F&B Support		
Main Kitchen	3,915	
Chef		Included in Main Kitchen
Room Service	371	
Dish/Pot Wash		Included in Main Kitchen
Cooler/Freezer		Included in Main Kitchen
Dry Storage		Included in Main Kitchen
Beverage General Storage		Included in Main Kitchen
Subtotal, F&B Support	4,286	
F&B Outlet Kitchens		
Lounge/Bar BOH		Included in Lounge/Bar
Rooftop Bar BOH/Pantry	384	
Subtotal, F&B Outlet Kitchens	384	
Total, Restaurants and Bars/Support	13,145	
D. Meeting & Function Space		
Function Spaces		
Ballroom	6,000	60'x100'
Conference Room A	1,000	26'x40'
Conference Room B	1,000	26'x40'

FIU Hotel Conference Center, Program

5/17/17

Conference Room C	1,000 26'x40'
Breakout Room A	494 19'x26'
Breakout Room B	494 19'x26'
Breakout Room C	494 19'x26'
Breakout Room D	494 19'x26'
Breakout Room E	676 26'x26'
Breakout Room E	676 26'x26'
Breakout Room F	676 26'x26'
Breakout Room G	676 26'x26'
Breakout Room H	676 26'x26'
Learning Lab	676 26'x26'
Board Room	988 26'x38'

Subtotal Function Space **16,020**

Function Support

Prefunction, Level 1	7,627 Plus outdoor terrace
Prefunction, Level 2	3,612
Conference Services	992
Cyber Offices (6)	586
Banquet Storage	648
Public Restrooms	1,800
AV Equip/Storage	90
Banquet Kitchen Pantry	1,369
Board Room Anteroom	259

Subtotal, Function Support **16,983**

Total, Meeting & Function Space **33,003**

E. Recreation**Recreation**

Fitness Center	1,216	
Fitness Toilet	125	
Swimming Pool		Outdoor

Total, Recreation **1,341**

F. Admin Offices

Front Office Manager	161	
Front Office Admin Workstations	123	
Admin Offices, Level 2	3,016	
Reservations Workstations		Included in Admin
Cashier's office		Included in Admin
Count Station		Included in Admin
PBX Office		Included in Admin
IT Manager Workstations/Storage		Included in Admin
Executive Office Reception		Included in Admin
GM Office		Included in Admin

FIU Hotel Conference Center, Program

5/17/17

Dir. Operations Office	Included in Admin
Conference Room	Included in Admin
Sales and Catering Reception	Included in Admin
Director F&B/Catering Office	Included in Admin
Director of Bus Dev Office	Included in Admin
Director of Sales & Marketing Ofc	Included in Admin
Marketing/Rooms/PR Mgr Wkstn	Included in Admin
Sales Mgr Wkstation	Included in Admin
Sales & Marketing Admin Wkstns	Included in Admin
File and Storage Rooms	Included in Admin
Work/Copy/Mail Room	Included in Admin
Accounting	Included in Admin
Controller/DF Office	Included in Admin
Finance Mgr - Ast. Controller Wkstn	Included in Admin
Revenue Mgr Wkstn	Included in Admin
Accounting Assistants Wkstns	Included in Admin
Auditors Workstations	Included in Admin
Other Workstations	Included in Admin
Exec. Toilets	Included in Admin

Total, Admin	3,300
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G. Back of House & Support

HR Office	217	
HR Reception, Exec. Secretary	191	
Security Office	135	
Employee Dining	779	
Men's locker/restroom	495	
Women's locker/restroom	495	
Uniform Issue	239	
Laundry	1,577	
Housekeeping Mgr Office	102	
Linen Storage	634	
Linen Holding	390	
Housekeeping Storage		Included in Laundry
Receiving		Included in Circulation
Recyclable Storage Room		Outdoor
Purchasing and Receiving Office	154	
General Storage	202	
Refrigerated Trash Room	180	
Can Wash		outdoor
Compactor		outdoor
Dir. Engineering Office	143	
Engineering Workshop/Storage	633	
Tool Storage	140	

Total, Back of House	6,706
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FIU Hotel Conference Center, Program

5/17/17

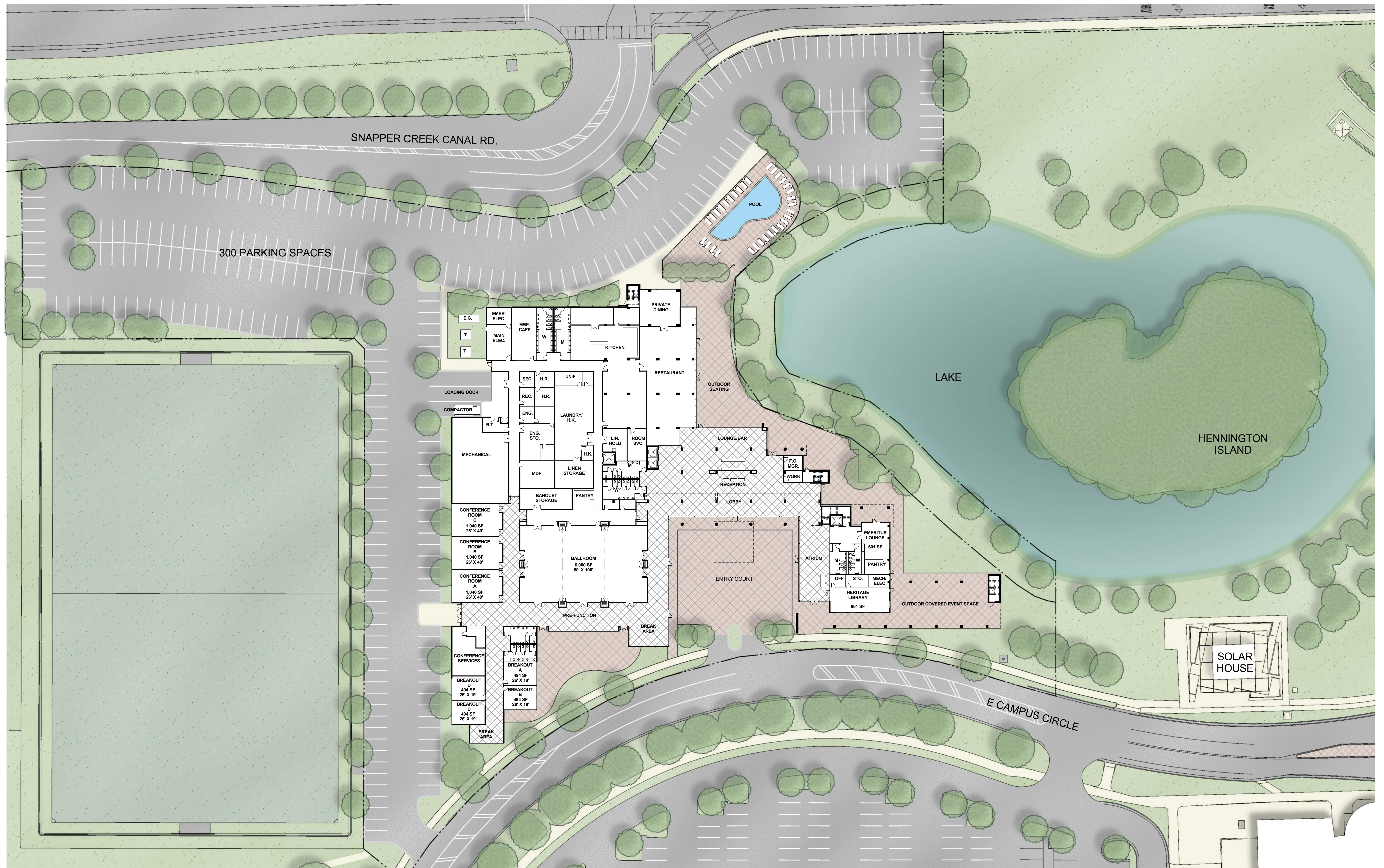
H. Vertical Circulation/Plant & Equipment

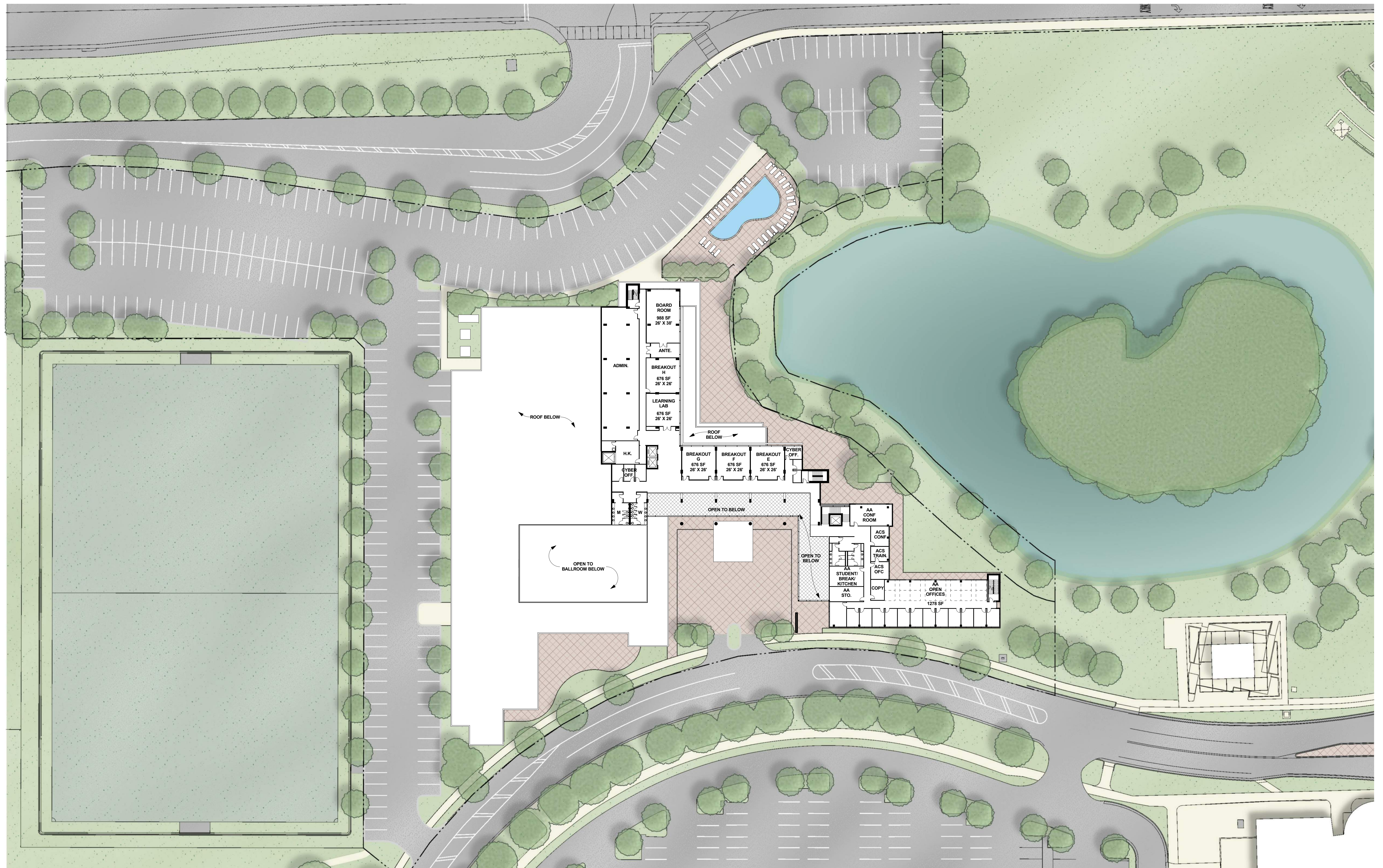
Mechanical Rooms, not in guest room area	2,722 plus rooftop outdoor
Main Electrical Room	529
Emergency Electrical Room	245
MDF - Main Distribution Facility (Data)	574
Total, Vert. Circ./Plant & Equipment	4,070

FIU Alumni Center, Program

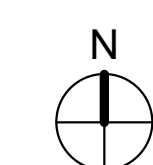
5/17/17

	Area, SF	Notes
A. Public Areas		
Atrium	1,466	
Heritage Library	900	
Office	116	
Emeritus Lounge	600	
Subtotal, Public Areas	3,082	
B. Alumni Association Offices		
Alumni Association Private Offices (13)	1,934	
Alumni Association Open Office	1,278	
Career Services Office	191	
Career Services Conference Room	217	
Career Services Training Room	160	
AA Student Break Room/Kitchen	416	
Conference Room	544	
Student Break Room/Kitchen	416	
Copy Room	169	
Storage	309	
Subtotal, Alumni Association Offices	5,634	
C. Support		
Mech/Elec	156	
Storage	165	
Pantry	213	
Subtotal, Support	534	





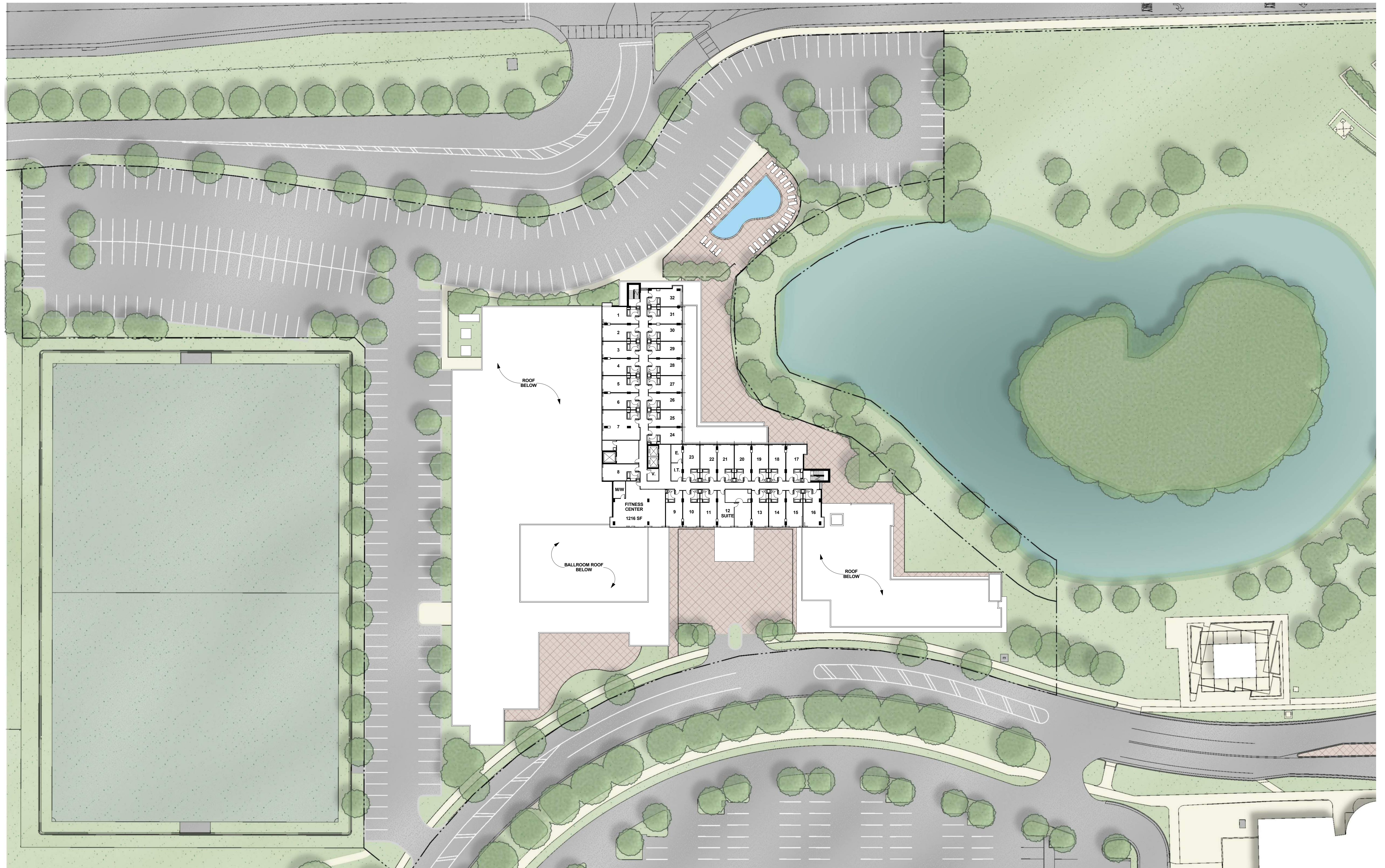
FIU HOTEL, CONFERENCE CENTER, AND ALUMNI CENTER
 MIAMI, FLORIDA
 RABUN RASCHE RECTOR REECE



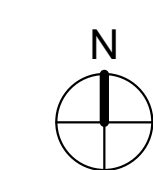
FLOOR PLAN - LEVEL 2

1/32" = 1'-0"

5/1817



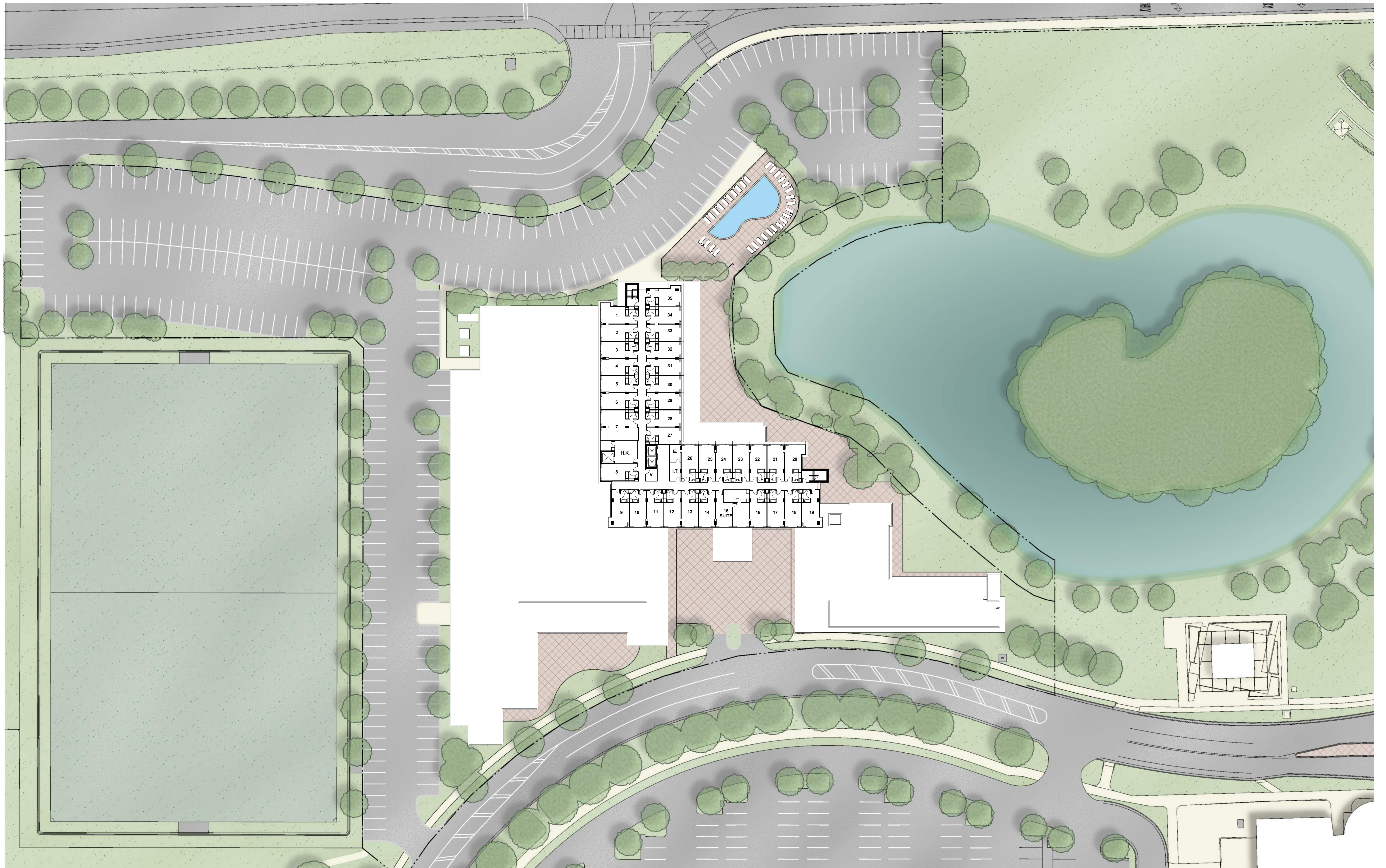
FIU HOTEL, CONFERENCE CENTER, AND ALUMNI CENTER
 MIAMI, FLORIDA
 RABUN RASCHE RECTOR REECE



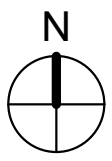
FLOOR PLAN - LEVEL 3

1/32" = 1'-0"

5/1817



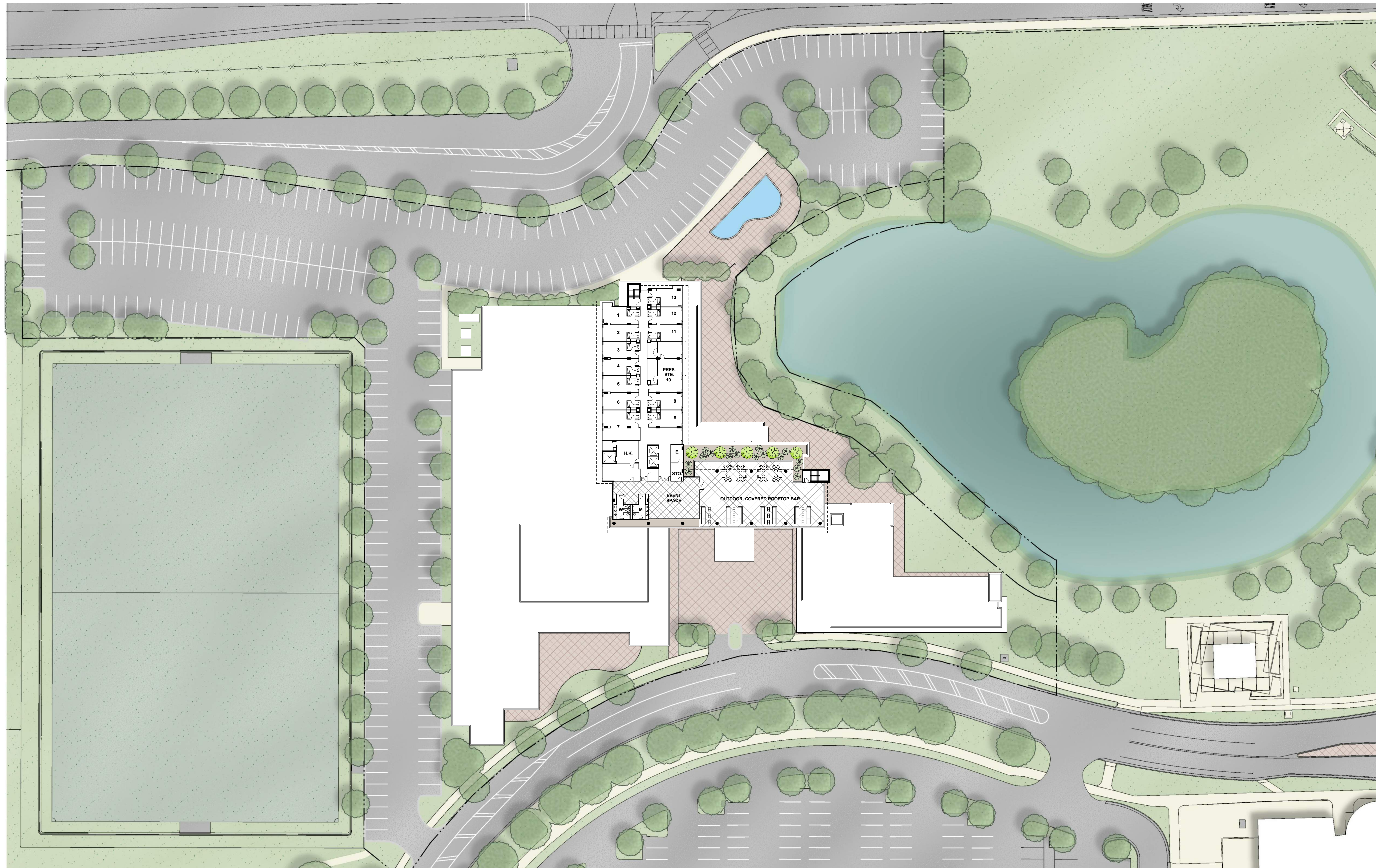
FIU HOTEL, CONFERENCE CENTER, AND ALUMNI CENTER
 MIAMI, FLORIDA
 RABUN RASCHE RECTOR REECE



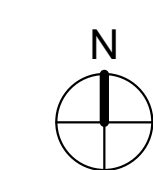
FLOOR PLAN - LEVELS 4-6

1/32" = 1'-0"

5/1817



FIU HOTEL, CONFERENCE CENTER, AND ALUMNI CENTER
 MIAMI, FLORIDA
 RABUN RASCHE RECTOR REECE



FLOOR PLAN - LEVEL 7

1/32" = 1'-0"

5/1817

FIU MEETING SPACE



BALLROOM	SQUARE FEET	DIMENSIONS	CEILING		HOLLOW		CONFERENCE	CLASSROOM	THEATER	OVALS
			HEIGHT	U-SHAPE	SQUARE	SQUARE				
FIU Ballroom	6,000	60' x 100'	16'	NA	NA	NA	NA	316	464	402
Salon I	2,000	33' x 60'	16'	40	48	48	NA	105	154	130
Salon I A	1,000	33' x 30'	16'	20	24	24	NA	53	77	67
Salon I B	1,000	33' x 30'	16'	20	24	24	NA	53	77	67
Salon II	2,000	33' x 60'	16'	40	48	48	NA	105	154	130
Salon III	2,000	33' x 60'	16'	40	48	48	NA	105	154	130
Salon III C	1,000	33' x 30'	16'	20	24	24	NA	53	77	67
Salon III D	1,000	33' x 30'	16'	20	24	24	NA	53	77	67
CONFERENCE ROOMS										
Conference Room A	1,000	26' x 40'	12'	21	25	25	42	54	77	68
Conference Room B	1,000	26' x 40'	12'	21	25	25	42	54	77	68
Conference Room C	1,000	26' x 40'	12'	21	25	25	42	54	77	68
LEARNLAB										
LearnLab A	676	26' x 26'	10'	14	17	17	28	36	NA	NA
BREAKOUT ROOMS										
Breakout Room A	494	26' x 19'	10'	10	12	12	20	26	38	NA
Breakout Room B	494	26' x 19'	10'	10	12	12	20	26	38	NA
Breakout Room C	494	26' x 19'	10'	10	12	12	20	26	38	NA
Breakout Room D	494	26' x 19'	10'	10	12	12	20	26	38	NA
Breakout Room E	676	26' x 26'	10'	14	17	17	20	36	52	NA
Breakout Room F	494	26' x 19'	10'	10	12	12	20	26	38	NA
Breakout Room G	494	26' x 19'	10'	10	12	12	20	26	38	NA
Breakout Room H	494	26' x 19'	10'	10	12	12	20	26	38	NA
BOARDROOM										
Boardroom	988	38' x 26'	10'	NA	NA	NA	30	NA	NA	NA

[illegible]

FIU



E-ITN 67-001
HOTEL, CONFERENCE
CENTER, PARKING AND
ALUMNI CENTER AT MMC

CONCORD BENCHMARK, LLC

OCTOBER 13, 2016





October 7, 2016

Selection Committee – Florida International University – Facilities Planning
Campus Support Complex
11555 SW 17th Street, Room 142
Modesto A. Maidique Campus
Miami, Florida 33199

RE: Compleitive Solicitation Number: E-ITN 67-001

Dear Selection Committee:

Concord Benchmark, LLC and our Development Team are pleased to submit to **Florida International University and Florida International University Foundation, Inc.** our response to the **Competitive Solicitation Number: E-ITN 67-001, Public Private Partnership for Hotel, Conference Center, Parking and Alumni Center at Modesto Maidique Campus** in Miami, Florida. Our Development Team is enthusiastic to engage in a collaborative venture with the University and the University Foundation in this exciting proposed project.

Concord Benchmark, LLC is a limited liability company that combines the on-campus public private development experience of Concord Eastridge, Inc., based in Fairfax, Virginia and Scottsdale, Arizona, with the on-and-off campus hotel, conference center and alumni center management experience of the Houston, Texas based Benchmark Management Company.

As a real estate development company, Concord Eastridge excels in providing high quality facility solutions for our clients. Our primary focus has always been to assemble the right development team to actively partner with our university clients. In the case of this project, we have selected a co-development partner in Benchmark whose strong history of hospitality management excellence complements our development expertise.

In assembling our Development Team, Concord Benchmark has selected companies with an expertise in the various areas needed to develop, design, build, finance and operate a successful hospitality facility. Our Development Team includes **Concord Eastridge, Inc.** as developer, **Benchmark Management Company** as co-developer and the facility's manager, **Rabun Rasche Rector Reece Architects** as our design team and **Moss Construction** as our general contractor. Each firm is a respected industry leader in their area of expertise and some have previously partnered with FIU, delivering successful on-campus projects.

The Concord Benchmark Development Team has evaluated the information provided by FIU, and coupled with our own research on the marketplace, finds the creation of a high quality, hospitality/conference/alumni center venue on the FIU Modesto Maidique Campus to be a highly desirable project. Our Development Team is anxious to share our vision for the project's design and operational approach and we are looking forward to the next phase of the selection process. We see this project as being a major step by FIU to expand and improve the quality of life for the FIU community, both on-and-off campus, as well as the surrounding communities.

We know that this response is the first of many important steps in creating a collaborative team of public and private entities to further the University's and Foundation's visions for this new Hotel, Conference Center, Alumni Center and Parking Facility. Concord Benchmark embraces the principles of **Vision | Value | Trust**, as measured from our client's perspective. We feel that we have succeeded **only** when we have crafted your **vision** into a viable project that enriches the University's experience and added the **value** anticipated and when Concord Benchmark and our Development Team have earned your **trust** in each step of the development process.

In closing, this is an exciting project for the Concord Benchmark Development Team. We look forward to building an enduring partnership with Florida International University and the Florida International University Foundation, but most importantly, the opportunity to turn your vision into a reality.

If you have any questions, please direct them to me at mhall@concordeastridge.com or by telephone at 703.563.9810.

Sincerely,

Concord Eastridge, Inc.

Benchmark Management Company



Michael A. Haller
Executive Vice President



Jarrad J. Evans
Vice President, Business Development & Strategy

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Figure 1: FIU provided rendering by team partner Rabun Architects: Facility and Alumni Center

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Appendix: Environmental



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TAB 1

Appendix III - Conditions and Requirements



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TAB 1 Appendix III - Conditions and Requirements (continued)

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APPENDIX III - CONDITIONS AND REQUIREMENTS

SUPPLEMENTAL SOLICITATION RESPONSE SHEET

Those items in the following Sections of this competitive solicitation must each be initialed under either YES to indicate that the Respondent understands and agrees to the entire Section or NO to indicate that the Respondent does not agree to the entire Section. Any section checked NO should include feedback, including, if possible, proposed revision to said section, as outlined in Section 1.4 of this ITN. Failure to complete and return this document with your solicitation response could result in rejection of your solicitation response. Respondent shall not check items as YES (understood and agreed to) for purposes of submitting a solicitation response with the hopes of later negotiating a change of those conditions and requirements. If a Respondent does not understand any of the conditions or requirements, the Respondent should submit its questions to the Authorized FIU Representative prior to the Solicitation Response Due Date. Respondent's failure to accept said conditions and requirements is grounds for FIU/FIU Foundation's rejection of Respondent's solicitation response.

<u>SECTION</u>	<u>YES</u>	<u>NO</u>	<u>RESPONDENT'S INITIALS</u>
1.0	<u>X</u>	<u> </u>	<u>MH</u>
1.1	<u>X</u>	<u> </u>	<u>MH</u>
1.2	<u>X</u>	<u> </u>	<u>MH</u>
1.3	<u> </u>	<u>X</u>	<u>MH</u>
1.4	<u>X</u>	<u> </u>	<u>MH</u>
1.5	<u>X</u>	<u> </u>	<u>MH</u>
1.6	<u>X</u>	<u> </u>	<u>MH</u>
1.7	<u>X</u>	<u> </u>	<u>MH</u>
1.8	<u>X</u>	<u> </u>	<u>MH</u>
2.0	<u>X</u>	<u> </u>	<u>MH</u>
2.1	<u>X</u>	<u> </u>	<u>MH</u>
2.2	<u>X</u>	<u> </u>	<u>MH</u>
2.3	<u>X</u>	<u> </u>	<u>MH</u>
2.4	<u>X</u>	<u> </u>	<u>MH</u>
2.5	<u>X</u>	<u> </u>	<u>MH</u>

7.15.2016

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TEMPLATE REVISION DATE: 4/20/16

Figure 2: Appendix III - Conditions and Requirements (continued)

TAB 1 Appendix III - Conditions and Requirements (continued)

E-ITN 67-001			
2.6	<u>X</u>	<u> </u>	<u>MH</u>
2.7	<u>X</u>	<u> </u>	<u>MH</u>
2.8	<u>X</u>	<u> </u>	<u>MH</u>
2.9	<u>X</u>	<u> </u>	<u>MH</u>
2.10	<u>X</u>	<u> </u>	<u>MH</u>
2.11	<u>X</u>	<u> </u>	<u>MH</u>
2.12	<u>X</u>	<u> </u>	<u>MH</u>
2.13	<u>X</u>	<u> </u>	<u>MH</u>
2.14	<u>X</u>	<u> </u>	<u>MH</u>
3.0	<u>X</u>	<u> </u>	<u>MH</u>
3.1	<u>X</u>	<u> </u>	<u>MH</u>
4.0	<u>X</u>	<u> </u>	<u>MH</u>
4.1	<u>X</u>	<u> </u>	<u>MH</u>
4.2	<u>X</u>	<u> </u>	<u>MH</u>
4.3	<u>X</u>	<u> </u>	<u>MH</u>
4.4	<u>X</u>	<u> </u>	<u>MH</u>
4.5	<u>X</u>	<u> </u>	<u>MH</u>
4.6	<u>X</u>	<u> </u>	<u>MH</u>
4.7	<u>X</u>	<u> </u>	<u>MH</u>
4.8	<u>X</u>	<u> </u>	<u>MH</u>
4.9	<u>X</u>	<u> </u>	<u>MH</u>
4.10	<u>X</u>	<u> </u>	<u>MH</u>
4.11	<u>X</u>	<u> </u>	<u>MH</u>
4.12	<u>X</u>	<u> </u>	<u>MH</u>
4.13	<u>X</u>	<u> </u>	<u>MH</u>
43			
7.15.2016	TEMPLATE REVISION DATE: 4/20/16		

Figure 3: Appendix III - Conditions and Requirements (continued)

TAB 1 Appendix III - Conditions and Requirements

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4.14	<u>X</u>	<u> </u>	<u>MH</u>
4.15	<u>X</u>	<u> </u>	<u>MH</u>
4.16	<u>X</u>	<u> </u>	<u>MH</u>
4.17	<u>X</u>	<u> </u>	<u>MH</u>
4.18	<u>X</u>	<u> </u>	<u>MH</u>
4.19	<u>X</u>	<u> </u>	<u>MH</u>
4.20	<u>X</u>	<u> </u>	<u>MH</u>

Vendor Company Name: Concord Benchmark, LLC
 Authorized Signature: 
 Title: Member
 Date: 9.29.2016

1.5 (page 17 on ITN-for TAB 1)

1.3 Scope of Work and Deliverables

Basic Description:

- (i) Facility – The Facility will be a fully functioning, upscale to upper-upscale market-based hotel and conference center per Smith Travel Research scale, professionally staffed and operated by Successful Respondent's (as hereinafter defined) employees (including FIU graduates that may be hired by Successful Respondent as part of the University Priorities, further defined below) or by a qualified management company. Programming will be based on the Respondent's assessment of market demand, but FIU would anticipate a minimum of 105 keys. Respondents may propose a mixed-use Facility, incorporating other amenities that would be attractive to the University community. Preferred building type is a mid-to-high-rise building not to exceed 12 stories, full service indoor/outdoor restaurant/bar, pool, outdoor entertaining area for large events, a conference center with ballrooms, breakout meeting rooms and conference rooms in line with proposed hotel size, scope, and University academic needs, and sufficient parking for hotel guests and conference center participants and visitors. The Successful Respondent will have signage on the façade of the Facility that is consistent with University policy and subject to University approval, and will also have the right to inclusion on campus maps and directional signage.
- (ii) Alumni Center – The Alumni Center will be a mixed-use facility of approximately 14,000 gross square feet and will include approximately 2,300 square feet of office space for FIU Alumni Relations staff, FIU Alumni Relations career services and business services centers, and FIU student ambassadors. The Alumni Center will also include a lobby, library, atrium, emeritus lounge, conference rooms for both the Alumni Relations main office and its career services office, and an employee kitchen/breakroom. The Alumni Center shall be designed and constructed in conjunction with the design and construction of the Facility so that both facilities encompass the same aesthetic qualities. It is anticipated that occupants, visitors and guests of the Alumni Center will access Facility amenities and services.

In no event shall the agreements relating to the Facility, the Alumni Center and/or arising out of this ITN constitute a general obligation or indebtedness of the State of Florida or the University, and the full faith and credit of the State of Florida shall not be pledged to payment of any indebtedness whatsoever relating to the Facility or the Alumni Center.

Respondent: No exception

Location: The site of the Facility and Alumni Center is planned to be located on approximately 6.52 acres of land at the northwestern segment of MMC, fronting the 8th Street boundary. Location of the Facility and Alumni Center is subject to FIU (i.e., its Board of Trustees) approval of a modification to the Campus Master Plan, adopted by FIU (i.e., its Board of Trustees) on March 27, 2014. Please refer to **Appendix I** for the proposed site plan. FIU is located in Miami, Florida and MMC's address is 11200 SW 8th Street, Miami, Florida 33199. Please refer to **Appendix II** for a map of where MMC is located within Miami, Florida.

The MMC real property is owned by the State of Florida Board of Trustees of the Internal Improvement Trust Fund (TIITF) and leased to FIU under FIU's master lease with TIITF, Lease No. 2727 (the "Master Lease").

Respondent: As a respondent the specifics of the site size are very limiting and though our Development Team is aware that an unlimited amount of land is not available, a successful design for the facilities may be more desirable to all parties if there is some latitude to the exact amount and specific location of the project(s).

- (i) Facility – FIU is prepared to offer the Successful Respondent a triple-net sublease for the land underneath the Facility with a maximum term of up to forty (40) years, subject to negotiation during the ITN. The Successful Respondent will be responsible for paying ground rent in an amount at least equal to the appraised fair market value rental rate of the leased land on which the Facility is built, or as otherwise negotiated. FIU is willing to consider providing a credit against the rental charges for in-kind contributions of significant value to FIU which are included in the response, subject to consent of all required parties, including the TIITF (credits are not guaranteed). Examples include discounted rates for FIU guests and/or revenue sharing for FIU related referrals.

Any and all costs associated with the sublease of the land underneath the Facility, including, but not limited to, taxes (including ad-valorem), insurance, maintenance, utilities and operational costs, shall be borne by the Successful Respondent. The Successful Respondent shall also be responsible for the cost(s), if any, of displacing any existing FIU site improvements or facilities at MMC (e.g., parking, roadways, utilities, structures, etc., and any offsite improvements required to comply with concurrency requirements) as a result of impacts of the new Facility and its operation. The award of the sublease for the land underneath the Facility shall be subject to, and contingent upon, FIU obtaining TIITF's waiver of its right of objection under the Master Lease, and approval from the Florida Board of Governors and the Florida Legislature. Once FIU reaches material agreement on the terms of the sublease with the Successful Respondent, the sublease shall be submitted to FIU (i.e., its Board of Trustees) to review the proposed agreement. If FIU (i.e., its Board of Trustees) approves the sublease, FIU will submit the proposed sublease to TIITF and the Florida Board of Governors for approval and will also seek approval from the Florida Legislature.

Respondent: The triple-net sublease term of 40 years may pose a financing issue in the equity and debt financial markets. A longer term of potentially 55 years may be necessary. We acknowledge that the term cannot exceed the remaining term of the Master Lease that FIU has with the State of Florida Board of Trustees of the Internal Improvement Trust Fund (Lease No. 2727).

- (ii) Alumni Center – The land underneath the Alumni Center will be subleased to the FIU Foundation or to an entity wholly owned and controlled by the FIU Foundation. It is envisioned that the Alumni Center be designed and constructed by the Successful Respondent under a contract for design build services between the FIU Foundation (or an entity wholly owned and controlled by the FIU Foundation) and the Successful Respondent, subject to negotiation during the ITN. As provided above, the design and construction of the Alumni Center shall be done in conjunction with the design and construction of the Facility as if one integrated project although under separate ownership and operation.

Respondent: Given that Alumni Center will be financed and owned by the FIU Foundation on land triple-net subleased from FIU, we as the Respondent are not concerned with this transaction for the portion of the site allocated for the Alumni Center.

Agreements will need to be negotiated for the sharing of access between the two projects, as there will be separate contracts/agreements relating to each project.

Ownership:

- (i) Facility – All improvements constructed on the subleasehold parcel for the Facility will be owned by the Successful Respondent, but will revert to FIU at the expiration or earlier termination of the sublease at no cost to FIU, unless FIU determines that any or all such improvements are no longer usable by FIU, in which case, the Successful Respondent shall be responsible for demolishing any such improvements at the Successful Respondent's sole cost and expenses no later than ninety (90) days after the expiration or early termination of the sublease term. The sublease will specify the extent to which Successful Respondent will have the right to modify the improvements during the term of the sublease. The sublease will include an early termination clause to be negotiated between FIU and the Successful Respondent. Proposals should include provisions for termination for convenience at the University's discretion. The fee simple interest upon which the Facility is built may not be used as collateral for any financing.

Respondent: The desire of FIU to have the Facility revert to FIU at the expiration of the sublease term is of no issue to the Respondent but, as stated, a negotiated early termination reversion of the Facility will be necessary. The same terms of reversion at sublease expiration are quite different in the case of an early termination and must be fully discussed before the Respondent can agree.

- (ii) Alumni Center – All improvements constructed on the subleasehold parcel for the Alumni Center will be owned by the FIU Foundation or an entity wholly owned and controlled by the FIU Foundation. The Successful Respondent will have no interest in the Alumni Center following completion.

Timing: The term of the sublease for the Facility is expected to begin upon completion of negotiations and execution of the sublease, contingent upon the requisite approval from FIU (i.e., its Board of Trustees), TITF, the Florida Board of Governors and the Florida Legislature. The opening date of the Facility and Alumni Center is subject to negotiation with anticipated construction completion expected within twenty-four months from contract execution.

Design: As provided above, the design and construction of the Alumni Center shall be done in conjunction with the design and construction of the Facility. The Facility and Alumni Center design must also be responsive to feedback from key University stakeholders, including, but not limited to, the University President and the FIU Foundation.

FIU shall have the right to review and approve the design of the Facility and the Alumni Center for consistency with FIU Requirements (as hereinafter defined), impact on FIU's utilities, water, sewer, master storm water, and traffic infrastructure, compliance with applicable Building Code, and general design characteristics.

All documents created with respect to the design, planning and construction of the Facility and the Alumni Center must, at a minimum, comply with all applicable federal, state and local laws, rules and/or regulations, as maybe amended from time-to-time; applicable FIU regulations, policies and procedures, which can be located at <http://policies.fiu.edu/> and FIU's Facilities Management's website at <http://facilities.fiu.edu/formsandstandards.htm>, which includes design/construction/permitting requirements, FIU Building Standards, general conditions and insurance requirements, among other things, as maybe amended from time to time (collectively referred to herein as "FIU Requirements"). Additionally, the design of the Facility should be such that it should have a 20% useful life after the termination of the ground sublease.

FIU is committed to environmentally sustainable design. Improvements (including the Facility and the Alumni Center) should be designed and built to meet LEED Certified standards. FIU's preference is LEED Silver or higher.

Respondents must submit the design detail and narratives in their response as outlined in Section 1.4. Shortlisted Respondents must be prepared to work with FIU and the FIU Foundation (as it relates to the Alumni Center) on actual design documents as part of the negotiation phase for submission of final plans with their Best and Final Offer.

Respondent: It is understood that the design and construction of the Facility and Alumni Center must be a coordinated process. It is understood by the Respondent, but not stated in the RFP document that there will need to be separate contracts for both design and construction with the two ownership entities: Respondent / FIU (Facility) and Respondent / FIU Foundation (Alumni Center).

Construction: As provided above, all construction pertaining to the Facility and the Alumni Center must, at a minimum, comply with all FIU Requirements. The appropriate number of parking spaces to accommodate hotel and conference center guests as well as Alumni Center should be included in the proposal.

Note: FIU is the building codes permitting official for construction projects on the campus. Respondent acknowledges that the appropriate number of parking spaces will be provided for the hotel and conference center guests as well as the Alumni Center. Respondent is interested in having discussions with FIU regarding future needs of the University relating to parking and the potential of a shared use/cost scenario.

Respondent: Respondent acknowledges that the appropriate number of parking spaces will be provided for the hotel and conference center guests, as well as, the Alumni Center. Respondent is interested in having discussions with FIU regarding future needs of the University relating to parking and the potential of a shared use/cost scenario.

Financing:

- (i) Facility – Respondents are expected to be able to provide their own financing for the design, construction, and furnishing of the Facility, including, but not limited to, FIU

internal permitting, inspection and other associated costs. The Successful Respondent will be at financial risk on the project, as all responsible proposals must include 100% private financing by the Respondent, not the State of Florida or the University. The State of Florida and FIU will not participate in the financing of the newly developed Facility in any way, including, but not limited to, guarantees of revenue or occupancy. As provided above, the subleasehold interest in state property that may be granted to the Successful Respondent may not be used as collateral for any such financings.

Respondent: Respondent acknowledges the requirement that the development costs of the Facility must be 100% privately financed. The Respondent does request that FIU will be obligated to require all University related hotel and conference business be directed to the Facility on a "First Offering" basis. The Facility operator will have the initial opportunity to quote for the required services. It is understood that the quote for requested services must be a competitive rate. It is also understood that the University will be entitled to pre-negotiate lodging and meeting/conference rates on a length of term which shall also be negotiated.

- (ii) Alumni Center – The Alumni Center project costs will be funded by the FIU Foundation. The FIU Foundation has established a maximum bid price of \$6,800,000.00 for the entire scope of the Alumni Center project as described in this ITN. This is not the FIU Foundation's official cost estimate of the work. The funding from the FIU Foundation cannot be used as collateral for the Facility project in any way.

Respondent: Respondent acknowledges the FIU Foundation's maximum bid price of \$6,800,000 for the entire scope of the Alumni Center project. The assumption is that this figure will also include the pro-rata share of all site and parking costs for the Facility and Alumni Center.

Management/Maintenance Options:

Respondent: As stated below, if chosen, the Respondent would anticipate being the operator of both the Facility and Alumni Center and would highly encourage the University and FIU Foundation to select a single operator for both the Management and Maintenance due to logistical and operational consistencies.

- (i) Facility – The University would like to consider management of the Facility by the Successful Respondent or an approved qualified manager/operator proposed by the Successful Respondent as part of its response to this ITN. If managed by the Successful Respondent, the University and the Successful Respondent will negotiate an Operating and Management Agreement delineating each party's responsibilities for day to day management, maintenance and operations of the Facility. Notwithstanding the foregoing, FIU shall have approval rights in the selection of the manager/operator of the Facility.

Respondent: A major consideration of our Respondent Development Team, in addition to the development of the facility, is the operations the Facility and maintenance. If chosen as the developer / owner of the facility, the operational component will be our responsibility. We understand the University's interest in the quality levels of both management and maintenance and these issues will be open to the University's input and satisfaction.

- (ii) Alumni Center – The FIU Foundation would like to consider maintenance (including custodial maintenance) of the Alumni Center by the Successful Respondent. If such services are provided by the Successful Respondent, the FIU Foundation and the Successful Respondent will negotiate a Maintenance Agreement delineating each party's responsibilities for maintenance and custodial services of the Alumni Center. Notwithstanding the foregoing, the FIU Foundation reserves the right to maintain and operate the Alumni Center or select a different manager/operator for the provision of maintenance and custodial services of the Alumni Center. The foregoing services, if provided, shall not be included as part of the scope of the Alumni Center project funded by the maximum bid price of \$6,800,000.00

Respondent: As Respondent, we understand the FIU Foundation's need, as owner, to negotiate a Maintenance Agreement for the Alumni Center. Understanding that need, if chosen as the Selected Respondent, we shall be open to such negotiations.

Project Costs:

- (i) Facility – The Successful Respondent is expected to pay for any and all costs and expenses pertaining to the performance of its obligations to FIU and as will be outlined in the sublease and other related documents. This shall include, without limitation, the cost of design review, permitting, code compliance, inspection services, concurrency impacts, construction (including all necessary site utility improvements or extensions), management, security, emergency response, maintenance, ad valorem taxes, insurance, utilities and all operational costs for the Facility.
- (ii) Alumni Center – As provided above, the FIU Foundation has established a maximum bid price of \$6,800,000.00 for the entire scope of the Alumni Center project as described in this ITN. This is not the FIU Foundation's official cost estimate of the work. The Successful Respondent will bill the FIU Foundation (or an entity wholly owned and controlled by the FIU Foundation) based on an agreed upon payment schedule to be further delineated in the design build contract between the FIU Foundation (or an entity wholly owned and controlled by the FIU Foundation) and the Successful Respondent.

University Priorities: FIU seeks collaboration with an organization that shares FIU's priorities. As such, it prefers and will give additional weight to proposals that enrich the academic and/or research experience of FIU's students and faculty. Examples include, but are not limited to:

- Paid student internships and work-study opportunities;
- Collaboration with FIU's Colleges and Schools to create custom curricula and partnerships;
- Behind-the-scenes tours of Successful Respondent's operations for students;
- Accommodation of graduate students and faculty doing research as an integral assignment in their coursework/course load;
- Full time employment opportunities of qualified FIU graduates;
- Use of FIU technology services for IT infrastructure ensuring FIU minimum hardware, software and security requirements are met;
- Partnership with FIU Police Department ensuring appropriate security measures are implemented commensurate with an on-campus facility; and
- Preferential room rates in the Facility for FIU faculty/staff, students and alumni.

All proposals must meet or exceed the specifications as of the date the competitive solicitation responses are due, unless specifically stated as otherwise in the competitive solicitation documents.

Respondent: As Respondent we acknowledge the University's Options and have every intention of incorporating them into our operation program and design for the Facility.

Additionally, our Development Team sees potential opportunities in the investigation of collaboration with the Chaplin School of Hospitality and Tourism Management in becoming the host facility of the Center for Hospitality Real Estate Development

"... to create graduates with competency in financial management by providing the space necessary to provide elements of the following: classrooms, laboratory space for research, software utilization workrooms, data repository, simulation design and development center, conference hosting and production areas, student club and organization meeting areas, and student mentoring spaces."

TAB 2

Contact Information



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Contact Information

NAME	COMPANY	TITLE	PHONE	CELL	EMAIL	ADDRESS
*MIKE HALLER	Concord Eastridge, Inc.	Executive Vice President	703.563.9810	202.277.2901	mhalter@concordeastridge.com	5685 N. Scottsdale Road, Suite 150 Scottsdale, AZ 85250
Leslie Eastridge	Concord Eastridge, Inc.	Project Coordinator	480.295.4743	602.332.4984	leastridge@concordeastridge.com	5685 N. Scottsdale Road 150 Scottsdale, AZ 85250
*JARRAD EVANS	Benchmark Management Company, LLC	VP, Business Development	281.203.6623	480.695.1217	jevans@usa-bhi.com	4 Waterway Square Place, Suite 300 The Woodlands, TX 77380
Bruce Burkhalter	Benchmark Management Company, LLC	SVP, Construction and Design	281.719.3266	281.652.6626	bburkhalter@usa-bhi.com	4 Waterway Square Place, Suite 300 The Woodlands, TX 77380
Stacey Konkel	Benchmark Management Company, LLC	Director of Financial Planning	281.719.3275	281.825.2182	skonkel@usa-bhi.com	4 Waterway Square Place, Suite 300 The Woodlands, TX 77380
Emily Smith	Benchmark Management Company, LLC	Director of Development	281.203.6978	516.477.8447	emsmith@usa-bhi.com	4 Waterway Square Place, Suite 300 The Woodlands, TX 77380
Chad Moss	Moss & Associates, LLC	Executive Vice President	954.769.8189	954.868.4966	cmoss@mosscom.com	2101 N Andrews Avenue Ft Lauderdale, FL 33311
Brett Atkinson	Moss & Associates, LLC	Executive Vice President	954.524.5678	954.444.0933	batkinson@mosscom.com	2101 N Andrews Avenue Ft Lauderdale, FL 33311
Joe Rabun, AIA	Rabun Rasche Rector Reece Architects	President	404.832.2348	404.307.1806	rabun@rabunarchitects.com	44 Broad Street NW, Suite 300 Atlanta, GA 30303
Richard Ellison, AIA LEED AP	Rabun Rasche Rector Reece Architects	Principal	404.832.2352	404.259.6418	ellison@rabunarchitects.com	44 Broad Street NW, Suite 300 Atlanta, GA 30303
* INDIVIDUALS TO RECEIVE ANY NOTICES RELATED TO THE CONTRACT IF AWARDED						

Figure 5: Table of contact information



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TAB 3

Certificate of Good Standing



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TAB 3 Certificate of Status: Concord Benchmark

Certificate of Status

I certify from the records of this office that CONCORD BENCHMARK, LLC, is a limited liability company organized under the laws of the State of Florida, filed electronically on August 12, 2016, effective August 12, 2016.

The document number of this company is L16000151413.

I further certify that said company has paid all fees due this office through December 31, 2016, and its status is active.

I further certify that this is an electronically transmitted certificate authorized by section 15.16, Florida Statutes, and authenticated by the code noted below.

Authentication Code: 160815145401-000289044150#1

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capital, this the
Fifteenth day of August, 2016



Ken Detzner
Ken Detzner
Secretary of State

TAB 3 Certificate of Good Standing: Concord Eastridge

STATE OF ARIZONA



Office of the CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Jodi A. Jerich, Executive Director of the Arizona Corporation Commission, do hereby certify that

*****CONCORD EASTRIDGE, INC.*****

a domestic corporation organized under the laws of the State of Arizona, did incorporate on January 01 2004.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation is not administratively dissolved for failure to comply with the provisions of the Arizona Business Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed Articles of Dissolution as of the date of this certificate.

This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 12th day of August, 2016, A. D.



Jodi A. Jerich
Jodi A. Jerich, Executive Director

By: 1487423

Figure 7: Certificate of Good Standing - Concord Eastridge

**TAB 3 Certificate of Fact:
Benchmark Management Company**

Corporations Section
P.O. Box 13697
Austin, Texas 78711-3697



Carlos H. Cascos
Secretary of State

Office of the Secretary of State

Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Certificate of Conversion for BMC - THE BENCHMARK MANAGEMENT COMPANY, LLC (file number 802489949), a Domestic Limited Liability Company (LLC), was filed in this office on June 28, 2016.

It is further certified that the entity status in Texas is in existence.

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on August 17, 2016.



Carlos H. Cascos

Carlos H. Cascos
Secretary of State

Phone: (512) 463-5555
Prepared by: SOS-WEB

Come visit us on the internet at <http://www.sos.state.tx.us>
Fax: (512) 463-5709
TID: 10264

Dial: 7-1-1 for Relay Services
Document: 683311110005

TAB 3 Certificate of Existence: Rabun Architects

Control Number : K427638

STATE OF GEORGIA

Secretary of State

Corporations Division

313 West Tower

2 Martin Luther King, Jr. Dr.

Atlanta, Georgia 30334-1530

CERTIFICATE OF EXISTENCE

I, Brian P. Kemp, the Secretary of State of the State of Georgia, do hereby certify under the seal of my office that

RABUN ARCHITECTS, INC.

a Domestic Profit Corporation

was formed in the jurisdiction stated below or was authorized to transact business in Georgia on the below date. Said entity is in compliance with the applicable filing and annual registration provisions of Title 14 of the Official Code of Georgia Annotated and has not filed articles of dissolution, certificate of cancellation or any other similar document with the office of the Secretary of State.

This certificate relates only to the legal existence of the above-named entity as of the date issued. It does not certify whether or not a notice of intent to dissolve, an application for withdrawal, a statement of commencement of winding up or any other similar document has been filed or is pending with the Secretary of State.

This certificate is issued pursuant to Title 14 of the Official Code of Georgia Annotated and is prima-facie evidence that said entity is in existence or is authorized to transact business in this state.

Docket Number	: 13264182
Date Inc/Auth/Filed	: 10/28/1994
Jurisdiction	: Georgia
Print Date	: 08/22/2016
Form Number	: 211



B. P. Kemp

Brian P. Kemp
Secretary of State

TAB 3 Certificate of Good Standing: Moss

State of Florida Department of State

I certify from the records of this office that MOSS & ASSOCIATES, LLC is a limited liability company organized under the laws of the State of Florida, filed on March 23, 2004, effective March 24, 2004.

The document number of this limited liability company is L04000022199.

I further certify that said limited liability company has paid all fees due this office through December 31, 2016, that its most recent annual report was filed on February 9, 2016, and that its status is active.

*Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capital, this
the Ninth day of February, 2016*



Ken Detjen
Secretary of State

Tracking Number: CC6749371857

To authenticate this certificate, visit the following site, enter this number, and then follow the instructions displayed.

<https://services.sunbiz.org/Filings/CertificateOfStatus/CertificateAuthentication>



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TAB 4

Corporate Information / Structure of Respondent Team



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TAB 4 Company Overview - Concord Benchmark

Concord Benchmark, LLC is a limited liability company established for the sole purpose of Concord Eastridge, Inc. and Benchmark Management Company, working in collaboration with our Development Team, Florida International University and the Florida International University Foundation, to develop the FIU Hotel, Conference Center and Alumni Center. The combined company has more than four decades of hospitality development experience in both Public, Private and Public-Private partnerships. Our assembled team has the personal history, knowledge, and experience necessary to design, organize, construct, manage and operate the project in a cost effective and timely manner. Most importantly, Concord Benchmark has a proven track record of successfully achieving similar goals on numerous high profile projects across the country. Many Concord Benchmark members have worked together on other projects over the years and excel at taking responsibility for all aspects of the development process, something that will accelerate and facilitate the process of design, construction, financing and management.

Concord Benchmark, LLC will be the developer and consists of the following companies:

- Concord Eastridge, Inc. – a nationally respected mixed-use developer, with an expertise and a track record in multiple asset classes, multi-family residential, student housing, on-campus hospitality, retail, office and special purpose on-campus development projects.
- Benchmark Management Company – a recognized global leader in the development, management, and marketing of independent resorts, hotels, and conference centers.

Concord Benchmark, LLC has extensive experience with hospitality projects ranging from boutique hotels of 27 rooms to convention center hotels in excess of 800 rooms, located in Orlando, Miami, Bal Harbor, South Beach and other parts of Florida. In addition to our collective experience, Concord Benchmark also has significant experience working with public entities and developing public-private projects, such as the Mason Inn, the Chattanooga, the Heldrich and Stonewall Resort among many others. Benchmark Management Company

alone has been involved in the development of more than 60 new-build development projects and employs key personnel who have been involved in many more new-build development projects prior to their tenure with Benchmark.

No matter the project type, we understand and appreciate that each client has its own unique set of resources, preferences, and constraints. The Concord Benchmark Development Team is prepared to lead FIU in the assessment and tailoring of the optimal structure and process for development of this project.

TAB 4.A

Concord Benchmark, LLC
5685 North Scottsdale Road, Suite 150
Scottsdale, AZ 85250

Registered Agent
19501 W Country Club Dr., Apt 813
Aventura, FL 33180

TAB 4.B

Concord Benchmark, LLC operates as a limited liability company. Please see our Articles of Organization on the following pages.

TAB 4.C

Concord Benchmark, LLC has been in business under the same name since August 12, 2016.

TAB 4.D

Office of Responsibility:
5685 North Scottsdale Road, Suite 150
Scottsdale, AZ 85250

**TAB 4.B (continued) Original Filed Articles of Organization -
Concord Benchmark**

**Electronic Articles of Organization
For
Florida Limited Liability Company**

**L16000151413
FILED 8:00 AM
August 12, 2016
Sec. Of State
dlokeefe**

Article I

The name of the Limited Liability Company is:
CONCORD BENCHMARK, LLC

Article II

The street address of the principal office of the Limited Liability Company is:
5685 N SCOTTSDALE RD
SUITE 150
SCOTTSDALE, AZ. 85250

The mailing address of the Limited Liability Company is:
5685 N SCOTTSDALE RD
SUITE 150
SCOTTSDALE, AZ. 85250

Article III

The name and Florida street address of the registered agent is:
KANWALJEET S BOPARAI
19501 W COUNTRY CLUB DR
APT 813
AVENTURA, FL. 33180

Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

Registered Agent Signature: KANWALJEET BOPARAI

TAB 4.B (continued) Original Filed Articles of Organization - Concord Benchmark

Article IV

The name and address of person(s) authorized to manage LLC:

Title: MGR
MICHAEL A HALLER
2701 PROSPERITY AVE, STE 220
FAIRFAX, VA. 22031 US

L16000151413
FILED 8:00 AM
August 12, 2016
Sec. Of State
dlokeefe

Article V

The effective date for this Limited Liability Company shall be:

08/12/2016

Signature of member or an authorized representative

Electronic Signature: BRIAN OAKLEY

I am the member or authorized representative submitting these Articles of Organization and affirm that the facts stated herein are true. I am aware that false information submitted in a document to the Department of State constitutes a third degree felony as provided for in s.817.155, F.S. I understand the requirement to file an annual report between January 1st and May 1st in the calendar year following formation of the LLC and every year thereafter to maintain "active" status.

TAB 4 Company Overview - Concord Eastridge

Concord Eastridge, Inc., a woman owned real estate development firm, is a nationally respected leader in public/private and mixed-use development, working in conjunction with all levels of public and private education, city and county government, transit authorities, government agencies and not-for-profit institutions. Concord Eastridge invests and develops within multiple commercial asset classes. With a strong portfolio of private development projects, these commercial and multi-family residential projects complement the firm's public/private development endeavors.

Concord Eastridge has successfully created long-term alliances and built an established repeat client base due to its track record in providing superior results. The company has the requisite technical and financial capabilities to comprehensively, capably, and affordably bring to fruition each project it undertakes. Concord Eastridge provides unique and creative solutions to the complex financial and programming requirements specified by the project's end users and clientele.

With an active development portfolio valued in excess of \$1.7 billion, Concord Eastridge aims to achieve both geographic and product diversity, as well as strategic project phasing in order to best realize stable economic returns. The company's projects range in size from 20,000 square feet, to over 2 million square feet, with individual projects and from \$40 million to over \$600 million. Concord Eastridge has a corporate commitment to sustainable design and construction practices in every project it undertakes.

CONCORD EASTRIDGE PROJECT HIGHLIGHTS:

- Roosevelt Point (market rate / student housing / retail), Phoenix, Arizona
- StateView Conference Center & Hotel at North Carolina State University, Raleigh, North Carolina
- Eagle Village Phase I (mixed-use – student housing / office / retail / parking) - University of Mary Washington Foundation, Fredericksburg, Virginia
- Hyatt Place Hotel - University of Mary Washington Foundation, Fredericksburg, Virginia

- The L (mixed-use – market rate apartments / retail / office), Raleigh, North Carolina
- University of Mary Washington Campus Center, Fredericksburg, Virginia
- 1500 Monticello Avenue (mixed-use – market rate apartments / retail / parking), Norfolk, Virginia
- Mason Inn Hotel and Conference Center, George Mason University, Fairfax, Virginia

TAB 4.A

Concord Eastridge, Inc.
5685 N Scottsdale Rd, Suite 150
Scottsdale, AZ

TAB 4.B

Concord Eastridge, Inc. operates as a corporation. Please see our Articles of Incorporation on the following pages.

TAB 4.C

Concord Eastridge, Inc. has been in business under the same name since January 1, 2004.

TAB 4.D

Office of Responsibility:
5685 N Scottsdale Rd, Suite 150
Scottsdale, AZ

TAB 4.B (continued) Articles of Incorporation - Concord Eastridge

FILED
RECEIVED

2003 DEC 31 P 2:31

1110232-0

12:31:03

effective date 1-1-04

1110232-0

ARTICLES OF INCORPORATION

OF

CONCORD EASTRIDGE, INC.

- I. Name. The name of the corporation is Concord Eastridge, Inc. (the "Corporation").
- II. Incorporator. The name and address of the incorporator are: Lynda Keller, 4425 N. 24th Street, Suite 150, Phoenix, Arizona 85016.
- III. Initial Business. The Corporation initially intends to conduct the business of construction development and management.
- IV. Authorized Capital. The aggregate authorized capital stock of the Corporation shall be ten thousand (10,000) shares of Common Stock, \$.001 par value.
- V. Board of Directors. The initial Board of Directors shall consist of two (2) directors. The names and addresses of the persons who shall serve as directors until the first annual meeting of shareholders or until her successors are elected and qualify are:

Susan H. Eastridge
4425 N. 24th Street, Suite 150
Phoenix, Arizona 85016

Jeffrey Arnold
4425 N. 24th Street, Suite 150
Phoenix, Arizona 85016

- VI. Limitation of Liability. To the fullest extent that the law of the State of Arizona, as it now exists or as it may hereafter be amended, permits the elimination of or limitation on the liability of directors, no director of the Corporation shall be liable for monetary damages for any action taken or for any failure to take any action. Any repeal or modification of this Article shall be prospective only and shall not adversely affect any limitation on the personal liability of a director of the Corporation existing at the time of such repeal or modification.

1053533_1.DOC (52357.2)

TAB 4.B (continued) Articles of Incorporation - Concord Eastridge

12/31/2003 11:54 5022970 10

EASTRIDGE COMPANIES

PAGE 32

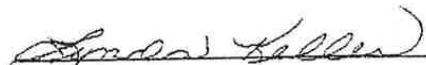
VII. Known Place of Business. The known place of business for the Corporation is 4425 N. 24th Street, Suite 150, Phoenix, Arizona 85016.

VIII. Statutory Agent. The name and address of the initial statutory agent of the Corporation are:

Stephanie A. McRae, Esq.
c/o Jennings, Strouss & Salmon, P.L.C.
201 E. Washington Street, 11th Floor
Phoenix, Arizona 85004-2385

IX. Effective Date of Incorporation. These Articles of Incorporation shall be effective as of January 1, 2004.

Executed this 30th day of December, 2003.


Lynda Keller, Incorporator

Articles (12357.3)

TAB 4.B (continued) Articles of Incorporation - Concord Eastridge

Arizona Corporation Commission
Post Office Box 6019
Phoenix, Arizona 85005

Re: Concord Eastridge, Inc.

The undersigned, having been designated to serve as Statutory Agent for the above corporation, hereby consents to serve in such capacity until resignation or removal is submitted in accordance with the Arizona Revised Statutes.



Stephanie A. McRae, Esq.
c/o Jennings, Strouss & Salmon, P.L.C.
201 E. Washington Street, 11th Floor
Phoenix, Arizona 85004-2385

Dated: December 30, 2003

1053533_1.DOC (52357.2)

TAB 4.B (continued) Articles of Incorporation - Concord Eastridge

COMMISSIONERS
MARC SPITZER - Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
MIKE GLEASON
KRISTIN K. MAYES



ARIZONA CORPORATION COMMISSION

BRIAN C. MCNEIL
Executive Secretary

JOANNE C. MACDONNELL
Director, Corporations Division

January 8, 2004

SUE SASSATELLI
201 E WASHINGTON ST 11TH FLR
PHOENIX, AZ 85004-2385

RE: CONCORD EASTRIDGE, INC.
File Number: -1110232-0

We are pleased to notify you that your Articles of Incorporation were filed on January 1, 2004.

You must publish a copy of your Articles of Incorporation. The publication must be in a newspaper of general circulation in the county of the known place of business in Arizona (as filed with the Commission) for three (3) consecutive publications. A list of newspapers is available on the Commission web site. An affidavit from the newspaper, evidencing such publication, must be delivered to the Commission for filing within NINETY (90) DAYS from the date of this letter. Make sure the newspaper publishes the corporation documents using the exact name filed with the Commission.

All corporations transacting business in Arizona are required to file an Annual Report with the Commission, on the anniversary of the date of incorporation. Each year, a preprinted Annual Report form will be mailed to the corporation's known place of business approximately two months prior to the due date of the report. Should the report fail to arrive, contact the Commission. It is imperative that corporations notify the Commission immediately (in writing) if they change their corporate address, statutory agent or agent address. Address change orders must be executed (signed) by a corporate officer. Postal forwarding orders are not sufficient.

The Commission strongly recommends that you periodically check Commission records regarding the corporation. The Commission web site www.cc.state.az.us/corp contains information specific to each corporation of record and is a good general source of information.

If you have any questions or need further information, please contact us at (602) 542-3135 in Phoenix, (520) 628-6560 in Tucson, or Toll Free (Arizona residents only) at 1-800-345-5819.

Sincerely,
MICHELLE GREY
Examiner
Corporations Division

CF:04, Rev:01/2003
1300 WEST WASHINGTON, PHOENIX, ARIZONA 85007-2929 / 400 WEST CONGRESS STREET, TUCSON, ARIZONA 85701-1347
www.cc.state.az.us - 802-642-3135

TAB 4 Company Overview - Benchmark Management Company

Founded in 1984, BMC - The Benchmark Management Company, LLC ("Benchmark") is a recognized global leader in the development, management and marketing of independent resorts, hotels and conference centers. The company's two distinctive portfolios of hotel and resort properties, Benchmark Resorts & Hotels® and Personal Luxury Resorts & Hotels®, represent the finest in guest-dedicated hospitality in unique destinations across the United States, Caribbean and Japan. As a founding member of the International Association of Conference Centers ("IACC"), Benchmark Conference Centers®, our conference center brand, maintains the highest standards for certification in meeting excellence. Benchmark was launched as an independent company and today operates worldwide from our home office in The Woodlands, Texas, as well as from regional offices in Seattle, Arizona, Washington DC, New Jersey and Japan.

Benchmark's capabilities and services cover all phases of a project from consulting on market demand and feasibility analysis, facilities construction and design, complete pre-opening marketing and technical services and the profitable operational marketing and management of the property. Furthermore, comprehensive purchasing services are provided through Benchmark Equipment Company, a wholly-owned subsidiary of the Benchmark Management Company. It is important to note that Benchmark does not own real estate or invest in the projects we manage – we are a pure, third party operator, so we always work in the best interests of our ownership clients in every aspect of our business.

Today, Benchmark's portfolio consists of 59 unique destinations across the United States, Caribbean and Japan. We employ 70 "home office" associates (we never say "corporate") and more than 6,000 associates portfolio-wide. We manage more than \$715 million in annual revenue, with approximately \$3.0 billion in assets under management. We have developed more than 50 new-build development projects in the company's history and we employ key personnel who have been involved in

many more new-build development projects prior to their tenure with Benchmark. Therefore, we are well versed in the planning, designing, constructing and pre-opening of new-build hotels.

TAB 4.A

Benchmark Management Company, LLC
4 Waterway Square Place, Suite 300
The Woodlands, TX 77380

TAB 4.B

Benchmark Management Company, LLC operates as a limited liability company. Please see our Articles of Incorporation on the following page.

TAB 4.C

Benchmark Management Company has been in business under the same name since February 6, 1984, converting to The Benchmark Management Company, LLC on June 28, 2016.

TAB 4.D

Office of Responsibility:
4 Waterway Square Place, Suite 300
The Woodlands, TX 77380

**TAB 4.B (continued) Articles of Incorporation -
Benchmark Management Company**

ARTICLES OF INCORPORATION
MND-THE BENCHMARK MANAGEMENT COMPANY
FILED
Office of the
State of Texas
1984

ARTICLE ONE

The name of the corporation is MND-THE BENCHMARK MANAGEMENT COMPANY.

ARTICLE TWO

The period of the corporation's duration is perpetual.

ARTICLE THREE

The purpose for which the corporation is organized is the transaction of any or all lawful business for which a corporation may be incorporated under the Texas Business Corporation Act.

ARTICLE FOUR

The aggregate number of shares which the corporation shall have authority to issue is one thousand (1,000) shares with a par value of one dollar (\$1.00) per share. The corporation will not commence business until it has received for the issuance of its shares consideration of the value of one thousand dollars (\$1,000.00).

ARTICLE FIVE

The address of its registered office is 2002 Timberloch Place, The Woodlands, Texas 77380, and the name of its registered agent at such address is Paul W. Wommack.

ARTICLE SIX

The number of initial directors is three (3) and the names and addresses of the directors are as follows:

Bernard P. Clark
Texas Commerce Tower
600 Travis
Suite 3600
Houston, Texas 77002

George P. Mitchell
2001 Timberloch Place
The Woodlands, TX. 77380

M. D. Thompson, Jr.
2001 Timberloch Place
The Woodlands, Texas 77380

ARTICLE SEVEN

The name and address of the incorporator is Paul W. Wommack, 2002 Timberloch Place, The Woodlands, Texas 77380.

Paul W. Wommack
Paul W. Wommack

Sworn to by Paul W. Wommack on January 31, 1984.



Robert Brown
Notary Public
State of Texas
My Commission Expires 11-10-87

TAB 4 Company Overview - Rabun Architects

Atlanta-based Rabun Rasche Rector Reece, d.b.a. Rabun Architects, has provided its clients with comprehensive architectural services for 35 years. In that time, the firm has achieved a national reputation for design excellence on projects diverse in nature and scope, from intimate renovations to complex multi-disciplined developments.

Rabun Architects has been commended for its pursuit of design excellence with numerous awards over the years. Considered a leading architectural force within the hospitality industry, Rabun Architects has successfully established relationships with major international hotel and conference center operators and developers. Several projects completed by Rabun Architects have been featured in architectural and hospitality-based trade journals, another indication of the firm's status as a leading expert in the field of hotel and conference center design.

For over thirty years we have specialized in the design of hotels, resorts, conference centers and various hospitality-related facilities. We continually strive to improve our understanding of the marketplace. As active members of IACC (International Association of Conference Center) we stay abreast of trends in appearance, technology, operations, facility management and guest relations so that we can offer you state-of-the-art professional services.

Our typical deliverables for a full-service project will include hand-drawn concept sketches, digital visualizations, a building model and construction document set produced with BIM software.

Services Available In-House:

- Programming
- Project Budget Development
- Site Planning
- Architectural Design
- Code Research
- Construction Documents
- Bid Administration
- Construction Administration
- LEED AP, and Certification Assistance
- BIM Modeling

- Rendering and Animation

Services Available via Consultants:

- Civil and Geotechnical
- Traffic Consultation
- Landscape Design
- Structural Engineering
- MEP Engineering
- Data, Voice, Audiovisual, Security Design
- Kitchen and Laundry Design
- Interior Design
- Lighting Design
- Swimming Pool and Aquatics
- Graphics and Signage
- Waterproofing/Exterior Envelope
- Cost Estimating
- Sustainability Certification Administration
- Commissioning

TAB 4.A

Rabun Architects, Inc.
44 Broad Street NW, Suite 300
Atlanta, GA 30303

TAB 4.B

Rabun Architects, Inc. operates as a C Corporation. Please see our Articles of Incorporation on the following pages.

TAB 4.C

Rabun Architects, Inc. has been in business since October 28, 1994. Originally registered as RHOR Architects, Inc. a name change to Rabun Architects, Inc was filed on 3/24/2006.

TAB 4.D

Office of Responsibility:
44 Broad Street NW, Suite 300
Atlanta, GA 30303

TAB 4.B (continued) Articles of Incorporation - Rabun Architects

Secretary of State
Corporations Division
315 West Tower
#2 Martin Luther King, Jr. Dr.
Atlanta, Georgia 30334-1530

DOCKET NUMBER : 061051041
 CONTROL NUMBER: K427638
 EFFECTIVE DATE: 03/24/2006
 REFERENCE : 0048
 PRINT DATE : 04/15/2006
 FORM NUMBER : 611

R. MANSELL MCCORD, JR.
 ATTORNEY AT LAW
 P.O. BOX 56149
 ATLANTA, GA 303430149

CERTIFICATE OF NAME CHANGE AMENDMENT

I, Cathy Cox, the Secretary of State and the Corporations Commissioner of the State of Georgia, do hereby certify under the seal of my office that

RHOR ARCHITECTS, INC.
A DOMESTIC PROFIT CORPORATION

has filed articles of amendment in the Office of the Secretary of State changing its name to

RABUN ARCHITECTS, INC.

and has paid the required fees as provided by Title 14 of the Official Code of Georgia Annotated. Attached hereto is a true and correct copy of said articles of amendment.

WITNESS my hand and official seal in the City of Atlanta and the State of Georgia on the date set forth above.



Cathy Cox

Cathy Cox
 Secretary of State

TAB 4.B (continued) Articles of Incorporation - Rabun Architects

16427638
61051036

**ARTICLES OF AMENDMENT
TO THE ARTICLES OF INCORPORATION
OF
RHOR ARCHITECTS, INC.**

ARTICLE I

The name of the Corporation stated in its Articles of Incorporation is: **RHOR ARCHITECTS**.
2. The Corporation is a statutory close corporation.

ARTICLE II

The Articles of Incorporation of the Corporation are amended to change the name of the corporation to: **RABUN ARCHITECTS, INC.**

ARTICLE III

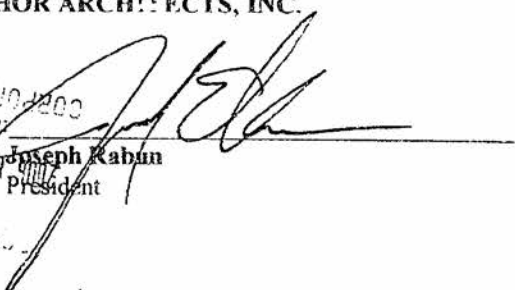
The above amendment was adopted on, and has an effective date of, March 23, 2006.

ARTICLE III

This amendment was duly approved by the sole shareholder pursuant to the authority contained in By-Laws of the Corporation and in accordance with the provisions of the Georgia Business Corporation Code.

IN WITNESS WHEREOF, RHOR ARCHITECTS, INC. has caused these Articles of Amendment to be executed and its corporate seal to be affixed by its duly authorized officer, on this the day of March, 2006.

RHOR ARCHITECTS, INC.

By: 
Joseph Rabun
President
[CORPORATE SEAL]
MAR 24 P 4:57
SECRETARY OF STATE
CORPORATIONS DIVISION

ORPUMM919.3

Figure 19: Articles of Incorporation - Rabun Architects (continued)

TAB 4.B (continued) Articles of Incorporation - Rabun Architects

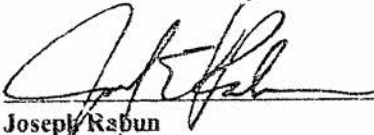
OFFICER'S CERTIFICATE

I, **Jospeh Rabun**, the duly elected President of **RHOR ARCHITECTS, INC.** hereby certify that a request for publication of a notice in the following form has been delivered to the publisher of the *Fulton County Daily Report* and that payment therefor has been made as required by O.C.G.A. §14-2-1006.1(b):

NOTICE OF CHANGE OF CORPORATE NAME

Notice is given that articles of amendment which will change the name of **RHOR ARCHITECTS, INC.** to **RABUN ARCHITECTS, INC.** will be delivered to the Secretary of State for filing in accordance with the Georgia Business Corporation Code. The registered office of the Corporation is located at The Hurt Building, Suite 900, 50 Hurt Plaza, Atlanta, Georgia 30303, and its registered agent at that address is R. Mansell McCord, Jr.

This the 23rd day of March, 2006.


Joseph Rabun
President

TAB 4.B (continued) Articles of Incorporation - Rabun Architects

Secretary of State
Business Services and Regulation
Suite 315, West Tower
2 Martin Luther King Jr. Dr.
Atlanta, Georgia 30334-1530

CONTROL NUMBER: 9427638
EFFECTIVE DATE: 10/28/1994
COUNTY : FULTON
REFERENCE : 0070
PRINT DATE : 11/09/1994
FORM NUMBER : 311

BURKE O. ARCHER
50 HURT PLAZA, SUITE 900
ATLANTA GA 30303


CERTIFICATE OF INCORPORATION

I, MAX CLELAND, Secretary of State and the Corporation Commissioner of the State of Georgia, do hereby certify under the seal of my office that

RHOR ARCHITECTS, INC.

has been duly incorporated under the laws of the State of Georgia on the effective date stated above by the filing of articles of incorporation in the office of the Secretary of State and by the paying of fees as provided by Title 14 of the Official Code of Georgia Annotated.

WITNESS my hand and official seal in the City of Atlanta and the State of Georgia on the date set forth above.



Max Cleland
MAX CLELAND
SECRETARY OF STATE

Verley J. Spivey
VERLEY J. SPIVEY
DEPUTY SECRETARY OF STATE

SECURITIES 656-2894
CEMETERIES 656-3079
CORPORATIONS 656-2817
CORPORATIONS HOT LINE 404-656-2222
Outside Metro-Atlanta

Figure 21: Articles of Incorporation - Rabun Architects (continued)

TAB 4.B (continued) Articles of Incorporation - Rabun Architects

ARTICLES OF INCORPORATION

OF

RHOR ARCHITECTS, INC.

Article I.

The name of the Corporation is RHOR Architects, Inc.

Article II

The Corporation is a Statutory Close Corporation as authorized by the Georgia Business Corporation Code.

Article III

The Corporation shall have the authority to issue One Thousand (1,000) share of a single class of voting Common Stock.

Article IV

The provisions of the Official Code of Georgia Annotated §14-2-911 through §14-2-913 regarding share transfer shall apply to this Corporation.

Article V

The provisions of the Official Code of Georgia Annotated §14-2-914 through §14-2-917 regarding the purchase of shares shall apply to this Corporation.

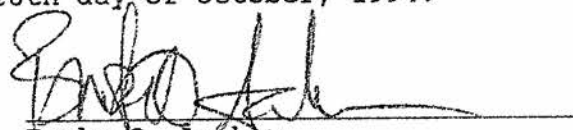
Article VI

The initial registered office and principal place of business of the Corporation shall be at 50 Hurt Plaza, Suite 900, Atlanta, Fulton County, Georgia 30303. The initial registered agent of the Corporation at such address shall be Burke O. Archer.

Article VII


The name and address of the incorporator is Burke O. Archer, 50 Hurt Plaza, Suite 900, Atlanta, Georgia 30303.

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation this 28th day of October, 1994.


Burke O. Archer
Incorporator

(I) USE
10.11.94 2:47
SECRETARY OF STATE

TAB 4.B (continued) Articles of Incorporation - Rabun Architects



MAX CLELAND
Secretary of State
State of Georgia

Business Services and Regulation
Suite 315, West Tower
2 Martin Luther King, Jr. Drive
Atlanta, Georgia 30334-1530
(404) 656-2817

J. F. GULLION
Director

**TRANSMITTAL INFORMATION FOR GEORGIA
PROFIT OR NONPROFIT CORPORATIONS**

DO NOT WRITE IN SHADED AREA - SOS USE ONLY

DOCKET <u>943050596</u>	PENDING CONTROL # <u>P082820</u>	CONTROL # <u>9427638</u>	
Docket Code: <u>311</u>	Corporation Type: <u>DP</u>		
Date Filed: <u>10-28-94</u>	Amount Received \$ <u>600</u>	Check/Receipt # <u>5505</u>	
Jurisdiction (County) Code: <u>60 - Fulton</u>			
Examiner: <u>6</u>	Date Completed: _____		

**NOTICE TO APPLICANT: PRINT PLAINLY OR TYPE REMAINDER OF THIS FORM.
INSTRUCTIONS ARE ON THE BACK OF THIS FORM.**

1. October 28, Reserved 943050596
Corporate Name Reservation Number
RHOR Architects, Inc.
Corporate Name (exactly as appears on name reservation)

2. Burke O. Archer, Esq.
Applicant/Attorney
50 Hurt Plaza, Suite 900 Telephone Number _____
Address
Atlanta Georgia 30303
City State Zip Code

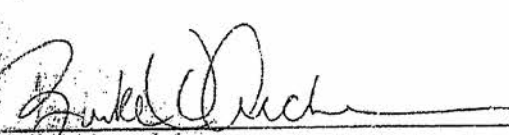
3. NOTICE: THIS FORM DOES NOT REPLACE THE ARTICLES OF INCORPORATION. MAIL OR DELIVER DOCUMENTS AND THE SECRETARY OF STATE FILING FEE TO THE ABOVE ADDRESS. DOCUMENTS SHOULD BE SUBMITTED IN THE FOLLOWING ORDER. (A COVER LETTER IS NOT REQUIRED.)

1. FORM 227 - TRANSMITTAL FORM (ATTACH SECRETARY OF STATE FILING FEE OF \$60.00 TO THIS FORM)

2. ORIGINAL ARTICLES OF INCORPORATION

3. ONE COPY OF ARTICLES OF INCORPORATION

I understand that the information on this form will be entered in the Secretary of State business registration database. I certify that a Notice of Incorporation or a Notice of Intent to Incorporate with a publishing fee of \$40.00 has been or will be mailed or delivered to the authorized newspaper as required by law.



 Authorized Signature

October 28, 1994

 Date

Figure 23: Articles of Incorporation - Rabun Architects (continued)

TAB 4 Company Overview - Moss

Moss is a privately-held limited liability company providing innovative construction solutions resulting in award-winning projects across the United States. From nine regional offices from Hawaii to Florida and the US Virgin Islands, we focus on construction management at-risk, design-build, and public-private partnerships. Our diverse portfolio encompasses a wide range of sectors including residential and mixed-use developments, hospitality, primary and higher education, justice, and solar energy.

Moss knows that for a project to succeed there must be capable, proven principal and support personnel involvement. With over 500 employees, we have some of the most experienced operational team members around. Our comprehensive experience and technical skills bring an unequalled resource base to your project, positioning us to deliver on our promises and meet your expectations.

At Moss, we take pride in a strong entrepreneurial culture that honors safety, quality, client engagement, and employee development. We are committed to remaining flexible with our services, diverse in our project endeavors, and adaptable to an ever-changing environment. This philosophy provides you with endless opportunities and a competitive edge. Our solid relationships and positive track record of successfully delivering \$4.5 billion in completed projects on time and in budget allows us an aggregate performance and payment bonds program in excess of \$1 billion.

TAB 4.A

Moss & Associates, LLC
2101 North Andrews Avenue
Fort Lauderdale, FL 33311

TAB 4.B

Moss & Associates, LLC operates as a limited liability company. Please see our relevant, publicly available documents on the following pages.

TAB 4.C

Moss & Associates, LLC has been in business under the same name since March 24, 2004.

TAB 4.D

Office of Responsibility:
2101 North Andrews Avenue
Fort Lauderdale, FL 33311

TAB 4.B (continued) Original Filed Articles of Organization - Moss

**Electronic Articles of Organization
For
Florida Limited Liability Company**

L04000022199
FILED 8:00 AM
March 23, 2004
Sec. Of State
DCUSHING

Article I

The name of the Limited Liability Company is:
MOSS & ASSOCIATES, LLC

Article II

The street address of the principal office of the Limited Liability Company is:
912 EAST BROWARD BLVD.
SUITE C
FT. LAUDERDALE, FL. 33301

The mailing address of the Limited Liability Company is:
912 EAST BROWARD BLVD.
SUITE C
FT. LAUDERDALE, FL. 33301

Article III

The purpose for which this Limited Liability Company is organized is:
ANY AND ALL LAWFUL BUSINESS.

Article IV

The name and Florida street address of the registered agent is:
BOB L MOSS
912 EAST BROWARD BLVD.
SUITE C
FT. LAUDERDALE, FL. 33301

Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

Registered Agent Signature: BOB L. MOSS

TAB 4.B (continued) Original filed Articles of Organization - Moss

Article V

The name and address of managing members/managers are:

Title: MGRM
BOB L MOSS
625 THIRD KEY DRIVE
FT. LAUDERDALE, FL. 33304

Title: MGRM
SANDRA S MOSS
625 THIRD KEY DRIVE
FT. LAUDERDALE, FL. 33304

L04000022199
FILED 8:00 AM
March 23, 2004
Sec. Of State
DCUSHING

Article VI

The effective date for this Limited Liability Company shall be:

03/24/2004

Signature of member or an authorized representative of a member

Signature: BOB L. MOSS

TAB 4.B (continued) 2016 Annual Report - Moss

2016 FLORIDA LIMITED LIABILITY COMPANY ANNUAL REPORT

DOCUMENT# L04000022199

Entity Name: MOSS & ASSOCIATES, LLC

Current Principal Place of Business:

2101 NORTH ANDREWS AVENUE
SUITE 300
FT. LAUDERDALE, FL 33311

Current Mailing Address:

2101 NORTH ANDREWS AVENUE
SUITE 300
FT. LAUDERDALE, FL 33311

FEI Number: 73-1699834

Certificate of Status Desired: Yes

Name and Address of Current Registered Agent:

MOSS, BOB L
2101 N. ANDREWS AVENUE
SUITE 300
FT. LAUDERDALE, FL 33311 US

The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.

SIGNATURE: BOB L. MOSS

02/09/2016

Electronic Signature of Registered Agent

Date

Authorized Person(s) Detail :

Title MANAGER, CHAIRMAN, CEO
Name MOSS, BOB L
Address 2101 NORTH ANDREWS AVENUE
SUITE 300
City-State-Zip: FT. LAUDERDALE FL 33311

Title PRESIDENT, MANAGER
Name MOSS, SCOTT R
Address 2101 NORTH ANDREWS AVENUE
SUITE 300
City-State-Zip: FT. LAUDERDALE FL 33311

Title EXECUTIVE VICE PRESIDENT
Name HARRIS, JOSEPH L.
Address 2101 NORTH ANDREWS AVENUE
SUITE 300
City-State-Zip: FT. LAUDERDALE FL 33311

Title EXECUTIVE VICE PRESIDENT
Name ATKINSON, BRETT T.
Address 2101 NORTH ANDREWS AVENUE
SUITE 300
City-State-Zip: FT. LAUDERDALE FL 33311

Title VICE PRESIDENT/TAMPA
Name BOWDEN, JOHN L
Address 2101 N ANDREWS AVE - STE 300
City-State-Zip: FT. LAUDERDALE FL 33311

Title EXECUTIVE VICE PRESIDENT/CHIEF
LEGAL OFFICER/CHIEF FINANCIAL
OFFICER, ASSISTANT SECRETARY
Name MOLDOW, BRUCE J.
Address 2101 NORTH ANDREWS AVENUE
SUITE 300
City-State-Zip: FT. LAUDERDALE FL 33311

Title EXECUTIVE VICE PRESIDENT
Name LITTLE, WILLIAM M.
Address 2101 NORTH ANDREWS AVENUE
SUITE 300
City-State-Zip: FT. LAUDERDALE FL 33311

Title EXECUTIVE VICE PRESIDENT
Name DESHARNAIS, SCOTT A.
Address 2101 NORTH ANDREWS AVENUE
SUITE 300
City-State-Zip: FT. LAUDERDALE FL 33311

Continues on page 2

I hereby certify that the information indicated on this report or supplemental report is true and accurate and that my electronic signature shall have the same legal effect as if made under oath; that I am a managing member or manager of the limited liability company or the receiver or trustee empowered to execute this report as required by Chapter 605, Florida Statutes; and that my name appears above, or on an attachment with all other like empowered.

SIGNATURE: SCOTT R. MOSS

PRESIDENT

02/09/2016

Electronic Signature of Signing Authorized Person(s) Detail

Date

TAB 4.B (continued) 2016 Annual Report - Moss

Authorized Person(s) Detail Continued :

Title EXECUTIVE VICE PRESIDENT
Name MAZZA, MICHAEL J.
Address 2101 NORTH ANDREWS AVENUE
SUITE 300
City-State-Zip: FT. LAUDERDALE FL 33311

Title EXECUTIVE VICE PRESIDENT, MANAGER
Name MOSS, ROBERT C.
Address 2101 NORTH ANDREWS AVENUE
SUITE 300
City-State-Zip: FT. LAUDERDALE FL 33311

Title VP
Name CIAMPINI, DAVID
Address 2101 NORTH ANDREWS AVENUE
SUITE 300
City-State-Zip: FT. LAUDERDALE FL 33311

Title VICE PRESIDENT/PROJECT EXECUTIVE
Name REESE, GUY
Address 2101 NORTH ANDREWS AVENUE
SUITE 300
City-State-Zip: FT. LAUDERDALE FL 33311

Title VP, SECRETARY
Name CLARKSON, JOANNA
Address 2101 NORTH ANDREWS AVENUE
SUITE 300
City-State-Zip: FT. LAUDERDALE FL 33311

Title VICE PRESIDENT/SOLAR
Name WILSON, BRAD
Address 2101 NORTH ANDREWS AVENUE
SUITE 300
City-State-Zip: FT. LAUDERDALE FL 33311

Title VICE PRESIDENT/PRECONSTRUCTION WEST
Name CABELLO, ROBERT
Address 2101 NORTH ANDREWS AVENUE
SUITE 300
City-State-Zip: FT. LAUDERDALE FL 33311

Title VICE PRESIDENT/PROJECT EXECUTIVE
Name SMITH, ALEXANDER
Address 2101 NORTH ANDREWS AVENUE
SUITE 300
City-State-Zip: FT. LAUDERDALE FL 33311

Title VICE PRESIDENT/PROJECT EXECUTIVE HAWAII
Name ROGERS, DOUGLAS
Address 2101 NORTH ANDREWS AVENUE
SUITE 300
City-State-Zip: FT. LAUDERDALE FL 33311

Title SVP

Title EXECUTIVE VICE PRESIDENT
Name MCALLISTER, ANDREW N.
Address 2101 NORTH ANDREWS AVENUE
SUITE 300
City-State-Zip: FT. LAUDERDALE FL 33311

Title SENIOR VICE PRESIDENT,
PRECONSTRUCTION
Name ANDERSON, RUSSELL P.
Address 2101 NORTH ANDREWS AVENUE
SUITE 300
City-State-Zip: FT. LAUDERDALE FL 33311

Title VICE PRESIDENT/PROJECT
EXECUTIVE
Name BARO, EDWARD
Address 2101 NORTH ANDREWS AVENUE
SUITE 300
City-State-Zip: FT. LAUDERDALE FL 33311

Title VICE PRESIDENT/PROJECT
EXECUTIVE
Name SLATER, RICHARD
Address 2101 NORTH ANDREWS AVENUE
SUITE 300
City-State-Zip: FT. LAUDERDALE FL 33311

Title ASSISTANT VICE
PRESIDENT/PROJECT EXECUTIVE
Name KRAUSE, JOHN C.
Address 2101 NORTH ANDREWS AVENUE
SUITE 300
City-State-Zip: FT. LAUDERDALE FL 33311

Title VICE PRESIDENT/PROJECT
EXECUTIVE
Name WILSON, WADE W.
Address 2101 NORTH ANDREWS AVENUE
SUITE 300
City-State-Zip: FT. LAUDERDALE FL 33311

Title EXECUTIVE VICE PRESIDENT
Name PHILLEY, JOHN T
Address 2101 NORTH ANDREWS AVENUE
SUITE 300
City-State-Zip: FT. LAUDERDALE FL 33311

Title SENIOR VICE PRESIDENT/HAWAII
Name WATERS, JAMES B
Address 2101 NORTH ANDREWS AVENUE
SUITE 300
City-State-Zip: FT. LAUDERDALE FL 33311

Title CIO
Name SAYFIE, JT
Address 2101 NORTH ANDREWS AVENUE
SUITE 300

TAB 4.B (continued) 2016 Annual Report - Moss

Name	BROOM, JOSEPH D	City-State-Zip:	FT. LAUDERDALE FL 33311
Address	2101 NORTH ANDREWS AVENUE SUITE 300	Title	SVP
City-State-Zip:	FT. LAUDERDALE FL 33311	Name	WOBBY, DAVID
Title	VICE PRESIDENT/JUSTICE	Address	2101 NORTH ANDREWS AVENUE SUITE 300
Name	BURTON, DAVID	City-State-Zip:	FT. LAUDERDALE FL 33311
Address	2101 NORTH ANDREWS AVENUE SUITE 300	Title	VP
City-State-Zip:	FT. LAUDERDALE FL 33311	Name	DORMAN, CHRIS
Title	VICE PRESIDENT/HUMAN RESOURCES	Address	2101 NORTH ANDREWS AVENUE SUITE 300
Name	ROGERS, TODD	City-State-Zip:	FT. LAUDERDALE FL 33311
Address	2101 NORTH ANDREWS AVENUE SUITE 300	Title	VICE PRESIDENT/PROJECT EXECUTIVE
City-State-Zip:	FT. LAUDERDALE FL 33311	Name	COOPER, DAVID
Title	VICE PRESIDENT/PROJECT EXECUTIVE	Address	2101 NORTH ANDREWS AVENUE SUITE 300
Name	SOCHACKI, MARK	City-State-Zip:	FT. LAUDERDALE FL 33311
Address	2101 NORTH ANDREWS AVENUE SUITE 300		
City-State-Zip:	FT. LAUDERDALE FL 33311		



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TAB 5

Experience of the Respondent and Team



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TAB 5.A George Mason University – The Mason Inn Hotel and Conference Center



Figure 29: The Mason Inn Hotel and Conference Center

Respondent Team Entity:

Concord Eastridge, Inc.

Location:

George Mason University,
Fairfax, VA

Size:

25,000 SF

Project Cost:

\$52 million

Completion Date:

July 2010

Role:

Master Developer,
Project Manager

Development Team:

University Hotel Partners,
LLC, Balfour Beatty
Construction, Gensler
Architects, ARAMARK
Higher Education

Public Entity / Entities

George Mason University

Contract Administrator:

Barbara Lubar

George Mason University

4400 University Drive
MS 3G3
Fairfax, VA 22030

Phone:
(703) 993-8847

Email:
blubar@gmu.edu

PROJECT DESCRIPTION

The Mason Inn consists of a 25,000-square-foot technologically advanced conference area, integrated with a 149-room hotel. The complex includes a restaurant, lounge, ballroom and 11 meeting rooms. It is the first hotel and conference facility in the Commonwealth of Virginia to achieve LEED Gold® and is operated to the standards of the International Association of Conference Centers. The Mason Inn raises the profile of this fast-growing university by providing a high-quality venue for university events, academic conferences and other activities.

The Mason Inn is located on the 677-acre main campus of George Mason University in Fairfax, Virginia and is positioned within the larger campus context, as part of the University's master plan. As well as the 135,000-square-foot hotel and conference center, the project includes structured parking for the building, along with surface parking lots to be used until a larger parking structure is built in that sector of the campus.

Concord Eastridge served as master developer for the University and provided the design and construction oversight, operator selection and development management of the project. The development team was formed under University Hotel Partners, LLC, which is a joint venture between Concord Eastridge, Inc. and Balfour Beatty Construction. Construction began in the fall of 2008 and the hotel and conference center opened in July 2010, on schedule and under budget.

TAB 5.A North Carolina State University – StateView Hotel



Figure 30: StateView Hotel

Respondent Team Entity:

Concord Eastridge, Inc.

Location:

North Carolina State University, Raleigh, NC

Size:

22,000 SF

Project Cost:

\$37 million

Completion Date:

Summer 2017

Role:

Master Developer, Owner

Development Team:

Noble Investment Group,
Cooper Carry Architects,
W.M. Jordan Construction

Public Entity / Entities

North Carolina State University

Contract Administrator:

Harlan Stafford

North Carolina State University

Centennial Campus Development Office
Campus Box 7408
Raleigh, NC 27695-7408

Phone:
(919) 513-3711

Email:
harlan_stafford@ncsu.edu

PROJECT DESCRIPTION

The new Conference Center and Hotel, located on a 10-acre site situated on a scenic overlook of Lake Raleigh, will serve as a focal point for the beautiful Centennial Campus. The hotel will be a Marriott Autograph Collection facility of 164 keys on four guest room levels. It will have public spaces, a ground level fitness center that opens to an outdoor pool and terrace and fine dining at the bar/restaurant. Additionally, there will be a one-story conference facility, with a multi-purpose ballroom and both large and small breakout meeting areas. The hotel and facility parking is designed as an integral part of the landscape and existing natural character of the site and campus.

TAB 5.A University of Mary Washington – Eagle Village



Figure 31: Eagle Village

Respondent Team Entity:

Concord Eastridge, Inc.

Location:

University of
Mary Washington,
Fredericksburg, VA

Size:

200,000 SF

Project Cost:

\$55 million

Completion Date:

December 2013

Role:

Master Developer,
Owner's Representative

Development Team:

RRMM Architects,
Donley's Construction

Public Entity / Entities

NA

Contract Administrator:

NA

PROJECT DESCRIPTION

Concord Eastridge was selected by the University of Mary Washington Foundation in 2007 to orchestrate the phased re-development of the 22 acre former Fredericksburg, Virginia Park & Shop retail center into an urban mixed-use complex. As the master developer and asset manager of this property, Concord Eastridge oversaw the project through each phase, from the acquisition of the property, through the entitlement and construction processes.

Phase I began construction in February of 2009 and includes 133,000 square feet of building area, consisting of 624 beds of student housing, 36,000 square feet of office space, 30,000 square feet of new retail space and structured parking for 540 vehicles on seven acres of land. Also included was a pedestrian bridge which spans across Route 1, connecting the main campus to Eagle Village. Phase I was completed in the fall of 2010.

Phase II began with the construction of the Hyatt Place Hotel in 2011. This 93 room hotel and conference center provides premier meeting facilities, spacious suites and numerous amenities offered at competitive mid-range rates. The 67,000-square-foot hotel and conference center, completed in 2013, welcomed its first guests on January 21, 2014.

TAB 5.A The Chattanooga



Figure 32: The Chattanooga

Respondent Team Entity:

Benchmark Management Company

Location:

Chattanooga, TN

Size:

200,000 SF

Project Cost:

\$43 million

Completion Date:

2001

Role:

Pre-Opening Technical
Services and On-
going Management

Public Entity / Entities

City of Chattanooga

Contract Administrator:

Daisy Madison
Administrator / City
Finance Officer

City of Chattanooga
101 East 11th Street
Suite 101
Chattanooga, TN 37402

Phone:
(423) 643-7368

Email:
madison_d@chattanooga.gov

PROJECT DESCRIPTION

The facility includes 202 guest rooms, 25,000 square feet of conference space, a restaurant, bar and sidewalk café, a day spa, fitness center, indoor pool and a patio overlooking the hotel's courtyard. Construction began in the fall of 1999 and the hotel opened in the spring of 2001. The total development cost was approximately \$43,000,000. The financing was a city bond issue to redevelop the south side of Chattanooga. KB Development was a Hines/ Benchmark Joint Venture, with Beers and Parks Construction Company as General Contractor. The architecture was provided by Rabun Hogan Ota Rasche and Franklin Associates Architects, and interior design provided by Looney & Associates.

TAB 5.A The Heldrich



Figure 33: The Heldrich

Respondent Team Entity:

Benchmark Management Company

Location:

New Brunswick, NJ

Size:

365,000 SF

Project Cost:

\$110 million

Completion Date:

2007

Role:

Pre-Opening Technical
Services and On-
going Management

Public Entity / Entities

Middlesex County
Improvement Authority

Contract Administrator:

Merissa Buczny
Vice President

New Brunswick
Development Corporation
(DEVCO)
120 Albany Street, Tower 1
New Brunswick, NJ 08901

Phone:
(732) 249-2220

Email:
mbuczny@devco.org

PROJECT DESCRIPTION

The facility was a mixed-use public/private development consisting of a conference center, hotel, condominium units, office and retail. The property consists of 250 room and 48 condominium residential 24,000 square feet of dedicated meeting space, 200-seat all day restaurant with two private dining rooms, 80-seat pub lounge, fitness center and spa, and office and retail development. This facility began construction in Spring 2004 and opened in Spring 2007.

The financing was a bond financed facility. KB Development was made up of New Brunswick Development Corporation (DEVCO), Keating Construction, CMMI Architectural/Interior Design Firm, and Benchmark Hospitality.

TAB 5.A Stonewall Resort



Figure 34: Stonewall Resort

Respondent Team Entity:

Benchmark Management Company

Location:

Roanoke, WV

Size:

218,000 SF

Project Cost:

\$50 million

Completion Date:

2003

Role:

Pre-Opening Technical
Services and On-
going Management

Public Entity / Entities

Public and Private
Partnership Funding

Contract Administrator:

John. R (Rudy) Henley
Associate Broker

West Virginia
Commercial, LLC
305 Washington Street West,
Suite 200
Charleston, WV 25302

Phone:
(304) 347-7520

Email:
jrhenley@wv-commercial.com

PROJECT DESCRIPTION

The facility includes 191 guest rooms and 18,000 square feet of conference space, with three food and beverage outlets, day spa, fitness center, swimming pool, golf course, campground and outdoor amenities. This facility began construction in Summer 2000 and opened in Fall 2003. The total development cost was approximately \$50,000,000. The financing plan was by public and private partnership funding.

McCabe-Henley, Durbin, PLLC. served as the development company. GA Brown & Son, Inc. served as general contractor. Architecture was provided by Wimberly Allison Tong & Goo (WATG) and Blackwood & Associates, and interior design provided by Sue Wade & Associates and Perkins & Will.

TAB 5.A UCLA's Meyer and Renee Luskin Hotel & Conference Center



Figure 35: UCLA's Meyer and Renee Luskin Hotel & Conference Center

Respondent Team Entity:

Benchmark Management Company

Location:

Los Angeles, CA

Size:

294,000 SF

Project Cost:

\$162.4 million

Completion Date:

2016

Role:

Pre-Opening Technical
Service and On-
going Management
Consulting Services

Public Entity / Entities

Pre-Opening Technical
Service and On-going
Management Consulting

Contract Administrator:

NA

PROJECT DESCRIPTION

The facility includes 254 guest rooms and 25,000 square feet of conference space, with two food and beverage outlets and a fitness center. Construction began in Spring 2013 and opened in Summer 2016. The total development cost was approximately \$163,000,000. The financing plan was by UCLA and private donations.

UCLA Housing and Hospitality Services served as the development company. McCarthy Building Companies, Inc. served as the general contractor. Architecture was provided by Hornberger & Worstell, and interior design provided by Brayton Hughes Design.

TAB 5.A Inn at Virginia Tech & Holtzman Alumni Center



Figure 36: Inn at Virginia Tech & Holtzman Alumni Center

Respondent Team Entity:

Benchmark Management Company

Location:

Blacksburg, VA

Size:

123,000 SF

Project Cost:

\$46 million (including Alumni Center)

Completion Date:

July 2005

Role:

Pre-Opening Technical Services and On-going Management

Public Entity / Entities

NA

Contract Administrator:

NA

PROJECT DESCRIPTION

The facility includes 142 guest rooms and 24,000 square feet of conference space, with two food and beverage outlets and a fitness center. Construction on this facility began in Spring of 2003 and opened in Fall 2005. The total development cost was approximately \$46,000,000 (including Alumni Center). The financing plan was by Virginia Tech and private donations.

Development provided by Virginia Tech Foundation. The general contractor was Branch & Associates Inc and the architecture was provided by Sheretz Franklin Crawford Shaffner Inc., with interior design provided by Clark Nexson and Design Continuum.

TAB 5.A Hotel Roanoke & Conference Center



Figure 37: Hotel Roanoke & Conference Center

Respondent Team Entity:

Benchmark Management Company

Location:

Blacksburg, VA

Size:

360,000 SF

Project Cost:

\$46 million

Completion Date:

1995

Role:

Pre-Opening Technical
Services and On-
going Management

Public Entity / Entities

City of Roanoke

Contract Administrator:

Kevin Sullivan
Associate Vice President
for Administration and
General Counsel

Virginia Tech Foundation
902 Prices Fork Road
Suite 145
Blacksburg, VA 24061

Phone:
(540) 231-1127

Email:
kevin.sullivan@vt.edu

PROJECT DESCRIPTION

The facility includes 330 guest rooms and 63,000 square feet of conference space, with three food and beverage outlets, fitness center and a swimming pool. Reconstruction on this 133 year old facility began in 1992 and it reopened in 1995. and re-opened in 1995. The Tudor-style hotel is listed on the National Register of Historic Places, has been inducted into the Historic Hotels of America™ organization, and is a member of the International Association of Conference Centers.

The total development cost was approximately \$46 million. The financing was a city bond issue to redevelop this historic hotel and build a conference center. It is a joint project of Hotel Roanoke LLC, the City of Roanoke and Virginia Tech.

TAB 5.A Washington Duke Inn, Duke University



Figure 38: Washington Duke Inn, Duke University

Respondent Team Entity:

Rabun Rasche Rector Reece Architects

Location:
Durham, NC

Public Entity / Entities
NA

Size:
120,450 Total SF (original hotel)
131,470 Total SF (addition)

Contract Administrator:
NA

Project Cost:
\$19 million (original hotel)
\$28 million (addition)

Completion Date:
1988 (original hotel)
August 2003 (addition)

Role:
Architect

PROJECT DESCRIPTION

The Washington Duke Inn functions as the living room of Duke University, a social gathering point for friends, faculty, and alumni. The renovations and additions maintained the architectural integrity of the original design, which was also created by Rabun Architects. The additions include a low rise wing of conference space, a new 7,600-square-foot ballroom, and appropriate support and back-of-house facilities. The guest room additions include 101 guest rooms in two new five-story wings.

TAB 5.A R. David Thomas Conference Center, Duke University



Figure 39: R. David Thomas Conference Center, Duke University

Respondent Team Entity:

Rabun Rasche Rector Reece Architects

Location:
Durham, NC

Size:
207,818 SF

Project Cost:
\$40 million

Completion Date:
October 2016

Role:
Architect

Public Entity / Entities
NA

Contract Administrator:
NA

PROJECT DESCRIPTION

This project comprises a comprehensive renovation and major expansion to the existing conference center adjacent to the Fuqua School of Business, and is an important component of the business school's programs. Features include 198 rooms and 22,000 square feet of conference space. The Rabun design reuses nearly 100% of the existing structure and preserves the forested surroundings by locating the addition within the existing building footprint.

TAB 5.A Hilton University of Florida



Figure 40: Hilton University of Florida

Respondent Team Entity:

Rabun Rasche Rector Reece Architects

Location:

Gainesville, FL

Size:

190,000 SF

Project Cost:

\$19 million

Completion Date:

March 2000

Role:

Architect

Public Entity / Entities

NA

Contract Administrator:

NA

PROJECT DESCRIPTION

Located on campus of the University of Florida at Gainesville, this state-of-the-art conference facility integrates 25,000 square feet of conference space with 248 guest rooms, within a 7-story tower. Amenities include garden courtyards, an outdoor pool, a restaurant, a cocktail lounge and a business center. The overall structural design concept was derived from the Murphree Area quadrangle dormitories located in the older section of the campus.

TAB 5.A Emory Conference Center and Hotel, Emory University



Figure 41: Emory Conference Center and Hotel, Emory University

Respondent Team Entity:

Rabun Rasche Rector Reece Architects

Location:
Atlanta, GA

Public Entity / Entities
NA

Size:
23,000 Total SF (original project)
89,000 Total SF (renovations & additions)

Contract Administrator:
NA

Project Cost:
\$15 million (original project)
\$22 million (renovations & additions)

Completion Date:
September 1995 (original project)
September 2009 (renovations & additions)

Role:
Architect

PROJECT DESCRIPTION

The Emory Conference Center & Hotel offers 200 rooms and 14,000 square feet of state-of-the-art meeting facilities that support the University's conferencing and continuing education needs. The Conference Center was designed to blend harmoniously with the virgin woodlands that surround the site. Public amenities were strategically organized to capture the natural beauty of the surroundings, providing a beautiful and relaxing experience for visitors.

TAB 5.A Weston Birmingham



Figure 42: Weston Birmingham

Respondent Team Entity:

Rabun Rasche Rector Reece Architects

Location:
Birmingham, AL

Size:
206,308 SF

Project Cost:
\$34 million

Completion Date:
February 2013

Role:
Architect

Public Entity / Entities
NA

Contract Administrator:
NA

PROJECT DESCRIPTION

The Weston is part of a master plan to create the Uptown Entertainment District at the existing Birmingham-Jefferson Convention Complex, home to a performing arts theaters, signature dining, 220,000 square feet of meeting space, and the Alabama Sports Hall of Fame. In concert with the city's vision for the entertainment district, the hotel's bold design leaves a lasting impression of luxury, sophistication, and excitement.

This property consists of 294 guest rooms on nine stories, including seven suites, a beautifully appointed rooftop pool, lobby restaurant, coffee shop, and lease restaurant. All of these spaces were designed with a commitment to memorable, modern style. Hotels and conference centers present unusual challenges in the area of energy and water efficiency. The Rabun-led design team focused sustained attention on these important issues, leading to LEED Silver® Certification.

TAB 5.A Residence Inn by Marriott



Figure 43: Residence Inn by Marriott

Respondent Team Entity:

Moss & Associates, LLC

Location:

West Palm Beach, FL

Size:

107,966 SF

Project Cost:

\$21 million

Completion Date:

February 2015

Role:

Construction Manager
at-Risk

Public Entity / Entities

NA

Contract Administrator:

NA

PROJECT DESCRIPTION

This Residence Inn by Marriott, located within the heart of West Palm Beach, Florida is designed to attract and support the needs of both the leisure traveler and professional executive. The nine-story, extended stay hotel provides 152 suites with studio, one-bedroom and two-bedroom floor plans, each with fully equipped kitchens, spacious desks, and 42" flat screen HDTVs. All 107,966 square feet of the hotel responds to its South Florida environment through vernacular design and color: open trellises, covered walkways and open-air verandas in exterior spaces and contemporary materials, colors and textures in the art, furniture, decor, and lighting of the interiors.

TAB 5.A Harbourside Place



Figure 44: Harbourside Place

Respondent Team Entity:

Moss & Associates, LLC

Location:

Jupiter, FL

Size:

783,064 SF

Project Cost:

\$91 million

Completion Date:

September 2014

Role:

Construction Manager
at-Risk

Public Entity / Entities

NA

Contract Administrator:

NA

PROJECT DESCRIPTION

Harbourside Place is the premier location for shopping, dining, entertainment, and boating in Jupiter, Florida. The mixed-use development is home to national retailers, locally operated boutiques, and multiple restaurants that appeal to a mass variety of consumers. The project is comprised of six buildings that include the 4-star Wyndham Grand Jupiter hotel, class “A” office space, a pedestrian walkway along the bay, a marina, parking garages, shops, restaurants, an amphitheater equipped for hosting civic functions, common areas, and roads.

Harbourside Place is an ideal example of the interconnected use of function and design for a new downtown. The design uses the full potential of the site’s natural beauty and location, providing an essential link within Jupiter’s Riverwalk, a 2.5-mile recreational walking path along the Waterway. A modern interpretation of British Colonial architecture, the site embodies the intimate, natural setting of a “village developed over time” and offers local residents and visitors a downtown experience along the water.

TAB 5.A Atton Brickell Hotel



Figure 45: Atton Brickell Hotel

Respondent Team Entity:

Moss & Associates, LLC

Location:

Miami, FL

Size:

262,085 SF

Project Cost:

\$46 million

Completion Date:

May 2016

Role:

Construction Manager
at-Risk

Public Entity / Entities

NA

Contract Administrator:

NA

PROJECT DESCRIPTION

Atton Brickell is the neighborhood's newest hotel project and is the first in the United States for its owner, Atton Hotels. Located in Miami's commercial and financial center, its 275 fully modern rooms will include views of the Brickell area and Simpson Park, which is just across the street from the property. The feel of the Park has been woven into the design of the hotel through accents and décor found within the lobby and recreation spaces.

Project features include:

- 12 Stories
- Ground floor restaurant and poolside bar
- Roof-top pool
- Fitness center
- 7,000 SF of event space
- Four-story garage with 177 spaces

TAB 5.A Opal Sands Resort



Figure 46: Opal Sands Resort

Respondent Team Entity:

Moss & Associates, LLC

Location:

Clearwater Beach, FL

Size:

460,000 SF

Project Cost:

\$70 million

Completion Date:

February 2016

Role:

Construction Manager
at-Risk

Public Entity / Entities

NA

Contract Administrator:

NA

PROJECT DESCRIPTION

This 15-story, 460,000-square-foot, luxury beach front resort hotel features 230 guest rooms and suites as well as a three-level parking garage. Unlike any other hotel in Clearwater, the unique curvature of the resort offers its guests magnificent views of the Gulf of Mexico from large balconies included in every room.

Guest accommodations and amenities include a fitness center, full-service spa, waterfront dining and beach bar, fire pits, valet and indoor parking, 25,000 square feet of indoor and outdoor event space, and 5,500-square-foot event lawn for elegant outdoor affairs. The zero-entry pool and sun deck is cantilevered over the gulf, giving guests the feeling of being right over the water. A gentle sand ramp leads down from the outdoor tiki bar to the beach.

TAB 5.A Boca Resort Resort



Figure 47: Boca Raton Resort

Respondent Team Entity:

Moss & Associates, LLC

Location:

Boca Raton, FL

Size:

218,322 SF

Project Cost:

\$34 million

Completion Date:

October 2007

Role:

Construction Manager
at-Risk

Public Entity / Entities

NA

Contract Administrator:

NA

PROJECT DESCRIPTION

The project scope included a 54,000-square-foot modernization of the Great Hall Convention Space as well as various upscale interior and exterior renovations, including the 52,000-square-foot Cloister Lobby and main guest check-in and reception area.

Renovations also included high-end finishes of the following restaurant spaces:

- 501 East Kitchen & Bar - 15,000 SF
- Monkey Bar - 1,100 SF
- Cielo Restaurant - 4,000 SF

TAB 5.A Nova Southeastern University - University Center



Figure 48: Nova Southeastern University - Don Taft University Center

Respondent Team Entity:

Moss & Associates, LLC

Location:

Davie, FL

Public Entity / Entities

NA

Size:

366,000 SF

Contract Administrator:

NA

Project Cost:

\$75 million

Completion Date:

August 2006

Role:

Design/Build

PROJECT DESCRIPTION

The University Center at Nova Southeastern is a “fusion” facility that combines student, faculty and public activity; serves to expand the university’s undergraduate programs and population; and provides athletic facilities to accommodate its Division II programs.

Project components include a student union, recreation center, intercollegiate athletics arena, casual dining, and performing and visual arts. Three levels of dedicated facilities include fitness, racquetball, a gymnasium, climbing wall, multipurpose rooms and lockers. The multipurpose arena has 5,400 seats to accommodate athletic events, concerts and commencements. A performing arts wing includes a black-box theater, dance theater and academic facilities. Activity spaces along the galleria/spine include food service, offices and a “flight deck” lounge. The center ties the academic and residential quadrants together, fostering a sense of community.

Moss, as part of the Moss/Miller Joint Venture, provided design-build services. During the expansion of the university’s existing student center and bookstore, Moss/Miller kept facilities in full operation. Field crews remained flexible as several owner-initiated upgrades were implemented as funding became available.

TAB 5.A University of Miami - Student Activities Center



Figure 49: University of Miami - Student Activities Center

Respondent Team Entity:

Moss & Associates, LLC

Location:

Miami, FL

Size:

217,000 SF

Project Cost:

\$45 million

Completion Date:

July 2013

Role:

Construction Manager
at-Risk

Public Entity / Entities

NA

Contract Administrator:

NA

PROJECT DESCRIPTION

This 110,000-square-foot Student Activity Center sits at the center of the University's main campus along Lake Osceola. The complex is designed to centralize campus amenities and unite the student body. The facility features a large multipurpose room capable of adapting into banquet, lecture or performance spaces. The Rathskeller, a UM mainstay since 1973, was rebuilt as a modern eatery and student lounge inside the SAC building.

As construction manager, Moss worked with owner and designers beginning with the preconstruction planning phases to ensure all budget, schedule and logistical requirements were addressed. Moss delivered this projected on time and in budget.

- Project features include:
- 110,000 square feet of facility space
- 10,000-square-foot student organization suite
- Fully equipped media center with computer rooms and production facility
- Conference rooms and workspace for individual/group study
- 400-seat auditorium/theatre
- Food court with indoor/outdoor dining
- Lounge and galleries

TAB 5.B Damages, Cancellations, Etc. Within 3 Years



Figure 50: FIU provided rendering by team partner Rabun Architects: Facility and Alumni Center

CONCORD BENCHMARK, LLC

None.

CONCORD EASTRIDGE, INC.

None.

BENCHMARK MANAGEMENT COMPANY

Hotel Arista (Naperville, IL) – On April 29, 2015, Calamos Investments, which previously self-managed the company/family-owned hotel, elected to prematurely terminate the Hotel Management Agreement in order to self-manage the property again. While the Hotel Management Agreement did not provide for an early termination by Owner, Calamos Investments and Benchmark were able to reach a mutually agreeable termination agreement. No litigation occurred as a result of the premature termination.

RABUN ARCHITECTS, INC.

None.

MOSS & ASSOCIATES, LLC

None

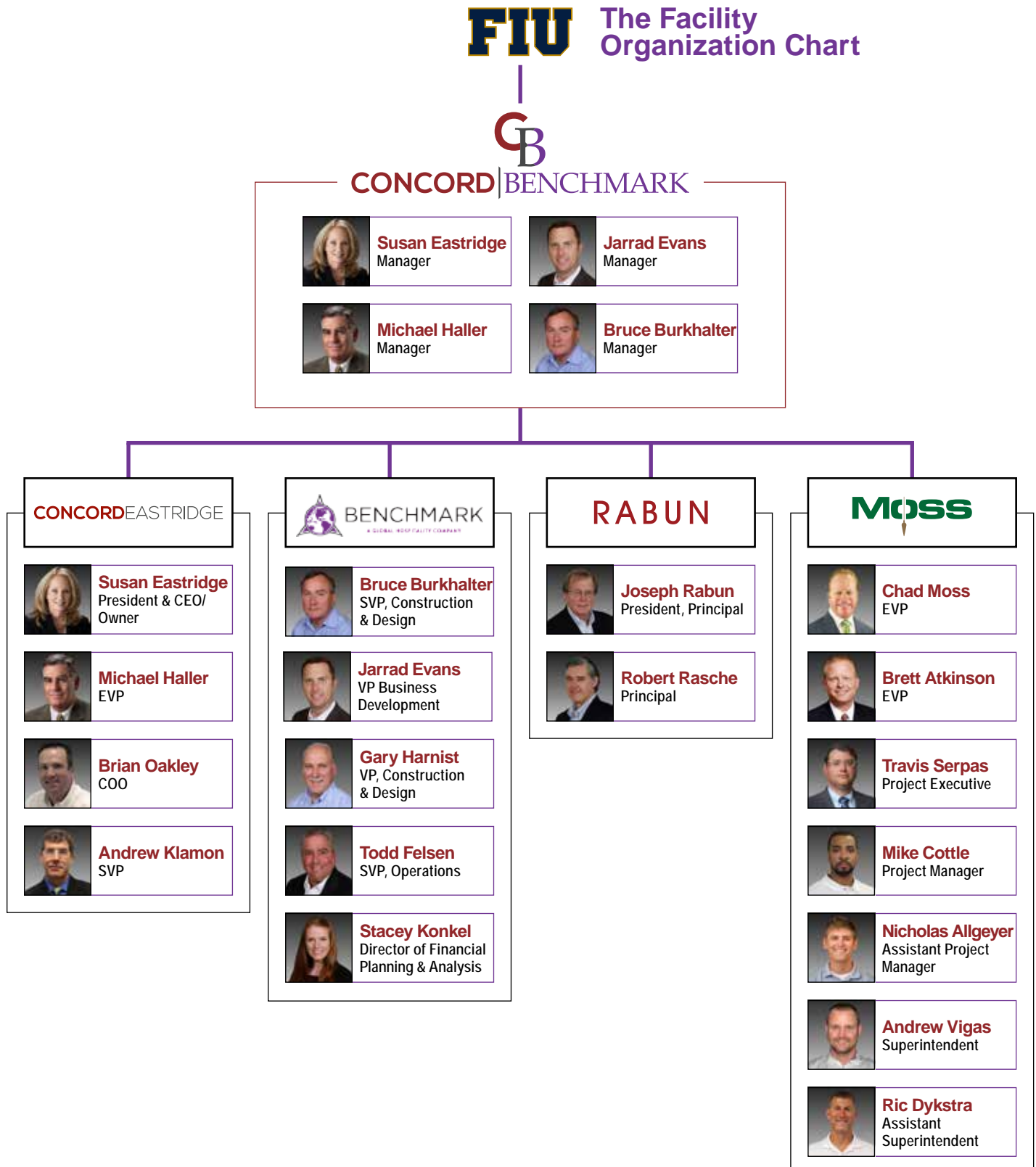
TAB 6

Proposed Team / Staffing / Licenses / Insurance



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TAB 6 (i) Proposed Team / Staffing - The Facility Organization Chart



TAB 6 (ii) Proposed Team / Staffing - Alumni Center Organization Chart

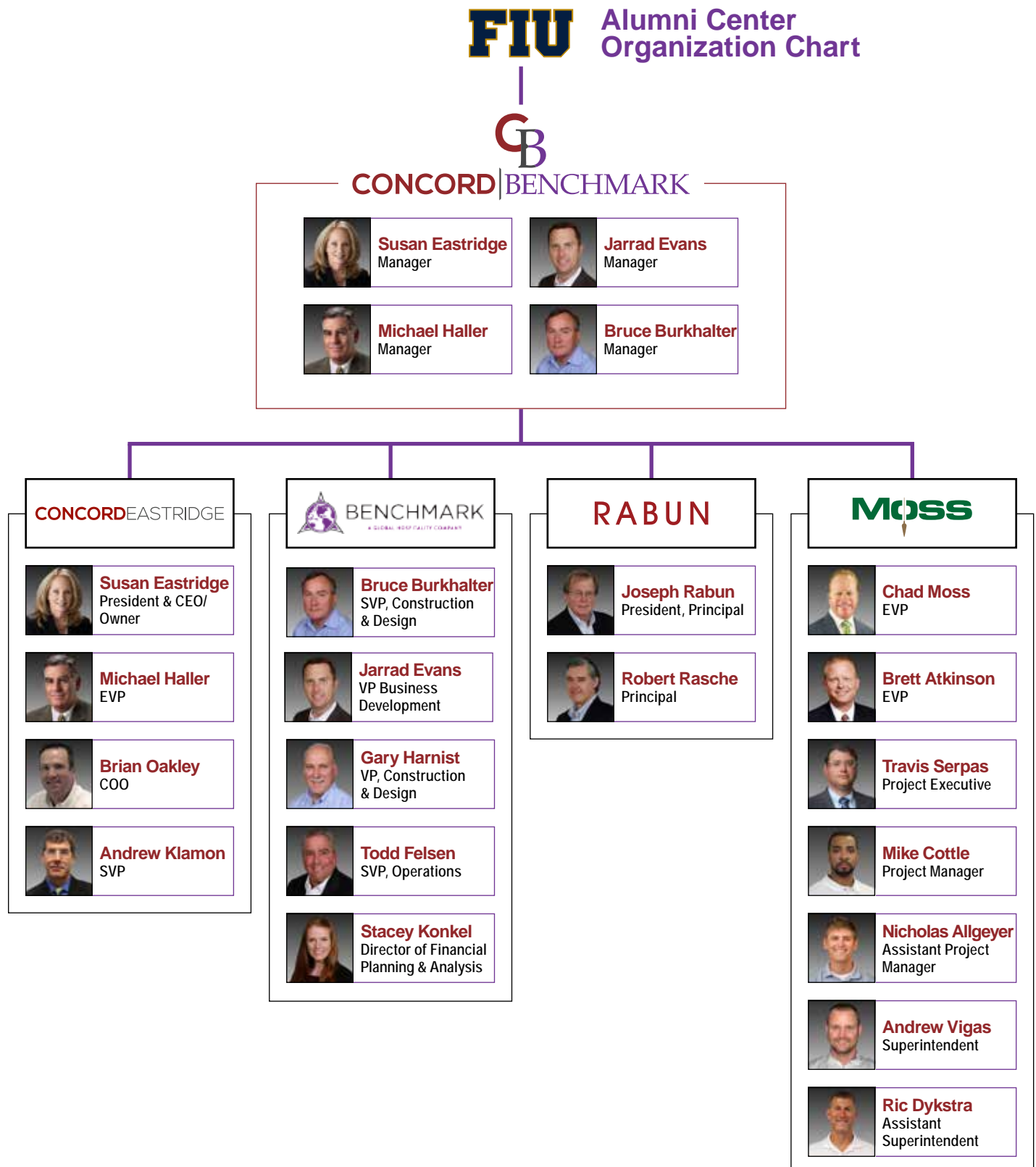




Figure 51: Susan Eastridge

Susan Eastridge
President and CEO/Owner

CONCORDEASTRIDGE

Susan is a founder of Concord Eastridge, Inc. and serves as its President and CEO directing the overall company strategies. Her primary responsibilities involve the planning and development of urban mixed-use projects as well as build-to-suit facilities for corporations, educational entities and government agencies. She manages company-wide staffing and investment decisions and advises property owners, corporations and communities throughout the country about the creation and implementation of public/private partnerships for project development. She applies her expertise in mixed-use development and development management to the company's national portfolio of projects.

Susan brings a 30-year track record of success in the commercial real estate industry focused on acquisition and disposition, development, leasing and management. Her experience includes the development of more than 7 million square feet of commercial space valued in excess of \$2 billion and the acquisition/disposition of approximately \$900 million in commercial property. She has leased more than 1.5 million square feet of office, retail and industrial space, and she also has directed a management portfolio of commercial properties totaling 3.8 million square feet.

Years Experience:
30 years

**Education/
Certifications:**
Bachelors in Economics &
Political Science, Arizona
State University

Society of College and
University Planners

Council of Education Facility
Planners International

Industrial Development
Research Council

National Association of Industrial
and Office Properties

National Association
of Corporate Real
Estate Executives

Urban Land Institute

Relevant Expertise:
Hotel/Conference Facilities
Urban Mixed-Use
Real Estate Development
P3 Development

Related Experience

**Eagle Village Mixed-Use at University of
Mary Washington**

Fredericksburg, VA | 36,000 SF office, 30,000 SF
retail | \$76 million

**The StateView Conference Center and Hotel at
North Carolina State University**

Raleigh, NC | 8 acres, 22,000 SF conference
facility | \$37 million

Roosevelt Point Mixed-Use Residential

Phoenix, AZ | 350,000 GSF | \$52 million

The Mason Inn Hotel and Conference Center
Fairfax, VA | 135,000 SF | \$52 million

**Virginia Tech National Institute of
Aerospace facility**
Hampton, VA | 60,000 SF | \$9.6 million



Figure 52: Eagle Village



Figure 53: Roosevelt Point



Figure 54: Michael A. Haller

Michael A. Haller

Executive Vice President

CONCORDEASTRIDGE

Michael Haller joined Concord Eastridge in 2002. He has more than 40 years of commercial real estate and development experience, which brings a strong foundation to the team at Concord Eastridge. Mr. Haller has been involved in the commercial real estate industry for his entire professional career. His primary focus has been on new business development and investment relations. Mr. Haller combines his significant knowledge of private and public real estate development, with a deep understanding of the development process to provide creative solutions to our real estate clients and partners.

Prior to joining Concord Eastridge, Mr. Haller held positions with Jacobs Facilities, Inc., Honeywell Inc., JMB Properties, Julien J. Studley Inc., among other employers. Over the course of his career, he has completed corporate educational/training facilities in excess of \$500 million. He has also developed more than 4 million square feet of commercial buildings.

Years Experience:

40 years

Education/ Certifications:

Arizona State University

Society of College and
University Planners

Previously on the Board of the
National Association of Industrial
and Office Properties

Former Member of the Year
for the Northern Virginia
NAIOP Chapter

Relevant Expertise:

Hotel/Conference Facilities
Urban Mixed-Use
Real Estate Development
P3 Development

Related Experience

New Residential Campus, Ottawa University
Surprise, AZ | Pre-development

**Hampton Roads Transit - New
Southside Bus Maintenance Facilities &
Administration Headquarters**
Norfolk, VA | 9.7 acres | 140,000 GSF | \$62 million

**Virginia Tech National Institute of
Aerospace facility**
Hampton, VA | 60,000 SF | \$9.6 million

The Mason Inn Hotel and Conference Center
Fairfax, VA | 135,000 SF | \$52 million

**The StateView Conference Center and Hotel at
North Carolina State University**
Raleigh, NC | 8 acres | 22,000 SF | \$37 million

**Eagle Village Mixed-Use at University of
Mary Washington**
Fredericksburg, VA | 36,000 SF office, 30,000 SF
retail | \$76 million



Figure 55: The Mason Inn Hotel & Conference Center



Figure 56: Eagle Village



Figure 57: Brian Oakley

Brian Oakley

Chief Operating Officer

CONCORDEASTRIDGE

Brian brings over 24 years of industry experience as an accomplished financial executive, controller and financial analyst. Brian joined Concord Eastridge in 2005 as Director of Accounting. He was promoted to Vice President – Accounting in 2008 and assumed his current role of Chief Operating Officer in 2014. His responsibilities include: financial reporting, corporate financial planning and analysis, cash flow management, accounting controls and procedures, company relations with financial institutions and private investors and day-to-day administrative operations including technology, human resources and asset management.

Prior to joining Concord Eastridge, Mr. Oakley held the position of Regional Controller for National Equipment Services (NES) in Chicago, Illinois. He was responsible for the accounting and financial reporting of a \$40 million business unit. In addition to his day-to-day duties at NES, Mr. Oakley was part of a team that was responsible for the consolidation of three regional accounting offices into a single centralized company accounting division.

Years Experience:

24 years

Education/ Certifications:

Bachelor of Business
Administration in Accounting,
Pittsburg State University

Relevant Expertise:

Hotel/Conference Facilities
Urban Mixed-Use
Real Estate Development
P3 Development

Related Experience

New Residential Campus, Ottawa University
Surprise, AZ | Pre-development

**Hampton Roads Transit - New
Southside Bus Maintenance Facilities &
Administration Headquarters**
Norfolk, VA | 9.7 acres | 140,000 GSF | \$62 million

**Virginia Tech National Institute of
Aerospace facility**
Hampton, VA | 60,000 SF | \$9.6 million

The Mason Inn Hotel and Conference Center
Fairfax, VA | 135,000 SF | \$52 million

**The StateView Conference Center and Hotel at
North Carolina State University**
Raleigh, NC | 8 acres | 22,000 SF | \$37 million

**Eagle Village Mixed-Use at University of
Mary Washington**
Fredericksburg, VA | 36,000 SF office, 30,000 SF
retail | \$76 million

The L Building
Raleigh, NC | 103,480 GSF | \$15 million

Roosevelt Point Mixed-Use Residential
Phoenix, AZ | 350,000 GSF | \$52 million



Figure 58: Roosevelt Point



Figure 59: The StateView



Figure 60: Andrew Klamon

Andrew Klamon

Senior Vice President

CONCORDEASTRIDGE

Andrew joined the company in 2006. Utilizing a strong background in architecture and urban design, balanced with real estate focused market and financial analysis, project management and operations, concept development and oversight, Andrew brings a highly creative approach to every project. His responsibilities include overseeing projects from concept creation to operation start up, through the construction and commissioning process which includes project identification, project feasibility and deal structuring, management of pre-development activities, including financial and market analyses, entitlements, as well as design and pre-construction oversight.

Prior to joining Concord Eastridge, Mr. Klamon held a position with David Mason & Associates, a 125-person architecture and engineering firm with building projects ranging from \$1–\$20 million and master plans in the \$90 million range. He created and administered community research and advocacy projects, led urban design/ redevelopment competitions and performed site analysis and feasibility studies. Mr. Klamon has design and construction experience with all major asset classes, as well as life sciences buildings. This experience includes more than 750,000 square feet of office space and 30 high-end residential projects.

Related Experience

Eagle Village Mixed-Use at University of Mary Washington

Fredericksburg, VA | 36,000 SF office, 30,000 SF retail | \$76 million

Virginia Tech National Institute of Aerospace facility

Hampton, VA | 60,000 SF | \$9.6 million

The StateView Conference Center and Hotel at North Carolina State University

Raleigh, NC | 8 acres | 22,000 SF | \$37 million

The L Building

Raleigh, NC | 103,480 GSF | \$15 million

The Mason Inn Hotel and Conference Center

Fairfax, VA | 135,000 SF | \$52 million



Figure 61: The L Building



Figure 62: The Mason Inn Hotel & Conference Center

Years Experience:

30+ years

Education/ Certifications:

Master's in Real Estate Development, New York University

Master's in Architecture and Urban Design, Cornell University

Bachelors in Architecture, University of Notre Dame

Licensed Architect, Missouri

Relevant Expertise:

Hotel/Conference Facilities
Urban Mixed-Use
Real Estate Development
P3 Development



Figure 63: Bruce Burkhalter

Years Experience:

39 years

Education/ Certifications:

Bachelor of Science in
Architecture, University
of Houston

Registered Architect, Texas

Member of American Institute of
Architects (AIA)

Relevant Expertise:

Hotel/Conference Facilities
Urban Mixed-Use
Real Estate Development
P3 Development

Bruce Burkhalter

Senior Vice President, Construction and Design



As SVP, Construction and Design, Bruce is responsible for a wide range of technical and design services. He serves an important liaison role between Benchmark and design and architectural consultants and contractors on specific new developments. His responsibilities include preparing and administering equipment design and specifications, preparing and administering project design critical paths and differential documents. He critiques and monitors project budgets, provides design alternatives, reviews and verifies all project plans, and prepares and reviews millwork design, and assists in building commissioning and project opening.

Bruce has been with Benchmark since 1989 and has assisted with opening over 50 properties over the last three decades with Benchmark. His background includes five years as project manager for Darlco, Inc. in Houston, where he was responsible for all architectural, engineering and construction activities for company owned projects. Prior to that he served three years as project manager for Mariner Development Corporation in Houston and the University of Houston as Project Manager for Facilities Planning and Construction.

Related Experience

UCLA's Meyer and Renee Luskin Hotel and Conference Center

Los Angeles, CA | 254 rooms | 25,000 SF of meeting space

Deloitte Leadership Center

Westlake, TX | 800 rooms | 20,000 SF of meeting space

Texas A&M Hotel & Conference Center

College Station, TX | 200 rooms | 25,000 SF of meeting space

The Heldrich Hotel & Conference Center

New Brunswick, NJ | 235 rooms | 25,000 SF of meeting space

Stonewall Resort

Roanoke, WV | 201 rooms | 22,000 SF of meeting space

The Chattanooga

Chattanooga, TN | 202 rooms | 25,000 SF of meeting space



Figure 64: Stonewall Resort



Figure 65: Deloitte Leadership Center



Figure 66: Gary Harnist

Gary Harnist

Vice President, Construction and Design



As VP, Construction and Design, Gary brings three decades of experience in construction and design management to his position with Benchmark.

Prior to joining Benchmark in 2013, Gary was previously Senior VP of Construction and Design for Gatehouse Capital of Dallas, overseeing mixed-use high-rise luxury hospitality, residential, and retail projects. Gary was responsible for the overall management of construction and design professionals including selection, contracting, oversight of all outside professionals, project cost analyses and managing all department staff.

Gary has held several executive management positions with the Chicago-based General Growth Properties and Remington Hotels and has owned his own construction management consulting firm. He has been a senior executive in several hospitality and mixed-use developments in Hollywood, Boston, New York, Washington DC, Las Vegas, and on the island of Antigua in the Caribbean, with each project's value ranging from \$100 million to \$1.5 billion.

Years Experience:

29 years

Education/ Certifications:

Bachelor of Science in
Architecture, University
of Houston

Registered Architect, Texas

Member of American Institute of
Architects (AIA)

Relevant Expertise:

Hotel/Conference Facilities
Urban Mixed-Use
Real Estate Development
P3 Development

Related Experience

**UCLA's Meyer and Renee Luskin Hotel and
Conference Center** | Los Angeles, CA
254 rooms | 25,000 SF of meeting space

The Tennessean | Knoxville, TN
82 rooms + 12 Residences | meeting space TBD

Texas A&M Hotel & Conference Center
College Station, TX | 200 rooms | 25,000 SF of
meeting space

The Grove Resort and Spa
Orlando, FL | 878 rooms | meeting space TBD

The Hotel at Skyplex Curio | Orlando, FL
446 rooms / 30,000 SF of meeting space

W Hotel & Residence | Hollywood, CA
305 rooms | 25,000 SF of meeting space

W Hotel & Residence | Dallas, TX
252 rooms | 11,000 SF of meeting space

Aloft Hotel | Jacksonville FL
136 rooms | 3,000 SF of meeting space

Hyatt Hotel, Sea World | San Diego, CA
429 rooms | 30,000 SF of meeting space



Figure 67: UCLA Luskin Hotel & Conference Center



Figure 68: The Tennessean



Figure 69: Todd Felsen

Todd Felsen

Senior Vice President, Operations



As Senior VP of Operations, Todd provides operational support for Benchmark hotels, resorts and conference centers around the country. In addition to currently open and operating hotels, Todd is overseeing the construction and development and pre-opening services for the Grove Resort and Spa (which is an 870-unit resort with over 2,300 bedrooms), the Hotel at Skyplex (500 rooms with over 35,000 square feet of meeting space) and the Palmyra Resort and Spa (300 units with over 600 bedrooms and a 30,000-square-foot spa).

Prior to joining Benchmark in 2011, Todd was previously general manager of Cheyenne Mountain Resort, a Benchmark resort located in Colorado Springs, Colorado. Prior to joining the Benchmark organization, Todd served as managing director for The Claremont Hotel Club & Spa of Berkeley, California.

Earlier in his career, Todd served in the role of corporate vice president for another hospitality management company. He has also held the title of general manager for several luxury hotels and resorts in destinations within Florida and Jamaica.

Years Experience:

29 years

Education/ Certifications:

Bachelors of Science in
Business, University of Miami

Relevant Expertise:

Hotel/Conference Facilities
Urban Mixed-Use
Real Estate Development
P3 Development
Operational Management

Related Experience

The Villas of Grand Cypress

Orlando, FL | 146 rooms | 7,200 SF of
meeting space

Bonaventure Resort & Spa

Westin, FL | 501 rooms | 60,000 SF of
meeting space

The Grove Resort and Spa

Orlando, FL | 878 rooms | meeting space TBD

Cheyenne Mountain Resort

Colorado Springs, CO | 316 rooms | 40,000 SF of
meeting space

The Hotel at Skyplex Curio

Orlando, FL | 446 rooms | 30,000 SF of
meeting space

Claremont Club & Spa

Berkeley, CA | 276 rooms | 20,000 SF of
meeting space

Stonewall Resort

Roanoke, WV | 201 rooms | 22,000 SF of
meeting space

Doral Golf Resort and Spa

Doral, FL | 643 rooms | 100,000 SF of meeting space



Figure 70: Cheyenne Mountain Resort



Figure 71: The Hotel at Skyplex Curio



Figure 74: Jarrad Evans

Jarrad Evans

Vice President, Business Development & Strategy



As VP, Business Development & Strategy, Jarrad is charged with leading Benchmark's strategic growth initiatives by developing and leveraging relationships with owners and equity partners to meet the company's ambitious global growth targets. These include significantly expanding the company's Personal Luxury Resorts & Hotels and Benchmark Resorts & Hotels brand portfolios, as well as expanding Benchmark's conference center footprint.

Prior to joining Benchmark, Jarrad served as VP, Acquisitions for ClubCorp, the largest owner-operator of golf and country clubs, business clubs, sports clubs and alumni clubs in the world. Previous to this, Jarrad held the title of Vice President, Business Development for Troon Golf, the world's largest golf management, development and marketing company.

Jarrad earned his MBA at the W. P. Carey School of Business at Arizona State University and his BS in Journalism at the E.W. Scripps School of Journalism at Ohio University.

Years Experience:

17 years

Education/ Certifications:

Master's in Business
Administration, Arizona
State University

Bachelor of Science in
Journalism, Ohio University

Relevant Expertise:

Hotel/Conference Facilities
Urban Mixed-Use
Real Estate Development
P3 Development
Operational Management
Financial Analysis

Related Experience

UCLA's Meyer and Renee Luskin Hotel and Conference Center

Los Angeles, CA | 254 rooms | 25,000 SF of
meeting space

Texas A&M Hotel & Conference Center

College Station TX | 200 rooms | 25,000 SF of
meeting space

The Tennessean

Knoxville, TN | 82 rooms + 12 Residences |
meeting space

The Grove Resort and Spa

Orlando, FL | 878 rooms | meeting space TBD



Figure 72: Texas A&M Hotel & Conference Center

The Hotel at Skyplex Curio

Orlando, FL | 446 rooms | 30,000 SF of
meeting space

Hotel Roanoke

Roanoke, VA | 312 rooms | 63,000 SF of
meeting space

Hamiltonian Inn & Conference Center

Paterson, NJ | 145 rooms | 40,000 SF of
meeting space

Doral Arrowwood

Rye Brook, NY | 373 rooms | 70,000 SF of
meeting space



Figure 73: The Grove Resort and Spa



Figure 75: Stacey Konkel

Stacey Konkel

Director of Financial Planning and Analysis



As the Director of Financial Analysis and Reporting, Stacey Konkel supports Benchmark's strategic growth initiatives by creating detailed pro formas, investment analyses, client presentations, RFP submittals and pre-opening/transition budgets for property management takeovers, new build developments and on and off-market acquisitions.

Prior to joining Benchmark in 2014, Stacey held a similar role with the Wyndham Hotel Group in their Global Business Development and M&A group. Previous to Wyndham, Stacey worked with PKF Consulting in Houston, conducting feasibility studies and market research, as well as managing the database for their Monthly Trends Report.

Stacey is an honors graduate and Dean's Award recipient from the University of Houston where she earned a Bachelors degree in Hotel and Restaurant Management with a minor in Finance.

Years Experience:

10 years

Education/ Certifications:

Bachelor of Science in Hotel Management, University of Houston

Relevant Expertise:

Hotel/Conference Facilities
Urban Mixed-Use
Real Estate Development
P3 Development
Financial Analysis

Related Experience

Hotel Roanoke | Roanoke, VA
312 rooms | 63,000 SF of meeting space

The Tennessean | Knoxville, TN
82 rooms + 12 Residences | meeting space TBD

Hamiltonian Inn & Conference Center
Paterson, NJ | 145 rooms | 40,000 SF of meeting space

Texas A&M Hotel & Conference Center
College Station TX | 200 rooms | 25,000 SF of meeting space

The Grove Resort and Spa | Orlando FL
878 rooms | meeting space TBD

The Hotel at Skyplex Curio | Orlando, FL
446 rooms | 30,000 SF of meeting space

Doral Arrowwood | Rye Brook, NY
373 rooms | 70,000 SF of meeting space

Reunion Resort | Reunion FL
320 rooms | 25,000 SF of meeting space

Wyndham Grand Bonnet Creek | Orlando, FL
400 rooms | 25,000 SF of meeting space

Wyndham Deerfield Beach | Deerfield Beach, FL
172 rooms | 4,000 SF of meeting space



Figure 76: Hamiltonian Inn & Conference Center



Figure 77: Hotel Roanoke



Figure 78: Joseph E. Rabun

Joseph E. Rabun, AIA

President, Principal

RABUN

As the firm's President, Joe is responsible for the direction and overall success of the firm. With a forty year career focused on hospitality and residential projects, his design and planning talents are widely recognized in the industry. Joe has been extensively involved in all Rabun Rasche Rector Reece projects, including over 100 hospitality and residential-oriented commissions. He maintains a direct line of communication with each client to ensure satisfaction in all aspects of design and production.

Years Experience:

43 years

Education/ Certifications:

Registration / Florida
#AR0009230

Bachelor of Architecture,
Auburn University

American Institute of
Architects (AIA)

National Council of Architectural
Registration Boards (NCARB)

Relevant Expertise:

Hotel/Conference
Center Programming
Hotel/Conference Facility
Planning and Design
Architecture for Higher Ed

Related Experience

St. Regis, Atlanta

Atlanta, GA | 602,000 SF | \$131 million

Four Seasons, Atlanta

Atlanta, GA | 600,000 SF | \$62 million

Emory Conference Center Hotel

Atlanta, GA | 268,000 SF | \$37 million

Washington Duke Inn

Durham, NC | 262,280 SF | \$60 million

Westin Birmingham

Birmingham, AL | 206,308 SF | \$34 million

Westin Buckhead Atlanta

Atlanta, GA | 310,000 SF | \$30 million

The Chattanooga

Chattanooga, TN | 207,000 SF | \$23.5 million

Hilton Columbus at Easton

Columbus, OH | 242,700 SF | \$43 million

R. David Thomas Center, Duke University

Durham, NC | 207,818 SF | \$40 million

Hilton University of Florida

Gainesville, FL | 190,000 SF | \$19 million



Figure 79: St. Regis, Atlanta



Figure 80: Westin Buckhead, Atlanta



Figure 81: Robert W. Rasche

Robert W. Rasche, AIA

Principal

RABUN

Bob has managed projects totaling over \$500 million. In addition to design responsibilities, Bob is proficient in consultant coordination, budget analysis, and construction administration, ensuring that the final execution of the project meets the goals established in the design phase.

Years Experience:

34 years

Education/ Certifications:

Master of Architecture, University of Michigan

Bachelor of Science,
Architecture, University of Michigan

American Institute of Architects (AIA)

National Council of Architectural Registration Boards (NCARB)

Relevant Expertise:

Hotel/Conference Facility
Planning and Design
Architecture for Higher Ed
Project Management
Construction Administration

Related Experience

St. Regis, Atlanta

Atlanta, GA | 602,000 SF | \$131 million

Four Seasons, Atlanta

Atlanta, GA | 600,000 SF | \$62 million

Washington Duke Inn

Durham, NC | 262,280 SF | \$60 million

R. David Thomas Center, Duke University

Durham, NC | 207,818 SF | \$40 million

Georgetown Sheraton

Georgetown, TX | 197,000 SF | \$46.8 million

The Southern Pine Conference Center at Callaway Gardens

Callaway Gardens, GA | 54,000 SF | \$8.5 million

Emory Conference Center Hotel

Atlanta, GA | 268,000 SF | \$37 million



Figure 82: Washington Duke Inn



Figure 83: Emory Conference Center Hotel



Figure 84: Chad Moss

Chad Moss

Executive Vice President



Chad has 21 years of construction industry experience and serves Moss as a leader in Business Development, steering the company's continued growth. He focuses on strengthening and forming relationships that fortify Moss & Associates' presence throughout the Southeast.

Chad is a FIU alumnus and is dedicated to the growth of the University's construction management program and the improvement of the campus through enhancements and new construction. His passion for the University drives his commitment to the Facility and Alumni Center project.

Years Experience:

21 years

Education/ Certifications:

Bachelor in Construction
Management, Florida
International University

Construction Association of
South Florida (CASF), Member

Associated Builders &
Contractors (ABC), Member

Florida International University,
Foundation
Board Member

Relevant Expertise:

FIU
Active Campus
Hospitality
Tight Urban Sites
Urban Mixed-Use
South Florida Construction

Related Experience

Atlantis Paradise Island Resort

Paradise Island, Bahamas | 310,000 SF | \$88 million

701 Waterford Office Building at Blue Lagoon

Miami, FL | 220,000 SF | \$23 million

Marlins Park

Miami, FL | 928,000 SF | \$450 million

Publix Super Markets - 16 Locations

South Florida | 700,000 SF | \$153 million

GSA US Citizenship / Immigration Center (USCIS) - 5 Locations

South Florida | 237,000 SF | \$62 million

Club Red at BB&T

Sunrise, FL | 14,268 SF | \$3 million

Florida Panthers Team Store at BB&T

Sunrise, FL | 7,852 SF | \$3 million



Figure 85: Atlantis Paradise Island Resort



Figure 86: Marlins Park



Figure 87: Brett Atkinson

Brett Atkinson

Executive Vice President



As Executive Vice President, Brett is responsible for overseeing all items related to construction operations including staffing assignments, project plan development, cost and schedule analysis, employee training, as well as owner and subcontractor negotiations. He is involved with all project phases from preconstruction to construction and project close-out.

Brett has more than 22 years of construction industry experience, 11 of them with Moss. His diverse experience includes commercial buildings, resort hotels, condominiums, government centers and educational facilities. Having worked on dozens of assignments in South Florida, Brett has unmatched knowledge of the local construction market and has long-term relationships with various governing agencies and subcontractors.

Years Experience:

22 years

Education/ Certifications:

Bachelor in Building Construction
with Honors, University of Florida

Sigma Lambda Chi (Honor
Society of Building Construction
Program), Member

Licensed General
Contractor, Florida

Student Association of General
Contractors, Member

Leadership Broward Alumni
Class of 2005

Relevant Expertise:

FIU
Active Campus
Hospitality
Occupied Sites
Tight Urban Sites
Urban Mixed-Use
South Florida Construction

Related Experience

Residence Inn by Marriott

West Palm Beach, FL | 119,135 SF | \$23 million

RIVA

Fort Lauderdale, FL | 561,458 SF | \$75 million

Florida International University Parkview Hall

Miami, FL | 252,000 SF | \$47 million

Emerald Grande at Harbor Walk Village

Destin, FL | 1,102,720 SF | \$162 million

Nova Southeastern University Don Taft University Center & Athletic Facility

Davie, FL | 366,000 SF | \$75 million

Carillon Beach Inn & Condominiums

Panama City, FL | 148,971 SF | \$38 million

Nova Southeastern University Guy Harvey Oceanographic Center

Davie, FL | 87,000 SF | \$34 million

Gaylord Opryland Resort & Convention Center

Grapevine, TX | 850,000 SF | \$330 million

Marlins Park

Miami, FL | 928,000 SF | \$450 million



Figure 88: Residence Inn by Marriott



Figure 89: NSU Don Taft University Center



Figure 90: Travis Serpas

Travis Serpas

Project Executive



As Project Executive, Travis has more than 11 years of construction industry experience and a comprehensive understanding of the particular needs of multi-faceted construction projects. His focus, drive and straightforward approach to problem solving make him an exceptional leader.

Travis is responsible for overseeing all items related to day-to-day construction operations including staffing assignments, project plan development, cost and schedule analysis, and owner and subcontractor communications/interface. He is involved with all phases related to pre-construction, construction and project close-out.

Years Experience:

11 years

Education/ Certifications:

Bachelor of Science in
Construction Management,
Louisiana State University

Association of Builders and
Contractors, Member

OSHA 10 Hour Certified

First Aid and CPR Certified

US Green Building Council
(USGBC) LEED Building
Design + Construction
Accredited Professional

Relevant Expertise:

FIU
Active Campus
Hospitality
Occupied Sites
Tight Urban Sites
Urban Mixed-Use
South Florida Construction

Related Experience

Residence Inn by Marriott

West Palm Beach, FL | 119,135 SF | \$23 million

Divine Savior Academy

Doral, FL | 108,000 SF | \$18.3 million

Emerald Grande at Harbor Walk Village

Destin, FL | 1,102,720 SF | \$162 million

City of Lauderhill Municipal Complex

Lauderhill, FL | 41,290 SF | \$13 million

Florida International University Wellness & Recreation Center

Miami, FL | 50,000 SF | \$19.7 million

Orion Jet Center - FBO Terminals and Hangars

Opa Locka, FL | 97,000 SF | \$23 million

Nova Southeastern University Guy Harvey Oceanographic Center

Davie, FL | 87,000 SF | \$34 million

All Aboard Florida - Fort Lauderdale Station

Fort Lauderdale, FL | 60,000 SF | \$35 million

All Aboard Florida - West Palm Beach Station

West Palm Beach, FL | 60,000 SF | \$25 million



Figure 91: Residence Inn by Marriott



Figure 92: Emerald Grande at Harbor Walk Village



Figure 93: Mike Cottle

Mike Cottle

Project Manager



With 11 years of construction industry experience as well as current experience on FIU's campus, Mike is perfectly equipped to manage your Hotel and Alumni Center project. He has worked on several large multi-faceted projects across the market from higher education, to entertainment, to high-end residential.

As Project Manager, he works closely with project staff to ensure the overall success of a project during the preconstruction, construction and closeout phases. Mike's specific duties include development and implementation of the scheduling and logistics plans; cost, quality and safety control; contract administration; and owner and subcontractor negotiation.

Years Experience:

11 years

Education/ Certifications:

Bachelor of Science in
Civil Engineering, Florida
A&M University

Relevant Expertise:

FIU
Active Campus
Occupied Sites
Tight Urban Sites
Urban Mixed-Use
South Florida Construction

Related Experience

Marlins Park

Miami, FL | 928,000 SF | \$450 million

Florida International University Wellness & Recreation Center

Miami, FL | 50,000 SF | \$19.7 million

Divine Savior Academy & Athletic Fields

Doral, FL | 108,000 SF | \$18.3 million

Martin Solar Energy Center

Indiantown, Florida | solar, 75 MW

DeSoto Next Generation Solar Energy Center Phase 2

Arcadia, Florida | solar, 50 MW

Tao Condominium

Sunrise, FL | 1,013,000 SF | \$132 million



Figure 94: Marlins Park



Figure 95: FIU Wellness & Recreation Center



Figure 96: Nicholas Allgeyer

Nicholas Allgeyer

Assistant Project Manager



As Assistant Project Manager, Nicholas works closely with the on-site Project Manager and Superintendent(s) to ensure the overall success of a project during the construction phase. His duties include subcontractor management, processing and distribution of all project documentation, reviewing shop drawings for conformance to specifications and many others.

Nicholas has extensive experience with active campus projects. He understands the logistical and safety concerns specific to this type of work. Nicholas has proven himself time and again to be a great asset and driving force in our project teams.

Years Experience:

5 years

Education/ Certifications:

Bachelors Degree in
Construction Management ,
University of Cincinnati, College
of Engineering

OSHA 30-Hour Certified

Relevant Expertise:

Higher Education
Active Campus
Occupied Sites
Tight Urban Sites
Urban Mixed-Use
South Florida Construction

Related Experience

Divine Savior Academy

Doral, FL | 108,000 SF | \$18.3 million

Wright Brother's Preschool - 8th Grade

Dayton, OH | 90,000 SF | \$ 21 million

Colombo Energy, Inc. Pellet Plant

Cornaca, SC | 125 Acres | \$11.8 million

Charity Adam Academy for Girls

Dayton, OH | 40,000 SF | \$ 20 million

Barry University Weber, Dalton & Dunspaugh & Flood Hall - Remediation

Miami Shores, FL | 6,850 SF | \$2.3 Million

River's Edge Montessori

Dayton, OH | 85,000 SF | \$ 23 million



Figure 97: Divine Savior Academy



Figure 98: 800 North Orange Office Building



Figure 99: Andrew Vigas

Andrew Vigas

Superintendent



As Superintendent for Moss, Andrew is responsible for supervising all of the work that our firm will place in the field, including that of our subcontractors. Additional duties include managing all site quality and safety issues, on-site schedule management, staging and logistics planning, subcontractor coordination, jobsite record-keeping and the management of all self-performed work.

Andrew has more than 15 years of construction industry experience, the last 9 with Moss. His diverse experience includes a myriad of project types including hospitality, educational facilities, commercial office buildings, mixed use urban developments, residential high-rise structures and government centers. His vast experience will make him a great asset to the project team.

Years Experience:

15 years

Education/ Certifications:

Bachelors in Building
Construction, University
of Florida

OSHA 10 Hour and 30
Hour Certified

LEED Accredited Professional

CPR/AED and First Aid Certified

Relevant Expertise:

FIU
Active Campus
Hospitality
Occupied Sites
Tight Urban Sites
Urban Mixed-Use
South Florida Construction

Related Experience

Residence Inn by Marriott

West Palm Beach, FL | 119,135 SF | \$23 million

Florida International University Parkview Hall

Miami, FL | 252,000 SF | \$47 million

Florida International University Wellness & Recreation Center

Miami, FL | 50,000 SF | \$19.7 million

Nova Southeastern University Guy Harvey Oceanographic Center

Davie, FL | 87,000 SF | \$34 million

400 Sunny Isles Condominiums

Sunny Isles, FL | 870,730 SF | \$101 million

Soho Beach House

Miami Beach, FL | 88,000 SF | \$48 million

Marlins Park

Miami, FL | 928,000 SF | \$450 million

Nova Southeastern University Residence Hall

Davie, FL | 178,000 SF | \$39 Million



Figure 100: Residence Inn by Marriott



Figure 101: 400 Sunny Isles Condominiums



Figure 102: Ric Dykstra

Ric Dykstra

Assistant Superintendent



As Assistant Superintendent, Ric is responsible for ensuring the overall success of the project during the preconstruction, construction and closeout phases. He works closely with the Superintendent to speak and make decisions for our firm. With 27 years experience in the construction field, Ric is responsible for supervising all of the work that our firm places in the field, including that of our subcontractors.

Additional duties include managing all site quality and safety issues, on-site schedule management, staging and logistics planning, subcontractor coordination, jobsite record-keeping and the management of all self-performed work. His experience includes, minor projects under \$2 million for county government clients along with higher education clients such as Barry University.

Years Experience:

27 years

Education/ Certifications:

OSHA 10 hour and 30
Hour Certified

First Aid and CPR Certified

Relevant Expertise:

FIU

Active Campus

Occupied Sites

Tight Urban Sites

Urban Mixed-Use

South Florida Construction

Related Experience

Florida International University Parkview Hall

Miami, FL | 252,000 SF | \$47 million

Florida International University Wellness & Recreation Center

Miami, FL | 50,000 SF | \$19.7 million

Barry University Dominican Residence Hall

Miami Shores, FL | 72,000 SF | \$14 million

Barry University Benincasa Hall and Kolasa Hall Renovations

Miami Shores, FL | 92,000 SF | \$6 million

St. Regis Hotel & Residences

Fort Lauderdale, FL | \$88 million



Figure 103: FIU Parkview Hall



Figure 104: FIU Wellness & Recreation Center

TAB 6 (iii) Licenses



Figure 105: FIU provided rendering by team partner Rabun Architects: Facility and Alumni Center

The State of Florida does not require licenses for Concord Benchmark, LLC, Concord Eastridge, Inc., or The Benchmark Management Company, LLC to perform the duties required by the projects to be assigned.

The licenses for Rabun Architects and Moss & Associates, LLC are included on the following pages.

TAB 6 (iii) (continued) Licenses: Rabun Architects



STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
BOARD OF ARCHITECTURE & INTERIOR DESIGN
 1940 NORTH MONROE STREET
 TALLAHASSEE FL 32399-0783

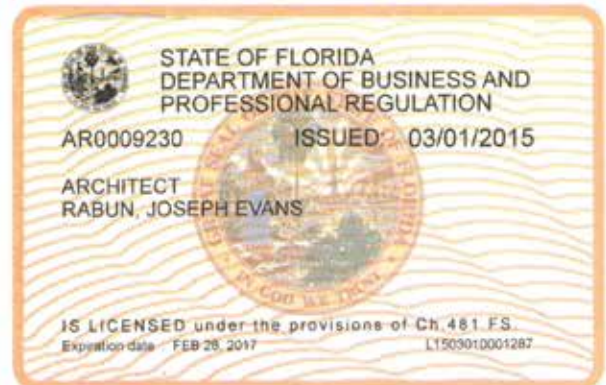
(850) 487-1395

RABUN, JOSEPH EVANS
 44 BROAD STREET NW
 SUITE 300
 ATLANTA GA 30303

Congratulations! With this license you become one of the nearly one million Floridians licensed by the Department of Business and Professional Regulation. Our professionals and businesses range from architects to yacht brokers, from boxers to barbeque restaurants, and they keep Florida's economy strong.

Every day we work to improve the way we do business in order to serve you better. For information about our services, please log onto www.myfloridalicense.com. There you can find more information about our divisions and the regulations that impact you, subscribe to department newsletters and learn more about the Department's initiatives.

Our mission at the Department is: License Efficiently, Regulate Fairly. We constantly strive to serve you better so that you can serve your customers. Thank you for doing business in Florida, and congratulations on your new license!



DETACH HERE

RICK SCOTT, GOVERNOR

KEN LAWSON, SECRETARY



TAB 6 (iii) (continued) Licenses: Moss



STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
CONSTRUCTION INDUSTRY LICENSING BOARD
 2601 BLAIR STONE ROAD
 TALLAHASSEE FL 32399-0783

(850) 487-1395

MOSS, SCOTT R
 MOSS & ASSOCIATES LLC
 2101 N ANDREWS AVENUE
 FORT LAUDERDALE FL 33311

Congratulations! With this license you become one of the nearly one million Floridians licensed by the Department of Business and Professional Regulation. Our professionals and businesses range from architects to yacht brokers, from boxers to barbeque restaurants, and they keep Florida's economy strong.

Every day we work to improve the way we do business in order to serve you better. For information about our services, please log onto www.myfloridalicense.com. There you can find more information about our divisions and the regulations that impact you, subscribe to department newsletters and learn more about the Department's initiatives.

Our mission at the Department is: License Efficiently. Regulate Fairly. We constantly strive to serve you better so that you can serve your customers. Thank you for doing business in Florida, and congratulations on your new license!



DETACH HERE

RICK SCOTT, GOVERNOR

KEN LAWSON, SECRETARY



ISSUED: 08/03/2016

DISPLAY AS REQUIRED BY LAW

SEQ # L1608030001812

TAB 6 (iii) (continued) Insurances: Concord Eastridge


August 26, 2016

Kenia Junco
Florida International University
Modesto A. Maidique Campus
Purchasing Services Department Campus
Support Complex – CSC 411
11200 S.W. 8th Street
Miami, FL 33199

Re: Concord Eastridge, Inc.

Dear Kenia:

My office has been providing the insurance coverages for Concord Eastridge, Inc. for over 15 years. I have been provided with a copy of the insurance requirements for the proposal that they are submitting to you. Currently Concord Eastridge meets most of the insurance requirements and for those coverages that they do not currently have, they will have access to and are able to be obtain if awarded the contract.

I have attached a copy of their current certificate of insurance documenting the following coverages.

- Commercial General Liability (limits meet via combination of general liability and umbrella policies)
- Auto Liability
- Employers Liability
- Umbrella Liability
- Property Insurance
- Liquor Liability (included in general liability)
- Boiler & Machinery (included as covered peril under property insurance)

The following coverages as not reflected on the certificate of insurance but as stated above are available and will be purchased when needed.

- Pollution Liability
- Professional Liability

Please do not hesitate to contact me if you have any questions or if I can be of any further assistance.

Sincerely,

Charlene M. Crowley, CPCU, RPLU, AFSB
Vice President

TAB 6 (iii) (continued) Insurances: Concord Eastridge



CERTIFICATE OF LIABILITY INSURANCE

CONCEAS-01 CCROWLEY

DATE (MM/DD/YYYY)
8/26/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # 0C36861
Chantilly-Alliant Ins Svc Inc.
4530 Walney Rd Ste 200
Chantilly, VA 20151-2285

CONTACT NAME: Charlene Crowley

PHONE

(A/C, No, Ext):

E-MAIL

ADDRESS: CCrowley@alliant.com

FAX

(A/C, No):

INSURER(S) AFFORDING COVERAGE

NAIC #

INSURER A : Hartford Accident and Indemnity Company 22357

INSURER B : Twin City Fire Insurance Company 29459

INSURER C : Hartford Casualty Insurance Company 29424

INSURER D : Hartford Fire Insurance Company 19682

INSURER E :

INSURER F :

INSURED

Concord Eastridge, Inc
2701 Prosperity Avenue, Suite 220
Fairfax, VA 22031

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDITIONAL SUBROGATION	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO. JECT <input type="checkbox"/> LOC OTHER:		42 UUN TB5191	08/29/2016	08/29/2017	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
B	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS		42 UUN TB5191	08/29/2016	08/29/2017	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000		42 RHU UA5583	08/29/2016	08/29/2017	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N/A	42 WE IT5388	08/29/2016	08/29/2017	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
D	Bus Pers Property		42 UUN TB5191	08/29/2016	08/29/2017	Blanket 250,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Property insurance includes equipment breakdown (boiler & machinery) coverage.
General liability includes host liquor liability.

CERTIFICATE HOLDER

CANCELLATION

Florida International University
Attn: Kenia Junco
11200 S.W. 8th Street
Miami, FL 33199

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

TAB 6 (iii) (continued) Insurances: Benchmark Management Company



Minerva Tirado, CPCU
Senior Vice President

Marsh Risk & Insurance Services
345 California Street, Suite 1300
San Francisco, CA 94104-2679
California Insurance License #0437153
415 743 8234
Minerva.Tirado@marsh.com
www.marsh.com

August 26, 2016

Mr. Jarrad Evans
Benchmark Hospitality
4 Waterway Square, Suite 300
The Woodlands, TX 77380-2692

Subject: Florida International University – ITN No. 67-001

Dear Jarrad:

We have reviewed the requirements of the captioned and confirm that the coverages requested are available, and accessible to Benchmark, in the marketplace.

We look forward to receiving your instructions on next steps.

Sincerely,

Minerva Tirado

Minerva Tirado

cc:
Kirk Jones, Stacey Konkell – Benchmark
Kevin Orphan, Emmy Lew – Marsh

SOLUTIONS...DEFINED, DESIGNED, AND DELIVERED.



TAB 6 (iii) (continued) Insurances: Rabun



October 5, 2016

Florida International University

RE: Rabun Architects – ITN No. 67-001

To Whom It May Concern:

We are the agents for the above consulting practice. This letter serves to advise as of this date, the firm is in excellent standing with their insurance carriers. The firm either maintains or is eligible to obtain the required limits and coverages suitable for the consulting practice in which they are engaged.

Please let me know if you have any questions.

Sincerely,



Steve Brown, CIC
Vice President
Authorized Representative

MEMPHIS
3141 Wheelis Drive
Memphis, TN 38117
901.820.0400 (o)
901.820.0402 (f)

NASHVILLE
104 Woodmont Blvd.
Suite 400
Nashville, TN 37205
615.383.0072 (o)
615.297.4020 (f)

ATLANTA
1255 Lakes Pkwy.
Bldg. 100, Suite 105
Lawrenceville, GA 30043
678.690.5990 (o)
678.690.5992 (f)

BIRMINGHAM
109 Columbiana Rd.
Birmingham, AL 35209
205.979.7389 (o)
205.979.6873 (f)

800.595.6526
www.crowfriedman.com

PLAN
Preferred Risk Agency Network

TAB 6 (iii) (continued) Insurances: Moss

August 25, 2016

FIU Purchasing Services Department
Campus Support Complex
CSC 411
11200 SW 8th St.
Miami, FL 33199

Re: Moss & Associates, LLC – Solicitation E-ITN 67-001
FL International University Hotel, Conference Center, Parking and Alumni Center at Modesto
Maidique Campus

To whom it may concern:

This letter is to confirm that Moss & Associates, LLC can meet the Property Insurance requirements as stated below with coverage provided Zurich American Insurance Co., Policy # MBR 6220980-02:

Property Insurance: Special form property insurance (including windstorm & flood coverage). The special form property insurance coverage shall be in an amount equal to the full insurable replacement value of any buildings, improvements or fixtures located on the subleased land. Property insurance coverage shall also cover all of the Successful Respondent's furniture, fixtures, equipment, inventory and any other personal property owned, on loan and used in Successful Respondent's business and found in, on, or about Successful Respondent's leased space.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joseph Kern', with a stylized flourish at the end.

Joseph Kern CPCU, AIC, CRIS
Account Executive
Zurich Midwest Construction Property
Joe.Kern@zurichna.com

TAB 6 (iii) (continued) Insurances: Moss



CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
08/24/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Aon Risk Services Northeast, Inc. Boston MA Office One Federal Street Boston MA 02110 USA		CONTACT NAME: PHONE (A/C. No. Ext): (866) 283-7122 FAX (A/C. No.): (800) 363-0105 E-MAIL ADDRESS:															
INSURED Moss & Associates, LLC 2101 N. ANDREWS AVE SUITE 300 FORT LAUDERDALE FL 33311 USA		INSURER(S) AFFORDING COVERAGE <table border="1"> <tr> <th>INSURER</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A: National Union Fire Ins Co of Pittsburgh</td> <td>19445</td> </tr> <tr> <td>INSURER B: American Guarantee & Liability Ins Co</td> <td>26247</td> </tr> <tr> <td>INSURER C: Zurich American Ins Co</td> <td>16535</td> </tr> <tr> <td>INSURER D: Illinois Union Insurance Company</td> <td>27960</td> </tr> <tr> <td>INSURER E: Steadfast Insurance Company</td> <td>26387</td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>		INSURER	NAIC #	INSURER A: National Union Fire Ins Co of Pittsburgh	19445	INSURER B: American Guarantee & Liability Ins Co	26247	INSURER C: Zurich American Ins Co	16535	INSURER D: Illinois Union Insurance Company	27960	INSURER E: Steadfast Insurance Company	26387	INSURER F:	
INSURER	NAIC #																
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INSURER C: Zurich American Ins Co	16535																
INSURER D: Illinois Union Insurance Company	27960																
INSURER E: Steadfast Insurance Company	26387																
INSURER F:																	

COVERAGES **CERTIFICATE NUMBER:** 570063407220 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. **Limits shown are as requested**

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
C	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Contractual Liability <input checked="" type="checkbox"/> XCU GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:			GL0914084709	01/01/2016	01/01/2017	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$300,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> \$1000 Ded Collision <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY <input checked="" type="checkbox"/> \$100 Ded Comp			BAP 5918170-10	01/01/2016	01/01/2017	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION			BE012051577	01/01/2016	01/01/2017	EACH OCCURRENCE \$25,000,000 AGGREGATE \$25,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WC591944010	01/01/2016	01/01/2017	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE-EA EMPLOYEE \$1,000,000 E.L. DISEASE-POLICY LIMIT \$1,000,000
E	Env Contr Prof			EOC534581211 Retro Date 4/1/05 SIR applies per policy terms & conditions	01/01/2016	01/01/2017	Prof - Each Claim \$1,000,000 SIR \$500,000 Prof Agg \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 RE: Project: Florida International University Hotel, Conference Center, Parking and Alumni Center at Modesto Maidique Campus, Solicitation E-ITN 67-001. The Florida International University Board of Trustees, Florida International University, the State of Florida, The Florida Board of Governors, and their respective trustees, directors, officers, employees, and agents are included as additional insured in accordance with the policy provisions of the general liability, automobile liability, pollution liability and umbrella liability policies. General liability, automobile liability and umbrella liability evidenced herein is primary and non-contributory to other insurance available to an Additional Insured, but only in accordance with the policy's provisions. A waiver of subrogation is granted in favor of The Florida International University Board of Trustees,

CERTIFICATE HOLDER

FIU Purchasing Services Department
 Campus Support Complex
 CSC 411
 11200 SW 8th St.
 Miami FL 33199 USA

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Holder Identifier :

Certificate No : 570063407220

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ACORD 25 (2016/03)

The ACORD name and logo are registered marks of ACORD

TAB 6 (iii) (continued) Insurances: Moss

[illegible]

TAB 6 (iii) (continued) **Insurances: Moss**



AGENCY CUSTOMER ID: 570000036442

LOC #:

ADDITIONAL REMARKS SCHEDULE

Page _ of _

<small>AGENCY</small> Aon Risk Services Northeast, Inc.		<small>NAMED INSURED</small> Moss & Associates, LLC	
<small>POLICY NUMBER</small> See Certificate Number: 570063407220		<small>EFFECTIVE DATE:</small>	
<small>CARRIER</small> See Certificate Number: 570063407220	<small>NAIC CODE</small>		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: ACORD 25 **FORM TITLE:** Certificate of Liability Insurance

Additional Description of Operations / Locations / Vehicles:

Florida International University, the State of Florida, The Florida Board of Governors, and their respective trustees, directors, officers, employees, and agents in accordance with the policy provisions of the general liability, automobile liability, umbrella liability, pollution liability, professional liability and workers compensation policies.



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TAB 7

Cover Document & Addendum Acknowledgment Forms



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TAB 7 Cover Document

SUBMIT RESPONSE TO: Electronic Submission: DemandStar (www.demandstar.com) or Sealed Envelope Submission FLORIDA INTERNATIONAL UNIVERSITY PURCHASING SERVICES Modesto Maidique Campus 11200 SW 8th Street Campus Support Complex – CSC 411 Miami, FL 33199 (305) 348-2161		INVITATION TO NEGOTIATE COVER DOCUMENT ("Solicitation") E-ITN No. 67-001
RESPONSE OPENING (Date and Time): September 6, 2016 @ 2:00PM EST	SOLICITATION TITLE: <i>Public Private Partnership for a Hotel, Conference Center, Parking and Alumni Center at Modesto Maidique Campus</i>	
<p align="center">Please refer to the above address for Response opening location</p> <p align="center">POSTING OF BID TABULATION AND NOTICES</p> <p>The bid tabulation and notices of a decision or intended decision and recommended award related to this Competitive Solicitation will be posted at the Florida International University Purchasing Competitive Solicitation website- www.demandstar.com and will remain posted for a period of 72 hours. Failure to file a protest in accordance with Florida Board of Governors' ("BOG") regulation 18.002, or failure to post the bond or other security as required in BOG regulations 18.002 and 18.003, shall constitute a waiver of protest proceedings.</p>		
PURCHASING REPRESENTATIVE	<i>Kenia Junco, Associate Director of Purchasing</i>	
VENDOR'S LEGAL NAME	Concord Benchmark, LLC	
VENDOR'S MAILING ADDRESS	5685 N Scottsdale Rd., Suite 150	
VENDOR'S CITY, STATE, ZIP	Scottsdale, AZ 85250	
VENDOR'S WEB ADDRESS		
VENDOR'S E-MAIL ADDRESS	<i>mhall@concordeastridge.com</i>	
VENDOR'S FACSIMILE	(480) 947-3042	
VENDOR'S TELEPHONE NUMBER	(703) 563-9810	
VENDOR'S TOLL FREE NUMBER	(877) 850-5070	
<p><i>By signing this document, I certify that this solicitation response ("response") is made without prior understanding, agreement, or connection with any corporation firm, or person submitting a response for the same materials, supplies or equipment, and is in all respects fair and without collusion or fraud. I agree to abide by all conditions of this competitive solicitation and certify that I am authorized to sign this solicitation response for the Vendor and that the Vendor is in compliance with all requirements of the competitive solicitation, including but not limited to, certification requirements.</i></p>		
 <hr/> AUTHORIZED SIGNATURE (MANUAL) Michael Haller, Member		
<hr/> PRINT NAME AND TITLE 9/29/2016		
<hr/> DATE SIGNED		

Figure 106: Cover Document

TAB 7 Addendum Acknowledgement Form: Addendum #1



**FLORIDA INTERNATIONAL UNIVERSITY and
FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC.**

Purchasing Services
(305) 348-2161

August 3, 2016

E-ITN67-001

**Public Private Partnership for a Hotel, Conference Center, Parking and Alumni Center on
Modesto Maidique Campus**

ADDENDUM #1

Re: Revisions to the ITN, Additional Requested Documentation and Responses to Inquiries

**VENDORS MUST ACKNOWLEDGE RECEIPT OF THIS ADDENDUM BY
SIGNING BELOW AND SUBMITTING THIS EXECUTED DOCUMENT WITH
YOUR RESPONSE. FAILURE TO EXECUTE AND RETURN THIS ADDENDUM
FORM WILL DISQUALIFY YOUR FIRMS' RESPONSE.**

This Addendum shall become part of your firms' competitive solicitation response and the subsequent contract documents if applicable. This addendum document must be attached to your Solicitation Response. Failure to execute this document and return of same with your firms' competitive solicitation response will be grounds for immediate disqualification.

Company Name Concord Benchmark, LLC

Address 5685 N Scottsdale Rd, Suite 150, Scottsdale, AZ 85250

Telephone/Fax/Email (877) 850-5070 / (480) 947-3042 / mhaller@concordeastridge.com

Signature 

E-ITN67-001

Public Private Partnership for a Hotel, Conference Center, Parking and Alumni Center on Modesto Maidique Campus

ADDENDUM #1

A. Revisions to the ITN

- **Section 2.6** in the ITN, entitled **“Submission of Solicitation Responses,”** is hereby deleted in its entirety and replaced with the following:

- **2.6 Submission of Solicitation Responses**

Vendor’s solicitation response to this competitive solicitation shall be prepared in accordance with **Section 1.4, “Solicitation Response,”** and must be submitted in a sealed envelope per the instructions outlined below.

Vendor’s sealed solicitation response must be received by the Authorized FIU Representative on or before the Initial Response Due Date specified in **Section 1.2, “Calendar of Events,”** at Florida International University, Modesto A. Maidique Campus, Purchasing Services Department, Campus Support Complex, CSC 411, 11200 S.W. 8 Street, Miami, Florida 33199, according to the time clock in FIU’s Purchasing Services Department. FIU and the FIU Foundation will accept solicitation responses up to, and no solicitation responses may be withdrawn after, the Initial Response Due Date and time indicated under **Section 1.2**. Vendor must allow sufficient time to ensure the Authorized FIU Representative’s receipt of the solicitation response package by no later than 2:00 p.m. EST on the Initial Response Due Date. Solicitation responses must be delivered in sealed envelopes with the following information clearly provided on the front of the envelope: The Authorized FIU Representative’s name and address as provided in **Section 2.1**, the following language: **“E-ITN67-001 Hotel, Conference Center, Parking and Alumni Center at MMC”** and the date and time of the Initial Response Due Date. The solicitation response must be submitted in **one (1) original and ten (10) copies**. The document containing the original signature must be marked **“ORIGINAL.”** In addition, Vendor is asked to submit one (1) courtesy copy of the solicitation response on CD or PC compatible disk, preferably in .pdf format. Vendor may not include more than one solicitation response (along with copies) per sealed envelope.

B. Additional Requested Documentation

- The State University System of Florida Board of Governors Public-Private Partnerships Guidelines are **Attachment 1** to this Addendum.

- The sign-in sheets from the pre-proposal conference for this ITN held on Friday, July 29, 2016 at FIU MMC are **Attachment 2** to this Addendum.
- Market Research and Demand Studies: FIU and the FIU Foundation requested the following demand studies as part of the research conducted to evaluate the overall viability and benefits of a hotel on campus. These reports were prepared for FIU and the FIU Foundation solely for their use in making these assessments. Neither FIU, the FIU Foundation, nor any of their agents or officers make any representations or warranties with respect to the attached demand studies. The demand studies are being provided for informational purposes only and should not be relied upon by the Respondents. All Respondents are strongly encouraged to complete their own market research and demand studies as part of the submission process.
 - **Attachment 3** to this Addendum: Market Demand Study and Projected Financial Results, Prepared by PKF Consulting, November 2013
 - **Attachment 4** to this Addendum: Market Study Update, Prepared by PKF Consulting, June 2015
 - **Attachment 5** to this Addendum: Market Study: Proposed Hotel and Conference Center, JLL, October 2015

C. Answers to Vendor Inquiries

Additional questions and answers from the pre-proposal conference and emails received from potential Respondents will be released as part of Addendum 2.

1. QUESTION: Can FIU provide a list of the selection committee?

ANSWER: An evaluation committee has been established for this ITN. The committee is tasked with making a recommendation to the decision makers about who to award the final contract to. FIU's Purchasing Services department facilitates and oversees the process. The following are the evaluation committee members.

- Dr. Eric Beckman, Assistant Professor, Hospitality
- Richard Brilliant, Vice Chairperson, FIU Foundation
- Robert Griffith, Director, Facilities Planning
- Thomas Hartley, Executive Director Parking and Transportation
- Aime Martinez, Associate Vice President, Business and Finance
- Patrick Meagher, Director, Construction Management
- David Snider, Director of Budget, Auxiliary & Enterprise Development
- Tony Vu, University Treasurer, Office of the Treasurer

- Duane Wiles, Associate Vice President Advancement/alumni affairs Director, Alumni Relations

TAB 7 Addendum Acknowledgement Form: Addendum #2**FLORIDA INTERNATIONAL UNIVERSITY and
FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC.**

Purchasing Services
(305) 348-2161

August 8, 2016

E-ITN67-001

**Public Private Partnership for a Hotel, Conference Center, Parking and Alumni Center on
Modesto Maidique Campus**

ADDENDUM #2

Re: Responses to Inquiries

**VENDORS MUST ACKNOWLEDGE RECEIPT OF THIS ADDENDUM BY
SIGNING BELOW AND SUBMITTING THIS EXECUTED DOCUMENT WITH
YOUR RESPONSE. FAILURE TO EXECUTE AND RETURN THIS ADDENDUM
FORM WILL DISQUALIFY YOUR FIRMS' RESPONSE.**

This Addendum shall become part of your firms' competitive solicitation response and the subsequent contract documents if applicable. This addendum document must be attached to your Solicitation Response. Failure to execute this document and return of same with your firms' competitive solicitation response will be grounds for immediate disqualification.

Company Name Concord Benchmark, LLC

Address 5685 N Scottsdale Rd, Suite 150, Scottsdale, AZ 85250

Telephone/Fax/Email (877) 850-5070 / (480) 947-3042 / mhaller@concordeastridge.com

Signature 

E-ITN67-001**Public Private Partnership for a Hotel, Conference Center, Parking and Alumni Center on Modesto Maidique Campus****ADDENDUM #2**

Capitalized terms used herein and not otherwise defined herein, unless the context otherwise requires, shall have the meanings set forth in the ITN.

A. Responses to Inquiries**QUESTION. Will FIU entertain proposals with a ground lease longer than 40 years?**

ANSWER. Yes, FIU will consider a term longer than 40 years as so long as the term does not exceed the remaining term of the Master Lease and subject to the requirements set forth in the State University System of Florida Board of Governors Public Private Partnership Guidelines as it relates to a lease term in excess of 40 years.

QUESTION. When is the Hotel and Alumni Center going to be presented to the Florida legislature for approval?

ANSWER. The intent is for The Florida Board of Governors to present this initiative to the Florida legislature in the 2017 session. The University has already submitted the formal request to the Florida Board of Governors and anticipates that the Board of Governors will approve the request as part of the system –wide Legislative Budget Request at their September or November meeting. .

QUESTION. If any of the approving bodies object to any of the agreed to material terms following the Best and Final Offer, can such terms be re-negotiated as needed?

ANSWER. Yes.

QUESTION. What firm did the renderings?

ANSWER. Rabun Rasche Rector Reese Architects was engaged to complete sample conceptual renderings of a hotel, conference center and alumni center on MMC in order to further develop the concept and assess the viability of such a project. Respondents may propose alternative designs.

QUESTION. Can responses include additional scope for future needs?

ANSWER. Yes.

TAB 7 Addendum Acknowledgement Form: Addendum #3**FLORIDA INTERNATIONAL UNIVERSITY and
FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC.**

Purchasing Services
(305) 348-2161

August 29, 2016

E-ITN67-001

Public Private Partnership for a Hotel, Conference Center, Parking and Alumni Center on
Modesto Maidique Campus

ADDENDUM #3

Re: Revision to Calendar of Events and Responses to Inquiries

**VENDORS MUST ACKNOWLEDGE RECEIPT OF THIS ADDENDUM BY
SIGNING BELOW AND SUBMITTING THIS EXECUTED DOCUMENT WITH
YOUR RESPONSE. FAILURE TO EXECUTE AND RETURN THIS ADDENDUM
FORM WILL DISQUALIFY YOUR FIRMS' RESPONSE.**

This Addendum shall become part of your firms' competitive solicitation response and the subsequent contract documents if applicable. This addendum document must be attached to your Solicitation Response. Failure to execute this document and return of same with your firms' competitive solicitation response will be grounds for immediate disqualification.

Company Name Concord Benchmark, LLC

Address 5685 N Scottsdale Rd. Suite 150, Scottsdale, AZ 85250

Telephone/Fax/Email (877) 850-5070 / (480) 947-3042 / mhaller@concordeastridge.com

Signature 

E-ITN67-001
Public Private Partnership for a Hotel, Conference Center, Parking and Alumni Center on
Modesto Maidique Campus

ADDENDUM #3

Capitalized terms used herein and not otherwise defined herein, unless the context otherwise requires, shall have the meanings set forth in the ITN.

A. REVISED - Calendar of Events

The following Calendar of Events hereby replaces the Calendar of Events in Section 1.2 of the ITN:

Date/Time	Action
July 15, 2016	Competitive solicitation advertised and released
July 29, 2016	Pre-proposal conference to be held at the following place: Florida International University Modesto Maidique Campus 11200 SW 8 th Street, MARC, Second Floor Pavilion Miami, FL 33199 Commencing at 9:00 a.m. E.S.T.
September 12, 2016	Last day and time for FIU/FIU Foundation to receive communications and/or inquiries from Respondents regarding the competitive solicitation via email to Authorized FIU Representative (as hereinafter defined) at Kenia.Junco@fiu.edu (" Inquiry Deadline Date ")
September 30, 2016	FIU/FIU Foundation will respond to inquiries and requests for clarifications by posting an Addendum on the Website
October 7, 2016	Deadline for FIU/FIU Foundation to receive solicitation responses with Step One Qualifications* (see Section 1.4 for more details) from Respondents is 2:00 p.m. (" Initial Response Due Date ") (Note: Any solicitation responses received after the Initial Response Due Date and time shall be deemed non-responsive)
October 21, 2016	Shortlisted Respondents (as hereinafter defined) will be contacted by Authorized FIU Representative
January 9, 2017	Anticipated deadline for FIU/FIU Foundation to receive Step Two Technical** response from Shortlisted Respondents (see Section 1.4 for more details)

February 17, 2017	Anticipated deadline for FIU/FIU Foundation to receive Best and Final Offer (BAFO) from Shortlisted Respondents (Shortlisted Respondents will receive BAFO requirements during negotiations but the BAFO shall be a complete response including materials for all tabs outlined in Section 1.4 below)
March 27, 2016	Anticipated deadline for conclusion of all Evaluation Committee (hereinafter defined) meetings; these meetings are NOT open to the public and the dates of the meetings are subject to change without notice
April 17, 2017	Anticipated completion of contract negotiations
June 8, 2017	Anticipated date for presentation of final contract to the FIU Board of Trustees for approval
August 30, 2017	Anticipated date for presentation of final contract to the Florida Board of Governors for approval

*Respondent's solicitation response with Step One Qualifications shall include Tabs 1 – 9 as outlined in **Section 1.4**, entitled "**Solicitation Response**," below.

Shortlisted Respondent's response with Step Two Technical shall include Tabs 10 – 19 as outlined in **Section 1.4, entitled "**Solicitation Response**," below.

B. Responses to Inquiries

QUESTION. In light of the results and conclusions of the PKF Consulting USA Market Demand Study, are proposers correct in assuming that the University will follow the recommendations of the Study that a "select service hotel" model or independent, "no-flag" hotel, with 95-100 rooms, restaurant and lounge and adequate, flexible meeting space based on the Study will be acceptable to the University?

ANSWER. The programming outlined in Section 1.3 of the ITN accurately reflects the University's minimum requirements, however the University will entertain programming based on Respondent's assessment of market demand.

QUESTION. The Campus Master Plan approved by the Board of Trustees on March 11, 2016 designates the site of the proposed Project as Parks and Recreation Space. Will the Master Plan be updated prior to the period for preparation of the documents required for Step 2 on September 20, 2016?

ANSWER. The Step Two deadline is amended in Section A above. Step Two responses are now due on January 9, 2017.

QUESTION. Can the University define the remaining existing term of the current Master Lease between FIU and TITF?

ANSWER. The lease was executed on January 22, 1974. The term of the lease is 99 years from the date of execution of the lease. It will therefore expire on January 21, 2073. Accordingly, as of today, August 24, 2016, the remaining term on the lease is approximately 56 years, 4 months.

QUESTION. Does FIU have applicable building standards that are specific to hospitality projects, and if not, how will FIU determine compliance with the Design requirements noted on Page 10, Paragraph 3?

ANSWER. There are no specific hospitality related building standards for construction. General building standards will apply with design review by staff and administration. FIU will assign a project manager who will review and ensure compliance.

QUESTION. Please clarify that the gross area of the Alumni Center is 14,000 gross square feet, including the 2,300 office space.

ANSWER. Yes, the 2,300 square feet is included in the 14,000 gross square feet.

QUESTION. Is the preliminary plan for the Alumni Center included as Appendix IV the program that is to be assumed, or will a program be provided, and if so, when?

ANSWER. Yes, Appendix IV in the ITN is the proposed program. However, following are some additional details for the design. At minimum, the Alumni Center design will need to include approximately 2,300 square feet for 13 enclosed offices and an open space that can accommodate approximately 16 cubicles. The following spaces are also required: storage space; copy room; kitchen; separate office, training and conference rooms for the Alumni Career Services office; a large conference room; a library, which should be approximately 900 square feet; an emeritus lounge, which should be approximately 600 square feet; an atrium, which should be approximately 1,569 square feet; and an outdoor covered space, which should be 1,000 square feet at minimum.

QUESTION. Can FIU confirm that the utility capacity for the Project exists within the existing FIU campus infrastructure?

ANSWER. Yes, the capacity exists; however, new distribution may be required and the developer is responsible for all costs, including construction and continued use.

QUESTION. Is campus chilled water available for the project?

ANSWER. Yes, the capacity exists; however, new distribution may be required and the developer is responsible for all costs, including construction and continued use.

QUESTION. Can a portion of the \$6.8 million Alumni Center budget be used to fund the appropriate component of parking resulting from the Alumni Center needs?

ANSWER. No. It is anticipated that the FIU Foundation will be able to lease spaces from the Facility operator for use by the Alumni Center, but the funding for the Alumni Center is solely for the building.

QUESTION. Tab 4.B asks for Business operated as individual, partnership, corporation or other (explain) (include corporate/company documents, such as the bylaws, articles of incorporation, articles of organization, operating agreements, partnership agreements, etc. [all to the extent applicable to the corporate structure of the entity]).

Are all of these items required for each member of our team? For large teams, this section would be sizable.

ANSWER. All of the requested data listed in Section 1.4 of the ITN for Tab 4 should be provided for each entity that makes up the overall project team.

QUESTION. Insurance Requirements - Although not specified in 1.4 Solicitation Response, page 28 and 30 state that "In order for Successful Vendor to show that it can satisfy this requirement, the Successful Vendor must include in its solicitation response one of the following..." Are these proofs of insurance required in Step 1 or in Step 2?

ANSWER. The Insurance information is to be included in Tab 16 of the **Step Two** solicitation response.

QUESTION. Does FIU have exclusive contracts with vendors that the Successful Respondent will have to adhere to?

ANSWER. Yes. The following are exclusive contracts that FIU has entered into and that the Successful Respondent will have to adhere to.

VENDOR	RESTRICTED ACTIVITIES	CONTRACT EXPIRATION DATE	AVAILABLE RENEWAL OPTIONS
Aramark Educational Services, Inc.*	Food-related services	June 30, 2017	None
Barnes & Noble College Booksellers, LLC	Items typically sold in college bookstores, such as books, educational supplies, notebooks, stationery, desk accessories, class rings and jewelry	November 30, 2019	None
Herff Jones	FIU class rings and any commencement merchandise such as caps, gowns, announcements and frames	June 24, 2018	None
GT ECO CAR WASH, LLC	Car wash and auto detailing service, including mobile service	July 14, 2021	Two (2), Two (2) Year Renewals

Ricoh USA, Inc.	Retail shipping, postal and business service center; student printing services	November 26, 2017	Two (2), Five (5) Year Renewals
The Pepsi Bottling Group	Beverage rights including sale, promotion and marketing of beverages	March 15, 2019	None
Right Choice Vending	Vending machines for snacks and alternative products	May 20, 2019	None

*The current contract for food-related services with Aramark Educational Services, Inc. will expire on June 30, 2017, which is prior to the Facility being operational. Since no additional renewals remain on this contract, FIU will be entering into a new contract for this service. The Facility will be carved out of any exclusivity awarded under the new contract to ensure that it can independently operate a restaurant on-site.

Additionally, FIU currently has preferred contractors (“Preferred Caterers”) in place for catering services on campus. Though the Facility is not required to utilize the Preferred Caterers for events held at the Facility, following are some guidelines for the Facility operator to adhere to.

- The food service provider on-site at the Facility cannot offer or provide catering services **outside of the Facility**, within the FIU community, unless the entity is an approved Preferred Caterer. There will be a new competitive solicitation issued in the coming year to allow vendors interested in becoming FIU Preferred Caterers to submit proposals for consideration of contract award. A list of the current Preferred Caterers is available at <https://shop.fiu.edu/dining/catering/preferred/index.html>.
- The food service provider on-site at the Facility and/or the Facility operator cannot advertise or directly market catering services to the University community (including, but not limited to, flyers, email blast messages, posters, and promotional items) unless it is for a Preferred Caterer and prior written approval is obtained from the FIU Business Services department or its designee.
- The Facility operator and/or on-site retailers or food service providers cannot advertise or directly market any on-site retail operation or on-site food service provider to the University community (including, but not limited to, flyers, email blast messages, posters, and promotional items) without prior written approval from the FIU Business Services department or its designee.
- The Facility operator shall notify the FIU Business Services department or its designee of potential candidates or opportunities for any on-site retail operations, including food service providers, under consideration for the Facility. The University reserves the right,

at its sole discretion, to approve any such candidate in conjunction with the Facility operator, prior to any deal being finalized by the Facility operator.

TAB 7 Addendum Acknowledgement Form: Addendum #4**FLORIDA INTERNATIONAL UNIVERSITY and
FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC.**

Purchasing Services
(305) 348-2161

September 19, 2016

E-ITN67-001

**Public Private Partnership for a Hotel, Conference Center, Parking and Alumni Center on
Modesto Maidique Campus**

ADDENDUM #4

Re: Additional Pre-Proposal Site Visit Announcement and Responses to Inquiries

**VENDORS MUST ACKNOWLEDGE RECEIPT OF THIS ADDENDUM BY
SIGNING BELOW AND SUBMITTING THIS EXECUTED DOCUMENT WITH
YOUR RESPONSE. FAILURE TO EXECUTE AND RETURN THIS ADDENDUM
FORM WILL DISQUALIFY YOUR FIRMS' RESPONSE.**

This Addendum shall become part of your firms' competitive solicitation response and the subsequent contract documents if applicable. This addendum document must be attached to your Solicitation Response. Failure to execute this document and return of same with your firms' competitive solicitation response will be grounds for immediate disqualification.

Company Name Concord Benchmark, LLC

Address 5685 N Scottsdale Rd. Suite 150, Scottsdale, AZ 85250

Telephone/Fax/Email (877) 850-5070 / (480) 947-3042 / mhaller@concordeastridge.com

Signature 

E-ITN67-001

Public Private Partnership for a Hotel, Conference Center, Parking and Alumni Center on Modesto Maidique Campus

ADDENDUM #4

Capitalized terms used herein and not otherwise defined herein, unless the context otherwise requires, shall have the meanings set forth in the ITN.

A. Additional Pre-Proposal Site Visit Announcement

FIU will be hosting a second site visit, open to the public, to give a tour of the campus and show potential bidders the possible locations for the Facility and Alumni Center. Following are the details.

Date/Time	Action
September 21, 2016	Pre-proposal site visit to be held at the following place: Florida International University Modesto Maidique Campus 11200 SW 8 th Street, MARC, Lobby Miami, FL 33199 Commencing at 9:30 a.m. E.S.T.

B. Responses to Inquiries

QUESTION. In Addendum 2, FIU stated that, “FIU will consider a term longer than 40 years as long as the term does not exceed the remaining term of the Master Lease and subject to requirements set forth in the State University System Board of Governors’ Public Private Partnership Guidelines as it relates to a lease term in excess of 40 years.”

In Addendum 3, FIU made clear that the remaining term on the aforementioned Master Lease is 56 years +/-

Has FIU had any conversations with the Board of Governors to explore how, or by what mechanism, a potential proposer could maintain control of the improvements beyond the aforementioned 56 years? Hypothetically, could a proposer propose a 56-year ground lease, with an option/extension to the/an agreement (ground lease or otherwise), executable at the sole discretion of the proposer, and contingent on an extension/renewal of the Master Lease for a currently undetermined period of time? Any proposed option/extension would be specific – something like “the lesser of: 1) an extension of 20 years, or 2) the new term of the extended/renewed Master Ground Lease between FIU and TIITF”

ANSWER. FIU has not discussed with the Board of Governors a term beyond that of the FIU Master Lease with the State of Florida. FIU is seeking a 40-year term per the State University System Board of Governors’ Public-Private Partnership Guidelines. However, the University will

consider proposals including terms greater than 40 years and options for renewal contingent on limitations of the FIU Master Lease with the State of Florida.

QUESTION. Can the hotel and conference center be branded?

ANSWER. It is FIU's preference to have an unbranded hotel and conference center, but FIU would be open to proposals that include branding.

QUESTION. Will the Hotel school will be part of the day to day operation or they are separate?

ANSWER. The Facility is expected to be independently operated. FIU's Chaplin School of Hospitality and Tourism Management would participate in day to day operations of the Facility to the extent that the Respondent offers internship and job opportunities for students and alumni.

QUESTION. Will there be paid interns and non-paid interns to work in the hotel.

ANSWER. FIU seeks collaboration with an organization that shares our priorities and as such opportunities like paid and unpaid internships that enrich the academic mission of the University should be included in the proposal and shall be considered as part of the evaluation criteria as outlined in Section 1.6.2 of the ITN.

QUESTION. Will there be any affiliation with the hotel school?

ANSWER. FIU would expect an affiliation with FIU's Chaplin School of Hospitality and Tourism Management and other colleges/units insofar as internships and job opportunities for students and alumni are made available as well as any other collaboration opportunities as proposed by the Successful Respondent.

QUESTION. Does this development have to be union or can it be non-union?

ANSWER. The hotel will be operated by the Selected Respondent. Accordingly, this decision is to be made by the Selected Respondent.

QUESTION. Is there a priority for a minority construction company and sub workers that must be minority etc.?

ANSWER. FIU, as a state university, cannot offer minority preferences in its competitive solicitation processes. This is not a factor that is taken into consideration as part of the evaluation process.

QUESTION. Will the school subordinate their land to construction loan financing?

ANSWER. FIU will not subordinate land for financing purposes.

QUESTION. On a private public partnership are they looking at a JV LLC on this or a separate straight lease from the school and the school receives a portion of the income over and above the 99 year lease?

ANSWER. FIU would enter into a separate ground lease with the Selected Respondent and receive lease payments over the term of the lease. Any additional benefits, including economic

benefits to FIU should be included in the proposal and shall be considered as part of the evaluation criteria as outlined in Section 1.6.2 of the ITN.

QUESTION. Is the school looking at a base rent of let's say 6% of assessed value with 3% c.p.i's. above benchmarks every five years after the first five years?

ANSWER. FIU is looking for ground rent in an amount at least equal to the appraised fair market value rental rate of the leased land on which the Facility is built with periodic increases over the life of the lease for CPI and other adjustments.

QUESTION. Provide an update on due dates for various information to FIU.

ANSWER. The revised calendar of events in Addendum 3 is the correct current timeline for all due dates and deadlines.

QUESTION. I saw the notation that seems related about the PKF Consulting USA Market Demand Study which apparently recommends a "no flag" hotel. But it is not clear if that is what the school is in favor of. Is this study available for review?

ANSWER. The complete study by PKF Consulting USA was provided as part of Addendum 1.

TAB 7 Addendum Acknowledgement Form: Addendum #5**FLORIDA INTERNATIONAL UNIVERSITY and
FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC.**

Purchasing Services
(305) 348-2161

October 5, 2016

E-ITN67-001

**Public Private Partnership for a Hotel, Conference Center, Parking and Alumni Center on
Modesto Maidique Campus**

ADDENDUM #5

Re: Revision to Calendar of Events

**VENDORS MUST ACKNOWLEDGE RECEIPT OF THIS ADDENDUM BY
SIGNING BELOW AND SUBMITTING THIS EXECUTED DOCUMENT WITH
YOUR RESPONSE. FAILURE TO EXECUTE AND RETURN THIS ADDENDUM
FORM WILL DISQUALIFY YOUR FIRMS' RESPONSE.**

This Addendum shall become part of your firms' competitive solicitation response and the subsequent contract documents if applicable. This addendum document must be attached to your Solicitation Response. Failure to execute this document and return of same with your firms' competitive solicitation response will be grounds for immediate disqualification.

Company Name Concord Benchmark, LLC

Address 5685 N Scottsdale Rd., Suite 150, Scottsdale, AZ 85250

Telephone/Fax/Email (877) 850-5070 / (480) 947-3042 / mhaller@concordeastridge.com

Signature 

Page 1 of 3

E-ITN67-001

Public Private Partnership for a Hotel, Conference Center, Parking and Alumni Center on Modesto Maidique Campus

ADDENDUM #5

Capitalized terms used herein and not otherwise defined herein, unless the context otherwise requires, shall have the meanings set forth in the ITN.

A. REVISED - Calendar of Events

The following Calendar of Events hereby replaces the Calendar of Events in Addendum 3 to the ITN:

Date/Time	Action
July 15, 2016	Competitive solicitation advertised and released
July 29, 2016	Pre-proposal conference to be held at the following place: Florida International University Modesto Maidique Campus 11200 SW 8 th Street, MARC, Second Floor Pavilion Miami, FL 33199 Commencing at 9:00 a.m. E.S.T.
September 12, 2016	Last day and time for FIU/FIU Foundation to receive communications and/or inquiries from Respondents regarding the competitive solicitation via email to Authorized FIU Representative (as hereinafter defined) at Kenia.Junco@fiu.edu (" Inquiry Deadline Date ")
September 30, 2016	FIU/FIU Foundation will respond to inquiries and requests for clarifications by posting an Addendum on the Website
October 12, 2016	Deadline for FIU/FIU Foundation to receive solicitation responses with Step One Qualifications* (see Section 1.4 for more details) from Respondents is 2:00 p.m. (" Initial Response Due Date ") (Note: Any solicitation responses received after the Initial Response Due Date and time shall be deemed non-responsive)
November 2, 2016	Shortlisted Respondents (as hereinafter defined) will be contacted by Authorized FIU Representative
January 9, 2017	Anticipated deadline for FIU/FIU Foundation to receive Step Two Technical** response from Shortlisted Respondents (see Section 1.4 for more details)

February 17, 2017	Anticipated deadline for FIU/FIU Foundation to receive Best and Final Offer (BAFO) from Shortlisted Respondents (Shortlisted Respondents will receive BAFO requirements during negotiations but the BAFO shall be a complete response including materials for all tabs outlined in Section 1.4 below)
March 27, 2016	Anticipated deadline for conclusion of all Evaluation Committee (hereinafter defined) meetings; these meetings are NOT open to the public and the dates of the meetings are subject to change without notice
April 17, 2017	Anticipated completion of contract negotiations
June 8, 2017	Anticipated date for presentation of final contract to the FIU Board of Trustees for approval
August 30, 2017	Anticipated date for presentation of final contract to the Florida Board of Governors for approval

*Respondent's solicitation response with Step One Qualifications shall include Tabs 1 – 9 as outlined in **Section 1.4**, entitled "**Solicitation Response**," below.

Shortlisted Respondent's response with Step Two Technical shall include Tabs 10 – 19 as outlined in **Section 1.4, entitled "**Solicitation Response**," below.

TAB 8

Disclosures



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TAB 8 Disclosures



Figure 111: FIU provided rendering by team partner Rabun Architects: Facility and Alumni Center

Disclosures regarding **(a)** Respondent employees having employment relationship with (or holding an office at) FIU, FIU Foundation, State of Florida or any State of Florida agencies AND/OR **(b)** any FIU, FIU Foundation, or State employee(s) or officers owning an interest of 5% or more of Respondent's company or its affiliates or branches:

CONCORD BENCHMARK, LLC:

Benchmark Management Company, LLC is a partner in Concord Benchmark, LLC. Please see Benchmark Management Company, LLC's disclosure below.

CONCORD EASTRIDGE, INC.:

No disclosures.

BENCHMARK MANAGEMENT COMPANY, LLC:

Burt Cabañas, Chairman and CEO of Benchmark Management Company, LLC ("Benchmark"), maintains a position of Director of the FIU Foundation Board. Burt is also an officer at Benchmark and owns more than 5% of Benchmark. While Burt maintains a position on FIU Foundation's board, neither he, nor any of Benchmark's officers, are directly or indirectly involved in any way in the drafting, evaluating, or awarding of this solicitation. Burt has previously submitted the required conflict of interest disclosure forms and will not in any way use or attempt to use his position on the Foundation Board to persuade the agency or personnel to enter such a contract other than by the mere submissions in response to the ITN.

RABUN ARCHITECTS, INC.:

No disclosures.

MOSS & ASSOCIATES, LLC:

Chad Moss, Executive Vice President of Moss & Associates, LLC ("Moss"), maintains a position of Director of the FIU Foundation Board. Chad is also an officer at Moss and owns more than 5% of Moss. While Chad maintains a position on the FIU Foundation's board, neither he, nor any of Moss' officers, are directly or indirectly involved in any way in the drafting, evaluating, or awarding of this solicitation. Chad has previously submitted the required conflict of interest disclosure forms and will not in any way use or attempt to use his position on the Foundation Board to persuade the agency or personnel to enter such a contract other than by the mere submissions in response to the ITN.



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TAB 9

Vision



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TAB 9 Vision



Figure 112: FIU provided rendering by team partner Rabun Architects: Facility and Alumni Center

PROJECT OVERVIEW

The Florida International University Hotel and Conference Center and Alumni Center (the “Project”) will be designed to complement Miami’s cosmopolitan personality, while addressing the needs of the University’s visitors, alumni, faculty and students. It will also serve the local and regional hotel and meetings market, as a profitable and successful hospitality facility.

PROJECT VISION

With the support and participation of the University’s senior management, the Project will be positioned as a **unique, upscale, full-service hotel and alumni center that will serve as the “living room” for all FIU constituents**. The emphasis of the project will be on creating an outstanding physical footprint that will facilitate individualized service; exciting food and beverage offerings, catering to both the University and the community at large; high quality and cutting-edge meeting and event space; upscale amenities; and tasteful quality accommodations, thereby creating the full-service hospitality environment that well-traveled consumers expect to find in an upscale hotel.

The Alumni Center will reflect the rich traditions and history of Florida International University and will serve as the center of the alumni community worldwide. These facilities will be of a quality worthy of the pride any student feels when his or her parents visit, and **the Project will aid in the recruitment of students and faculty**. The Project’s timeless design, décor and grounds will intertwine with the campus, becoming an important gathering place for the FIU community.

The Project will feature prominent FIU themes, such as the school’s blue and gold colors, artwork by FIU and

local artists, historic and current University memorabilia, photographs and artifacts and a “Hall of Fame” for notable FIU alumni. The rooms and meeting areas within both the Hotel and Alumni Center (e.g., meeting rooms, ballroom, boardroom, lounge, etc.) will maintain names honoring the University, University traditions and notable alumni. **The project team has successfully implemented similar “Traditions Integrations” in other university designed and managed concepts**, such as The Inn at Virginia Tech, the UCLA Luskin Conference Center and the Mason Inn at George Mason University, and is doing so at the StateView Hotel at North Carolina State University, which is under construction, and at the Texas A&M University Hotel & Conference Center and the University of California, Berkeley Hotel, both of which are under contract and currently under design.

The Project will offer unparalleled access to the campus for all visitors: alumni, prospective students, parents, visiting faculty and lecturers, vendors and conference attendees, among others. With its prominent location at the main entrance to the campus, and by providing highly personalized guest services, the Project will be the first choice for individual business and leisure travelers visiting the area for FIU-related events. As is the case for all Benchmark-managed properties, **the Hotel will forge partnerships and offer specific programming geared to the hotel’s top customer segments**, including parents of students, University partners, University meeting attendees, alumni and the Alumni Association. We will work hand-in-hand with University departments, from Athletics and Conference Services, to the academic colleges and schools.

TAB 9 Vision (continued)

For FIU faculty and staff, the Project will come to be known as an *integral part of the fabric of the community*. Working in conjunction with the University and the Foundation Board, the Hotel's staff will embrace the University's culture, traditions and special occasions. Moreover, with a lively bar, great restaurant and special events geared toward the community, the Hotel will quickly become a vibrant focal point of the FIU community.

While the Project will center around FIU and its sources of hotel demand, the Project will also cater to local and regional corporate clients and leisure guests. Our mission will be to appeal to all of the traditional hotel and meeting market segments: transient business and leisure customers, group business, associations, executive level conferences, etc. For the corporate community, the Hotel will join the Kovens Conference Center on the FIU Biscayne Campus and serve as an International Association of Conference Centers ("IACC") approved conference center, where customers and employees can experience a learning environment superior to that of any typical hotel meeting room. For the local community, the Project's catering and event facilities will support social, business and community events, *providing an advantageous location for a broad spectrum of events and functions in a destination with current limited alternatives*.

Given the Project's combination of an alumni center, hotel and conference center, we strongly believe that the facilities should provide unique and exciting opportunities for the student body. Based on Benchmark's significant experience working with multiple universities and their affiliated hospitality facilities, our team would work extensively with FIU to evaluate, identify and incorporate programs beneficial to the University and its students. *Potential opportunities include the integration of student internships, jobs and programs, adding value to the University, the Chaplin School of Hospitality & Tourism Management and its students*. The Project will provide a creative way of supporting employment for international students who are restricted from working off campus during their first year. Benchmark coordinates similar university-sponsored programs with Virginia Polytechnic Institute and State University (Virginia Tech) at The Inn at Virginia Tech (owned by the University) and the Hotel Roanoke and Conference Center (owned by the Virginia

Tech Foundation). Benchmark also provides preferential recruitment at its university-affiliated hotels for students at the following universities that do not have formal hospitality schools: Pace University at the Downtown Conference Center (in NYC), UCLA at the recently opened UCLA Luskin Conference Center, and Rutgers University at the Heldrich Hotel and Conference Center (in New Brunswick, NJ).

Our proposal assumes operating the Project as an independently branded hotel. Our approach is always to maximize the unique brand of the destination. In the case of the Project, we feel strongly that leveraging the FIU brand and creating its own unique positioning is the best approach, based on our proven record and ability to accomplish this in similar markets without the chain-affiliated "brand" confusion, scale concerns and potential conflicts with operating cost.

ADDITIONAL SCOPE FOR FUTURE NEEDS

During the pre-bid conference, a question was posed regarding "additional scope for future needs". There are two areas in which our team is prepared to more fully engage in discussions with the University regarding additional value-add to the overall project through an expanded scope. There may be an opportunity to build an alumni condominium building that would be an extension of the hotel. These alumni condos would be sold to alumni, for use during University scheduled programs. The additional benefit to the hotel would be the opportunity to include the condo rooms in the overall hotel inventory, when not otherwise occupied by the owners. The sales of the condos would more than cover the cost of construction for this expansion, thereby creating profit contributions to hotel operations without any additional debt service cost.

Additionally, with a commitment from a Fortune 1000 company under contract for annual occupancy, we feel that the hotel can be expanded vertically to include an additional floor of rooms, adding 25-30 rooms to the total room count. Prior to commencement of construction, we would identify the company, room night demand and the economics to justify the expansion and enhance the development model.

Step 1

Additional Information: Environmental Review



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Step 1 Additional Information: Environmental Review



Figure 113: Henington Island (present day aerial left, 1988 right)

SENSITIVE NATURE OF THE PROJECT SITE

Our team understands the history and environmental sensitivity of Henington Island. The island is landscaped with tropical trees and flowers and was dedicated in 1988 as a memorial to Charles Henington, FIU's first superintendent of grounds. ***It is critical that FIU select a team that understands how to build in and adjacent to environmentally sensitive and historically significant sites.***

Moss, our construction manager, has recent and on-going experience in dealing with these matters, namely in regard to their Modesto A. Maidique Campus project. The Parkview Hall and Parking Garage, Wellness and Recreation Center Expansion, and Multi-Purpose Practice Fields projects are located adjacent to the university's nature preserve. Beyond the MMC, Moss is currently working on a high profile environmental project for Port Everglades, which includes the substantial relocation of coastal mangrove. This experience ensures that Moss can complete your project while protecting your campus' environmentally sensitive areas.

Mike Cottle, our proposed project manager, reached out to Robert Maschue, President of Solutech, Inc, about this project. Solutech, one of Moss' trusted environmental consultants, has provided environmental services to Palm Beach State College as well as many other local clients. Solutech will assist Moss with the preparation of a National Pollutant Discharge Elimination System (NPDES) Generic Permit Application for submittal to the Florida Department of Environmental Protection (FDEP), including a Storm Water Pollution Prevention Plan (SPPP) outlining Best Management Practices (BMP) during construction. ***Please see Solutech's letter on the following page.***

PROTECTING THE SITE

Our team will implement and continuously maintain stormwater pollution prevention measures, such as silt fencing, storm drain inlet protection, turbidity barriers, and other protective measures.

In addition to stormwater pollution, our team will implement protective measures to minimize dust and debris caused by construction activities, as well as wind erosion. These include the phasing of sitework, placement and protection of dirt stockpiles, as well as the stabilization of sensitive land during alterations.

OTHER GREEN BUILDING PRACTICES

Construction is a messy business. Moss' Construction IAQ Plan minimizes the exposure of construction workers to air pollutants and prevents HVAC systems from collecting air pollutants during construction. A partial sampling includes:

- Maintaining a clean jobsite - Maintaining a clean jobsite is the keystone of Moss' Indoor Air Quality Management Plan. Subcontractors are required to maintain good housekeeping of their workspace.
- Protecting materials prior to installation - Absorbent materials and Ductwork/HVAC equipment are shipped sealed and protected from moisture and debris. Upon delivery, equipment is stored in a clean and dry environment.
- Protection of Ductwork/HVAC equipment post-installation - During and after ductwork and HVAC equipment are placed, duct openings and equipment grilles are covered to prevent contamination.
- Sequencing work – Moss carefully reviews instances where multiple trades are to perform work within the same space.



www.solutechenvironmental.com

5841 Corporate Way, Suite 102

West Palm Beach, FL 33407

Phone (561) 688-2904

Fax (561) 688-2908

September 23, 2016

Mr. Michael J. Cottle, II
Project Manager
Moss Construction
2101 Andrews Avenue
Ft. Lauderdale, FL 33311

**Subject: Environmental Engineering and Consulting Services
Florida International University (FIU) Conference and Alumni Center
Improvements, Miami, FL**

Dear Mr. Cottle:

Solutech, Inc. (Solutech) is pleased to present this brief Statement of Qualifications for Environmental Engineering and Consulting Services to Moss Construction for the planned FIU Conference and Alumni Center Improvements. Solutech has provided similar environmental services to Palm Beach State College regarding a campus-wide Spill Prevention Control and Countermeasures Plan (SPCCP) for all emergency generator and fuel tanks at the four campuses operated by the College. These Plans also incorporated Best Management Practices (BMP) during planned renovations to each of the facilities.

As we understand the FIU Project, protective measures will need to be implemented within the storm water pond surrounding Hennington Island. We will assist Moss with the preparation of a National Pollutant Discharge Elimination System (NPDES) Generic Permit Application for submittal to the Florida Department of Environmental Protection (FDEP) including a Storm Water Pollution Prevention Plan (SWPPP) outlining BMP's during construction, through the implementation of protective measures such as turbidity screen installation, siltation fencing, and curb, swale and inlet protection. We have successfully submitted and obtained such permits on other construction projects in South Florida including the Residences at Doral for ZOM, and the Port of Palm Beach Berth 17 expansion project. Please find attached, a copy of a portion of an SF-330 for the Port of Palm Beach Project which should be a similar scope for protective measures during the life of this Project.

Best regards,
Solutech, Inc.

A handwritten signature in blue ink, appearing to read 'Robert R. Maschue', is written over a horizontal line.

Robert R. Maschue, P.G.
President

FIU





E-ITN 67-001
STEP II
HOTEL, CONFERENCE
CENTER, PARKING AND
ALUMNI CENTER AT MMC

CONCORD BENCHMARK, LLC

FEBRUARY 16, 2017



FIU



February 17, 2017

Selection Committee – Florida International University – Facilities Planning
Campus Support Complex
11555 SW 17th Street, Room 142
Modesto A. Maidique Campus
Miami, Florida 33199

RE: Step Two - Compleitive Solicitation Number: E-ITN 67-001

Dear Selection Committee:

Concord Benchmark, LLC and our Development Team, are pleased to submit to **Florida International University and Florida International University Foundation, Inc.** our **Step Two – Technical Response** to the **Competitive Solicitation Number: E-ITN 67-001, Public Private Partnership for Hotel, Conference Center, Parking and Alumni Center at Modesto Maidique Campus** in Miami, Florida.

Concord Benchmark, LLC is a limited liability company that combines the on-campus public private development experience of Concord Eastridge, Inc., based in Fairfax, Virginia and Scottsdale, Arizona, with the on-and-off campus hotel, conference center and alumni center management experience of Houston, Texas based Benchmark Management Company, LLC.

The Concord Benchmark Development Team, is a collection of companies with an expertise in the various areas needed to develop, design, build, finance and operate a successful hospitality facility. Our Development Team includes **Concord Eastridge, Inc.** as developer, **Benchmark Management Company, LLC** as co-developer and facility manager, **Rabun Rasche Rector Reece Architects** as the design team and **Moss & Associates** as general contractor. Each firm is a respected industry leader in their area of expertise. Further, some have previously partnered with FIU, delivering successful on-campus projects, and two principals in particular, Burt Cabanas of Benchmark, and Chad Moss of Moss Construction, not only provide corporate leadership to their companies, but are also actively involved alumni of FIU and are both personally committed to the success of the University.

Our Development Team has extensively evaluated the information provided by FIU, coupled with our own market research, has found the creation of a high quality, hospitality/conference/alumni center venue on the FIU Modesto Maidique Campus to be a highly desirable project. In the time since our first submission, our Development Team has examined several new alternatives to meet the FIU goals for the facility. We are eager to share with you these new options for the project's design and subsequent operations.

As you enter the final stages of selecting a Development Team with whom to partner in the delivery of this exciting project, we hope that our interpretations of your vision for the project are reflected in our proposal and the business and development plan put forth on the following pages. Our Development Team is passionate in their collective desire to design, construct and operate the facility that you have envisioned and discussed for many years.

The Concord Benchmark Development Team is the most experienced group for this endeavor and we look forward to a long-lasting partnership with Florida International University and with the FIU Alumni Foundation.

Mike Haller remains the primary point of contact. If you have any questions, please direct them to him at mhaller@concordeastridge.com or via telephone at 703.563.9810.

Sincerely,

Concord Eastridge, Inc.



Susan H. Eastridge
CEO and President

Benchmark Management Company, LLC



Burt Cabanas
Founder and Chairman



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TAB 19:	Additional Pertinent Information



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TAB 10 Design and Construction



Figure 3: Facility and Alumni Center

PROJECT NARRATIVE

PRIMARY AND ALTERNATE DESIGN SCHEMES

The Concord Benchmark, LLC Development team is proposing one primary design and two alternate plans for consideration. The Primary Design complies with the clarified limits of construction and Hennington Island buffer distributed in January 2017. Alternate Plan I is the design originally embraced by the university committee, and assumes that the site restrictions with regard to Hennington Island are surmountable. Alternate Plan II proposes a plan addressing parking for the Hotel and Alumni Center. **The descriptions of the Hotel facility and the Alumni Center herein apply to the Primary Design, unless otherwise specified. The Primary Design and Renderings can be found on pages 9-26.**

THE FACILITY

The Hotel and Conference Center will be positioned as the “living room” of the University – a place to host, gather, entertain, and relax. Together with the adjacent Alumni Center, the Hotel will provide a vibrant environment for University Alumni and the campus as a whole.

The Hotel will be situated adjacent to and overlooking the Hennington Island preserve, highly visible from both SW Eighth Street and East Campus Circle. The guest tower will be at minimum six-stories tall, consistent in scale and style with other recent, high-profile, campus developments. The Hotel will convey an image of a technologically advanced, high quality hotel with modern comforts.

The 150-room hotel will provide four-star accommodations for alumni, families, and campus visitors. The rooms will be appointed with integrated technology and comfortable furnishings for both business and leisure travel. The market restaurant will feature views of the Hennington Island preserve, spilling out onto the terrace providing outdoor dining for an evening meal or refreshments from the bar. The Hotel will be full-service, with room service, a lobby bar, pool and fitness center.

The 28,000 square foot Conference Center will provide space for meetings and receptions of up to 500 guests. It will feature 21 meetings rooms, with built-in technology, providing a state-of-the-art facility. Each meeting room will be furnished with ergonomic chairs and tables, will have built-in audiovisual and will feature tackable walls and presentation features.



Figure 2: The Facility

TAB 10 Design and Construction

The Conference Center will be designed and built according to the International Association of Conference Centers (IACC) criteria.

The interior of the facility will reinforce the University's environment with artwork and colors chosen to reflect FIU. The facility will be "Pantherized" to distinctly and boldly mark itself as a FIU destination. The hotel lobby will be a light-filled, two-story high space, with views directly across the entry plaza to the Alumni Center atrium.

THE ALUMNI CENTER

The Alumni Center will be sited to the east of the Hotel, directly on East Campus Circle, facing south towards the heart of campus. This arrangement places the Alumni Center in the most prominent position possible – clearly visible from the entrance roundabout, with the Hotel as a backdrop. This is consistent with the Alumni Center's identity as a high-profile campus resource for both alumni and students. Although the Alumni Center is solidly connected to and accessible from on-campus locations, it will also be visible from off-campus, consistent with its identity as a focal point for alumni and families.

The Alumni Center will be a two story building, consistent with the program as presented, but could easily be adapted to incorporate expansion space or other functions in the same location.

The Alumni Center entrance atrium will be a light-filled, two-story-high space, celebrating the history, achievements, and traditions of FIU alumni past and present, and will feature large, welcoming entries oriented towards the shared hotel entry court as well as directly from East Campus Circle – reinforcing this facility's connection with student life. The second story offices will be designed to maximize the use of natural light to enhance the well-being of occupants with views to the outdoors.

THE EXTERIOR

The Alumni Center and Hotel will be adjacent, connected, and complementary. The shared arrival and lobby areas will greet University Alumni, as well as hotel guests, to the University living room. Food/beverage and meeting facilities in the Hotel and Conference Center will be arranged to provide maximum convenience for those coming from the Alumni Center.

The exterior landscape will be designed to feature a variety of outdoor event spaces, accommodating both daytime and evening events which will take advantage of Miami's mild climate and the best views towards the Hennington Island preserve. The outdoor pool will provide additional exterior event space.



Figure 4: Alumni Center

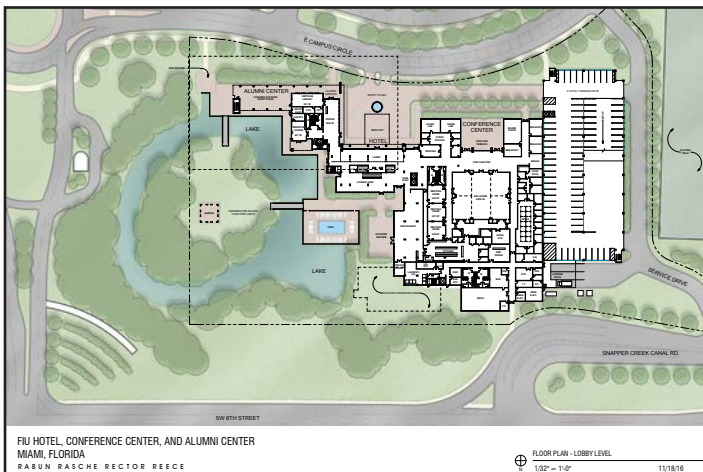
TAB 10 Design and Construction

ALTERNATE PLANS

ALTERNATE PLAN I (PAGES 27-29)

Alternate Plan I supposes that the Hennington Island site restrictions are surmountable and imagines engaging the water around the bank to enhance the accessibility of the site's natural features to the Alumni Center and the Hotel.

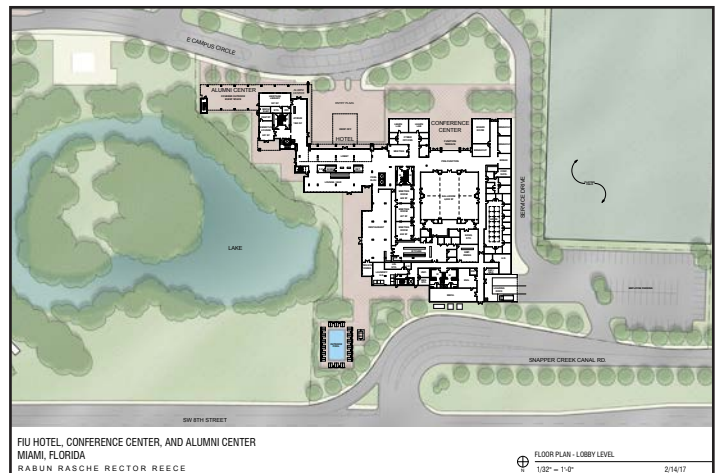
This opens up other possibilities which could include the grooming or otherwise further development of the island as a protected campus open space, safely accessible to the campus public, and a natural extension of both the Hotel and Alumni Center outdoor functions.



The Alternate Plan I can be found on pages 27-29.

ALTERNATE PLAN II (PAGES 31-33)

Alternate Plan II would eliminate the need to build a dedicated parking structure to serve the Hotel and Alumni Center. Alternative Plan II would require the University to either build a new parking garage on the current Lot #9 and lease or sell the Hotel and Alumni Center parking spaces. As an alternative to building a new parking garage, the University would lease the Hotel and Alumni Center surface spaces in the existing Lot #9. This would eliminate a costly addition to the development of the facility that was necessitated with the reduction of the overall site size when limitations of proximity to Lake #14 and Hennington Island were imposed on the project. Either of the options of Alternative Plan II would provide the University with added long-term revenue on a fixed contract basis from the Hotel and Alumni Center operations.



The Alternate Plan II can be found on pages 31-33.

CRITICAL ISSUES

- Environmental impacts due to the site being located in an environmentally sensitive area.
 - The proposed construction team has extensive experience working in environmentally sensitive areas and on projects with additional environmental restrictions/concerns.
 - Moss will develop a proactive plan to mitigate impact to surrounding areas.
- Impact to students and campus activities.
 - Moss, our general contractor, has extensive experience on FIU's MMC Campus and understands the expectations of performing work on campus.
 - Moss will develop logistics and construction plans that prevent any impact to students and on campus activities.
- Existing conditions/site conditions.
 - Moss has extensive experience on FIU's campus and understands better than anyone else the working site conditions and what is needed to successfully complete the project.
 - Moss also has extensive knowledge of the existing campus infrastructure, including underground electrical, chilled water, water, and sewer.
- Material/equipment/waste staging areas.
- Off-site tradesmen parking.
- Separation of the construction area from on-going operations.
- Fire safety & hot work permits.
- Tie in to existing utilities during nights or weekends.
- Disruptive, noisy construction activities completed during off hours.
- Dust Control.

We are mindful that the campus will be in operation during construction. Moss, our general contractor, has extensive experience performing major construction in the heart of operational campuses and in occupied buildings, including the ongoing major expansion of FIU's Wellness and Recreation Center. We will take the necessary measures to eliminate any disruptions to on-going operations and are committed to providing a safe work environment for the students, faculty and construction tradesmen.

OTHER GOALS

SAFE CONSTRUCTION ON AN OCCUPIED CAMPUS WITH MINIMAL DISRUPTION

We are committed to ensuring that FIU can safely conduct "business as usual" during all phases of the project. Our thorough preplanning, coordination, and clear communication will minimize disruptions in the day-to-day operation of the campus and assure the safety of the students and administration in the surrounding area. The construction management plan will be further detailed in collaboration with the project team as the plans are being finalized. We anticipate implementing the following as a minimum:

- All construction traffic will access the site from Snapper Creek Canal Road in lieu of East Campus Circle, which eliminates impacts from construction activities to campus roads.
- Traffic routes and coordination of material/equipment deliveries during off hours.



FIU HOTEL, CONFERENCE CENTER, AND ALUMNI CENTER MIAMI, FLORIDA

RABUN RASCHE RECTOR REECE



FLOOR PLAN - LOBBY LEVEL

1/32" = 1'-0"

2/3/17



FIU HOTEL, CONFERENCE CENTER, AND ALUMNI CENTER MIAMI, FLORIDA

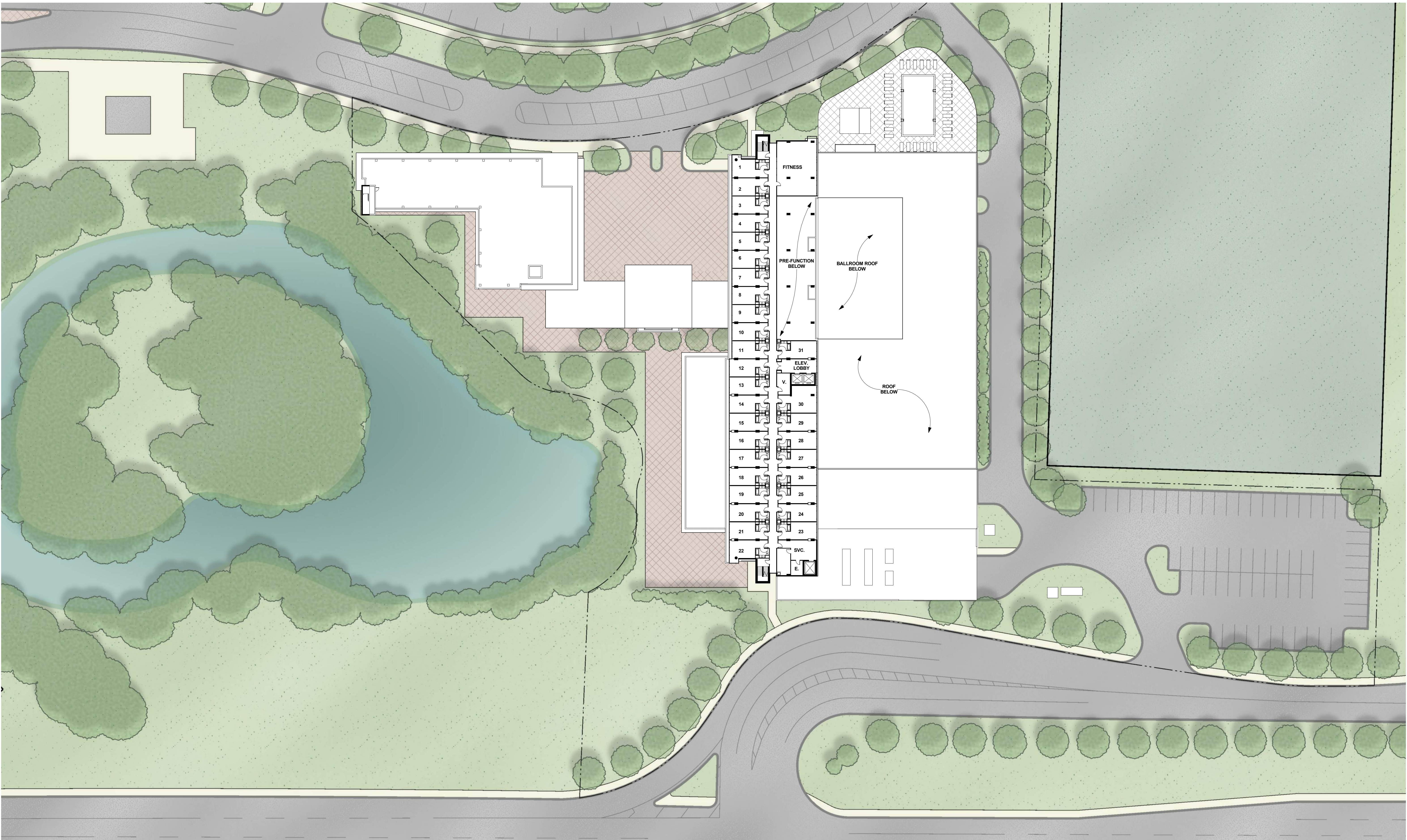
RABUN RASCHER RECTOR REECE



FLOOR PLAN - LEVEL 2

1/32" = 1'-0"

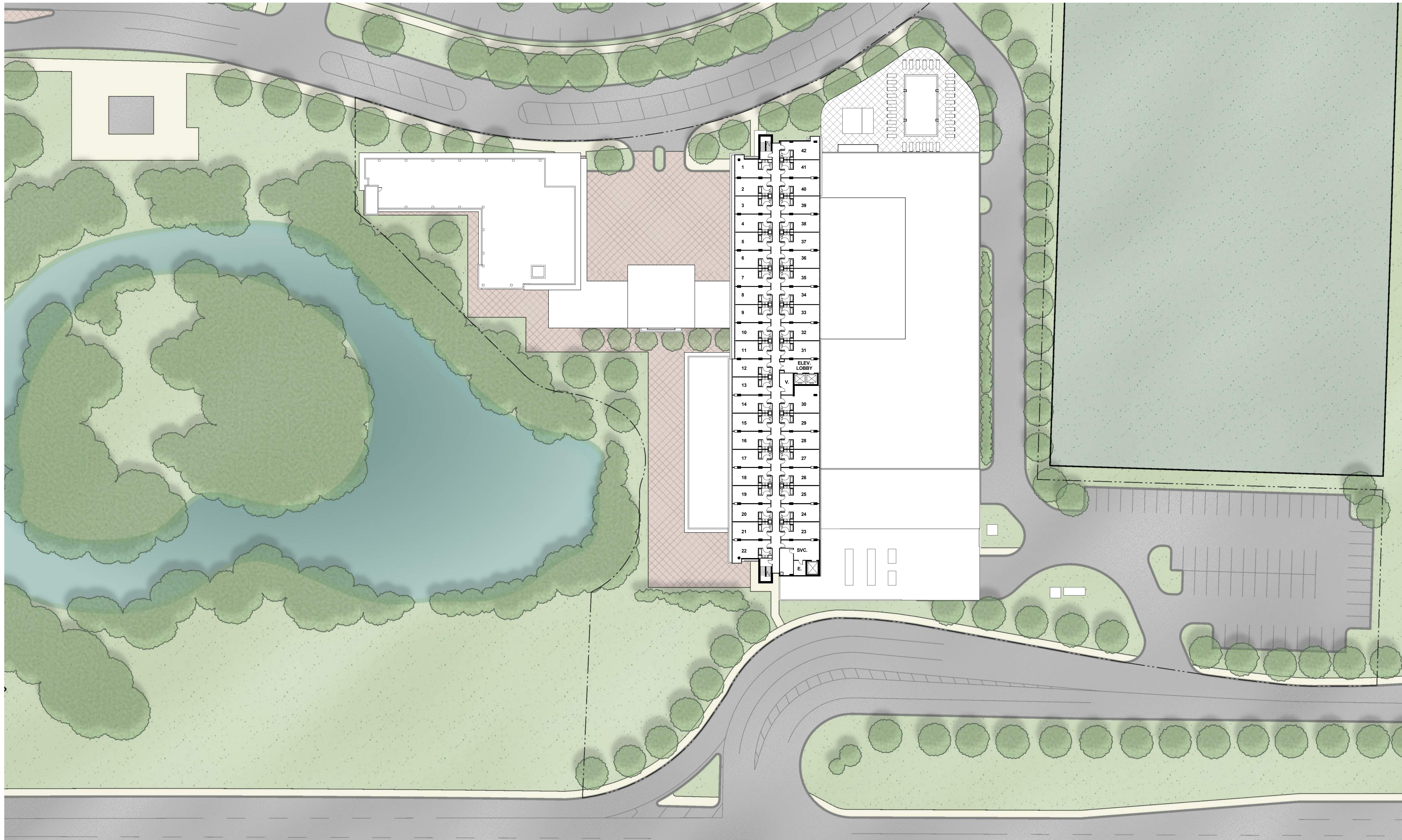
2/3/17



FIU HOTEL, CONFERENCE CENTER, AND ALUMNI CENTER
MIAMI, FLORIDA
RABUN RASCHE RECTOR REECE

FLOOR PLAN - LEVEL 3
1/32" = 1'-0"

2/3/17



FIU HOTEL, CONFERENCE CENTER, AND ALUMNI CENTER MIAMI, FLORIDA

RABUN RASCHE RECTOR REECE

FLOOR PLAN - LEVELS 4-6

1/32" = 1'-0"

2/3/17

TAB 10 Design and Construction - Primary Design Renderings (Hotel and Alumni Center, from East Campus Circle, Daytime)



TAB 10 Design and Construction - Primary Design Renderings (Hotel and Alumni Center, from East Campus Circle, Evening)



TAB 10 Design and Construction - Primary Design Renderings (Hotel, from East Campus Circle)



TAB 10 Design and Construction - Primary Design Renderings (Hotel and Alumni Center, from SW Eighth Street)



TAB 10 Design and Construction - Primary Design Renderings (Hotel and Alumni Center, from the East)



TAB 10 Design and Construction - Primary Design Renderings (Hotel and Alumni Center, Aerial)



TAB 10 Design and Construction - Primary Design Renderings (Hotel and Alumni Center, Aerial)



TAB 10 Design and Construction - Primary Design Renderings (Alumni Center from Entry Court, Daytime)



TAB 10 Design and Construction - Primary Design Renderings (Alumni Center from Entry Court, Evening)



TAB 10 Design and Construction - Primary Design Renderings (Main Entrance and Drop-Off)



TAB 10 Design and Construction - Primary Design Renderings (Hotel and Alumni Center, Evening)



TAB 10 Design and Construction - Primary Design Renderings (Entry Court, Evening)

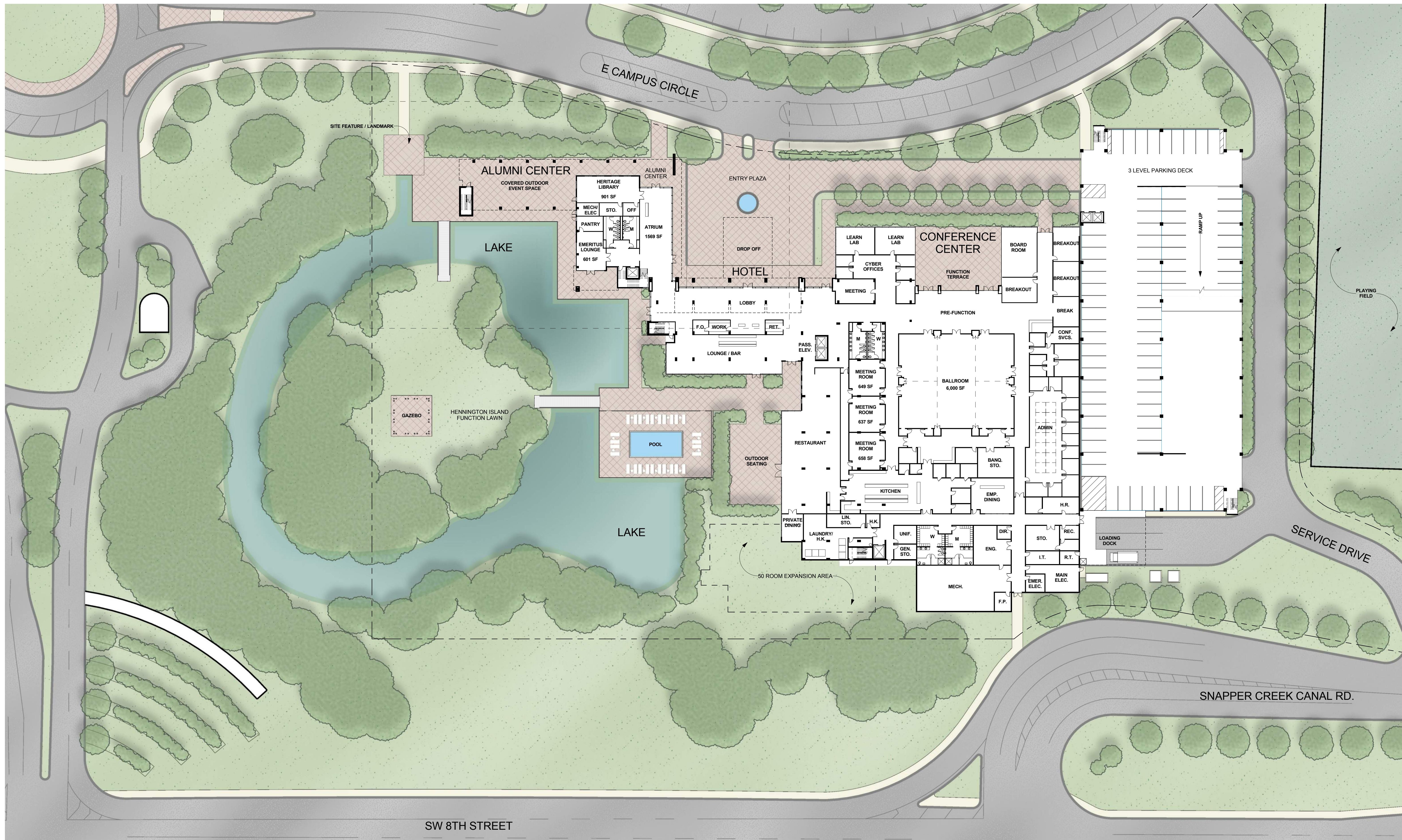


TAB 10 Design and Construction - Primary Design Renderings (Hotel and Alumni Center, Evening Aerial)





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FIU HOTEL, CONFERENCE CENTER, AND ALUMNI CENTER MIAMI, FLORIDA

RABUN RASCHE RECTOR REECE

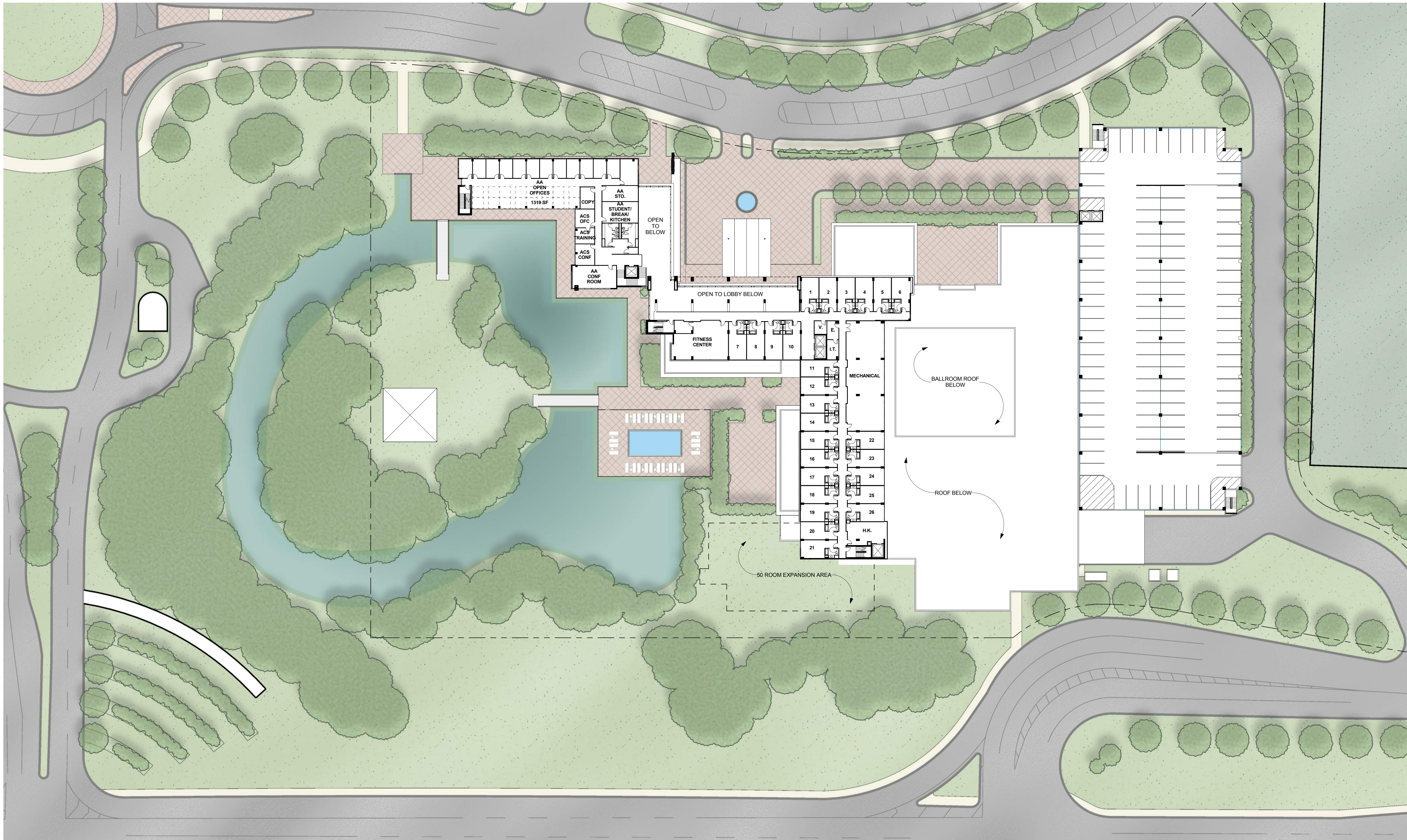
Alternate Plan I

FLOOR PLAN - LOBBY LEVEL



1/32" = 1'-0"

11/18/16

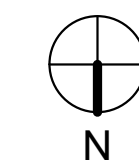


FIU HOTEL, CONFERENCE CENTER, AND ALUMNI CENTER MIAMI, FLORIDA

RABUN RASCHE RECTOR REECE

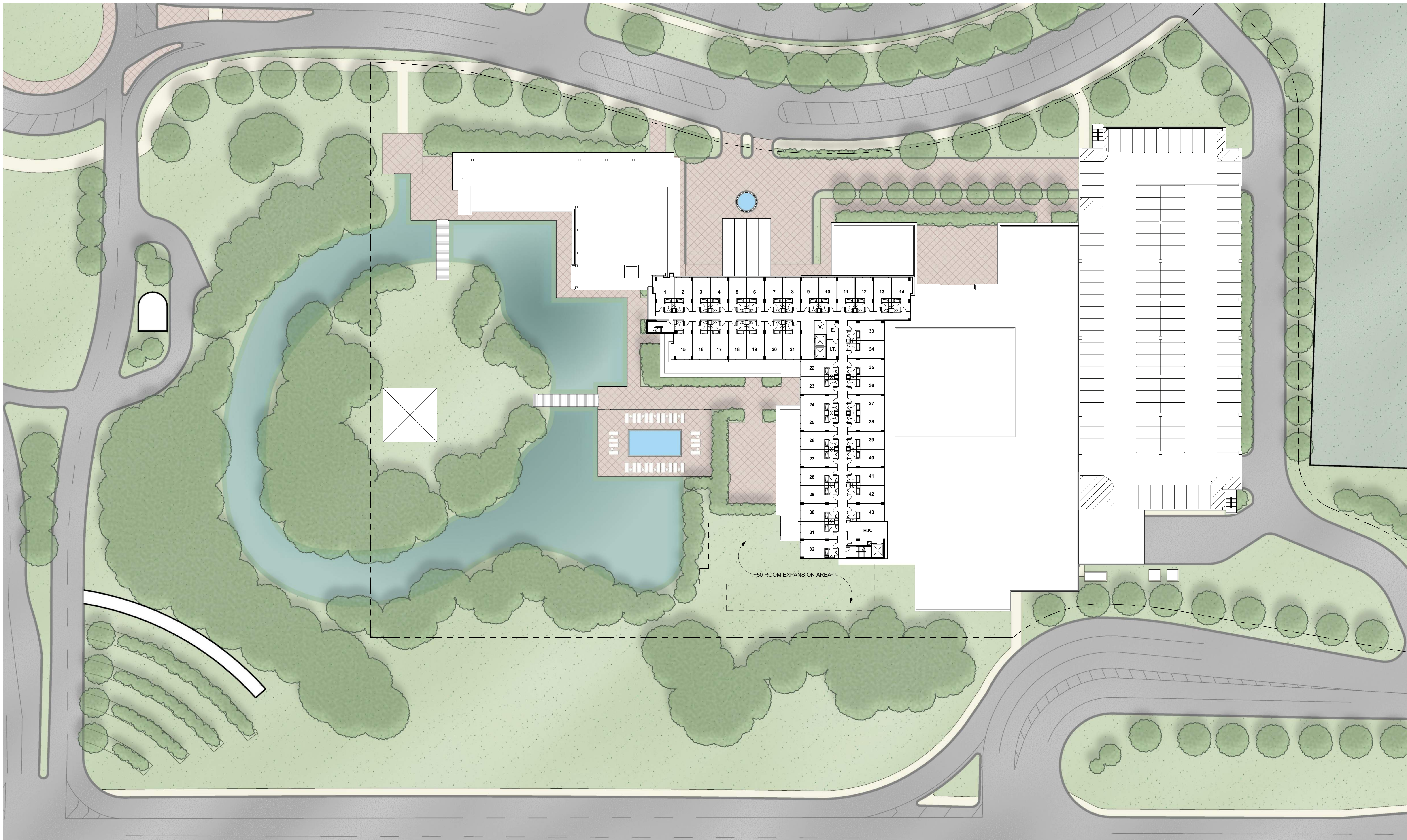
Alternate Plan I

FLOOR PLAN - LEVEL 2



1/32" = 1'-0"

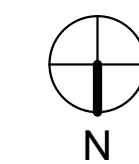
11/18/16



FIU HOTEL, CONFERENCE CENTER, AND ALUMNI CENTER
MIAMI, FLORIDA
RABUN RASCHE RECTOR REECE

Alternate Plan I

FLOOR PLAN - LEVELS 3-5



1/32" = 1'-0"

11/18/16



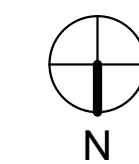
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FIU HOTEL, CONFERENCE CENTER, AND ALUMNI CENTER
MIAMI, FLORIDA
RABUN RASCHE RECTOR REECE

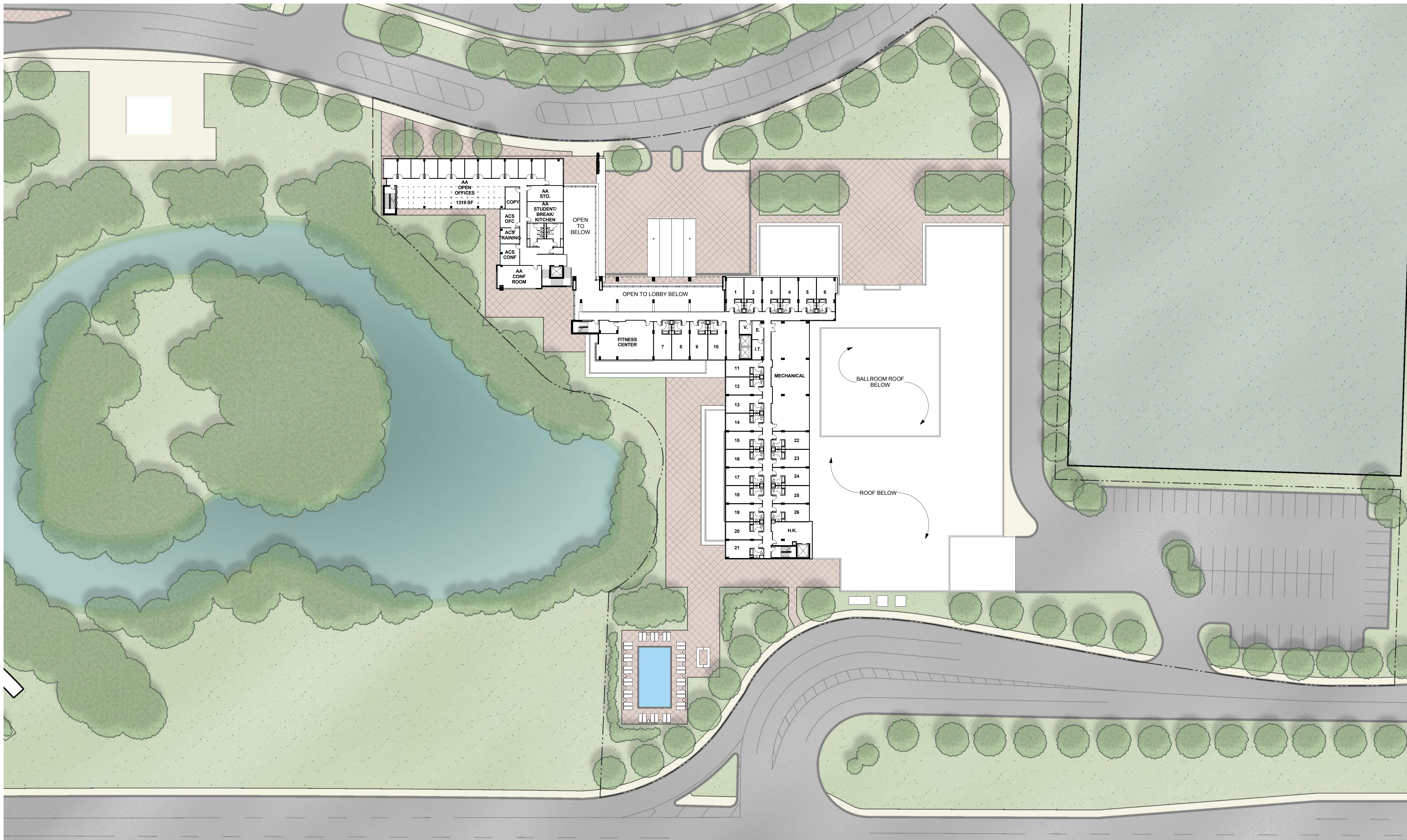
Alternate Plan II

FLOOR PLAN - LOBBY LEVEL



1/32" = 1'-0"

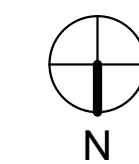
2/14/17



FIU HOTEL, CONFERENCE CENTER, AND ALUMNI CENTER
MIAMI, FLORIDA
RABUN RASCHE RECTOR REECE

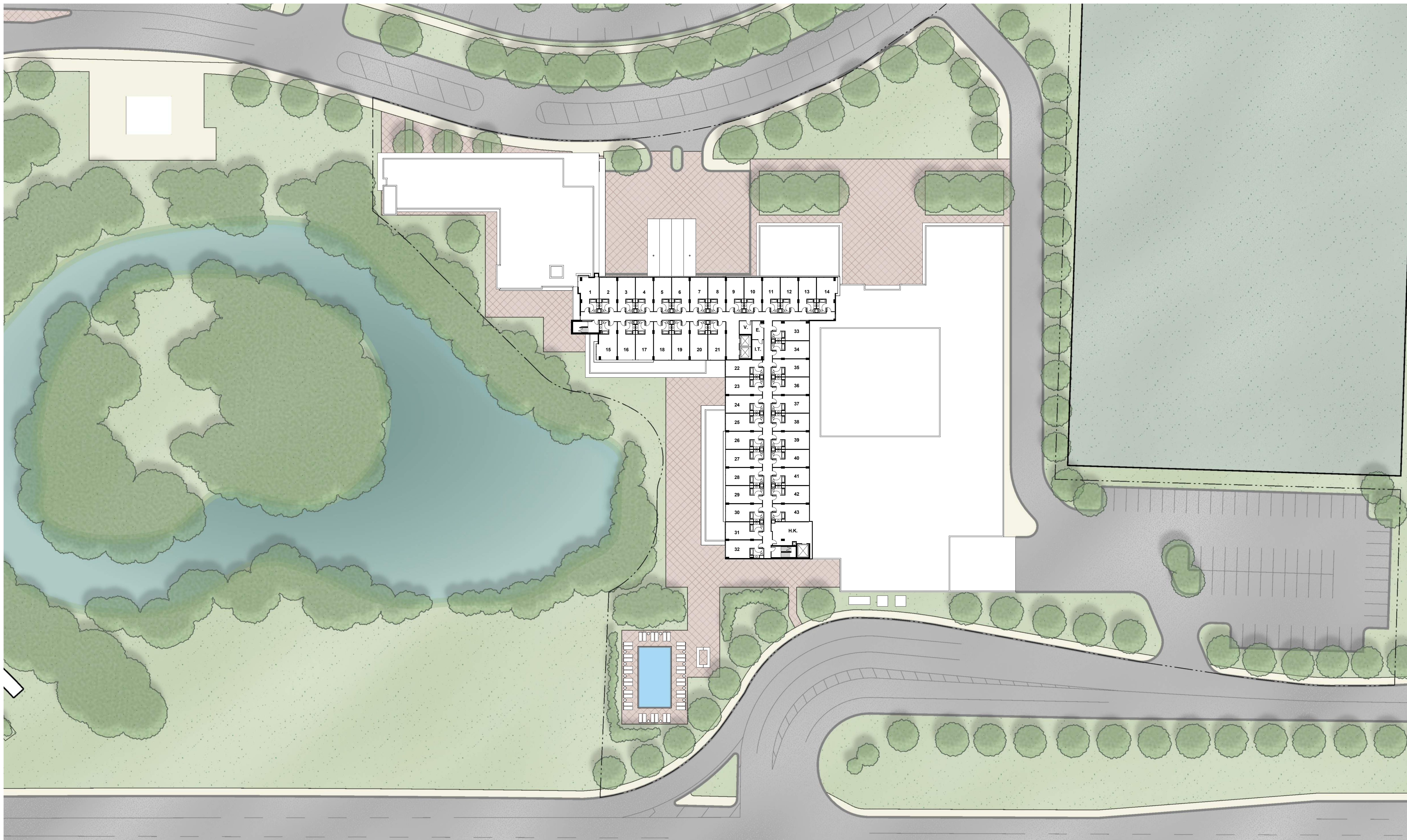
Alternate Plan II

FLOOR PLAN - LEVEL 2



1/32" = 1'-0"

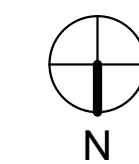
2/14/17



FIU HOTEL, CONFERENCE CENTER, AND ALUMNI CENTER
MIAMI, FLORIDA
RABUN RASCHE RECTOR REECE

Alternate Plan II

FLOOR PLAN - LEVELS 3-5



1/32" = 1'-0"

2/14/17

TAB 10 Design and Construction

IMPLEMENTATION PLAN

MAJOR STEPS IN THE IMPLEMENTATION PROCESS

- Finalize design team and consultants.
- Meet with FIU Stakeholders after selection and award of project.
- Confirm site and any associated challenges.

MAJOR ACTIVITIES THAT INVOLVE FIU COORDINATION

- Identify adjacent areas that may be disrupted, and what work limitations we may encounter.
- Look ahead at FIU major events on campus that may be impacted by construction activities, or vice versa.
- If a Hotel Flag is selected, FIU and Hotel Brand Standards need to align for a successful project.
- FIU involvement in the design of their Alumni Center.

TIME FRAMES FOR CRITICAL ACTIVITIES AND OTHER TASKS

- Early selections on long-lead items to develop a Guaranteed Maximum Price (GMP).
- Process for Permitting to be established early on to avoid any delays.
- Coordinate with FIU & Project Development Teams on any opportunities for Direct Owner Purchase (DOP) items that may save on taxes.

MITIGATION PLAN TO REDUCE RISK AND MINIMIZE CHANGE ORDERS

Mitigating risk and change orders begins with real-time scheduling and cost estimating to maintain an accurate picture as the design progresses and throughout the entire project duration. As Rabun Rasche Rector Reece Architects (Rabun) works to complete design, Moss' operations-led, preconstruction team in concert with our Virtual Design and Construction (VDC) Department may perform clash-detection and constructability review. In addition, Moss will coordinate kick-off and collaboration with the relevant permitting agencies.

With a well-planned design prepared, Moss will bid to prequalified subcontractors. The bid packages and process is designed to ensure accurate bids.

Our team understands that conflict happens but it is how you handle conflict that matters. Our proven conflict management plan will ensure a fair and transparent process focused on solving conflict at the lowest level.

COST ESTIMATING

To ensure your project remains within budget as design progresses, we will generate a Variance Report to illustrate the cost adjustments in each division of work. This report will note any changes made from the initial estimate and will give a brief explanation as to why the cost increased or decreased. This procedure has proven extremely valuable for our clients as it helps them make informed decisions about their program and its forward progress.

As a way to monitor and control cost during construction, Moss will implement our Subcontractor and Material Status Report (SMSR) that will provide the project team with a method of tracking purchasing items, shop drawings, submittals, material delivery and subcontractor installation. Our staff will also distribute a Monthly Status Report (MSR) to summarize the financial and operational status of the project. This report will quickly flag any potential areas needing attention. Weekly meetings will be held with FIU staff and subcontractors as a way to keep all parties informed and moving forward collectively.

Example 1: Nova Southeastern University Don Taft University Center & Athletic Facility

To manage and hold the GMP, Moss staff purchased the entire job within 90 days from Notice to Proceed. Costs were then tracked and monitored in the field through the use and administration of our Subcontractor and Material Status Report. This procedure allowed our field crews to keep change orders to a minimum by making sure scopes of work were accurate and complete.



TAB 10 Design and Construction

Thirty-six major value engineering suggestions were proposed during the preconstruction phases of NSU's Don Taft University Center & Athletic Facility, including changing the color of the glass-tinting and substituting EIFS systems for metal wall panel systems. Additional minor value engineering suggestions, such as proposing alternate equipment manufactures, were proposed during the buyout phase with subcontractors.

Example 2: University of Miami Biomedical Research Center

To ensure costs remained on target during preconstruction, four estimates were developed, starting with the conceptual budget and ending with the GMP. Despite the challenge of working through a very turbulent market, a GMP was provided to the University that was within 2% of the original conceptual budget. During preconstruction, 147 value engineering suggestions were proposed, of which, 76 were accepted, resulting in \$2.1 million in savings for UM.



One significant item that was accepted by the University included the reconfiguration of a key architectural fin feature that wrapped the entire 10-story structure.

By modifying the originally proposed metal panel system to a more conventional and readily available lightweight precast concrete system, the result was \$750,000 in savings of material costs without sacrificing design intent. Additionally, the initial \$900,000 light fixture package

was investigated and it was determined that an identical substitution could be proposed to reduce the cost to \$600,000. This proposed solution ultimately saved the University an additional \$300,000.

Example 3: Nova Southeastern University Commons Residence Hall

At NSU, approximately 200 value engineering ideas were proposed, with over 100 accepted at a savings of \$1,900,000. Bids are reviewed and apparent low bidders are asked to suggest value engineering ideas.



A great example is the change of the entire structural system for a savings of over \$2 million dollars, and was done early in the design process so as not to delay the drawing completion process. At the schematic design drawing phase, bids were solicited for a masonry/stucco exterior wall system with a cast in place floor system. Due to current market conditions, pricing came in over budget. Plans were sent to tilt wall and precast floor subcontractors for a conceptual price. The results indicated significant savings, so the structural plans were changed, saving the owner approximately \$3 million.

SCHEDULING

Our schedules will also determine the adequacy of the trade contractor's personnel, equipment and availability of materials to meet schedule requirements. Critical activity sequences and accelerated planning efforts will be identified to ensure the schedule is maintained. In the event of unanticipated changes, we will reschedule the balance of the project to assure completion within the original time period.

TAB 10 Design and Construction

In order to hold all parties accountable, our schedules will include a Task Assignment Matrix that will clearly identify each team member's responsibility and deliverable date. By utilizing this matrix and making the schedule review process part of every progress meeting, our team will be able to pro-actively maintain and monitor the schedule.

The project Baseline Schedule will be updated and distributed to FIU monthly or more frequently if required. The Short Interval Schedule will be updated, distributed and reviewed at regularly held subcontractor coordination meetings.

It is standard procedure for the Moss team to conduct and document an early plan review meeting. By meeting with permitting authorities in the early design phases, we ensure their familiarity with the project and can address their comments prior to submitting our permit application, which will expedite the overall process.

Example 1: Florida International University Parkview Hall

Scheduling was a key goal that presented some challenges for the Moss team, in that they had to complete the project by the Owners very aggressive timeline. To maintain the project time line, Moss developed a schedule that delivered maximum efficiency and helped the design team make early decisions that would accelerate the construction of the project.

The schedule was divided into five flow lines – East Building-North, East Building-South, West Building, Parking Garage, and Site Work. Each flow line had its own Moss Superintendent and independent subcontractor crews. During the development of the design, Moss helped the design team make critical selections:

- A tunnel form structure that could be erected quickly.
- The use of architectural precast panels that could be fabricated off-site and erected quickly once delivered.
- The use of prefabricated bathroom pods that were shipped complete, except for the floor mounted toilet – the pods were shipped in "ready for installation" condition, complete with tiles

installed, paint on the walls, and shower fixtures in place.

- Moss helped to make material substitutions that had short lead times and equal value.



Taking all these measures allowed the Moss team to successfully meet the owners required time frame for the on-time delivery of their project.

Example 2: Nova Southeastern University Don Taft University Center & Athletic Facility

Once the schedule was fully developed, several reports were generated including: Overall Project Schedule, six Week Outlook and Material Procurement. A regular monthly jobsite meeting was held with all Subcontractors, Project Managers, and Superintendents. These meetings focused on the critical path, 6 week look ahead, and the material procurement aspect. It is through these meeting that Moss was able to communicate the critical path of the project and address manpower shortages and ensure that the subcontractors were monitoring the material procurement progress jobsite at the proper times.



TAB 10 Design and Construction

Utilizing this process outlined above, we were quickly able to address a manpower problem associated with the Form Work Contractor at the NSU University Center. It became evident that although this particular subcontractor started on the correct dates for each activity, he was struggling to maintain the original duration dates. Accordingly, Moss supported this Subcontractor by “loaning” several of our carpenters from another project to this Subcontractor. Through careful monitoring and proactive solutions, we maintained the close relationship with this Subcontractor, overcoming manpower issues and ensuring success for the project.

Example 3: Divine Savior Academy & Athletic Fields
When the project began in June 2014, the Temporary Certificate of Occupancy (TCO) date was scheduled for 8/20/15 in order for the new facilities to be ready for the 2015-2016 school year.



From the very beginning, weather provided challenges to keeping this schedule as there were 50-60 days of rain in the first three months, thoroughly saturating the soil and creating difficulty in obtaining proper density for building pads. There were also unforeseen soil issues that had to be addressed; approximately 5 acres of the project site required soil decontamination before construction could begin. The team adjusted the schedule and several of the subcontractors were able to supply more workers which allowed everything to stay on track.

Throughout the construction of the project, schedules and activities had to be coordinated across 7.75 acres of the active school campus to minimize disruption to the school. This involved constant communication with the Owner and

School to schedule shut down periods of specific areas as needed and any construction affecting the existing building was scheduled around student holidays and early releases, to make sure that work took place and was completed by the time classes reconvened. Other site activities that are typically performed at the start of construction were delayed until summer vacation to provide the school with sufficient parking for teachers, faculty, students, and parents. All of these efforts resulted in successful achievement of TCO at the scheduled date of 8/20/15.

VIRTUAL DESIGN AND CONSTRUCTION (VDC)

An integral part of our quality control is the use of VDC for the development of design and construction documents for our projects. Utilizing VDC allows all members of the development team to visualize the project throughout all phases to ensure that requirements are met to avoid conflict and additional costs due to changes during construction.



VDC: Virtual mock-up and construction simulation used for design and constructability analysis at the FIU Parkview Hall

VDC mock-ups are used to analyze proposed construction details, test for performance, and clarify, for approval, the appearance of proposed designs. Through virtual mock-ups, we can quickly determine constructability issues and provide design alternatives to ensure the most efficient project with respect to time and costs.

An integrated VDC model can evaluate building constructability at post-conceptual and schematic design,

TAB 10 Design and Construction

all through the design development, preconstruction and construction phases to guarantee that the building, as designed, can be built to meet the targeted schedule and costs. With constructability reviews, VDC minimizes capital expenditures and the overall project financials to a great extent as a VDC model characterizes building designs.

The use of 3D modeling and coordination, allows construction professionals obtain an overview on how projects come together, remain coordinated and consistent, lessen complications, and save time and money during the life-cycle of the project.

The VDC process allows knowledgeable building contractors to participate earlier on in the construction process to provide feedback and recommend solutions that will help develop the overall design, integrating their means and methods.

The VDC constructability analysis is applied to review the means and methods associated with the construction sequence, equipment access, and the assembly of difficult components. The ability to apply the VDC constructability analysis process during the design phase has a valuable impact on the buildability of the design.

Benefits:

- Evaluate the design early-on in the process to review constructability of the project, as well as means and methods for construction feasibility.
- Review and ensure code compliance, value engineering, schedule and quality.
- Logistical planning for construction of the building.
- Verify design is made to fulfill targeted cost and schedule.
- Discover inaccuracies and/or omissions in the design and construction documents.
- Increase safety by reducing rework.
- Understand the project better and in more detail.

VDC technology optimizes document coordination, provides early detection of conflicts, and serves as a living record keeping tool for building operations for years to come.

PERMITTING KICK-OFF AND COLLABORATION

Our team has extensive experience with permitting and inspections on the FIU Modesto A. Maidique Campus. Rabun and Moss will meet with FIU prior to the initial review to discuss the overall process. Our goal is to minimize back-and-forth revisions based on FIU, CAP, and State Fire Marshall comments and increase schedule efficiency.

SUBCONTRACTOR PREQUALIFICATION AND BID MANAGEMENT

See Tab 13 for a detailed description of our subcontractor prequalification and bid management plan.

CONFLICT MANAGEMENT

The Moss team believes that communication is the key to avoiding misunderstandings and conflicts while assuring that all anticipated surprises are prevented. As part of Moss' primary focus on relationship-building, jobsite teams strive to develop, improve, and maintain close communication with the University, as well as all of the subcontractors and vendors associated with each project.

We make it a top priority to look out for Florida International University's interests. Our approach to the project, determined during preconstruction, serves the University's goals. Jobsite teams are available to the University and dedicated to the success of every project.

Example 1: Florida International University Parkview Hall

Conducting a successful construction project on an active campus presents numerous challenges and potential conflicts ranging from the safety of university students and faculty, to the preservation of everyday campus life.



TAB 10 Design and Construction

In an effort to limit the impact of construction on a day-to-day basis, Moss implemented a number of actions to ensure the campus experienced as few interruptions as possible:

- Saturday work was kept to a minimum and was never held on a Saturday when FIU hosted a home football game.
- During the Fall and Spring classes when campus traffic was heavier Moss made their deliveries after 9 a.m. during the first month of each semester.
- Vendors were given specific routes to be followed for the duration of the project, in order to keep deliveries away from the heart of the campus.
- The University was given at least one week notice to keep impact at an absolute minimum.

By putting these elements in place, the students and faculty experienced minimal disruptions during the construction process. Even though some elements presented challenges, the team was able to successfully enact these practices during construction and avoid potential conflicts.

Example 2: Nova Southeastern University Don Taft University Center & Athletic Facility

This particular project was being built not only on an occupied campus, but was to be performed near NSU's highly active student cafeteria. This required close coordination, sequencing and communication. Meetings with the facilities management team, Housing Directors and several Deans took place quickly to ensure that we consistently communicated our scheduled phasing of construction. Through this proactive communication, guidelines were set in place and traffic maintenance was coordinated and communicated through campus signage, dormitory notices, plus NSU's intranet and e-mail notices. This approach was very effective in avoiding any potential conflicts.

Approximately 50% of construction was complete on the Don Taft University Center, when NSU unveiled plans to build a Performing Arts Center, which was to be attached to the University Center being built at the time. NSU originally planned to have construction start after the completion of the University Center. However, after

meeting with NSU, it was clear that they really needed the Performing Arts Center to be completed earlier than the University Center as they had intended for the opening of the Performing Arts Center to coincide with a planned expansion of the Fine Arts program due to demand growth. Given this challenge, a series of meetings took place, which included both NSU and subcontractors. As a result, a plan was developed to keep the start date of the Performing Arts Center on track. There were several key solutions in resolving this conflict.

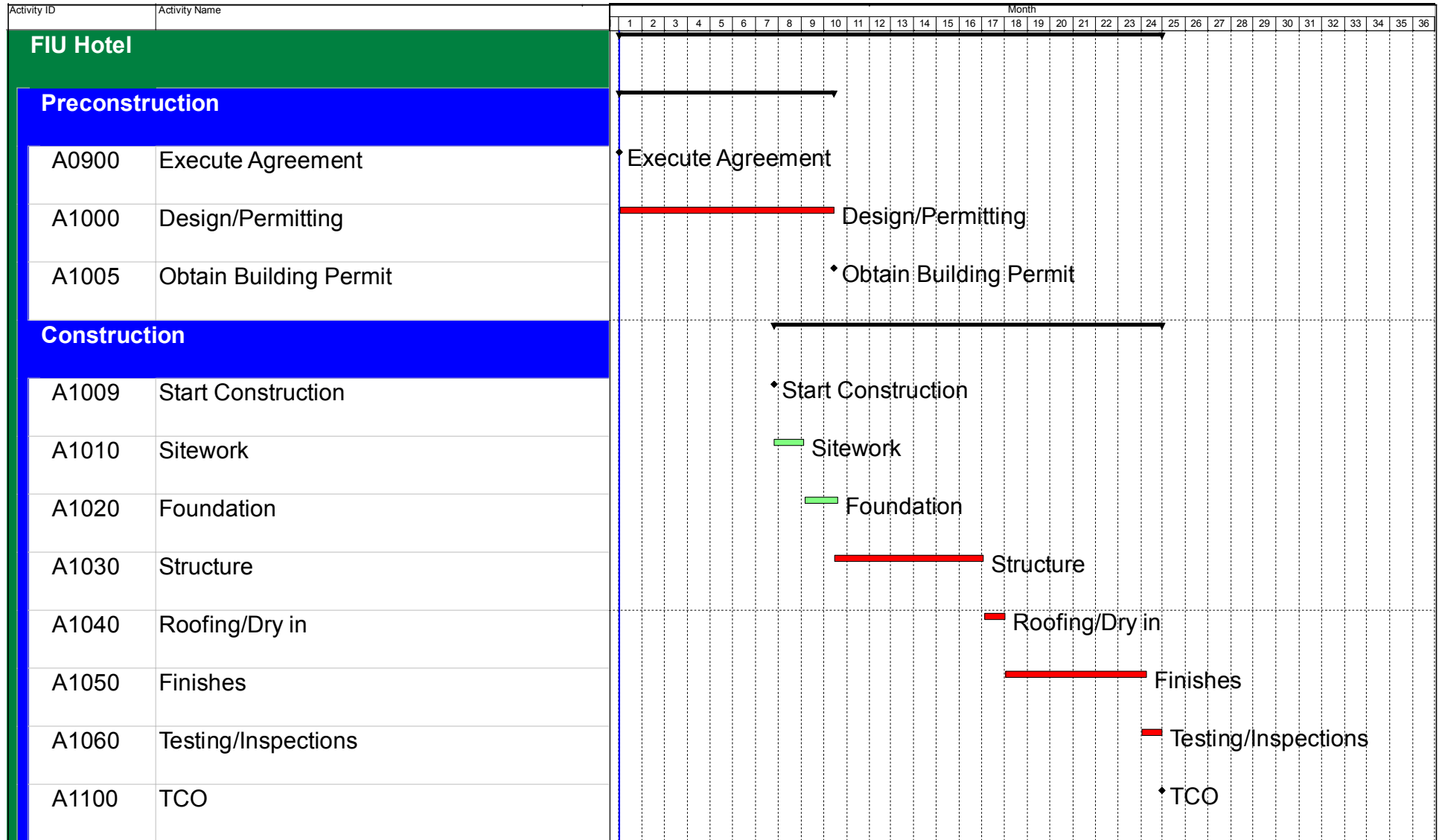


Initially, a list was drawn up, comparing the pros and cons of the immediate construction of the facility, versus waiting. Then, a cost estimate of the savings that could be realized by building now was generated. Since a portion of the work was tied-in to the Performing Arts Center, all savings were credited back to NSU. This approach eliminated any need for demolition, allowed for the utilities design to be fed through the University Center and resulted in a savings from general conditions. These savings were realized because site mobilization of all contractors had already occurred.

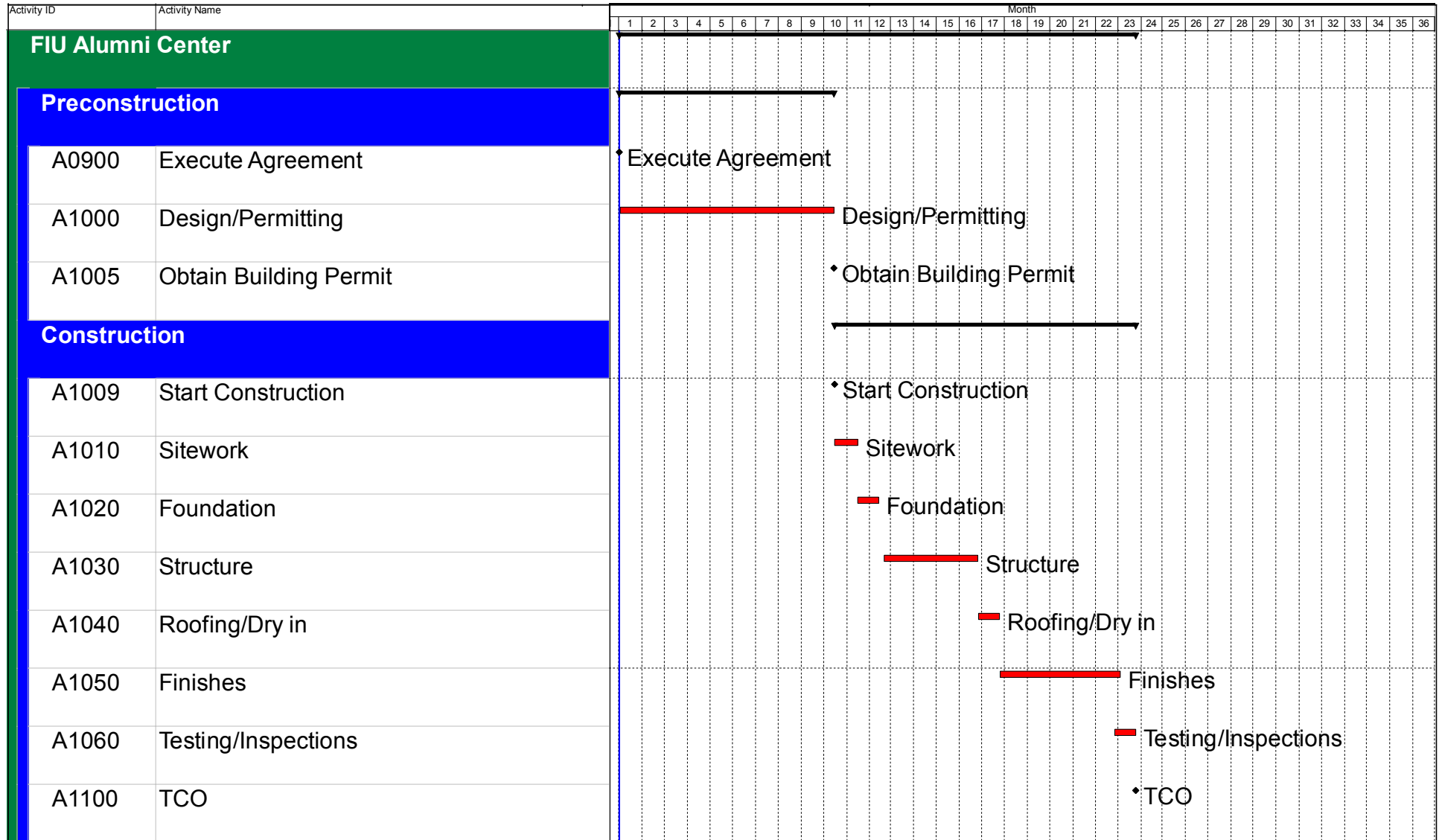
Example 3: University of Miami Biomedical Research Center

Due to a volatile construction market in South Florida, several initially designed structural components had limited availability such as PSI Joist products. During the preconstruction phase, a collaboration was formed with the owner, design team and subcontractors to propose a conventional pan-formed system in lieu of the originally proposed PSI joist system. The alternate system was implemented within 30 days and avoided any potential budget and/or schedule delays.

TAB 11 Schedule For the Facility



TAB 11 Schedule For the Alumni Center



Concept Drawings and Program Area dated February 8th, 2017		GSF
Pricing Based on a 4th Quarter 2017 Construction Start		TOTAL COST
No.		Trade Item
		GSF
1.1	General Requirements	\$ 308,881
1.2	Temporary Utilities Consumption Costs	\$ 136,952
1.3	Dumpsters & Trash Chute	\$ 234,651
1.4	Final Cleaning	\$ 74,170
2.1	Building Demolition	NOT ANTICIPATED
2.2	Survey, Line, & Grade	\$ 75,000
2.3	Dewatering - Allowance	\$ 75,000
2.4	Deep Foundations Allowance	\$ 709,508
2.5A	Earthwork and Grading	\$ 950,000
2.5B	Demucking Allowance	\$ 350,000
2.5C	Paving , Curbs, Sidewalks and Street Overlay	\$ 413,662
2.5D	Utilities Allowance (Storm, Sewer, Water , Grease Traps)	\$ 700,000
2.6	Pavers/ Hardscaping (incl. Amenity Level Pavers)	\$ 480,000
2.7	Landscaping and Irrigation - Allowance	\$ 350,000
2.8	Striping, Wheel stops, and Garage Signage	\$ 22,080
2.9	Site Furnishings Allowance	\$ 35,000
3	Temp. Sheet Piling and Bridges at Lake Allowance	\$ 400,000
3.1	Fencing and Gates	\$ 25,000
3.2	Gazebo	\$ 45,000
3.1	CIP Concrete	\$ 7,874,607
3.2	Safety	\$ 98,513
3.3	Materials & Personnel Hoist	\$ 126,413
4.1	Masonry	\$ 1,608,700
5.1	Misc. Metal Fabrications	\$ 625,000
5.2	Parking Garage Façade Screening Allowance	\$ 100,000
5.3	Barrier Cables	\$ 30,000
6.1	Rough Carpentry	\$ 27,938
6.2A	Finish Carpentry Allowance @ Hotel	\$ 250,000
6.2B	Finish Carpentry Allowance @ Conference Center	\$ 750,000
6.2C	Finish Carpentry Allowance @ Alumni Center	\$ 250,000
6.3	UnitVanity Cabinetry and Countertops - Allow \$1,000/ Unit	\$ 153,000
7.1	Waterproofing & Caulking	\$ 325,000
7.2	Roofing, Sheet Metal, & Accessories	\$ 1,049,571
7.3	Spray on Thermal Insulation (installed at Non-Conditioned areas with AC Areas above)	\$ 102,403
7.4	Applied Fireproofing	\$ -
7.5	Fire stopping	\$ 42,163
7.6	Metal Panel - Allow \$45/ SF	\$ 650,000
8.1	Doors, Frames, & Hardware	\$ 987,750
8.2	Overhead Doors	\$ 20,000
8.3	Storefront, Glass, & Glazing	\$ 2,935,675
9.1	Stucco (Exterior - Walls & Soffits)	\$ 1,091,720
9.2	Drywall	\$ 2,250,000
9.3	Acoustical Ceilings	\$ 262,000
9.4	Painting - Interior & Exterior	\$ 772,500
9.5a	Flooring Allowance - Tile & Stone	\$ 1,007,570
9.5a	Flooring Allowance - Carpet & VCT (Install only at Hotel and Conference)	\$ 350,675
9.6	Sealed Concrete @ BOH	\$ 17,250
10.1	Fire Extinguishers	\$ 13,500
10.2	Postal Mailboxes @ Mail Room	NOT APPLICABLE
10.3	Misc. Specialties Allowance	\$ 130,080
10.3	Unit Specialties (Toilet Accessories, Vanity Mirrors, Closet Shelving)- Allow \$660/ Unit	\$ 100,980
10.4	Glass Shower enclosures - Allow \$650/ Unit	\$ -
10.5	Signage : CODE Req'd. Life Safety ONLY (All other in FF&E)	\$ 37,000

NOT INCLUDED IN GSF TOTAL
210,000
Total \$ \$
75,000
950,000
350,000
413,662
700,000
480,000
350,000
35,000
400,000
25,000
45,000
1,739,080
19,008
170,100
50,000
100,000
30,000
93,750
20,000
35,000
52,500
2,000
2,500

A		
PARKING GARAGE		
62,110	GSF	184
Total \$ \$	\$ / SF	\$ / SPACE
40,000	0.64	217
28,000	0.45	152
17,500	0.28	95
5,000	0.08	27
25,000	0.40	136
201,858	3.25	1,097
22,080	0.36	120
1,739,080	28.00	9,452
19,008	0.31	103
170,100	2.74	924
50,000	0.81	272
100,000	1.61	543
30,000	0.48	163
-	-	0
93,750	1.51	510
20,000	0.32	109
35,000	0.56	190
52,500	0.85	285
2,000	0.03	11
2,500	0.04	14

B		
HOTEL		
109,779	GSF	1
Total \$ \$	\$ / SF	\$
175,000	1.59	
75,000	0.68	
150,000	1.37	
45,000	0.41	
50,000	0.46	
356,782	3.25	
3,842,265	35.00	
63,206	0.58	
126,413	1.15	
663,600	6.04	
285,000	2.60	
23,938	0.22	
250,000	2.28	
153,000	1.39	
85,000	0.77	
297,405	2.71	
20,000	0.18	
450,000	4.10	
517,750	4.72	
1,154,025	10.51	
580,000	5.28	
1,250,000	11.39	
75,000	0.68	
420,000	3.83	
654,470	5.96	
180,675	1.65	
5,000	0.05	
5,000	0.05	
25,000	0.23	
100,980	0.92	
-	-	
25,000	0.23	

Trades Permits are included , General Building Permit Costs and Zoning/ Impact Fees are permits are not included in construction cost.

TAB 11 Financials

EVIDENCE OF CAPACITY TO OBTAIN FINANCING

The Concord Benchmark, LLC development team will source both equity and conventional construction debt for the development of the Hotel. The Development Team will work closely with FIU to obtain “public” sourced funding (i.e., bond financing, grants) for the meeting space component of the project.

Equity (in an amount equivalent to forty percent (40%) of total project costs for the Hotel component) will be raised among the sponsors (Burt Cabañas, Chad Moss and Concord Eastridge) and the debt (sixty percent (60%) of total project costs for the Hotel component) will be sourced via an identified consortium of commercial banks actively lending in the greater Miami region.

The conceptual budget for the Hotel and Conference Center component is approximately \$70 million. Therefore, the amount of equity required will be approximately \$28 million and the construction debt will be approximately \$42 million.

The construction debt will be interest only during the term of the loan and the debt service will be paid during the construction period through stabilization, through an interest reserve fund which is a portion of the construction loan proceeds.

There are normally two loans required to finance a real estate development project, although sometimes these two loans will also be combined into one:

1. Short Term Financing: This stage of financing funds the construction and lease up phase of the project.
2. Long Term Permanent Financing: After a project achieves “stabilization” and leases up to the market level of occupancy, the construction loan is “taken out” by longer term financing.

When a bank combines these two loans into one, it's usually in the form of a construction and “mini-perm” loan. The mini-perm is financing that takes out the construction loan, but is shorter in duration than traditional permanent financing. The purpose of the mini-perm is to pay off the construction loan and provide the project with an operating history prior to refinancing in the perm market. The development team intends to secure a mini-perm loan for the Hotel component of the project and upon stabilization, will refinance the debt with a permanent loan.

Two of the project sponsors (Burt Cabañas and Chad Moss) are two past “Alumni of the Year” honorees at FIU and their personal commitment is to ensure the successful financing, development and operations of the project

FINANCIAL ANALYSIS AND DETAILED ASSESSMENT

The Hotel & Conference Center facility is a promising opportunity with positive investment returns for investors and operational benefits for the University. The total Hotel, Conference Center and Parking development budget is approximately \$70M, with a \$28M equity investment. FIU will receive strategic benefits in having an on-campus, 4 star, full-service Hotel and Conference Center to host guests and events at reduced user rates while receiving \$336,000 in annual ground rent for the ground lease term.

The unique location of the facility on the FIU campus is projected to draw a stabilized high occupancy level of 73.5% at year 3, outperforming most hotels in the competitive general area. Investors will benefit by having a conservative investment with an initial year debt service coverage ratio of 2.36x and a projected year 10 disposition total project IRR of 16.68%.

TAB 11 Financials - Total Development Cost Pro Forma

Hotel, Conference Center, Parking and Alumni Center Estimate of Construction Cost

<u>Total Project Costs (Building + Sitework)</u>	<u>Hotel</u>	<u>Conference Center</u>	<u>Alumni Center</u>	<u>Parking</u>	<u>Total Project</u>
Project Specific					
Total Gross Sq. Ft.	109,779 GSF	46,421 GSF	13,928 GSF	62,110 GSF	232,238 GSF
Hard Cost per Sq Ft.	\$ 300.01	\$ 295.00	\$ 514.40	\$ 62.69	\$ 225.00
Number of Keys/Spaces	150 doors	-	-	184 Stalls	
Hard Costs					
General Construction	\$ 22,921,133	\$ 13,674,068	\$ 4,942,800	\$ 3,893,959	\$ 45,431,960
Contingency	\$ 1,430,681	\$ 844,603	\$ 333,616	\$ -	\$ 2,608,901
FF&E	\$ 4,293,061	\$ 2,012,715	\$ 500,000	\$ -	\$ 6,805,775
IT/Audio Visual	\$ 776,410	\$ 837,485	\$ 230,000	\$ -	\$ 1,843,895
Land Improvement	\$ 3,513,648	\$ 2,074,284	\$ 1,158,121	\$ -	\$ 6,746,053
Total Hard Costs	\$ 32,934,933	\$ 19,443,155	\$ 7,164,537	\$ 3,893,959	\$ 63,436,584
Soft Costs					
Design Architect	\$ 2,002,954	\$ 1,182,445	\$ 500,424	\$ -	\$ 3,685,822
Project Manager	\$ 504,537	\$ 297,854	\$ 115,336	\$ -	\$ 917,726
Permits, Inspections, and Fees	\$ 1,811,523	\$ 1,069,433	\$ 309,786	\$ -	\$ 3,190,742
Other A&E Fees	\$ 724,609	\$ 427,773	\$ 51,631	\$ -	\$ 1,204,014
Total A&E Fees	\$ 5,043,623	\$ 2,977,505	\$ 977,177	\$ -	\$ 8,998,305
Developer					
Developer Fees	\$ 1,177,252	\$ 694,992	\$ 269,117	\$ -	\$ 2,141,361
Total Developer Fees	\$ 1,177,252	\$ 694,992	\$ 269,117	\$ -	\$ 2,141,361
Soft Costs					
Other Soft Costs	\$ 870,735	\$ 514,039	\$ 154,893	\$ -	\$ 1,539,667
Total Soft Costs	\$ 870,735	\$ 514,039	\$ 154,893	\$ -	\$ 1,539,667
Subtotal Project Development Costs	\$ 40,026,544	\$ 23,629,691	\$ 8,565,723	\$ 3,893,959	\$ 76,115,917
Total Pre-Closing and Financing Costs	\$ 1,689,951	\$ 997,664	\$ 226,248	\$ -	\$ 2,913,863
Estimated Construction Cost by Project	\$ 41,716,495	\$ 24,627,355	\$ 8,791,971	\$ 3,893,959	\$ 79,029,780
Cost per Sq Ft	\$ 380	\$ 531	\$ 631	\$ 63	\$ 340
Cost per Key/Space	\$ 278,110	\$ -	\$ -	\$ 21,163	\$ -



Florida International University Hotel & Conference Center - Development Pro Forma Summary

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Days In Years Open	-	-	366	366	366	366	366	366	366	366
Room Count	-	-	150	150	150	150	150	150	150	150
Rooms Available	-	-	54,900	54,900	54,900	54,900	54,900	54,900	54,900	54,900
Occupied Rooms	-	-	38,430	40,352	40,352	40,352	40,352	40,352	40,352	40,352
Occupancy	0.0%	0.0%	70.0%	73.5%	73.5%	73.5%	73.5%	73.5%	73.5%	73.5%
Average Daily Rate (ADR)	\$ -	\$ -	\$ 195.00	\$ 210.00	\$ 220.36	\$ 241.59	\$ 248.84	\$ 256.30	\$ 263.99	\$ 271.91
YOY Growth %	0.0%	0.0%	0.0%	7.7%	4.9%	9.6%	3.0%	3.0%	3.0%	3.0%
RevPar	\$ -	\$ -	\$ 136.50	\$ 154.35	\$ 161.96	\$ 177.57	\$ 182.90	\$ 188.38	\$ 194.03	\$ 199.85
YOY Growth %	0.0%	0.0%	0.0%	13.1%	4.9%	9.6%	3.0%	3.0%	3.0%	3.0%
DEPARTMENTAL REVENUE										
Rooms	\$ -	\$ -	\$ 6,938,194	\$ 7,473,375	\$ 8,450,663	\$ 8,867,562	\$ 9,721,884	\$ 10,013,633	\$ 10,313,832	\$ 10,623,288
Food & Beverage	\$ -	\$ -	\$ 2,241,224	\$ 2,365,882	\$ 2,566,154	\$ 2,650,837	\$ 2,738,315	\$ 2,828,679	\$ 2,922,025	\$ 3,018,452
Conference Services	\$ -	\$ -	\$ 2,997,300	\$ 3,164,011	\$ 3,431,844	\$ 3,545,095	\$ 3,662,083	\$ 3,782,932	\$ 3,907,769	\$ 4,036,725
Telephone	\$ -	\$ -	\$ 175,518	\$ 185,280	\$ 200,964	\$ 207,596	\$ 214,446	\$ 221,523	\$ 228,833	\$ 236,385
Parking	\$ -	\$ -	\$ 472,547	\$ 498,831	\$ 541,057	\$ 558,911	\$ 577,355	\$ 596,408	\$ 616,090	\$ 636,421
Other Income	\$ -	\$ -	\$ 173,267	\$ 182,905	\$ 198,387	\$ 204,934	\$ 211,697	\$ 218,683	\$ 225,900	\$ 233,354
Total	\$ -	\$ -	\$ 12,998,050	\$ 13,870,283	\$ 15,389,069	\$ 16,034,935	\$ 17,125,780	\$ 17,661,858	\$ 18,214,449	\$ 18,784,625
DEPARTMENTAL EXPENSE										
Rooms	\$ -	\$ -	\$ 1,397,015	\$ 1,463,296	\$ 1,574,873	\$ 1,614,245	\$ 1,654,601	\$ 1,695,966	\$ 1,738,365	\$ 1,781,824
Food & Beverage	\$ -	\$ -	\$ 1,703,330	\$ 1,798,070	\$ 1,950,277	\$ 2,014,636	\$ 2,081,119	\$ 2,149,796	\$ 2,220,739	\$ 2,294,024
Conference Services	\$ -	\$ -	\$ 2,277,948	\$ 2,404,648	\$ 2,608,202	\$ 2,694,272	\$ 2,783,183	\$ 2,875,028	\$ 2,969,904	\$ 3,067,911
Telephone	\$ -	\$ -	\$ 128,128	\$ 135,254	\$ 146,704	\$ 151,545	\$ 156,546	\$ 161,712	\$ 167,048	\$ 172,561
Parking	\$ -	\$ -	\$ 33,078	\$ 34,918	\$ 37,874	\$ 39,124	\$ 40,415	\$ 41,749	\$ 43,126	\$ 44,549
Other Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Departmental Expense	\$ -	\$ -	\$ 5,539,499	\$ 5,836,187	\$ 6,317,929	\$ 6,513,822	\$ 6,715,864	\$ 6,924,251	\$ 7,139,183	\$ 7,360,869
DEPARTMENTAL INCOME/(LOSS)										
Rooms	\$ -	\$ -	\$ 5,541,179	\$ 6,010,079	\$ 6,875,790	\$ 7,253,317	\$ 8,067,283	\$ 8,317,667	\$ 8,575,468	\$ 8,841,464
Food & Beverage	\$ -	\$ -	\$ 537,894	\$ 567,812	\$ 615,877	\$ 636,201	\$ 657,195	\$ 678,883	\$ 701,286	\$ 724,429
Conference Services	\$ -	\$ -	\$ 719,352	\$ 759,363	\$ 823,643	\$ 850,823	\$ 878,900	\$ 907,904	\$ 937,865	\$ 968,814
Telephone	\$ -	\$ -	\$ 47,390	\$ 50,026	\$ 54,260	\$ 56,051	\$ 57,901	\$ 59,811	\$ 61,785	\$ 63,824
Parking	\$ -	\$ -	\$ 439,469	\$ 463,912	\$ 503,183	\$ 519,788	\$ 536,941	\$ 554,660	\$ 572,963	\$ 591,871
Other Income	\$ -	\$ -	\$ 173,267	\$ 182,905	\$ 198,387	\$ 204,934	\$ 211,697	\$ 218,683	\$ 225,900	\$ 233,354
Departmental Income	\$ -	\$ -	\$ 7,458,551	\$ 8,034,095	\$ 9,071,140	\$ 9,521,114	\$ 10,409,917	\$ 10,737,607	\$ 11,075,266	\$ 11,423,756
UNDISTRIBUTED OPERATING EXPENSES										
Administrative & General	\$ -	\$ -	\$ 697,950	\$ 715,399	\$ 733,284	\$ 751,616	\$ 770,406	\$ 789,666	\$ 809,408	\$ 829,643
Credit Card Commissions	\$ -	\$ -	\$ 298,955	\$ 319,017	\$ 353,949	\$ 368,804	\$ 393,893	\$ 406,223	\$ 418,932	\$ 432,046
Info Systems	\$ -	\$ -	\$ 120,750	\$ 123,769	\$ 126,863	\$ 130,035	\$ 133,285	\$ 136,618	\$ 140,033	\$ 143,534
Marketing	\$ -	\$ -	\$ 752,700	\$ 771,518	\$ 790,805	\$ 810,576	\$ 830,840	\$ 851,611	\$ 872,901	\$ 894,724
Property Operations	\$ -	\$ -	\$ 484,050	\$ 496,151	\$ 508,555	\$ 521,269	\$ 534,301	\$ 547,658	\$ 561,350	\$ 575,383
Utilities	\$ -	\$ -	\$ 452,250	\$ 463,556	\$ 475,145	\$ 487,024	\$ 499,199	\$ 511,679	\$ 524,471	\$ 537,583
Total Undistributed Expenses	\$ -	\$ -	\$ 2,806,655	\$ 2,889,409	\$ 2,988,601	\$ 3,069,322	\$ 3,161,925	\$ 3,243,455	\$ 3,327,096	\$ 3,412,914
Gross Operating Profit	\$ -	\$ -	\$ 4,651,896	\$ 5,144,686	\$ 6,082,539	\$ 6,451,791	\$ 7,247,992	\$ 7,494,152	\$ 7,748,171	\$ 8,010,842
Management Fees (Base)	\$ -	\$ -	\$ 389,941	\$ 416,108	\$ 461,672	\$ 481,048	\$ 513,773	\$ 529,856	\$ 546,433	\$ 563,539
Income Before Fixed Charges	\$ -	\$ -	\$ 4,261,954	\$ 4,728,578	\$ 5,620,867	\$ 5,970,743	\$ 6,734,219	\$ 6,964,297	\$ 7,201,737	\$ 7,447,303
FIXED CHARGES										
Ground Rent	\$ -	\$ -	\$ 336,283	\$ 336,283	\$ 336,283	\$ 336,283	\$ 336,283	\$ 336,283	\$ 336,283	\$ 336,283
Insurance	\$ -	\$ -	\$ 183,750	\$ 188,344	\$ 193,052	\$ 197,879	\$ 202,826	\$ 207,896	\$ 213,094	\$ 218,421
Total Fixed Charges	\$ -	\$ -	\$ 520,033	\$ 524,627	\$ 529,336	\$ 534,162	\$ 539,109	\$ 544,179	\$ 549,377	\$ 554,704
Net Operating Income Before Reserves	\$ -	\$ -	\$ 3,741,921	\$ 4,203,951	\$ 5,091,531	\$ 5,436,582	\$ 6,195,110	\$ 6,420,117	\$ 6,652,360	\$ 6,892,599
FF&E Reserves	\$ -	\$ -	\$ 292,456	\$ 312,081	\$ 346,254	\$ 360,786	\$ 385,330	\$ 397,392	\$ 409,825	\$ 422,654
Adjusted Net Operating Income	\$ -	\$ -	\$ 3,449,465	\$ 3,891,870	\$ 4,745,277	\$ 5,075,796	\$ 5,809,780	\$ 6,022,725	\$ 6,242,535	\$ 6,469,945
Debt Service & Financing Costs										
Debt Service Ratio	0.00x	0.00x	3.79x	2.36x	2.87x	2.15x	2.46x	2.55x	2.64x	3.41x
Equity Infusion	\$ (16,353,581)	\$ (11,516,419)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Senior Loan Repayment	\$ -	\$ -	\$ (41,281,393)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interim Loan	\$ -	\$ -	\$ 41,281,393	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permanent Loan	\$ -	\$ -	\$ 41,281,393	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permanent Loan Repayment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (37,554,420)
Disposition Net Sales Proceed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102,121,497
Cashflow after Debt Service	\$ (16,353,581)	\$ (11,516,419)	\$ 2,538,832	\$ 2,240,614	\$ 3,094,021	\$ 2,710,791	\$ 3,444,775	\$ 3,657,721	\$ 3,877,531	\$ 68,059,763
Discount Rate	10.0%									
NPV	\$13,858,041									
IRR	16.68%									
Total Project Costs	\$ 69,666,413									
Less: Equity Contribution	\$ 27,870,000									
% of Project as Equity	40.0%									
Total Debt Issued	\$ 41,281,393									

TAB 11 Financials

FINANCIAL ANALYSIS AND DETAILED ASSESSMENT (CONTINUED)

Benchmark's Field Staff Support and Task Force teams are an invaluable resource during the pre-opening stage to support critical functions until key associates are hired and on boarded. These functions include: IT - Start-up, Payroll - Pre-Opening, Accounting, Training Program Development, Recruitment, and Hiring.

Other noteworthy pre-opening operating expenses include: relocation expenses, ecommerce development, property photography, and other sales and marketing activities to launch the property within the marketplace.

THE EFFECT, IF ANY, OF THE PROJECT ON THE UNIVERSITY'S CREDIT RATING

There should be no effect on the University's credit rating, unless the University decides there is an advantage to providing public funds or specific funds from the University to help finance (or own) all or part of the project.

PLAN FOR ADEQUATE SAFEGUARDS TO MITIGATE AND MANAGE RISK

DURING CONSTRUCTION

As described in Tab 13, Moss' Trade-Contractor Default Insurance program, we have the ability to act quickly and make the right decision for the project if a trade-contractor begins to show signs of failure. Some of the options available for remedying performance failure include supplementing the trade-contractor's efforts, hiring replacement trade-contractors, or self-performing the balance of the scope of work. It allows us to ensure our clients that their projects will not be disrupted, nor will unnecessary delays occur due to performance risk. Moss has successfully managed \$3.8 billion in trade contractors under this program.

HOTEL AND CONFERENCE CENTER OPERATIONS

As it relates to the hotel management agreement ("HMA"), if Benchmark's HMA is terminated, for any reason whatsoever, Benchmark will work with the Owner, University and future operator, to ensure a smooth and seamless transition of the Hotel, Conference Center and Alumni Center operations.

FINANCIAL STATEMENTS

Concord Eastridge and Benchmark are each privately held companies, and therefore, our financial statements are confidential. However, if selected as the developer / operator team of the project, we would be happy to make our respective CFO's available to discuss any questions or concerns you may have regarding our financial status. Further, we are compliant with all state laws and regulations and have provided a Certificate of Fact issued by the State of Texas (Benchmark) and a Certificate of Good Standing by the State of Arizona (Concord Eastridge) to show that Benchmark and Concord Eastridge are registered with these states and in good standing.

Additionally, Concord Benchmark, LLC has previously submitted a Certificate of Status in the State of Florida.

TAB 12 Activities in Support of the University Priorities



Figure 5: FIU provided rendering by team partner Rabun Architects: Facility and Alumni Center

PAID STUDENT INTERNSHIPS AND WORK STUDY OPPORTUNITIES:

DESIGN AND CONSTRUCTION STAGE

Moss is a regular participant of FIU career fairs to offer internships and full-time positions to students in the FIU School of Construction.

Upon award of this project, Moss' recruitment team will coordinate a meeting with faculty to determine how to maximize our continued presence on campus.

Moss provides an empowering environment where you collaborate with a team of fun, entrepreneurial spirited individuals. Our people care about each other, inspire one another, and take significant ownership in their work while achieving client delight on every project. A partial sampling of our internship program benefits include:

- Entrepreneurial company culture
- High-energy/fast paced environment
- Paid internship
- Hands-on training by dynamic leaders
- Innovative tools & technology
- Medical insurance (after 90 days)
- Housing allowance (if applicable)
- Jobsite tours

In 2016 Moss provided 58 internships. In addition, Moss currently employs 41 FIU Alumni.

HOTEL AND CONFERENCE CENTER OPERATIONS

The primary goal of the Hotel and Conference Center will be to employ a significant portion of the property's staff from the University's student population, including international students who are only allowed to work on campus. These positions, to include internships and work-study programs, will be analyzed on an annual basis in concert with the University, so that these opportunities are maximized, as they are at other Benchmark-managed properties.

An example: at The Inn at Virginia Tech & Skelton Conference Center (owned by Virginia Tech University), Benchmark has developed a paid work-study program for Hospitality and Tourism Management students called "Field Study". It is a minimum 400-hour program in either the Food & Beverage or Rooms departments. Benchmark trains students on various jobs within each department, within a discipline. For example, students in the Food & Beverage department gain experience working in the restaurant, lounge, kitchen and at banquets throughout the semester. In addition to learning line-job duties, they are also involved in scheduling, purchasing, expense controls and other management responsibilities. They are required to complete and submit a special project at the end of their Field Study, which may involve research on a specific topic, development of a needed training course or a feasibility study on potential new service offerings.

TAB 12 Activities in Support of the University Priorities

COLLABORATION WITH FIU'S COLLEGES AND SCHOOLS TO CREATE CUSTOM CURRICULA AND PARTNERSHIPS:

Benchmark, and specifically, Burt Cabañas, Benchmark's chairman and an active participant in the FIU community, will work closely with the University to develop custom curricula and partnerships, as we are doing at other Benchmark-managed properties. As mentioned above, we have worked specifically with Hospitality and Tourism Management program at the Inn at Virginia Tech & Skelton Conference Center, and while the University of California Los Angeles does not offer a hospitality degree program, UCLA's Housing & Hospitality Services offers a hospitality specific non-circular program, The UCLA H&HS Student Hospitality Leadership Development Program (SHLDP). SHLDP helps current Housing & Hospitality Services (H&HS) student team members increase their knowledge of the many departments within the H&HS Division, with a strong focus on hospitality. The goal of the program is to increase student team member engagement with H&HS, as well as to make participants aware of potential hospitality careers at UCLA and beyond. Further, it is also our intent to facilitate curricula and partnerships with our corporate clients that utilize the FIU Hotel and Conference Center.

BEHIND-THE-SCENES TOURS OF SUCCESSFUL RESPONDENT'S OPERATIONS FOR STUDENTS:

DESIGN AND CONSTRUCTION STAGE

During construction Moss maintains a single point of contact for coordinating tours of the site. Safety is our number one concern. Prior to walking the site, guests are provided OSHA approved Personal Protective Equipment (PPE) and rules for ensure a safe walk. Tours are provided under the supervision of Moss' project management team for the duration of their visit.

We understand that each tour may have a different audience. We tailor each tour to the audience covering a wide variety of topics.

HOTEL AND CONFERENCE CENTER OPERATIONS

We fully anticipate creating behind-the-scenes tours and other educational experiences within the Hotel and Conference Center. Not only for hotel-specific areas, but we also intend to facilitate specific culinary classes that can be held within the Food & Beverage areas of the Hotel. In other Benchmark-managed properties, our hotel executive committee periodically participates in programs and guest lectures for classes.

Students also have opportunities to attend information sessions in which they can learn about each department and how it parallels within the hospitality industry. We offer job shadowing after learning about departments, in which students have an opportunity to shadow leadership in that department and observe real-time activities.

ACCOMMODATION OF GRADUATE STUDENTS AND FACULTY DOING RESEARCH AS AN INTEGRAL ASSIGNMENT IN THEIR COURSEWORK/COURSE LOAD:

If the question is whether or not we provide accommodation, meaning room nights, for grad students and faculty, we absolutely anticipate accommodating these constituents, and these discounted room nights are factored into our financial operation models.

If the question is meant in terms of whether or not our team will support grad students and faculty with specific coursework and assignments, we will make accommodations in this regard as well. In other Benchmark-managed properties, we participate in student research projects by answering specific questions related to occupancy patterns, marketing results and other industry-related issues. We also share operating data, information on sales and marketing strategic planning, as well as other operational functions.

We have found the experience and resulting papers to not only be beneficial for the students and their education, but also for the property through the student's in-depth studies and innovative ideas yield potential new revenue sources or employable labor and cost efficiencies.

TAB 12 Activities in Support of the University Priorities

FULL TIME EMPLOYMENT OPPORTUNITIES FOR QUALIFIED FIU GRADUATES:

DESIGN AND CONSTRUCTION STAGE

In addition to the internship opportunities, previously described in this section, Moss has a substantial full-time recruitment and on-boarding program focused on hiring and retaining talented people. Of the 58 internship opportunities in 2016, which included freshman through seniors, Moss extended full-time employment opportunities to 15 interns.

HOTEL AND CONFERENCE CENTER OPERATIONS

While the majority of our staff is anticipated to be part and full-time students of FIU, recent FIU alum will certainly be considered, and when appropriate, given preferential treatment for positions throughout the property as well. At the UCLA Luskin Conference Center, The Inn at Virginia Tech and Hotel Roanoke, we proudly employ numerous students and alumni of UCLA and Virginia Tech.

USE OF FIU TECHNOLOGY SERVICES FOR IT INFRASTRUCTURE ENSURING FIU MINIMUM HARDWARE, SOFTWARE AND SECURITY REQUIREMENTS ARE MET:

Concord Benchmark pledges to meet the University's requirements in this regard. At the UCLA Luskin Conference Center and The Inn at Virginia Tech, since both properties are owned directly by the Universities, both properties are in full compliance with University policies related to IT security and PCI-DSS, which we anticipate facilitating at FIU.

Moss has collaborated with FIU Technology Services on Modesto A. Maidique Campus projects. Early in the design stage, our team will collaborate again to ensure FIU minimum hardware, software and security requirements are met.

PARTNERSHIP WITH FIU POLICE DEPARTMENT ENSURING APPROPRIATE SECURITY MEASURES ARE IMPLEMENTED AND COMMENSURATE WITH AN ON-CAMPUS FACILITY:

DESIGN AND CONSTRUCTION STAGE

Upon award of the project, our team will hold a safety/security focused design meeting. We will discuss both the design of the two projects, as it relates to security, as well as safety and security during construction. Moss has successfully worked with FIU Police on our past and current construction projects on the Modesto A. Maidique Campus.

HOTEL AND CONFERENCE CENTER OPERATIONS

We fully anticipate interfacing directly with the FIU Police Department as we do at other Benchmark-managed properties. At UCLA, we have a very close working relationship with UC Police who are charged with all law enforcement matters on campus. We also maintain our own internal 24/7 Loss Prevention Department for day-to-day property security. Further, at The Inn at Virginia Tech, a contractor selected by the University provides overnight security services for the hotel. Virginia Tech administers the contract and the property reimburses them. Virginia Tech Police also provide cash transfer security and general site security for the property.

PREFERENTIAL ROOM RATES IN THE FACILITY FOR FIU FACULTY/STAFF, STUDENTS AND ALUMNI:

It is anticipated, and has been factored into our pro forma, that FIU faculty, staff, students and alumni will have access to preferred rates over the general public. Preferred room rates will be reviewed periodically with the University, and balanced with the financial objectives for the property. Our other University affiliated properties are owned by the Universities, so additional considerations can be made, but in this case the Property will be privately owned. For example, at The Inn at Virginia Tech, as a state-owned facility, faculty and staff receive government rate consideration, except for special event dates.

TAB 12 Activities in Support of the University Priorities

Further, that hotel offers a Hokie Parents Club for families of students. There is no cost to join the club and the families receive immediate benefits, including a code to access discounted room rates.

At the UCLA Luskin Center, the property's sole mission is to support the mission of the university. That hotel is not open to the public. However, we offer a special rate for all internal UCLA recharge business and a second tier of rates for those who qualify to stay with us (doing business with the university), but are not a direct recharge back to a UCLA department. We also offer special rates to alumni and those attending sporting and performing arts events, as well as visiting families of students.

TAB 13 Information Regarding Subcontractors



Figure 6: Facility and Alumni Center

DESIGN SUB-CONSULTANTS

CIVIL ENGINEER/LANDSCAPE ARCHITECT

Miller Legg

Cara Pasquale, Director of Business Development

5747 North Andrews Way

Fort Lauderdale, FL 33309

Main: (954) 436-7000

Direct: (954) 628-3609

STRUCTURAL ENGINEER

BNI Engineers

Courtney Ziegler

Marketing Coordinator

800 Douglas Road, Suite 300

Coral Gables, Florida 33134

Main: (305) 442-7086

Direct: (305) 351-0240

MEFP ENGINEERS

Newcomb & Boyd

Todd Mowinski, PE, LEED AP BD+C, Partner

Main: (404) 730-8485

Direct: (404) 358-6352

tmowinski@newcomb-boyd.com

INTERIOR DESIGN

Looney & Associates

David Rogers

3131 McKinney Avenue, Suite 310

Dallas, TX 75204

Main: (214) 720-4477

CONSTRUCTION TRADE-CONTRACTORS

APPROACH TO BIDDING

Moss offers a comprehensive approach to trade-contractor selection, which includes:

- Evaluating the quality and comprehensiveness of bid packages. Moss will evaluate the design document's level of quality prior to bid. Our team will develop bid packages paying close attention to scope-gap and scope-overlap as well as overall risk.
- Priming the market. Outreach events are hosted to increase overall awareness of the project and to maximize local participation. Pre-bid meetings are held to ensure trade-contractors are aware of the budget, schedule, and quality expectations.
- Review of trade-contractor qualifications and bid. Successful trade-contractors are reviewed for their financial stability and safety record. Moss uses a thorough prequalification process that includes the review of:
 - Licensure;
 - Safety, based on their Experience Modification Rating (EMR);
 - Insurance limits and availability;
 - Bonding capacity;
 - Contractor Score, which is a third-party score based on financial statements, credit, backlog, etc. Moss goes a step further by contacting clients and other construction managers to review performance.
- Holding trade-contractors accountable. Trade-contractors are made aware of the schedule expectations prior to bid, these expectations are included within the bid package, and schedule is discussed throughout construction. Bid packages are reviewed for their comprehensiveness with regard to scope-gap and scope-overlap.

TAB 13 Information Regarding Subcontractors

TRADE-CONTRACTOR DEFAULT INSURANCE (SDI)

Moss also offers innovative risk management solutions that help construction contractors manage the risk of trade-contractor or supplier default. Trade-Contractor Default Insurance (SDI) provides comprehensive, consistent coverage for all enrolled trade-contractors while enabling general contractors to regain control of their projects if a trade-contractor defaults.

Through Moss' SDI program, we have the ability to act quickly and make the right decision for the project if a trade-contractor begins to show signs of failure. Some of the options available for remedying performance failure include supplementing the trade-contractor's efforts, hiring replacement trade-contractors, or self-performing the balance of the scope of work. It allows us to ensure our clients that their projects will not be disrupted, nor will unnecessary delays occur due to performance risk. Moss has successfully managed \$3.8 billion in trade contractors under this program.

TAB 13 Information Regarding Subcontractors

E-ITN 67-001

APPENDIX VII - CERTIFICATE OF NON-SEGREGATED FACILITIES

We, **Concord Benchmark, LLC** certify to the Florida International University that we do not and will not maintain or provide for our employees any segregated facilities at any of our establishments, and that we do not and will not permit our employees to perform their services, under our control, where segregated facilities are maintained. We understand and agree that a breach of this certification is a violation of the Equal Opportunity clause required by Executive order 11246 of 24 September 1965.

As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash room, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color or national origin, because of habit, local custom or otherwise.

We, further, agree that (except where we have obtained identical certifications from proposed subcontractors for specific time periods) we will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause; that we will retain such certification in our files; and that we will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted certifications for specific time periods):

NOTE TO PROSPECTIVE SUBCONTRACTORS OR REQUIREMENTS FOR CERTIFICATIONS OF NON-SEGREGATED FACILITIES. A Certificate of Non-segregated Facilities, as required by the 9 May 1967 order on Elimination of Segregated Facilities, by the Secretary of Labor (32 Fed. Reg. 7439, 19 May 1967), must be submitted prior to the award of a sub-contract exceeding \$10,000 which is not exempt from the provisions of the Equal Opportunity clause. The certification may be submitted either for each sub-contract or for all subcontracts during a period (i.e. quarterly, semiannually, or annually).

NOTE: **Whoever knowingly and willfully makes any false, fictitious or fraudulent representation may be liable to criminal prosecution under 18 U.S.C. 1001.**

TAB 14 Appendix VII Certificate of Non-Segregated Facilities**APPENDIX VII****CERTIFICATE OF NON-SEGREGATED FACILITIES****SUBPART - VENDOR'S AGREEMENTS**

During the performance of this Contract, the Vendor agrees as follows:


- (1) The Vendor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Vendor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: employment, upgrading demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Vendor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.
- (2) The Vendor will, in all solicitations or advertisements for employees placed by or on behalf of the Vendor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- (3) The Vendor will send to each labor union or representative of workers with which the Vendor has a collective bargaining agreement or other Contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of the Vendor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of notice in conspicuous places available to employees and applicants for employment.
- (4) The Vendor will comply with all provisions of Executive Order No. 11246 of September 24, 1965 and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (5) The Vendor will furnish all information and reports required by Executive order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- (6) In the event of the Vendor's noncompliance with the nondiscrimination clauses of this Contract or with any of such rules, regulations, or orders, this Contract may be canceled, terminated, or suspended in whole or in part and the Vendor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoiced as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- (7) The Vendor will include the provision of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued

TAB 14 Appendix VII Certificate of Non-Segregated Facilities

pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each Sub Vendor or Vendor. The Vendor will take such action with respect to any subcontract or purchase orders the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event the Vendor becomes involved in, or is threatened with, litigation with a Sub Vendor or Vendor as a result of such direction by the contracting agency, the Vendor may request the United States to enter into such litigation to protect the interest of the United States.

SEC. 402 Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era:

(1) The Vendor agrees to comply with the affirmative action clause and regulation published by the US Department of Labor implementing Section 402 of the Vietnam Era Veteran's Readjustment Assistance Act of 1974, as amended, and Executive Order 11701, which are incorporated in this certificate by reference.

VENDOR COMPANY NAME Concord Benchmark, LLC
 AUTHORIZED SIGNATURE 
 TITLE Member
 DATE 2-16-17



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TAB 15 Appendix VIII - Affidavit of Trade Secret Certification

APPENDIX VIII - AFFIDAVIT OF TRADE SECRET CERTIFICATION

STATE OF Arizona

COUNTY OF Maricopa

I, the undersigned, being first duly sworn, do hereby state under oath and under penalty of perjury that the following facts are true:

1. I am over the age of eighteen and am a resident of the State of Virginia. I have personal knowledge of the facts herein, and, if called as a witness, could testify competently thereto.
2. I am the Member (position) of Concord Benchmark, LLC (name of corporate entity), a Arizona (state) LLC (type of corporate entity), whose principal address is 5685 N Scottsdale Road, Suite 150 Scottsdale, AZ 85250.
3. [I consider/My company considers] the information contained in the document(s) entitled Not Applicable (provide description of the information) marked as Exhibit N/A (comprised of a total of pages) a trade secret under applicable law for the following reasons: *(Explain in detail the specific element(s) or provision(s) of Florida Statutes that render the document(s) at issue a trade secret.*
4. [I have/My company has] taken measures to prevent the disclosure of the information contained in Exhibit N/A to anyone other than those who have been selected to have access for limited purposes, and [I intend/my company intends] to continue to take such measures.
5. [I consider/My company considers] the information contained in Exhibit N/A to have value and provides an advantage or an opportunity to obtain an advantage over those who do not know or use it.
6. All of information in Exhibit N/A contained is not, and has not been, reasonably obtainable without [my/our] consent by other persons by use of legitimate means.
7. All of information in Exhibit N/A is not publicly available elsewhere.
8. I am the person for Florida International University to contact in the event a challenge to any information contained in this Affidavit is received.

TAB 15 Appendix VIII - Affidavit of Trade Secret Certification

Executed on this 16th day of February in Maricopa County,
Arizona (State).

Affiant- Full Name: Michael A. Haller

Address: 5685 N Scottsdale Road, Suite 150

Scottsdale, AZ 85250

Telephone: (703) 563-9810

E-mail: mhall@concordeastridge.com

Affiant Signature: *Michael A. Haller*

STATE OF Arizona

COUNTY OF Maricopa

Sworn to or affirmed and signed before me on February 16, 2017 (date)
by

Michael A. Haller (Affiant).



Leslie Eastridge
NOTARY PUBLIC

☐ Personally Known

☒ Produced identification (Type of ID)
Drivers License

TAB 16 Insurance: Concord Eastridge



August 26, 2016

Kenia Junco
Florida International University
Modesto A. Maidique Campus
Purchasing Services Department Campus
Support Complex – CSC 411
11200 S.W. 8th Street
Miami, FL 33199

Re: Concord Eastridge, Inc.

Dear Kenia:

My office has been providing the insurance coverages for Concord Eastridge, Inc. for over 15 years. I have been provided with a copy of the insurance requirements for the proposal that they are submitting to you. Currently Concord Eastridge meets most of the insurance requirements and for those coverages that they do not currently have, they will have access to and are able to be obtain if awarded the contract.

I have attached a copy of their current certificate of insurance documenting the following coverages.

- Commercial General Liability (limits meet via combination of general liability and umbrella policies)
- Auto Liability
- Employers Liability
- Umbrella Liability
- Property Insurance
- Liquor Liability (included in general liability)
- Boiler & Machinery (included as covered peril under property insurance)

The following coverages as not reflected on the certificate of insurance but as stated above are available and will be purchased when needed.

- Pollution Liability
- Professional Liability

Please do not hesitate to contact me if you have any questions or if I can be of any further assistance.

Sincerely,

Charlene M. Crowley, CPCU, RPLU, AFSB
Vice President

TAB 16 Insurance: Concord Eastridge



CERTIFICATE OF LIABILITY INSURANCE

CONCEAS-01 CCROWLEY

DATE (MM/DD/YYYY)

8/26/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # 0C36861
Chantilly-Alliant Ins Svc Inc.
4530 Walney Rd Ste 200
Chantilly, VA 20151-2285

CONTACT NAME: Charlene Crowley

PHONE

(A/C, No, Ext):

E-MAIL

ADDRESS: CCrowley@alliant.com

FAX

(A/C, No):

INSURER(S) AFFORDING COVERAGE

NAIC #

INSURER A: Hartford Accident and Indemnity Company 22357

INSURER B: Twin City Fire Insurance Company 29459

INSURER C: Hartford Casualty Insurance Company 29424

INSURER D: Hartford Fire Insurance Company 19682

INSURER E:

INSURER F:

INSURED

Concord Eastridge, Inc
2701 Prosperity Avenue, Suite 220
Fairfax, VA 22031

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATION MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDITIONAL SUBROGATION	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:		42 UUN TB5191	08/29/2016	08/29/2017	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
B	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS		42 UUN TB5191	08/29/2016	08/29/2017	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000		42 RHU UA5583	08/29/2016	08/29/2017	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	42 WE IT5388	08/29/2016	08/29/2017	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
D	Bus Pers Property		42 UUN TB5191	08/29/2016	08/29/2017	Blanket 250,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Property Insurance includes equipment breakdown (boiler & machinery) coverage.
General liability includes host liquor liability.

CERTIFICATE HOLDER

Florida International University
Attn: Kenia Junco
11200 S.W. 8th Street
Miami, FL 33199

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

TAB 16 Insurance: Benchmark Management Company



Minerva Tirado, CPCU
Senior Vice President

Marsh Risk & Insurance Services
345 California Street, Suite 1300
San Francisco, CA 94104-2679
California Insurance License #0437153
415 743 8234
Minerva.Tirado@marsh.com
www.marsh.com

August 26, 2016

Mr. Jarrad Evans
Benchmark Hospitality
4 Waterway Square, Suite 300
The Woodlands, TX 77380-2692

Subject: Florida International University – ITN No. 67-001

Dear Jarrad:

We have reviewed the requirements of the captioned and confirm that the coverages requested are available, and accessible to Benchmark, in the marketplace.

We look forward to receiving your instructions on next steps.

Sincerely,



Minerva Tirado

cc:
Kirk Jones, Stacey Konkel – Benchmark
Kevin Orphan, Emmy Lew – Marsh

SOLUTIONS...DEFINED, DESIGNED, AND DELIVERED.



TAB 16 Insurance: Rabun

October 5, 2016

Florida International University

RE: Rabun Architects – ITN No. 67-001

To Whom It May Concern:

We are the agents for the above consulting practice. This letter serves to advise as of this date, the firm is in excellent standing with their insurance carriers. The firm either maintains or is eligible to obtain the required limits and coverages suitable for the consulting practice in which they are engaged.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Steve Brown', written over a light blue horizontal line.

Steve Brown, CIC
Vice President
Authorized Representative

MEMPHIS
5141 Wheelis Drive
Memphis, TN 38117
901.820.0400 (o)
901.820.0402 (f)

NASHVILLE
104 Woodmont Blvd.
Suite 400
Nashville, TN 37205
615.383.0072 (o)
615.297.4020 (f)

ATLANTA
1255 Lakes Pkwy.
Bldg. 100, Suite 105
Lawrenceville, GA 30043
678.690.5990 (o)
678.690.5992 (f)

BIRMINGHAM
109 Columbiana Rd.
Birmingham, AL 35209
205.979.7389 (o)
205.979.6873 (f)

800.595.6526
www.crowfriedman.com

PLAN
Insurance Agency Network

TAB 16 Insurance: Moss



August 25, 2016

FIU Purchasing Services Department
Campus Support Complex
CSC 411
11200 SW 8th St.
Miami, FL 33199

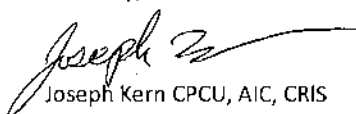
Re: Moss & Associates, LLC – Solicitation E-ITN 67-001
FL International University Hotel, Conference Center, Parking and Alumni Center at Modesto
Maidique Campus

To whom it may concern:

This letter is to confirm that Moss & Associates, LLC can meet the Property Insurance requirements as stated below with coverage provided Zurich American Insurance Co., Policy # MBR 6220980-02:

Property Insurance: Special form property insurance (including windstorm & flood coverage). The special form property insurance coverage shall be in an amount equal to the full insurable replacement value of any buildings, improvements or fixtures located on the subleased land. Property insurance coverage shall also cover all of the Successful Respondent's furniture, fixtures, equipment, inventory and any other personal property owned, on loan and used in Successful Respondent's business and found in, on, or about Successful Respondent's leased space.

Sincerely,



Joseph Kern CPCU, AIC, CRIS
Account Executive
Zurich Midwest Construction Property
Joe.Kern@zurichna.com

TAB 16 Insurance: Moss



CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
08/24/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Aon Risk Services Northeast, Inc. Boston MA Office One Federal Street Boston MA 02110 USA		CONTACT NAME: PHONE (A/C. No. Ext): (866) 283-7122 FAX (A/C. No.): (800) 363-0105 E-MAIL ADDRESS:	
INSURED Moss & Associates, LLC 2101 N. ANDREWS AVE SUITE 300 FORT LAUDERDALE FL 33311 USA		INSURER(S) AFFORDING COVERAGE NAIC #	
		INSURER A: National Union Fire Ins Co of Pittsburgh 19445 INSURER B: American Guarantee & Liability Ins Co 26247 INSURER C: Zurich American Ins Co 16535 INSURER D: Illinois Union Insurance Company 27960 INSURER E: Steadfast Insurance Company 26387 INSURER F:	

COVERAGES	CERTIFICATE NUMBER: 570063407220	REVISION NUMBER:
<p>THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.</p> <p style="text-align: right;">Limits shown are as requested</p>		

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
C	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Contractual Liability <input checked="" type="checkbox"/> XCU GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:			GL0914084709	01/01/2016	01/01/2017	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$300,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> \$1000 Ded Collision <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY <input checked="" type="checkbox"/> \$100 Ded Comp			BAP 5918170-10	01/01/2016	01/01/2017	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
A	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION			BE012051577	01/01/2016	01/01/2017	EACH OCCURRENCE \$25,000,000 AGGREGATE \$25,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	N/A	WC591944010	01/01/2016	01/01/2017	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE-EA EMPLOYEE \$1,000,000 E.L. DISEASE-POLICY LIMIT \$1,000,000
E	Env Contr Prof			EOC534581211 Retro Date 4/1/05 SIR applies per policy terms & conditions	01/01/2016	01/01/2017	Prof - Each Claim \$1,000,000 SIR \$500,000 Prof Agg \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 RE: Project: Florida International University Hotel, Conference Center, Parking and Alumni Center at Modesto Maidique Campus, Solicitation E-ITN 67-001. The Florida International University Board of Trustees, Florida International University, the State of Florida, The Florida Board of Governors, and their respective trustees, directors, officers, employees, and agents are included as additional insured in accordance with the policy provisions of the general liability, automobile liability, pollution liability and umbrella liability policies. General liability, automobile liability and umbrella liability evidenced herein is primary and non-contributory to other insurance available to an Additional Insured, but only in accordance with the policy's provisions. A waiver of subrogation is granted in favor of The Florida International University Board of Trustees,

CERTIFICATE HOLDER

CANCELLATION

FIU Purchasing Services Department Campus Support Complex CSC 411 11200 SW 8th St. Miami FL 33199 USA	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
---	--

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ACORD 25 (2016/03)

The ACORD name and logo are registered marks of ACORD

Holder Identifier :

Certificate No : 570063407220

TAB 16 Insurance: Moss

[illegible]

TAB 16 Insurance: Moss

AGENCY CUSTOMER ID: 570000036442

LOC #:



ADDITIONAL REMARKS SCHEDULE

Page _ of _

<small>AGENCY</small> Aon Risk Services Northeast, Inc.		<small>NAMED INSURED</small> Moss & Associates, LLC
<small>POLICY NUMBER</small> See Certificate Number: 570063407220		<small>EFFECTIVE DATE:</small>
<small>CARRIER</small> See Certificate Number: 570063407220	<small>NAIC CODE</small>	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: ACORD 25 **FORM TITLE:** Certificate of Liability Insurance

Additional Description of Operations / Locations / Vehicles:

Florida International University, the State of Florida, The Florida Board of Governors, and their respective trustees, directors, officers, employees, and agents in accordance with the policy provisions of the general liability, automobile liability, umbrella liability, pollution liability, professional liability and workers compensation policies.

TAB 17 Additional Information Requested in Step II (If Applicable)



Not Applicable



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TAB 18 The Facility's Economic Benefit to the University



Figure 8: Facility and Alumni Center

The Florida International University Hotel and Conference Center and Alumni Center (the “Project”) will be designed to complement Miami’s cosmopolitan personality, while addressing the needs of the University’s visitors, alumni, faculty and students. It will also serve the local and regional hotel and meetings market, as a profitable and successful hospitality facility.

PROJECT VISION

With the support and participation of the University’s senior leadership, the Project will be positioned as a unique, upscale, full-service hotel and alumni center that will serve as the “living room” for all FIU constituents. The emphasis of the project will be on creating an outstanding physical footprint that will facilitate individualized service; exciting food and beverage offerings, catering to both the University and the community at large; high quality and cutting-edge meeting and event space; upscale amenities; and tasteful quality accommodations, thereby creating the full-service hospitality environment that well-traveled consumers expect to find in an upscale hotel.

The Alumni Center will reflect the rich traditions and history of Florida International University and will serve as the center of the alumni community worldwide. These facilities will be of a quality worthy of the pride any student feels when his or her parents visit, and the Project will aid in the recruitment of students and faculty. The Project’s timeless design, décor and grounds will intertwine with the campus, becoming an important gathering place for the FIU community.

The Project will feature prominent FIU themes, such as the school’s blue and gold colors, artwork by FIU and local artists, historic and current University memorabilia,

photographs and artifacts and a “Hall of Fame” for notable FIU alumni. The rooms and meeting areas within both the Hotel and Alumni Center (e.g., meeting rooms, ballroom, boardroom, lounge, etc.) will maintain names honoring the University, University traditions and notable alumni. The project team has successfully implemented similar “Traditions Integrations” in other university designed and managed concepts, such as The Inn at Virginia Tech, the UCLA Luskin Conference Center and The Mason Inn at George Mason University, and is doing so at the StateView Hotel at North Carolina State University, which is under construction, and at the Texas A&M University Hotel & Conference Center and the University of California, Berkeley Hotel, both of which are under contract and currently under design.

The Project will offer unparalleled access to the campus for all visitors: alumni, prospective students, parents, visiting faculty and lecturers, vendors and conference attendees, among others. With its prominent location at the main entrance to the campus, and by providing highly personalized guest services, the Project will be the first choice for individual business and leisure travelers visiting the area for FIU-related events. As is the case for all Benchmark-managed properties, the Hotel will forge partnerships and offer specific programming geared to the hotel’s top customer segments, including parents of students, University partners, University meeting attendees, alumni and the Alumni Association. We will work hand-in-hand with University departments, from Athletics and Conference Services, to the academic colleges and schools.

TAB 18 The Facility's Economic Benefit to the University

For FIU faculty and staff, the Project will come to be known as an integral part of the fabric of the community Working in conjunction with the University and the Foundation Board, the Hotel's staff will embrace the University's culture, traditions and special occasions. Moreover, with a lively bar, great restaurant and special events geared toward the community, the Hotel will quickly become a vibrant focal point of the FIU community.

While the Project will center around FIU and its sources of hotel demand, the Project will also cater to local and regional corporate clients and leisure guests. Our mission will be to appeal to all of the traditional hotel and meeting market segments: transient business and leisure customers, group business, associations, executive level conferences, etc. For the corporate community, the Hotel will join the Kovens Conference Center on the FIU Biscayne Campus and serve as an International Association of Conference Centers ("IACC") approved conference center, where customers and employees can experience a learning environment superior to that of any typical hotel meeting room. For the local community, the Project's catering and event facilities will support social, business and community events, providing an advantageous location for a broad spectrum of events and functions in a destination with current limited alternatives.

Given the Project's combination of an alumni center, hotel and conference center, we strongly believe that the facilities should provide unique and exciting opportunities for the student body. Based on Benchmark's significant experience working with multiple universities and their affiliated hospitality facilities, our team would work extensively with FIU to evaluate, identify and incorporate programs beneficial to the University and its students. Potential opportunities include the integration of student internships, jobs and programs, adding value to the University, the Chaplin School of Hospitality & Tourism Management and its students. The Project will provide a creative way of supporting employment for international students who are restricted from working off campus during their first year. Benchmark coordinates similar university-sponsored programs with Virginia Polytechnic Institute and State University (Virginia Tech) at The Inn at Virginia Tech (owned by the University) and the Hotel Roanoke and Conference Center (owned by the Virginia

Tech Foundation). Benchmark also provides preferential recruitment at its university-affiliated hotels for students at the following universities that do not have formal hospitality schools: Pace University at the Downtown Conference Center (in NYC), UCLA at the recently opened UCLA Luskin Conference Center, and Rutgers University at the Heldrich Hotel and Conference Center in New Brunswick, NJ.

Our proposal assumes operating the Project as an independently branded hotel. Our approach is always to maximize the unique brand of the destination. In the case of the Project, we feel strongly that leveraging the FIU brand and creating its own unique positioning is the best approach, based on our proven record and ability to accomplish this in similar markets without the chain-affiliated "brand" confusion, scale concerns and potential conflicts with operating cost.

TAB 19 Additional Pertinent Information



Figure 9: *Facility and Alumni Center*

As mentioned in our Step One response, we are confident that with a commitment from a Fortune 1000 company under contract for annual occupancy, we can expand the total room count (our current underwriting is now at a suggested 150 rooms). Prior to the commencement of construction, we will identify the target company, room night demand and economics to justify this expanded model.

TAB 19 Additional Pertinent Information



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FIU



FIU



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Hotels & Hospitality

Florida International University – Proposed Hotel & Conference Center

Strategic Advisory Services |
October 2015 | Miami, FL

FINAL REPORT



Statement of assumptions and limiting conditions

- As in all studies of this type, the estimated results are based upon competent and efficient management and presume no significant changes in the economic environment from that as set forth in this report. Since our forecasts are based on estimates and assumptions which are subject to uncertainty and variation, we do not represent them as results which will actually be achieved.
- The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures that render them more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
- It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated.
- It is assumed that the property conforms to all applicable zoning and use regulations and restrictions.
- It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained.
- The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the success of the property. The projections are predicated on the assumption that there is no such material on or in the property unless noted in an environmental study prepared by a qualified third party.
- Possession of this Report, or copies thereof, does not carry with it the right of publication.
- The consultant, by reason of this report, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
- Neither all nor any part of the contents of this report (especially any conclusions, the identity of the consultant, or the firm with which the consultant is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the consultant.



- Restricted and Confidential -

October 15, 2015

Ms. Aime Martinez

Assoc. Vice-President, Business & Finance
Florida International University
11200 SW 8th Street, CSC 220
Miami, FL 33199

RE: Strategic Advisory Services – Market Study for a University Hotel & Conference Center
Florida International University
Southwest corner of SW 8th Street and 112th Avenue.

Dear Aime:

This report ("Report") has been prepared for the internal use of Florida International University and/or its affiliates ("FIU") by JLL's Hotels & Hospitality Group ("JLL") in connection with the proposed development of a university hotel to be developed on campus ("Subject Property" or "Project") along SW 8th Street near the intersection with 112th Avenue in Miami, Florida in the United States. The Subject will part of a mixed use development that will also house an Alumni Center, which itself will house certain meeting facilities, as well as parking. As noted in the engagement letter executed Aug. 20th, 2015, JLL has conducted a market demand study along with financial projections, recommended facilities and cost estimates for the Subject Property. Pursuant to our engagement, JLL completed the following tasks:

- Met with the Client to tour the Project and discuss the Project conceptually to obtain background information;
- Completed a thorough visit of the site and surrounding areas to obtain site-specific information to evaluate the physical and location characteristics of the site;
- Analyzed the lodging market and travel trends for Miami, Florida;
- Commented on the current competitive market and analyzed performance dynamics of existing lodging supply;
- Summarized market demand characteristics as they relate to the Subject Property;
- Reviewed previous market demand studies and relied on
- Provided hotel program, branding and site recommendations based on site and market analysis for the Subject Property; and,
- Prepared a five-year pro forma operating for the Subject Property leveraging our market research and industry expertise.

It should be noted that the financial analyses herein assume the timing informed by the Client with a target opening date for January 1, 2018. Since future performance is based on estimates and assumptions that are subject to uncertainty and variation, we do not represent them as results that will actually be achieved. Our analysis has been made from information provided by the market analysis, our internal databases and from information provided by Client. There will usually be differences between projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. The analysis of the Subject Property is based upon JLL's review of the market today.

Further, the analyses herein included assume the Subject Property will be professionally operated and marketed under current zoning and other restrictions in place. These analyses also assume that the Subject Property will be developed according to our recommendations, taking into account estimated current economic and real estate market conditions and our statement of assumptions indicated herein. These evaluations are based upon JLL's review of the Proposed Project, its existing and proposed uses and facilities program and the surrounding neighborhood, among other things. The Client is responsible for representations about its plan and expectations and for disclosure of significant information that might affect the ultimate realization of the study results. The ultimate decision to move forward with the studied recommendations should be determined by the Client's officers, directors, and/or other related parties. Our findings will constitute only one of several factors that management will consider in its decision-making process. This Report is subject to the assumptions and limiting conditions set forth in the following slide.

The above estimates are provided to NR Investments, Inc. in our capacity as real estate advisors and consultants, and are for the sole benefit of Client. JLL expressly disclaims any liability for any reliance on this Report by any party other than Client.

For any additional questions, please do not hesitate to contact our team.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Fernando Garcia-Chacon', with a stylized flourish at the end.

Fernando Garcia-Chacon

Hotels & Hospitality Group

Executive Vice-President

Fernando.Chacon@am.jll.com

■ Contents

Project: New FIU Hotel & Conference Center



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MARKET LODGING ANALYSIS	SECTION III
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DEVELOPMENT COST ESTIMATES	SECTION VII
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SECTION I

Executive Summary



Executive Summary

As noted previously, FIU retained JLL to provide a cost estimate for a new hotel Project that would be combined with an Alumni Center/Conference facility. JLL relied primarily on studies completed by PKF that analyzed the feasibility of the Subject Property and underwrote the Project using many of the assumptions utilized by PKF but at the same time, developed more up to date market data. JLL began their analysis considering a more straight forward lodging facility positioned between 3 and 4-stars. This “Base Case” analysis centered on the existing room demand generated by the University, and took into account the lodging facilities, or lack there of, in the immediate vicinity. From a programming standpoint, we leaned toward a lodging facility that offered a limited amount of amenities. This analysis concluded with a 5-yr cash flow projection estimate

Once this “Base Case” was solidified, JLL overlaid the potential impact that a new conference center could generate on the Subject Property. The conference facility would be located immediately adjacent to the hotel, and likewise, would house FIU’s alumni center. JLL analyzed other University Conference Centers, and likewise, obtained input from Benchmark Hospitality to come up with programing. As in the case of the Base Case scenario, JLL prepared a 5-yr operating cash flow projection.

Once both sets of cash flow projections (and accompanying assumptions) were completed, JLL develop a valuation estimate for each scenario. These were then compared to the estimated cost of development/construction.

Although Miami’s economy shrank notably during the global recession, its has recovered significantly, thanks to its strong international trade, healthcare and tourism industries as well as the turnaround of its real estate sector.

- **Miami Economy/Recent Performance:** From 2010-2014 the area’s economy has shown incredible improvement, thanks to growth in business services, trade and hospitality.
- **Labor/Unemployment:** Similar to the nation, Miami-Dade county continues to struggle from high unemployment, though the situation has improved over the past year. Since the second half of 2010, the county’s labor market saw modest year-over-year gains. In 2012, despite growth in the labor force, unemployment remained at 9.5%, 1.4% higher than the national rate. Over the past two years, an uptick in hospitality as well as in construction has resulted in a decline in rate to 6.4% at year end 2014. YTD figures show continued improvement, and though the rate is not as low as that of the state or national level, the gap between the two is closing.
- **International Trade:** Miami’s proximity to Latin America has attracted numerous multinational companies to set up offices in the city. Miami International Airport and the Port of Miami have made the city a crucial transportation and logistics port. Long term prospects are strong with the widening of the Panama Canal and signing of free trade agreements.
- **Real Estate:** After having been over-built in the early to mid 2000’s, Miami’s housing market experienced a sharp decline in 2007. However notable increases in foreign demand, net immigration and improving economy have shown a positive and significant turn around, with current prices breaking record peak levels. Additionally, the office market in Miami seems to have bottomed out as well, with vacancies declining and rates showing signs of flattening.
- **Tourism:** Miami International Airport recorded a record number of passenger arrivals in 2014, and indications are for 2015 to exceed that number. The airport is the second busiest in the US for international travelers. Tourist visitation has also shown increases in recent years, surpassing pre-recession highs. South America is one of the fastest growing regions for visitor origin, with visitation from Brazil alone growing by more than 10%. After a steady decrease in 2011 and 2012, the Port of Miami saw a 17.1%% increase in passenger count with 4.8 million cruise passengers in 2014. YTD figures show signs of record-breaking in 2015.
- **Outlook:** Improvement in tourism, healthcare and services will improve the economic environment, and break all-time records in GDP levels next year.

Executive Summary

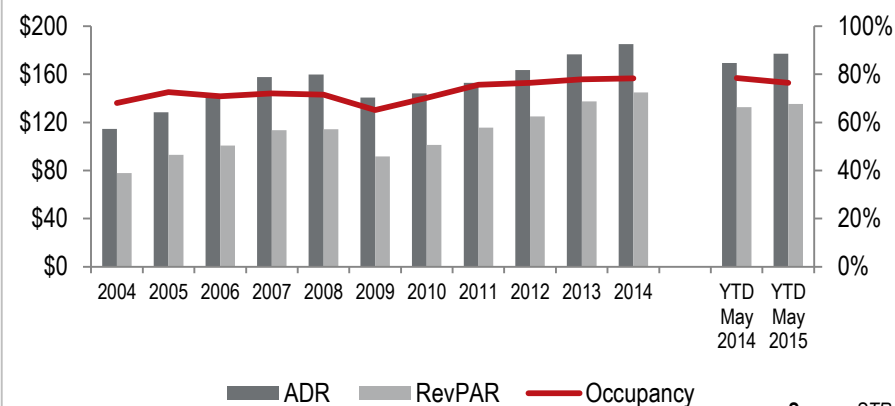
Its strategic location, combined with the draw of the area's beaches, has made Miami a top year-round travel destination and as a result, the Hialeah-Miami market is the top of 25 lodging markets in the United States as measured by Room Revenue per Available Room (RevPAR).

- **Recent Performance:** RevPAR has continued to show steady growth from the decreases seen in 2008-2009 fueled by solid improvement in occupancy which is nearing 80%. In fact, by 2014 RevPAR surpassed the prior peak of 2008, at \$144.87.
- **Year to Date:** Year-to-date June figures point towards another positive performance for 2015. RevPAR has increased by 5.3%, ADR by 4.8%, and occupancy by 5.1%.

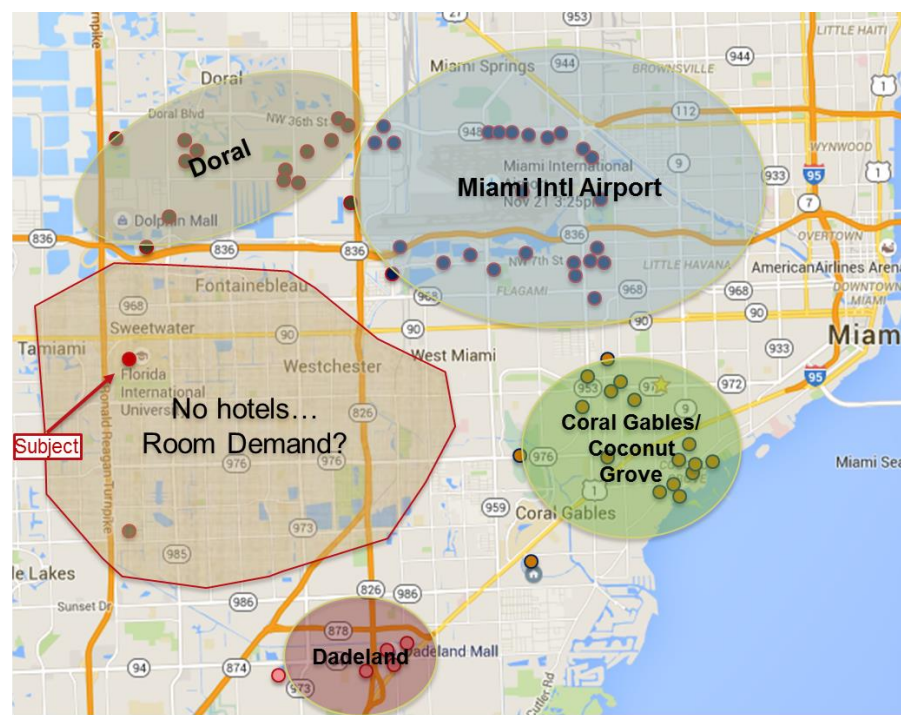
As can be seen in the adjacent map, there are almost no hotels in the vicinity of the Subject. Instead, most lodging facilities have been developed around existing room demand generators. These clusters of hotels form submarkets, including the following:

- **Doral/Dolphin Mall:** There is a cluster of hotels in and around the Dolphin Mall. Room demand is driven by this retail outlet as well as its proximity to Doral, home to numerous import/export businesses as well as a couple of corporate headquarters - Carnival, Univision, Citibank (back office), Southern Command, Ryder, etc.
- **Airport:** The area surrounding MIA is a natural location for hotels. Not only does the Airport generate solid demand, but the fact is that MIA is centrally located within Miami-Dade, with easy access to all points within the county itself. It is estimated that more than 85% of hotel inventory in this market is positioned as select service. The Subject is easily accessible by traveling west via SR836 and then turning south on Florida's Turnpike.
- **Coral Gables/Coconut Grove/Dadeland:** These are secondary markets relative to the Subject given the distance. All of these have their own demand generators, namely Latin HQ of Multinationals as well as shopping centers (Dadeland mall). Nevertheless, these submarkets are still accessible to the Subject via 8th Street, or via Palmetto and SR836.

Overall Miami Lodging Performance (2004 – YTD May 2015)



Source: STR



Source: STR

Executive Summary

The project site is located in the SW corner of the intersection of SW 8th Street and SW 112th Avenue, with the FIU main campus and with immediate access to the SW 8th Street exit of Florida's Turnpike. SW 112th Avenue is also one of FIU main entrances. The challenge for the site however, is that with the exception of FIU, there is currently very limited room demand generators in the immediate area.

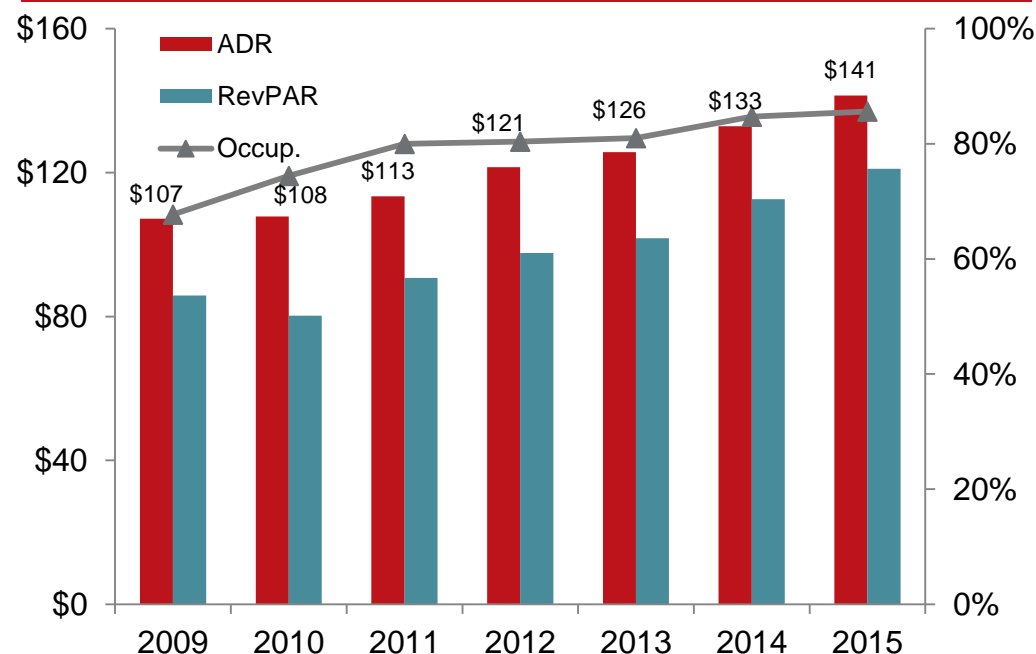
- **Accessibility and Visibility:** The Subject should enjoy the benefits of a central location given that it will offer easy access to Miami Dade County's central arteries including the Florida Turnpike which connects into the Airport as well as Miami Beach and I-95. Similarly, given the scope (height, design) of the Subject, it should enjoy strong visibility from the Turnpike.



Finding a comparable set of competing hotels posed a challenge as currently, there are hotels in the immediate vicinity. As a result, JLL selected a group of properties that included hotels near the Dolphin Mall, Doral, the Airport as well as the Comfort Inn & Suites near Bird Road and 117th. These hotels were a combination of Midscale (Hampton Inn, Courtyard, aLoft) and full service (InterContinental Doral and Sofitel).

- **Comp Set Historical Performance:** As seen in other submarkets in Miami, the selected comp set's performance accelerated in the past few years with occupancy reaching a structural capacity in the mid 80% range, while ADR increasing to more than \$140.
- **Upcoming New Supply:** While performance has been strong, many analysts and industry observers are wary of new supply that is either under construction or in the planning stage within Dade County. However, the majority of these new hotel will be built in the Downtown and Brickell area. As a result, their impact on the Airport and Doral submarkets should be limited.
- **Outlook:** Over the short to medium term, JLL projects occupancy to increase only slightly in light of the fact that it is at or near its structural capacity. On the other hand, ADR should continue to increase at a rate just above inflation.

Historical Performance of Competitive Set



Executive Summary

S.W.O.T. Analysis

Strengths

- **Miami's Strong Hotel Market:** Room demand in the general Miami-Dade County area, including the Doral and the Airport submarket which are closest to the Subject, continues to be very strong with occupancies reaching the 80% threshold, a very healthy indicator for hotel performance.
- **Accessibility:** The proposed location on 8th Street and 112th Ave. provides immediate connectivity to the Florida Turnpike which links to nearly every major thoroughfare in the county, including direct access to MIA.
- **Florida International University:** The Subject will be associated with FIU, a growing and well recognized institution, with strong links to the business community.

Weaknesses

- **Lack of Demand Generators:** Except for room demand generated by FIU, there are no other significant economic engines in close proximity (i.e. < 2 miles) to the Subject. Ultimately, the Subject's ability to capture this demand will dictate the success of the project.
- **Non-Traditional Marketing Efforts:** Typically, hotel operators of group oriented lodging facilities are able to negotiate lower room rates while obtaining healthy banquet revenues (meals, coffee breaks, etc.) The dynamics of this local market point to a high likelihood that users of the Subject's meeting facilities will generate fewer room nights, and so the marketing efforts of the hotel operator may have to shift towards the sale of the meeting space to local users.

Opportunities

- **Capturing FIU Room Demand:** It is estimated that FIU generates over 23,000 occupied room nights per year. With the right policies and incentives in place, the majority of this room demand could be driven to the Subject Hotel.
- **Local Corporate Demand:** The trade area where the Subject is located (particularly Doral) has very limited meeting facilities (except for Trump Doral and InterContinental Doral). At the same time, it has a corporate rich population (Carnival, Ryder, Royal Univision, etc.) Through its community relationships, FIU could market the Subject's facility to cater to these corporate groups and conferences.

Threats

- **Lodging supply growth:** There is a risk that new room supply entering Miami-Dade County, albeit less so in the Doral and Airport submarkets, may place pressure on both country-wide occupancy and rate.
- **Construction Cost Inflation:** Anecdotal evidence points to increasing construction costs in the hotel space, potentially increasing Subject's development costs.

Executive Summary

- **Current Programming:** JLL believes the proposed 150 room key count is appropriate. A larger hotel, with more than 200 rooms, would entail the operator having to rely in group oriented demand, which might be difficult to attract in light of the currently, surrounding land uses. It will also mean going head to head vs. the more established Hilton and Marriott product. A smaller hotel (under 125 rooms) would eliminate a number of economies of scale (high fixed costs) forcing management to drive truly high ADRs.

Summary: FIU Hotel & Conference Center			
Rooms	Units	Size	Total Size (sf)
King	50	350	17,500
Queen/Queen	40	350	14,000
Suites	10	475	4,750
Total Rooms	100	363	36,250
Meeting Space			
Ballroom (Divisible)	1	6,000	6,000
Meeting/Conference Rooms	5	900	4,500
Board Rooms	1	1,500	1,500
Total Meeting Area			12,000
Pre-Function Area			1,500
Total Meeting/Conf. Areas			13,500
Food & Beverage	Seats	SF/Seat	Total Size (sf)
Three Meal (Main) Restaurant	100	27	2,700
Lobby Lounge/Bar	38	25	950
Coffer House / Grab & Go	12	25	300
Total F&B			3,950
Other Facilities & Amenities			Total Size (sf)
Fitness Center			2,500
Outdoor Swimming Pool/Deck			2,750
Business Center			400
Total			5,650
BOH & Support			Total Size (sf)
Public Areas			4,000
Administrative Offices			2,500
Back of the House - Support Areas			15,000
Total BOH & Support			21,500
Alumni Center - Offices			2,500
Total Net Square Footage			83,350
Gross Ratio (i.e. Walls, Shafts, MEP)		0.14	12,000
Gross Size of Hotel			95,350

Allocation	
Hotel	Conf Ctr/Alumni
17,500	
14,000	
4,750	
36,250	
	6,000
	4,500
	1,500
	12,000
	1,500
	13,500
2,700	
950	
300	
3,950	
2,500	
2,750	
400	
5,650	
3,000	1,000
2,000	500
6,150	8,850
11,150	10,350
	2,500
57,000	26,350
8,000	4,000
65,000	30,350

Executive Summary

Overall, by 2020 (Yr. 3), JLL anticipates that the Subject will be able to stabilize at a 73.0% occupancy while attaining an ADR of \$159. Additionally, we anticipate the Subject generating an estimated \$1.6 million in banquet revenue. Essentially, the Subject's peripheral location will force it to reduce rate slightly (vs. its competitive set) in order to reach market occupancy:

- **Gross Operating Profit (GOP):** The Subject will generate \$3.3 million in GOP, representing a margin of 48.5%
- **Net Operating Income (NOI):** US \$2.2 million; or 32.4% of Total Gross Revenue upon stabilization in Year 3.

New FIU Hotel & Conf Center					
	2018	2019	2020	2021	2022
Occupancy	63.8%	68.7%	73.0%	73.0%	73.0%
ADR	\$142	\$150	\$159	\$164	\$168
% Change	N/A	5.9%	5.8%	3.0%	3.0%
RevPAR	\$90	\$103	\$116	\$119	\$123
% Change	N/A	14.0%	12.4%	3.0%	3.0%
Total Revenues	\$5,545,000	\$6,167,000	\$6,805,000	\$6,995,000	\$7,204,000
Gross Operating Profit	\$2,428,000	\$2,855,000	\$3,300,000	\$3,390,000	\$3,492,000
EBITDA*	\$1,728,000	\$2,093,000	\$2,475,000	\$2,541,000	\$2,618,000
NOI**	\$1,617,000	\$1,908,000	\$2,202,000	\$2,262,000	\$2,329,000
NOI**/Room	\$16,170	\$19,076	\$22,024	\$22,616	\$23,294
NOI** Margin	29.2%	30.9%	32.4%	32.3%	32.3%

*USALI 10th Edition refers to "EBITDA" as "NOI" **USALI 10th Edition refers to "NOI" as "Adjusted NOI"

Executive Summary

Based on our operating pro-forma, JLL applied a discount rate of 11.5% and a residual capitalization rate of 8.5% (Yr. 6 NOI) to come up with a theoretical sales price in Yr. 5. The discount rate of 11.5% was selected based on current underwriting parameters noted by JLL's Sales & Investment Group for a development project. From a high level standpoint, it also corresponds to a Weighted Average Cost of Capital for a development deal, which would command a loan-to-value ratio of 60% (assumed 5.0% interest rate) combined with a equity rate of return requirement of 20.0%. This yields a value of \$23.2 million or \$233,000 per key for the Subject as of day of opening. In addition to this "financial" value, one must also take into account the intangible benefits that a hotel with these characteristics brings to the University and its community at large.

New FIU Hotel & Conf Center Discounted Cash Flow Asset Value Analysis (000s)

Period	Year	Operations Cash Flow	Investor Cash Flow	Yield
Year 1	2018	\$1,617	\$1,617	6.9%
Year 2	2019	\$1,908	\$1,908	8.2%
Year 3	2020	\$2,202	\$2,202	9.5%
Year 4	2021	\$2,262	\$2,262	9.7%
Year 5	2022	\$2,329	\$29,710	127.6%

Year 6 Net Operating Income*	\$2,399
Terminal Cap Rate	8.5%
2023 Residual Value	\$28,227
Less Closing Costs (3%)	(\$847)
Net Reversion Proceeds	\$27,381
Discount Rate	11.5%
Number of Rooms	100

Value Matrix

Present Value Summary	\$000	%
PV Residual	\$15,888	68.3%
PV Income Stream	\$7,388	31.7%
Gross Value	\$23,276	100%
Less: Capital Deductions	\$0	
Net Value	\$23,276	
Net Value per Key	\$233	
Net Cap Rate on 2018 NOI*	6.9%	

Present Value Matrix - Net Value after Capital Deductions (\$000'S / \$ Per Room / Cap Rate Based on 2018 NOI*)					
Discount Rate	Terminal Cap Rate				
	7.5%	8.0%	8.5%	9.0%	9.5%
10.5%	\$26,425	\$25,248	\$24,209	\$23,286	\$22,459
	(\$264,249)	(\$252,476)	(\$242,089)	(\$232,855)	(\$224,594)
11.0%	6.1%	6.4%	6.7%	6.9%	7.2%
	\$25,903	\$24,752	\$23,737	\$22,834	\$22,026
11.5%	(\$259,031)	(\$247,521)	(\$237,366)	(\$228,339)	(\$220,262)
	6.2%	6.5%	6.8%	7.1%	7.3%
12.0%	\$25,395	\$24,269	\$23,276	\$22,394	\$21,604
	(\$253,947)	(\$242,693)	(\$232,763)	(\$223,936)	(\$216,039)
12.5%	6.4%	6.7%	6.9%	7.2%	7.5%
	\$24,899	\$23,799	\$22,828	\$21,964	\$21,192
	(\$248,991)	(\$237,986)	(\$228,276)	(\$219,645)	(\$211,922)
	6.5%	6.8%	7.1%	7.4%	7.6%
	\$24,416	\$23,340	\$22,390	\$21,546	\$20,791
	(\$244,161)	(\$233,399)	(\$223,902)	(\$215,461)	(\$207,908)
	6.6%	6.9%	7.2%	7.5%	7.8%

*USALI 10th Edition refers to "NOI" as "Adjusted NOI"

Executive Summary

Cost Summary

The table below summarizes JLL development estimate for the Subject. It should be noted this analysis excludes any land allocation, no loan fees or financing costs, and likewise, nor any environmental remediation costs. It does include the cost to build a 150-car structured parking deck.

The figures below assumed IACC Standards. IACC, which stands for International Association of Conference Centres, is the leading body for setting the standards for 1st class meeting facilities. These standards cover every detail of a meeting experience and include above industry standard and lighting standards. They also call for specific sound transmission coefficients in conference space in walls, ceilings and operable partitions. They also call for permanent break stations with millwork, food service equipment, requiring additional sf. There are also upgraded FF&E package in guestrooms to accommodate better working environment. Technology standards, for example, call for 1 GB to each data port. Facilities are 4+ Star quality. Likewise, maximum parking requirements were assumed.

Category/Item	Hotel	Conf. Center & Alumni	Total Estimate (both structures)	Cost/SF	Cost per Key
Total Land & Improvements	\$0	\$0	\$0	\$0.00	\$0
Soft Costs	\$2,854,424	\$1,219,249	\$4,073,673	\$42.70	\$40,737
General Construction	\$15,485,600	\$7,609,056	\$23,094,656	\$242.08	\$230,947
Total Furniture, Fixtures and Equipment	\$3,503,591	\$917,970	\$4,421,561	\$46.35	\$44,216
Operating Supplies & Equipment	\$1,130,000	\$282,500	\$1,412,500	\$14.81	\$14,125
Sub-Total Project Development Costs	\$22,973,615	\$10,028,775	\$33,002,390	\$345.94	\$330,024
Working Capital	\$750,000	\$0	\$750,000	\$7.86	\$7,500
Pre-Opening Costs & Others	\$110,000	\$0	\$110,000	\$1.15	\$1,100
Sub Total Land, Soft Costs, Construction & FF&E	\$23,833,615	\$10,028,775	\$33,862,390	\$354.95	\$338,624
Interest Reserves & Related Costs	\$0	\$0	\$0	\$0.00	\$0
Legal, Closing Costs	\$0	\$0	\$0	\$0.00	\$0
Total Development Costs	\$23,833,615	\$10,028,775	\$33,862,390	\$354.95	\$338,624
Owner's Contingency (10%)	\$2,383,362	\$1,002,878	\$3,386,239	\$35.50	\$33,862
TOTAL DEVELOPMENT COSTS	\$26,216,977	\$11,031,653	\$37,248,629	\$390.45	\$372,486

Source: JLL Estimates

Executive Summary

In light of the gap between the estimated development costs of \$37.2 million vs. a market value in the \$23.2 million range, JLL believes there a number of steps (including combination) that could be implemented to bring market value and the cost of the Subject closer. However, it should also be noted that the development figures are somewhat skewed as a result of the Alumni Center. Options to reduce the gap include the following:

- **Actual Design/More Accurate Development Cost:** The development cost estimate was based on a high level analysis, which itself was centered on recommended programming. There is an opportunity to invest in a complete design of both facilities, and prepare a market-based, more accurate construction cost estimate. Even if this new exercise results in a figure that remains above the estimated market value of the Subject, there could be ways to value engineer the design to reduce this potential gap.
- **Parking:** The development cost estimate includes a 150-car structured garage facility. The value of this component was calculated at approximately \$1.7 million. To the extent parking can be converted into surface parking and perhaps implement some type of sharing the facility across the street, this cost could be reduced. Likewise, implementing valet service could also be an option.
- **IACC Standards:** Clearly, one of the elements that is increasing the overall development cost of this facility are the high standards required to become a IACC certified meeting facility. To the extend some of these can be “relaxed”, the overall cost would decline.
- **Utilization of the Meeting Facility:** JLL has assumed here will be, on average two events per week – over 100 per year – at the conference center. Further, we have assumed that most of these will be locally driven, which may not require a significant amount of room nights. One potential avenue to improve revenues could be a commitment by FIU to drive higher-rated business into the Subject. This could entail the organization of executive conferences, seminars which, among other characteristics, would require participants to stay at the hotel and pay above average rates, while receiving receive solid service and value.
- **Rent for the Alumni Office/Area:** JLL financial analysis did not consider any revenue generated by space allocated exclusively to the Alumni center. Assuming for examples, a \$25 per sf rent, this would improve the value of the overall business value.
- **Donation:** To the extent an FIU alumna could donate towards the construction of the Alumni / Conference Center, obviously the gap would be reduced.
- **Grants/Subsidies:** Similarly to the above, any monetary subsidy or grant, whether to fund the actual investment or any ongoing operating cash flow would also help in the feasibility of the project.

SECTION II

Local Market Analysis: Miami



Local Market Overview: Miami

General city highlights

Introduction

Following the collapse of the residential and commercial real estate industry, as well as global economic recession, Miami's economy was severely weakened in the late 2000s. However Beginning in mid 2010 and through 2015, the economy has shown notable improvement, thanks to growth in business services, trade and hospitality. Its transportation infrastructure is instrumental in providing the city with a true competitive advantage over other urban centers in the South, giving it the 11th largest Gross Metro Product in the nation.

Miami's growth is expected to continue, especially due to increasing tourism, healthcare, and consumer-related industries, which will lead to an improved economic environment, exceeding pre-recession GDP levels next year.

International Trade

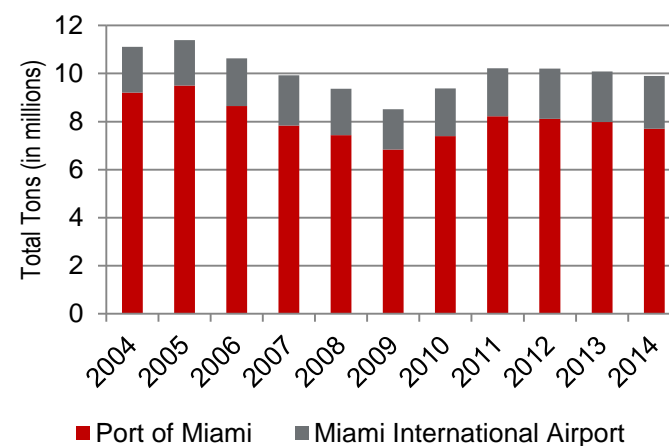
Miami's proximity to Latin America and its large Spanish-speaking population has helped the area become the primary gateway to Latin American business and trade. Miami is now the United States' dominant trading site with the region, far ahead of its main competitors, Atlanta and Houston.

- Miami's strategic location has attracted over 1,000 multinational corporations, 600 of which maintain their Latin American headquarters in Miami, providing some diversification to the area's economic output.
- The Port of Miami ranks 1st among Florida's container ports and 12th in the US during 2011. It contributes \$27 billion to the South Florida economy and is responsible for approx. 207,000 workers. At 52%, Latin America and the Caribbean make up Port Miami's largest trade region. The port recently underwent significant improvements in order to prepare for the Panama Canal expansion and the passage of the Colombia Free Trade Act, including a \$1.0 billion tunnel under Biscayne Bay completed in August of 2014. Additionally, a dredging project will make the facility one of only three ports on the East coast with 50 feet of depth to accommodate the largest ships coming through the Panama Canal, once its expansion is complete. As a result of these improvements, the Port of Miami expects to double its cargo capacity.
- Miami's position as a conduit of global trade bodes well for its long-term prospects. It is a hub for international trade, handling 60%, 46%, and 27% of all U.S. trade with Central America, the Caribbean, and South America, respectively.

Regional Map



Miami Dade Freight Load



Source: Port of Miami, Miami International Airport

Local Market Overview: Miami

Demographic and macroeconomic indicators

Demographic indicators

The migration from rural neighborhoods to urban skyscrapers throughout the twentieth century and beyond have transformed Miami into a renowned urban center in the world. With the establishment of various international companies and brands entering the market each year, Miami has flourished in cultural and commercial diversity. As the Port of Miami and International Airport break records in traffic each year, the city is becoming one of the busiest and most affluent cities in the world.

This has led to an exponential growth of population density in urban areas, yet a decrease in unemployment. The unemployment rate has dropped nearly 30% in 2014 year over year, yet is still 5.4% higher than the national rate of 5.6%. Crime also continues to be a major topic for the city, as the total crime rate is nearly 50% higher than national averages as of 2014.

The majority of the population of Miami is Hispanic or of Hispanic descent. About 71.5% of the population register as Hispanic, some of the highlighting nations including Cuba, Nicaragua, Venezuela, and Colombia. This is also an increasing number of Brazilians entering the population. About 19.0% of residents identify as African American, relatively higher than the nation's average of 12.86%.

Economic outlook

Due to its heavy trade activity with Latin America, Miami has among the highest employment concentrations in wholesale and retail trade in the nation. The metro area's strong international connections have also attracted the Latin American headquarters of numerous companies. In particular, the metro area has developed into a broadcasting and entertainment center, home to the Univision and Telemundo television networks and the Latin music divisions of many major record companies.

Looking forward, Miami's labor market is forecast to improve with a gradual expansion of the economy.

- Business services, hospitality, trade, education and health services are expected to play a large role in the area's economic recovery over the next five years, helping to bolster weak projected performance from the region's two most damaged industries, construction and finance.
- Budget shortfalls will impede prospects for growth in government employment.
- Over the next 5 years Miami is expected to experience strong consumer spending and modest population gains.

Unemployment Statistics

	Florida	Miami-Dade	Mia-FLL-Pomp MSA	U.S.
2004	4.7	5.5	5.1	5.5
2005	3.8	4.6	4.2	5.1
2006	3.3	4.1	3.6	4.6
2007	4.0	4.1	3.9	4.6
2008	6.3	6.2	6.0	5.8
2009	10.4	11.3	10.3	9.3
2010	11.3	12.5	11.3	9.6
2011	10.3	11.2	10.3	8.9
2012	8.8	9.5	8.7	8.1
2013	7.2	8.4	7.4	7.4
2014	5.7	5.9	5.3	5.6
YTD Jun 2015	5.5	6.4	5.6	5.3

Source: U.S. Bureau of Labor Statistics (www.bls.gov)

Data is Not Seasonally Adjusted

Miami: Key Employment Sectors (by GDP %)

Sector	2004	2014	2024
Wholesale Trade	9.1%	8.8%	4.5%
State & Local Government	9.4%	8.1%	9.8%
Health Care & Social Assistance	6.4%	7.7%	7.7%
Retail Trade	7.1%	7.5%	4.6%
Professional, Scientific, & Technical Services	8.0%	7.4%	7.5%
Accommodation & Food Services	3.9%	4.2%	3.8%
Transportation & Warehousing	3.6%	4.2%	7.4%
Construction	7.6%	4.0%	4.3%
Administrative & Waste Services	4.0%	3.9%	2.0%
Other Services, Except Public Administration	2.9%	2.6%	6.3%

Notes:

*Quotient - US Average = 100

*Miami includes Ft. Lauderdale and West Palm Beach

Source: Oxford Economics



Local Market Overview: Miami

Macroeconomic indicators

Macroeconomic indicators

After remarkable job losses beginning in the second half of 2008, Miami-Dade's labor market has seen modest year-over-year gains since the middle of 2010. The economy has been growing, not only in size, but also in capital worth. As Miami is expected to rapidly grow in the upcoming years, positive change has already been enacted in the city.

- Employment and payrolls have been boosted by rebounding hospitality employment and the area's large trade sector. Although population has seen steady growth, the unemployment levels have plummeted. By 2019, unemployment rates are expected to drop to 5.4%, half of what it was in 2010.
- The market took a hit in the downturn of the late 2000s, but has seen notable recovery in recent years. Growing since 2011, GDP is expected to exceed \$300 million by 2018. This increase serves as evidence of the local market's improvement. Currently averaging a 3.0% GDP growth rate, many believe this rate will significantly increase over the next decade.

Miami Macroeconomic Indicators										
2010	2011	2012	2013	2014	Metric	2015	2016	2017	2018	2019
5576.1	5689.5	5778.5	5853.7	5919.4	Population (thousands)	5958.0	5993.4	6044.8	6103.1	6167.0
1.6%	2.0%	1.6%	1.3%	1.1%	Population Growth (% Δ)	0.7%	0.6%	0.9%	1.0%	1.0%
247,747.5	249,167.9	256,895.7	263,124.0	271,115.1	Real GDP (US \$ millions)	280,369.8	288,641.4	296,894.1	305,721.4	314,889.4
-0.1%	0.6%	3.1%	2.4%	3.0%	Real GDP Growth (% Δ)	3.4%	3.0%	2.9%	3.0%	3.0%
302.6	274.3	240.7	211.9	188.5	Unemployment Level (thousands)	166.2	160.4	163.8	168.1	170.6
10.8%	9.6%	9.6%	8.3%	7.2%	Unemployment Rate (%)	5.5%	5.2%	5.2%	5.3%	5.4%

Notes:

GDP - Gross Domestic Product

⁽¹⁾ Percent changes presented reflect year-over-year growth.

⁽²⁾ Real GDP levels reflect 2009 US prices.

⁽²⁾ Miami includes Fort Lauderdale and West Palm Beach.

Source: Oxford Economics (2015)



Local Market Overview: Miami

Office Market

Characteristics

Miami's office market is spread between nine different submarkets tracked by JLL. This inventory is comprised of Class A and Class B buildings with a minimum size of 30,000 square feet and excludes medical, government and most condo product. The Suburban Miami Airport submarket is the largest in Miami, accounting for just over one-quarter of the total inventory. The Central Business District (CBD) is comprised of two submarkets: Downtown and Brickell, which are the two submarkets pertinent to the Subject.

- **Downtown:** This area is becoming increasing more desirable for office demand. Climbing from it's fourth place in 2014, by Q2 2015, Downtown is now the second largest office submarket in the county, and the second largest market of Class A office space by a marginal difference of only 1.4%. Experts anticipate further growth for the submarket in 2015.
- **Brickell:** Brickell's inventory is slightly less than that of Downtown's, making it the third largest submarket comprising 18.0% of Miami's total square footage, and 20.8% of Class A office inventory. Brickell has the highest asking price out of all submarkets, at \$41.05.
- **CBD:** The majority of stock is located in Trophy buildings with direct asking rates averaging \$38.00 – 24.4% higher than that of the suburban submarkets. Both sectors of the CBD compete effectively on the pricing and for premier tenants, dominated by the banking and finance industries as well as professional services companies. This area is rapidly growing – nearly 600,000 sf of office space are currently under construction, compared to 40,000 sf for all the other Miami submarkets combined.

Miami-Dade Office Snapshot (Q2 2015)										
	Total RBA	% County RBA	Vacancy	Quoted Rates	% Class A	% Class B	Under Construction Inventory		Lodging Comparison	
							Total RBA	% of Inventory	Hotel Rooms [‡]	Rooms / 1,000 sf RBA
Downtown	7,115,053	20%	18.0%	36.21	67%	33%	315,000	4.4%	3,292	0.46
Brickell	6,384,303	18.0%	14.3%	41.05	68%	32%	263,103	4.1%	2,271	0.36
Total County	35,511,817	100%	16.3%	33.00	59%	41%	618,103	1.7%	20,150	0.57

Source: CoStar Group, JLL, STR

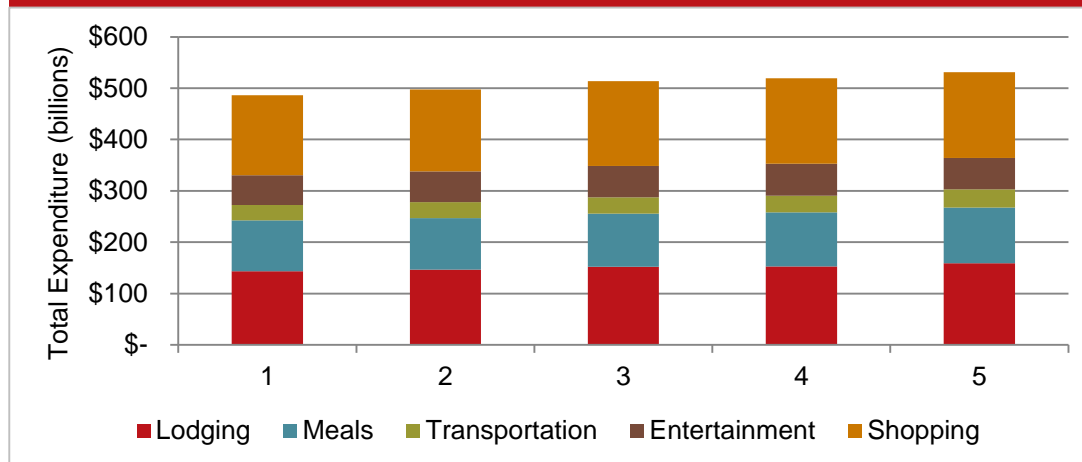
‡ Hotel rooms include only branded hotels and non-budget independents



Local Market Overview: Miami

Visitation trends

Miami Dade: Overnight Spending (2010 – 2014)



Source: Miami Beach Convention and Visitor's Bureau

General highlights

Miami tourism and travel benefits from a high number of repeat travel, proximity to Latin America, and pleasing weather and beaches. A 2014 survey revealed that the likelihood of overnight visitors returning was 97.9%, and 75.3% were already repeat visitors. This survey also reported that direct visitor spending reached its highest levels in the past five years in 2014. This high level was due to increased total visitation, average daily expenditures per visitor, and average expenditure per trip.

- The travel and tourism industry improved with a 2.4% increase in 2014 for overnight visitors to Miami. International visitors only saw a slight increase, however, domestic visitors increased by 3.0%.
- In 2014 Miami's visitors averaged a daily expenditure of \$279.48, an average trip expenditure of \$1,637.75, and an average length of stay of 5.86 nights. All expenditure categories increased slightly revealing that visitors are more willing to spend as compared to the previous years during economic recession.
- Overall expenditure increased by 4.4% in 2014, less than the increase experienced in 2013 but much larger than its .01% increase from 2008 to 2009.
- Lodging saw modest expenditure increases (4.3%). Meals, entertainment and shopping saw a range of change (+2.6%, -1.8% and +0.4% respectively). The largest increase was experienced by transportation which enjoyed an increase of 9.8%.

Miami: Visitor Profile

Expenditure Statistics	2010	2011	2012	2013	2014
Average Length of Stay (days)	5.7	5.8	5.8	5.9	5.9
Direct Expenditures (\$B)	\$18.8	\$20.7	\$21.8	\$22.8	\$23.8
Average Daily Expenditures (per perso	\$260	\$265	\$268	\$273	\$279
Average Expenditure per Trip (per pers	\$1,492	\$1,540	\$1,568	\$1,606	\$1,638
Visitor Origin					
Domestic	51.9%	51.7%	50.9%	49.8%	51.3%
International	48.1%	48.3%	49.1%	50.2%	48.7%
Main Purpose of Visiting Miami					
Leisure Travel	72.3%	70.8%	75.6%	73.7%	75.9%
Business / Convention	11.6%	12.5%	10.8%	13.3%	12.8%
Cruise	7.4%	7.1%	8.1%	7.8%	7.2%
Personal / Other	8.7%	9.6%	5.5%	5.2%	4.1%
Lodging					
Hotel / Motel	59.5%	53.8%	56.2%	60.7%	64.9%
Friends / Relatives / Other	40.4%	46.2%	43.7%	38.9%	32.3%
Geographic Origin					
Miami Beach	44.1%	41.2%	42.0%	43.6%	47.8%
Downtown / Brickell	18.7%	21.7%	17.3%	18.1%	19.2%
Airport Area	13.8%	13.0%	17.2%	16.5%	12.8%
North Dade / Sunny Isles Beach	9.5%	9.8%	10.0%	10.8%	8.8%
Coconut Grove / Coral Gables / Biscay	9.2%	8.9%	8.5%	6.3%	3.9%
South Dade / Kendall	4.7%	5.4%	5.0%	4.7%	3.9%

Source: Miami Convention & Visitors Bureau

Local Market Overview: Miami

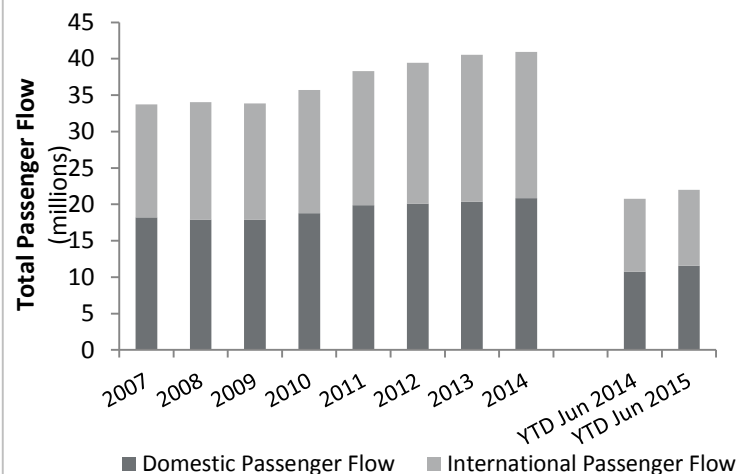
Travel and tourism trends

Miami International Airport

The Miami International Airport (MIA) is the 2nd busiest airport for international travelers in the US and the 26th busiest airport in the world (passenger traffic 2014). MIA has reported a 0.9% increase in passengers in 2014, bringing the total to 40.9 million passengers, a record peak for the airport. **YTD figures show continued growth, posting a 5.9% increase through June, boosted by a 7.5% increase in domestic passengers.**

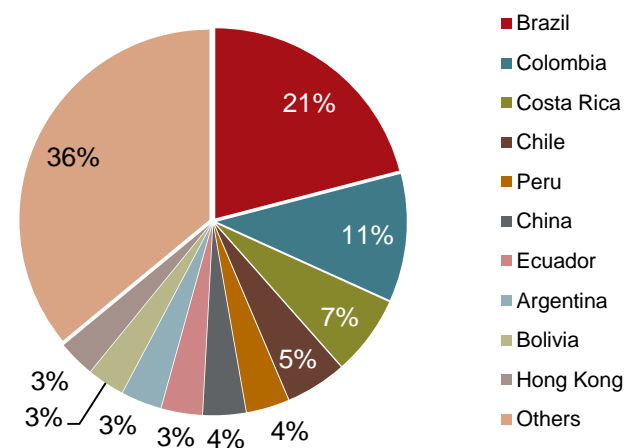
- Currently, a total of 101 airlines operated from MIA, 59% of which were international carriers. Along with the new South Terminal, renovations to the North Terminal have been completed as part of MIA's \$6.4 billion Capital Improvement Program (CIP). Combined, the two terminals have added over 4 million square feet to MIA's existing 3.5 million square feet of space. The airport has a total of 130 gates, with 104 international gates and 26 domestic, as well as a total of 645 ticket counters.
- The market for overnight visitors to Miami is dominated by domestic travelers from the United States, primarily from New York City (15% of the US). Domestic visitation increased by 2.4% in 2014 versus the previous year. International visitors, accounting for 50% of overnight guests, decreased slightly by 0.5% in the same period. South America is one of the fastest growing regions for visitor origin. Brazil, Colombia, and Venezuela account for the largest portions of South American visitors, while it will be some time before other countries in the region catch up in visitor contribution. For comparison, Peru and Chile each account for only 1% of total visitors, while Brazil accounts for 5%.
- LatAM remains the foremost source of international visitors as well as trading partners to Miami. Brazilian commerce consumer nearly a quarter of the international trade, with Colombia following at 11% of total value. Additionally, MIA has more cargo flights to LatAM than all other US Airports combined and injects \$33.7 billion into the economy each year. In 2014, the cargo sector created 282,724 jobs. MIA handles 84% of all air imports between the US and the Latin America/Caribbean region, and 81% of all air exports between these regions. It is ranked 1st in the nation for tons of international freight, 2nd in international passengers and 3rd for total tons of freight. In 2014, MIA set a new record for cargo with 2.2 million tons of goods moving globally.

Miami International Airport Traffic (2007 – YTD June 2015)



Source: Port of Miami, Miami International Airport

Miami International Airport: Top Trade Partners (2014)



Source: Miami International Airport

Local Market Overview: Miami

Travel and tourism trends (cont'd)

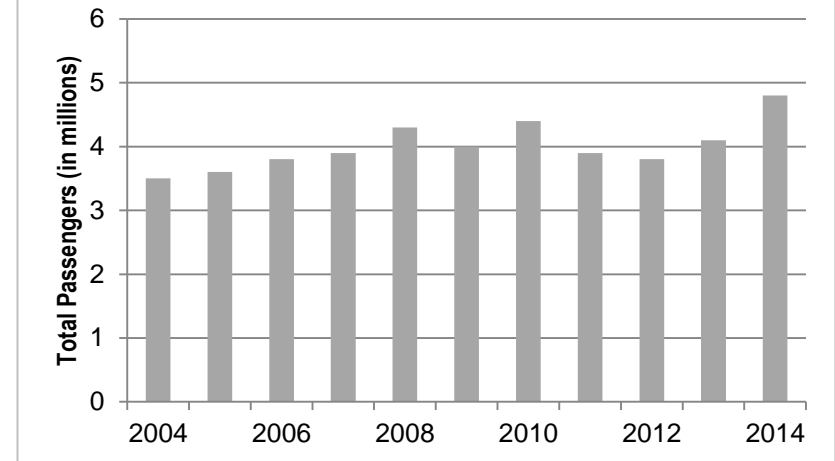
Port of Miami

The Port of Miami (PoM) had a record-breaking year during 2014 with 4.8 million passengers. This growth was a result of the addition of new cruise ships, including the upscale Celebrity Cruise's Celebrity Eclipse, and ultra deluxe Marina for Oceania Cruises. The port is also the global headquarters for three of the World's leading cruise lines including Carnival Cruise Lines, Norwegian Cruise Lines, and Royal Caribbean Cruises.

- Between 2004 and 2008, passenger traffic grew steadily at a compounded annual growth rate of 5.3%, before declining by in 2009 as a result of the economic recession. However, 2013 rebounded with an increase of 7.9% over the prior year. In 2014 passenger traffic grew by 17.1%, suggesting that 2015 will surpass last years' figures.
- Cruise passengers comprise an important segment of the transient lodging demand in the urban area of Miami. Many hotels in the Downtown / Brickell area rely on the port for a significant percentage of their total occupancy.
- PoM is ranked as the no. 1 container cargo port in Florida in 2014, and recognized across the globe with dual distinctions – the Cruise Capital of the World and the Cargo Gateway to the Americas.
- The \$1 billion construction of the Port of Miami Tunnel has made access to and from the port more manageable and expedient for travelers. Additional capital improvements include the development of two ultra-modern terminals, complete with a VIP lounge, airline counters, and airport-style conveyor baggage system. As the expansion of the Panama Canal and the passage of the Columbia Free Trade Act will be completed by the end of this year, PoM is expected to double its cargo throughout capacity in less than 15 years.



Port of Miami Traffic (2004 – 2014)



Source: Greater Miami Convention and Visitors Bureau

Port of Miami Map



SECTION III

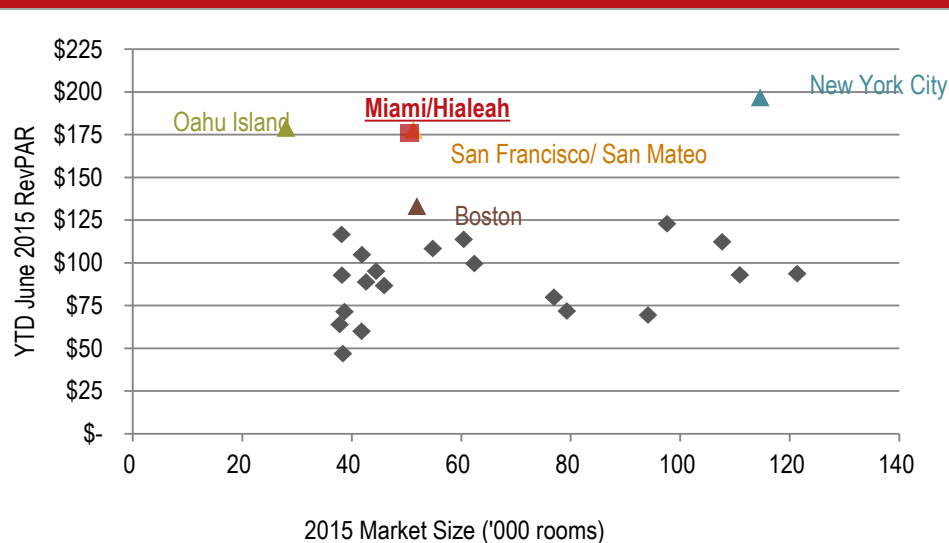
Market Lodging Analysis



Market Lodging Analysis

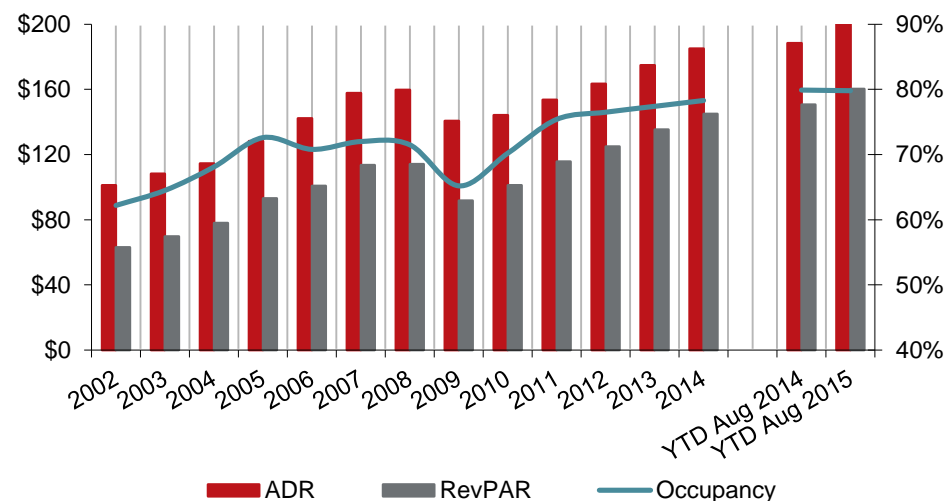
Overview

Top US Lodging Markets (Jun 2015)



Source: STR

Miami Lodging Market Performance (2002 – YTD Aug 2015)



Source: STR

Due to its proximity to Latin America, Miami serves as one of the financial and cultural hubs for the region. Its strategic location, combined with the draw of the area's beaches, has made Miami a top year-round travel destination and as a result, the Hialeah-Miami market is one of the top 25 lodging markets in the United States as measured by Room Revenue per Available Room (RevPAR).

- In YTD June 2015, Miami ranked **4th** in RevPAR, falling closely behind of San Francisco and Oahu Island. 2014 RevPAR grew 8.3% year over year, after a 5.3% growth from 2013, at \$144.87, higher than it has ever been in Miami. In 2011, Miami was fourth most successful lodging market in the United States, conveying significant growth within the past four years.
- ADR and occupancy have also grown for Miami-Dade County. Between 2002 and 2014, ADR grew by more than 5.0% annually, while occupancy improved by more than 16 points, from 62.2% to 78.3%. This time series includes the 2008-2010 downturn. It appears that the Miami, long considered a seasonal destination with strong performance during the winter months, and weak demand during the hot summer months, is increasingly becoming a year round destinations, fueled in large measure by both European and Latin American demand who tend to visit between May and September.

Market Lodging Analysis

Lodging submarkets

Characteristics and performance

As of 2014, Miami-Dade's lodging market was made up of 395 hotels or 51,267 rooms spread throughout 12 defined sub-markets. The most important, both in terms of size as well as RevPAR is Miami Beach where close to 40% of the county's room inventory is located, and which focuses primarily on upper-tier and independent properties. This is followed by Airport with 8,029 keys or 15.7% of total room inventory. The Airport caters primarily to the mid-market brands. The 3rd most relevant sub-market, in terms of size, is the Downtown / Brickell area where the Subject will be located. This sub-market contains 6,640 keys or 13.2% of the county's room supply. However, it has the largest concentration of both luxury hotels as well as upper upscale properties. This is to be expected as the majority of the room demand generated by this submarket is commercially driven (vs. leisure).

It should be noted that the Subject is not truly inside one of the existing hotel submarkets. There are simply no hotel product in the immediate vicinity. The closest ones are Doral and the Airport.

Occupancies in the Miami-Dade market vary widely by location, from the Airport occupying the top position at 86.2% in 2014 to Surfside/Bal Harbour at 67.0%. Doral at 77.6% falls in the top quartile. As a rule of thumb, occupancies above 65% for a typical hotel operation signify a strong cash flow.

In terms of ADR, the Airport submarket has ranked consistently low as the majority of its room inventory is select service. Doral's performance is slightly better with an ADR just above \$125. As a point of reference, Surfside/Bal Harbor, just north of Miami Beach attained the highest ADR at \$372.

In terms of RevPAR, which is obtained by multiplying Occupancy times ADR, both Airport and Doral have, coincidentally, almost the same level at \$98.

2014 Miami Dade County Hotel Sub-Market Performance							
Submarket	Hotels	%	Rooms	%	Occupancy	ADR	RevPAR
Aventura/Sunny Isles	15	3.8%	2,729	5.3%	75.5%	\$201.25	\$151.90
Surfside/Bal Harbor	9	2.3%	1,021	2.0%	67.0%	\$372.46	\$249.73
Miami Beach	152	38.5%	17,751	34.6%	77.1%	\$252.20	\$194.35
Downtown	30	7.6%	6,640	13.0%	80.4%	\$191.03	\$153.59
Coconut Grove	9	2.3%	1,133	2.2%	73.2%	\$172.42	\$126.23
Central Dade	19	4.8%	2,025	3.9%	75.3%	\$119.58	\$90.03
South Dade	30	7.6%	2,165	4.2%	67.5%	\$86.48	\$58.34
Airport	46	11.6%	8,029	15.7%	86.2%	\$113.23	\$97.60
North Dade	37	9.4%	2,991	5.8%	79.0%	\$95.77	\$75.67
Coral Gables	15	3.8%	1,673	3.3%	77.8%	\$156.25	\$121.62
Doral	21	5.3%	3,403	6.6%	77.6%	\$125.83	\$97.70
Coc. Grove/Key Biscayne	12	3.0%	1,707	3.3%	74.7%	\$222.75	\$166.42
Totals	395	100.0%	51,267	100.0%	78.3%	\$185.12	\$144.95

Source: STR, Greater Miami CVB

The fact that Miami-Dade Countywide's annual occupancy is nearing 80% is a strong sign of almost year long, robust demand.

Market Lodging Analysis

Future New Hotel Supply

Miami Dade County Pipeline

Based on upcoming new hotels, as reflected in the adjacent table, Miami's hotel inventory could increase by approximately 5,440 keys over the short term. This represents about 10% of its existing supply. Typically, an increase of this magnitude would be very worrisome. However, the market's solid performance – particularly as it relates to a market wide occupancy that is hovering in the 80% range – could ameliorate the impact of these new additions.

A close look at the information reveals that a significant number of projects are concentrated in two submarkets: Miami Beach and Downtown/Brickell. In Miami Beach, in addition to the upcoming new hotels, there have been a number of recent openings – i.e. – The Thompson Hotel, the Edition, the 1 Hotel & Residences. Early reports note a slight weakening in ADR particularly during the Summer months. However, given the popularity of this submarket particularly as it relates to the East Cost of the US, we believe this new inventory will be absorb over the next two to three years.

In the Brickell Downtown area, there are also a number of important hotels that are either under construction or in the final planning stage. The largest of this is the Marriott Marquis, an 1,800 convention center hotel which will be biggest hotel in the region. Additionally, there are a number of high profiles hotel that should open over the next 24 months. Again, given this submarket's high occupancy – in excess of 80% - industry observers believe this new product will be absorbed without a significant disruption in the market.

As it relates to the Subject's trade area, there are no significant hotel developments except perhaps for one or two select service properties. JLL has fielded inquiries from interested developers looking at the Doral and Dolphin Mall area, but again, these are more standard mid-scale projects. The major obstacle for new hotel development remains the high cost of land.

Miami-Dade County - Hotel Pipeline			
Property Name	Rooms	Submarket	Open Date (est)
Four Points Coral Gables	103	Coral Gables	Nov-15
Hilton Garden Inn Miami Beach	96	Miami Beach	Aug-15
AC Hotel by Marriott	150	Miami Beach	Jun-15
1 Hotels & Residences	417	Miami Beach	Jan-15
Faena Hotel	169	Miami Beach	Nov-15
The Hall, a Joie de Vivre Hotel	123	Miami Beach	Aug-15
Hyatt Centric MB	105	Miami Beach	Feb-15
aLoft Miami Beach	239	Miami Beach	Jun-15
Element Hotel	140	Doral	Mar-15
Hampton Inn Midtown	124	North Dade	Mar-16
SLS Hotel	133	Downtown/Brickell	Jun-16
Holiday Inn Express & Suites MIA	102	Airport	Jun-15
Four Seasons Surfside	80	Surfside/Bal Harbor	Q2 2016
aLoft Coral Gables	137	Coral Gables	Apr-16
East Hotel	290	Brickell	Dec-15
Homewood Suites	103	Downtown/Brickell	Nov-15
Atton Hotel	275	Downtown/Brickell	Jul-16
Jade Hotel	70	Miami Beach	Jul-16
Hotel Indigo	140	Downtown/Brickell	Dec-16
Hyde Hotel	40	Downtown/Brickell	Dec-16
SLS Lux Hotel	84	Downtown/Brickell	Dec-16
IBIS/Accor Hotel	520	Downtown/Brickell	Dec-18
Marriott Marquis - Miami World Ctr	1,800	Downtown/Brickell	Dec-18

5,440

Source: JLL, STR



Market Lodging Analysis

Airport / Doral submarkets

Market performance

The Airport and Doral submarkets are commercial-centric and as such, lodging in these markets is focused primarily around business travel. Combined, these submarkets consist of over 11,000 rooms, most of which fall within the economy to Upper Midscale classes.

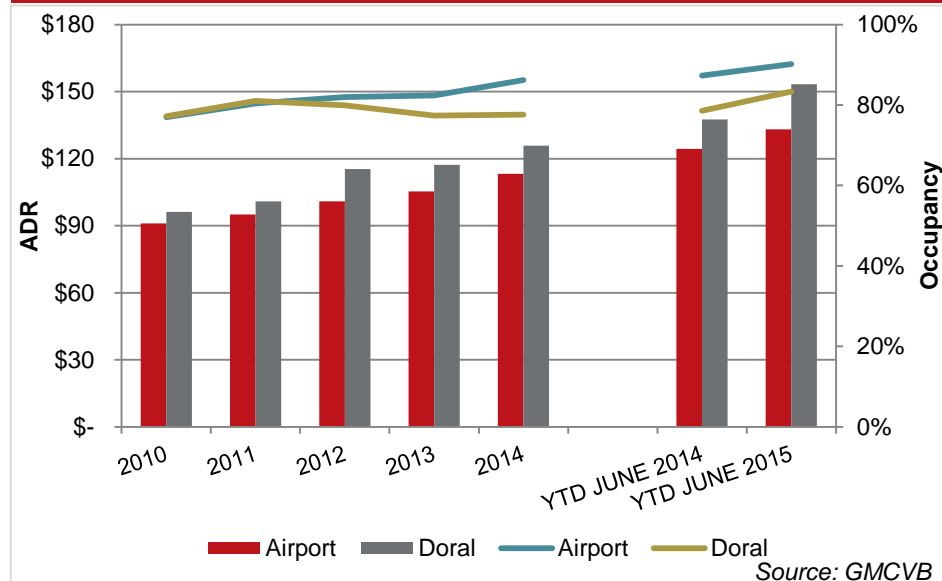
- Occupancies in these two submarkets have historically remained within the same range, however, the expansion of the Miami International Airport has induced further demand to the area. YTD figures for June 2015 show occupancy reaching a peak of 90% in the Airport submarket versus 83% in Doral; however, the Doral submarket has seen a greater jump in occupancy for YTD June versus the same period in the previous year.
- Rate has steadily increased year-over-year, closing 2013 at \$105 in the Airport and \$117 in Doral. 2014 continued this trend, closing the year at \$113 in the Airport and \$126 in Doral. YTD figures show a 7% increase in rate in the Airport submarket while Doral has experienced an 11% increase.

Lodging composition

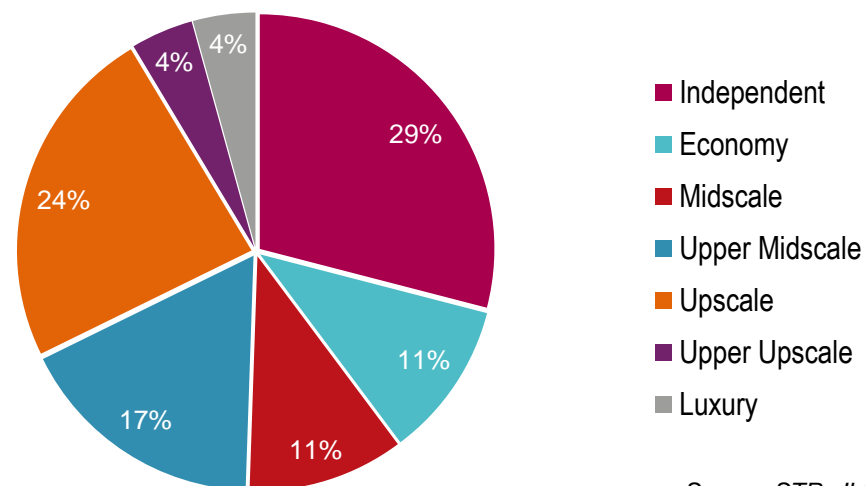
The Subject's location, within the Airport/Doral submarket, has evolved significantly since 2000 backed by the expansion of the Miami International Airport and the expanding office market

- The Airport/Doral submarket, where the Subject is to be located, caters primarily to the mid-market – upscale and midscale brands. This is to be expected as the majority of the room demand generated by this submarket is commercially driven (vs. leisure). Aside from an incursion of new rooms in 2012, this market has grown at a relatively stable pace.
- A significant portion of the lodging product in the Airport/Doral submarkets are Independently-branded, select-service hotels. Upper Upscale and Luxury product makes up only 8% of the hotel inventory in this region given that these areas are driven by commercial demand as opposed to the leisure demand that dominates the Miami Beach market.

Airport / Doral Lodging Market Performance (2010 – YTD Jun. 2015)



Airport/Doral Lodging Composition by Chain Scale (2015)



Market Lodging Analysis

Competitive set overview



Attributes	Comfort Suites Miami Kendall	Courtyard Miami at Dolphin Mall	InterContinental at Doral	DoubleTree Miami Airport & Convention Center
Location [Open/renovation date]	Bird Road and 117 th Avenue 1999	112 th Ave & NW 12 th Street 2008	87 th Ave & NW 25 th Street, Doral 2000	711 NW 72nd Ave 2008
Brand / Hotel Group	Comfort Suites / Choice Hotels	Courtyard / Marriott	InterContinental / IHG	DoubleTree / Hilton
Room count	132	118	265	334
Restaurants ⁽¹⁾	Breakfast (free) Outlet	Breakfast Outlet	One 3-meal restaurant – <i>Blue Matisse</i> and lobby lounge, <i>Nau</i>	One lunch/dinner restaurant, two breakfast/lunch restaurants, one dinner restaurant
Bar	-	-	✓	✓
Spa/Sauna	-	-	-	-
Gym	✓	✓	✓	✓
Pool	✓	✓	✓	✓
Business center	✓	✓	✓	✓
Meeting space ⁽²⁾ [Capacity]	2 meeting rooms 1,004 sf plus Breakfast Area 8 sf / guestroom	1 Meeting Room 800 sf 9 sf / guestroom	10 meeting rooms 10,000 sf 38 sf / guestroom	50+ meeting rooms 172,000 sf 515 sf / guestroom
Commentary	Closest hotel property to the Subject; select service/ economy positioning	Located within Dolphin Mall with good access to Doral	InterContinental is considered a luxury brand, though this more of an upper upscale hotel	Greatest amount of meeting space within the Doral/airport submarket

Notes: ⁽¹⁾ Does not include bar, room service or snack bar; ⁽²⁾ Includes boardrooms; N/A – Not Available

Market Lodging Analysis

Competitive set overview (cont'd)



Attributes	Hampton Inn & Suites Miami Airport South Blue Lagoon	Sofitel Miami	aloft Hotel Miami Doral	Hampton Inn Suites Miami Doral Dolphin Mall
Location [Open/renovation date]	777 NW 57th Ave 2000	5800 Blue Lagoon Dr. 1986	3265 NW 107th Ave 2013	11600 NW 41st St 2000
Brand / Hotel Group	Hampton Inn / Hilton	Sofitel / Accor	Aloft / Starwood	Hampton Inn / Hilton
Room count	149	281	145	121
Restaurants ⁽¹⁾	Breakfast (free) Outlet	One 3-meal restaurant, One breakfast/lunch cafe	One grab-and-go outlet, one breakfast outlet	Breakfast (free) Outlet
Bar	-	✓	✓	✓
Spa/Sauna	-	-	-	-
Gym	✓	✓	✓	✓
Pool	✓	✓	✓	✓
Business center	✓	✓	✓	✓
Meeting space ⁽²⁾ [Capacity]	2 meeting rooms 1,400 sf 9 sf / guestroom	13 meeting rooms 11,000 sf 39 sf / guestroom	5 meeting rooms 3,211 sf 22 sf / guestroom	4 meeting rooms 1,458 sf 12 sf / guestroom
Commentary		A luxury brand but operating in a midscale market	Newest hotel in the Comp Set	Strong location vis-à-vis the entrance to Doral; strong access to Turnpike

Notes: ⁽¹⁾ Does not include bar, room service or snack bar; ⁽²⁾ Includes boardrooms; N/A – Not Available



Market Lodging Analysis

Local product

The following is a sample of the inventory of lodging product in the Airport & Doral area. It is designed to provide a high level of the competition – both directly and indirectly – against which the Subject will compete. As noted previously, the majority of the supply is dominated by select service product with a limited amount of full service hotels.



Attributes	Crowne Plaza Miami International Airport	Courtyard by Marriott Miami Airport	Embassy Suites by Hilton MIA	Miami Airport Marriott	Sheraton Miami Airport & Executive Meeting Center
Location [Open/renovation date]	950 NW 42nd Ave 1983	1201 NW Le Jeune Rd. 1995	3974 NW S River Dr. 1987	1201 NW Le Jeune Rd. 1972	3900 NW 21st St 1978
Affiliation/Brand	Crowne Plaza / IHG	Courtyard / Marriott	Embassy Suites / Hilton	Marriott / Marriott	Sheraton / Starwood
Room count	308	300	318	367	405
Restaurants ⁽¹⁾	One 3-meal restaurant	Two 3-meal restaurants, Starbucks	Breakfast (free) Outlet, one lunch/dinner restaurant, free evening reception	One 3-meal restaurant	One 3-meal restaurant, one bistro/pub
Bar	✓	✓	✓	✓	✓
Spa/Sauna	-	-	-	-	-
Gym	✓	✓	✓	✓	✓
Pool	✓	✓	-	✓	✓
Business center	✓	✓	-	✓	✓
Meeting space ⁽²⁾ [Capacity]	7 meeting rooms 5,300 sf 17 sf / guestroom	6 meeting rooms 2,900 sf 10 sf / guestroom	1 meeting room 12,000 sf 38 sf / guestroom	16 meeting rooms 16,000 sf 44 sf / guestroom	17 meeting rooms 17,000 sf 42 sf / guestroom

Notes: ⁽¹⁾ Does not include bar, room service or snack bar; ⁽²⁾ Includes boardrooms; N/A – Not Available

SECTION IV

Site Analysis



Site and Area Analysis

Location – Suburban center

Surrounding Hotel Market

Currently, there is virtually no hotel product in and around the immediate vicinity of FIU. In fact, looking at the adjacent map, the Subject appears to be surrounded by various submarkets which draw occupancy from specific demand generators.

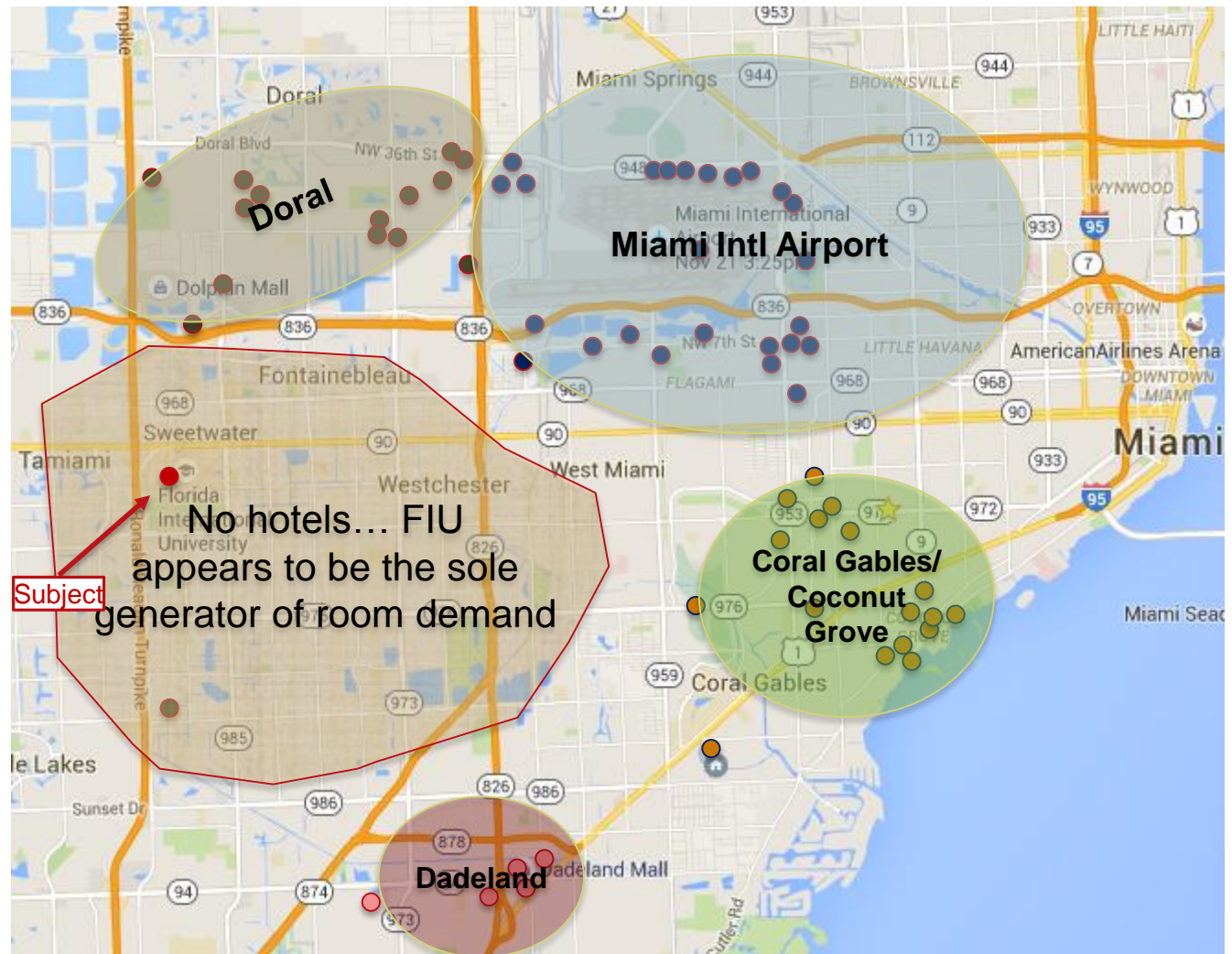
The closest lodging facility to the Subject is a Comfort Inn to the south on Bird Road, 32 blocks away via 117th Avenue. This is a limited service hotel that caters to room demand towards the south.

Dolphin Mall/Doral: There is also a cluster of hotels in and around the Dolphin Mall. Room demand is driven by this retail outlet as well as its proximity to Doral, home to numerous import/export businesses as well as a couple of corporate headquarters - Carnival, Univision, Citibank (back office), Southern Command, Ryder, etc.

Airport Market: As one would expect, the area surrounding MIA is a natural location for hotels. Not only does the Airport generate solid demand, but the fact is that MIA is centrally located within Miami-Dade, with easy access to all points within the county itself. It is estimated that more than 85% of hotel inventory in this market is positioned as select service

Coral Gables/Coconut Grove: This submarket is proximate to MIA (less than 4 miles) as well as to Biscayne Bay, and is surrounded by a number of high income residential neighborhoods. The area has a solid Class A office market where many Fortune 500 companies have established their Latin American regional offices. This submarket has a respectable inventory of full service hotels, including the Biltmore in Coral Gables and a Ritz Carlton in Coconut Grove. However, reflecting the national trend, most new hotel construction will be positioned in the select service space (New Four Points, aLoft in Coral Gables).

Dadeland: Not unlike the Dolphin Mall to the north, but with significantly more years and much larger, Dadeland Mall has also emerged a small submarket with a number of hotels surrounding the retail center as well as a number of office buildings (Datran Office Complex, Green Co). To a lesser degree, Baptist Hospital also helps drive room demand in this area. Aside from the Marriott Dadeland, all hotel in this submarket are select service.

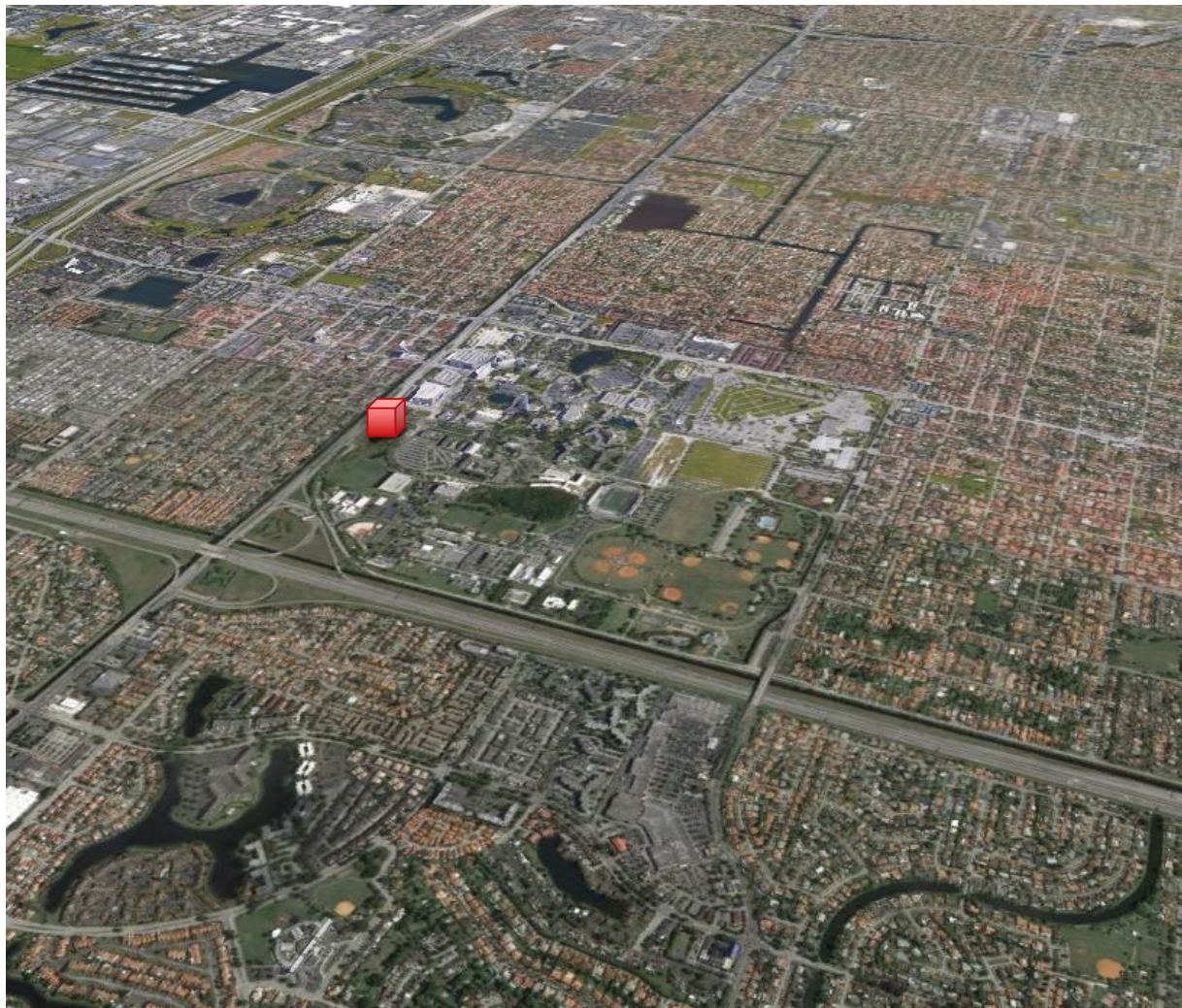


Site and Area Analysis

Location – Suburban center

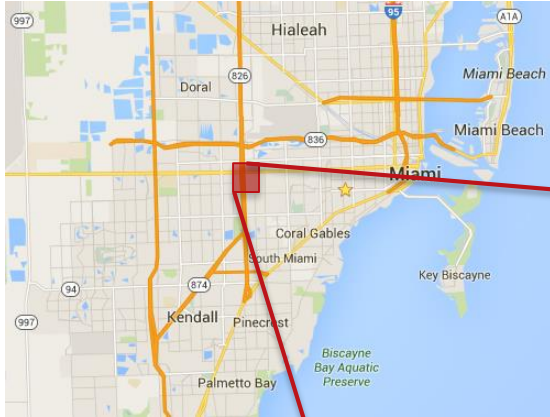
Form a pure market perspective, it would appear that aside from any room demand generated directly by FIU, there is no other significant generator of demand (office park, major retail center, corporate headquarters, leisure destination, etc.) in the area. In fact, the entire area between SR836 and Kendall Drive and between Red Road (57th Ave) and the Turnpike, is dominated primarily by single family residences which truly does not lend itself to driving lodging demand.

Given this limitation, a hotel in the area of the Subject would most likely be positioned as an alternative to other hotels. In other words, if the hotels in the Doral/Dolphin Mall are full, or perhaps Airport Hotels are nearing capacity, guest would then look for alternatives, and clearly the Subject would be one. Short of this, the Subject will need to offer discounted pricing to drive occupancy.



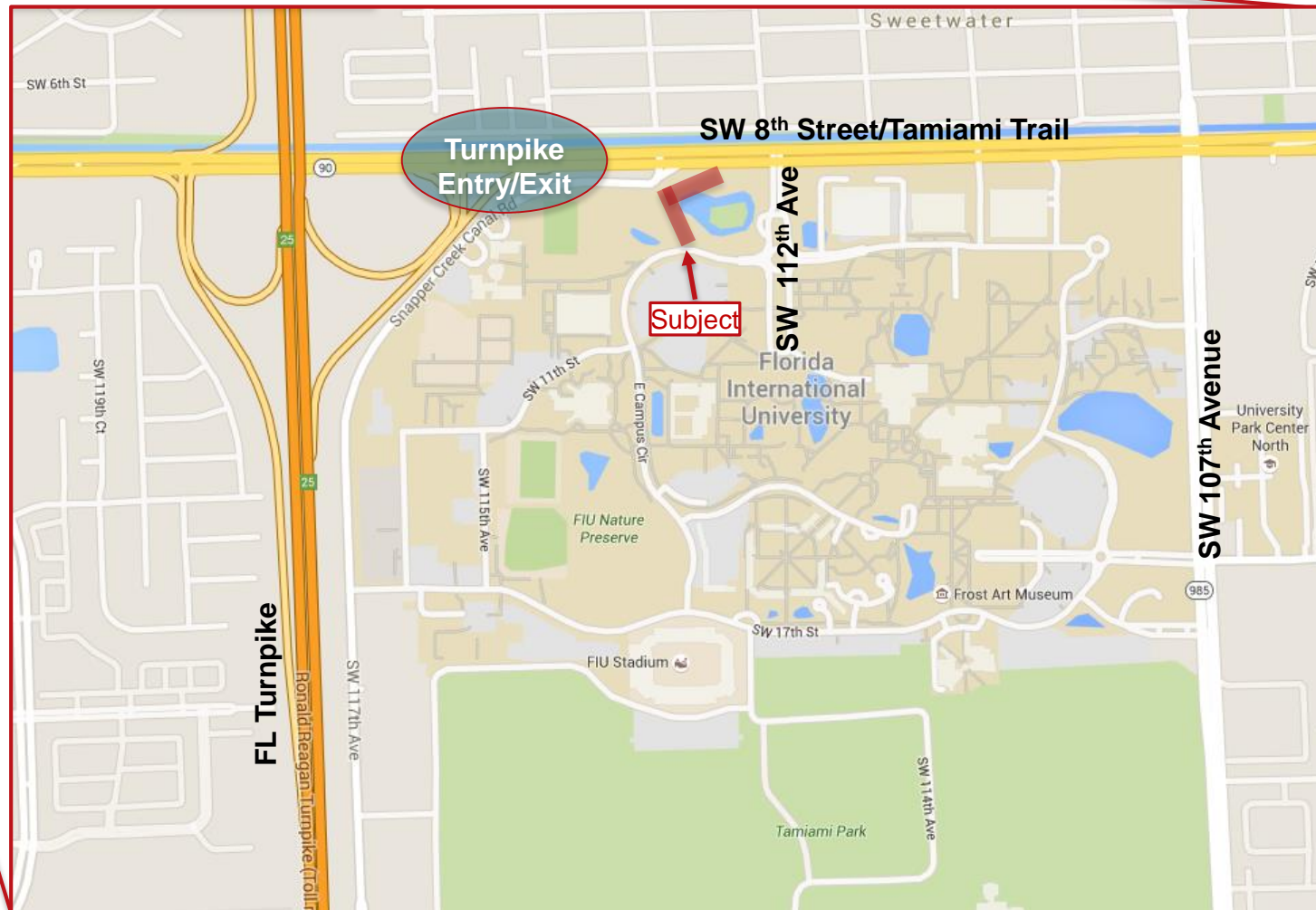
Site and Area Analysis

Access and visibility



From a visibility standpoint, the Subject will enjoy solid visibility from both Florida's Turnpike (North-South) as well as along SW 8th Street or Tamiami Trail.

The Subject offers easy access by virtue of being situated along SW 8th Street, immediately north of SW 112th which is also FIU's northern entrance (one of two main entry points for the University). More importantly, it will be located within two blocks from the 8th Street Turnpike Exit. The Turnpike is one of Miami Dade County's main North-South thoroughfares. Equally significant is the fact the Turnpike connects to SR836, another Miami Dade County highway, though this runs East-West. This location will allow guests to connect to the Airport, as well as other popular destinations – Downtown and Brickell, Miami Beach, the Keys – and major highways (I-75, I-95, I-395) by virtue of this access to the Turnpike.



SECTION V

Competitive Set Analysis



Competitive Set Analysis

Profile

Selecting a set of competing projects/hotels for the Subject proved a challenge as there is no truly comparable and/or competitive product. There are no hotels within a 2 mile radius of the proposed location, and so, to a large degree, the Subject will need to generate its own demand, which is currently being met by a number of hotels located elsewhere – near Doral, Airport, or possibly Coral Gables.

However, as a starting point to begin understanding where ADR and occupancy would fall, the JLL team selected a group of eight hotels. These were primarily selected based on proximity as well as accessibility. They include a mix of select service as well as full service hotels. This set of properties is comprised of the following:

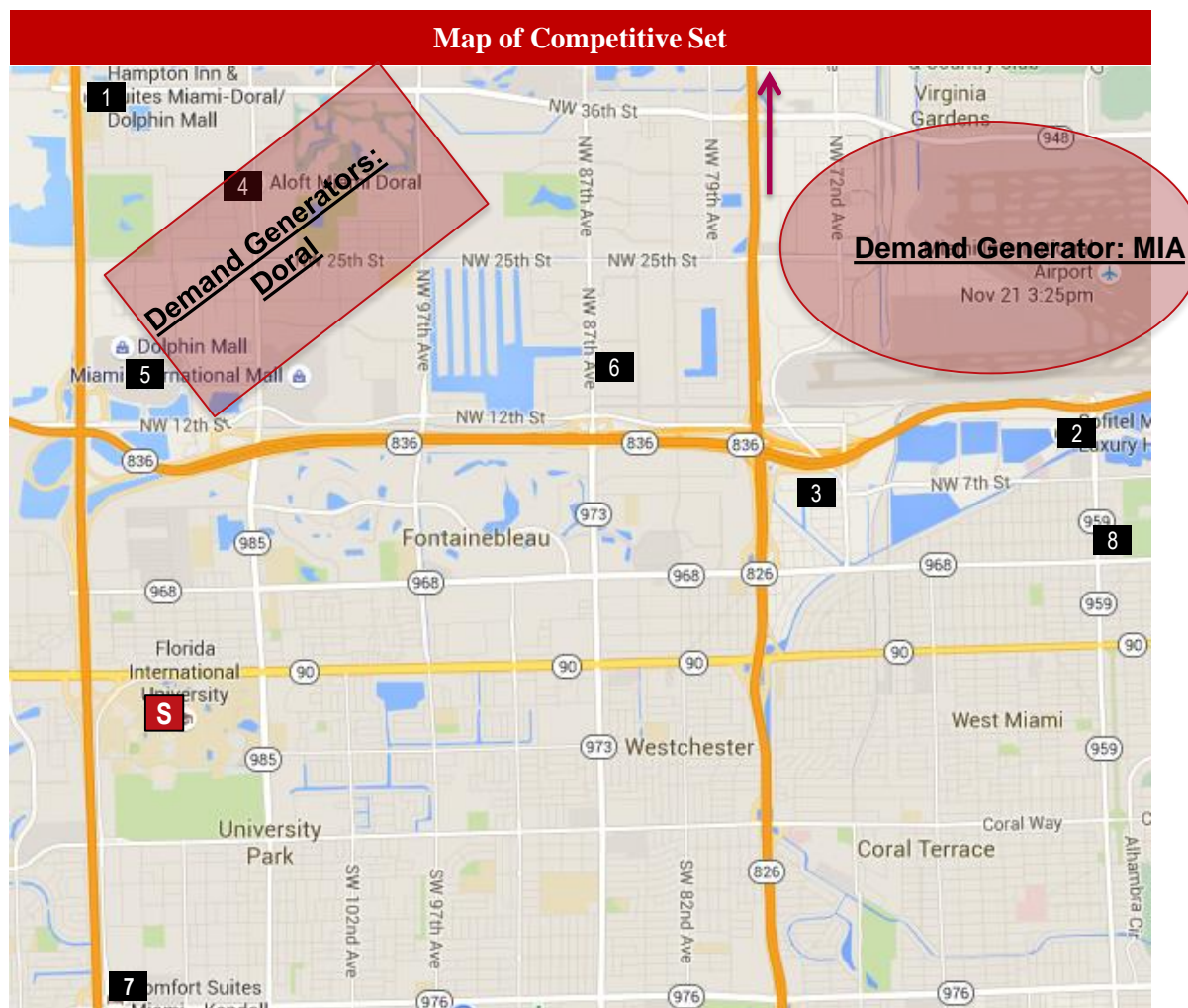
1. **HAMPTON INN & SUITE AIRPORT SOUTH, 149 keys:** This is a truly functional hotel solidly positioned in the select service segment. It is located at the corner of NW 7th Street and 57th Avenue with solid access to the Airport Expressway. While it is 8.2 miles from the Subject, there is direct connectivity via the Airport Expressway and the Turnpike.
2. **SOFITEL, 281 keys:** This is considered a luxury brand by French-based Accor. However, the submarket where it is located, namely across the Airport, is dominated by Select Service product, which has forced this hotel to significantly lower its ADR. Essentially, the property's positioning is a misfit. Rumors are circulating ownership will re-flag to Pullman, a group oriented hotel brand, also owned by Accor, bringing its operating cost structure more in line with the submarket. Nevertheless, the hotel has ample meeting space and is used by area companies, including FIU, to hold meetings. The hotel is 8.1 miles from the Subject, via the expressway.
3. **DOUBLE TREE MIAMI AIRPORT, 334 keys:** Given its convention center facilities, this property has the largest meeting and event space in the market (totaling 172,000 sf). It is also located adjacent to the Merchandise Mart, a wholesale operations of various clothing, accessories, and misc. goods. It was the largest property in the comp set. Despite its renovation in 2010, it remains a relatively dated product. The hotel has gone through several ownership changes. Its main advantage is its location near the intersection of SR 826 and SR 836. It is 6.8 miles from the Subject.
4. **aLOFT HOTEL DORAL, 145 keys:** This is the newest property in the Comp Set, having opened its doors less than two years ago in 2013. The aLoft brand is Starwood's answer to a lifestyle brand in the midscale segment (an alternative to "W"). However the brand, and most likely this property, competes purely on price. The hotel is 4.4 miles from the Subject, but is located near the heart of Doral near a central intersection.
5. **COURTYARD @ DOLPHIN MALL, 118keys:** This property is located within the Dolphin Mall parking area. Naturally, the mall, which has a number of discount outlet and important retail tenants, is a significant generator of room demand, since it attracts Latin American guests seeking merchandise. The hotel was completed in 2008 and is in good physical condition. Marriott Courtyard is a very popular flag with solid distribution. JLL estimates the ADR for this property most likely falls between \$145 and \$160 with an occupancy in the +80% range. The hotel also offer a number of dining options located nearby.
6. **INTER-CONTINENTAL HOTEL MIAMI, 265 keys:** This particular property, while classified as a luxury flag, is not aligned with its brand positioning and as such it is viewed more along the lines of an Upper-Upscale hotel. Relative to the Subject, the hotel is positioned at a higher chain scale but given its location proximate to the Miami International Airport, the hotel average daily rate is lower than that of other InterContinental hotels. Its ample meeting space is used by local corporations which are located in close proximity in and around the Doral area. Located on the west-side of the airport, the hotel is situated only 5.9 miles from the Subject.
7. **COMFORT SUITES KENDALL, 132 keys:** This is the closest hotel to the proposed location, approximately 1.8 miles to the south on 117th Avenue. However, in many respects, it is located in the opposite direction from where most of the Subject's guests will be coming from, namely North and East (Airport, Downtown Miami, Broward). The Comfort Suites flag is a select service brand offering limited amenities. This property specifically, which offers 121 keys, was completed in 1999 and its location is average as it sits behind a shopping center so that it does not front Bird Road. Further, the neighborhood where it is located is similar to the Subject's, mostly residential / single family homes.

Competitive Set Analysis

Profile (Cont'd) and Location Map

8. **HAMPTON INN @ DOLPHIN MALL, 121 keys:** The last component of the Comp Set is located immediately north of the Subject, less than 5 miles north on the Turnpike. Again, this hotel caters primarily to the Doral area, though it also picks up transient business by virtue of its location adjacent to the Florida Turnpike.

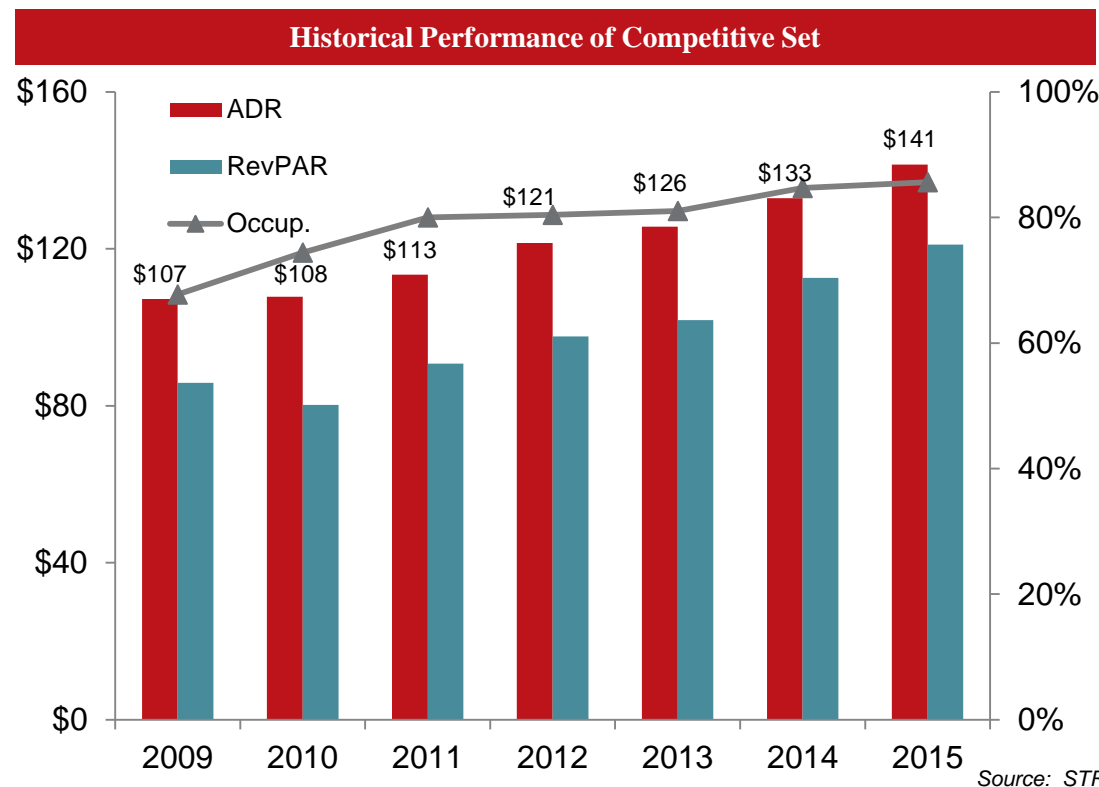
The following map illustrates the location of the different members of the competitive set vs. the Subject.



- S** Subject
- 1** Hampton Inn MIA Blue Lagoon
- 2** Sofitel Miami
- 3** DoubleTree Miami Airport
- 4** aloft Hotel Miami Doral
- 5** Courtyard Miami @ Dolphin Mall
- 6** InterContinental @ Doral Miami
- 7** Comfort Suites Miami Kendall
- 8** Hampton Inn Suites Doral Dolphin

Competitive Set Analysis

Reference set performance



The performance of the competitive set shows a strong recovery following the global economic recession of 2009/10. During 2009, occupancy reached close to 68% which in and of itself, is a strong showing (typically, occupancies above 65% represent adequate cash flow for a hotel operation). A rate of \$107, given the preponderance of select service in the competitive set, should be well regarded. Since then however, the competitive set, following the general positive trend in the rest of Miami, has shown solid improvement. As one would expect, occupancy was first to improve, reaching 80% in 2011. Since then it's improved to 86% in 2015 (est.) JLL believe this should be considered its structural ceiling. In other words, it is virtually impossible for a hotel to have 100% occupancy. After taking into account weekends, holidays and slow seasons, a hotel with an 86% average occupancy should be considered having full occupancy.

After reaching its "structural occupancy" in 2011, it was only natural for ADR to begin increasing. And so, after remaining in the \$107 level for two years, ADR has grown to \$141, more than a 5.5% annually. In fact, after taking into account improvements in occupancy and ADR, the Comp Set's RevPAR has grown by 9% over the past six years.

With only muted additional supply expected over short to medium term, JLL expects ADR to continue improving while occupancy remains in the high 80s.

Competitive Set Analysis

Reference set performance (cont'd)

Projected performance

Taking into account the aforementioned relevant pipeline, the Reference Set's historical performance, our expectations for travel and tourism to Miami and the dynamics of the market, our estimates for future market performance are as follows:

Competitive Set Occupancy (Does not include New FIU Hotel & Conf Center)													
Year-End	2010	2011	2012	2013	2014	2015	2016F	2017F	2018F	2019F	2020F	2021F	2022F
Available Rooms	511,000	511,000	511,000	555,370	563,925	563,925	565,470	563,925	607,725	607,725	609,390	607,725	607,725
Supply Growth	-	0.0%	0.0%	8.7%	1.5%	0.0%	0.3%	-0.3%	7.8%	0.0%	0.3%	-0.3%	0.0%
Occupied Rooms	380,261	409,032	410,956	450,126	477,478	482,495	491,074	497,078	516,962	522,131	523,562	522,131	522,131
Demand Growth	-	7.6%	0.5%	9.5%	6.1%	1.1%	1.5%	1.5%	4.0%	1.0%	0.0%	0.0%	0.0%
Induced Demand							0	0	0	0	0	0	0
Total Occupied Rooms	380,261	409,032	410,956	450,126	477,478	482,495	491,074	497,078	516,962	522,131	523,562	522,131	522,131
Occupancy	74.4%	80.0%	80.4%	81.0%	84.7%	85.6%	86.8%	88.1%	85.1%	85.9%	85.9%	85.9%	85.9%
ADR	\$107.60	\$113.41	\$121.48	\$125.68	\$132.92	\$141.47	\$148.54	\$154.49	\$157.57	\$162.30	\$167.17	\$172.19	\$177.35
Growth	-	5.4%	7.1%	3.5%	5.8%	6.4%	5.0%	4.0%	2.0%	3.0%	3.0%	3.0%	3.0%
RevPAR	\$80.07	\$90.73	\$97.67	\$101.80	\$112.58	\$121.10	\$129.00	\$136.17	\$134.04	\$139.44	\$143.63	\$147.94	\$152.37
Growth	-	13.3%	7.7%	4.2%	10.6%	7.6%	6.5%	5.6%	-1.6%	4.0%	3.0%	3.0%	3.0%

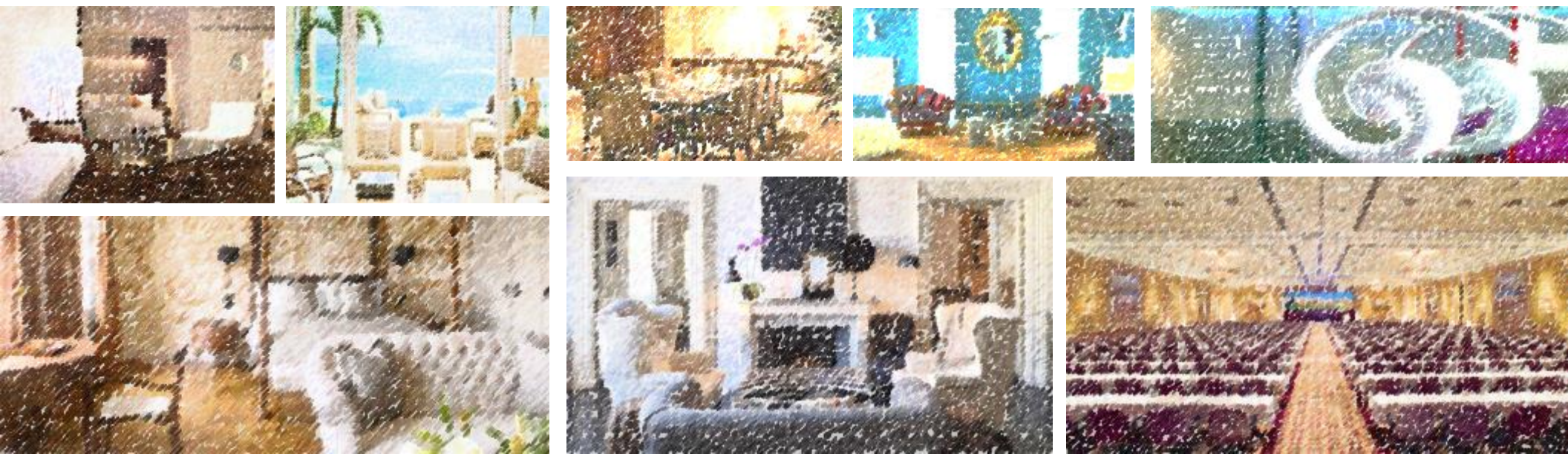
Room Demand: Based on interviews with management of properties in the area, room demand in the trade area is a mix between individual business travelers (with some group related business for those properties closer to Doral's corporations) and leisure demand, particularly during weekends and summer months. JLL foresees a continued strengthening of room demand. With limited additions over the short term – though we did include a new 120-key hotel coming on line in 2018 around the Doral area.

Occupancy: JLL projects occupancy for this comp set to remain healthy, in the mid 80s over the near to medium term. The introduction of a new 120-room hotel should not impact the performance of the competitive set in a significant way. JLL projects occupancy to remain in the mid 80s during the short to medium term.

ADR: While JLL believes room demand will continue to grow, its nature will remain very price sensitive. As such, we believe ADR will continue to increase gradually. Hotel guests will, in all likelihood, consider other facilities if rate becomes too expensive. Perhaps further away, or even a shift to an Economy positioned hotel. Based on the preceding, JLL anticipate this growth rate to remain slightly above inflation. By the times the Subject opens in 2018, JLL anticipates ADR to have reached the mid \$150s range.

SECTION VI

Project Overview & Recommended Facilities





Recommended Facilities

Introduction and University Conference Centers

Introduction

A principal goal of FIU is to develop a first rate conference center which would compliment the hotel and its facilities (and likewise, would also house an Alumni Center). So in addition to the current FIU related room demand, the hotel component of the Subject would also accommodate room demand associated with conferences, seminars, executive courses and related events, which would principally be driven by FIU's various colleges, but likewise, could also serve the existing corporate demand. Currently, this corporate demand is being met by Doral area hotels like the InterContinental Doral, or perhaps even the Trump Doral.

While difficult to quantify, this "conference demand" will be, more likely than not, more banquet/conference driven vs. rooms. Said differently, events will most likely generate a few number of room nights, but the bulk of their revenue will be food/coffee break driven/room rental, since many of the participants will be locally based. JLL believes it will be difficult for the Subject to compete on a national stage simply because Miami as a whole has a wide inventory of meeting facilities that offer other attributes – perhaps proximity to the beach, to downtown, etc. Instead, the Subject's meeting demand will be more local oriented vs. national. As such, FIU should utilize its connections to attract local corporations - Ryder, Carnival, FPL, Baptist Health, Burger King, etc. etc. And given the local nature of this companies, one would expect that – say a 100-person seminar or a product launch event – will hold mostly local vendors/employees with a small amount of attendees requiring hotel rooms.

Programing/ Hotel & Conference Centers

To develop a program of the facilities that will be needed, JLL's analysis centered into two logical areas: Rooms and Meeting Facilities. The Subject's proposed key count was estimated based on FIU's own generated room demand, as estimated by PKF; the overall room demand in the immediate trade areas (Doral and Airport) which the Subject could attract; as well as the size of other University related conference centers.



Recommended Facilities

University Conference Centers



Clemson University Conference Center & Inn

The Clyde V. Madren Conference Center opened in October 1995 alongside the John E. Walker, Sr. Golf Course. In July 1998, the Clemson Inn and Hotel made its debut. All 89 guestrooms of the hotel underwent a recent renovation which was completed this August. During this same period, the Walker Course also underwent renovations to resurface the greens and improve the course infrastructure.



The Statler Hotel

The Statler hotel opened in 1950 as the 52-room Statler Inn, in conjunction with Statler Hall, as an experiment in hotel education. Despite its small size, the hotel featured a ballroom, several banquet rooms, and the university's faculty club. In 1989, the hotel expanded to the \$45 million, nine-story Statler Hotel and J. Willard Marriott Executive Education Center we see today. The Statler's 153 guestrooms were full renovated in 2010.



Kellogg Hotel and Conference Center

The Kellogg Hotel and Conference Center was originally built in 1901 as the Girls Industrial Building. It later served as the school's sewing instruction area, classrooms, the nursing program, the hub for commercial dietetics training and childcare training before being established as a conference center hotel in 1994. More recently, in November 2011, the Conference Center underwent a refurbishment of the lobby, bar and restaurant areas.



The Cook Hotel and Conference Center

LSU Alumni Association President Dr. Charlie Roberts and then-ARCO Industries CEO, Mr. Lod Cook founded the Cook Hotel and Conference Center which opened its door on October 21, 2001.

Recommended Facilities

University Conference Centers



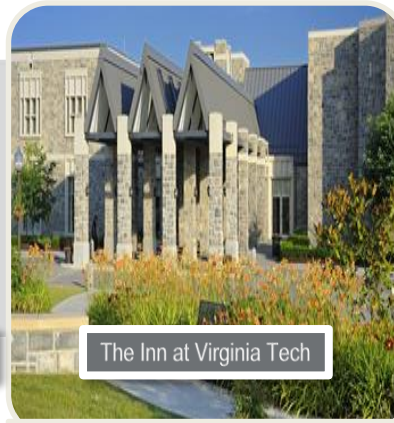
Georgia Tech Hotel & Conference Center

The Georgia Tech Hotel and Conference Center, which opened in the summer of 2003, is part of a multi-use development that was designed to expand Georgia Tech to the other side of Interstate 75/85. The development also includes a Barnes & Noble Bookstore, additional retail space, a 1473 car parking deck, and a 4-story office building. The hotel itself features the second greatest square footage among the selected comparable hotels (21,000 sf). Crestline Hotels & Resorts, who both manages and leases the property, recently completed a \$1.5 million renovation and upgrade to all 252 guestrooms and suites.



Kent State University Hotel and Conference Center

Having opened in June 2013, the Kent State University Hotel and Conference Center is the newest facility within JLL's reference set. The hotel, which is part of the million-dollar redevelopment of downtown Kent, only features 5,000 sf of meeting space as it is geared primarily towards local business and smaller corporate events. As such, strong emphasis has been placed on its F&B offerings, including microbrew samples, seasonal menus, happy hour and an extensive wine list.



The Inn at Virginia Tech

The Inn at Virginia Tech & Skelton Conference Center was opened in July 2005. Starting January 2011, Benchmark Hospitality International took over management of the facility. The entire \$43 million complex also includes the adjacent Holtzman Alumni Center which houses the Virginia Tech Alumni Association and offices for associated university personnel, in addition to a grand hall, museum, special collections library, and supplementary meeting rooms.



AT&T Executive Education and Conference Center

The AT&T Executive Educational Conference Center was completed in September 2008 after AT&T pledged \$25 million to the McCombs School of Business in June of 2007 towards the construction of an executive education and conference center. It has since drawn demand from around the globe and recently held a wide range of events from the Spring 2015 Venture Expo, to the ongoing "Entrepreneurship Live!" discussions. One of its larger events, the McCombs Alumni Network's 11th Annual Alumni Business Conference, will be held in early 2016.



Recommended Facilities

University Conference Centers

Attributes	Location [Open date]	Hotel	Room Count	Meeting Space [Capacity]	Restaurants	Additional Amenities
Clemson University	Clemson, SC	Clemson University Conference Center & Inn	89	9 meeting rooms 17,000 sf 191 sf / guestroom	Season by the Lake (3-meal rest.); Joe's Place Lounge	adjacent to the Walker Course, an 18-hole golf course
Cornell University	Ithaca, NY	The Statler Hotel	153	14 meeting rooms 16,000 sf 105 sf / guestroom	Taverna Banfi (3-meal rest.); The Terrace Restaurant; Mac's Café	lobby business kiosks, fitness Center, complimentary shuttle
Tuskegee University	Tuskegee, AL	Kellogg Hotel and Conference Center at Tuskegee University	110	14 meeting rooms 17,000 sf 155 sf / guestroom	Dorothy's Restaurant (3-meal rest.); The Skegee Lounge	fitness center, indoor pool, jacuzzi
Louisiana State University	Baton Rouge, LA	The Cook Hotel and Conference Center at LSU	128	11 meeting rooms 13,000 sf 102 sf / guestroom	N/A	outdoor pool, complimentary breakfast, fitness center, business center
Georgia Tech	Atlanta, GA	Georgia Tech Hotel & Conference Center	252	20 meeting rooms 21,000 sf 83 sf / guestroom	Conference Dining Room; Club Room; Lobby Bar	fitness center, indoor pool, business center, club lounge
Kent State University	North Canton, OH	Kent State University Hotel and Conference Center	94	4 meeting rooms 5,000 sf 53 sf / guestroom	Zenas; Nineteen10 Lounge	heated indoor pool, fitness center and spa, wireless printing, complimentary breakfast
Virginia Tech	Blacksburg, VA	The Inn at Virginia Tech	147	12 meeting rooms 23,700sf 161 sf / guestroom	Preston's (3-meal Rest); Continental Divide Lounge	business center, fitness center, adjacent to Virginia Tech Golf Course
University of Texas at Austin	Austin, TX	AT&T Executive Education and Conference Center	297	37 meeting rooms 40,000 sf 135 sf / guestroom	The Carillon (3-meal Rest); Gabriel's; OneTwenty5 Café	Business center, fitness center, outdoor pool, \$10 daily pass to the University of Texas Campus Recreational Facilities and Pools



Recommended Facilities

Introduction and key findings

Introduction

JLL considered three key factors to base the Subject's programming recommendations: (1) the Proposed Project vision as articulated by University leadership ; (2) the local lodging market and competitive landscape; and (3) the conference / alumni center facility, as they relate to programming. To develop market-based recommendations and as noted previously, JLL analyzed the attributed of other, similar type of University-related Conference Centers. We also conducted primary market research within the Subject's local market in order to determine the product attributes of the Reference Set. Altogether, the information gathered was combined with JLL's internal database and knowledge on hotel programming to determine the most suitable characteristics for the Proposed Project. Below is a summary of our key findings and major high-level recommendations in light of our understanding of the Project:

High-level recommendations:

Midscale to Upscale Positioning	Given the unique characteristics of the Site in conjunction with the surrounding lodging market, JLL recommends that the Subject Property be positioned between a Midscale and Upscale chain scale (or between 3 and 4 stars). The majority of the hotel inventory in the immediate area is dominated by Select Service or Midscale hotels. These properties provide solid room product but limited amenities – small meeting room and small restaurant areas. JLL believes the Subject should offer very functional rooms, a solid package of meeting areas (Conference Center) and a quality restaurant. In summary, the room product will lean towards a midscale hotel (though with a contemporary design) but with a more complete amenity package similar to a full service hotel. This will allow the Subject to have flexibility in pricing and, thus, an ability to cater to various group segments.
Number of Keys	We propose an initial key count of 100 rooms . As will be presented later, JLL believes FIU's own room demand (from their own commercial, athletics, social, etc. events) is sufficient to fill a 65-key hotel. This assumes FIU captures 100% of their demand. We believe a more realistic capture rate is in the 70 to 80% range assuming policies are put in place to truly capture this university demand. At this capture level, the required hotel rooms declines to 50 keys. The question then becomes how many room can a conference center drive, and likewise how many rooms nights can the Subject attract that are non-University related. Given the strength of the surrounding market as well as the potential for conference events - which more than likely will be locally driven (thus not requiring too many hotel rooms), JLL recommends the University considers a 100-key hotel. We also recommend that a pad or vacant area be left available so that a 40 to 60 room module could be added in the future, should be warranted it.
Meeting Space	Based on our survey of University Center, and given the proposed room count, JLL believes that a conference center offering an estimated 12,000 sf of meeting space plus an additional 1,200 sf of pre-function should be adequate to meeting FIU's demand. This space should include a large ballroom, together with several breakout rooms and a board room. One feature that could be considered is incorporating the island that sits in the middle of the pod as an outdoor venue.
Independent vs. Brand	JLL recommends that the Subject open as an independent hotel NOT associated with an international flag. The majority of the expected room demand will be FIU related, so if the guest already has a tie to the University, there is no reason why the hotel should pay for being part of a distribution system, or paying any brand fees. Further, none of the University related conference centers we analyzed was affiliated with a hotel flag. As an independent, one will expect the Subject will require above average marketing expenditures. However, properly motivated, the University faculty, its administration and even the student body could become the Subject's ambassadors promoting and selling the Hotel.

Recommended Facilities

Programming Observations

Public spaces and circulation

As soon as the guest enters the hotel, there must be a distinctive style or design in the layout of the lobby. This element does not necessarily translate into higher development costs. Most hotel operators agree that the lobby quickly sets the hotel's tone and ambience. Since JLL is not specialized in interior design, we recommend that the Client consults with a third party group that will assist in creating trendy style to the hotel's lobby and public spaces. The lobby of the hotel in particular is critical in providing the first impression the guests have of the hotel, by interaction with valet, bellmen, security, or other hotel employee.

The design of the public spaces must be carefully arranged. For example, there should be a check-in counter capable of handling traffic associated with a 100-key property. If the hotel does encounter a high volume of guests checking in, there should be enough free space allocated directly in front of said counters so that those waiting in line don't directly collide with the lounge area or lobby bar. Additionally, layout of the lobby must also be easy to understand. If guest walks into the building and can't immediately see the elevators, or a section designed for waiting, there is a probability that they may become confused or even irritated, leading to a bad impression of the hotel. JLL recommends that all public space be open, with easily distinguishable zones, as well as ample corridor, or passage, space.

Food & beverage

There are many details to consider when designing food and beverage space (such as soft vs. hard seating, cuisine theme, etc.). The main restaurant should have a trendy style, with appropriate lighting and décor. Some hotels outsource their restaurants, bringing in a third party operator to manage and direct the outlet. If properly arranged, outsourcing can be extremely profitable and relieve responsibility from the hotel manager. However, there are some downsides to outsourcing F&B. The removal of the hotel operator from direct control can impact the product quality and complicate BOH communication. Bringing in non-hotel staff is also a general concern for most hotel operators, as they may not be trained to adhere to the hotel brand's standards, as well as provide a potential risk in security.

Guestrooms

Due to the suburban setting and its meeting/conference orientation of the hotel, the product mix will be mostly business with some leisure. To accommodate the needs of such product mix, JLL recommends that roughly 50% of the guestrooms be King-sized, followed by 40% Queen/Queen, and the remaining amount allocated towards suites.

There are many other FF&E characteristics to consider when designing guestrooms. Mirrors and mirror-walls make the room look larger than it actually is, increasing guest comfort and satisfaction. Wall-lamps also allow for smaller bed-side tables without the tables appearing smaller. Other design features include regular versus energy-conserving light-bulbs and phones in multiple zones (sleeping, working, and bathing) to accommodate different phone uses. Likewise, given the conference orientation of the Subject, each room should have a comfortable work area where guests can work or check email.



Recommended Facilities

Summary

In recent years the market has witnessed the emergence of a new types of brand– one which allows hotel properties to retain their own identity while still being able to “plug in” to the distribution systems of these companies. Many believe this in mostly in response to hotel guests who want a different experience, opposite to staying at a typical plain vanilla Marriott or Hilton. In the case of the Subject, since it will be operated as an independent hotel, JLL believes there is an opportunity to design a very compelling, functional and stylish facility without necessarily resulting in an expensive development.

As regards to programing and proposed facilities, the adjacent table summarizes our recommendations for the Subject. Again, please note there are high level estimates. We also have assumed there will be two structures:

- **Structure 1:** Hotel keys, plus lobby areas, F&B – three meal restaurant, lobby bar, Grab’N’Go, kitchen areas (for both restaurant and meeting facilities), fitness area, pool, business center.
- **Structure 2:** Immediately adjacent to the hotel, the 2nd structure will house all of the meeting facilities, including pre-function space, plus the Alumni Center offices and a lobby entrance. The thinking is that all meals required by an event in this building would be prepared in the hotel/banquet kitchen and then transported over to Conference Center.
- **Parking:** Structured Parking for 150 cars. This would be a separate structure from the above two.

Summary: FIU Hotel & Conference Center				Allocation	
Rooms	Units	Size	Total Size (sf)	Hotel	Conf Ctr/Alumni
King	50	350	17,500	17,500	
Queen/Queen	40	350	14,000	14,000	
Suites	10	475	4,750	4,750	
Total Rooms	100	363	36,250	36,250	
Meeting Space					
Ballroom (Divisible)	1	6,000	6,000		6,000
Meeting/Conference Rooms	5	900	4,500		4,500
Board Rooms	1	1,500	1,500		1,500
Total Meeting Area			12,000		12,000
Pre-Function Area			1,500		1,500
Total Meeeeting/Conf. Areas			13,500		13,500
Food & Beverage					
	Seats	SF/Seat	Total Size (sf)		
Three Meal (Main) Restaurant	100	27	2,700	2,700	
Lobby Lounge/Bar	38	25	950	950	
Coffer House / Grab & Go	12	25	300	300	
Total F&B			3,950	3,950	
Other Facilities & Amenities					
			Total Size (sf)		
Fitness Center			2,500	2,500	
Outdoor Swimming Pool/Deck			2,750	2,750	
Business Center			400	400	
Total			5,650	5,650	
BOH & Support					
			Total Size (sf)		
Public Areas			4,000	3,000	1,000
Administrative Offices			2,500	2,000	500
Back of the House - Support Areas			15,000	6,150	8,850
Total BOH & Support			21,500	11,150	10,350
Alumni Center - Offices					
			2,500		2,500
Total Net Square Footage				57,000	26,350
Gross Ratio (i.e. Walls, Shafts, MEP)		0.14	12,000	8,000	4,000
Gross Size of Hotel				65,000	30,350

SECTION VII

Development Cost Estimates



Development Cost Estimates

The following development cost estimate was based on the previously presented programing, namely a 100-room hotel measuring approximately 65,000 sf plus a 2nd structure measuring 30,400 sf where the conference facilities and the Alumni Center would be housed. A more detailed budget of each main category is presented in the following slides. It should be noted that the figures below assumed IACC Standards. IACC, which stands for International Association of Conference Centres, is the leading body for setting the standards for 1st class meeting facilities. These standards cover every detail of a meeting experience and include above industry standard and lighting standards. They also call for specific sound transmission coefficients in conference space in walls, ceilings and operable partitions. They also call for permanent break stations with millwork, food service equipment, requiring additional sf. There are also upgraded FF&E package in guestrooms to accommodate better working environment. Technology standards, for example, call for 1 GB to each data port. Facilities are 4+ Star quality. Likewise, maximum parking requirements were assumed.

Key Assumptions/Exclusions / Clarifications

- The following costs do not include escalation beyond a 2016 project start
- All estimates exclude Land
- JLL's estimate does not include any financing costs or loan fees
- Excludes any environmental remediation costs
- JLL assumed the pond adjacent to the Site would remain, with both structures – Hotel and Alumni/Conf. Center – developed around it. To dewater and build in the area currently used by the pond would add an estimated US\$1.6 million
- Development costs include 150-structured parking spaces.

FIU Hotel & Conference Center + Alumni Center - Estimate of Development Cost					
Category/Item	Hotel	Conf. Center & Alumni	Total Estimate (both structures)	Cost/SF	Cost per Key
Total Land & Improvements	\$0	\$0	\$0	\$0.00	\$0
Soft Costs	\$2,854,424	\$1,219,249	\$4,073,673	\$42.70	\$40,737
General Construction	\$15,485,600	\$7,609,056	\$23,094,656	\$242.08	\$230,947
Total Furniture, Fixtures and Equipment	\$3,503,591	\$917,970	\$4,421,561	\$46.35	\$44,216
Operating Supplies & Equipment	\$1,130,000	\$282,500	\$1,412,500	\$14.81	\$14,125
Sub-Total Project Development Costs	\$22,973,615	\$10,028,775	\$33,002,390	\$345.94	\$330,024
Working Capital	\$750,000	\$0	\$750,000	\$7.86	\$7,500
Pre-Opening Costs & Others	\$110,000	\$0	\$110,000	\$1.15	\$1,100
Sub Total Land, Soft Costs, Construction & FF&E	\$23,833,615	\$10,028,775	\$33,862,390	\$354.95	\$338,624
Interest Reserves & Related Costs	\$0	\$0	\$0	\$0.00	\$0
Legal, Closing Costs	\$0	\$0	\$0	\$0.00	\$0
Total Development Costs	\$23,833,615	\$10,028,775	\$33,862,390	\$354.95	\$338,624
Owner's Contingency (10%)	\$2,383,362	\$1,002,878	\$3,386,239	\$35.50	\$33,862
Total Development Cost	\$26,216,977	\$11,031,653	\$37,248,629	\$390.45	\$372,486

Source: JLL Estimate



Development Cost Estimates

Soft Costs

	Consultant/ Contractor	Benchmark/ Driver/ Source	Hotel	Alumni Center	Total Estimate	COST PER SQUARE FT TOTAL = 95,400	COST PER KEY TOTAL = 100
CONSULTANTS' FEES & REIMBURSABLES							
Surveys (Existing, Boundary, Foundations)	TBD	Estimate	20,000	10,000	30,000	0.31	300
Geo-Tech, Soils, Testing & Environmental	TBD	Estimate	25,000	15,000	40,000	0.42	400
Environmental Consultant Fee	TBD	Estimate	15,000	7,000	22,000	0.23	220
Environmental Consultant Reimbursables	TBD	10%	1,500	700	2,200	0.02	22
Civil Engineer Fees	TBD	Estimate	55,000	35,000	90,000	0.94	900
Civil Engineer Reimbursables	TBD	5%	2,750	1,750	4,500	0.05	45
Project Management Fees	TBD	2.0%	600,000	220,000	820,000	8.60	8,200
Project Management Reimbursables	TBD	5%	30,000	11,000	41,000	0.43	410
Architect Fees (incl Structural, MEP, Kitchen, Roof, Pool)	TBD	4% of construction	619,424	304,362	923,786	9.68	9,238
Architect Reimbursables (inc sub-markups)	TBD	10%	61,942	30,436	92,379	0.97	924
Architect Redesign/Extra Services	TBD	5%	30,971	15,218	46,189	0.48	462
- A/V Consultant Fees	TBD	Estimate	10,000	25,000	35,000	0.37	350
- A/V Consultant Reimbursables	TBD	10%	1,000	2,500	3,500	0.04	35
- IT & Telephone System Consultant Fees	TBD	Estimate	10,000	25,000	35,000	0.37	350
- IT & Telephone Consultant Reimb.	TBD	10%	1,000	2,500	3,500	0.04	35
- Specialty Systems/Security	TBD	Estimate	7,500	7,500	15,000	0.16	150
- Specialty Systems/Security Reimbursables	TBD	10%	750	750	1,500	0.02	15
- Lighting Design	TBD	Estimate	10,000	40,000	50,000	0.52	500
- Lighting Reimbursables	TBD	10%	1,000	4,000	5,000	0.05	50
Branding Consultant	TBD	JLL estimate	50,000		50,000	0.52	500
Branding Consultant Reimbursables	TBD	20%	10,000	0	10,000	0.10	100
Interior Designer Fees (incl Restaurant & Lighting)	TBD	Estimate	300,000	150,000	450,000	4.72	4,500
Interior Designer Reimbursables	TBD	10.0%	30,000	15,000	45,000	0.47	450
Interior Designer Redesign/Extra Services	Allowance	5% off fee	15,000	7,500	22,500	0.24	225
Graphics Designer (Interior & Exterior)	TBD	JLL estimate	10,000	10,000	20,000	0.21	200
Graphics Designer Reimbursables	TBD	10.0%	1,000	1,000	2,000	0.02	20
Landscape Architect Fees	TBD	Estimate	50,000		50,000	0.52	500
Landscape Architect Reimbursables	TBD	10.0%	5,000	0	5,000	0.05	50
Preconstruction Services	TBD	JLL estimate	125,000		125,000	1.31	1,250
Acoustics Consultant Fees	TBD	JLL estimate	25,000		25,000	0.26	250
LEED Consultant	TBD	Estimate	60,000		60,000	0.63	600
LEED Submittal	TBD	JLL estimate	30,000		30,000	0.31	300
LEED Commissioning	TBD	JLL estimate	75,000		75,000	0.79	750
LEED Reimbursables	TBD	10%	7,500	0	7,500	0.08	75

Development Cost Estimates

Soft Costs (cont'd) and Construction

	Consultant/ Contractor	Benchmark/ Driver/ Source	Hotel	Alumni Center	Total Estimate	COST PER SQUARE FT TOTAL = 95,400	COST PER KEY TOTAL = 100
Code Consultant	TBD	JLL estimate	20,000		20,000	0.21	200
Code Consultant Reimbursables	TBD	JLL estimate	2,000		2,000	0.02	20
Traffic Consultant	TBD	JLL estimate	15,000		15,000	0.16	150
Traffic Consultant Reimbursables	TBD	JLL estimate	1,500		1,500	0.02	15
Permit Expeditor	TBD	JLL estimate	10,000		10,000	0.10	100
Permit Expeditor Reimbursables	TBD	JLL estimate	1,000		1,000	0.01	10
Subtotal Consultant Fees and Reimbursables			2,384,552	941,217	3,287,054	34.46	32,871
<u>BUILDING PERMIT & FEES</u>							
Building permits		\$7/\$1,000	93,730	45,965	139,695	1.46	1,397
Plan Review Fee		JLL estimate	20,000	10,000	30,000	0.31	300
Sewer Fee		JLL estimate	100,000	50,000	150,000	1.57	1,500
Water Tap Fee		JLL estimate	100,000	50,000	150,000	1.57	1,500
Other Permitting Fees		JLL estimate	30,000	15,000	45,000	0.47	450
Subtotal Building Permit and Fees			343,730	170,965	514,695	5.40	5,147
<u>PROJECT INSURANCE & BONDS</u>							
Payment & Performance Bonds	Allowance	0.75%	116,142	57,068	173,210	1.82	1,732
Project Insurance			10,000	50,000	60,000	0.63	600
Subtotal Project Insurance and Bonds			126,142	107,068	233,210	2.44	2,332
Total Soft Costs			2,854,424	1,219,249	4,034,959	42.30	40,350
<u>GENERAL CONTRACTOR</u>							
Structured Parking Deck			1,500,000	750,000	2,250,000	23.58	22,500
Demolition and Construction		\$206/\$216 sf	13,390,000	6,566,400	19,956,400	209.19	199,564
			14,890,000	7,316,400	22,206,400	232.77	222,064
<u>CONSTRUCTION CONTINGENCY & OTHER</u>							
Construction - Design Evolution		4.00%	595,600	292,656	888,256	9.31	8,883
Hard Cost Contingency Reserves (in GC)		0.00%	0	0	0	0.00	0
Total Construction Contingencies			595,600	292,656	888,256	9.31	8,883
TOTAL CONSTRUCTION			15,485,600	7,609,056	23,094,656	242.08	230,947



Development Cost Estimates

FF&E

	Consultant/ Contractor	Benchmark/ Driver/ Source	Hotel	Alumni Center	Total Estimate	COST PER SQUARE FT TOTAL = 95,400	COST PER KEY TOTAL = 100
<u>EXTERIOR SIGNAGE</u>							
Exterior Building Signage	Allowance		50,000	30,000	80,000	0.84	800
Restaurant Signage	Allowance		10,000		10,000	0.10	100
Ground Mounted / Front Entrance Signage	Allowance		10,000	10,000	20,000	0.21	200
Traffic Signage	Allowance		5,000	5,000	10,000	0.10	100
Exterior Graphics	Allowance		15,000	10,000	25,000	0.26	250
Exterior Signage - Tax		7%	6,300	3,850	10,150	0.11	102
Exterior Signage - Freight		7%	6,300	3,850	10,150	0.11	102
Subtotal Exterior Signage			102,600	62,700	165,300	1.73	1,653
<u>INTERIOR SIGNAGE & GRAPHICS</u>							
Interior Signage	Allowance		50,000	30,000	80,000	0.84	800
Electronic Signage	Allowance		5,000	60,000	65,000	0.68	650
Interior Signage - Tax		7%	3,850	6,300	10,150	0.11	102
Interior Signage - Freight		2%	825	1,350	2,175	0.02	22
Subtotal Interior Signage			59,675	97,650	157,325	1.65	1,573
<u>FURNITURE AND FIXTURES</u>							
Guestroom FF&E - Typical (including baths)		\$14,000	1,330,000		1,330,000	13.94	13,300
Guestroom FF&E - Suites & Concierge		\$50,000	250,000		250,000	2.62	2,500
Guestroom Corridors		\$275/key	27,500		27,500	0.29	275
Lobby & Public Restrooms FF&E	Allowance		200,000		200,000	2.10	2,000
Restaurant/Lounge FF&E	Allowance			250,000	250,000	2.62	2,500
Ballroom & Prefunction FF&E		\$25/sf		320,625	320,625	3.36	3,206
Gift Shop FF&E	Allowance			7,000	7,000	0.07	70
Business Center FF&E	Allowance			9,000	9,000	0.09	90
Administrative Offices FF&E	Allowance		25,000	25,000	50,000	0.52	500
Pool, Health Club, & Spa FF&E (inc Fitness equipment)	Allowance		120,000		120,000	1.26	1,200
Sub-Total FF&E Purchases			1,952,500	611,625	2,564,125	26.88	25,641



Development Cost Estimates

FF&E (Cont'd)

	Consultant/ Contractor	Benchmark/ Driver/ Source	Hotel	Alumni Center	Total Estimate	COST PER SQUARE FT TOTAL = 95,400	COST PER KEY TOTAL = 100
<u>FURNITURE & FIXTURES - OTHER</u>							
Purchasing Agent Fee		2.5%	48,813	15,291	64,103	0.67	641
Purchasing Agent Reimbursables		5.0%	2,441	765	3,205	0.03	32
Freight Management Fee		1.5%	29,288	9,174	38,462	0.40	385
Warehousing		4.00%	78,100	24,465	102,565	1.08	1,026
FF&E Other	Escalation & Contingency	0.00%	0		0	0.00	0
FF&E Tax		7.00%	136,675		136,675	1.43	1,367
FF&E Freight		7.00%	136,675		136,675	1.43	1,367
Subtotal FF&E -- Other			431,991	49,695	481,685	5.05	4,817
TOTAL FF&E			2,384,491	661,320	3,045,810	31.93	30,458
<u>F&B EQUIPMENT</u>							
	(Inc installation)						
F&B Kitchen Equipment		Allowance	350,000	250,000	600,000	6.29	6,000
Bar Equipment		Allowance	90,000		90,000	0.94	900
Suites Equipment	Inc in FF&E		20,000		20,000	0.21	200
Ice Makers - Typical Floors		5	25,000		25,000	0.26	250
F&B Equipment - Tax		7.00%	33,950		33,950	0.36	340
F&B Equipment - Freight		7.00%	33,950		33,950	0.36	340
Subtotal F&B Equipment			552,900		552,900	5.80	5,529
<u>SYSTEMS & EQUIPMENT (Development)</u>							
Background Music & Amplification Public Areas		Inc in GC	0		0	0.00	0
Distributed Antennae System (DAS)		Inc in GC	0		0	0.00	0
TV System & Equipment	Allowance	\$1,200	120,000		120,000	1.26	1,200
RFID Locks (rooms and public spaces)	Allowance	\$275/key	27,500	10,000	37,500	0.39	375
Telephone System & Equipment	Allowance	\$300	30,000	5,000	35,000	0.37	350
Audio-Visual Systems - All Other		Inc in GC			0	0.00	0
Gigabit High-Speed Fiber Systems Upgrades	2000		200,000	75,000	275,000	2.88	2,750
Cable Installation & Antennas - All Systems		Inc in GC			0	0.00	0
Security System, Inc Cabling		Inc in GC			0	0.00	0
Systems & Equipment - Tax		7.00%	26,425	6,300	32,725	0.34	327
Systems & Equipment - Freight	Included in budgets	0.00%			0	0.00	0
Subtotal Systems & Equipment			403,925	96,300	500,225	5.24	5,002
TOTAL EQUIPMENT AND SYSTEMS			956,825	96,300	1,053,125	11.04	10,531
TOTAL FF&E, SYSTEMS AND SIGNAGE			3,503,591	917,970	4,421,560	42.97	40,989



Development Cost Estimates

Operating Supplies & Equip

	Consultant/ Contractor	Benchmark/ Driver/ Source	Hotel	Alumni Center	Total Estimate		COST PER SQUARE FT TOTAL = 95,400	COST PER KEY TOTAL = 100
OPERATING SUPPLIES & EQUIPMENT								
OS&E Allowance		\$7,000						
Hotel Operations - Rooms		inc above	700,000	100,000	800,000		8.39	8,000
Hotel Operations - Concierge & Suites		inc above	0		0		0.00	0
Hotel Operations - Uniforms		inc above	0		0		0.00	0
Hotel Operations - Vehicles	N/A	inc above	0		0		0.00	0
Hotel Operations - Radios	N/A	inc above	0		0		0.00	0
Hotel Operations - Engineering (inc compactors)		inc above	0		0		0.00	0
Hotel Operations - Computer Systems		\$4,500	300,000	150,000	450,000		4.72	4,500
F&B Restaurants & Lounges		inc above	0		0		0.00	0
F&B Catering & Meetings OS&E		inc above	0		0		0.00	0
F&B Uniforms		inc above	0		0		0.00	0
F&B Catering Props		inc above	0		0		0.00	0
OS&E Purchasing Agent Fees		3.0%	30,000	7,500	37,500		0.39	375
OS&E Purchasing Agent Reimbursables		N/A			0		0.00	0
OS&E - Warehousing	Assume none needed				0		0.00	0
OS&E Tax		7.0%	70,000	17,500	87,500		0.92	875
OS&E Freight		3.0%	30,000	7,500	37,500		0.39	375
OS&E SUMMARY			Operator	1,130,000	282,500	1,412,500	14.81	14,125

SECTION VIII

Financial Analysis



Financial Analysis

Underwriting Parameters

Key Underwriting Criteria

In developing a market-based cash flow projection for the Subject, JLL considered the following factors/major assumption as it generated its five year cash flow projection:

- **Three to Four Star Positioning:** Under the proposed programming, the Subject will combine elements from both a select service and full service hotel. Its room product will be influenced by a select service positioning. Rooms should average in size in the 350 sf range. They will be functional, offering a contemporary and smart design. However, unlike a midscale hotel, the Subject will offer a 3-meal restaurant, and will boast a larger than average kitchen as this will be needed to support not only the restaurant, but at the same time the catering of events held in the meeting facilities next door. The Subject will also offer a fitness/gym area, a pool, a small business center and ample parking to support conference and meeting demand.
- **Meeting Facility Demand will be dominated by Local Events:** As has been discussed previously, JLL anticipates the majority of events will be either directly FIU related (university sponsored conferences, seminars, executive courses, etc.) or corporate and/or social events sponsored by local companies, most likely with strong ties to FIU. JLL does not anticipate the Subject's conference facilities to capture significant national events (i.e. – the national sales meetings for a Fortune 500 Co.)
- **Independent Branding:** The Subject will be independently managed by a national operator, without any ties to a hotel flag/group. Again, since both conference events and room demand (for the most part) will already be directly related to FIU, JLL does not believe there is a need for joining a hotel company's distribution/reservation system or paying any brand fees.
- **Alumni Center and Conference Facilities:** This project will house FIU's alumni center. These offices, as well as the meeting facilities will share one structure. A clear set of rules and priorities will need to be established that will balance to needs of the Alumni office vs. the use of the meeting facilities by the hotel operator.

From a top-line revenue perspective and as it will be outlined in the following slides, JLL's analysis focused on three main areas:

AVERAGE DAILY RATE: As a starting point, JLL utilized the projected average rate achieved by the comp set, and estimated a penetration level.

OCCUPANCY: To estimate a stabilized occupancy level, JLL used as a baseline the demand estimated by PKF's study of FIU's direct room demand. We then build on top of the estimate demand that could be attracted from the outside (non-FIU).

FOOD & BEVERAGE OPERATIONS (INCL. BANQUET REVENUE): The Subject will offer a 3-meal restaurant and lobby bar, together with a full service conference center. JLL analyzed the utilization of the 3-meal restaurant taking into account utilization by guests staying at the hotel as well as outside patronage. It assumed this restaurant could become somewhat "formal" restaurant utilized by faculty, alumni and students. Separately, we analyzed the utilization of the conference and meeting facilities measured by banquet revenue.



Financial Analysis

Penetration Analysis – Average Daily Rate

After the definition of positioning, number of rooms and meeting spaces, JLL projected ADR for the Subject Property along with the reference set selected for the market. A hotel's fair share of the market is defined as the number of available rooms within the subject hotel, divided by the total supply of available rooms within the competitive market. Factors indicating that a hotel possesses competitive advantages suggest a market penetration in excess of 100.0x of market share, while competitive weaknesses are reflected in penetration levels below 100.0x.

A summary of the projected penetration levels for the Subject is highlighted in the following table, along with the projected ADR performance for the Competitive Set. The analysis presented in the following table is based on the Competitive Set and Subject Property's projected performance.

Competitive Set ADR: As noted in our market analysis, during the past five years, the Comp Set's ADR has increased above inflation as occupancy reached its structural capacity of +80 occupancy. We believe that this trend should continue albeit at a slightly slower rate but still above inflation. The fact remains this comp set is dominated by select service product, which means guests are somewhat price sensitive. To the extent offered rates are too high, there is a higher tendency to look for lower rates, perhaps in hotels that are further away, or even at lower positioned properties. By the time the Subject opens in 2018, we project the Comp Set's ADR will be in the high \$150s (vs. \$141 today).

New FIU Hotel & Conf Center Penetration Analysis

ADR													
	Historical ADR						Projected ADR						
	2010	2011	2012	2013	2014	2015	2016F	2017F	2018F	2019F	2020F	2021F	2022F
Competitive Set ADR	\$107.60	\$113.41	\$121.48	\$125.68	\$132.92	\$141.47	\$148.54	\$154.49	\$157.57	\$162.30	\$167.17	\$172.19	\$177.35
% Change	-	5.4%	7.1%	3.5%	5.8%	6.4%	5.0%	4.0%	2.0%	3.0%	3.0%	3.0%	3.0%
ADR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$141.82	\$150.13	\$158.81	\$163.58	\$168.48
% Change	-									5.9%	5.8%	3.0%	3.0%
ADR Penetration	0%	0%	0%	0%	0%	0%	0%	0%	90%	93%	95%	95%	95%

Subject ADR: JLL believes that the Subject's ADR will track very closely that of the competitive set. It should be noted that this ADR figures is an average – there will be instances during high demand periods, where the rate will be higher, and likewise, during the summer, when it will be lower. Likewise, a guest doing business at FIU may be willing to pay a slight premium (vs. what is available in nearby hotels) to be within University grounds. Other guests however, who may not be necessarily be tied to FIU business, might only be willing to stay at the Subject if they can obtain a lower rate vis-à-vis other properties in the area (Doral/Airport). During Year 1, JLL estimated the Subject's ADR will reach \$142, increasing to \$159 by Year 3 when it should reach a stabilization point.

JLL has assumed policies will be put in place to drive FIU related room demand to the Subject. At the same time however, prospective guests will always “shop around” to ensure there is some type of parity in the market. **As a result, JLL believes the Subject, once it reaches stabilization in Yr. 3, will be able to penetrate the market at a 0.95x factor.** Essentially, the Subject will be able to attain an ADR that is just slightly below the market as set by the Comp Set.

Financial Analysis

Occupancy Projections

To estimate the Subject's occupancy, JLL utilized a bottoms up approach, relying less so on a penetration analysis. This was done because most of the room demand will be tied to the University. As a starting point, JLL analyzed the current estimated room demand directly tied to FIU. The adjacent table was calculated by PKF earlier this year (June) and shows that FIU is generating approximately 23,300 room nights annually, with demand peaking in December, February and August.

With a new hotel on campus, JLL assumed FIU leadership would implement incentive policies with the different schools and departments to drive this demand into the Subject. Based on this assumption, JLL projected the Subject would capture 75% of this demand which translates into approximately 17,500 occupied room nights upon stabilization

If the Subject was to rely solely in this FIU direct room demand, its occupancy would only reach 48%, assuming a key count of 100 rooms.

JLL believes the Subject should stabilize in the 73% range. This is equivalent to a penetration of the comp set's occupancy of 0.85x. This assumption is based on the fact that apart from FIU driven room demand, there are very few demand generators in the area. The gap between the room demand driven by FIU and the project stabilized occupancy of 73% is approximately 9,100 ORNs per year. This translates into 176 room nights per week – or 33 room nights per day during the week (Mon-Thur) and 15 per day during weekends (Fri-Sun).

This would be considered the target for the Subject's marketing team. If could originate partially by rooms associated with new seminars/conferences/events held at the new Conference Center facility and/or by attracting commercial, or even leisure demand from the outside.

FIU Hotel & Conference Center: Direct University Related Room Demand					
Month	Commercial Related	Social/Alumni Corporate	Athletic	FIU Conf Meetings	Total
Jan	715	19	252	578	1,564
Feb	429	721	713	708	2,571
Mar	639	0	491	740	1,870
Apr	451	7	491	838	1,787
May	861	63	0	838	1,762
Jun	506	339	0	643	1,488
Jul	616	308	0	578	1,502
Aug	434	1,216	158	545	2,353
Sep	456	320	181	773	1,730
Oct	738	512	181	773	2,204
Nov	432	319	403	773	1,927
Dec	924	732	223	708	2,587
Total	7,201	4,556	3,093	8,495	23,345

Source: PKF Study, June 2015

Stabilized Occupancy - Occupied Room Nights			
Total Current FIU ORNs:	23,345		
Capture Rate:	75.0%		
Subject Hotel Rooms - FIU Direct Demand:	17,509		
Total Keys:	100		
Avail. Room Nights per Year:	36,500		
Subject Hotel Rooms - FIU Direct Demand:	17,509	48.0%	
Target Annual Stabilized Occupancy:	73.0%		
Addl Room Demand to reach Stabilized Occup:	9,147	25.1%	
Total ORNs:	26,655	73.0%	
Target Annual ORNS - Non-FIU Demand:	9,147		
ORNs per Week:	176		
		Per Week	Per Day
IntraWeek:	75%	132	33
Weekend:	25%	44	15
	100%	176	

Financial Analysis

Food & Beverage & Meeting Facilities Projections

The last “driver” of value for the Subject will be the revenue generated by its F&B operations and the meeting facilities. It should be noted that typically, the value generated by meeting rooms lies in a property’s ability to sell banquets and other F&B related events. In negotiating with groups, a hotel will usually offer very attractive rooms rates (low ADRs) knowing that the group will be purchasing several meals (breakfast, coffee breaks, lunch and dinners). This banquet business can be very profitable to the hotel. In the case of the Subject however, JLL believes that an important source of banquet revenue will be locally driven, generating few occupied room nights.

Regardless, JLL F&B / Meeting facilities revenue were driven by the following key assumptions:

3-meal Restaurant + Lobby Bar: The Subject will offer a full service restaurant plus a lobby bar. We envision this facility providing meals (mostly breakfast and some dinner) to its hotel guests, though obviously lunch and dinner will be available. More importantly, we have also assumed that this outlet should also become an important social venue for the University community, attracting faculty, the student body and alumni who want a more formal setting (vs. university fast food outlets). Between the restaurant and the bar, JLL assumed F&B revenue from this outlet would total approximately \$630,000 per year. Again, this is driven from both hotel guests (30%) as well as outside patronage (70%).

Banquet Facility/Revenues: Forecasting revenue for this venue was challenging as this business line is still in the planning stage. Clearly, the PKF study identified meeting related revenue generated by FIU. 75% of these meetings were already held within FIU campus. One would assume that a portion of these could be held at the new conference facility. Likewise, there were also FIU-related meetings which are currently being held in hotels or related venues outside FIU. Again, presumably, a majority of these could be held at the Subject’s new facilities, particularly if they were being held at area hotels. And lastly, the Subject could also be the venue for meeting and/or seminars from outside local companies as well as new programs organized by FIU. While there will be many different types of meetings with varying number of participants, requirements, etc., we assumed a typical event could generate just under \$15,000 per event. Further, we assumed there would be demand for two events per week.

Sample Meeting Package			
Breakfast			\$8.00
Coffee Break #1			\$6.50
Coffee Break #2			\$6.50
Lunch			\$25.00
Total			\$46.00
Participants	250		\$11,500
Audiovisual			\$1,500
Parking	\$5.00		\$1,250
Total Event Revenue			\$14,250
Avg. Cost per Participant			\$57



Financial Analysis

Pro-forma assumptions - General

Prospective operating results for the Subject were prepared for six calendar years beginning January 1, 2018, the proposed opening date for the Subject. Unless otherwise noted, all values presented herein are expressed in US Dollars (USD). JLL considered the performance of other similar lodging properties in the region as well as upscale lodging product in the regional market in order to benchmark and substantiate the major assumptions used in the prospective cash flows. In addition to the assumptions detailed earlier in this Report, including the presumed accuracy of information provided, we have assumed the following:

- JLL conducted a benchmarking analysis of comparable hotels in the local market and complemented this information with our knowledge of the upscale segment, which resulted in the top-line performance estimates (i.e., Occupancy and ADR) stated herein;
- All pro forma line items (revenue and expenses) are also based on our industry knowledge and market research based on the envisioned positioning for the Subject;
- Our analysis assumes that the Subject Property will be branded and operated by well-known, international operator;
- Projections stipulated in the following sections are based upon calendar years starting January 1 and ending December 31; and
- Inflation assumed at 3.0% per annum, as projected by Oxford Economics.

The table below summarizes the main findings of our pro forma analysis. Detailed assumptions relating to our financial projections can be found in the subsequent slide.

New FIU Hotel & Conf Center					
	2018	2019	2020	2021	2022
Occupancy	63.8%	68.7%	73.0%	73.0%	73.0%
ADR	\$142	\$150	\$159	\$164	\$168
% Change	N/A	5.9%	5.8%	3.0%	3.0%
RevPAR	\$90	\$103	\$116	\$119	\$123
% Change	N/A	14.0%	12.4%	3.0%	3.0%
Total Revenues	\$5,545,000	\$6,167,000	\$6,805,000	\$6,995,000	\$7,204,000
Gross Operating Profit	\$2,428,000	\$2,855,000	\$3,300,000	\$3,390,000	\$3,492,000
EBITDA*	\$1,728,000	\$2,093,000	\$2,475,000	\$2,541,000	\$2,618,000
NOI**	\$1,617,000	\$1,908,000	\$2,202,000	\$2,262,000	\$2,329,000
NOI**/Room	\$16,170	\$19,076	\$22,024	\$22,616	\$23,294
NOI** Margin	29.2%	30.9%	32.4%	32.3%	32.3%

*USALI 10th Edition refers to "EBITDA" as "NOI" **USALI 10th Edition refers to "NOI" as "Adjusted NOI"



Financial Analysis

Pro-forma assumptions - Departmental

Rooms

Based on the preceding lodging market and penetration analysis, particularly the anticipated positioning and branding of the Subject Property, JLL estimates that the Subject could stabilize at an occupancy level of 73.0% and an ADR of \$159 by Year 3 of operations, once the Subject Property has achieved a strong rate positioning/penetration in the market under the envisioned midscale to upscale positioning (3 to 4 star). Rooms departmental expense, which includes payroll-related expenses for employees working in the Rooms Department (e.g., Housekeeping, Front Office) as well as any other room-related expenses (e.g., linen, guest supplies and amenities, cleaning supplies), is expected to stabilize at \$30 POR (Year 3), or approximately 19% of departmental revenues, consistent with market indicators and comparable properties in the market. This reflects an increased operating efficiency as the Subject Property ramps up its operations and achieves stronger room rates.

Food & beverage

To estimate the Subject Property's F&B Revenue, JLL reviewed benchmarks of comparable properties in the region and local market. JLL forecasts an amount of approximately \$27 POR for Year 1, stabilizing at almost \$29 POR in Year 3 (growing at inflation thereafter). As noted previously, this will be the combination of hotel guests having meals at the Subject. However, the majority of this revenue will be driving by external patrons. In light of the absence of more casual outlets on campus, the goal is for this 3-meal restaurant to become the more formal or upscale outlet on campus, utilized by faculty, administrators and student body alike. F&B expenses account for any departmental payroll and other related expenses such as linen, china, silverware, entertainment, cleaning supplies and kitchen fuel, to cite a few examples. Total F&B departmental expense was estimated at 75.0% of F&B Revenue in Year 1, decreasing to 70.0% in Year 3 and growing at inflation thereafter. This stabilized departmental margin reflects the typical increases in operating efficiencies as the Subject Property ramps up its operations and observes increases in departmental revenue. This departmental expense margin is consistent with historic performance at comparable full-service properties in Miami.

Other operated departments (OOD) & Rentals

OOD Revenue includes revenue from telecommunication services (e.g., Internet, long-distance phone calls), airport transfers, parking and revenue from any other minor department (e.g., laundry, sundry shop, business center, guest entertainment). OOD-related revenues are expected to contribute approximately \$2.50 POR to Total Gross Revenue at an 75.0% expense margin. Projected OOD revenue and related expenses are based on local market and industry knowledge. Overall, this observation is also consistent with JLL's benchmarking analysis indicating very minimal MOD revenues and high departmental expenses at similarly-positioned properties.

Rental & Other Income is projected to total \$72,000 during Year 1,

Banquet Revenue

Parking Income was estimated as a direct function of occupied room nights. JLL estimated at 60% of guests staying at the hotel would require parking. Further, a \$20.00 daily fee was applied. We then applied a 70% expense allocation (labor, cleaning, maintenance, etc.) to derive a net parking income which was reported in the revenue section of the pro-forma.



Financial Analysis

Pro-forma assumptions – Financial

Financial Analysis

Undistributed operating expenses

- **Administrative & General (A&G):** A&G expense accounts for all payroll-related expenses and benefits for Management and other administrative staff (e.g., General Manager, accounting department). Other A&G expenses could include accounting and legal fees, stationary, general and liability insurance and credit card commissions. A&G expense for the Subject Property was estimated at approximately \$3,600 PAR in Year 1, stabilizing at approximately \$3,985 PAR by Year 3, growing at inflation thereafter. This equates to an A&G expense margin of approximately 6.0% of Total Gross Revenue by Year 3, similar to other expense ratios for comparable properties in Miami. Based on industry experience, JLL has included a variable credit card commission fee that typically ranges between 1.8% and 2.0% of Total Gross Revenue.
- **Sales & Marketing (S&M):** Expenses relating to Sales & Marketing include any advertisement or promotional material used to market the Subject Property, including any payroll-related costs and benefits for key personnel in this department (e.g., Director of Sales/Marketing, Sales Manager), agency fees and print material promoting the hotel, to cite a few examples. Marketing-related expenses for Year 1 were forecast at approximately \$4,954 PAR, or 8.9% of Total Revenue (or close \$500,000 on an absolute basis), before stabilizing at approximately 9.4% of Total Gross Revenue by Year 3. This stabilized expense ratio is similar to other comparable properties in the market, specifically upscale, branded hotels, and JLL's knowledge in the industry, which observe expense ratios ranging between 4.0% and 8.0% of Total Gross Revenue. During the first two years, and given the increased competition in the market, the Subject's peripheral location as well as the need to bring awareness to the submarket, JLL anticipates higher expenses than the market-wide average.
- **Franchise Fee:** As this will be an independently operated hotel, without any affiliation to a national hotel brand, JLL did not include any franchise or licensing fee.
- **Property Operations and Maintenance (POM):** POM expenses, which include payroll and other related expenses (e.g., maintenance supplies, mechanical equipment repairs, grounds maintenance) were estimated to total approximately \$1,7000 PAR in Year 1, stabilizing at almost \$1,804 PAR by Year 3, or approximately 2.7% of Total Gross Revenue. This PAR amount is consistent with upper-priced hotels in the region, as well as the anticipated development plans for the Subject Site. This also assumes the Subject will incorporate the latest building efficiencies with regard to modern facilities design and development. Based on JLL's experience, a hotel will observe slight inefficiencies in this area upon opening. Upon stabilization, however, JLL notes that properties with similar locational features as the Subject will require investment in this area as they age; as such, JLL expects that the amount on a PAR basis, though consistent with local market indicators, will eventually require additional capital expenditures that is anticipated to be covered by the FF&E Reserve. We have also assumed there will be a fair allocation among the different components – Alumni Center and Hotel/Conference Center.
- **Utilities:** Public utility expenses include electricity, water, sewage, fuel and any other operating supplies required for the proper operations of the Subject Property. Utilities expense is forecast at approximately \$2,122 PAR (Year 3) upon stabilization. This amount is consistent with utilities expense ratios observed for comparable properties in Miami. This equates to a utilities expense margin of approximately 3.1% of Total Gross Revenue by Year 3, similar to other expense ratios for comparable properties in the market. JLL also assumed the latest energy saving measures would be implemented in the design and construction of the Subject.



Financial Analysis

Pro-forma assumptions – Financial (cont'd)

Management fees

- **Base Management Fee:** Based upon our knowledge on the industry, we accounted for a Base Management Fee equal to 2.5% of Total Gross Revenue. We note that the actual fees may vary depending on the selected operator for the project.
- **Incentive Management Fee:** Based upon our knowledge on the industry, we accounted for an Incentive Management Fee equal to 10.0% of Adjusted Gross Operating Profit (AGOP). AGOP = GOP less Base Management Fee, FF&E and other fixed costs .

Fixed charges

- **Real estate taxes:** Based on comparable benchmarks, JLL estimates real estate taxes at approximately \$2,000 PAR (Year 1), growing at inflation. To calculate this figure, JLL assumed a project value of \$10.0 million would be allocated to the hotel component (separate from the Alumni Center). There could be some savings to be realized in light of FIU's not-for profit status. This should be researched further.
- **Insurance:** Insurance expense, as it relates to the real estate property, is estimated at \$1,5000 PAR in Year 1, growing at inflation thereafter. Generally, Insurance expense for comparable hotels in the region tends to stabilize between 2.0 and 3.0% of Total Gross Revenue, which was modeled in our pro-forma analysis for the Subject. Again, this is an area that merits further research since the Subject could fall under FIU's umbrella policy leading to greater savings.
- **Furniture, Fixtures, and Equipment Reserve (FF&E):** The following FF&E estimates are based upon our knowledge on the industry, particularly in the upscale/upper-upscale segment. We note that this may vary depending on the selected brand for this project.
 - 2.0% of Total Gross Revenue (Year 1);
 - 3.0% of Total Gross Revenue (Year 2); and
 - 4.0% of Total Gross Revenue (Years 3 and thereafter).

The Subject Property's 5-year cash flow forecast, based on the above stipulations, is presented on the following page.

Financial Analysis

Pro-Forma (2018 - 2022)

New FIU Hotel & Conf Center 5-year Pro Forma

	2018				2019				2020				2021				2022				2023			
Available hotel rooms	100				100				100				100				100				100			
Available room nights	36,500				36,500				36,600				36,500				36,500				36,500			
Occupied room nights	23,287				25,087				26,728				26,655				26,655				26,655			
Occupancy	63.8%				68.7%				73.0%				73.0%				73.0%				73.0%			
Average Daily Rate	\$141.82				\$150.13				\$158.81				\$163.58				\$168.48				\$173.54			
RevPAR	\$90.48				\$103.19				\$115.98				\$119.46				\$123.04				\$126.73			
Days Open	365				365				366				365				365				365			
	Amount	Ratio	POR	PAR	Amount	Ratio	POR	PAR	Amount	Ratio	POR	PAR	Amount	Ratio	POR	PAR	Amount	Ratio	POR	PAR	Amount	Ratio	POR	PAR
REVENUES																								
Rooms	\$3,302	59.6%	\$141.82	\$33,024	\$3,766	61.1%	\$150.13	\$37,664	\$4,245	62.4%	\$158.81	\$42,448	\$4,360	62.3%	\$163.58	\$43,602	\$4,491	62.3%	\$168.48	\$44,910	\$4,626	62.3%	\$173.54	\$46,257
Food & Beverage	\$629	11.3%	\$27.00	\$6,287	\$698	11.3%	\$27.81	\$6,977	\$766	11.3%	\$28.64	\$7,656	\$786	11.2%	\$29.50	\$7,864	\$810	11.2%	\$30.39	\$8,100	\$834	11.2%	\$31.30	\$8,343
Other Operated Departments	\$60	1.1%	\$2.58	\$600	\$67	1.1%	\$2.65	\$665	\$73	1.1%	\$2.73	\$730	\$75	1.1%	\$2.81	\$750	\$77	1.1%	\$2.90	\$773	\$80	1.1%	\$2.99	\$796
Rentals and Other Income	\$72	1.3%	\$3.09	\$720	\$80	1.3%	\$3.18	\$798	\$88	1.3%	\$3.28	\$876	\$90	1.3%	\$3.38	\$900	\$93	1.3%	\$3.48	\$927	\$95	1.3%	\$3.58	\$955
Banquet Revenue	\$1,482	26.7%	\$63.64	\$14,820	\$1,556	25.2%	\$62.03	\$15,561	\$1,634	24.0%	\$61.13	\$16,339	\$1,683	24.1%	\$63.14	\$16,829	\$1,733	24.1%	\$65.03	\$17,334	\$1,785	24.1%	\$66.98	\$17,854
Total Revenues	\$5,545	100.0%	\$238.12	\$55,451	\$6,167	100.0%	\$245.80	\$61,665	\$6,805	100.0%	\$254.60	\$68,050	\$6,995	100.0%	\$262.41	\$69,946	\$7,204	100.0%	\$270.28	\$72,044	\$7,421	100.0%	\$278.39	\$74,205
DEPARTMENTAL EXPENSES																								
Rooms Expense	\$652	19.7%	\$28.00	\$6,520	\$724	19.2%	\$28.84	\$7,235	\$794	18.7%	\$29.71	\$7,940	\$816	18.7%	\$30.60	\$8,156	\$840	18.7%	\$31.51	\$8,400	\$865	18.7%	\$32.46	\$8,652
Food & Beverage Expense	\$453	72.1%	\$19.47	\$4,533	\$483	69.3%	\$19.27	\$4,835	\$510	66.6%	\$19.08	\$5,100	\$524	66.6%	\$19.65	\$5,238	\$540	66.6%	\$20.24	\$5,395	\$556	66.6%	\$20.85	\$5,557
Other Operated Departments Expense	\$45	75.0%	\$1.93	\$450	\$50	75.0%	\$1.99	\$499	\$55	75.0%	\$2.05	\$548	\$56	75.0%	\$2.11	\$563	\$58	75.0%	\$2.17	\$579	\$60	75.0%	\$2.24	\$597
Banquet Revenue Expense	\$741	50.0%	\$31.82	\$7,410	\$730	46.9%	\$29.09	\$7,299	\$719	44.0%	\$26.90	\$7,189	\$741	44.0%	\$27.78	\$7,405	\$763	44.0%	\$28.61	\$7,627	\$786	44.0%	\$29.47	\$7,856
Total Departmental Expenses	\$1,891	34.1%	\$81.22	\$18,913	\$1,987	32.2%	\$79.20	\$19,868	\$2,078	30.5%	\$77.73	\$20,776	\$2,136	30.5%	\$80.14	\$21,361	\$2,200	30.5%	\$82.54	\$22,002	\$2,266	30.5%	\$85.02	\$22,662
Total Departmental Income	\$3,654	65.9%	\$156.91	\$36,538	\$4,180	67.8%	\$166.61	\$41,797	\$4,727	69.5%	\$176.87	\$47,273	\$4,858	69.5%	\$182.27	\$48,584	\$5,004	69.5%	\$187.74	\$50,042	\$5,154	69.5%	\$193.37	\$51,543
UNDISTRIBUTED OPERATING EXPENSES																								
Administrative & General	\$360	6.5%	\$15.46	\$3,600	\$379	6.1%	\$15.11	\$3,790	\$399	5.9%	\$14.91	\$3,985	\$410	5.9%	\$15.39	\$4,102	\$423	5.9%	\$15.85	\$4,225	\$435	5.9%	\$16.33	\$4,352
Sales & Marketing	\$495	8.9%	\$21.27	\$4,954	\$565	9.2%	\$22.52	\$5,650	\$637	9.4%	\$23.82	\$6,367	\$654	9.4%	\$24.54	\$6,540	\$674	9.4%	\$25.27	\$6,737	\$694	9.4%	\$26.03	\$6,939
Property Operations and Maintenance	\$170	3.1%	\$7.30	\$1,700	\$175	2.8%	\$6.98	\$1,751	\$180	2.7%	\$6.75	\$1,804	\$186	2.7%	\$6.97	\$1,858	\$191	2.7%	\$7.18	\$1,913	\$197	2.7%	\$7.39	\$1,971
Utilities	\$200	3.6%	\$8.59	\$2,000	\$206	3.3%	\$8.21	\$2,060	\$212	3.1%	\$7.94	\$2,122	\$219	3.1%	\$8.20	\$2,185	\$225	3.1%	\$8.44	\$2,251	\$232	3.1%	\$8.70	\$2,319
Total Undistributed Expenses	\$1,225	22.1%	\$52.62	\$12,254	\$1,325	21.5%	\$52.82	\$13,250	\$1,428	21.0%	\$53.42	\$14,278	\$1,469	21.0%	\$55.09	\$14,685	\$1,513	21.0%	\$56.75	\$15,126	\$1,558	21.0%	\$58.45	\$15,580
Gross Operating Profit	\$2,428	43.8%	\$104.28	\$24,284	\$2,855	46.3%	\$113.79	\$28,547	\$3,300	48.5%	\$123.45	\$32,996	\$3,390	48.5%	\$127.17	\$33,899	\$3,492	48.5%	\$130.99	\$34,916	\$3,596	48.5%	\$134.92	\$35,963
Management Fee	\$166	3.0%	\$7.14	\$1,664	\$185	3.0%	\$7.37	\$1,850	\$204	3.0%	\$7.64	\$2,041	\$210	3.0%	\$7.87	\$2,098	\$216	3.0%	\$8.11	\$2,161	\$223	3.0%	\$8.35	\$2,226
Income Before Fixed Charges	\$2,262	40.8%	\$97.14	\$22,621	\$2,670	43.3%	\$106.42	\$26,697	\$3,095	45.5%	\$115.81	\$30,954	\$3,180	45.5%	\$119.30	\$31,800	\$3,275	45.5%	\$122.88	\$32,754	\$3,374	45.5%	\$126.57	\$33,737
FIXED CHARGES																								
Real Estate Taxes	\$200	3.6%	\$8.59	\$2,000	\$206	3.3%	\$8.21	\$2,060	\$212	3.1%	\$7.94	\$2,122	\$219	3.1%	\$8.20	\$2,185	\$225	3.1%	\$8.44	\$2,251	\$232	3.1%	\$8.70	\$2,319
Insurance	\$155	2.8%	\$6.63	\$1,545	\$159	2.6%	\$6.34	\$1,591	\$164	2.4%	\$6.13	\$1,639	\$169	2.4%	\$6.33	\$1,688	\$174	2.4%	\$6.52	\$1,739	\$179	2.4%	\$6.72	\$1,791
Incentive Fee	\$180	3.2%	\$7.72	\$1,797	\$212	3.4%	\$8.45	\$2,120	\$245	3.6%	\$9.16	\$2,447	\$251	3.6%	\$9.43	\$2,513	\$259	3.6%	\$9.71	\$2,588	\$267	3.6%	\$10.00	\$2,666
Total Fixed Charges	\$534	9.6%	\$22.94	\$5,342	\$577	9.4%	\$23.00	\$5,771	\$621	9.1%	\$23.23	\$6,208	\$639	9.1%	\$23.96	\$6,387	\$658	9.1%	\$24.68	\$6,578	\$678	9.1%	\$25.42	\$6,776
EBITDA*	\$1,728	31.2%	\$74.20	\$17,279	\$2,093	33.9%	\$83.41	\$20,926	\$2,475	36.4%	\$92.58	\$24,746	\$2,541	36.3%	\$95.34	\$25,414	\$2,618	36.3%	\$98.20	\$26,176	\$2,696	36.3%	\$101.15	\$26,961
Less: Replacement Reserves (FF&E)	\$111	2.0%	\$4.76	\$1,109	\$185	3.0%	\$7.37	\$1,850	\$272	4.0%	\$10.18	\$2,722	\$280	4.0%	\$10.50	\$2,798	\$288	4.0%	\$10.81	\$2,882	\$297	4.0%	\$11.14	\$2,968
Net Operating Income**	\$1,617	29.2%	\$69.44	\$16,170	\$1,908	30.9%	\$76.04	\$19,076	\$2,202	32.4%	\$82.40	\$22,024	\$2,262	32.3%	\$84.85	\$22,616	\$2,329	32.3%	\$87.39	\$23,294	\$2,399	32.3%	\$90.01	\$23,993

*USALI 10th Edition refers to "EBITDA" as "NOI" **USALI 10th Edition refers to "NOI" as "Adjusted NOI"

Financial Analysis

Value Matrix

New FIU Hotel & Conf Center Discounted Cash Flow Asset Value Analysis (000s)

Period	Year	Operations Cash Flow	Investor Cash Flow	Yield
Year 1	2018	\$1,617	\$1,617	6.9%
Year 2	2019	\$1,908	\$1,908	8.2%
Year 3	2020	\$2,202	\$2,202	9.5%
Year 4	2021	\$2,262	\$2,262	9.7%
Year 5	2022	\$2,329	\$29,710	127.6%

Year 6 Net Operating Income*	\$2,399
Terminal Cap Rate	8.5%
2023 Residual Value	\$28,227
Less Closing Costs (3%)	(\$847)
Net Reversion Proceeds	\$27,381
Discount Rate	11.5%
Number of Rooms	100

Present Value Summary	\$000	%
PV Residual	\$15,888	68.3%
PV Income Stream	\$7,388	31.7%
Gross Value	\$23,276	100%
Less: Capital Deductions	\$0	
Net Value	\$23,276	
Net Value per Key	\$233	
Net Cap Rate on 2018 NOI*	6.9%	

Present Value Matrix - Net Value after Capital Deductions (\$000'S / \$ Per Room / Cap Rate Based on 2018 NOI*)					
Discount Rate	Terminal Cap Rate				
	7.5%	8.0%	8.5%	9.0%	9.5%
10.5%	\$26,425	\$25,248	\$24,209	\$23,286	\$22,459
	(\$264,249)	(\$252,476)	(\$242,089)	(\$232,855)	(\$224,594)
11.0%	6.1%	6.4%	6.7%	6.9%	7.2%
	\$25,903	\$24,752	\$23,737	\$22,834	\$22,026
11.5%	(\$259,031)	(\$247,521)	(\$237,366)	(\$228,339)	(\$220,262)
	6.2%	6.5%	6.8%	7.1%	7.3%
12.0%	\$25,395	\$24,269	\$23,276	\$22,394	\$21,604
	(\$253,947)	(\$242,693)	(\$232,763)	(\$223,936)	(\$216,039)
12.5%	6.4%	6.7%	6.9%	7.2%	7.5%
	\$24,899	\$23,799	\$22,828	\$21,964	\$21,192
13.0%	(\$248,991)	(\$237,986)	(\$228,276)	(\$219,645)	(\$211,922)
	6.5%	6.8%	7.1%	7.4%	7.6%
13.5%	\$24,416	\$23,340	\$22,390	\$21,546	\$20,791
	(\$244,161)	(\$233,399)	(\$223,902)	(\$215,461)	(\$207,908)
14.0%	6.6%	6.9%	7.2%	7.5%	7.8%




Financial Analysis

Comparable Sales – South Florida (2014-15)

The following table provides a snapshot of all hotel transactions that have closed in the South Florida area over the past two years. Obviously, this is a catch all exercise, and includes hotels on the beach, boutique, lifestyle properties, motels, etc.

With regard to the Subject however, probably the more comparable transaction would be the recent sale of the Sheraton Airport hotel for \$69.5 million or \$172,000/key. This hotel is located just east of MIA. It offers approximately 22,000 sf of meeting space, all of which has been certified by IACC. The purchaser planned to improve the hotel via a required \$10.0 million PIP, which would push value closer to \$80.0 million or \$200,000 per key.

South Florida - Hotel Transactions (2014 & 2015)					
Closing Date	Transaction/Property Name	Rooms	Location	Transaction Value	Transaction Per Key
 6/18/2015	Sheraton Hotel Miami Airport Miami	405	Miami	\$69,595,000	\$171,840
6/5/2015	SLS Hotel South Beach Miami Beach	140	Miami Beach	\$125,000,000	\$892,857
3/9/2015	The Royal Palm Miami Beach	393	Miami Beach	\$278,000,000	\$707,379
2/20/2015	Waldorf Astoria Casa Marina Resort Key West	311	Key West	\$348,000,000	\$1,118,971
2/20/2015	Waldorf Astoria The Reach Resort Key West	150	Key West	\$127,000,000	\$846,667
1/30/2015	Buena Vista Palace Lake Buena Vista	1014	Lake Buena Vista	\$96,000,000	\$94,675
12/3/2014	Westin Beach Resort & Spa Ft Lauderdale	432	Fort Lauderdale	\$149,000,000	\$344,907
12/1/2014	Sheraton Ft Lauderdale Beach Resort	487	Fort Lauderdale	\$100,000,000	\$205,339
10/2/2014	One Bal Harbour Resort & Spa	124	Bal Harbour	\$12,000,000	\$96,774
8/11/2014	b2 Miami Downtown Miami	242	Miami	\$57,500,000	\$237,603
7/2/2014	Doubletree Bahia Mar Hotel FLL	296	Fort Lauderdale	\$159,000,120	\$537,163
6/23/2014	Hilton Cabana Miami Beach	231	Miami Beach	\$71,600,000	\$309,957
6/6/2014	B Ocean Fort Lauderdale FLL	240	Fort Lauderdale	\$65,000,000	\$270,833
5/7/2014	Parrot Key Resort Key West	148	Key West	\$100,000,000	\$675,676
2/10/2014	Hotel Nash Miami Beach	54	Miami Beach	\$15,475,000	\$286,574
2/7/2014	Hampton Inn Suites Islamorada Islamorada	79	Islamorada	\$23,550,000	\$298,101
1/23/2014	AmericInn Sarasota Sarasota 2014	111	Sarasota	\$6,300,000	\$56,757



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MARKET STUDY UPDATE

PROPOSED HOTEL AND CONFERENCE CENTER

FLORIDA INTERNATIONAL UNIVERSITY
MIAMI, FLORIDA

PREPARED FOR:

MS. AIME MARTINEZ
BUSINESS AND FINANCE
FLORIDA INTERNATIONAL UNIVERSITY

PREPARED BY:

PKF CONSULTING USA
PHILADELPHIA, PENNSYLVANIA

DATE OF THE REPORT:

JUNE, 2015



June 12, 2015

Ms. Aimee Martinez
Associate Vice President
Business and Finance
Florida International University

Dear Ms. Martinez:

As you requested, we have prepared a summary update of our market study (originally issued in November, 2013) for a proposed hotel and conference center to be located on Florida International University's Modesto A. Maidique Campus ("the MMC") in western Miami Dade County, Florida. This report summarizes our findings and conclusions derived from our proposed scope of work.

As in all studies of this type, the estimated results assume and are based upon competent and efficient management and presume no significant changes in the competitive position of the lodging industry in the market area from those set forth in this report. The conclusions reached are based upon our present knowledge of the MMC's generation of lodging and meeting demand as of the completion of our fieldwork and research, concluded on June 4th, 2015.

The terms of our engagement are such that we have no obligation to revise this report or the estimated results to reflect events or conditions that occur subsequent to the date of the completion of our fieldwork. However, we are available to discuss the necessity for revision in view of changes in the economic or market factors affecting the proposed project. Since the estimates are based on estimates and assumptions that are subject to uncertainty and variation, we do not represent them as results that will actually be achieved.

This report has been prepared for your use in internal planning regarding the proposed project. The report and its contents, however, may not be quoted in any appraisal, prospectus or other document without our prior written consent.

We would be pleased to hear from you if we can be of further assistance in the interpretation and application of our findings and conclusions. We appreciate your selection of PKF Consulting to provide professional services.

Sincerely,



PKF Consulting USA

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INTRODUCTION

PKF Consulting was retained to conduct an update of a market feasibility study originally completed in 2013 for a hotel and conference center (the Hotel; the Facility) of some type and size proposed for a site on Florida International University's Modesto A. Maidique Campus ("the MMC") in western Miami Dade County, Florida. This report summarizes our research and findings from this update of that study. The original study, dated November 11, 2013 should be read in conjunction with this update report. To the extent deemed necessary, we have updated our understanding of market conditions with respect to demand and competitive supply. However, the primary focus of this update engagement has been to quantify the magnitude and characteristics of lodging and meetings demand generated specifically by the MMC.

We have gathered relevant quantitative and qualitative data from multiple sources to provide an indication of lodging and meeting (including conferences, training, symposiums, seminars, and social functions) demand generated by the MMC. Our research and analysis quantified the overall magnitude and seasonality of demand generated directly by the campus. Our primary research scope included in-person and telephonic interviews with the following FIU departments and offices:

- Athletics Department
- Division of Finance
- School of Computing and Information Sciences
- Alumni Association
- Orientation & Parent Programs
- Student Affairs/Graham Center
- College of Business
- College of Medicine
- Division of Research
- Office of the President
- FIU Foundation
- College of Public Health
- College of Arts & Sciences
- College of Nursing

These interviews were supplemented by surveys and data mining of FIU and FIU Foundation expenditure records.

The content which follows summarizes our updated analyses and findings. For the purposes of this report presentation, we have segmented demand into four general categories, each of which is addressed individually:

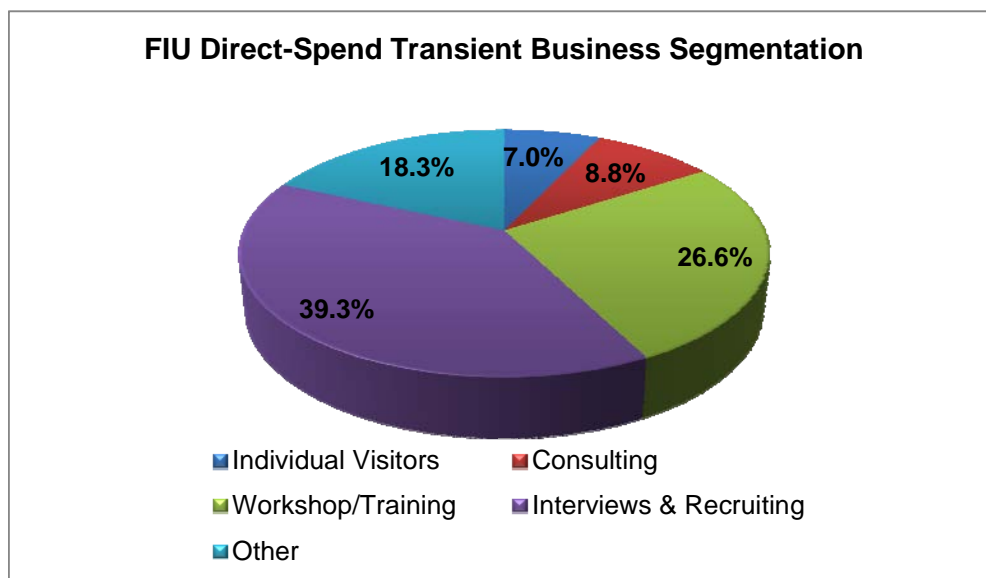
- Transient Business Lodging Demand
- Transient Leisure Lodging Demand
- Athletic Group Lodging Demand
- Conference & Other Group Lodging and Meeting Demand

TRANSIENT BUSINESS LODGING DEMAND

Individuals visiting the campus for various business, professional and academic reasons are included in this segment. Common examples of such visitors include faculty and administrative interviewees, guest speakers, delegates from other institutions, recruits, and researchers. This segment also includes individuals visiting to participate in or support non-FIU events accommodated at FIU's stadium and arena.

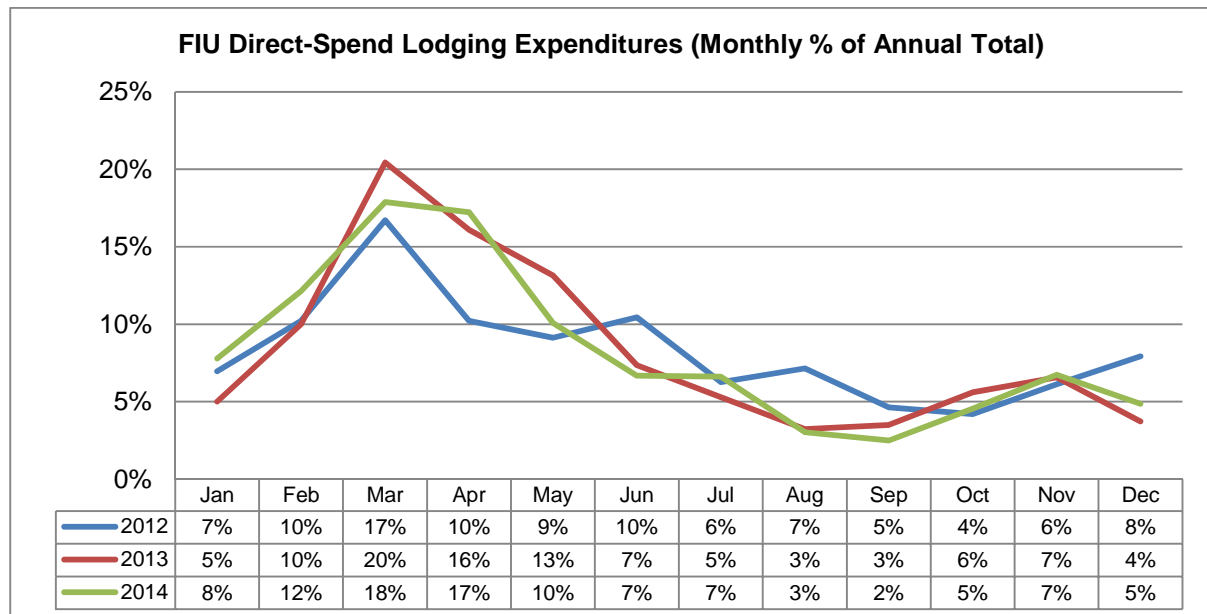
This segment includes visitors whose accommodations are paid for by FIU or the FIU Foundation as well as individuals who are responsible for their own lodging expenses. FIU and the FIU Foundation make expenditures directly from internal funds to secure local lodging accommodations and meeting venues. It is important to note that this activity encapsulates just a fraction of the full spectrum of lodging and meeting demand generated locally by the MMC and, as such, is considered most instructive as an indicator of trends and patterns over time and across the calendar; not overall demand magnitudes.

The following pie chart summarizes the direct-spend visitor type mix for this lodging demand segment.

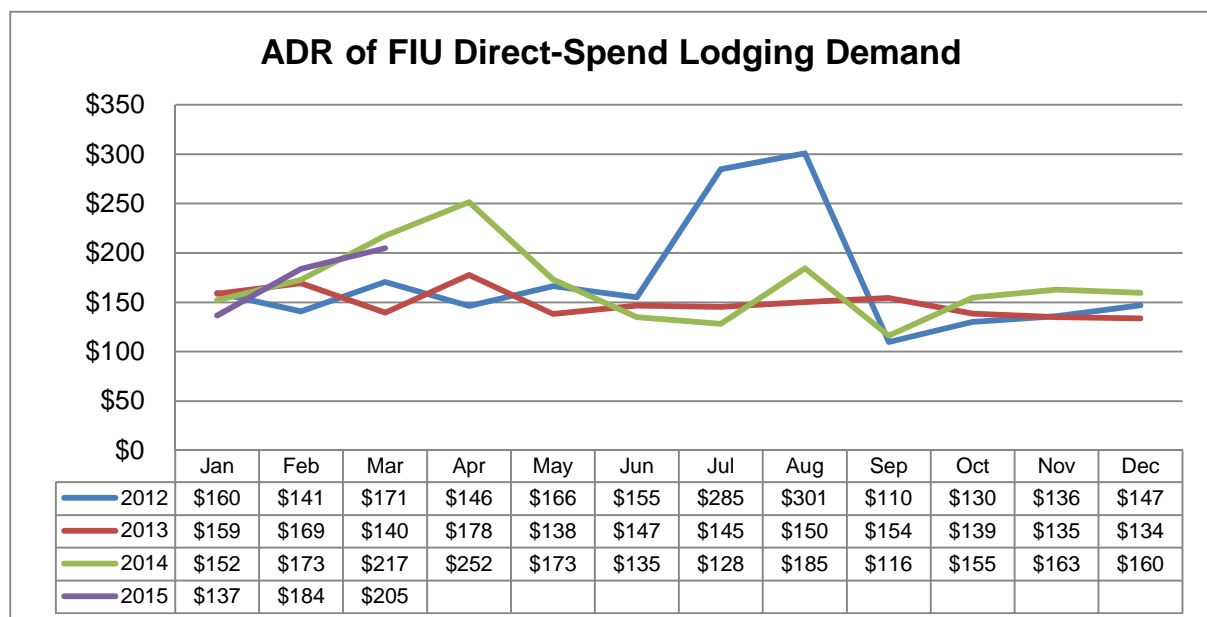


As indicated, interview and recruit visitation accounts for a 39 percent of direct-spend business transient demand. Other visitor types represent between seven and 27 percent of the visitation mix.

This overall segment's seasonal demand pattern is relatively static, with visitation to the campus extending year-round. However, interviewing activities tend to peak in the spring. The following graphs summarize recent historical direct-spend volumes and associated average daily room rates (ADR) for local hotel lodging. Note that these graphs are also reflective of direct expenditures for meeting and conference attendees, which contributes to a demand spike in the spring.



Source: FIU Division of Finance; compiled by PKF Consulting



Source: FIU Division of Finance

As indicated, direct-spend lodging demand volume tends to be influenced to some degree by seasonality with a peak materializing in February, March and April. ADR patterns tend to be more static, with rates mostly hovering in the mid-\$100's over the past few years. The outlying spike in July and August of 2012 can be attributed to a decline in accommodated room nights, with the residual demand being relatively higher-rated.

The prevailing average lodging room rates experienced by the totality of visitors to the MMC have recently been in the vicinity of \$160 to \$190, with outliers beyond both ends

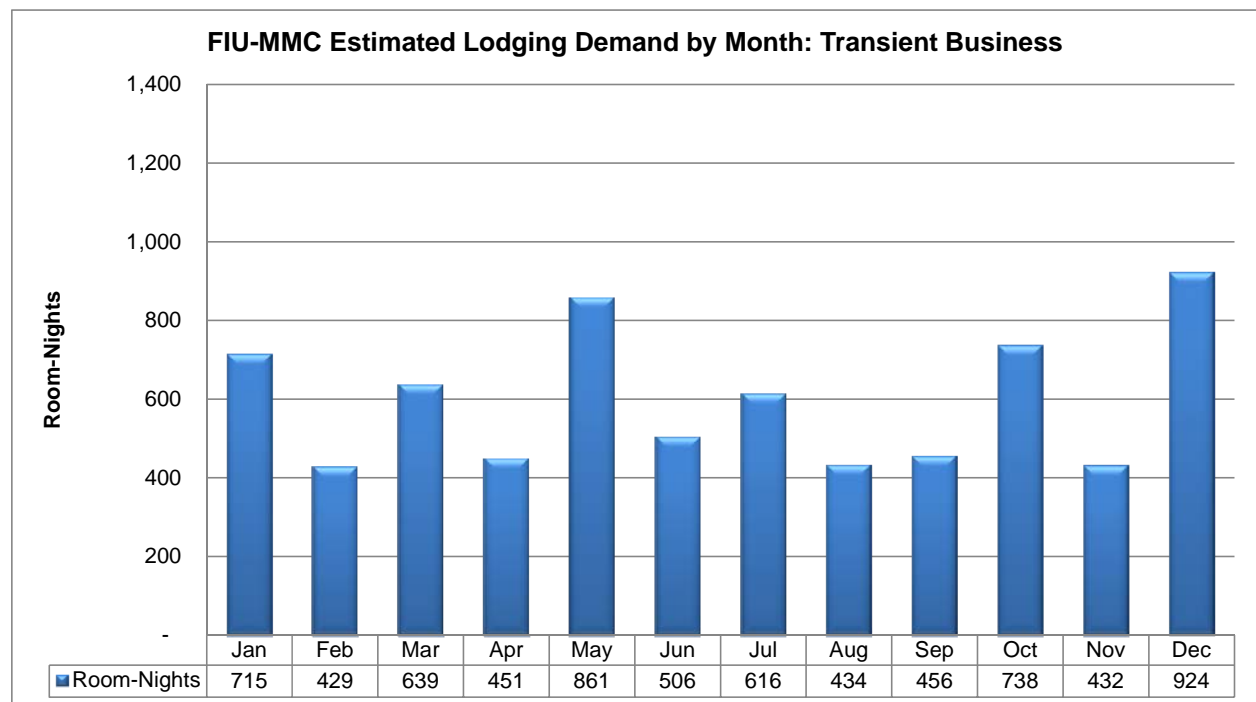
of this spectrum. Given these most recent reported room rate levels, we believe the proposed hotel should be able to achieve somewhat higher ADR than that projected in the 2013 report.

The following table consolidates this monthly lodging expenditure data into annual totals.

FIU Direct-Spend Lodging Expenditures		
Year	Spend*	% Chg.
FY2012	\$571,670	--
FY2013	\$444,511	-22.2%
FY2014	\$510,169	14.8%
Avg.	\$508,783	--
*Excludes South Beach Food & Wine Festival		
Source: FIU Division of Finance		

As indicated, direct-spend lodging expenditures have ranged between approximately \$445,000 and \$572,000 annually since FY2012. Our interviews in most cases revealed a desire to provide quality on-campus lodging for various visitor types. In addition to a transient lodging offering, there was significant interest in the programming of extended-stay accommodations into the guestroom inventory for faculty and administrators in transition between residences.

Our estimate of overall lodging demand for this segment which is generated by the MMC is illustrated by the following graph.



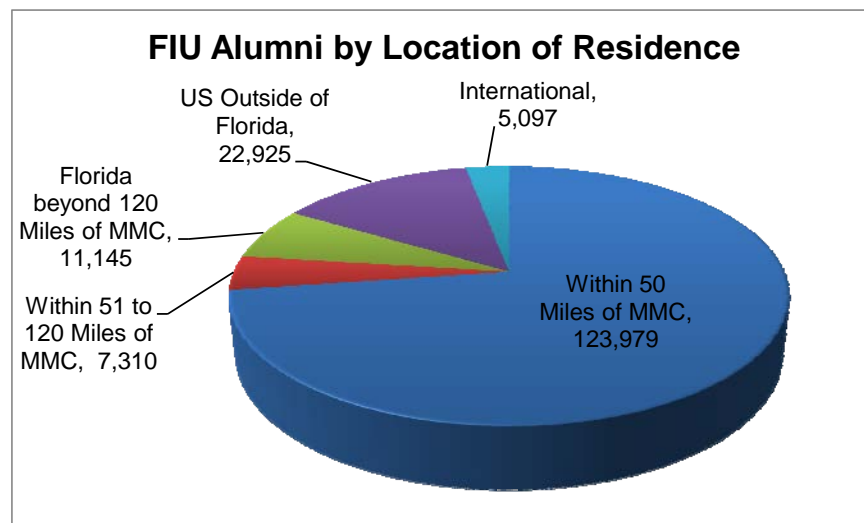
Source: PKF Consulting

In aggregate, the transient business segment is estimated to account for approximately 7,400 annual room-nights generated by the MMC.

TRANSIENT LEISURE LODGING DEMAND

Individuals visiting the campus for various recreational and other primarily social reasons are included in this segment. Common examples of such visitors include families of prospective and new students, visiting family and friends at commencement activities, alumni social visitors, and spectators at sporting events.

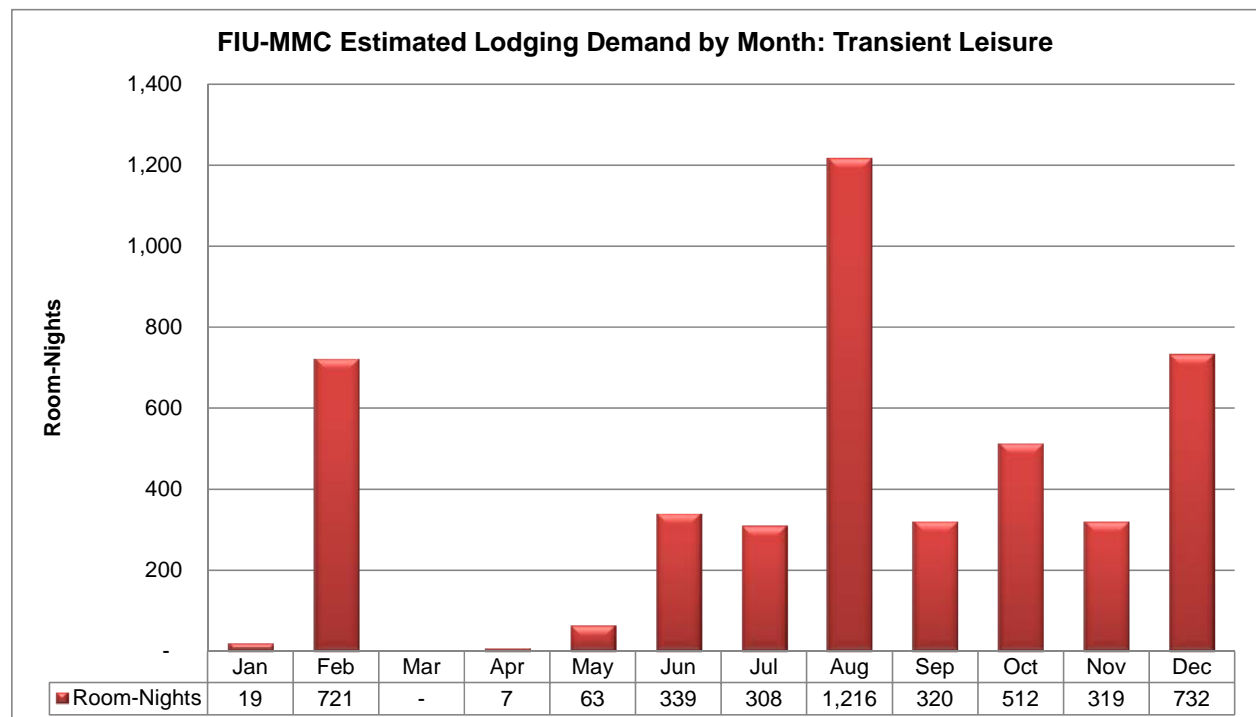
Alumni populations represent significant contributors to the lodging demand profile of most colleges and universities. Demand related to alumni typically relates to social engagements such as formal and informal reunions, homecoming, and visitation begat by the alma-mater relationship such as recruitment for employment and familial legacy enrollment. The following pie chart illustrates the segmentation of FIU alumni by location of residence.



Source: Florida international University Alumni Association

Of FIU's currently roughly 170,000 alumni population, approximately 73 percent reside within 50 miles of the MMC. This population is most able to drive to the MMC for alumni, sporting, and other events that bring alumni groups to campus. This high degree of accessibility tends to diminish the per-capita demand for lodging generated by alumni visitors.

Our estimate of overall lodging demand for this segment which is generated by the MMC is illustrated by the following graph.



Source: PKF Consulting

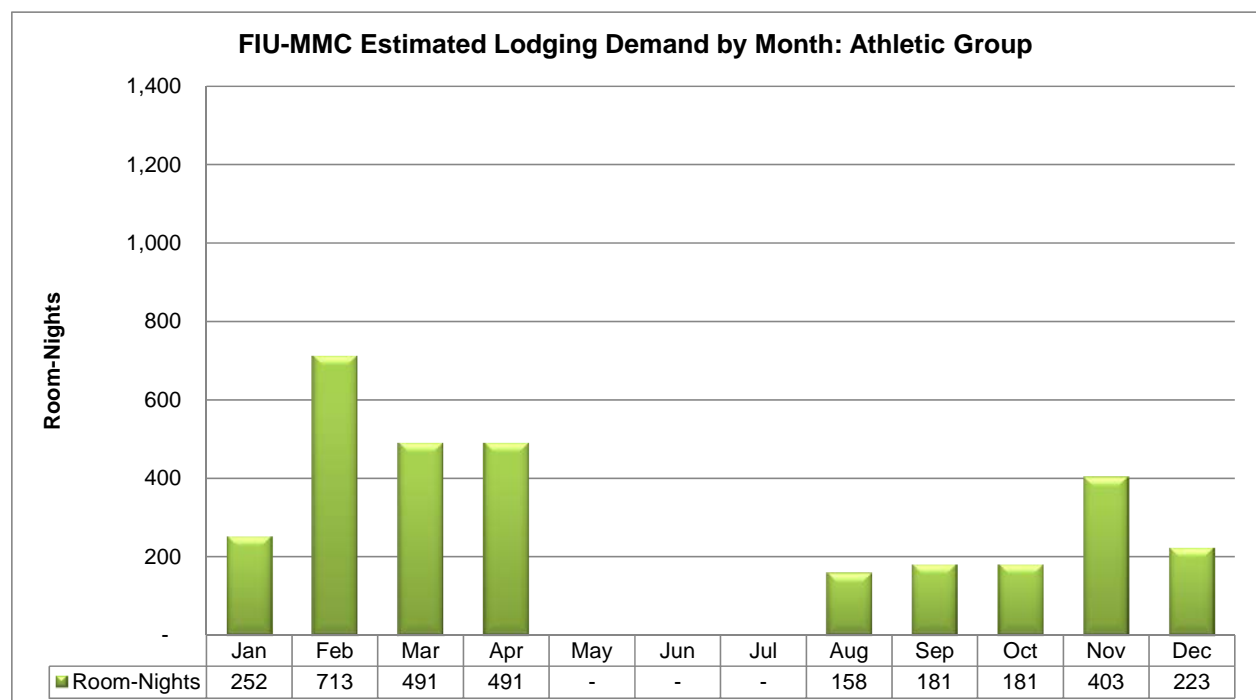
The demand pattern for this segment is heavily influenced by the schedule of commencements. At present, there are three commencements per year. In aggregate, the transient leisure segment is estimated to account for approximately 4,600 annual room-nights generated by the MMC.

ATHLETIC GROUP LODGING DEMAND

Athletic teams and associated followers visiting the campus for various varsity sport competitions are included in this segment. We have excluded visiting football teams from this segment estimate as football programs most often actively seek accommodations away from campus. Also excluded are the Sand Volleyball and Swimming & Diving programs whose venues are not located at the MMC.

Demand in this segment is often accommodated at double-occupancy and includes athletes and their family and friends, coaching staff, officials and others directly involved in sporting events. In most cases, visiting teams require some amount of lodging support and some sports such as baseball and softball for which competitions are played in multi-game series have a higher potential to generate demand due to longer lengths of stay. This segment is highly seasonal, following the course of each sport's game calendar. We also note that our projections do not include the potential impact of postseason play which would generate additional demand.

Our estimate of overall lodging demand for this segment which is generated by the MMC is illustrated by the following graph.



Source: PKF Consulting

As indicated, lodging demand within this segment closely follows the pattern of the academic calendar. In aggregate, the athletic group segment is estimated to account for approximately 3,100 annual room-nights generated by the MMC.

CONFERENCE & OTHER GROUP LODGING & MEETING DEMAND

The scope of work in this study placed special emphasis on the market for meetings and conferences generated by the MMC.

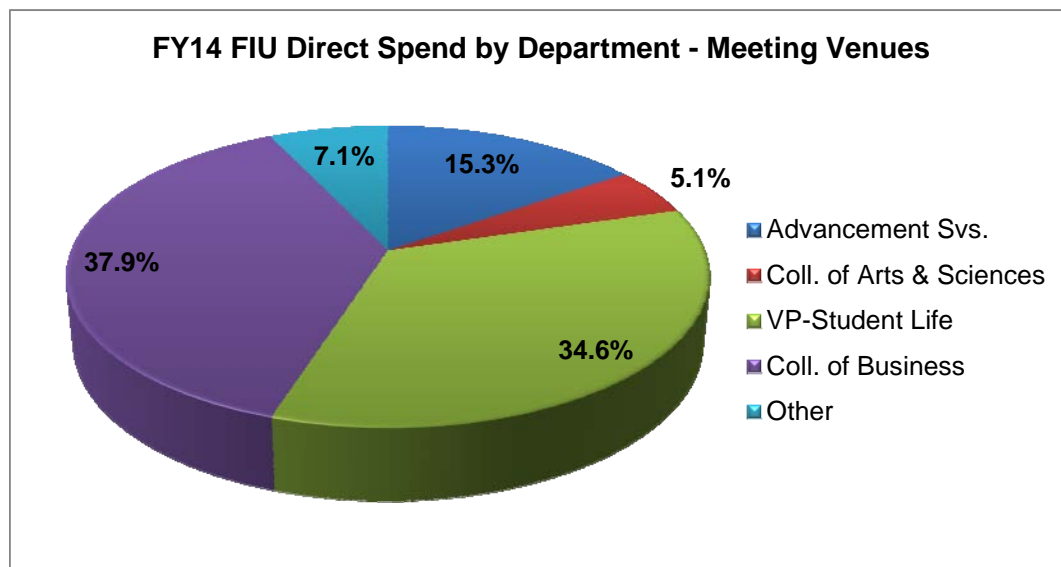
FIU's direct-spend expenditures in south Florida for meeting venues in FY2014 were approximately \$107,000. It is understood, however, that these figures account for only a minor proportion of the overall demand generated, as most attendees pay their own expenses and conferences are often sponsored through constituent organizations with attendees also paying for their own expenses.

The following table summarizes recent historical direct expenditures for off-campus meeting venues located in south Florida.

FIU Direct-Spend Meeting Demand		
Year	Spend	% Chg.
FY2012	\$59,819	--
FY2013	\$262,941	339.6%
FY2014	\$106,986	-59.3%
Avg.	\$143,249	--
Source: FIU Division of Finance		

As indicated, expenditures fluctuated substantially from year to year between FY2012 and FY2014.

For FY2014, the distribution of overall spending was 37.9 percent by the College of Business, 34.6 percent by the Vice President for Student Life's office, 15.3 percent by Advancement Services, 5.1 percent by the College of Arts & Sciences and the remaining 7.1 percent by another six smaller departments.



*Departments with expenditures of less than \$35,000 (6)
Source: FIU Division of Finance

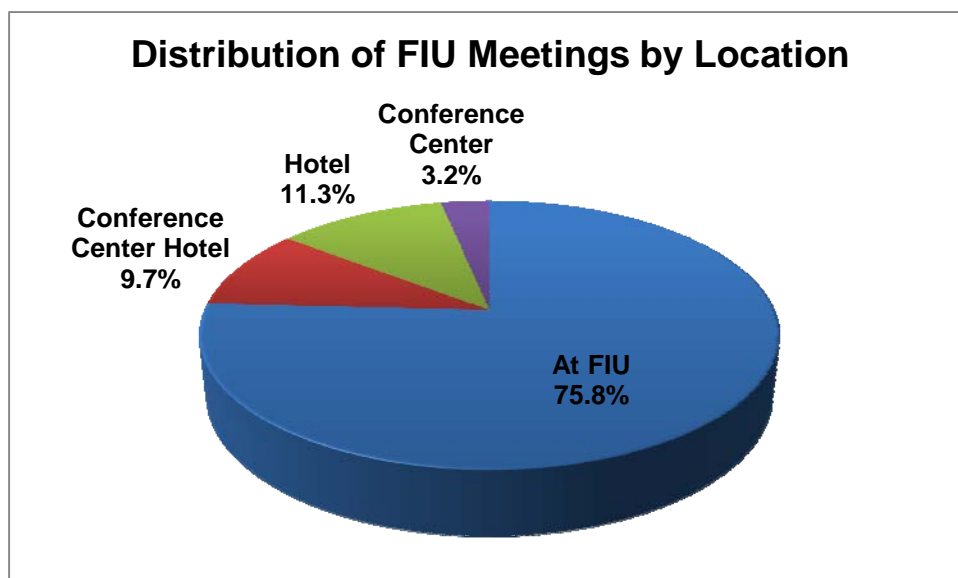
Group Meetings & Conferences Survey

A survey was distributed to 124 individuals representing various FIU departments and offices to provide an additional indication of the scope and requirements of existing conference and other meetings demand. The survey received 86 unique responses and a completion rate of 47 percent over an approximately 10-day period ending May 22nd.

The survey identified a total of approximately 150 meetings (including many which recur more than once annually) organized in the past year, with average attendance of approximately 89. On average, survey responders indicated that approximately 27 percent of meeting attendees require overnight lodging. Meetings have an average duration of approximately 2.7 days and 2.1 nights.

Based on an analysis of the survey results, lodging demand attributable to FIU-organized meetings and conferences can be estimated to approximate potentially up to 8,000 to 9,000 room-nights per year. This estimate is materially above that established in the original market study.

While 59 percent of responders indicated they would “definitely use” the proposed facility if it met their requirements and another 24 percent indicated use would be “highly likely,” the survey also found that 76 percent of functions organized are already accommodated on-campus. The remaining 24 percent of functions are currently held either at hotels, conference centers and conference center hotels off-campus.



Source: Qualtrics

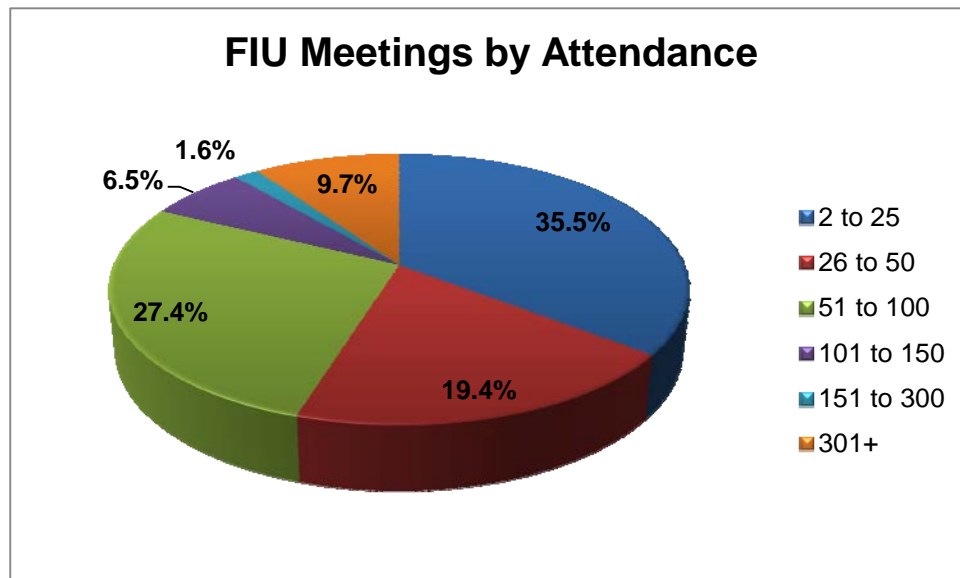
The survey also asked about the spending experiences for meetings and associated lodging needs. In over 90 percent of cases, meetings require expenditures on food and beverage, though in only roughly 50 percent of cases expenditures are required for meeting space rental and audio/visual services. Some amount of lodging is required for approximately 67 percent of meetings (though this is not to be confused with the overall share of attendees requiring lodging, which is reportedly approximately 30 to 40 percent).

The following table summarizes the survey results in terms of average per-attendee, per-day spending by meeting component category.

FIU Meetings Spend Distribution		
Category	Avg. Spend*	% When Required
Food & Bev.	\$53.28	93.0%
Room Rental	\$58.70	53.5%
Audio/Visual	\$26.59	51.2%
Transportation	\$35.71	65.1%
Lodging	\$191.79	67.4%**
Other	\$57.00	11.6%
*When required		
**Survey indicated 35 to 40 percent of meeting attendees require lodging		
Source: Qualtrics		

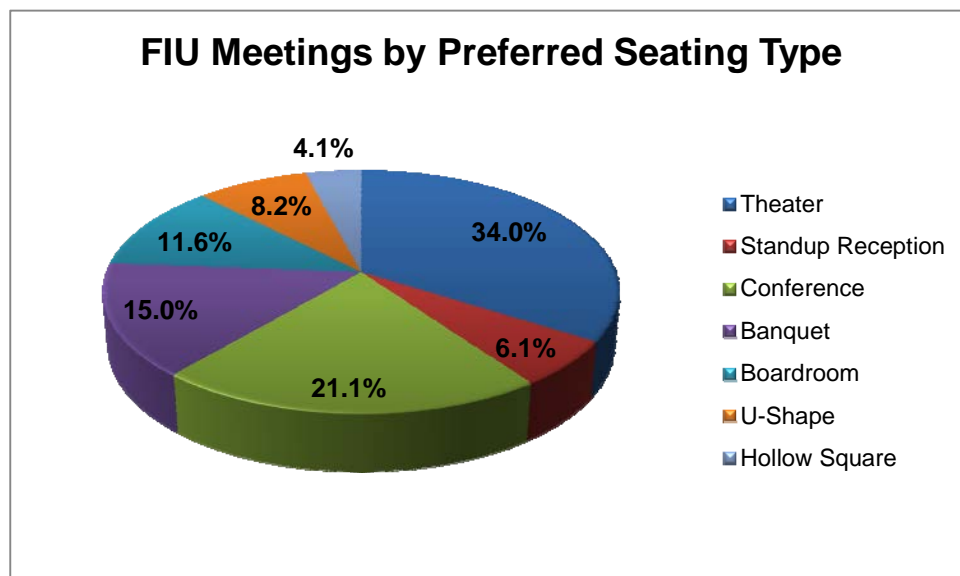
As indicated, lodging accounted for the highest spending category on average, at approximately \$192. Other individual spending categories were significantly lower on average, at approximately \$27 to \$59.

The attendance size of meetings is an important indicator informing the appropriate sizing and design of meetings facilities. As indicated by the following chart, approximately 82 percent of FIU meetings have 100 or fewer attendees.



Source: Qualtrics

Space configuration preferences are also of critical importance in determining the appropriate mix of meeting spaces.



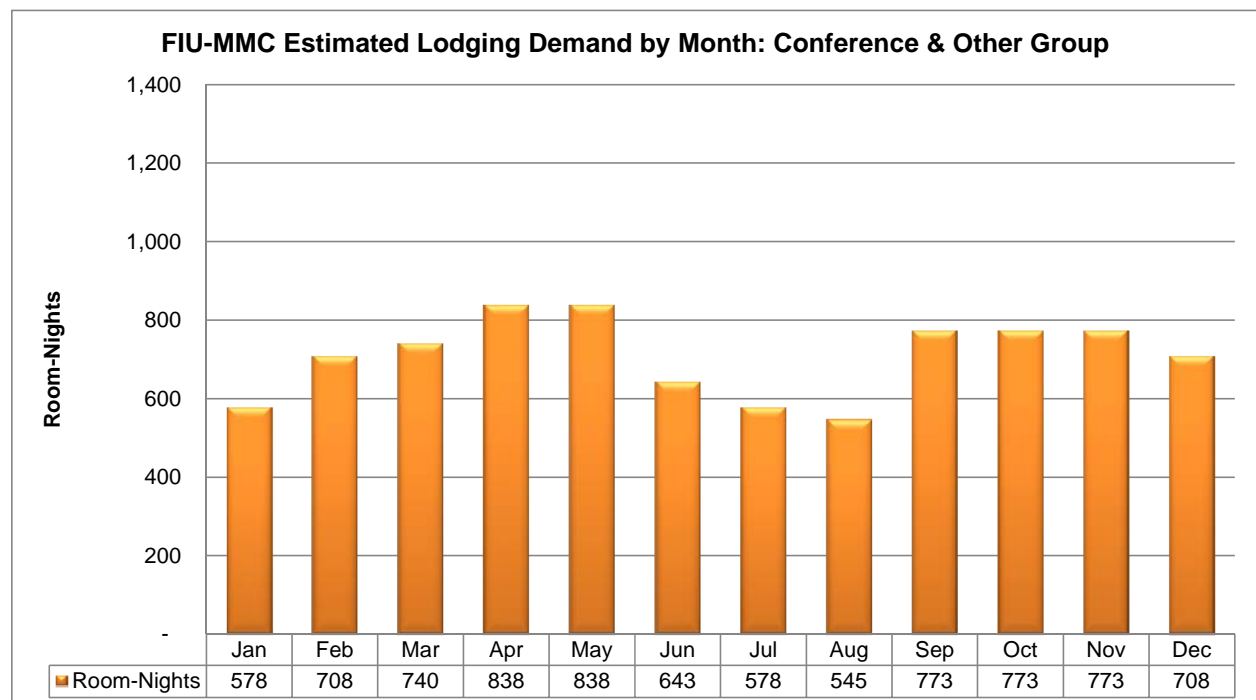
Source: Qualtrics

As indicated, theater-style is the most popular configuration, preferred for 37 percent of meetings. Combined with banquet-style (19 percent) and conference-style (17 percent), these three configurations are the preferred space types of 73 percent of FIU meetings. Theater-style (flat-floored) configurations are very space-efficient, and up to 100 attendees

could typically be accommodated in an approximately 1,000 to 1,200 square-foot room. Conference-style configurations are significantly less efficient, requiring more than twice as much square footage to accommodate a similarly-sized group.

FIU does not have executive education/executive MBA programs, continuing medical education (CME) programs or other educational programming generating more than modest hotel overnight demand. There are reportedly no plans to develop programming which would generate demand of the magnitude generated by programs at comparable institutions, which typically represents a key source of demand for university conference centers.

Our estimate of overall lodging demand for this segment which is generated by the MMC is illustrated by the following graph.

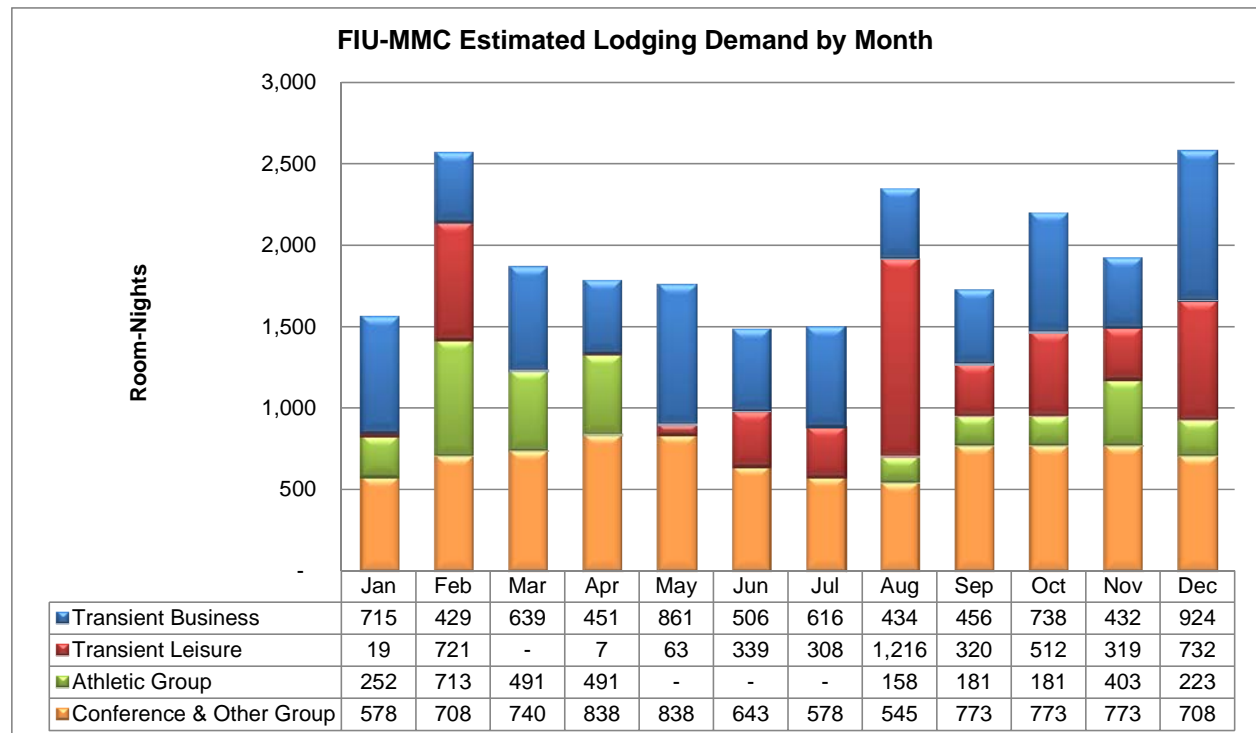


Source: PKF Consulting USA

As indicated, conference and other group demand exhibits a bimodal peak pattern with high points in the fall and especially in the spring. In aggregate, the conference and other group segment is estimated to account for approximately 8,500 annual room-nights generated by the MMC.

OVERALL MMC DEMAND ESTIMATE

The following graph illustrates the aggregate estimate of lodging demand generated by the MMC.



Source: PKF Consulting

In sum, these monthly estimates aggregate to approximately 23,300 annual room-nights. Assuming a 100 percent demand capture (implausible in practice but employed theoretically by way of example), this demand pattern equates to annual occupancy for a 95-room hotel as recommended in the 2013 study of approximately 67 percent and for a 125-room hotel (per the separate proposal) of approximately 51 percent. The following table summarizes resulting occupancy levels for the Hotel at various demand capture-rates.

Proposed Hotel Occupancy Levels at Various Demand* Capture Rates		
Capture Rate	Room Count	
	95	125
100%	67%	51%
90%	61%	46%
80%	54%	41%
70%	47%	36%
60%	40%	31%
50%	34%	26%
40%	27%	20%
30%	20%	15%
20%	13%	10%
10%	7%	5%

*Assumes FIU demand exclusively

Based on a variety of factors including capacity constraints during peak demand periods, the seasonality of meetings and academic activity, the calendar for major campus events (e.g. commencements), and the varied requirements and preferences of groups and individual guests, and given our experience with other university hotel properties, we are of the opinion that a reasonable capture rate for the proposed hotel could reach into the vicinity of 50 to 70 percent. This capture rate range equates to a university-specific “base” of occupancy for the Hotel of 34 to 47 percent under the 95-room scenario and 26 to 36 percent under the 125-room scenario.

Occupancy at or above at least 70 percent on an annual basis would be a healthy target for the proposed hotel. As such, significant residual “gaps” between the base and target occupancy exist under both room-count scenarios. These gaps equate to approximately 8,000 to 10,400 room-nights under the 95-room scenario and 15,500 to 17,800 room-nights under the 125-room scenario which would need to be filled by external sources of demand.

The prevailing average lodging room rates experienced by visitors to MMC have recently been in the vicinity of \$150 to \$190, with outliers beyond both ends of this spectrum. The proposed hotel should be able to achieve a somewhat higher ADR than that projected in the 2013 report. We estimate that the portion of the Hotel’s accommodated demand related to MMC business would generate an ADR of approximately \$150 to \$155 (in current-value dollars).

AREA HOTEL MARKET ANALYSIS

The designed scope of work for this update was limited with respect to analysis of the area’s hotel market; however, the market for hotels is relevant and so we provide a cursory overview of recent and currently projected trends in supply, demand and room rates in the hotel market.

PKF Hospitality Research (PKF-HR) tracks quarterly trends in demand, occupancy, ADR, revenue per available room (RevPAR) and supply for each of the largest 61 U.S. hotel markets and the U.S. overall. The following tables summarize the recent performance of Miami metro's South and Airport/Civic Center submarkets, which are most relevant to the subject project.

South Performance - All Hotels

Year	Occ	Δ Occ	ADR	Δ ADR	RevPAR	Δ RevPAR
2010	65.8%	-	\$108.95	-	\$71.66	-
2011	70.1%	6.6%	\$111.41	2.3%	\$78.15	9.1%
2012	71.9%	2.4%	\$116.11	4.2%	\$83.44	6.8%
2013	70.1%	-2.5%	\$124.72	7.4%	\$87.40	4.7%
2014	72.8%	3.8%	\$128.93	3.4%	\$93.81	7.3%
1Q14 YTD	84.5%	0.9%	\$154.02	5.2%	\$130.20	6.2%
1Q15 YTD	87.5%	3.5%	\$162.00	5.2%	\$141.69	8.8%

Airport / Civic Center Performance - All Hotels

Year	Occ	Δ Occ	ADR	Δ ADR	RevPAR	Δ RevPAR
2010	76.7%	-	\$91.03	-	\$69.84	-
2011	80.6%	5.1%	\$94.97	4.3%	\$76.56	9.6%
2012	81.9%	1.6%	\$100.53	5.9%	\$82.35	7.6%
2013	82.4%	0.6%	\$105.38	4.8%	\$86.83	5.4%
2014	83.7%	1.6%	\$112.62	6.9%	\$94.28	8.6%
1Q14 YTD	89.1%	-0.5%	\$140.61	7.7%	\$125.28	7.1%
1Q15 YTD	91.3%	2.5%	\$154.98	10.2%	\$141.50	13.0%

Source: PKF-HR

As indicated, the South submarket experienced occupancy of 72.8 percent in 2014, an increase of 2.7 percentage points from 2013, at ADR of \$128.93, which was 3.4 percent above the ADR level in 2013. The Airport/Civic Center submarket experienced occupancy of 83.7 percent in 2014, an increase of 1.3 percentage points from 2013, at ADR of \$112.62, which was 6.9 percent above the ADR level in 2013. Considering the occupancy levels at present, the submarket areas in general is very clearly ready to accept quality growth in supply.

There are currently six hotels under construction in the Airport/Civic Center submarket, which is considered most locationally relevant to the subject analysis:

Miami Airport/Civic Center Hotel Submarket Hotels Under Construction			
Property	Address	# of Rooms	Proj. Open Date
Hyatt Place Miami Airport East	3549 Lejeune Rd.	135	July 2015
Holiday Inn Express & Suites Miami Airport	2601 NW 42 nd Ave.	102	August 2015
Springhill Suites Miami Airport West	3895 NW 107 th Ave.	112	November 2015
Residence Inn Miami Northwest	3511 NW 91 st Ave.	125	November 2015
Homewood Suites Miami Dolphin Mall	MW 111 Ave.	100	February 2016
Total		574	
Source: PKF Hospitality Research			

As the table indicates, the six hotels being constructed represent a total of 574 guestrooms and all are projected for delivery by early 2016. In total, these guestroom additions will represent a 4.4 percent expansion of supply in the submarket from the current level. We also note that there are several other hotel projects now in various stages of planning within the submarket area, though no others have broken ground on construction.

COMPARABLE FACILITIES SUMMARY

Our findings validate the potential for a hotel property comparable to that recommended in the 2013 study – a chain-affiliated select-service hotel with approximately 95 guestrooms and approximately 3,800 square feet of meeting space.

The following table summarizes characteristics of a select group of comparable university conference centers. These properties were selected to represent a range in meeting space and guestroom inventory sizing. To protect the anonymity of these properties, we present their identities as comparable one through nine.

Selected Comparable University Conference Centers: Characteristics and Business Mix								
Comp.	# Guestrooms	Meeting Space SF	University Group RN's per SF*	Business Mix				
				University	Business Organizations	Professional & Trade Associations	Professional Seminars	Other
1	147	23,705	0.66	60%	10%	10%	5%	15%
2	37	7,032	0.69	46%	34%	10%	5%	5%
3	199	25,000	0.73	67%	0%	6%	0%	27%
4	175	22,500	1.09	45%	44%	8%	0%	4%
5	100	13,670	1.09	55%	17%	28%	0%	0%
6	113	15,471	0.62	80%	10%	5%	5%	0%
7	120	20,000	1.13	77%	14%	5%	5%	0%
8	271	18,000	1.81	25%	30%	45%	0%	0%
9	235	10,000	1.95	25%	25%	40%	10%	0%
Average	155	17,264	1.05	53%	20%	17%	3%	6%
*Accommodated room-nights specifically related to university conference and other groups								
Source: PKF Consulting								

As the table indicates, the comparable set of university conference centers includes a range in size from 37 to 271 guestrooms, averaging 155, and approximately 7,000 to 25,000 square feet of meeting space, averaging 17,300. The set derives an average of 53 percent of their business mix from their associated university institution. University groups generate an average of 1.05 room-nights per meeting space square foot, and the set exhibits a wide range in this metric of 0.62 to 1.95. In addition to core university demand, business organizations (20 percent) and professional and trade associations (17 percent) also account for significant portions of the business mix.

Thus, university hotel conference centers typically rely on a balance of both internal and external sources of demand to support their operations.

CONCLUSIONS

Our update analyses established new estimates of demand for lodging and meetings generated by the MMC. We have found demand levels somewhat higher than that originally estimated, in part due to the use of survey techniques as a supplement to the interview process. The bulk of these meetings are already accommodated at on-campus venues, though a significant number are accommodated in off-campus hotels and other meeting venues. As such, the proposed facility would offer another alternative to existing on-campus venues as well as an opportunity to reabsorb meetings demand from off-campus to the MMC.

The outlook for executive and continuing education programs which often represent key demand sources for university conference centers is largely unchanged from the time of the 2013 study. It is not believed that such programming would represent a material source of the demand for the proposed facility.

***MARKET DEMAND STUDY
AND PROJECTED
FINANCIAL RESULTS***

**PROPOSED LODGING DEVELOPMENT AT
FLORIDA INTERNATIONAL UNIVERSITY**
MODESTO A. MAIDIQUE CAMPUS
MIAMI-DADE COUNTY, FLORIDA

PREPARED FOR:
FLORIDA INTERNATIONAL UNIVERSITY

PREPARED BY:
PKF CONSULTING
PHILADELPHIA, PENNSYLVANIA

DATE OF THE REPORT:
NOVEMBER, 2013





November 11, 2013

Christina Jardim
Director, Enterprise Development
Business & Finance
11200 SW 8 Street, PC 522
Miami, Florida 33199

Dear Ms. Jardim:

As you requested, we have completed our market study of the potential demand and projected financial results for proposed lodging development at the FIU Modesto A. Maidique Campus (MMC), located in Miami, Miami-Dade County, Florida. Our conclusions presented within this report are based upon our knowledge of the competitive market area and conference center industry resulting from our fieldwork completed in September 2013.

Our study included meetings with key individuals at MMC to learn of their hotel and conference or meeting needs. We conducted follow up interviews by phone subsequently to those people we did not meet on campus to obtain their input. We appreciate their cooperation and input for this study.

As in all studies of this type, the estimated results are based upon competent and efficient management of the proposed lodging facility and presume no significant change in the competitive position of the property from that set forth in this report. The terms of our engagement are such that we have no obligation to revise this report to reflect events or conditions, which occur subsequent to the date of the completion of our fieldwork. However, we are available to discuss the necessity for revision in view of changes in the economy or market factors affecting the proposed project

Since occupancy, average daily rate, revenue and expense estimate, are based on assumptions, which are subject to uncertainty and variation; we do not represent them as results that will actually be achieved. However, they have been conscientiously prepared on the basis of information obtained during the course of our study and our experience in the industry.

This report has been prepared primarily for your use and guidance in determining the feasibility of future development. As is customary in assignments of this nature, neither our name nor the contents of our report may be included in any prospectus, media publicity, or printed material; or used in offerings or representations in connection with the sale of securities or participation interests to the public.

This study does not constitute an economic feasibility study. A feasibility study requires an analysis of the relationship of potential operating results to the investment required; consideration of a financing plan; and cash flow projections, of particular importance in the early years of operation.

We would be pleased to hear from you if we may be of further assistance in the interpretation and application of our findings and conclusions. We appreciate being selected for this assignment and trust you will find the results helpful.

Sincerely,

PKF Consulting USA

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SECTION I: EXECUTIVE SUMMARY

**PROPOSED LODGING DEVELOPMENT AT
FLORIDA INTERNATIONAL UNIVERSITY – MODESTO A. MAIDIQUE CAMPUS
MIAMI-DADE COUNTY, FLORIDA**

NOVEMBER 2013

**PKF
CONSULTING**

Conclusion

Based on our research, it is our opinion that there is insufficient existing demand to support the development of a full-service hotel and conference center at FIU's Modesto A. Maidique Campus (MMC). Our conclusion is based on our analysis of selected economic growth trends, a site visit to meetings with FIU faculty and staff to gain an understanding of demand and potential future demand for lodging and conference space, research of selected college/university conference centers and the conference center industry, research of the area lodging supply and performance and local lodging trends. However, we have concluded, with increased FIU demand levels in the future, a select service hotel with restaurant and lounge, similar to a Courtyard by Marriott, Hyatt Place or Hilton Garden Inn, with 95-rooms and 3,800 square feet of flexible meeting space is potentially viable. An alternative option, in the event that a branded hotel is not available, would be an FIU branded independent hotel supported by an aggressive marketing program. The savings in franchise fees would allow the property to spend a sufficient amount to achieve a viable market position. Although this approach would strengthen the positioning to FIU, it would likely attract less non-FIU related demand.

This would provide FIU with a quality hotel property with full-service amenities and services to support existing and future demand for lodging and meetings.

Our findings revealed the following:

- We found the three pillars of demand for a college/university conference center are not producing significant or consistent levels of conferencing demand. These include the College of Business, College of Engineering & Computing and Herbert Wertheim College of Medicine/Nicole Wertheim College of Nursing & Health Sciences. These sources of FIU demand will need to increase in future years to support a hotel with meeting space on the MMC campus.
- There is no conference planning division or department at FIU to facilitate the generation of conferences. The cornerstone of the USF Health's Center for Advanced Medical Learning and Simulation (CAMLs), to be discussed in this report, were years of Continuing Medical Education (CME) conference planning by a dedicated staff.
- National competition for conferences is a factor in attracting conference demand along with the expense and risk of conference planning in making a conference successful. For example, Penn State conference planning has reduced the number of conferences it organizes since the university has shifted its focus to online

education. Attracting conferences requires various considerations including well regarded content, a good facility to host conferences, and an appealing destination.

- CAMLS is to expand to Panama City, Panama with a similar facility as was developed in Tampa, but on a smaller scale and will also serve southern Mexico, Costa Rica, Guatemala, Nicaragua and the Caribbean Islands. The Panama location is expected to serve over 18,000 learners, both from Panama and surrounding regions. CAMLS is also considering international expansion projects in Brazil, Mexico and Lebanon. This method of expansion whereby the teaching institution goes to the students has also been accomplished by FIU in creating a the Tianjin Center in the People's Republic of China, from which a branch of the FIU School of Hospitality & Tourism Management operates. If this strategy of taking content to satellite facilities in Latin America and other international locations, it would inhibit and diminish the future potential of overnight demand for a hotel and conference center at MMC.
- MMC is well located relative to the Florida Turnpike and the Miami International Airport, but is distant from beach areas and other tourist attractions. Further it is located in an area where the neighborhood has limited amenities and services.
- Emerging development in Sweetwater, just north of MMC, holds promise for future development. There is no college town environment in the neighborhood of MMC. However, with the development of student housing in Sweetwater along with a pedestrian bridge over SW 8th connecting the campus to Sweetwater, this area will become more attractive for development. It would desirable in the future if either a mixed-use development or individual developments in this area include retail, food and beverage facilities potentially creating a college town environment. This would enhance and benefit FIU by providing these services and amenities to both students and visitors to the area.
- The development of a hotel at MMC could potentially retard the development of a hotel off-campus in Sweetwater. New hotel development is ongoing in the area proximate to the Dolphin Mall and Doral. These locations are more attractive for hotel development due to their proximity to services and amenities, as well as area companies.
- During the fall of 2013, student enrollment included 65 percent from Miami-Dade County; 17 percent from Broward County; 2 percent from Palm Beach County; 7 percent from other Florida Counties; 5 percent from outside the State of Florida but within the U.S., and 4 percent are from outside the U.S. The students and families attending MMC are primarily local and are not anticipated to generate lodging demand.
- We have studied numerous colleges and universities for conference center development and the cost of developing a hotel and conference center is estimated to average \$300,000 per room, a deterrent to their development. What we are

seeing are chain-affiliated select service hotels being developed, sometimes with more meeting space than would typically be found in these brands, for less than half the cost of developing a hotel and conference center. Additionally, co-locating these select service hotels proximate to alumni centers and other meeting venues on campus creates synergies.

- Those we interviewed indicated it can be difficult to find space on campus for meeting and conferences and they must schedule these far in advance, in some cases, years. The Graham Center has been expanded numerous times but a recent proposal for expansion was not approved for funding.
- Fund raising for an alumni center is on-going but the target date to open an alumni center is 2018.
- Lodging market conditions in the area of MMC are very good with an abundance and broad range of hotel types in the vicinity.

The following further summarizes our findings and recommendations.

Miami Area

The Miami area has been a tourist destination for well over a century and Miami Beach and South Beach continue to attract national and international travelers. The Miami area has historically been one of the most popular tourist destinations on the east coast of the United States. Miami is considered the Gateway to the Americas, because it is well located to conduct business in Latin America. Miami International Airport passenger traffic has increased in recent years. There have been numerous improvements to the highway transportation network but traffic congestion continues to be a negative factor for travel during peak periods in the region. Overall economic indicators for the area are positive following the recession. South Florida is home to Fortune 500 companies along with numerous other large public and private companies. MMC is well located in terms of regional access and should continue to benefit from continued area economic growth in the longer term.

Site Location and Characteristics

MMC is FIU's main campus. The campus has been the focus of our research since it is the most likely location for the development of lodging and conference facilities based on the extent of facilities located at MMC and the potential for demand generation at this campus. A prime site has been identified by the main entrance at SW 112th Avenue within the southeast quadrant formed by SW 112th Avenue at SW 8th Street for potential lodging and/or conference center development. A parking garage PG-6 is also proposed in this vicinity which is anticipated to provide parking for lodging and conference center development. This site is well located relative to the Florida

Turnpike, the main entrance to Campus, major Campus developments, and potential users at the AHC Center and the Chapman School of Business along with others.

FIU was established in 1965 and began holding classes in 1972. It is one of 11 universities in the State University System comprised of 12 colleges and schools providing 187 academic programs. The 2012 fall enrollment was 50,394 students with 5,120 total staff (4,339 full time) and 1,849 staff categorized as Instructional/Research (1,142 full time). There have been 191,093 total degrees awarded as of Academic Year 2011-2012. Based on the 2012 enrollment FIU is considered the seventh-largest university in the United States. Grants received during FY 2012 at FIU totaled \$100.7 million. Research and development expenditures for FY 2012 increased to \$118.06 million.

The MMC and the nearby Engineering Center continue to be developed with significant capital improvements, notably the build out of the ASH Center at MMC. Increased funding and research will enhance FIU's reputation and attract visitation to MMC. These campuses are located in the westernmost portion of Miami-Dade County with good accessibility in the region via the Florida Turnpike and State Route 836 to Miami International Airport and downtown Miami to the east. Currently there are no lodging facilities proximate to the MMC. It is noteworthy that MMC is becoming constrained by the lack of availability of land.

Market Analysis

Lodging or university conference center development at MMC would be either positioned as a good-quality hotel providing dining options and meeting space, consisting of either a chain affiliated hotel or a specialized conference center. The following is a brief summary of selected area lodging supply, the national conference center trends, and selected college/university conference centers which provide input for estimating the expectations and performance for proposed MMC development.

Selected Area Lodging Supply

There are no hotels located in the immediate neighborhood of MMC. The closest hotel is the Comfort Suites located approximately 1.8 miles distant to the southwest of the campus. Based on our interviews with faculty and staff at MMC and our review of the area hotel market, we identified a number of hotels that are currently used for overnight accommodations or meetings. As a result, we selected 17 hotels located primarily in the MMC area along the western side of Miami International Airport, exclusive of extended stay hotels, which provide a meaningful indication of the area hotel market

conditions. Six of the 17 hotels are limited-service in nature (with a modest food and beverage program inclusive of a complimentary breakfast service included in the room rate), and the remaining are considered full-service (offering on-site food and beverage facilities). One of the full-service hotels is considered a resort style property with golf, The Biltmore Hotel. This set of hotels is diverse, providing the area with a wide selection of accommodations, meeting and banquet space, amenities and services at various price points. Most are chain affiliated. There are a number of other hotels located in the greater Miami area in these same segments with most of the resort hotels located in the South Beach area of Miami Beach. Some of these hotels represent some of the finest hotels in the nation with exceptional performances in terms of ADRs between \$400 and \$600 in 2012 along with healthy levels of occupancy.

The following table summarizes the historical supply, demand, ADR and RevPAR results of the aforementioned group of hotels for the period 2008 to 2012, and year-to-date (YTD) July 2012 and 2013.

Historical Market Performance of the Selected Lodging Supply									
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	Average Daily Rate	Percent Change	REVPAR	Percent Change
2008	878,843	-	637,161	-	72.5%	\$134.46	-	\$97.48	-
2009	1,000,605	13.9%	653,395	2.5%	65.3%	110.71	-17.7%	72.29	-25.8%
2010	1,019,982	1.9%	747,647	14.4%	73.3%	111.63	0.8%	81.82	13.2%
2011	1,015,301	-0.5%	795,996	6.5%	78.4%	115.32	3.3%	90.41	10.5%
2012	1,013,417	-0.2%	809,720	1.7%	79.9%	123.37	7.0%	98.57	9.0%
CAAG	3.6%		6.2%			-2.1%		0.3%	
YTD 7/2012	589,301	-	477,923	-	81.1%	\$129.09	-	\$104.69	-
YTD 7/2013	609,849	3.5%	504,345	5.5%	82.7%	135.50	5.0%	112.06	7.0%

Source: PKF Consulting USA

Our view of the selected lodging supply indicates a very positive market performance with continued growth anticipated. New hotels are proposed in the area. The worst performing hotel in the area is the Comfort Suites, the closest hotel to MMC, and one of the best performing hotels is the Courtyard at the Dolphin Mall. The locational characteristics of each property partially explain their divergent levels of performance. We believe this indicates the neighborhood of MMC is an inferior location for lodging development.

Trends in the Conference Center Market

We reviewed the conference center industry's performance nationally, as summarized in the following table highlighting average occupancy and average daily room rate

(ADR) levels, and resulting revenue per available room (RevPAR), as well as total revenue per occupied room (RevPOR) achieved in 2012, the most recent statistics available. While typically college/university centers achieve lower RevPAR compared with other types of centers, in 2012 this was not the case. Total RevPOR for college/university centers was second after resort centers because usually they serve a more price sensitive market compared with other center types.

2012 Average Occupancy, ADR, RevPAR and Total RevPOR				
Type of Center	Occupancy	ADR	RevPAR ¹	Total RevPOR ²
All	58.3%	\$110.46	\$64.40	\$338.17
Executive	62.1%	\$132.08	\$82.02	\$271.61
Corporate	54.2%	\$ 75.30	\$40.81	\$283.97
Resort	61.2%	\$118.33	\$72.42	\$389.57
College/University	56.0%	\$149.98	\$83.99	\$326.73

Note: (1) Room revenue per available room.

Note: (2) Total of all revenue sources per occupied room.

Source: PKF Consulting, *Trends in the Conference Center Industry, 2013 Edition*

Comparable University Conference Centers

We have identified 5 comparable college/university hotels and conference centers located on university campuses, in a variety of locations in the United States. These centers are generating between 15,000 and 63,000 room nights of hotel demand, averaging 30,000 room nights. The low end of this range is from a center which is dedicated to conferencing with no transient demand accommodated. These centers had an average occupancy of 53 percent with an ADR of \$141.00. Comprehensive Meeting Package rates (CMP) averaged \$277 per attendee. Total day meeting attendees at these facilities ranged from 4,900 to 21,000, averaging 16,040 per year. The day meeting package rates for these day meeting attendees averaged \$83.80. Total conference space averaged 18,540 square feet and all have extensive food and beverage facilities. Conference demand averaged 77 percent of total occupied room nights at these facilities. These statistics provide an indication of what a possible college/university conference center at MMC would need to achieve operationally.

Lodging and Conference Center Demand Overview

In order to evaluate demand for lodging and conferences, we visited MMC and met with a number of individuals to gain an understanding of the needs and level of demand the faculty and staff has and where there may be future opportunities. Our interviews quantified the following hotel demand at MMC.

- Demand from conferences, meetings and travel to MMC: 3,658 room nights.
- Demand from the Department of Orientation and Parent Programs: 2,150 room nights.
- Athletic team for competitions held at MMC: 2,405 room nights.
- Athletic and other events held at MMC: 5,900 room nights.

These sources of demand total 14,100 room nights. To put this number in perspective, a 95-room lodging facility operating at a 70 percent annual occupancy would accommodate 24,300 room nights annually. The quantified demand represents 58 percent of these room nights. We know that not all the quantified room nights would stay at MMC from our interviews. There is also the potential for future room night demand for a lodging facility at MMC depending on program development. We did not interview everyone at MMC and therefore we have not quantified all the room night demand which may exist at MMC.

- While it was evident there is considerable price sensitivity for meetings and conferences, those using area hotels within the market area are doing so at close to market rates.
- One of the most noted facilities used was the Graham Center which provides highly discounted flexible meeting space.
- Off campus facilities used included a variety of properties but Sofitel was often noted and the Comfort Suites Miami nearby.
- It was noted there is a need for conference space large enough to accommodate general sessions along with break out rooms, all of good quality with audiovisual equipment on-site and a variety food and beverage options.
- IT indicated a longer-term demand for hotel accommodations for consultants who come to campus generating approximately 600 room nights of demand. These consultants prefer to stay in the Coral Gables, Coconut Grove or the beach areas because there are amenities and services found there which don't exist in the vicinity of MMC.
- While Miami is a well-known tourist destination and is considered a desirable location to attract potential conference demand, MMC is distant from the beach areas in an area without amenities and services.

Recommended Development

In addition to overnight demand from existing meetings and conferences, there is more transient lodging demand at the MMC location. At this time we believe a prototypical chain affiliated hotel with limited meeting space that is flexible could operate successfully at MMC. Since there are limited food and beverage facilities at MMC or proximate to it, we

believe an MMC lodging facility will need to have a restaurant and a lounge, as well as a typical hotel fitness facility. We believe a Hilton Garden Inn, a franchised hotel, or similar brand which would include Courtyard by Marriott, or Hyatt Place, would also work since they offer varying levels of food and beverage service. These hotel brands already exist in the area of MMC so some may not be possible depending on the existing agreements with existing franchisees and the potential for impact from one of these brands at MMC. Since FIU may not be the primary user of the facilities, we believe a site with good visibility and accessibility will be important to the success of lodging development at MMC.

Proposed 95-Room Hotel

We have assumed a chain affiliated select service hotel such as a Courtyard, Hilton Garden Inn or Hyatt Place with flexible meeting space, to include 3,800 square feet in a divisible ballroom using banquet chairs could accommodate up to 320 persons. We have not estimated that group demand would utilize a CMP rate but would pay a la carte for any food and beverage service as well as other services required. This property is assumed to open January 1, 2016. It would accommodate transient demand in the corporate and leisure segments, with group room nights generated by meetings or social events at FIU, as well as a portion of out-of-town sports teams playing at FIU, primarily having double occupied rooms. These room nights are considered to be part of the group segment of demand as they are typically pre-arranged for a block of rooms.

The following table presents the market position of the proposed 95-room hotel upon reaching a stabilized level of performance, assumed to occur in the third year of operation: In that event, an independent hotel closely tied to FIU with a strong marketing presence could also be an option.

Proposed 95-room Hotel			
FIU MMC - Stabilized Year Performance			
Demand Segments	Room Nights	Percent of Total	Estimated ADR (2013 \$)
Corporate Transient	7,600	30%	\$130
Leisure Transient	8,900	35%	\$120
Group	8,900	35%	\$110
Total Room Nights	25,400	100%	\$120
Estimated Annual Occupancy	73%		
Square Feet of Meeting Space	3,800		
Square Feet of Meeting Space/Guestroom	40		
Group Room Nights per SF of Meeting Space	2.3		
Source: PKF Consulting			

The following table presents our projection of occupancy, ADR, and total room revenues for the first five years of operation, assuming a January 1, 2016 opening.

Proposed MMC 95-Room Hotel - Estimated Rooms Revenue			
Year	Average Daily Rate ¹	Annual Occupancy	Rooms Revenue
2016	\$131.25	63.2%	\$2,882,000
2017	135.00	68.1%	3,186,000
2018	139.00	73.3%	3,531,000
2019	143.25	73.3%	3,639,000
2020	147.50	73.3%	3,757,000
Note: (1) Inflated at 3.0 percent			
Source: PKF Consulting USA			

Projected Financial Performance

Based on the our analysis and the comparable operating results for five similar hotel properties, we have projected the future financial performance of the proposed 95-room hotel with 3,800 square feet of meeting space for the first five years of operation, inclusive of ground rent, commencing January 1, 2016, with selected highlights presented in the following table.

Proposed MMC 95-Room Hotel - Summary of Estimated Annual Operating Results			
Year	Total Revenue	Net Operating Income	Ratio to Total Revenues
2016	\$3,782,000	\$1,024,000	27%
2017	4,182,000	1,186,000	28%
2018	4,636,000	1,363,000	29%
2019	4,777,000	1,406,000	29%
2020	4,932,000	1,456,000	30%
Source: PKF Consulting USA			

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THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Audit Committee
June 1, 2017

AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2016

- University's Audited Financial Statements were prepared following Governmental Accounting Standards Board (GASB) standards of accounting and financial reporting.
- The State of Florida Auditor General issued the University's Audited Financial Statements for the year ending June 30, 2016 on March 22, 2017.
- **OPINION:** The University received an unmodified (unqualified) opinion, meaning the financial statements presented fairly, in all material respects, the respective financial position of FIU and of its aggregate discretely presented component units as of June 30, 2016, and the respective changes in financial position and cashflows.
- We are not aware of, and the auditors did not identify any, deficiencies in internal control over financial reporting considered to be a material weakness or any instances of non-compliance or other matters required to be reported under Government Auditing Standards.
- The Financial Statements include the following component units of the university:
 - FIU Foundation, Inc. and its subsidiaries
 - FIU Athletics Finance Corporation
 - FIU Academic Health Center Health Care Network/Faculty Group Practice
 - NOTE: The financial activities of the FIU Research Foundation, Inc. are **not** included in the University's financial statements because total assets and operating revenues of the Foundation represent less than one percent of the total aggregate component units' assets and operating revenues.

Highlights of Balance Sheet

- **Total Assets** of just over \$1.4 billion, an increase of \$35.6 million or 2.5 percent increase over 2014-15.

Primarily Due to changes in:

Net Capital Asset Additions	\$119.6 M
Increase in Cash and Investments	\$ 22.8 M
Increase in Deferred Amounts - Pensions	\$ 13.2 M
Increase in Land and Works of Art	\$ 2.0 M
Increase in Accounts Receivable /Loans	\$ 1.0 M
Net Construction in Progress Reductions	(\$ 63.5)M
Change in Accumulated Depreciation	(\$ 43.1)M
Due from State - Construction	(\$ 17.0)M
Total	\$ 35.0 M

- **Total Liabilities** of \$506.7 M, an increase of \$13.3 M or 2.7 percent

Primarily Due to:

Net Pension Liability	\$47.4 M
Other Post Employment Retirement Benefits	\$20.4 M
Increase in Payables	\$ 3.0 M
Increase in Compensated Absences	\$ 1.7 M
Decrease in Deferred Amounts - Pensions	(\$36.3)M
Decrease in Unearned Revenue	(\$14.5)M
Bonds Payable	(\$ 8.4)M
Total	\$13.3 M

- **Total Net Position** of \$934.0 M, an increase of \$22.3 or 2.4 percent

Highlights of Revenues and Expenses

- **Operating Revenues** of \$510.1 M, an increase of \$11.4 M or 2.3 percent

Primarily Due to:

Net Tuition and Fees	\$10.0 M
Auxiliary Sales and Service	\$ 2.5 M
Other Revenue	\$.7 M
Grants and Contracts	(\$ 1.8)M
Total	\$11.4 M

- **Operating Expenses** \$909.6 M, an increase of \$35.9 M or 4.1 percent

Primarily Due to:

Employee Compensation and Benefits	\$34.1 M
Scholarships, Fellowships and Waivers	\$ 3.1 M
Depreciation Expense	\$ 1.4 M
Self Insured Claims and Expenses	\$.4 M
Services and Supplies	(\$2.2) M
Utilities and Communications	(\$.9) M
Total	\$35.9 M

- **Net Non-operating Revenues** of \$390.1 M, an increase of \$21.3 M or 5.8 percent

Primarily Due to:

Investment Income/Losses	\$ 7.3 M
State Non-Capital Appropriations	\$13.7 M
Federal and State Student Financial Aid	\$ 1.3 M
Other Non-Operating Revenues	(\$ 1.0) M
Total	\$ 21.3 M

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STATE OF FLORIDA AUDITOR GENERAL

Financial Audit

Report No. 2017-181
March 2017

FLORIDA INTERNATIONAL UNIVERSITY

For the Fiscal Year Ended
June 30, 2016



Sherrill F. Norman, CPA
Auditor General

Board of Trustees and President

During the 2015-16 fiscal year, Dr. Mark B. Rosenberg served as President of Florida International University and the following individuals served as Members of the Board of Trustees:

Claudia Puig, Chair from 12-10-15, Vice Chair ^a to 12-9-15	Marcelo Claure to 8-25-15 Alian Collazo ^b from 5-16-16
Jorge L. Arrizurieta, Vice Chair from 3-11-16	Mayi de la Vega to 3-23-16
Albert Maury, Chair to 12-9-15	Gerald C. Grant, Jr.
Sukrit Agrawal to 8-25-15	Michael G. Joseph from 8-26-15
Cesar L. Alvarez, J.D.	Natasha Lowell
Dr. Jose J. Armas, M.D.	Justo L. Pozo
Leonard Boord from 8-26-15	Marc D. Sarnoff from 3-24-16
Alexis Calatayud ^b to 5-15-16	Dr. Kathleen L. Wilson ^c

^a Vice Chair position vacant from 12-10-15, through 3-10-16.

^b Student Body President.

^c Faculty Senate Chair.

The Auditor General conducts audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

The team leader was Michael J. Salerno, CPA, and the supervisor was Hector J. Quevedo, CPA.

Please address inquiries regarding this report to Jaime Hoelscher, CPA, Audit Supervisor, by e-mail at jaimehoelscher@aud.state.fl.us or by telephone at (850) 412-2868.

This report and other reports prepared by the Auditor General are available at:

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State of Florida Auditor General

Claude Pepper Building, Suite G74 • 111 West Madison Street • Tallahassee, FL 32399-1450 • (850) 412-2722

FLORIDA INTERNATIONAL UNIVERSITY

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SUMMARY

SUMMARY OF REPORT ON FINANCIAL STATEMENTS

Our audit disclosed that the basic financial statements of Florida International University (a component unit of the State of Florida) were presented fairly, in all material respects, in accordance with prescribed financial reporting standards.

SUMMARY OF REPORT ON INTERNAL CONTROL AND COMPLIANCE

Our audit did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* issued by the Comptroller General of the United States.

AUDIT OBJECTIVES AND SCOPE

Our audit objectives were to determine whether Florida International University and its officers with administrative and stewardship responsibilities for University operations had:

- Presented the University's basic financial statements in accordance with generally accepted accounting principles;
- Established and implemented internal control over financial reporting and compliance with requirements that could have a direct and material effect on the financial statements; and
- Complied with the various provisions of laws, rules, regulations, contracts, and grant agreements that are material to the financial statements.

The scope of this audit included an examination of the University's basic financial statements as of and for the fiscal year ended June 30, 2016. We obtained an understanding of the University's environment, including its internal control, and assessed the risk of material misstatement necessary to plan the audit of the basic financial statements. We also examined various transactions to determine whether they were executed, in both manner and substance, in accordance with governing provisions of laws, rules, regulations, contracts, and grant agreements.

An examination of Federal awards administered by the University is included within the scope of our Statewide audit of Federal awards administered by the State of Florida.

AUDIT METHODOLOGY

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450



Phone: (850) 412-2722
Fax: (850) 488-6975

The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Florida International University, a component unit of the State of Florida, and its aggregate discretely presented component units as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units' columns. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the

assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of Florida International University and of its aggregate discretely presented component units as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS**, the **Schedule of Funding Progress – Other Postemployment Benefits Plan**, **Schedule of the University's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan**, **Schedule of University Contributions – Florida Retirement System Pension Plan**, **Schedule of the University's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan**, **Schedule of University Contributions – Health Insurance Subsidy Pension Plan**, and **Notes to Required Supplementary Information**, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 22, 2017, on our consideration of the Florida International University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant

agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Florida International University's internal control over financial reporting and compliance.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
March 22, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

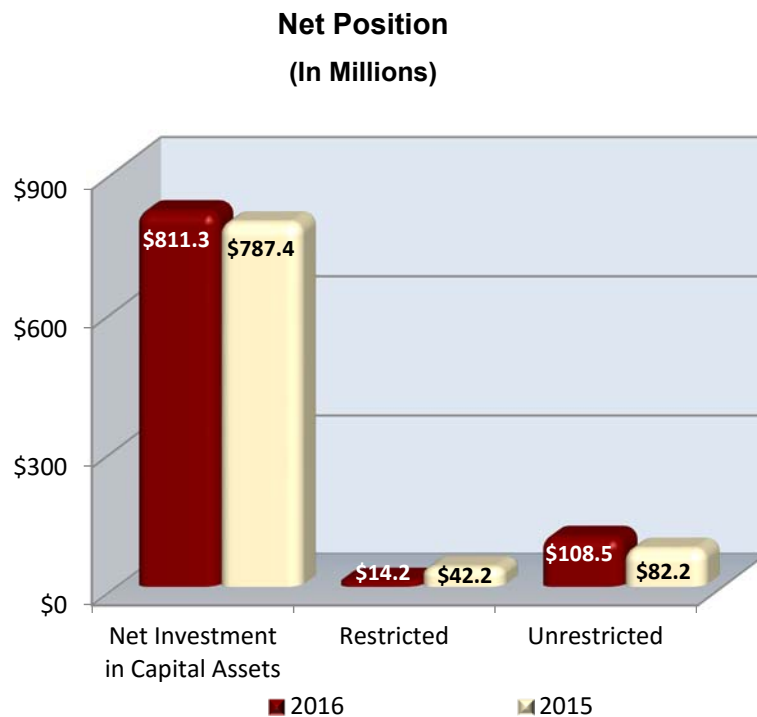
Management's discussion and analysis (MD&A) provides an overview of the financial position and activities of the University for the fiscal year ended June 30, 2016, and should be read in conjunction with the financial statements and notes thereto. The MD&A, and financial statements and notes thereto, are the responsibility of University management. The MD&A contains financial activity of the University for the fiscal years ended June 30, 2016, and June 30, 2015.

FINANCIAL HIGHLIGHTS

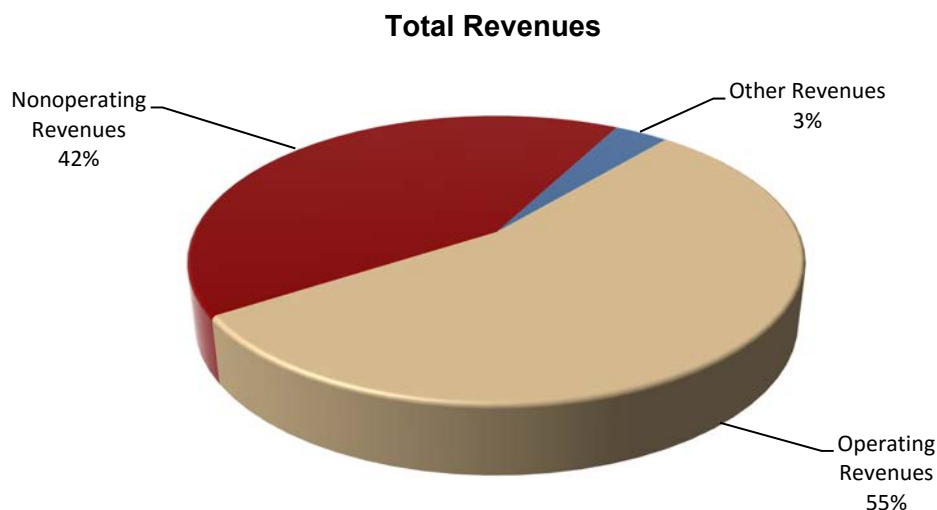
The University's assets totaled \$1.4 billion at June 30, 2016. This balance reflects a \$22.3 million, or 1.6 percent, increase as compared to the 2014-15 fiscal year, resulting from an increase in cash and cash equivalents and investments of \$22.9 million as well as an increase in capital assets of \$15 million, net of depreciation. These increases were partially offset by a \$17 million decrease in receivables due from the State for capital projects. Deferred outflows of resources increased \$13.2 million due to pension-related activity as required to be reported under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Liabilities increased by \$49.6 million, or 11.3 percent, totaling \$487.4 million at June 30, 2016, as compared to \$437.8 million at June 30, 2015. These increases were offset by a \$36.3 million decrease in deferred inflows of resources from pension-related activity. As a result, the University's net position increased by \$22.2 million, resulting in a year-end balance of \$934 million.

The University's operating revenues totaled \$510.1 million for the 2015-16 fiscal year, representing an \$11.4 million, or 2.3 percent, increase compared to the 2014-15 fiscal year. Major components of operating revenues are student tuition and fees, auxiliary enterprise revenues, and grants and contracts. The overall increase in operating revenue is mainly due to increases in net tuition and fees revenue of \$10 million and auxiliary enterprise revenue of \$2.5 million. Operating expenses totaled \$909.6 million for the 2015-16 fiscal year, representing an increase of \$36 million, or 4.1 percent, as compared to the 2014-15 fiscal year due mainly to an increase in compensation and employee benefits of \$34.1 million.

Net position represents the residual interest in the University's assets and deferred outflows of resources after deducting liabilities and deferred inflows of resources. The University's comparative total net position by category for the fiscal years ended June 30, 2016, and June 30, 2015, is shown in the following graph:



The following chart provides a graphical presentation of University revenues by category for the 2015-16 fiscal year:



OVERVIEW OF FINANCIAL STATEMENTS

Pursuant to GASB Statement No. 35, the University's financial report consists of three basic financial statements: the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. The financial statements, and notes thereto, encompass the University and its discretely presented component units. These component units include:

- Florida International University Foundation, Inc. (Foundation)
- FIU Athletics Finance Corporation (Finance Corporation)

- Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc. (Health Care Network)

Based on the application of the criteria for determining component units, the Foundation, Finance Corporation, and Health Care Network are included within the University reporting entity as discretely presented component units. Information regarding these discretely presented component units, including summaries of their separately issued financial statements, is presented in the notes to financial statements. This MD&A focuses on the University, excluding the discretely presented component units. For those discretely presented component units reporting under GASB standards, MD&A information is included in their separately issued audit reports.

The Statement of Net Position

The statement of net position reflects the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the University, using the accrual basis of accounting, and presents the financial position of the University at a specified time. Assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position, which is one indicator of the University's current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the University's financial condition.

The following table summarizes the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30:

Condensed Statement of Net Position at June 30

(In Millions)

	2016	2015
Assets		
Current Assets	\$ 388.0	\$ 371.3
Capital Assets, Net	976.7	961.7
Other Noncurrent Assets	16.6	26.0
Total Assets	1,381.3	1,359.0
Deferred Outflows of Resources	59.3	46.1
Liabilities		
Current Liabilities	65.1	75.8
Noncurrent Liabilities	422.3	362.0
Total Liabilities	487.4	437.8
Deferred Inflows of Resources	19.2	55.5
Net Position		
Net Investment in Capital Assets	811.3	787.4
Restricted	14.2	42.2
Unrestricted	108.5	82.2
Total Net Position	\$ 934.0	\$ 911.8

Total assets as of June 30, 2016, increased by \$22.3 million, or 1.6 percent. This increase is due to an increase in cash and cash equivalents and investments of \$22.9 million primarily driven by collection of receivables due from the State for capital projects and reduced expenses for new projects along with an increase in capital assets of \$15 million, net of depreciation. The increases were partially offset by a \$17 million decrease in receivables due from the State for capital construction projects for cash received during the 2015-16 fiscal year. Deferred outflows of resources increased \$13.2 million due to the annual recognition of the University's proportionate share of the actuarially determined amounts related to the Florida Retirement System (FRS) pension plans. Total liabilities as of June 30, 2016, increased by \$49.6 million, or 11.3 percent. The increase was primarily due to an increase in other postemployment benefit (OPEB) of \$20.4 million and an increase of \$47.4 million for the University's proportionate share of the FRS net pension liabilities. These increases were offset by a reduction of \$12.5 million in unearned revenue from construction projects that was earned during the 2015-16 fiscal year and an \$8.4 million reduction in principal payments for capital improvement debt payable. Deferred inflows of resources decreased by \$36.3 million due to the annual recognition of the University's proportionate share of the actuarially determined amounts related to the FRS pension plans.

The Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents the University's revenue and expense activity, categorized as operating and nonoperating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

The following table summarizes the University's activity for the 2015-16 and 2014-15 fiscal years:

Condensed Statement of Revenues, Expenses, and Changes in Net Position For the Fiscal Years

(In Millions)

	2015-16	2014-15
Operating Revenues	\$ 510.1	\$ 498.7
Less, Operating Expenses	909.6	873.6
Operating Loss	(399.5)	(374.9)
Net Nonoperating Revenues	390.1	368.7
Loss Before Other Revenues	(9.4)	(6.2)
Other Revenues	31.6	12.2
Net Increase In Net Position	22.2	6.0
Net Position, Beginning of Year	911.8	994.6
Adjustment to Beginning Net Position (1)	-	(88.8)
Net Position, Beginning of Year, as Restated	911.8	905.8
Net Position, End of Year	\$ 934.0	\$ 911.8

Note: (1) For the 2014-15 fiscal year, the University's beginning net position was decreased in conjunction with the implementation of GASB Statement No. 68.

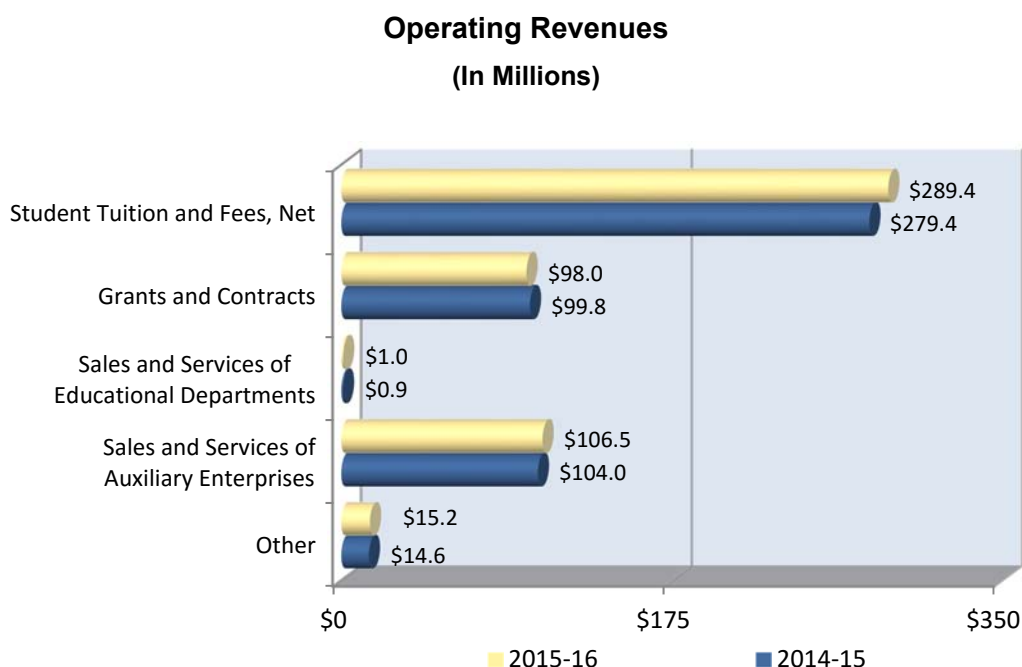
Operating Revenues

GASB Statement No. 35 categorizes revenues as either operating or nonoperating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either gives or receives something of equal or similar value.

The following table summarizes the operating revenues by source that were used to fund operating activities for the 2015-16 and 2014-15 fiscal years:

Operating Revenues For the Fiscal Years (In Millions)		
	2015-16	2014-15
Student Tuition and Fees, Net	\$ 289.4	\$ 279.4
Grants and Contracts	98.0	99.8
Sales and Services of Educational Departments	1.0	0.9
Sales and Services of Auxiliary Enterprises	106.5	104.0
Other	15.2	14.6
Total Operating Revenues	\$ 510.1	\$ 498.7

The following chart presents the University's operating revenues for the 2015-16 and 2014-15 fiscal years:



University operating revenue changes were the result of the following factors:

- Net student tuition and fees revenue increased \$10 million or 3.6 percent. This increase was primarily driven by an increase of 11.1 percent in out-of-State undergraduate student enrollment, which generated incremental revenue from non-resident tuition. Additionally, tuition from market rate graduate programs increased due to the following new programs introduced during the

2015-16 fiscal year: Professional Science Master in Environmental Policy and Management, Master of Science in Curriculum and Instruction, and Master of Science in Special Education. Also contributing to the increase, was an increase in the Activity and Service fee from \$12.87 to \$14.85 per credit hour.

- Sales and Services of Auxiliary Enterprises revenue increased \$2.5 million, or 2.4 percent. The increase was mainly due to an increase of \$1.4 million in game guarantee revenue earned from additional non-conference football games played on the road during fiscal year 2015-16 than during fiscal year 2014-15. Also contributing to the increase was \$1 million of incremental revenue from excess conference revenue returned to the University after meeting bond payment obligations for the football stadium along with higher parking citations issued resulting from the addition of two license plate recognition vehicles and the implementation of a new electronic ticketing system.

Operating Expenses

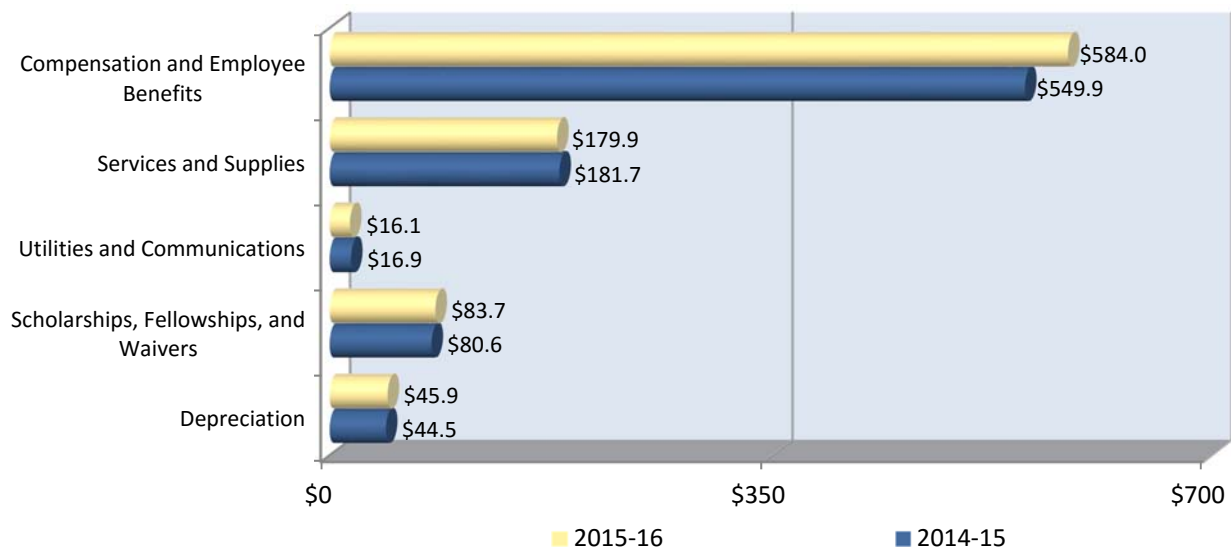
Expenses are categorized as operating or nonoperating. The majority of the University's expenses are operating expenses as defined by GASB Statement No. 35. GASB gives financial reporting entities the choice of reporting operating expenses in the functional or natural classifications. The University has chosen to report the expenses in their natural classification on the statement of revenues, expenses, and changes in net position and has displayed the functional classification in the notes to financial statements.

The following table summarizes operating expenses by natural classification for the 2015-16 and 2014-15 fiscal years:

Operating Expenses For the Fiscal Years		
(In Millions)		
	2015-16	2014-15
Compensation and Employee Benefits	\$ 584.0	\$ 549.9
Services and Supplies	179.9	181.7
Utilities and Communications	16.1	16.9
Scholarships, Fellowships, and Waivers	83.7	80.6
Depreciation	45.9	44.5
Total Operating Expenses	\$ 909.6	\$ 873.6

The following chart presents the University's operating expenses for the 2015-16 and 2014-15 fiscal years:

Operating Expenses (In Millions)



Changes in operating expenses were the result of the following factors:

- Compensation and employee benefits increased \$34.1 million, or 6.2 percent. This increase was primarily due to an increase in the number of employees combined with a 1 percent across the board salary increase and a 1 percent merit increase for eligible employees. Additionally, there were increases in other postemployment benefits expense as well as a pension expense adjustment.
- Services and supplies expenses decreased \$1.8 million, or 1 percent. This decrease was mainly related to the reduction in construction contract expenses of \$2.5 million resulting from fewer minor renovation and repair projects during the 2015-16 fiscal year compared to the 2014-15 fiscal year.
- Scholarships, fellowships, and waivers expenses increased by \$3.1 million, or 3.8 percent. The increase was primarily driven by the Pell grant program as well as waivers under State of Florida regulations.

Nonoperating Revenues and Expenses

Certain revenue sources that the University relies on to provide funding for operations, including State noncapital appropriations, Federal and State student financial aid, and investment income, are defined by GASB as nonoperating. Nonoperating expenses include capital financing costs and other costs related to capital assets. The following table summarizes the University's nonoperating revenues and expenses for the 2015-16 and 2014-15 fiscal years:

**Nonoperating Revenues (Expenses)
For the Fiscal Years**

(In Millions)

	<u>2015-16</u>	<u>2014-15</u>
State Noncapital Appropriations	\$ 261.6	\$ 247.8
Federal and State Student Financial Aid	112.1	110.8
Investment Income (Loss)	3.2	(4.2)
Other Nonoperating Revenues	21.4	22.5
Loss on Disposal of Capital Assets	(0.1)	(0.1)
Interest on Capital Asset-Related Debt	(7.5)	(7.9)
Other Nonoperating Expenses	(0.6)	(0.2)
Net Nonoperating Revenues	<u><u>\$ 390.1</u></u>	<u><u>\$ 368.7</u></u>

Net nonoperating revenues increased by \$21.4 million, due mainly to the following:

- State noncapital appropriations increased \$13.8 million, or 5.6 percent, due to an increase of \$9.3 million in incremental funding under the Florida Board of Governors' performance model, \$3.3 million of additional special appropriations, incremental appropriations for plant operations and maintenance of \$0.4 million, risk management insurance of \$0.4 million, and retirement benefit adjustments of \$0.3 million.
- Investment income increased by \$7.4 million, or 176.2 percent, primarily due to higher investment returns during the 2015-16 fiscal year.

Other Revenues

This category is composed of State capital appropriations and capital grants, contracts, donations, and fees. The following table summarizes the University's other revenues for the 2015-16 and 2014-15 fiscal years:

**Other Revenues
For the Fiscal Years**

(In Millions)

	<u>2015-16</u>	<u>2014-15</u>
State Capital Appropriations	\$ 26.2	\$ 3.3
Capital Grants, Contracts, Donations, and Fees	5.4	8.9
Total	<u><u>\$ 31.6</u></u>	<u><u>\$ 12.2</u></u>

Total other revenues increased by \$19.4 million, or 159 percent, due to a \$22.9 million increase in State capital appropriation revenue earned for capital projects. This increase was offset by a \$3.5 million decrease in capital grants and donations.

The Statement of Cash Flows

The statement of cash flows provides information about the University's financial results by reporting the major sources and uses of cash and cash equivalents. This statement will assist in evaluating the University's ability to generate net cash flows, its ability to meet its financial obligations as they come due, and its need for external financing. Cash flows from operating activities show the net cash used by

the operating activities of the University. Cash flows from capital financing activities include all plant funds and related long-term debt activities. Cash flows from investing activities show the net source and use of cash related to purchasing or selling investments, and earning income on those investments. Cash flows from noncapital financing activities include those activities not covered in other sections.

The following table summarizes cash flows for the 2015-16 and 2014-15 fiscal years:

**Condensed Statement of Cash Flows
For the Fiscal Years**

(In Millions)

	<u>2015-16</u>	<u>2014-15</u>
Cash Provided (Used) by:		
Operating Activities	\$ (324.5)	\$ (319.1)
Noncapital Financing Activities	392.5	375.2
Capital and Related Financing Activities	(48.1)	(80.9)
Investing Activities	<u>(21.4)</u>	<u>14.7</u>
Net Decrease in Cash and Cash Equivalents	(1.5)	(10.1)
Cash and Cash Equivalents, Beginning of Year	<u>5.6</u>	<u>15.7</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 4.1</u></u>	<u><u>\$ 5.6</u></u>

Major sources of funds came from State noncapital appropriations (\$261.6 million), Federal Direct Student Loan receipts (\$281.1 million), net student tuition and fees (\$286.9 million), grants and contracts (\$99.1 million), sales and services of auxiliary enterprises (\$106.5 million), proceeds from sales and maturities of investments (\$737.7 million), State capital appropriations (\$25.9 million), and Federal and State student financial aid (\$111.1 million). Major uses of funds were for payments made to and on behalf of employees (\$561.3 million), payments to suppliers (\$191.5 million), disbursements to students for Federal Direct Student Loans (\$281.3 million), purchases of capital assets (\$62.8 million), purchases of investments (\$767.3 million), and payments to and on behalf of students for scholarships and fellowships (\$83.7 million).

**CAPITAL ASSETS, CAPITAL EXPENSES AND COMMITMENTS,
AND DEBT ADMINISTRATION**

Capital Assets

At June 30, 2016, the University had \$1.5 billion in capital assets, less accumulated depreciation of \$522.1 million, for net capital assets of \$976.7 million. Depreciation charges for the current fiscal year totaled \$45.9 million. The following table summarizes the University's capital assets, net of accumulated depreciation, at June 30:

Capital Assets, Net at June 30

(In Millions)

	2016	2015
Land	\$ 30.4	\$ 28.7
Works of Art and Historical Treasures	4.6	4.3
Construction in Progress	61.8	125.3
Buildings	787.8	723.2
Infrastructure and Other Improvements	19.3	4.4
Furniture and Equipment	39.0	38.5
Library Resources	31.1	34.6
Property Under Capital Leases and Leasehold Improvements	1.4	1.5
Computer Software	1.3	1.2
Capital Assets, Net	\$ 976.7	\$ 961.7

Additional information about the University's capital assets is presented in the notes to financial statements.

Capital Expenses and Commitments

Major capital expenses through June 30, 2016, were incurred on the following project: \$20.4 million for the Student Academic Support Center. The University's construction commitments at June 30, 2016, are as follows:

	Amount (In Millions)
Total Committed	\$ 130.7
Completed to Date	(61.8)
Balance Committed	<u>\$ 68.9</u>

Additional information about the University's construction commitments is presented in the notes to financial statements.

Debt Administration

As of June 30, 2016, the University had \$165.5 million in outstanding capital improvement debt payable and capital lease payable, representing a decrease of \$8.8 million, or 5.1 percent, from the prior fiscal year. The following table summarizes the outstanding long-term debt by type for the fiscal years ended June 30:

Long-Term Debt, at June 30

(In Millions)

	2016	2015
Capital Improvement Debt	\$ 165.3	\$ 173.7
Capital Lease	0.2	0.6
Total	\$ 165.5	\$ 174.3

Additional information about the University's long-term debt is presented in the notes to financial statements.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

Regaining and sustaining economic progress has been the key to Florida's ability to grow and increase funding to important governmental agencies and branches. Balancing the inflows and outflows of various sources is an inherently complex process; nonetheless, the fiscal year 2015-16 general revenue collections modestly exceeded projections and grew by 2.4 percent compared to fiscal year 2014-15. As Florida's population continues to grow, public officials and lawmakers have invested the majority of resources in social programs as well as educational institutions statewide. The 2016-17 budget includes \$500 million in performance funds for the State University System (SUS), a \$100 million increase from fiscal year 2015-16, and represents a State investment of \$225 million and SUS investment from base funds of \$275 million. During the year, the Florida Board of Governors (BOG) modified definitions and benchmarks for some of the performance metrics and converted the points scale used to rank SUS institutions from 50 to 100 points. Under the updated model, Florida International University (FIU) ranked fourth with 76 points and received a total of \$56.1 million, of which \$9 million was incremental to the prior year's budget. In addition to performance funding, FIU received Legislative Budget Requests (LBRs) for specific projects and programs in the amount of \$4.7 million (net \$3 million after \$1.7 million reduction for prior year non-recurring allocations) and \$1.1 million for retirement contributions and risk management insurance pass-throughs. The FIU Herbert Wertheim College of Medicine (HWCOM) is presently at maximum capacity of 480 medical students and is in the process of implementing the HWCOM 2015-2020 strategic plan which is focused on integrating education, research, and clinical care while changing the community's health.

Last year, the Legislature addressed college affordability by implementing a sales tax exemption on textbooks for fiscal year 2015-16. During the 2016 legislative session, lawmakers expanded and added reporting requirements to the Education Access and Affordability bill. Specifically, the bill mandates all required and recommended textbooks and materials be posted at least 45 days prior to the commencement of the semester for at least 95 percent of courses in the upcoming term. SUS institutions are also required to review and report on cost variances in textbooks and instructional materials among different sections of the same course. Consistent with the theme of college affordability, the Legislature instituted a \$30 per credit hour cap for the average distance learning fee and changed the delegation authority over tuition increases for graduate and professional programs from the institution's Board of Trustees to the BOG. Consequently, tuition rates at all levels remain unchanged for the 2016-17 fiscal year.

The BOG continues to hold institutions to the 10 performance metrics included in the Performance Based Funding Model and is continually fine-tuning parameters to provide clarity and boost positive performance results. These measures offer guidance and establish targets for strategic progress while ensuring alignment with the State's focus on generating a positive return on investment through student success. The FIU Beyond Possible 2020 strategic plan is perfectly aligned with the BOG's performance metrics, and also seeks to increase community ties. FIU is cognizant of the challenges in achieving these goals, our faculty and staff are focused on the outcomes, and we have purposefully allocated resources in areas

that positively impact performance metric results. FIU is an anchor institution in the community and is committed to providing our students with a rigorous and relevant education which will enable our graduates to make valuable contributions to the advancement of our community in South Florida and the State of Florida.

REQUESTS FOR INFORMATION

Questions concerning information provided in the MD&A or other required supplemental information, and financial statements and notes thereto, or requests for additional financial information should be addressed to the Chief Financial Officer and Senior Vice President for Finance and Administration, Dr. Kenneth Jessell, at Florida International University, 11200 Southwest 8th Street, Miami, Florida 33199.

BASIC FINANCIAL STATEMENTS

Florida International University A Component Unit of the State of Florida Statement of Net Position

June 30, 2016

	University	Component Units
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 4,109,516	\$ 11,670,182
Investments	308,223,319	230,711,208
Accounts Receivable, Net	27,011,414	80,151,153
Loans and Notes Receivable, Net	589,509	-
Due from State	44,271,289	-
Due from Component Units/University	3,311,772	89,659
Inventories	418,036	-
Other Current Assets	39,721	2,609,469
Total Current Assets	387,974,576	325,231,671
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	31,526	1,018,792
Restricted Investments	5,723,064	2,690,039
Loans and Notes Receivable, Net	1,878,901	-
Depreciable Capital Assets, Net	879,930,418	17,919,836
Nondepreciable Capital Assets	96,798,944	-
Due from Component Units/University	9,032,492	-
Other Noncurrent Assets	-	20,829,368
Total Noncurrent Assets	993,395,345	42,458,035
Total Assets	1,381,369,921	367,689,706
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amounts Related to Pensions	59,309,116	-
Accumulated Decrease in Fair Value of Hedging		
Derivatives	-	3,729,734
Deferred Amount on Debt Refundings	-	259,940
Total Deferred Outflows of Resources	59,309,116	3,989,674
LIABILITIES		
Current Liabilities:		
Accounts Payable	25,160,384	1,123,799
Construction Contracts Payable	6,585,103	-
Salary and Wages Payable	10,655,776	-
Deposits Payable	1,950,620	-
Due to State	202,386	-
Due to Component Units/University	184,747	2,851,172
Unearned Revenue	7,495,987	865,133
Other Current Liabilities	232,597	202,068
Long-Term Liabilities - Current Portion:		
Bonds Payable	-	1,090,035
Capital Improvement Debt Payable	7,184,422	-
Notes Payable	-	785,000
Capital Lease Payable	192,311	-
Compensated Absences Payable	3,349,280	-
Liability for Self-Insured Claims	153,608	-
Net Pension Liability	1,768,753	-
Total Current Liabilities	65,115,974	6,917,207

Florida International University
A Component Unit of the State of Florida
Statement of Net Position (Continued)

June 30, 2016

	<u>University</u>	<u>Component Units</u>
LIABILITIES (Continued)		
Noncurrent Liabilities:		
Bonds Payable	-	29,628,572
Capital Improvement Debt Payable	158,075,900	-
Notes Payable	-	4,635,000
Compensated Absences Payable	38,412,281	-
Due to Component Units/University	-	9,032,492
Other Postemployment Benefits Payable	68,116,000	-
Unearned Revenues	35,566,894	255,000
Liability for Self-Insured Claims	53,552	-
Net Pension Liability	119,726,282	-
Other Long-Term Liabilities	2,341,166	8,112,141
Total Noncurrent Liabilities	<u>422,292,075</u>	<u>51,663,205</u>
Total Liabilities	<u>487,408,049</u>	<u>58,580,412</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Amounts Related to Pensions	19,242,297	-
NET POSITION		
Net Investment in Capital Assets	811,276,729	11,802,097
Restricted for Nonexpendable:		
Endowment	-	209,664,592
Restricted for Expendable:		
Debt Service	2,869,407	-
Loans	870,753	-
Capital Projects	5,715,243	-
Other	4,764,175	87,854,851
Unrestricted	108,532,384	3,777,428
TOTAL NET POSITION	<u>\$ 934,028,691</u>	<u>\$ 313,098,968</u>

The accompanying notes to financial statements are an integral part of this statement.

Florida International University
A Component Unit of the State of Florida
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2016

	<u>University</u>	<u>Component Units</u>
REVENUES		
Operating Revenues:		
Student Tuition and Fees, Net of Scholarship Allowances of \$129,398,883 (\$10,434,966 Pledged for Parking Facility Capital Improvement Debt)	\$ 289,385,217	\$ -
Federal Grants and Contracts	76,453,986	-
State and Local Grants and Contracts	8,351,776	-
Nongovernmental Grants and Contracts	13,244,306	-
Sales and Services of Educational Departments	972,214	-
Sales and Services of Auxiliary Enterprises (\$30,567,829 Pledged for Housing Facility Capital Improvement Debt and \$5,155,866 Pledged for Parking Facility Capital Improvement Debt)	106,483,079	-
Sales and Services of Component Units	-	6,318,783
Gifts and Donations	-	21,812,230
Interest on Loans and Notes Receivable	62,760	-
Other Operating Revenues	15,149,048	10,642,559
Total Operating Revenues	<u>510,102,386</u>	<u>38,773,572</u>
EXPENSES		
Operating Expenses:		
Compensation and Employee Benefits	583,993,133	-
Services and Supplies	179,932,133	23,888,219
Utilities and Communications	16,063,722	126,667
Scholarships, Fellowships, and Waivers	83,660,060	-
Depreciation	45,921,855	820,265
Other Operating Expenses	-	14,278,104
Total Operating Expenses	<u>909,570,903</u>	<u>39,113,255</u>
Operating Loss	<u>(399,468,517)</u>	<u>(339,683)</u>
NONOPERATING REVENUES (EXPENSES)		
State Noncapital Appropriations	261,567,034	-
Federal and State Student Financial Aid	112,126,868	-
Investment Income (Loss)	3,165,478	(5,621,405)
Other Nonoperating Revenues	21,369,540	-
Loss on Disposal of Capital Assets	(124,413)	(34,104)
Interest on Capital Asset-Related Debt	(7,500,942)	(1,512,871)
Other Nonoperating Expenses	(547,450)	-
Net Nonoperating Revenues (Expenses)	<u>390,056,115</u>	<u>(7,168,380)</u>
Loss Before Other Revenues, Expenses, Gains, or Losses	<u>(9,412,402)</u>	<u>(7,508,063)</u>
State Capital Appropriations	26,254,076	-
Capital Grants, Contracts, Donations, and Fees	5,434,561	-
Other Expenses	-	(750,000)
Increase (Decrease) in Net Position	<u>22,276,235</u>	<u>(8,258,063)</u>
Net Position, Beginning of Year	<u>911,752,456</u>	<u>321,357,031</u>
Net Position, End of Year	<u>\$ 934,028,691</u>	<u>\$ 313,098,968</u>

The accompanying notes to financial statements are an integral part of this statement.

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Florida International University
A Component Unit of the State of Florida
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2016

	<u>University</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Student Tuition and Fees, Net	\$ 286,928,591
Grants and Contracts	99,088,274
Sales and Services of Educational Departments	972,214
Sales and Services of Auxiliary Enterprises	106,464,512
Interest on Loans and Notes Receivable	59,848
Payments to Employees	(561,316,120)
Payments to Suppliers for Goods and Services	(191,527,398)
Payments to Students for Scholarships and Fellowships	(83,660,060)
Loans Issued to Students	(4,446,920)
Collection on Loans to Students	4,501,869
Other Operating Receipts	18,386,666
Net Cash Used by Operating Activities	<u>(324,548,524)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Noncapital Appropriations	261,567,034
Federal and State Student Financial Aid	111,083,162
Federal Direct Loan Program Receipts	281,101,567
Federal Direct Loan Program Disbursements	(281,292,814)
Operating Subsidies and Transfers	133,351
Net Change in Funds Held for Others	10,125
Other Nonoperating Receipts	19,972,470
Other Nonoperating Disbursements	(32,795)
Net Cash Provided by Noncapital Financing Activities	<u>392,542,100</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
State Capital Appropriations	25,896,036
Capital Grants, Contracts, Donations, and Fees	3,527,453
Other Receipts for Capital Projects	1,412,072
Capital Subsidies and Transfers	548,469
Purchase or Construction of Capital Assets	(62,761,564)
Principal Paid on Capital Debt and Leases	(8,893,199)
Interest Paid on Capital Debt and Leases	(7,800,363)
Net Cash Used by Capital and Related Financing Activities	<u>(48,071,096)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	737,721,138
Purchase of Investments	(767,261,509)
Investment Income	8,131,793
Net Cash Used by Investing Activities	<u>(21,408,578)</u>
Net Decrease in Cash and Cash Equivalents	(1,486,098)
Cash and Cash Equivalents, Beginning of Year	<u>5,627,140</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 4,141,042</u></u>

Florida International University
A Component Unit of the State of Florida
Statement of Cash Flows (Continued)
For the Fiscal Year Ended June 30, 2016

	<u>University</u>
RECONCILIATION OF OPERATING LOSS	
TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	\$ (399,468,517)
Adjustments to Reconcile Operating Loss	
to Net Cash Used by Operating Activities:	
Depreciation Expense	45,921,855
Changes in Assets, Liabilities, Deferred Outflows of Resources,	
and Deferred Inflows of Resources:	
Receivables, Net	(581,403)
Inventories	(34,103)
Other Assets	3,422
Accounts Payable	3,961,323
Salaries and Wages Payable	2,577,921
Deposits Payable	(14,831)
Compensated Absences Payable	1,720,819
Unearned Revenue	2,870,087
Liability for Self-Insured Claims	116,630
Other Postemployment Benefits Payable	20,432,000
Net Pension Liability	47,407,633
Deferred Outflows of Resources Related to Pensions	(13,203,240)
Deferred Inflows of Resources Related to Pensions	(36,258,120)
NET CASH USED BY OPERATING ACTIVITIES	<u><u>\$ (324,548,524)</u></u>

**SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND
CAPITAL FINANCING ACTIVITIES**

Unrealized gains on investments were recognized as an increase to investment income on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.	\$ 560,721
Losses from the disposal of capital assets were recognized on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.	\$ (124,413)
Donations of capital assets were recognized on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.	\$ 1,957,357
The Division of Bond Finance issued \$29,105,000 of Capital Improvement Housing Revenue Refunding Bonds, Series 2015A, to refund \$30,055,000 of outstanding Capital Improvement Revenue and Refunding Bonds, Series 2004A. The new debt and defeasance of the old debt were recorded as an increase and a decrease, respectively, to capital improvement debt payable on the statement of net position; however, because the proceeds of the new debt were immediately placed into an irrevocable trust for the defeasance of the Series 2004A debt, the transaction did not affect cash and cash equivalents.	\$ 950,000

The accompanying notes to financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Reporting Entity. The University is a separate public instrumentality that is part of the State university system of public universities, which is under the general direction and control of the Florida Board of Governors. The University is directly governed by a Board of Trustees (Trustees) consisting of 13 members. The Governor appoints 6 citizen members and the Board of Governors appoints 5 citizen members. These members are confirmed by the Florida Senate and serve staggered terms of 5 years. The chair of the faculty senate and the president of the student body of the University are also members. The Board of Governors establishes the powers and duties of the Trustees. The Trustees are responsible for setting policies for the University, which provide governance in accordance with State law and Board of Governors Regulations, and selecting the University President. The University President serves as the executive officer and the corporate secretary of the Trustees, and is responsible for administering the policies prescribed by the Trustees.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. These criteria were used to evaluate potential component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the primary government's financial statements to be misleading. Based on the application of these criteria, the University is a component unit of the State of Florida, and its financial balances and activities are reported in the State's Comprehensive Annual Financial Report by discrete presentation.

Discretely Presented Component Units. Based on the application of the criteria for determining component units, the following direct-support organizations (as provided for in Section 1004.28, Florida Statutes, and Board of Governors Regulation 9.011) are included within the University reporting entity as discretely presented component units. These legally separate, not-for-profit, corporations are organized and operated to assist the University to achieve excellence by providing supplemental resources from private gifts and bequests, and valuable education support services and are governed by separate boards. The statutes authorize these organizations to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the University. These organizations and their purposes are explained as follows:

- Florida International University Foundation, Inc. (Foundation) – The purpose of the Foundation is to encourage, solicit, receive, and administer gifts and bequests of property and funds for the advancement of the University and its objectives.
- FIU Athletics Finance Corporation (Finance Corporation) – The purpose of the Finance Corporation includes the support to the University in matters pertaining to the financing of the University's football stadium and, subsequently, the management and operation of the facility.
- The Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc. (Health Care Network) – The purpose of the Health Care Network is to improve and support health education at the University.

The financial activities of the Florida International University Research Foundation, Inc. (Research Foundation) are not included in the University's financial statements. The purpose of the Research Foundation includes the promotion and encouragement of, and assistance to, the research and training activities of faculty, staff, and students of the University. It receives income from contracts, grants, and other sources, including, but not limited to, income derived from or related to the development and commercialization of University work products. The total assets and operating revenues related to the Research Foundation are \$344,311 and \$0, respectively. The amounts represent less than 1 percent of the total aggregate component units' assets and operating revenues.

An annual audit of each organization's financial statements is conducted by independent certified public accountants. The annual report is submitted to the Auditor General and the University Board of Trustees. Additional information on the University's component units, including copies of audit reports, is available by contacting the University Controller's Office. Condensed financial statements for the University's discretely presented component units are shown in a subsequent note.

Basis of Presentation. The University's accounting policies conform with accounting principles generally accepted in the United States of America applicable to public colleges and universities as prescribed by GASB. The National Association of College and University Business Officers (NACUBO) also provides the University with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB and the Financial Accounting Standards Board (FASB). GASB allows public universities various reporting options. The University has elected to report as an entity engaged in only business-type activities. This election requires the adoption of the accrual basis of accounting and entitywide reporting including the following components:

- Management's Discussion and Analysis
- Basic Financial Statements:
 - Statement of Net Position
 - Statement of Revenues, Expenses, and Changes in Net Position
 - Statement of Cash Flows
 - Notes to Financial Statements
- Other Required Supplementary Information

Measurement Focus and Basis of Accounting. Basis of accounting refers to when revenues, expenses, and related assets, deferred outflows of resources, liabilities, and deferred inflows of resources, are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The University's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met. The University follows GASB standards of accounting and financial reporting.

The University's discretely presented component units use the economic resources measurement focus and accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred, and follow GASB standards of accounting and financial reporting except for the Foundation, which follows FASB standards of accounting and financial reporting for not-for-profit organizations.

Significant interdepartmental sales between auxiliary service departments and other institutional departments have been accounted for as reductions of expenses and not revenues of those departments.

The University's principal operating activities consist of instruction, research, and public service. Operating revenues and expenses generally include all fiscal transactions directly related to these activities as well as administration, operation and maintenance of capital assets, and depreciation of capital assets. Nonoperating revenues include State noncapital appropriations, Federal and State student financial aid, investment income (net of unrealized gains or losses on investments), and revenue for capital construction projects. Interest on capital asset-related debt is a nonoperating expense.

The statement of net position is presented in a classified format to distinguish between current and noncurrent assets and liabilities. When both restricted and unrestricted resources are available to fund certain programs, it is the University's policy to first apply the restricted resources to such programs, followed by the use of the unrestricted resources.

The statement of revenues, expenses, and changes in net position is presented by major sources and is reported net of tuition scholarship allowances. Tuition scholarship allowances are the difference between the stated charge for goods and services provided by the University and the amount that is actually paid by the student or the third party making payment on behalf of the student. The University applied "The Alternate Method" as prescribed in NACUBO Advisory Report 2000-05 to determine the reported net tuition scholarship allowances. Under this method, the University computes these amounts by allocating the cash payments to students, excluding payments for services, on a ratio of total aid to the aid not considered third-party aid.

The statement of cash flows is presented using the direct method in compliance with GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*.

Cash and Cash Equivalents. Cash and cash equivalents consist of cash on hand and cash in demand accounts. University cash deposits are held in banks qualified as public depositories under Florida law. All such deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool required by Chapter 280, Florida Statutes. Cash and cash equivalents that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other restricted assets, are classified as restricted.

Concentration of Credit Risk – Component Units

Financial instruments that potentially subject the Foundation to concentration of credit risk consist principally of cash and cash equivalents in banks, investments, and promises to give.

Financial instruments that potentially subject the Finance Corporation to concentration of credit risk consist principally of cash in banks and investments.

In addition to insurance provided by the Federal Depository Insurance Corporation (FDIC), the Foundation, the Finance Corporation, and the Health Care Network deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Chapter 280, Florida Statutes, Florida Security for Public Deposits Act, all Florida qualified public depositories are to deposit with the State Treasury or another banking institution, eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits, with the exception noted above, are insured or collateralized with securities held by the entity or its agent in the entity's name.

Capital Assets. University capital assets consist of land, works of art and historical treasures, construction in progress, buildings, infrastructure and other improvements, furniture and equipment, library resources, property under capital leases and leasehold improvements, and computer software. These assets are capitalized and recorded at cost at the date of acquisition or at estimated fair value at the date received in the case of gifts and purchases of State surplus property. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The University has a capitalization threshold of \$250 for library resources, \$5,000 for tangible personal property, and \$50,000 for new buildings, leasehold improvements, and other improvements. Depreciation is computed on the straight-line basis over the following estimated useful lives:

- Buildings – 20 to 50 years
- Infrastructure and Other Improvements – 15 years
- Furniture and Equipment – 3 to 20 years
- Library Resources – 10 years
- Property Under Capital Leases – 5 years
- Leasehold Improvements – Various based on lease terms
- Computer Software – 5 years

Depreciable assets of the Foundation are stated at cost and are net of accumulated depreciation of \$5,713,549. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, ranging from 5 to 40 years.

Depreciable assets of the Health Care Network are stated at cost and are net of accumulated depreciation of \$198,268. Depreciation is provided using the straight-line method over the estimated useful lives from 5 to 15 years for the assets.

Noncurrent Liabilities. Noncurrent liabilities include capital improvement debt payable, compensated absences payable, other postemployment benefits payable, unearned revenue, liability for self-insured claims, net pension liability, and other long-term liabilities that are not scheduled to be paid within the next fiscal year. Capital improvement debt is reported net of unamortized premium and deferred losses on refunding. The University amortizes debt premiums over the life of the debt using the straight-line

method. Deferred losses on refunding are amortized over the life of the old debt or new debt (whichever is shorter) using the straight-line method.

Pensions. For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS's and the HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

2. Reporting Changes

The University implemented GASB Statement No. 72, *Fair Value Measurement and Application*, which requires the University to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value.

The University implemented GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes.

3. Investments

Section 1011.42(5), Florida Statutes, authorizes universities to invest funds with the State Treasury and State Board of Administration (SBA), and requires that universities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities are subject to the requirements of Chapter 218, Part IV, Florida Statutes. The Board of Trustees has adopted a written investment policy providing that surplus funds of the University shall be invested in those institutions and instruments permitted under the provisions of Florida Statutes. Pursuant to Section 218.415(16), Florida Statutes, the University is authorized to invest in the Florida PRIME investment pool administered by the SBA; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; direct obligations of the United States Treasury; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open end or closed end management type investment companies; and other investments approved by the Board of Trustees as authorized by law. Investments set aside to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital assets are classified as restricted.

The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

All of the University's recurring fair value measurements as of June 30, 2016, are valued using quoted market prices (Level 1 inputs), with the exception of corporate equities, fixed income and bonds, and

commodities which are valued using a matrix pricing model (Level 2 inputs), investments with the State Treasury which are valued based on the University's share of the pool and other investments (Level 3 inputs), and limited partnerships and private equities which are valued based on net asset value (NAV). The University's investment in money market funds are reported at amortized cost of \$70,733,999 according to GASB Statement No. 72.

The University's investments at June 30, 2016, are reported as follows:

Investments by fair value level	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
External Investment Pool:				
State Treasury Special Purpose Investment Account	\$ 18,297,320	\$ -	\$ -	\$ 18,297,320
SBA Debt Service Accounts	2,852,132	2,852,132	-	-
Mutual Funds:				
Equities	65,330,197	-	65,330,197	-
Fixed Income and Bond Mutual Funds	103,368,831	32,674,974	70,693,857	-
Commodities	11,729,702	-	11,729,702	-
Other Investments	1,900,000	-	-	1,900,000
Total investments by fair value level	\$203,478,182	\$ 35,527,106	\$ 147,753,756	\$ 20,197,320
Investments measured at the net asset value (NAV)				
Mutual Funds:				
Limited Partnerships	25,818,640			
Equities	13,915,562			
Total investments measured at NAV	39,734,202			
Total investments measured at fair value	\$243,212,384			

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented in the following table:

Investments measured at the NAV	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Mutual Funds:				
Limited Partnerships	\$ 25,818,640	\$ -	Quarterly/Annually	90 Days
Equities	13,915,562	9,415,625	Illiquid	N/A
Total investments measured at the NAV	\$ 39,734,202			

Limited Partnerships: This category includes investments in a fund that invests in a portfolio of limited partnerships. The managers pursue multiple strategies to diversify risk and reduce volatility. The fair values of the investments have been determined by using the NAV per share of the investments. Redemption requests are received quarterly and require a 90 day written notice. Proceeds of the redemption, up to 90 percent, are available 27 calendar days after the redemption. The remaining 10 percent of the funds, in a complete liquidation, are available the first week April, after the redemption.

Equities: This category includes investments in 2 private equity funds. Each fund invests in equity securities and debt of private companies or conduct buyouts of public companies that result in a delisting

of public equity. The nature of the investment in this category prohibits redemptions through the duration of the partnerships, which range between 10 to 15 years. Distributions are received through the liquidation of underlying assets of the funds.

External Investment Pools

The University reported investments at fair value totaling \$18,297,320 at June 30, 2016, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities. Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Committee per Section 17.575, Florida Statutes. The authorized investment types are set forth in Section 17.57, Florida Statutes. The State Treasury SPIA investment pool carried a credit rating of A+f by Standard & Poor's, had an effective duration of 2.61 years and fair value factor of 1.0143 at June 30, 2016. Participants contribute to the State Treasury SPIA investment pool on a dollar basis. These funds are commingled and a fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed and a total pool fair value is determined. A fair value factor is calculated by dividing the pool's total fair value by the pool participant's total cash balances. The fair value factor is the ratio used to determine the fair value of an individual participant's pool balance. The University relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury investment pool are included in the notes to financial statements of the State's Comprehensive Annual Financial Report.

State Board of Administration Debt Service Accounts

The University reported investments totaling \$2,852,132 at June 30, 2016, in the SBA Debt Service Accounts. These investments are used to make debt service payments on bonds issued by the State Board of Education for the benefit of the University. The University's investments consist of United States Treasury securities, with maturity dates of 6 months or less, and are reported at fair value. The University relies on policies developed by the SBA for managing interest rate risk and credit risk for these accounts. Disclosures for the Debt Service Accounts are included in the notes to financial statements of the State's Comprehensive Annual Financial Report.

Fixed Income and Bond Mutual Funds

The University invested in various mutual funds in accordance with the University's investment policy. The following risks apply to the University's fixed income and bond mutual fund investments:

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Pursuant to Section 218.415(6), Florida Statutes, the University's investments in securities must provide sufficient liquidity to pay obligations as they come due. The future maturities of the securities held in the fixed income and bond mutual funds at June 30, 2016, are as follows:

University Debt Investment Maturities

Investment Type	Fair Market Value	Investment Maturities (In Years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
Fixed Income Mutual Fund	\$ 44,201,778	\$ 2,868,695	\$ 15,497,143	\$ 17,282,895	\$ 8,553,045
TIPS Index Fund	26,492,079	61,080	8,723,128	11,978,776	5,729,095
High Yield Bond Mutual Fund	19,327,361	2,027,099	7,596,269	8,653,977	1,050,016
Credit Fixed Income	13,347,613	3,605,866	3,462,309	2,001,920	4,277,518
Total	\$ 103,368,831	\$ 8,562,740	\$ 35,278,849	\$ 39,917,568	\$ 19,609,674

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2016, the securities held in the fixed income and bond mutual funds had credit quality ratings by a nationally-recognized rating agency (i.e., Standard & Poor's or Moody's), as follows:

University Debt Investment Credit Quality Ratings

Investment Type	Fair Value	AAA / Aaa	AA / Aa	A	BBB / Baa to Not Rated
Fixed Income Mutual Fund	\$ 44,201,778	\$ 26,432,663	\$ 1,547,062	\$ 5,436,819	\$ 10,785,234
TIPS Index Fund	26,492,079	26,492,079	-	-	-
High Yield Bond Mutual Fund	19,327,361	96,300	-	73,078	19,157,983
Credit Fixed income	13,347,613	2,572,967	1,444,229	5,292,400	4,038,017
Total	\$ 103,368,831	\$ 55,594,009	\$ 2,991,291	\$ 10,802,297	\$ 33,981,234

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the University's investment in a single issuer. The University's investment policy addresses the issue of concentration of credit risk by establishing the following restrictions:

- Maximum position in an individual security (excluding government securities) must not exceed 5 percent of the account market value.
- Maximum position in any one issuer (excluding government securities) must not exceed 5 percent of the account market value.

Discretely Presented Component Unit Investments

The Foundation's investments at June 30, 2016, are reported at fair value as follows:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level	Amount			
Domestic Equities	\$ 1,644,640	\$ 1,644,640	\$ -	\$ -
Global Equities	17,871,517	17,871,517	-	-
Fixed Income	26,462,041	26,462,041	-	-
Real Assets	8,980,422	8,980,422	-	-
Total investments by fair value level	\$ 54,958,620	\$ 54,958,620	\$ -	\$ -
Investments measured at the net asset value (NAV)				
Domestic Equities	38,253,178			
Global Equities	42,017,278			
Fixed Income	4,103,142			
Real Assets	4,187,984			
Hedge Funds	53,666,126			
Private Investments	31,887,137			
Total investments measured at the NAV	174,114,845			
Total investments measured at Fair Value	\$ 229,073,465			

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented in the following table:

Investments measured at the NAV	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equities:				
Domestic Equities	\$ 38,253,178	\$ -	Monthly / Quarterly	5 - 40 Days
Global Equities	34,964,372	-	Monthly / Quarterly	6 - 60 Days
Emerging Markets	7,052,906	-	Monthly	7 - 30 Days
Fixed Income:				
Domestic Fixed Income	4,101,742	-	Daily	2 Days
Global Bonds	1,400	-	Monthly	10 Days
Real Assets:				
Natural Resources Equities	4,187,984	-	Monthly	30 Days
Hedge Funds:				
Fund of Funds	2,098,202	-	Quarterly	90 Days
Long/Short Equity	25,003,830	-	Quarterly - Every 3 Years	30 - 180 Days
Event Driven/Open Mandate	21,183,173	-	Quarterly - Annually	30 - 90 Days
Global Macro	5,380,921	-	Monthly	3 - 15 Days
Private Investments:				
Private Equity	16,186,951	14,937,417	Illiquid	N/A
Venture Capital	15,700,186	4,619,428	Illiquid	N/A
Total investments measured at the NAV	\$ 174,114,845	\$ 19,556,845		

Net Asset Value

The investments held at net asset value reflect:

Domestic Equities: This category includes investments in publically listed equities of companies domiciled in the U.S.

Global Equities: This category includes investments in publically listed equities of companies domiciled globally.

Emerging Markets: This category includes investments in publically listed equities of companies listed in markets which have been categorized as emerging.

Domestic Fixed Income: This category includes investments in publically traded debt instruments traded in the U.S.

Global Bonds: This category includes investments in globally listed public debt instruments.

Natural Resources Equities: This category includes investments in publically listed equities of companies that derive a substantial portion of their operations from natural resources related business operations.

Fund of Funds: This category includes investments in hedge funds that invest in a portfolio of other hedge funds.

Long/Short Equity: This category includes investments in hedge funds that invest domestically and globally in both long and short common stocks across all market capitalizations. These investments offer a low correlation to traditional long-only equity benchmarks in order to achieve absolute return. Management of the hedge funds may opportunistically shift investments across sectors, geographies, and net market exposures.

Event Driven/Open Mandate: This category includes investments in hedge funds that invest in event-driven strategies including merger arbitrage, distressed debt, and convertible arbitrage to achieve returns.

Global Macro: This category includes investments in hedge funds that invest in global macro strategies including long and short equities, currencies, commodities, etc. based on evaluation of macroeconomic trends.

Private Equity: This category includes investments in several limited partnership funds that invest in equity securities and debt of private companies or conduct buyouts of public companies the result in a delisting of public equity. The nature of the investment in this category prohibits redemptions through the duration of the partnership, which ranges between 10 to 15 years. Distributions are received through the liquidation of underlying assets of the funds.

Venture Capital: This category includes investments in several limited partnership funds that invest in early-stage, high-potential startup companies or small businesses that do not have access to public funding. The nature of the investment in this category prohibits redemptions through the duration of the partnership, which ranges between 10 to 15 years. Distributions are received when underlying companies are exited via acquisition or IPO.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2016, the Finance Corporation money market mutual fund investments were rated AAAM by Standards & Poor's.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the investments in a single issuer. The Foundation maintains certain investment accounts with financial institutions which are not insured by the FDIC. These funds may be subject to insurance by Securities

Investor Protection Corporation, subject to various limitations. At June 30, 2016, approximately \$228,600,000 was held in these accounts. The Foundation believes that the number, diversity, and financial strength of the issuers mitigates the credit risks associated with all investments.

The Finance Corporation also maintains investment accounts with financial institutions that are not insured by the FDIC. These investments are made in accordance with the trust indenture. Money market fund shares are not guaranteed by the Federal Government. Investments are reported at fair value of \$4,327,782 at June 30, 2016. The Finance Corporation believes that the number, diversity, and financial strength of the issuers mitigates the credit risks associated with all investments.

All of the Finance Corporation's investments at June 30, 2016, are held with Regions Morgan Keegan and are invested in money market mutual funds. According to the bond indenture, the Finance Corporation can invest the bond proceeds in these investment vehicles; there are no stated limitations on the amount that can be invested in any one issuer. The short term nature of the investments is due to liquidity needs, since those funds are being used for operating expenses, debt service payments, and stadium construction costs.

Interest Rate Risk: Interest rate risk is the risk that changing interest rates will adversely affect the fair value of an investment. A portfolio's weighted average days to maturity (WAM) reflects the average maturity in days based on final maturity or reset date, in the case of floating-rate instruments. WAM measures the sensitivity of the fund to interest rate changes. A portfolio's weighted average life (WAL) calculation is based on a security's stated final maturity date or, when relevant, the date of the next demand feature when the fund may receive payment of principal and interest. WAL reflects how a portfolio would react to deteriorating credit or tightening liquidity conditions. The Finance Corporation's money market mutual fund's WAM as June 30, 2016, was 42 days, while the WAL was 90 days at June 30, 2016.

4. Receivables

Accounts Receivable. Accounts receivable represent amounts for student tuition and fees, contract and grant reimbursements due from third parties, various sales and services provided to students and third parties, and interest accrued on investments and loans receivable. As of June 30, 2016, the University reported the following amounts as accounts receivable:

<u>Description</u>	<u>Amount</u>
Student Tuition and Fees	\$ 18,524,848
Contracts and Grants	8,177,945
Other	308,621
Total Accounts Receivable	<u>\$ 27,011,414</u>

Loans and Notes Receivable. Loans and notes receivable represent all amounts owed on promissory notes from debtors, including student loans made under the Federal Perkins Loan Program and other loan programs.

Allowance for Doubtful Receivables. Allowances for doubtful accounts, and loans and notes receivable, are reported based on management's best estimate as of fiscal year-end considering type,

age, collection history, and other factors considered appropriate. Accounts receivable, and loans and notes receivable, are reported net of allowances of \$11,772,871 and \$1,619,239, respectively, at June 30, 2016.

5. Due From State

The amount due from State consists of \$25,410,067 of Public Education Capital Outlay and \$18,861,222 of Capital Improvement Fee Trust Fund for construction of University facilities.

6. Due From and To Component Units/University

The University's financial statements are reported for the fiscal year ended June 30, 2016. One component unit is not presented (see Note 1.). Additionally, component units' due from and due to amounts include receivables and payables between the various component units. Accordingly, amounts reported by the University as due from and to component units on the statement of net position do not agree with amounts reported by the component units as due from and to the University.

7. Capital Assets

Capital assets activity for the fiscal year ended June 30, 2016, is shown in the following table:

Description	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable Capital Assets:				
Land	\$ 28,671,778	\$ 1,745,800	\$ -	\$ 30,417,578
Works of Art and Historical Treasures	4,277,252	279,485	-	4,556,737
Construction in Progress	125,318,566	44,062,491	107,556,428	61,824,629
Total Nondepreciable Capital Assets	\$ 158,267,596	\$ 46,087,776	\$ 107,556,428	\$ 96,798,944
Depreciable Capital Assets:				
Buildings	\$ 1,024,970,584	\$ 91,450,547	\$ -	\$ 1,116,421,131
Infrastructure and Other Improvements	18,793,328	15,651,103	-	34,444,431
Furniture and Equipment	125,142,933	10,389,680	2,544,089	132,988,524
Library Resources	108,851,952	4,670,854	494,250	113,028,556
Property Under Capital Leases and Leasehold Improvements	1,789,567	-	-	1,789,567
Computer Software	2,945,881	471,978	10,376	3,407,483
Total Depreciable Capital Assets	1,282,494,245	122,634,162	3,048,715	1,402,079,692
Less, Accumulated Depreciation:				
Buildings	301,796,317	26,802,604	-	328,598,921
Infrastructure and Other Improvements	14,339,745	737,910	-	15,077,655
Furniture and Equipment	86,649,248	9,672,734	2,378,691	93,943,291
Library Resources	74,227,094	8,221,407	478,946	81,969,555
Property Under Capital Leases and Leasehold Improvements	315,655	101,224	-	416,879
Computer Software	1,758,433	385,976	1,436	2,142,973
Total Accumulated Depreciation	479,086,492	45,921,855	2,859,073	522,149,274
Total Depreciable Capital Assets, Net	\$ 803,407,753	\$ 76,712,307	\$ 189,642	\$ 879,930,418

8. Unearned Revenue

Unearned revenue at June 30, 2016, includes contracts and grant payments received in advance, nonrefundable admission fees, prepaid stadium rental income received from the Finance Corporation, food service revenue, conference center fees, and land use fees received prior to fiscal year-end related to subsequent accounting periods. As of June 30, 2016, the University reported the following amounts as unearned revenue:

<u>Description</u>	<u>Amount</u>
Contracts and Grants	\$ 3,316,586
Admission Fees	1,798,249
Stadium Rental Income	1,304,083
Food Service Revenue	920,160
Conference Center Fees	104,528
Land Use Fees	52,381
Total Unearned Revenue	\$ 7,495,987

9. Long-Term Liabilities

Long-term liabilities of the University at June 30, 2016, include capital improvement debt payable, capital lease payable, compensated absences payable, other postemployment benefits payable, the long-term portion of unearned revenue, liability for self-insured claims, net pension liability, and other long-term liabilities. Long-term liabilities activity for the fiscal year ended June 30, 2016, is shown below:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Capital Improvement Debt Payable	\$ 173,650,167	\$ 31,099,510	\$ 39,489,355	\$ 165,260,322	\$ 7,184,422
Capital Lease Payable	620,510	-	428,199	192,311	192,311
Compensated Absences Payable	40,040,742	5,359,056	3,638,237	41,761,561	3,349,280
Other Postemployment Benefits Payable	47,684,000	22,385,000	1,953,000	68,116,000	-
Unearned Revenue	37,563,784	1,900,000	3,896,890	35,566,894	-
Liability for Self-Insured Claims	90,530	134,521	17,891	207,160	153,608
Net Pension Liability	74,087,402	112,755,806	65,348,173	121,495,035	1,768,753
Other Long-Term Liabilities	2,259,101	82,065	-	2,341,166	-
Total Long-Term Liabilities	\$ 375,996,236	\$ 173,715,958	\$ 114,771,745	\$ 434,940,449	\$ 12,648,374

Capital Improvements Debt Payable. The University had the following capital improvement debt payable outstanding at June 30, 2016:

Capital Improvement Debt Type and Series	Amount of Original Debt	Amount Outstanding (1)	Interest Rates (Percent)	Maturity Date To
Student Housing Debt:				
2011A Student Apartments Refunding	\$ 22,210,000	\$ 16,988,396	3.00 to 5.00	2025
2012A Student Apartments	53,655,000	50,922,388	3.00 to 4.25	2041
2015A Student Apartments Refunding	29,105,000	27,056,041	3.00 to 5.00	2034
Total Student Housing Debt	104,970,000	94,966,825		
Parking Garage Debt:				
2009A&B Parking Garage	32,000,000	27,460,000	4.80 to 6.875	2039
2013A Parking Garage	48,365,000	42,833,497	3.00 to 5.25	2043
Total Parking Garage Debt	80,365,000	70,293,497		
Total Capital Improvement Debt	\$ 185,335,000	\$ 165,260,322		

Note: (1) Amount outstanding includes unamortized premiums and deferred losses on refunding issues.

The University has pledged a portion of future housing rental revenues, traffic and parking fees, and an assessed transportation fee per student to repay \$185,335,000 of capital improvement (housing and parking) revenue bonds issued by the Florida Board of Governors on behalf of the University. Proceeds from the bonds provided financing to construct parking garages and student housing facilities. The bonds are payable solely from housing rental income, parking fees, and assessed transportation fees per student and are payable through 2043. The University has committed to appropriate each year from the housing rental income, parking fees, and assessed transportation fees per student amounts sufficient to cover the principal and interest requirements on the debt. Total principal and interest remaining on the debt is \$258,086,516, and principal and interest paid for the current year totaled \$16,220,537. During the 2015-16 fiscal year, housing rental income, traffic and parking fees, and assessed transportation fees totaled \$30,567,829, \$5,155,866, and \$10,434,966, respectively.

The University extinguished long-term capital improvement debt obligations by the issuance of new long-term capital improvement debt instruments as follows:

- On July 21, 2015, the Florida Board of Governors issued \$29,105,000 of Capital Improvement Housing Revenue Refunding Bonds, Series 2015A. The capital improvement debt proceeds were used to defease \$30,055,000 of outstanding Capital Improvement Housing Revenue and Refunding Bonds, Series 2004A. The proceeds will be placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the defeased bonds. The trust assets and the liability for the defeased bonds are not included in the University's statement of net position. As a result of the refunding, the University reduced its capital improvement debt service requirement by \$4,014,843 over the next 19 years and obtained an economic gain of \$3,018,991. At June 30, 2015, the outstanding balance of the defeased debt was \$30,055,000.

Annual requirements to amortize all capital improvement debt outstanding as of June 30, 2016, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 6,885,000	\$ 7,437,915	\$ 14,322,915
2018	7,195,000	7,117,585	14,312,585
2019	7,530,000	6,768,605	14,298,605
2020	7,280,000	6,412,865	13,692,865
2021	7,610,000	6,069,390	13,679,390
2022-2026	34,720,000	25,998,800	60,718,800
2027-2031	30,955,000	18,939,425	49,894,425
2032-2036	29,970,000	11,874,025	41,844,025
2037-2041	26,340,000	4,691,156	31,031,156
2042-2043	3,990,000	301,750	4,291,750
Subtotal	162,475,000	95,611,516	258,086,516
Net Premiums and Losses on Bond Refundings	2,785,322	-	2,785,322
Total	<u>\$ 165,260,322</u>	<u>\$ 95,611,516</u>	<u>\$ 260,871,838</u>

Capital Lease Payable – Related Party Transaction. Land and a building in the amount of \$1,037,000 are being acquired under a capital lease agreement with the Foundation. The stated interest rate is 6.6 percent. Future minimum payments under the capital lease agreement and the present value of the minimum payments as of June 30, 2016, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2017	\$ 208,680
Total Minimum Payments	208,680
Less, Amount Representing Interest	16,369
Present Value of Minimum Payments	<u>\$ 192,311</u>

Compensated Absences Payable. Employees earn the right to be compensated during absences for annual leave (vacation) and sick leave earned pursuant to Florida Board of Governors regulations, University regulations, and bargaining agreements. Leave earned is accrued to the credit of the employee and records are kept on each employee's unpaid (unused) leave balance. The University reports a liability for the accrued leave; however, State noncapital appropriations fund only the portion of accrued leave that is used or paid in the current fiscal year. Although the University expects the liability to be funded primarily from future appropriations, generally accepted accounting principles do not permit the recording of a receivable in anticipation of future appropriations. At June 30, 2016, the estimated liability for compensated absences, which includes the University's share of the Florida Retirement System and FICA contributions, totaled \$41,761,561. The current portion of the compensated absences liability, \$3,349,280, is the amount expected to be paid in the coming fiscal year, and represents a historical percentage of leave used applied to total accrued leave liability.

Other Postemployment Benefits Payable. The University follows GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits administered by the State Group Health Insurance Program.

Plan Description. Pursuant to the provisions of Section 112.0801, Florida Statutes, all employees who retire from the University are eligible to participate in the State Group Health Insurance Program, an agent multiple-employer defined benefit plan (OPEB Plan). The University subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible. A stand-alone report is not issued and the OPEB Plan information is not included in the annual report of a public employee retirement system or another entity.

Funding Policy. OPEB Plan benefits are pursuant to the provisions of Section 112.0801, Florida Statutes, and benefits and contributions can be amended by the Florida Legislature. The State has not advance-funded other postemployment benefit (OPEB) costs or the net OPEB obligation. Premiums necessary for funding the OPEB Plan each year on a pay-as-you-go basis are established by the Governor's recommended budget and the General Appropriations Act. For the 2015-16 fiscal year, 399 retirees received postemployment healthcare benefits. The University provided required contributions of \$1,953,000 toward the annual OPEB cost, composed of benefit payments made on behalf of retirees for claims expenses (net of reinsurance), administrative expenses, and reinsurance premiums. Retiree contributions totaled \$2,844,000, which represents 0.8 percent of covered payroll.

Annual OPEB Cost and Net OPEB Obligation. The University's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the University's annual OPEB cost for the fiscal year, the amount actually contributed to the OPEB Plan, and changes in the University's net OPEB obligation:

Description	Amount
Normal Cost (Service Cost for One Year)	\$ 13,783,000
Amortization of Unfunded Actuarial Accrued Liability	7,602,000
Interest on Normal Cost and Amortization	855,000
Annual Required Contribution	22,240,000
Interest on Net OPEB Obligation	1,907,000
Adjustment to Annual Required Contribution	(1,762,000)
Annual OPEB Cost (Expense)	22,385,000
Contribution Toward the OPEB Cost	(1,953,000)
Increase in Net OPEB Obligation	20,432,000
Net OPEB Obligation, Beginning of Year	47,684,000
Net OPEB Obligation, End of Year	\$ 68,116,000

The University's annual OPEB cost, the percentage of annual OPEB cost contributed to the OPEB Plan, and the net OPEB obligation as of June 30, 2016, and for the 2 preceding fiscal years were as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2013-14	\$ 12,314,000	9.4%	\$ 37,348,000
2014-15	11,438,000	9.6%	47,684,000
2015-16	22,385,000	8.7%	68,116,000

Funded Status and Funding Progress. As of July 1, 2015, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$205,746,000, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$205,746,000 and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$370,763,485 for the 2015-16 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 55.5 percent.

Actuarial valuations for an OPEB Plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the OPEB Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to financial statements, presents multiyear trend information that shows whether the actuarial value of OPEB Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive OPEB Plan provisions, as understood by the employer and participating members, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial calculations of the OPEB Plan reflect a long-term perspective. Consistent with this perspective, the actuarial valuations used actuarial methods and assumptions that include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The University's OPEB actuarial valuation as of July 1, 2015, used the entry-age cost actuarial method to estimate the actuarial accrued liability as of June 30, 2016, and the University's 2015-16 fiscal year ARC. This method was selected because it is the same method used for the valuation of the Florida Retirement System. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 4 percent rate of return on invested assets, which is the University's expectation of investment returns under its investment policy. The actuarial assumptions also included a payroll growth rate of 3.25 percent per year and an inflation rate of 3 percent. Initial healthcare cost trend rates were 3.1 percent, 7.5 percent, and 8.8 percent for the first 3 years, respectively, for all retirees in the Preferred Provider Option (PPO) Plan, and 3 percent, 5.7 percent, and 7 percent for the first 3 years for all retirees in the

Health Maintenance Organization (HMO) Plan. The PPO and HMO healthcare trend rates both grade down to an ultimate rate of 3.9 percent over 60 years. The unfunded actuarial accrued liability is being amortized over 30 years using the level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2016, was 21 years.

Unearned Revenue. Long-term unearned revenue at June 30, 2016, includes Public Education Capital Outlay appropriations for which the University had not yet received approval from the Florida Department of Education to spend the funds. Also included are prepaid stadium rental income received from the Finance Corporation, land use fees, a National Institute of Health grant, and other unearned revenues received prior to the fiscal year-end related to subsequent accounting periods. As of June 30, 2016, the University reported the following amounts as long-term unearned revenue:

<u>Description</u>	<u>Amount</u>
Stadium Rental Income	\$ 20,756,657
State Capital Appropriations	10,000,000
Land Use Fees	2,013,569
National Institute of Health Grant	1,900,000
Other Unearned Revenue	896,668
Total Unearned Revenue	\$ 35,566,894

Net Pension Liability. As a participating employer in the Florida Retirement System, the University recognizes its proportionate share of the collective net pension liabilities of the FRS cost-sharing multiple-employer defined benefit plans. As of June 30, 2016, the University's proportionate share of the net pension liabilities totaled \$121,495,035. Note 12. includes a complete discussion of defined benefit pension plans.

Other Long-Term Liabilities. Primarily represents the University's liability for the Federal Capital Contribution (advance) provided to fund the University's Federal Perkins Loan program. This amount will ultimately be returned to the Federal Government should the University cease making Federal Perkins Loans or have excess cash in the loan program.

10. Discretely Presented Component Unit Debt Issues

Notes Payable – Florida International University Foundation, Inc.

On January 20, 2000, the Miami-Dade County Educational Facilities Authority (the Authority) issued \$13 million tax-exempt revenue bonds (Florida International University Foundation Project – Series 1999). These bonds are payable from and secured by a pledge of payments to be made to the Authority under a loan agreement dated December 1, 1999, between the Foundation and the Authority.

The bonds are secured by an irrevocable letter of credit issued by a commercial bank as described below. The Foundation will finance the payments to the Authority under the loan agreement with lease payments received from the University under an operating lease (see Note 16.). The \$13 million original principal amount was issued under a variable rate structure with a final maturity date of May 1, 2022. The bond proceeds were used to acquire, construct, and equip a multi-function support complex located on the Modesto A. Maidique campus and to pay issuance costs. As of June 30, 2016, the outstanding principal

balance due under this note payable was \$5.4 million. For the year ended June 30, 2016, total interest incurred and paid was \$101,667.

On December 1, 1999, the Foundation entered into a letter of credit agreement with a commercial bank that permitted the Foundation to borrow up to \$13 million through December 15, 2004, bearing interest at the prime rate plus 2 percent. On November 29, 2004, this agreement was extended, with the same terms and conditions, through December 15, 2009. There were two additional extensions subsequent to that date through July 30, 2010. The Foundation must pay an annual commitment fee of 0.45 percent on the unused portion of the commitment. Borrowings under the financing agreement mature 90 days after the date of the borrowing.

Under the letter of credit agreement and loan agreement noted above, the Foundation is obligated under certain debt covenants with which they are in compliance.

The bonds were repurchased by the Trustee under a commercial bank letter of credit due to the diminishing ability to remarket the variable rate demand bonds in the public marketplace. On July 30, 2010, the bank converted the variable rate demand bonds into a 5-year tax exempt qualified loan. After the initial 5-year period, the bank would have the right to require the Foundation to refinance the bank qualified loan or could agree to extend the maturity date for an additional 5-year period. The Foundation agrees to pay interest at a rate of 67 percent of the 1-month London Interbank Offered Rate (LIBOR) plus 1.68 percent. The bond maturity date of May 1, 2022, remains unchanged as does the swap agreement. On July 30, 2010, the Foundation paid \$52,213 in refinancing fees to complete this transaction. Since the terms remained substantially the same and the present value of the cash outflows is not substantially different, this is not considered an exchange of debt instruments.

The aggregate maturities of the notes payable, as of June 30, 2016, are shown in the following table:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2017	\$ 785,000
2018	825,000
2019	865,000
2020	910,000
2021	960,000
Thereafter	<u>1,075,000</u>
Total	<u>\$ 5,420,000</u>

Notes Payable – The Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc. – Related Party Transaction

On August 27, 2010, the Health Care Network entered into a loan agreement totaling \$5,321,198 with the University in order to provide working capital and build out capital to fund the expansion of the faculty practice plan and the establishment of the ambulatory care center and other University clinical activities. In June of 2015, the Health Care Network renegotiated the loan agreement with the University and borrowed an additional \$3,109,385. The total loaned by the University to Health Care Network is \$8,663,962. Interest on the loan accrues at 2 percent simple interest and the loan is scheduled to mature on June 1, 2036.

Estimated principal and interest payments for the life of the amounts due to the University based on the balances as of June 30, 2016, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 306,030	\$ 166,770	\$ 472,800
2018	316,878	160,650	477,528
2019	327,991	154,312	482,303
2020	339,374	147,752	487,126
2021	351,033	140,965	491,998
2022-2026	1,940,128	594,651	2,534,779
2027-2031	2,276,582	387,498	2,664,080
2032-2036	2,480,506	145,060	2,625,566
Total	<u>\$ 8,338,522</u>	<u>\$ 1,897,658</u>	<u>\$ 10,236,180</u>

Bonds Payable – FIU Athletics Finance Corporation

On December 1, 2009, the Finance Corporation issued \$30,000,000 of Miami-Dade County Industrial Development Authority Revenue Bonds Series 2009A and \$5,310,000 of Miami-Dade County Industrial Development Authority Taxable Revenue Bonds Series 2009B.

These bonds were issued and secured under and pursuant to the Trust Indenture. Repayments of the bonds will be payable from pledged revenues, which are all operating and nonoperating revenues. Principal payments for the bonds began March 1, 2010. Interest payments are made on a quarterly basis. The interest rate on the Series 2009A bonds is equal to the sum of 63.7 percent of the 3-month LIBOR plus 1.90 percent. The interest rate on the Series 2009B bonds shall be at a rate equal to the 3-month LIBOR plus 2.65 percent. The total proceeds from the new bond issues were used solely to retire and refund the outstanding Series 2007A and Series 2007B bonds and pay costs of issuance of the bonds and other refinancing costs. The bonds are secured by operating and nonoperating revenues as well as University athletic fees, not to exceed 5 percent of the total athletic fees collected. Total principal due at June 30, 2016, was \$30,718,607.

The Finance Corporation has funded a debt service reserve fund in accordance with the bond indenture requirement of maintaining an amount equal to the maximum allowable debt service on the bond in the current and any future fiscal year. This debt service reserve fund currently totals \$2,690,039 and is included in restricted investments.

The Finance Corporation is required to maintain minimum deposits of \$1,000,000 with a bank. The deposit is to be held in an interest-bearing additional reserve fund and is included in restricted cash.

The interest rate on these bonds is both fixed and variable and is subject to a swap agreement (see Note 11.) that was entered into to reduce the exposure to market risks from changing interest rates. Interest is computed on the basis of the actual number of days elapsed over a year of 365 or 366 days.

The aggregate maturities of these bonds as of June 30, 2016, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2017	\$ 1,090,035	\$ 1,649,191	\$ 2,739,226
2018	1,300,000	1,592,684	2,892,684
2019	1,357,143	1,522,802	2,879,945
2020	1,421,429	1,449,849	2,871,278
2021	1,485,714	1,373,440	2,859,154
2022-2026	8,507,143	5,593,976	14,101,119
2027-2031	10,607,143	3,092,065	13,699,208
2032-2033	4,950,000	402,396	5,352,396
Total	\$ 30,718,607	\$ 16,676,403	\$ 47,395,010

11. Derivative Financial Instruments – Discretely Presented Component Units

The Finance Corporation entered into a derivative instrument (i.e., interest rate swap agreement) to reduce its exposure to market risks from changing interest rates. For interest rate swap agreements, the differential to be paid or received is accrued and recognized as interest expense and may change as market interest rates change. The interest rate swap agreement entered into by the Finance Corporation is discussed below.

FIU Athletics Finance Corporation

Objectives. As a means to lower its borrowing costs and increase its savings, the Finance Corporation entered into an interest rate swap agreement in connection with its \$30,000,000 2009A Miami-Dade County Industrial Development Authority Revenue Bond issuance. The intention of the interest rate swap agreement was to effectively change the Finance Corporation's variable interest rate on the bonds to a synthetic fixed rate of 5.50 percent, which is the fixed rate payable by the Finance Corporation under the interest rate swap agreement of 3.60 percent plus 1.90 percent.

Terms. On December 22, 2009, the Finance Corporation entered into an interest rate swap agreement to hedge the floating-rate on \$21,000,000 of the principal amount of the 2009A bonds. This represents the fixed portion of the tax exempt bonds payable mentioned above. Under the interest rate swap agreement, the Finance Corporation agrees to pay a fixed rate of 3.60 percent and receive a variable rate equal to 63.7 percent of the 3-month LIBOR. The interest rate swap agreement has a maturity date of March 1, 2033.

Fair Value. As of June 30, 2016, the Finance Corporation interest rate swap agreement has a derivative liability of \$5,351,887 as included with reported other long-term liabilities in the statement of net position. The negative fair value was determined using Mark-to-Market Value and represents the closing mid-market values.

As of June 30, 2016, the fair value of the Series 2007A ineffective interest rate swap agreement was \$1,622,154, which is included with reported other long-term liabilities. This interest rate swap agreement was not terminated when the bonds were refunded in December 2009. The interest rate on the refunding Series 2009A bonds reflects a higher rate due to not terminating this interest rate swap agreement. Accordingly, the fair value of \$1,622,154 of the ineffective Series 2007A interest rate swap agreement is being amortized over the remaining life of the refunding Series 2009A bonds.

The synthetic instrument method evaluates the effectiveness of a potential hedging derivative instrument by quantitative approach. The synthetic instrument method evaluates effectiveness by combining the hedgeable item and the potential hedging derivative instrument to simulate a third synthetic instrument. A potential hedging derivative instrument is effective if its total variable cash flows substantially offset the variable cash flows of the hedgeable item. The Finance Corporation determined that it met the criteria of the synthetic instrument method. Therefore, the change in the fair value of the effective interest rate swap agreement is presented in the component units' column of the statement of net position as a deferred outflow of resources in the amount of \$3,729,734.

Credit Risk. As of June 30, 2016, the Finance Corporation was not exposed to credit risk because the interest rate swap agreement had a negative fair value. However, should interest rates change and the fair value of the interest rate swap agreement become positive, the Finance Corporation would be exposed to credit risk in the amount of the derivative's fair value. The interest rate swap agreement counterparty was rated A3 by Moody's Investors Service, BBB+ by Standard and Poor's, and BBB by Fitch Ratings at June 30, 2016.

Basis Risk. Basis risk arises when different indexes are used in connection with a derivative. Given that both the bond and the interest rate swap agreement are based on 63.7 percent of the 3-month LIBOR rate, there is limited basis risk.

Termination Risk. The derivative contract uses the International Swap Dealers Association (ISDA) Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The schedule to the Master Agreement includes an "additional termination event". That is, the interest rate swap agreement may be terminated if: (i) the loan or other indebtedness in connection with which a transaction entered into by the Finance Corporation for the purpose or with the effect of altering the net combined payment from a floating to fixed or a fixed to floating-rate basis is repaid, whether upon acceleration of principal, at maturity, or otherwise, or for any other reason ceases to be an obligation of the Finance Corporation, with or without the consent of the counterparty; or (ii) any credit support document expires, terminates, or ceases to be of full force and effect. Also, the interest rate swap agreement may be terminated or assigned by the Finance Corporation if the counterparty's long-term, senior, unsecured, unenhanced debt rating is withdrawn, suspended, or falls below at least two of the following: (a) "Baa3" as determined by Moody's Investor Services, (b) "BBB+" as determined by Standard and Poor's, or (c) "BBB" as determined by Fitch Ratings.

Swap Payments and Associated Debt. Using rates as of June 30, 2016, debt service requirements of the variable-rate portion of the debt and net swap payments, assuming current interest rates remain the same for their term, are as follows:

Fiscal Year Ending June 30	Variable-Rate Bond		Interest Rate	Total
	Principal	Interest	Swap, Net	
2017	\$ 260,000	\$ 485,429	\$ 669,571	\$ 1,415,000
2018	910,000	479,419	661,281	2,050,700
2019	950,000	458,383	632,267	2,040,650
2020	995,000	436,424	601,976	2,033,400
2021	1,040,000	413,424	570,251	2,023,675
2022-2026	5,955,000	1,683,860	2,322,615	9,961,475
2027-2031	7,425,000	930,752	1,283,823	9,639,575
2032-2033	3,465,000	121,124	167,076	3,753,200
Total	\$ 21,000,000	\$ 5,008,815	\$ 6,908,860	\$ 32,917,675

Note: As rates vary, variable-rate bond interest payments and net swap payments will vary.

12. Retirement Plans – Defined Benefit Pension Plans

General Information about the Florida Retirement System (FRS)

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance. Chapter 121, Florida Statutes, also provides for nonintegrated, optional retirement programs in lieu of the FRS to certain members of the Senior Management Service Class employed by the State and faculty and specified employees in the State university system.

Essentially all regular employees of the University are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com).

The University's FRS and HIS pension expense totaled \$14,505,288 for the fiscal year ended June 30, 2016.

FRS Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost of living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS-participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age, and/or years of service, average final compensation, and credit service. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on retirement plan and/or the class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Special Risk Regular	
Service on and after October 1, 1974	3.00
Senior Management Service Class	2.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2015-16 fiscal year were:

Class	Percent of Gross Salary	
	Employee	Employer (1)
FRS, Regular	3.00	7.26
FRS, Senior Management Service	3.00	21.43
FRS, Special Risk	3.00	22.04
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	12.88
FRS, Reemployed Retiree	(2)	(2)

Notes: (1) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.04 percent for administrative costs of the Investment Plan.

(2) Contribution rates are dependent upon retirement class in which reemployed.

The University's contributions to the Plan totaled \$14,085,792 for the fiscal year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2016, the University reported a liability of \$73,303,925 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The University's proportionate share of the net pension liability was based on the University's 2014-15 fiscal year contributions relative to the total 2014-15 fiscal

year contributions of all participating members. At June 30, 2015, the University's proportionate share was 0.567528557 percent, which was an increase of 0.041749458 from its proportionate share measured as of June 30, 2014.

For the year ended June 30, 2016, the University recognized pension expense of \$10,243,877. In addition, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,738,724	\$ 1,738,546
Change of assumptions	4,865,427	-
Net difference between projected and actual earnings on FRS Plan investments	-	17,503,751
Changes in proportion and differences between University contributions and proportionate share of contributions	22,547,029	-
University FRS contributions subsequent to the measurement date	14,085,792	-
Total	\$ 49,236,972	\$ 19,242,297

The deferred outflows of resources related to pensions totaling \$14,085,792, resulting from University contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2017	\$ (795,837)
2018	(795,837)
2019	(795,837)
2020	13,645,304
2021	3,902,898
Thereafter	748,192
Total	\$ 15,908,883

Actuarial Assumptions. The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary increases	3.25 percent, average, including inflation
Investment rate of return	7.65 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.2%	3.1%	1.7%
Fixed Income	18%	4.8%	4.7%	4.7%
Global Equity	53%	8.5%	7.2%	17.7%
Real Estate (Property)	10%	6.8%	6.2%	12.0%
Private Equity	6%	11.9%	8.2%	30.0%
Strategic Investments	12%	6.7%	6.1%	11.4%
Total	100%			
Assumed inflation - Mean		2.6%		1.9%

Note: (1) As outlined in the Plan's investment policy.

Discount Rate. The discount rate used to measure the total pension liability was 7.65 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 7.65 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.65 percent) or 1 percentage point higher (8.65 percent) than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
University's proportionate share of the net pension liability	\$ 189,947,048	\$ 73,303,925	\$ (23,762,313)

Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

HIS Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under section 112.363, Florida Statutes. The benefit is a monthly payment to

assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided. For the fiscal year ended June 30, 2016, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2016, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The University contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The University's contributions to the HIS Plan totaled \$2,473,222 for the fiscal year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources Related to Pensions. At June 30, 2016, the University reported a liability of \$48,191,110 for its proportionate share of the net pension liability. The current portion of the net pension liability is the University's proportionate share of benefit payments expected to be paid within 1 year, net of the University's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to the HIS Plan actuarial valuation as of July 1, 2014. The University's proportionate share of the net pension liability was based on the University's 2014-15 fiscal year contributions relative to the total 2014-15 fiscal year contributions of all participating members. At June 30, 2015, the University's proportionate share was 0.472534740 percent, which was an increase of 0.023272189 from its proportionate share measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the University recognized pension expense of \$4,261,411. In addition, the University reported deferred outflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources
Change of assumptions	\$ 3,791,383
Net difference between projected and actual earnings on HIS Plan investments	26,087
Changes in proportion and differences between University HIS contributions and proportionate share of HIS contributions	3,781,452
University HIS contributions subsequent to the measurement date	2,473,222
Total	\$ 10,072,144

The deferred outflows of resources totaling \$2,473,222 resulting from University contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2017. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2017	\$ 1,331,440
2018	1,331,440
2019	1,331,440
2020	1,326,137
2021	1,323,592
Thereafter	954,873
Total	\$ 7,598,922

Actuarial Assumptions. The total pension liability at July 1, 2015, determined by applying update procedures to the actuarial valuation at July 1, 2014, used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary increases	3.25 percent, average, including inflation
Municipal bond rate	3.80 percent

Mortality rates were based on the Generational RP-2000 with Projected Scale BB.

While an experience study had not been completed for the HIS Plan, the actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the FRS Plan.

Discount Rate. The discount rate used to measure the total pension liability was 3.8 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was

adopted as the applicable municipal bond index. The discount rate used to determine the total pension liability decreased from 4.29 percent from the prior measurement date.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 3.8 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.8 percent) or 1 percentage point higher (4.8 percent) than the current rate:

	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
University's proportionate share of the net pension liability	\$ 54,911,527	\$ 48,191,110	\$ 42,587,292

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Comprehensive Annual Financial Report.

13. Retirement Plans – Defined Contribution Pension Plans

FRS Investment Plan. The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. University employees already participating in the State University System Optional Retirement Program or DROP are not eligible to participate in the Investment Plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Service retirement benefits are based upon the value of the member's account upon retirement. Benefit terms, including contribution requirements, are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contributions, that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the Investment Plan member accounts during the 2015-16 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	6.30
FRS, Senior Management Service	7.67
FRS, Special Risk Regular	14.00

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the FRS Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2016, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the University.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided in which the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The University's Investment Plan pension expense totaled \$2,356,656 for the fiscal year ended June 30, 2016.

State University System Optional Retirement Program. Section 121.35, Florida Statutes, provides for an Optional Retirement Program (Program) for eligible university instructors and administrators. The Program is designed to aid State universities in recruiting employees by offering more portability to employees not expected to remain in FRS for 8 or more years.

The Program is a defined contribution plan, which provides full and immediate vesting of all contributions submitted to the participating companies on behalf of the participant. Employees in eligible positions can make an irrevocable election to participate in the Program, rather than the FRS, and purchase retirement and death benefits through contracts provided by certain insurance carriers. The employing university contributes 5.14 percent of the participant's salary to the participant's account, 2.65 percent to cover the unfunded actuarial liability of the FRS pension plan, 0.01 percent to cover administrative costs, for a total of 7.8 percent, and employees contribute 3 percent of the employee's salary. Additionally, the employee may contribute, by payroll deduction, an amount not to exceed the percentage contributed by the University to the participant's annuity account. The contributions are invested in the company or companies selected by the participant to create a fund for the purchase of annuities at retirement.

The University's contributions to the Program totaled \$17,191,212 and employee contributions totaled \$11,326,033 for the 2015-16 fiscal year.

14. Construction Commitments

The University's construction commitments at June 30, 2016, are as follows:

<u>Project Description</u>	<u>Total Commitment</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
Recreation Center Expansion	\$ 21,314,245	\$ 2,368,465	\$ 18,945,780
Auxiliary Construction Projects	11,906,341	6,554,226	5,352,115
University City Prosperity Project	10,943,931	1,465,808	9,478,123
Athletics Practice Fields	8,889,570	279	8,889,291
User Paid Construction Projects	6,021,034	690,892	5,330,142
Subtotal	59,075,121	11,079,670	47,995,451
Projects with Balances Committed Under \$3 Million	71,610,523	50,744,959	20,865,564
Total	\$ 130,685,644	\$ 61,824,629	\$ 68,861,015

15. Operating Lease Commitments

The University leased building space under operating leases, which expire in 2034. These leased assets and the related commitments are not reported on the University's statement of net position. Operating lease payments are recorded as expenses when paid or incurred. Outstanding commitments resulting from these lease agreements are contingent upon future appropriations. Included in the annual payments below are the minimum payments required for the operating lease due to the Foundation as described in Note 16. Future minimum lease commitments for noncancelable operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2017	\$ 4,573,752
2018	4,731,897
2019	4,825,396
2020	4,922,255
2021	6,450,174
2022-2026	8,280,801
2027-2031	5,682,407
2032-2034	3,744,141
Total Minimum Payments Required	\$ 43,210,823

16. Operating Lease Commitments – Related Party Transactions

Florida International University Foundation, Inc.

On December 1, 1999, the former Board of Regents of the State University System of the State of Florida for and on behalf of the University entered into a ground lease agreement with the Foundation. Under this agreement, the Foundation leases from the University the grounds on which a multi-function support complex facility was built on the Modesto A. Maidique campus. The consideration required to be paid by the Foundation is \$10 annually. The ground lease will expire on December 31, 2024, or on the date the Foundation makes its final payment under a letter of credit agreement related to the financing of the facility. Total amounts paid to the Foundation under this agreement were \$1,692,276 for the fiscal year ended June 30, 2016.

On December 1, 1999, the former Board of Regents on behalf of the University also entered into a 20-year operating lease agreement with the Foundation for the facility. Under the terms of the operating lease,

the University will pay the Foundation rent in the amount equal to all amounts due and payable by the Foundation under the letter of credit agreement, if any, and loan agreement related to the financing of the facility. The payments also include any costs of operating and maintaining the facility, in addition to amounts necessary to pay any unanticipated and extraordinary costs. The lease commenced during August 2002 when the facility became operational. The lease will terminate on May 1, 2022, which is the date of maturity of the loan agreement.

The facility under the above operating lease is not recorded as an asset on the statement of net position; however, the operational lease payments are recorded as expenses in the statement of revenues, expenses, and changes in net assets when paid or incurred.

The following schedule by years presents management's best estimate of future minimum rental payments for this noncancelable operating lease as of June 30, 2016.

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2017	\$ 1,363,000
2018	1,418,000
2019	1,418,000
2020	1,418,000
2021	1,418,000
Thereafter	1,418,000
Total Minimum Payments Required	\$ 8,453,000

FIU Athletics Finance Corporation

The University and the Finance Corporation entered into two 25-year ground sublease agreements dated April 1, 2007, rendering the rights to the Finance Corporation to issue a series of capital improvement bonds of which a portion of the proceeds, along with contributions from the University, was used to finance a stadium improvement project located on University premises. Under this agreement, the Finance Corporation prepaid to the University, for rental of the premises, the sum of \$31,937,211.

The following schedule by years represents management's best estimate of future minimum rental expense that will be recognized for these sublease agreements:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2017	\$ 1,304,083
2018	1,304,083
2019	1,304,083
2020	1,304,083
2021	1,304,083
2022-2026	6,520,416
2027-2031	6,520,416
2032-2033	2,499,493
Total Minimum Payments Required	\$ 22,060,740

17. Gift Agreement – Florida International University Foundation, Inc.

The Wolfsonian, Inc. (Wolfsonian) was established in 1986 to create and operate a museum and research center in Miami Beach, Florida, and to support a comprehensive program focused on the collection, exhibition, interpretation, preservation, research and publication of the decorative, or design and architectural arts. The Wolfsonian has been loaned the Mitchell Wolfson, Jr. collection of nearly 27,000 objects of art and rare books dating from the late nineteenth to the mid-twentieth century. It encompasses furniture, sculpture, paintings, books, graphics and other works of art on paper, as well as archives relating to the period. Through a series of academic study and fellowship programs, national and international traveling exhibitions, and scholarly initiatives, the Wolfsonian promotes public education and awareness of the social, historical, technological, political, economic, and artistic material culture of Europe and America in the 1885-1945 period.

On July 1, 1997, the Foundation entered into a gift agreement (Agreement) with Mitchell Wolfson, Jr., the Wolfsonian, and the University, whereby Mitchell Wolfson, Jr. agreed to donate all rights, title, and interest in and to all objects constituting the Mitchell Wolfson, Jr. Collection of Decorative and Propaganda Arts to the Foundation, subject to a loan agreement made and entered into by the Wolfsonian and Mr. Wolfson, Jr. dated July 29, 1991. The loan agreement was extended through to July 2021.

The Foundation has elected to exercise the option of not capitalizing the items that meet the definition of “collection” as prescribed by accounting principles generally accepted in the United States. Therefore, the fair value of the donated Collection of Decorative and Propaganda Arts is not reflected in the University's financial statements. Purchases of collection items are recorded as decreases in unrestricted net position in the year in which the items are acquired, or as temporarily or permanently restricted net position if the assets used to purchase the items are restricted by donors. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net position classes.

As a result of the Agreement, the Wolfsonian amended its articles of incorporation and bylaws to provide that all its directors be appointed and removed at any time with or without cause by the Foundation, to effect a transfer of complete control of all of the assets, interest, and obligations of the Wolfsonian to the Foundation. On May 26, 1999, the Foundation passed a revision to the bylaws of the Wolfsonian to make the Foundation the sole voting member of the Wolfsonian.

The gifts are conditional upon the provisions outlined in the Agreement including, but not limited to, the Foundation continuing the museum and educational activities and operations that were conducted by the Wolfsonian. As a result of the Agreement, the University and Foundation have assumed all administrative functions and operating costs of the Wolfsonian.

The most significant of the obligations under the Agreement is for the University to provide the Wolfsonian with the same financial support from its general budget, as provided to other departments, and to continue the museum and educational activities and operations of the Wolfsonian. The University provided support of approximately \$3.7 million during the 2015-16 fiscal year for Wolfsonian expenses which included salaries, equipment, administrative expenses, insurance premiums for the art collection, and building security. In addition, the University provided support of approximately \$0.4 million during the 2015-16 fiscal year for utilities, repairs, and maintenance expenses for buildings used by the Wolfsonian.

18. Risk Management Programs

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Pursuant to Section 1001.72(2), Florida Statutes, the University participates in State self-insurance programs providing insurance for property and casualty, workers' compensation, general liability, fleet automotive liability, Federal Civil Rights, and employment discrimination liability. During the 2015-16 fiscal year, for property losses, the State retained the first \$2 million per occurrence for all perils except named windstorm and flood. The State retained the first \$2 million per occurrence with an annual aggregate retention of \$40 million for named windstorm and flood losses. After the annual aggregate retention, losses in excess of \$2 million per occurrence were commercially insured up to \$54 million for named windstorm and flood through February 14, 2016, and increased to \$85 million starting February 15, 2016. For perils other than named windstorm and flood, losses in excess of \$2 million per occurrence were commercially insured up to \$200 million; and losses exceeding those amounts were retained by the State. No excess insurance coverage is provided for workers' compensation, general and automotive liability, Federal Civil Rights and employment action coverage; all losses in these categories are completely self-insured by the State through the State Risk Management Trust Fund established pursuant to Chapter 284, Florida Statutes. Payments on tort claims are limited to \$200,000 per person, and \$300,000 per occurrence as set by Section 768.28(5), Florida Statutes. Calculation of premiums considers the cash needs of the program and the amount of risk exposure for each participant. Settlements have not exceeded insurance coverage during the past 3 fiscal years.

Pursuant to Section 110.123, Florida Statutes, University employees may obtain healthcare services through participation in the State group health insurance plan or through membership in a health maintenance organization plan under contract with the State. The State's risk financing activities associated with State group health insurance, such as risk of loss related to medical and prescription drug claims, are administered through the State Employees Group Health Insurance Trust Fund. It is the practice of the State not to purchase commercial coverage for the risk of loss covered by this Fund. Additional information on the State's group health insurance plan, including the actuarial report, is available from the Florida Department of Management Services, Division of State Group Insurance.

University Self-Insured Program. The Florida International University College of Medicine Self-Insurance Program was established pursuant to Section 1004.24, Florida Statutes, on June 18, 2009. The Self-Insurance Program provides professional and general liability protection for the Florida International University Board of Trustees for claims and actions arising from the clinical activities of the College of Medicine faculty, staff, and resident physicians. Liability protection is afforded to the students of the College. The Self-Insurance Program provides legislative claims bill protection.

The University is protected for losses that are subject to Section 768.28, Florida Statutes, to the extent of the waiver of sovereign immunity as described in Section 768.28(5), Florida Statutes. The Self-Insurance Program also provides \$1,000,000 per legislative claims bills inclusive of payments made pursuant to Section 768.28, Florida Statutes; \$250,000 per occurrence of protection for the participants that are not subject to the provisions of Section 768.28, Florida Statutes; \$250,000 per claim protection for participants who engage in approved community service or act as Good Samaritans; and student

professional liability coverage not to exceed a per occurrence limit of \$1,000,000 if such limits are required by an affiliated hospital or healthcare affiliate.

The Self-Insurance Program's estimated liability for unpaid claims at fiscal year-end is the result of management and actuarial analysis and includes an amount for claims that have been incurred but not reported.

Changes in the balances of claims liability for the Self-Insurance Program during the 2014-15 and 2015-16 fiscal years are presented in the following table:

Fiscal Year Ended	Claims Liabilities Beginning of Year	Current Claims and Changes in Estimates	Claim Payments	Claims Liabilities End of Year
June 30, 2015	\$ 79,830	\$ 40,510	\$ (29,810)	\$ 90,530
June 30, 2016	90,530	134,521	(17,891)	207,160

19. Functional Distribution of Operating Expenses

The functional classification of an operating expense (instruction, research, etc.) is assigned to a department based on the nature of the activity, which represents the material portion of the activity attributable to the department. For example, activities of an academic department for which the primary departmental function is instruction may include some activities other than direct instruction such as research and public service. However, when the primary mission of the department consists of instructional program elements, all expenses of the department are reported under the instruction classification. The operating expenses on the statement of revenues, expenses, and changes in net position are presented by natural classifications. The following are those same expenses presented in functional classifications as recommended by NACUBO:

Functional Classification	Amount
Instruction	\$ 301,744,550
Research	99,281,456
Public Services	11,515,620
Academic Support	105,947,399
Student Services	64,010,565
Institutional Support	90,311,940
Operation and Maintenance of Plant	52,382,643
Scholarships, Fellowships, and Waivers	83,660,060
Depreciation	45,921,855
Auxiliary Enterprises	54,794,815
Total Operating Expenses	\$ 909,570,903

20. Segment Information

A segment is defined as an identifiable activity (or grouping of activities) that has one or more bonds or other debt instruments outstanding with a revenue stream pledged in support of that debt. In addition, the activity's related revenues, expenses, gains, losses, assets, and liabilities are required to be accounted for separately. The following financial information for the University's Housing and Parking facilities represents identifiable activities for which one or more bonds are outstanding:

Condensed Statement of Net Position

	Housing Facility Capital Improvement Debt	Parking Facility Capital Improvement Debt
Assets		
Current Assets	\$ 24,183,365	\$ 9,275,361
Capital Assets, Net	124,935,437	104,264,014
Other Noncurrent Assets	6,164	2,863,243
Total Assets	149,124,966	116,402,618
Liabilities		
Current Liabilities	4,690,103	4,611,121
Noncurrent Liabilities	91,267,347	67,130,696
Total Liabilities	95,957,450	71,741,817
Net Position		
Net Investment in Capital Assets	29,477,165	34,804,190
Restricted - Expendable	6,164	2,863,243
Unrestricted	23,684,187	6,993,368
Total Net Position	\$ 53,167,516	\$ 44,660,801

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Housing Facility Capital Improvement Debt	Parking Facility Capital Improvement Debt
Operating Revenues	\$ 30,567,829	\$ 15,590,831
Depreciation Expense	(3,712,309)	(2,888,207)
Other Operating Expenses	(16,509,257)	(8,287,571)
Operating Income	10,346,263	4,415,053
Nonoperating Revenues (Expenses):		
Nonoperating Revenue	44,604	13,780
Interest Expense	(3,693,612)	(3,762,505)
Other Nonoperating Expense	(374,576)	-
Net Nonoperating Expenses	(4,023,584)	(3,748,725)
Income Before Transfers	6,322,679	666,328
Net Transfers	26,026	103,006
Capital Grants	-	589,238
Increase in Net Position	6,348,705	1,358,572
Net Position Beginning of Year	46,818,811	43,302,229
Net Position, End of Year	\$ 53,167,516	\$ 44,660,801

Condensed Statement of Cash Flows

	Housing Facility Capital Improvement Debt	Parking Facility Capital Improvement Debt
Net Cash Provided (Used) by:		
Operating Activities	\$ 13,917,085	\$ 7,122,331
Noncapital Financing Activities	34,440	-
Capital and Related Financing Activities	(10,986,010)	(9,397,699)
Investing Activities	(2,914,714)	2,539,224
Net Increase in Cash and Cash Equivalents	50,801	263,856
Cash and Cash Equivalents, Beginning of Year	1,421,820	1,115,072
Cash and Cash Equivalents, End of Year	\$ 1,472,621	\$ 1,378,928

21. Discretely Presented Component Units

The University has 3 discretely presented component units. As discussed in Note 1., the financial activities of the Research Foundation are not included in the component units' columns of the financial statements. The 3 component units comprise 100 percent of the transactions and account balances of the aggregate discretely presented component units' columns of the financial statements. The following financial information is from the most recently available audited financial statements for the component units:

Condensed Statement of Net Position

	<u>Direct-Support Organizations</u>			
	Florida International University Foundation, Inc.	FIU Athletics Finance Corporation	Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc.	Total
Assets:				
Current Assets	\$ 318,365,829	\$ 3,206,542	\$ 3,659,300	\$ 325,231,671
Capital Assets, Net	17,566,435	-	353,401	17,919,836
Other Noncurrent Assets	72,711	24,465,488	-	24,538,199
Total Assets	<u>336,004,975</u>	<u>27,672,030</u>	<u>4,012,701</u>	<u>367,689,706</u>
Deferred Outflows of Resources	<u>-</u>	<u>3,989,674</u>	<u>-</u>	<u>3,989,674</u>
Liabilities:				
Current Liabilities	3,825,623	1,425,916	1,665,668	6,917,207
Noncurrent Liabilities	7,650,254	35,980,459	8,032,492	51,663,205
Total Liabilities	<u>11,475,877</u>	<u>37,406,375</u>	<u>9,698,160</u>	<u>58,580,412</u>
Net Position:				
Net Investment in Capital Assets	11,448,696	-	353,401	11,802,097
Restricted Nonexpendable	209,664,592	-	-	209,664,592
Restricted Expendable	87,854,851	-	-	87,854,851
Unrestricted	15,560,959	(5,744,671)	(6,038,860)	3,777,428
Total Net Position	<u>\$ 324,529,098</u>	<u>\$ (5,744,671)</u>	<u>\$ (5,685,459)</u>	<u>\$ 313,098,968</u>

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	<u>Direct-Support Organizations</u>			
	Florida International University Foundation, Inc.	FIU Athletics Finance Corporation	Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc.	Total
Operating Revenues	\$ 29,658,087	\$ 3,524,461	\$ 5,591,024	\$ 38,773,572
Depreciation Expense	(735,422)	-	(84,843)	(820,265)
Operating Expenses	(32,848,371)	(2,252,946)	(3,191,673)	(38,292,990)
Operating (Loss) Income	<u>(3,925,706)</u>	<u>1,271,515</u>	<u>2,314,508</u>	<u>(339,683)</u>
Nonoperating Revenues (Expenses):				
Investment (Loss) Income	(5,690,831)	69,426	-	(5,621,405)
Interest Expense	-	(1,340,192)	(172,679)	(1,512,871)
Loss on Disposal of Capital Assets	-	-	(34,104)	(34,104)
Net Nonoperating Expenses	<u>(5,690,831)</u>	<u>(1,270,766)</u>	<u>(206,783)</u>	<u>(7,168,380)</u>
Other Revenues, Expenses, Gains, and Losses	-	(750,000)	-	(750,000)
(Decrease) Increase in Net Position	<u>(9,616,537)</u>	<u>(749,251)</u>	<u>2,107,725</u>	<u>(8,258,063)</u>
Net Position, Beginning of Year	334,145,635	(4,995,420)	(7,793,184)	321,357,031
Net Position, End of Year	<u>\$ 324,529,098</u>	<u>\$ (5,744,671)</u>	<u>\$ (5,685,459)</u>	<u>\$ 313,098,968</u>

22. Subsequent Events

On September 26, 2016, the University entered into an installment purchase agreement for the purchase of equipment with an original cost of \$2,425,770 at an interest rate of 1.2515 percent.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress – Other Postemployment Benefits Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (1) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
7/1/2011	\$ -	\$ 101,015,000	\$ 101,015,000	0%	\$ 280,051,835	36.1%
7/1/2013	-	120,121,000	120,121,000	0%	332,597,433	36.1%
7/1/2015	-	205,746,000	205,746,000	0%	370,763,485	55.5%

Note: (1) The entry-age cost actuarial method was used to calculate the actuarial accrued liability.

Schedule of the University's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan

	2015 (1)	2014 (1)	2013 (1)
University's proportion of the FRS net pension liability	0.567528557%	0.525779099%	0.380516592%
University's proportionate share of the FRS net pension liability	\$ 73,303,925	\$ 32,080,257	\$ 65,503,841
University's covered-employee payroll (2)	\$ 355,458,891	\$ 332,597,433	\$ 305,657,917
University's proportionate share of the FRS net pension liability as a percentage of its covered-employee payroll	20.62%	9.65%	21.43%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	92.00%	96.09%	88.54%

Notes: (1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered-employee payroll includes defined benefit plan actives, investment plan members, State university system optional retirement program members, and members in DROP because total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes.

Schedule of University Contributions – Florida Retirement System Pension Plan

	2016 (1)	2015 (1)	2014 (1)
Contractually required FRS contribution	\$ 14,085,792	\$ 13,836,828	\$ 11,516,793
FRS contributions in relation to the contractually required contribution	(14,085,792)	(13,836,828)	(11,516,793)
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -
University's covered-employee payroll (2)	\$ 370,763,486	\$ 355,458,891	\$ 332,597,433
FRS contributions as a percentage of covered-employee payroll	3.80%	3.89%	3.46%

Notes: (1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered-employee payroll includes defined benefit plan actives, investment plan members, State university system optional retirement program members, and members in DROP because total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes.

**Schedule of the University's Proportionate Share
of the Net Pension Liability –
Health Insurance Subsidy Pension Plan**

	<u>2015 (1)</u>	<u>2014 (1)</u>	<u>2013 (1)</u>
University's proportion of the HIS net pension liability	0.472534740%	0.449262551%	0.417849098%
University's proportionate share of the HIS net pension liability	\$ 48,191,110	\$ 42,007,145	\$ 36,379,258
University's covered-employee payroll (2)	\$ 140,089,301	\$ 130,882,051	\$ 118,388,264
University's proportionate share of the HIS net pension liability as a percentage of its covered-employee payroll	34.40%	32.10%	30.73%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	0.50%	0.99%	1.78%

Notes: (1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

**Schedule of University Contributions –
Health Insurance Subsidy Pension Plan**

	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
Contractually required HIS contribution	\$ 2,473,222	\$ 1,806,322	\$ 1,539,022
HIS contributions in relation to the contractually required HIS contribution	(2,473,222)	(1,806,322)	(1,539,022)
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -
University's covered-employee payroll (2)	\$ 147,667,524	\$ 140,089,301	\$ 130,882,051
HIS contributions as a percentage of covered-employee payroll	1.67%	1.29%	1.18%

Notes: (1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. Schedule of Funding Progress – Other Postemployment Benefit Plan

The July 1, 2015, unfunded actuarial accrued liability of \$205,746,000 was significantly higher than the July 1, 2013, liability of \$120,121,000 as a result of the following: (1) the per capita claims cost assumption increased, (2) retiree contributions were not as high as expected, (3) the healthcare trend rate assumption was revised, and (4) certain demographic assumptions were revised (retirement rates, termination rates, etc.).

**2. Schedule of Net Pension Liability and Schedule of Contributions –
Health Insurance Subsidy Pension Plan**

Change of Assumptions. The municipal rate used to determine total pension liability decreased from 4.29 percent to 3.80 percent.



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Florida International University, a component unit of the State of Florida, and its aggregate discretely presented component units as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated March 22, 2017, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) to determine audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the University's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control

that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
March 22, 2017

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4.2 Financial Performance Review – Third Quarter FY 2016-17

Florida International University Financial Summary Overview ¹ FY 2016-17

	Year To Date March 2017			
	Budget	Current Year Actual	Variance	
			\$	%
(\$ in millions)				
Revenue / Receipts				
University				
Educational and General (net) ²	\$ 380.7	\$ 378.8	(1.9)	-1%
University	344.8	336.3	(8.5)	-2%
College of Medicine	36.0	42.5	6.6	18%
FIU Self-Insurance Program	0.4	0.3	(0.1)	-25%
Auxiliary Enterprises	168.4	171.8	3.4	2%
Intercollegiate Athletics	21.7	19.8	(1.9)	-9%
Activities and Service	15.6	16.1	0.5	3%
Technology Fee	7.8	8.4	0.6	8%
Board Approved Fees	0.3	0.3	-	0%
Contracts and Grants	87.1	90.8	3.7	4%
Student Financial Aid	146.9	148.3	1.4	1%
Concessions	0.4	0.5	0.1	25%
Direct Support Organizations				
FIU Athletic Finance Corp	4.1	3.1	(1.0)	-24%
FIU Foundation Inc.	23.4	27.0	3.6	15%
FIU Health Care Network	4.9	6.0	1.1	22%
FIU Research Foundation	-	0.0	0.0	0%
Interfund Adjustments ³	(4.7)	(4.7)	-	0%
Total Operating Revenues	\$ 857.0	\$ 866.5	\$ 9.5	1%
University Treasury (net)	5.0	4.4	(0.6)	-12%
FIU Foundation Inc.	6.9	19.1	12.2	177%
Total Investment Revenues	\$ 11.9	\$ 23.5	\$ 11.6	97%
Total Revenues / Receipts	\$ 868.9	\$ 890.0	\$ 21.1	2%
Expenses				
University				
Educational and General (net)	\$ 370.8	\$ 349.5	\$ 21.3	6%
University	334.4	316.6	17.8	5%
College of Medicine	36.4	32.9	3.5	10%
FIU Self-Insurance Program	0.4	0.1	0.3	75%
Auxiliary Enterprises	143.3	137.1	6.2	4%
Intercollegiate Athletics	20.4	20.3	0.1	0%
Activities and Service	14.5	12.4	2.1	14%
Technology Fee	6.6	7.4	(0.8)	-12%
Board Approved Fees	0.3	0.1	0.2	67%
Contracts and Grants	86.2	92.1	(5.9)	-7%
Student Financial Aid	153.3	153.3	-	0%
Concessions	0.5	0.4	0.1	20%
Direct Support Organizations				
FIU Athletic Finance Corp	1.9	2.3	(0.4)	-21%
FIU Foundation Inc.	21.5	18.6	2.9	13%
FIU Health Care Network	3.4	3.5	(0.1)	-3%
FIU Research Foundation	0.0	0.0	(0.0)	-17%
Interfund Adjustments ³	(4.7)	(4.7)	-	0%
Total Expenses	818.4	792.4	26.0	3%
Principal Payment of Debt ⁴	0.6	0.9	(0.3)	-50%
Change in Net Assets (incl. Investments)	\$ 49.9	\$ 96.7	\$ 46.8	94%
Change in Net Assets (excl. Investments)	\$ 38.0	\$ 73.2	\$ 35.2	93%

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Florida International University
Financial Summary Overview¹
FY 2016-17

Financial Highlights:

Operations - By Fund and Direct Support Organization

Educational and General Variance: Revenues \$-1.9M, Expenses \$21.3M

I. University (ex-College of Medicine) Variance: Revenues \$-8.5M, Expenses \$17.8M

Revenues

State Appropriations:

- Delays in distribution of Lottery funds from the state (\$16.6M) offset by additional distributions from the state to cover risk management and health insurance premiums higher than budgeted, \$2.4M (14.2)

Tuition:

- Undergraduate base: resident student credit hour enrollment down by 424 FTE or 2.2% mainly in transfers, offset by an increase of 243 FTE or 17.2% in non-resident enrollment 3.1
- Tuition differential: slightly above target 0.1
- Graduate and Professional: higher resident student credit hour enrollment of 235 FTE or 10.3% primarily in Masters Programs, offset by lower than budgeted non-resident enrollment of 68 FTE or 8.2% 0.4
- FIU Online 2.0: student credit hour enrollment lower by 89 FTE or 6.4% (0.6)
- Dual Enrollment: institutional financial aid and fee waiver savings from 19.0% or 182 FTE lower than budgeted enrollment 0.4
- Shorelight Enrollment: lower enrollment offset by savings in institutional financial aid 0.1
- Other: Mainly higher incidental fees combined with lower bad debt and institutional financial aid 2.2

Total Revenues

\$ (8.5)

Operating Expenses:

- Higher than budgeted summer faculty salaries (3.0)
- Vacancies in faculty, administrative, and staff positions, \$3.9M, one-time savings due to parental and sabbatical leave paid out of fringe benefit pool, \$3.3M, change in funding source, \$2.4M and other savings, \$2.9M, offset by filled unbudgeted positions, (\$6.8M) 5.7
- Budgeted Salary Float - Year-to-date budget from vacant administrative positions that are returned centrally (0.9)
- Centralized Expenditures: Placeholder for benefits pass-throughs and salary increases 1.9

Sub-Total Position Salaries and Benefits

3.7

- **Other In-Unit Expenses:** Variance primarily due to timing of classroom build-outs, \$2.5M, general maintenance expenses, \$1.8M, purchase of library resources, \$1.5M, spending on legislative line items, \$1.2M, strategic investments and other operational expenses, \$4.2M, and minor repairs and maintenance projects that were budgeted in full but will be completed during the fiscal year, \$0.5M

11.7

Total Expenses

\$ 17.8

II. College of Medicine Variance: Revenues \$6.6M, Expenses \$3.5M

Revenues are above target primarily due to timing of summer tuition which was recorded earlier than budgeted.

Expenses are below target mainly due to vacant positions \$2.9M and savings from postponed hires of temporary faculty \$0.4M.

FIU Self-Insurance Program Variance: Revenues \$-0.1M, Expenses \$0.3M

Revenues are below target due to lower than anticipated expenses (revenues are driven by expenses).

Expenses are below target due to lower than anticipated expenses and timing of payment of the Self-Insurance Program premium and management fees.

Auxiliary Enterprises Variance: Revenues \$3.4M, Expenses \$6.2M

Favorable revenue variances are driven largely by higher than anticipated sales in the Panther Tech store, higher FIU Housing occupancy and conference revenues, greater demand for on-campus visitor and metered parking, partially offset by lower enrollment across market rate and self-supporting academic programs and other academic programs.

Expenditures are below budget mainly due to postponed housing projects and lower expenses across all academic auxiliaries. These are offset by higher operating costs associated with higher sales in the Panther Tech computer store, and unanticipated expenses in the Division of Information Technology to replace a faulty storage system and renew software licenses.

Florida International University
Financial Summary Overview¹
FY 2016-17

Intercollegiate Athletics Variance: Revenues \$-1.9M, Expenses \$0.1M

Revenues are below target primarily due to timing of the transfer from the Athletic Finance Corp. and the NCAA disbursement. This is slightly offset by higher than budgeted student credit hour enrollment.

Expenditures are slightly lower than budget mainly due to less scholarships due to more student athlete financial aid from other sources offset by higher salary and benefit expenses associated with the recent change in the football team coaching staff, and higher cost of equipment.

Student Activity and Service Variance: Revenues \$0.5M, Expenses \$2.1M

Revenues are higher than target mainly due to higher activity and service fee revenue mainly from higher than budgeted student credit hour enrollment. Higher than anticipated orientation program revenues and other unbudgeted student activity revenues also contributed to the favorable variance.

Expenses are below target due to generally lower expenses across all student activities and delays in projects approved by the student government.

Technology Fee: Revenues \$0.6M, Expenses \$-0.8M

Revenues are higher than target mainly due to higher than budgeted student credit hour enrollment.

Expenses are above target mainly due to more projects underway than anticipated, partially offset by salary savings.

Board Approved Fees: Revenues \$0M, Expenses \$0.2M

Revenues are slightly below budget due to less candidates reaching test eligible status than expected.

Favorable variance in expenses due to timing of payments to the bar prep vendor.

Contracts and Grants Variance: Revenues \$3.7M, Expenses \$-5.9M

Sponsored Research: The favorable variance in revenues of \$5.9M is mainly due to higher than budgeted revenues in federal, state, and private grants, and unbudgeted private revenues. Expenditures are above budget \$5.9M commensurate with higher revenues than budgeted, combined with higher than expected commitments against F&A returns spent by the colleges, units, centers and researchers.

External Contracts: Unfavorable variance of \$2.2M in revenues is driven by timing of DSO reimbursements, mainly Capital Campaign, Museums, College of Medicine Humanities, Health, and Society project, offset by unbudgeted incidental revenues from Wolfsonian Downtown and higher contractual service revenue for HCN Faculty Practice. Expenses are below budget by \$0.9M primarily driven by lower expenses in the College of Medicine Faculty Practice, and less DSO reimbursable expenses associated with the Capital Campaign slightly offset by higher spend by other units.

Student Financial Aid Variance: Revenues \$1.4M, Expenses \$0M

Student scholarship revenue is above target. Earlier than budgeted transfer of institutional aid from Treasury and higher than budgeted departmental scholarships are offset by lower Pell and Bright Futures awards.

Student scholarship expense is on target. Additional departmental scholarships, higher institutional aid disbursements, and earlier than budgeted federal work study disbursements are offset by lower Pell, Bright Futures, and Florida Student Assistance Grant (FSAG) disbursements.

The negative change in net assets of \$5.0M is primarily due to spend down of need-based institutional aid fund balances and timing of funding for departmental scholarships which have already been disbursed. These are offset by FSAG funding received from the state but which will be disbursed in the summer semester.

Concessions Variance: Revenues \$0.1M, Expenses \$0.1M

Florida International University
Financial Summary Overview¹
FY 2016-17

Vending machine sales commissions are higher than budget due to higher volumes driven by increased credit card sales and more sales of higher priced items.

Expenditures are lower than budget primarily due to unallocated revenues, unspent contingencies in vending operations, and vending operations savings.

FIU Athletic Finance Corp Variance: Revenues \$-1M, Expenses \$-0.4M

Operating Revenues are below budget due to an unanticipated decrease in conference television revenue and lower revenue from premium seating sales and concessions.

Expenses are higher than target due to higher stadium enhancement costs, higher debt service costs associated with refinancing the stadium debt, and unbudgeted maintenance costs.

FIU Foundation Inc. Variance: Revenues \$3.6M, Expenses \$2.9M

The favorable variance in operating revenues is mainly driven by gifts received in excess of the budget.

Foundation operating expenses are below target mainly due to timing of scholarships and program disbursements across all areas, offset by unbudgeted salaries related to the Capital Campaign.

FIU Health Care Network Variance: Revenues \$1.1M, Expenses \$-0.1M

Operating revenues are higher than budget due to more enrolled students and higher management fee income from the international student programs. Additionally, higher management fee income from higher clinical revenues is driven by increased patient volumes at Student Health Centers, practice locations, and mobile health clinics.

Expenses are slightly above budget. Expenses associated with increased enrollment in the international student programs and higher pharmaceutical and medical supplies costs associated with greater patient volume are offset by salary savings due to vacancies and positions filled later than anticipated.

FIU Research Foundation Variance: Revenues \$0M, Expenses \$0M

Operating revenues are above target due to early receipt of revenues in support of Office of Research and Economic Development projects.

Expenses are below budget due to lower than anticipated professional service costs.

Net Investment Returns: \$11.6M

University Treasury investments fiscal year-to-date returns are 4.5% or \$11.6M. The favorable gross investment revenues variance of \$2.5M is driven mainly by the Strategic Capital and Reserve Pool. The \$4.4M of net investment revenues are comprised of \$5.6M of investment income and \$5.9M of unrealized gains offset by \$7.2M of investment fees and Treasury operating expenses.

Foundation investments fiscal year-to-date gains are 8.1% or \$19.1M, generating a positive variance of \$12.2M mainly from equities. Investment returns for the full fiscal year were budgeted at 4.0%, or \$9.7M.

Principal Payments of Debt: \$-0.3M

Unbudgeted payment for MRI machine.

Notes:

¹ *The financials presented above reflect the state budgeting methodology which differs from full accrual financial statements. The following have the most significant impact:*

- *Depreciation of Assets: For budgeting purposes equipment purchases are fully expensed in their acquisition year, therefore depreciation is not included in the budget.*
- *Unrealized gains and losses: The investment gains / losses are recognized as revenues in the budget however GASB accounting principles require that it be recorded as a non-operating revenue / expense.*

Florida International University
Financial Summary Overview¹
FY 2016-17

- ² *E&G revenues include State Funding and Tuition and are net of waivers, uncollectible amounts and 30% Financial Aid need-based amounts per BOG regulation. Any differences between E&G Revenues and Expenses will be funded from prior year balances carried forward.*
- ³ *Interfund transfers have been included resulting in higher revenues and expenses by fund allowing for an individual fund performance analysis. The interfund adjustments eliminate this double counting. However, interfund transactions such as tuition funded by scholarships and auxiliary services provided to other units have not been eliminated. Since revenues and expenses are equal, the interfund adjustments are the same for both.*
- ⁴ *Principal payment of debt reflected above per BOG requirement that debt service payments be shown on a cash basis.*



THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee
June 1, 2017

Reports *(For Information Only – no action required)* Pete Garcia, Executive Director of Sports and Entertainment

Fundraising Report

FIU Foundation, Inc. Unaudited Preliminary Recap Through the Period Ended March 31, 2017 (in thousands)			
	Budget	Actual	Variance
Revenues	\$712	\$425	(\$287)

- Unfavorable budget to actuals is a result of the timing of revenue collection of gift agreements.

Athletics Finance Corporation

FIU Athletics Finance Corporation Unaudited Preliminary Recap Through the Period Ended March 31, 2017 (in thousands)			
	Budget	Actual	Variance
Revenues	\$4,144	\$3,128	(\$1,016)
Expenses	\$1,048	\$1,258	(\$210)

- Year-to-date Net Income excluding debt service was \$1,870,000, unfavorable to budgeted \$1,226.
 - Primary drivers include:
 - Recalculation of revenue due to AFC from conference revenues due to loss of television revenue.
 - Expense variance due to unbudgeted maintenance and repair expenses and closing costs associated with the refinancing of the loan.
- The debt coverage covenant requirement is forecasted to be met for the period ending June 30, 2017.
- Loan refinancing was completed on December 21, 2016 retiring the taxable bonds and setting up a fixed rate for the \$9 million that was previously under a variable rate.

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THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee
June 1, 2017

BUSINESS SERVICES REPORT AS OF April 26, 2017

NEW SERVICES



Vicky Cafe: Soft launched in December 2016, Vicky Cafe is the newest hotspot on campus. It is located on the first floor of the Frost Art Museum. The Vicky Bakery franchise is South Florida's largest Cuban bakery chain. Vicky Bakery has been operating for more than 40 years and is recognized for its authentic Cuban pastries better known as "Pastelitos". The ribbon cutting ceremony was held on April 20, 2017 and was extremely well received. The events included a speech from President Rosenberg as well as comments from Patricia Frost. The ribbon cutting was followed by a VIP event in the restaurant and a subsequent "Caja China" pig roast and Block Party for all students.



Pharmabox: FIU Office of Business Services began a trial period for a new vending machine operator. PHARMABOX is a cutting edge service that immediately supplies FIU's students, faculty and staff with health needs by distributing over the counter (OTC) pharmaceutical products through a brilliantly designed vending machine. The machine is equipped with the latest vending technology and the service is available 24 hours a day, seven days a week. Sales for the trial period (January – March) have far exceeded expectations, a long-term agreement is expected to be formalized shortly. The initial locations are in the Green Library, which is now open 24/5 and the Graham Center. Sales results show purchases well into the night demonstrating that the machines are providing a true service to the campus community.



GT Eco Car Wash: A new eco-friendly and environmentally safe vendor started servicing the FIU community in July 2016. In addition to washing cars at parking garages 1, 3, and 5, GT is working on launching a mobile service through its App to service cars at any parking space across the Modesto A. Maidique campus. Sales for GT ECO Car wash for period ended March 31, 2017 are \$198K as compared to the previous vendor of \$130K during the same time period last year. GT Eco Car Wash has increased sales 52%.



Fleet Services: First Vehicle Services began operations April 4, 2016 and has immediately improved service levels to the University departments. During the summer of 2016, FVS introduced an oil change service to the entire FIU community. Students, faculty, and staff are able to drop off their cars at Fleet Services for an oil change either while they wait or transportation is offered to them for later pick up. Adoption has been strong and growing and additional marketing efforts are being executed to spread the word.

KEY HIGHLIGHTS

Food Services: For the period ended March 31, 2017, food services sales are at \$20M, an increase of \$775K (or 4%) as compared to the same period last year, primarily due to an increase in average check balances across all retail locations as well as the successful sales of the new venue, Vicky Cafe.



Tapingo/shopFIU: The food ordering service, which is embedded in the shopFIU app allows users to skip the lines and pick up orders at any of the dining venues at Modesto A. Maidique or Biscayne Bay campuses. The results for the Fall/Spring 2016-2017 year over year reflects a net increase in sales of \$533,087 (or 4%), which represents \$79,963 in revenues to the University.



B&N General Site:

Sales for the B&N website for the first 9 months of FY 16/17 as compared to the same time period last year are up over 250K (14%) primarily due to an increase in online textbook purchases. EBooks have shown an increase of over 58K (82%) over prior year.



B&N Price Match: Barnes and Noble continues to offer its Price Match program which has garnered great results. In the Spring 2017 a total of \$17,846 was matched bringing the program total to \$59,856 matched since inception in Spring 2016.



Pepsi / Right Choice Vending: The Hello Goodness machines, which launched in Fall 2016, feature a thoughtfully chosen selection of PepsiCo products such as such as Naked Juice, Smartfood Delight popcorn, Lay's Oven Baked potato chips, Quaker Real Medleys bars, Pure Leaf iced tea, Propel Electrolyte Water, Tropicana Pure Premium and Sabra Ready-to-Eat Hummus cups. Since the installation, Hello Goodness sales for the period January 1, 2017 through March 31, 2017, as compared to the same period last year, reflected an increase in sales of 111% totaling \$29,121 (vs. sales of \$13,824).

Vending: For the period ended March 31, 2017, vending sales are at \$1.2M, an increase of 9% as compared to the same period last year, primarily due to an increase in revenue for higher priced items, operational improvements and the replacement of older machines. As of May 2016, 100% of beverage and 99.8% of snack machines have credit card readers including One Card. Additionally, 100% of beverage and snack machines have telemetry which has resulted in an optimization of inventory stocking, routing, and service calls. The average response time for service issues between report and resolution is less than four hours for both beverage and snacks. In total, there are 125 beverage and 119 snack/food machines across the MMC and BBC campuses.

QUICK FACTS

Services under Management

- 49 food and retail venues, beverage and snack vending, FIU One Card Program, fleet services, multi-use facilities, property management and advertising. All information on food and retail, including hours of operation can be found at www.shop.fiu.edu

Investments

- For fiscal year 2016-17, Business Services is committed to invest over \$5M to improve and expand existing facilities, expand service offerings and increase indoor and outdoor seating to help foster affinity and retention at FIU. Business Services is also committed to contribute over \$1.7M to fund University initiatives, provide scholarships, underwrite student services and support FIU facilities.

Revenues

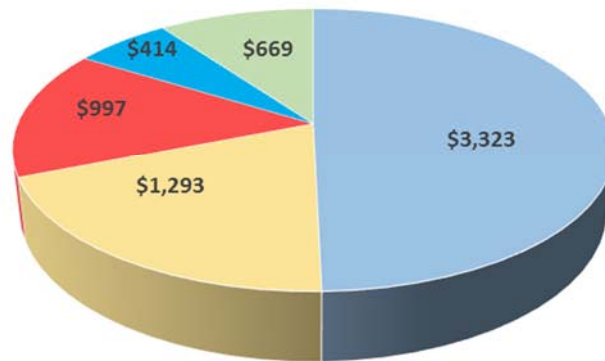
- For the period ended March 31, 2017, Business Services managed sales of \$36M from operations. Commissions totaled \$6.7M.

OPERATING REVENUES



shopFIU Revenues by Business Segment
For the period ended March 31, 2017

In Thousands (\$)



■ Food Services

■ Bookstore

■ Retail Operations

■ Vending

■ One Card

Retail Operations includes Retail Copy Center & Vehicle Services



**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Audit Committee
June 1, 2017**

EMERGENCY MANAGEMENT STATUS REPORT AS OF APRIL 25, 2017

Report *(For Information Only – no action required)*

FIU Alert Emergency Notification System Test

The spring semester test of FIU Alert was successfully conducted on January 26, 2017. A summary report of the test is attached to this report.

Training and Exercises

On March 9, 2017, Department of Emergency Management staff conducted a tabletop exercise with the University President's Executive staff. The scenario tested the FIU's response to a biological threat.

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Emergency Notification System

January 26, 2017

University-Wide Emergency Notification Test

Department of Emergency Management

Test Summary

On January 26, 2017 at approximately 11:30 a.m., the FIU Police Department initiated a University-wide test of FIU Alert, the University's emergency notification system. All communication methods were tested and the results are listed below. The FIU Alert message that was sent read as follows:

FIU ALERT! This is a test of the FIU emergency notification system. This is only a test.

An email containing a survey was sent immediately following the test to the FIU community to gauge the effectiveness of the FIU Alert emergency notification system.

FIU Alert Performance Evaluation Data

FIU Alert Results

System Performance	Attempted	Delivered
Voice calls to cell phones	52,066	35,219
Text messages to cell phones	51,915	47,637
Voice over internet protocol phones, outdoor speakers, callboxes	7,613	7,505
FIU email		Successful
Facebook		Successful
Twitter		Successful
Electronic message boards (EMB)		Partially Successful
FIU main webpage		Successful

Issues and Solutions

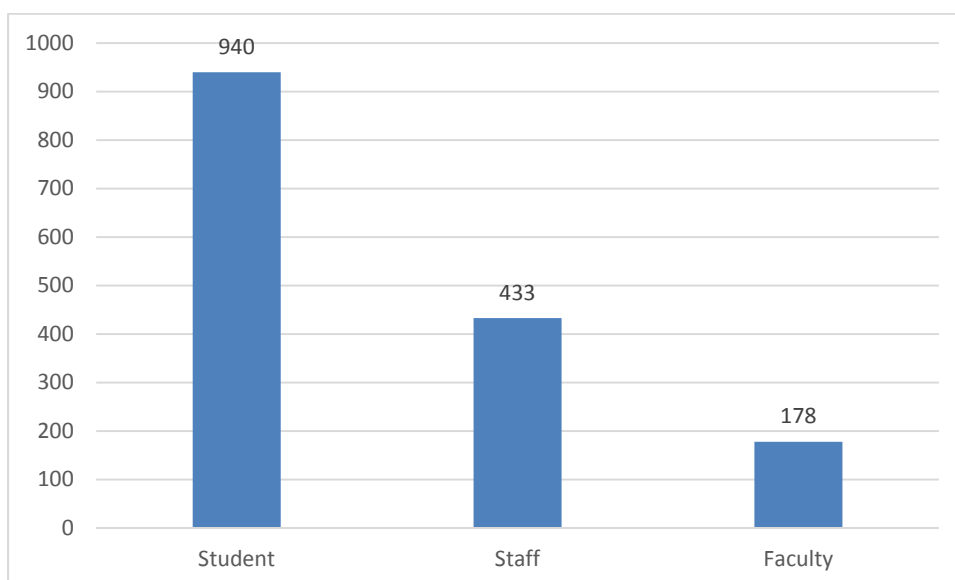
- Residential housing's implementation of EMBs has been delayed because of staffing issues.
 - Newly hired staff are working with Graham Center staff to complete this project.
- Wolfe University Center's outdoor EMB failed.
 - Restarting the machine that controls the EMB solved the problem. The machine is now set on a script to reset automatically on a daily basis to avoid this issue.
- Although a certain amount of attempted notifications will always fail when contacting cell phones via text message and voice calls, the voice call failure rate is much higher than that of text messages.
 - Voice call failures are much higher because individuals who do not answer the call will result in that call being marked a failure even though a voicemail message of the alert is left on the phone. Recipients of the call may willingly decide to not pick up or may be unable to pick up at the time the call is made.

Summary

- The majority of systems used for initiating FIU Alerts functioned correctly and provided timely notifications.

Survey Results

1 - What best describes your affiliation to Florida International University?



Total respondents to this question: 1,551

2 - How did you receive the test message? (Mark all that apply)

Answer	Percent of 1,550	Count
University email	83.55%	1,295
Cell phone text message	73.42%	1,138
Automatic telephone call	61.03%	946
University telephone system	49.94%	774
Outdoor speaker	21.35%	331
Emergency call box	6.77%	105
Indoor/outdoor electronic message boards	4.26%	66
Facebook or Twitter	2.13%	33
Friend / co-worker	2.58%	40
FIU Website	1.68%	26
I did not receive it	1.81%	28

Total respondents to this question: 1,550

3 - On January 26, 2017 at 11:30 a.m., the University conducted a University-wide test of the FIU Alert emergency notification system. Where were you located when the test alert was sent out?

Answer	Percent	Count
On campus indoors	52.64%	817
Off campus	39.50%	613
On campus outdoors	6.51%	101
Did not receive the alert	1.35%	21

Total respondents to this question: 1,552

4 - If you did receive the cellphone text message, how long after 11:30 a.m. did you receive the message?

Answer	Percent	Count
Within 5 minutes	71.18%	1,057
Between 5 to 10 minutes	8.35%	124
Did not receive alert	17.17%	255
10 minutes to 15 minutes	1.68%	25
15 minutes to 30 minutes	0.88%	13
More than 30 minutes	0.74%	11

Total respondents to this question: 1,485

5 - If you had difficulties receiving the alert, which best describes why? (Mark all that apply)



Total respondents to this question: 325



THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee
June 1, 2017

FACILITIES AND CONSTRUCTION UPDATE AS OF APRIL 26, 2017

Report *(For Information Only – no action required)*

Projects Completed

- **Bayview Housing** - \$58.3M Public-Private Partnership (P3) project. Developer/operator - Servitas; Architect - PGAL; CM - Facchina Construction, (200,682 gsf). This student housing project consists of a nine (9) story building with 410 beds located on 2.5 acres adjacent to Biscayne Bay. Occupancy remains above 97% as of April 2017. The Certificate of Occupancy (CO) was issued on March 31, 2017 with interior and exterior punchlist work remaining. *(Since this project has been completed, this entry will be removed from future Board of Trustees reports).*
- **Football Stadium Field Artificial Turf Replacement** - \$0.9M; auxiliary funding. A/E - Miller Legg; CM - Sports Turf One. The project replaced the worn-out, nine year-old artificial turf of Ocean Bank Field with new artificial turf: Field Turf Revolution 360. A continuing service civil consultant, Miller Legg, was selected for the design. Sports Turf One, a highly specialized athletic field contractor and a continuing service contractor, was selected as the CM through a piggy-back contracting vehicle. Construction started on January 23, 2017 and completed on March 20, 2017 on schedule and in time for spring practice. *(Since this project has been completed, this entry will be removed from future Board of Trustees reports).*

Projects under Construction

- **Recreation Center Expansion (BT-903)** - \$26.7M Capital Improvement Trust Fund (CITF), Housing Auxiliary Fund, and Student Government Association (SGA) project budget. A/E - HKS; CM - Moss Construction, (67,487 gsf). Funding spans five (5) years of CITF allocations. The project will expand the existing facility into Parking Lot #8 and will include an indoor basketball/volleyball gym, a weight training room, additional locker rooms, exterior basketball courts, sand volleyball courts, and a mezzanine level to include a jogging track. The expansion more than doubles the current capacity of 50,765 gsf. Erection of tilt-wall concrete panels, structural steel,

roof decking, and floor concrete slab work is complete. Rough-in mechanical and electrical work continues along with interior partition erection and window unit installation. The formal topping-off milestone celebration was held April 19, 2017. Construction is 45% complete. Weather delays and unforeseen site conditions have pushed the delivery date to September 2017.

- **University City Prosperity Project (UCPP) (BT-904)** - \$13.0M TIGER Grant project budget; multiple funding sources. Design/Build Team – MCM+FIGG. The project consists of urban design and infrastructure improvements along SW 109th Avenue between SW 6th Street and SW 10th Street, including a new pedestrian bridge over SW 8th Street, complete streets, and other pedestrian-oriented transit access improvements. These infrastructure improvements will support the synergistic integration of FIU and the adjacent City of Sweetwater. Most importantly, the pedestrian bridge will provide a safe way to reconcile pedestrian and vehicular traffic. Florida Department of Transportation (FDOT) has completed review of 100% construction documents for the roadway, foundation, bridge superstructure, and mechanical and electrical construction documents. Construction started on March 1, 2017 with mobilization and site preparation. The south tower foundation and main bridge span casting slab are underway and will be completed by the end of May. An application for an additional \$1M in funding through the Transportation Alternatives Program (TAP) was submitted on April 1, 2016 for bridge sensors and cameras, titanium dioxide concrete, and furniture, among other items. \$567.5K in TAP funding was approved by the Metropolitan Planning Organization (MPO) and FDOT for the pylon beacon, north plaza west stairway, bridge furniture, power and data conduits for kiosks, and permit and inspection fees. The Tamiami Canal bulkhead wall design necessary to support the bridge infrastructure was approved by The South Florida Water Management District and is still under review by the Army Corps of Engineers. A project design revision requested by FDOT to accommodate a future westbound lane on SW 8th Street is in design. The \$1.9M amendment for Alternate 1 increasing project scope to add improved connectivity from the south plaza to the Green Library is under review by FDOT. Anticipated delay to the project schedule is six months. Target delivery date: December 2018.
- **Multi-Purpose Practice Fields (BT-916)** - \$9.4M; multiple funding sources. A/E – Stantec; CM – Moss Construction. The project will construct two (2) full-sized practice fields, one natural grass and the other artificial turf, and a 3,500 gsf scalable multi-purpose field support facility. It will also include a faculty-designed wetlands expansion south of the FIU Nature Preserve. Early-start construction started in February with site clearing and tree relocation activities completed. Utility relocation work, drainage system installation, and new retention area grading work has begun. Delivery of the fields is scheduled for August 2017 pending release of the final construction schedule.

Projects in Design

- **Frost Museum of Science Batchelor Environmental Center at FIU (BT-913) (Phase II)** - \$1.8M privately funded project budget. A/E – MC Harry & Associates; CM – Stobbs Brothers Construction. To date, \$200K has been received for Phase II design services. Combined with Phase I funding already received, \$2.4M of the \$5M commitment has been released to FIU. Phase II will be a classroom and lab building (approximately 3,000 gsf), with the bird rehab structure and the remaining animal holding areas to be added at a future date when additional grant funding is received by the Frost Museum. The \$1.3M equipment budget for the project was reduced to increase the Phase II construction budget to \$1.1M for the building only; the budget will require an additional contribution of \$245,719 from the Frost Museum. Transfer of the project funding balance will be necessary once agreement is reached on the Guaranteed Maximum Price (GMP) to proceed with construction. Design development is in progress with anticipated design completion in early July and construction award in August 2017. Delivery date: June 2018.
- **International Center for Tropical Botany (BT-914) at The Kampong** - \$5.0M privately funded project budget. A/E – MC Harry; CM – Thornton Construction. The project will construct a new approximately 12,000 gsf facility on a site immediately adjacent to the National Tropical Botanical Garden (NTBG) property in Coconut Grove to house educational, lab, and office spaces. Programming was formally approved August 28, 2015 and the project went into design development based on the program criteria at that time. The warrant package submitted in June was revised and resubmitted on September 29, 2016 addressing all comments from the City of Miami Zoning and Planning Department. The revised submittal was accepted and approval has been placed on hold pending resolution of community concerns raised during several outreach meetings regarding building size, height, parking and site lighting. This effort is required to avoid an appeal of the warrant by the community. Subsequently, one of the neighboring property owners proposed adjustments to the building's aesthetic design as part of a gift agreement to the University. The architect and project team are determining whether these changes are possible within the current project budget, including the proposed additional gift. The project is back in schematic design to accommodate the changes requested as part of the agreement. Completion of the warrant process, design phase, and construction start is contingent upon finalizing the gift agreement. Target delivery date: TBD.
- **Satellite Chiller Plant Expansion (BT-834)** - \$7.7M Public Education Capital Outlay (PECO). A/E – SGM; CM – Poole & Kent. The \$7.6M initial phase of construction to complete the building and install two chillers and two cooling towers providing chilled water capacity was completed in February 2013. The \$7.7M of additional funding for Phase II will add two generators, two additional chillers, two additional cooling towers, and the supporting equipment to complete the project. Space will still

be available for a fifth and final chiller/cooling tower set when that capacity is needed. SGM has completed the Phase II design and Poole & Kent has developed a final GMP currently under review. Owner direct purchase contracts of the equipment have been awarded and the chillers and have been released for fabrication. Release of the cooling towers and generators is pending final shop drawing approval by SGM. Project schedule to be determined upon GMP final approval for a desired completion in August 2017.

Projects in Planning Stage

- **Parkview II Housing (BT-892)** - \$66.5M bond proceed and Housing Auxiliary funded project budget. A/E - TBD; CM - TBD. The project includes construction of a new 656 private bedroom style residence hall on the Modesto A. Maidique campus with a 300-car garage. The planning effort began on April 26, 2017 with a kick-off program committee meeting. Underground utility infrastructure and roadway modifications will be assessed to determine additional cost impacts depending on the specific site selected.

FIU FOUNDATION, INC.

**FINANCIAL STATEMENTS RECAP
& INVESTMENT SUMMARIES**

March 31, 2017

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FIU FOUNDATION, INC.
Recap of Statement of Activities
For the Period Ended March 31, 2017

(In Thousands of Dollars)

	2016-17 9-Month Budget	2016-17 9-Month Actuals	Budget to Actual 9-Month Variance		2016-17 Annual Budget	2015-16 9-Month Actuals	Current Year to Previous Year Variance
REVENUES:							
Cash Contributions	\$ 21,027	\$ 20,136	\$ (891)	[1]	\$ 25,871	\$ 21,154	\$ (1,017)
MARC Building	\$ 1,274	\$ 1,348	\$ 74		\$ 1,699	\$ 1,335	\$ 12
Foundation Subsidiaries	\$ 1,086	\$ 1,001	\$ (85)		\$ 1,159	\$ 434	\$ 567
Estimated Investment Returns	\$ 6,880	\$ 19,118	\$ 12,239	[2]	\$ 9,744	\$ (13,777)	\$ 32,895
TOTAL REVENUES	\$ 30,267	\$ 41,603	\$ 11,337		\$ 38,473	\$ 9,146	\$ 32,457
EXPENSES:							
<u>University Programs:</u>							
Scholarships & Programs	\$ 13,608	\$ 13,626	\$ (18)		\$ 17,164	\$ 11,368	\$ (2,258)
Building Funds	\$ 945	\$ 209	\$ 736	[3]	\$ 1,660	\$ 115	\$ (93)
Unrestricted Annual Expenses	\$ 1,765	\$ 1,314	\$ 451	[4]	\$ 2,171	\$ 1,292	\$ (21)
TOTAL UNIVERSITY PROGRAMS EXPENSES	\$ 16,319	\$ 15,149	\$ 1,170		\$ 20,996	\$ 12,776	\$ (2,373)
<u>Operational:</u>							
MARC Building	\$ 370	\$ 356	\$ 14		\$ 498	\$ 344	\$ (12)
Foundation Subsidiaries	\$ 926	\$ 503	\$ 423	[5]	\$ 970	\$ 307	\$ (196)
Administrative & Fund-Raising	\$ 3,919	\$ 2,595	\$ 1,324	[6]	\$ 5,180	\$ 3,929	\$ 1,334
TOTAL OPERATIONAL EXPENSES	\$ 5,215	\$ 3,455	\$ 1,760		\$ 6,648	\$ 4,581	\$ 1,126
TOTAL EXPENSES	\$ 21,534	\$ 18,604	\$ 2,930		\$ 27,644	\$ 17,357	\$ (1,247)
EXCESS REVENUES OVER EXPENSES	\$ 8,733	\$ 22,999	\$ 14,267		\$ 10,829	\$ (8,211)	\$ 31,210

*These financial statements recaps reflect expenses on an accrual basis and receipts on a cash basis, with the exception of investment returns.

**Please refer to Appendix A for detailed variance notes.

Florida International University Foundation
Preliminary Performance Summary
As of March 31, 2017

Asset Class/Manager	Market Value (\$000s)	% of Total Managed Assets	Long-Term Policy Target	Long-Term Policy Ranges	Current Month	Trailing 3-Months	Fiscal Year to Date	Trailing 2-Years	Ann. Trailing 3-Years	Ann. Trailing 5-Years	Ann. Trailing 10-Years	Ann. Since Inception
GMO Global Equity Asset Allocation	5,690	2.3%			2.0	8.1	14.1	3.5	2.2	---	---	3.9
Indus Markor Master Fund	2,831	1.1%			1.0	6.3	1.4	-3.4	3.0	---	---	1.8
Kiltearn Global Equity Fund	11,026	4.5%			0.7	4.5	21.5	6.0	2.9	---	---	3.3
Maverick Long Fund, Ltd	9,339	3.8%			0.5	7.6	9.4	3.5	8.3	---	---	8.3
Vanguard Total World Stock Index	4,926	2.0%			1.5	7.4	14.1	5.4	---	---	---	5.3
Global Public Equity	33,812	13.7%	11.5%	5.0%-25.0%	1.0	6.6	13.8	3.9	4.8	---	---	5.9
D.E. Shaw Core Alpha Extension	10,893	4.4%			0.3	6.8	16.2	10.3	11.0	---	---	10.6
First Eagle U.S. Equity Fund	4,935	2.0%			1.6	5.0	8.9	5.8	8.7	---	---	8.7
Sirios Focus Fund	9,710	3.9%			0.3	7.8	17.1	4.8	7.1	---	---	7.1
HHR Titan Offshore	5,296	2.1%			2.0	10.6	11.6	3.5	---	---	---	2.3
U.S. Public Equity	30,835	12.5%	13.5%	6.0%-35.0%	0.9	7.1	13.6	6.4	7.6	11.1	5.9	4.8
Vanguard FTSE Dev. Markets	887	0.4%			3.1	8.0	13.0	2.2	1.2	---	---	2.1
AKO European Master Fund	9,407	3.8%			5.0	9.5	19.3	7.0	11.6	---	---	11.0
Cevian Capital II	5,057	2.0%			3.0	7.5	27.4	4.0	5.8	---	---	7.5
Buena Vista Asian Opp. Fund	5,239	2.1%			5.8	10.2	3.7	-1.0	---	---	---	1.7
Kabouter International Opps. Fund II	5,025	2.0%			2.7	6.9	13.7	10.0	---	---	---	9.1
Non-U.S. Developed Public Equity	25,615	10.3%	8.5%	4.0%-25.0%	4.2	8.7	15.9	5.3	7.1	8.5	1.5	2.8
DFA Emerging Markets Value	7,198	2.9%			2.7	14.2	24.1	5.5	2.3	---	---	2.4
Somerset Emerging Markets	3,745	1.5%			3.5	11.4	14.3	3.7	---	---	---	2.3
Polunin Developing Countries Fund	4,680	1.9%			0.9	12.8	25.1	6.5	---	---	---	3.1
Emerging Markets Public Equity	15,623	6.3%	4.0%	0.0%-15.0%	2.4	13.1	21.9	5.4	3.4	---	---	3.9
Total Public Long Equity	105,885	42.8%	37.5%	0.0%-34.0%	1.9	8.1	15.3	5.2	6.0	9.7	4.3	4.2
<i>Global Private Eq. Contribution</i>	26,836	10.1%	20.0%	0.0%-34.0%	---	---	-2.7	0.3	0.6	0.5	0.4	0.2
Total Long Public and Private Equity	132,721	52.8%	57.5%	45.0%-70.0%	1.5	6.4	12.6	5.5	6.6	10.2	4.7	4.5
Valinor Capital Partners	2,974	1.2%			0.6	6.6	17.6	-5.2	3.7	---	---	3.8
Blue Harbour Strategic Value	3,640	1.5%			-0.4	1.4	13.8	0.8	1.8	---	---	3.5
Roystone Master Fund	3,215	1.3%			1.0	11.4	17.7	-4.9	1.4	---	---	1.9
Fir Tree International Value	3,414	1.4%			-1.5	0.3	5.3	-5.2	---	---	---	-3.2
Pelham Long/Short Fund Ltd	3,852	1.6%			4.5	6.3	16.3	4.9	---	---	---	4.9
Highfields Capital	4,306	1.7%			0.1	2.0	5.2	---	---	---	---	4.3
Matrix Capital Offshore Fund Ltd	2,577	1.0%			-3.9	3.1	---	---	---	---	---	3.1
Hedge Funds (Growth Objective)	23,978	8.6%	---	0.0%-15.0%	0.2	4.2	11.9	-1.2	2.7	---	---	3.2
Brahman Capital Partners	2,730	1.1%			0.9	4.1	3.9	-10.6	---	---	---	-5.5
Naya Offshore Fund	3,327	1.3%			0.4	3.4	9.4	1.1	---	---	---	3.6
Jancho Partners	3,406	1.4%			1.9	6.8	6.6	---	---	---	---	11.5
Kensico Offshore II	4,196	1.7%			0.1	2.1	---	---	---	---	---	4.9
Indus Asia Pacific Sidepocket	100	0.0%			---	0.4	2.8	-21.9	---	---	---	-21.9
Indus Asia Pacific Fund - Holdback	222	0.1%			---	---	0.0	---	---	---	---	0.0
Hedge Funds (Blended Objective)	13,981	5.6%	---	0.0%-15.0%	0.8	3.9	6.4	-1.2	1.9	4.6	2.4	4.5
Davidson Kempner	3,833	1.5%			0.4	2.3	6.6	4.9	4.2	---	---	4.8
Kynikos Opportunity Fund	2,500	1.0%			1.1	-0.9	-13.1	-8.6	-5.4	---	---	-5.8
Scopia PX Funds	3,119	1.3%			-1.2	-0.9	5.0	-3.1	---	---	---	1.1
GMO Systematic Global Macro Fund	5,015	2.0%			1.6	5.1	4.6	---	---	---	---	6.7
ISAM Systematic Trend	2,066	0.8%			-3.5	-3.8	---	---	---	---	---	-10.5
Luxor Capital Partners	0	0.0%			1.6	9.4	32.5	-1.4	---	---	---	-5.4
Luxor Capital Partners - SPV	353	0.1%			---	0.8	-6.4	---	---	---	---	-6.4
Luxor - Holdback	24	0.0%			---	---	---	---	---	---	---	---
Hedge Funds (Diversifying Objective)	16,911	6.8%	---	0.0%-15.0%	0.1	1.5	1.9	-2.7	-1.3	---	---	-0.7
Total Hedge Funds	54,869	21.1%	17.5%	10.0%-30.0%	0.3	3.3	7.2	-1.7	0.9	4.1	2.2	4.4
Clifton Global Defensive Equity	2,384	1.0%			1.0	3.9	8.7	---	---	---	---	9.1
Renaissance RIEF	3,471	1.4%			0.8	3.3	10.3	---	---	---	---	15.7
Other Diversifying Investments	5,855	2.4%	---	0.0%-30.0%	0.9	3.6	9.5	7.0	6.3	6.9	---	7.7
Total Diversified Growth	60,723	23.5%	17.5%	10.0%-40.0%	0.4	3.3	7.5	-1.0	1.4	4.1	2.2	4.4
Van Eck Global Hard Assets	2,233	0.9%			-1.2	-3.4	7.8	-4.1	-9.7	---	---	-7.5
SPDR Gold ETF	5,176	2.1%			-0.4	8.3	-6.1	2.2	-1.3	---	---	1.1
Harvest MLP Income Fund	3,601	1.5%			-0.1	4.1	10.1	-5.9	-1.2	---	---	0.2
Public Inflation Sensitive	11,010	4.4%	2.0%	0.0%-12.5%	-0.5	4.3	3.1	-1.9	-3.7	-0.8	---	-1.6
<i>Private Inflation Sensitive Contribution</i>	7,879	3.2%	8.0%	0.0%-20.0%	---	---	0.4	4.2	2.6	1.6	---	0.9
Total Inflation Sensitive	18,889	7.6%	10.0%	5.0%-20.0%	-0.8	2.6	3.5	2.3	-1.1	0.8	---	-0.8
Fidelity Intern Treasury Bond Index Fund	23,631	9.5%			0.1	1.0	-4.2	---	---	---	---	-2.4
Cash Pending	8,795	3.6%			---	---	---	---	---	---	---	---
SunTrust Cash	2,754	1.1%			0.0	0.1	0.3	0.2	---	---	---	0.2
Total Deflation Sensitive	35,181	14.2%	15.0%	9.0%-30.0%	0.1	0.9	-2.8	0.0	1.1	2.1	5.0	5.3
Total Managed Assets Net of CA Fees	247,514	98.2%	100.0%	---	0.9	4.6	8.5	2.9	3.9	7.0	4.2	4.3
Foundation Enterprise Holdings I	574	---			---	---	---	---	---	---	---	1.3
Student Managed Investment Fund	287	---			0.0	4.9	12.9	0.8	0.9	5.6	---	4.6
SunTrust Balanced Annuity Account	54	---			0.4	3.0	1.8	-1.7	-3.4	-1.0	2.5	3.5
Islamorada Investment	415	---			---	---	---	4.1	---	---	---	5.5
StoneCastle FICA Program	2,722	---			0.1	0.1	0.3	0.3	---	---	---	0.3
IR&M Short Fund	2,604	---			0.1	0.4	0.1	1.0	---	---	---	1.1
Archstone Offshore	2,269	---			0.2	2.7	8.1	-0.7	0.9	4.1	---	3.6
State of Florida Treasury Fund	1,241	---			-1.5	-1.5	-1.5	---	---	---	---	-0.8
Other Alternatives	10,166	---	---	---	0.1	0.7	1.7	0.4	0.9	1.8	2.8	3.7
Total Assets Net of CA Fees	257,680	---	---	---	0.8	4.4	8.1	2.8	3.8	6.9	4.2	4.3

Notes:

1. Funds available for investment in the Wells Fargo operating account have been deployed to the investment portfolio as of December 31, 2013.
2. Private Investments' trailing performance represents time-weighted quarterly returns. Data represents NAVs and performance through September 30, 2016, updated with cashflows through the most recent period.

Florida International University Foundation Preliminary Performance Summary As of March 31, 2017												
Asset Class/Composite	Market Value (\$000s)	% of Total Managed Assets	Long-Term Policy Target	Long-Term Policy Ranges	Current Month	Calendar Year to Date	Fiscal Year to Date	Trailing 2-Years	Ann. Trailing 3-Years	Ann. Trailing 5-Years	Ann. Trailing 10-Years	Ann. Since Inception
Global Public Equity	33,812	13.7%	12.5%	5.0%-25.0%	1.0	6.6	13.8	3.9	4.8	---	---	5.9
U.S. Public Equity	30,835	12.5%	15.0%	7.5%-35.0%	0.9	7.1	13.6	6.4	7.6	11.1	5.9	4.8
Non-U.S. Developed Public Equity	25,615	10.3%	10.0%	5.0%-25.0%	4.2	8.7	15.9	5.3	7.1	8.5	1.5	2.8
Emerging Markets Public Equity	15,623	6.3%	5.0%	0.0%-15.0%	2.4	13.1	21.9	5.4	3.4	---	---	3.9
Total Public Long Equity	105,885	42.8%	37.5%	---	1.9	8.1	15.3	5.2	6.0	9.7	4.3	4.2
<i>Global Private Eq. Contribution</i>	26,836	10.8%	15.0%	0.0%-25.0%	---	-1.7	-2.7	0.3	0.6	0.5	0.4	0.2
Total Long Public Equity and Private Investments	132,721	53.6%	57.5%	45.0%-70.0%	1.5	6.4	12.6	5.5	6.6	10.2	4.7	4.5
Total Hedge Funds	54,869	22.2%	17.5%	10.0%-30.0%	0.3	3.3	7.2	-1.7	0.9	4.1	2.2	4.4
Other Diversifying Investments	5,855	2.4%	---	0.0%-30.0%	0.9	3.6	9.5	7.0	6.3	6.9	---	7.7
Total Diversified Growth	60,723	24.5%	17.5%	10.0%-40.0%	0.4	3.3	7.5	-1.0	1.4	4.1	2.2	4.4
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Total Deflation Sensitive	35,181	14.2%	15.0%	9.0%-30.0%	0.1	0.9	-2.8	0.0	1.1	2.1	5.0	5.3
Total Managed Assets Net of CA Fees	247,514	100.0%	100.0%	---	0.9	4.6	8.5	2.9	3.9	7.0	4.2	4.3
Total Assets Net of CA Fees	257,680	---	---	---	0.8	4.4	8.1	2.8	3.8	6.9	4.2	4.3

Variance Notes:

[1] The unfavorable variance of \$891,000 in cash contributions is a result of a few gifts that did not close but are expected to be received by the end of the fiscal year. These gifts were mainly from the College of Business, College of Medicine, and College of Engineering.

[2] The favorable variance of \$12,239,000 in investment returns is based on a budgeted return of 4% and an actual return fiscal year-to-date of 8.1%.

[3] The favorable variance in building funds of \$736,000 is mainly due to construction that has been delayed and will occur in the next fiscal year.

[4] The favorable variance in unrestricted annual expenses of \$451,000 is mainly due to budgeted expenses in advancement operations and fundraising and stewardship that have not occurred but are expected to occur by the end of the fiscal year.

[5] Foundation subsidiaries are comprised of four single member LLCs – Foundation Enterprise Holdings I through IV – with FIU Foundation as their sole member. Each LLC has its own operating budget, with positive or break-even net income, that rolls into the Foundation's overall budget. The favorable variance in expenses is due to timing of the processing of expenses.

[6] The favorable variance in administrative & fund raising of \$1,324,000 is mainly due to the investment management fee being netted against the fiscal year-to-date returns and the timing of capital campaign expenses related to salaries.



THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee
June 1, 2017

SAFETY AND ENVIRONMENTAL COMPLIANCE REPORT AS OF APRIL 26, 2017

Report *(For Information Only – no action required)*

Issue #1: State of Florida Risk Management Safety and Loss Prevention Program Review of Job Hazard Analysis (JHA) finding.

Agency: Division of Risk Management, Florida Department of Financial Services

Status of Job Hazard Analysis (JHA) finding: Phase 1- Completed

- Developed the procedure, form, and training materials for the JHA program.
- Trained Pilot Team (classroom and hands-on) on the JHA process.
- Completed 21 sample JHA assessments with several team members including research, academics, housing and facility management.
- Developed a risk map based on the JHA findings.

Job Hazard Analysis (JHA): Phase 2- In progress

- Continue to introduce the JHA program to our website for other users.
- Added the JHA training and the initial 21 JHA assessments that were completed to our EH&S website as a guide.
- Discussed the results of the JHA program with ORED and the next steps to expand the program.

Findings: The JHA program was launched with a pilot group of risk assessments that were performed. Risks identified during this phase of the JHA project have been corrected or are under review. The next phase will include representation from operations and labs identified to perform high risk work or work with hazardous chemicals.

Issue #2 : ORED/EH&S Biosafety Level 2 Approval Process Review

Agency: Centers for Disease Control (CDC), National Institute of Health (NIH)

Status: Due to the recent increase in research involving higher level risk group 2 agents, such as HIV and the ZIKA virus, EH&S and FIU's Office of Research and Economic Development (ORED) have taken the opportunity to review the current Biosafety Level 2* research approval process to ensure that the appropriate controls for this risk level type of work are in place.

*The FIU Biological Safety level 2 (BSL2) is a laboratory where research with infectious pathogens with available treatment is taking place. The National Institute of Health (NIH) and Centers for Disease Control (CDC) set forth requirements that regulate BSL2 laboratory practices.

Findings: EH&S and ORED conducted safety and compliance inspections of all labs (31 labs) approved to perform BSL2 type of research. High level and systemic safety concerns were identified, communicated to the users, and assistance was provided by EH&S and ORED to ensure the safety concerns were addressed. EH&S and ORED will continue to work together to take proactive actions from the approval process to implementation to ensure and sustain compliance.

Issue #3 : Radioactive Materials Compliance Inspection

Agency: Florida Department of Health – Bureau of Radiation Control

Status: On March 29, 2017 the Bureau of Radiation Control performed an inspection of the FIU broad scope radioactive material license No. 3669-1. The inspectors reviewed the compliance aspects license, including, but not limited to: sealed source leak test records; radioactive waste inventory; radiation exposure records of the workers; survey instrument calibration records; radioactive material package log; radioactive material records; Radiation Control Committee meeting records; inspection reports; As Low as is Reasonably Achievable (ALARA) review; radiation survey; radiation training attendance sheet; radiation training examination papers; and radiation training records. They also visited the EH&S radioactive waste storage room, sample counting lab, and five radiation research labs.

Findings: All FIU radiation-related activities met the compliance conditions as mandated by the FIU Broad Scope License. There were no issues or concerns documented at the time of inspection.



THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Facilities Committee
June 1, 2017

TREASURY REPORT *(For quarter ending March 31, 2017)*

Report *(For Information Only – no action required)*

OVERVIEW

The University's total liquidity position of \$336.6 million was 2.1 times the University's debt position of \$162.5 million at the end of FY 2017 Q3. Including direct support organization ("DSO") debt, the liquidity to total debt ratio was 1.7 times. These results are better compared to the end of FY 2016 Q3, wherein the liquidity to University debt and the liquidity to total debt ratios were 2.0 times and 1.6 times, respectively.

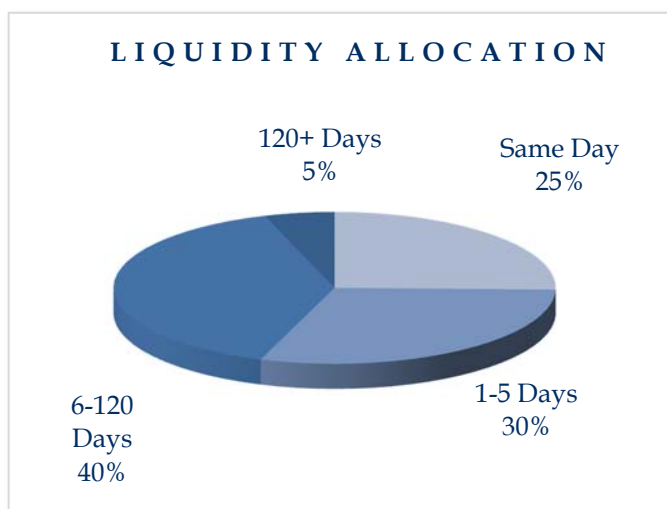
LIQUIDITY

Real Days Payable

At the quarter end, \$186.5 million, or 55.4 percent, of the liquidity position was accessible within five business days (see *Liquidity Allocation* chart for detail). At the end of FYTD 2017 Q3, the University had 42 real days payable ("RDP") versus 48 RDP at the end of FYTD 2016 Q3. The decrease in RDP was due to higher payroll outflow.

Sources

The University started the fiscal year with \$89.4 million in cash balances². Total FYTD 2017 Q3 inflows (state and operational) were \$854.1 million as compared to \$853.6 million for FYTD 2016 Q3. On average, \$4.4 million flowed into the University each business day in FYTD 2017 Q3 and \$4.3 million in FYTD 2016 Q3.



¹ Real Days Payable represents the available balance of liquid funds divided by the average cash outflows of the University. The calculation uses the available balance in the University's bank accounts plus the market value of investments that are accessible within five business days as its balance of liquid funds.

² Cash includes Working Capital Pool assets and cash balances in the concentration bank account.

Uses

FYTD 2017 Q3, the University used \$837.6 million as compared to \$807.9 million in the same period last fiscal year. The FYTD 2017 Q3 velocity cash outflow was \$4.3 million per day and \$4.1 million in FYTD 2016 Q3. The University ended the quarter with \$105.9 million in cash balances.

Stress Tests/Performance Simulations

The University Office of the Treasurer ("Treasury") analyzes the effect of negative market performance on its liquidity position through both value-at-risk (VAR) analysis and Monte Carlo simulation analyses.

VAR analysis, completed quarterly, estimates the maximum potential loss during a specific time period at a given level of confidence. VAR uses the historical behavior of each asset class over various time horizons (five years, ten years, full history). Our VAR analysis predicts that there is a five percent probability that the portfolio (as of the FY 2017 Q3 ending balance) could have unrealized losses of up to \$19.2 million and one percent probability of up to \$33.2 million of unrealized losses within a twelve-month period.

At the end of FY 2017 Q3, the Monte Carlo analysis, generated by a bottom decile performance for fixed income investments, translated into median 1.9 percent, or \$6.3 million, in unrealized losses. Liquidity, as measured by five-day accessibility, would drop to 51.0 percent, or \$171.7 million, of the total current available cash and investment balances. RDP would fall to 40 days based on current fiscal year outflows.

The scenario with the bottom decile equity performance generates a median 3.3 percent, or \$11.3 million, in unrealized losses. Liquidity, as measured by five-day accessibility, would drop to \$182.8 million or 54.3 percent of the total current available cash and investment balances. RDP would remain stable at 43 days based on fiscal year outflows in this stress scenario.

Bottom decile of overall portfolio performance represents a 4.6 percent loss, or \$15.6 million, and a projected drop in liquidity to \$161.7 million or 48.0 percent of the total current available balances. Furthermore, RDP drops to 38 days.

Forecast and Budget

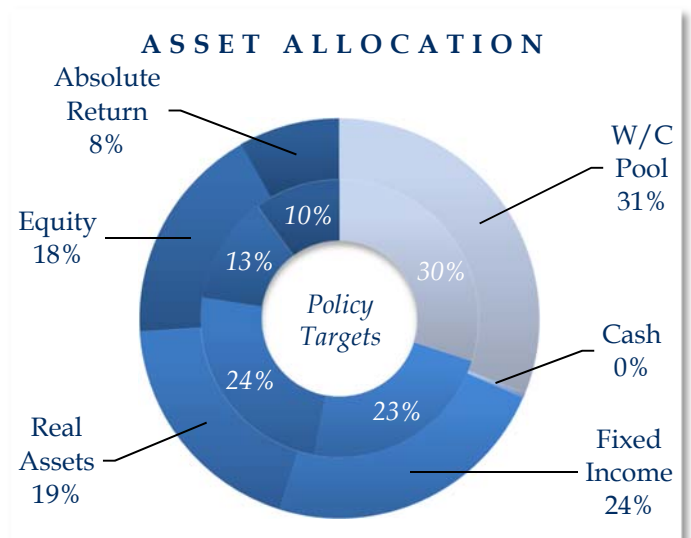
Actual balances at the end of FY 2017 Q3 were -1.1 percent lower than the rolling forecast, 3.1 percent higher than the budget, and 1.0 percent higher than the prior year. For the next quarter, the University should experience a stable decrease in the cash and investment balances lasting through the fourth quarter of FY 2017.

INVESTMENTS

Composition

Asset allocations at the end of FY 2017 Q3 remained within policy guidelines (See *Asset Allocation* chart for quarter end detail).

At the end of FY 2017 Q3, the market value of the University's operating funds portfolio and cash was \$336.6 million. This balance reflects an increase of \$23.0 million or 7.3 percent, from the previous quarter. The increase reflects the quarter-to-quarter seasonality of cash flows in addition to strong quarterly investment performance. The total portfolio market value

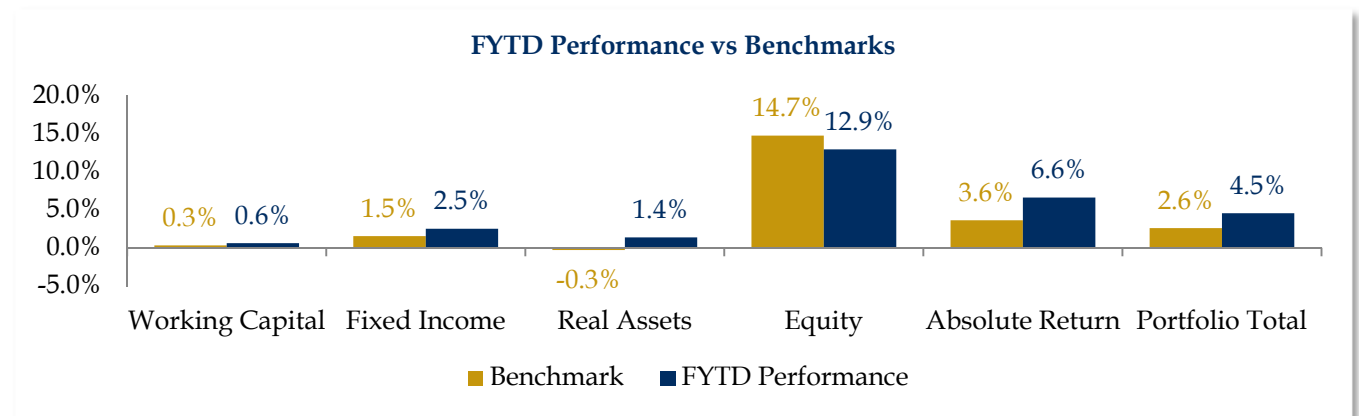


was \$2.8 million higher than the market value at the end of FY 2016 Q3.

Performance

FIU's operating portfolio continues to outperform the State Treasury Investment Pool ("SPIA"), returning 4.0 percent since inception versus the SPIA's 2.6 percent for the same period. At the end of FY 2017 Q3, the portfolio returned 4.5 percent. This compares favorably to a negative 2.4 percent return at the end of FY 2016 Q3. The Strategic Capital and Reserve Pools returned 5.2 percent while the Working Capital Pool gained 0.6 percent. Returns from the SPIA totaled 1.1 percent at the end of FY 2017 Q3 (see *FYTD Performance vs Benchmarks* chart for additional performance detail by asset class).

The Working Capital Pool exceeded the benchmark by 0.3 percent. Equities were lower than their



benchmarks, with returns of 12.9 percent (vs 14.7 percent benchmark). All other assets classes exceeded their respective benchmarks. Absolute Return returned 6.6 percent (vs. 3.6 percent benchmark), Real Assets returned 1.4 percent (vs -0.3 percent benchmark), and Fixed Income returned 2.5 percent (vs 1.5 percent benchmark).

DEBT

Total Outstanding

The University and DSOs ended FY 2017 Q3 with \$197.0 million in outstanding debt versus \$207.3 million at the end of FY 2016 Q3. The weighted average interest rate for the University and DSO issuances was 4.2 percent. At the end of the quarter, all of the University and DSOs' outstanding debt was fixed rate.

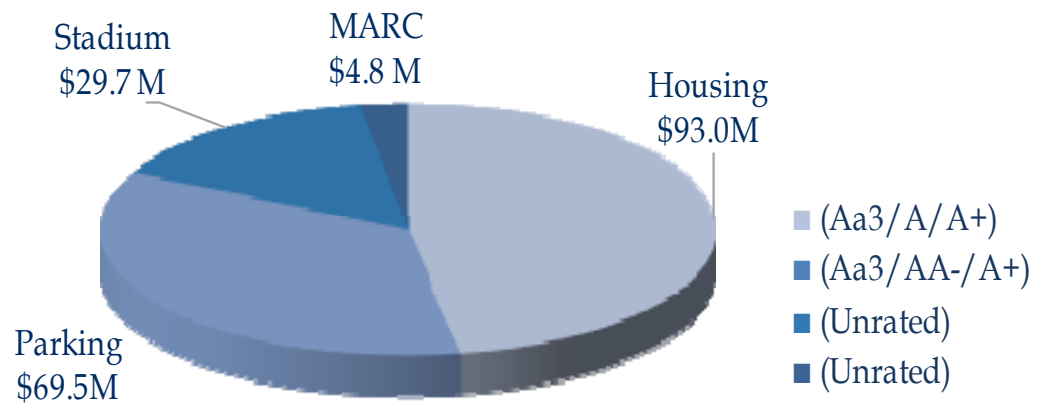
Bond Refunding

The University, in conjunction with the Division of Bond Finance, has refunded all eligible outstanding bond series. The refundings are projected to save the University \$9.4 million in interest expense over the term of the issuances. As of March 31, 2017, \$2.2 million of interest savings have been realized from the refunding activities. The University is expected to save an additional \$0.6 million in interest expense in Fiscal Year 2017 and \$3.1 million over the next five years.

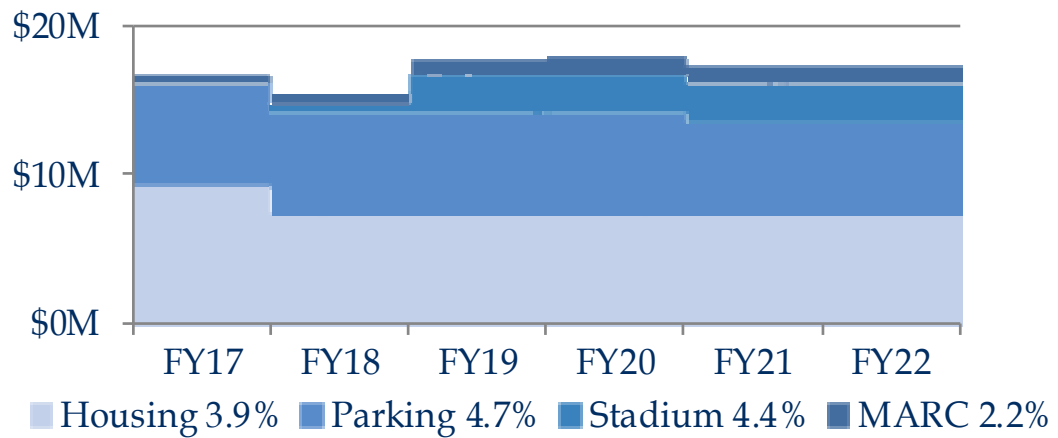
Rating Agencies

Standard & Poor's (S&P) rating agency finalized their annual ratings surveillance in March. S&P affirmed its AA- long-term rating on the University's parking facility revenue bonds and it's A long-term rating on FIU's dormitory revenue bonds. The outlook on all ratings is stable.

OUTSTANDING DEBT



ANNUAL DEBT SERVICE



OVERVIEW

Liquidity/University Debt	2.07
Liquidity/Total Debt	1.71

Liquidity Position

Cash + W/C Pool	\$ 105,892
Strategic + Reserve Pools	230,662
Total	\$ 336,554

Debt Position

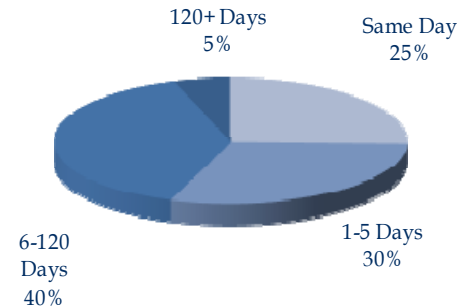
University Debt	\$ 162,475
DSO Debt	34,571
Total	\$ 197,046

LIQUIDITY
Availability

Same Day	\$ 85,453
1-5 Days	101,064
6-120 Days	132,818
120+ Days	17,219
Total	\$ 336,554

Real Days Payable (<5 Days)

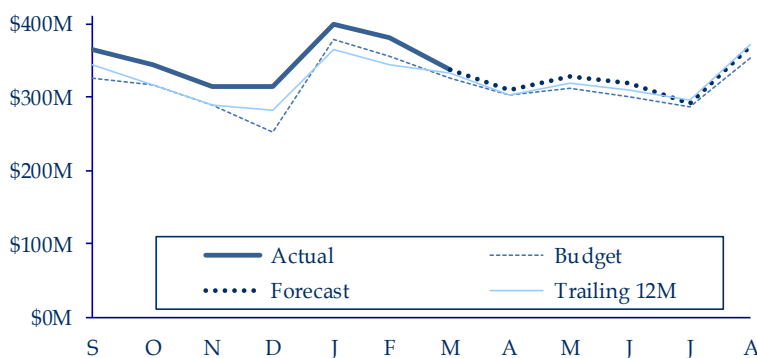
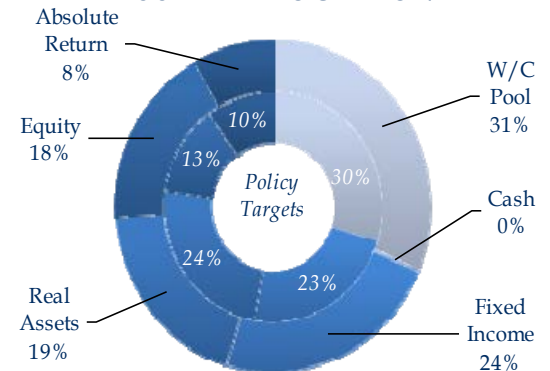
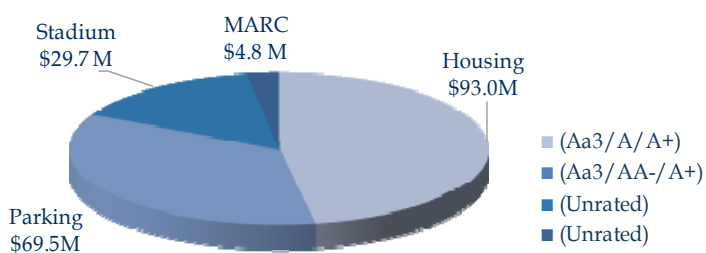
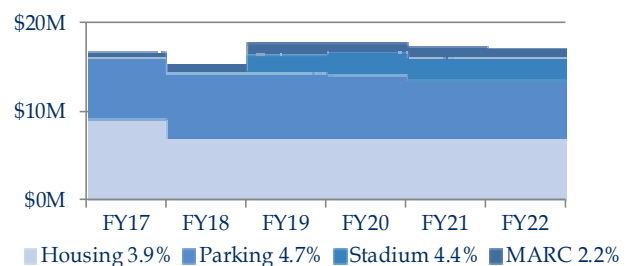
MTD Outflows	44
QTD Outflows	37
YTD Outflow	42

LIQUIDITY ALLOCATION

LIQUIDITY SOURCES AND USES

Sources	MTD	QTD	YTD
Opening W/C Pool Balance	\$ 150,037	\$ 88,202	\$ 88,773
Opening Cash Balance	417	375	631
From State	21,789	64,449	220,722
From Operations	30,104	265,323	633,383
Uses	MTD	QTD	YTD
To Payroll	(67,555)	(159,408)	(438,953)
To Operations	(24,812)	(76,219)	(221,434)
To Students	(4,088)	(76,829)	(177,229)
Cash + W/C Pool	\$ 105,892	\$ 105,892	\$ 105,892

INVESTMENTS

Cash + W/C Pool	Balance	FYTD	Last 1Y
W/C Pool	\$ 104,698	0.6%	0.8%
Cash	1,195	0.0%	0.0%
Strategic + Reserve Pools			
Fixed Income	78,632	2.5%	5.7%
Real Assets	64,354	1.4%	9.2%
Equity	60,142	12.9%	14.7%
Absolute Return	27,534	6.6%	8.5%
Total	\$ 336,554	5.2%	9.2%

CASH + INVESTMENTS FORECAST

ASSET ALLOCATION

DEBT
OUTSTANDING DEBT

ANNUAL DEBT SERVICE


	<u>FY 2017 Q3 Actuals</u>	<u>FY 2016 Actuals</u>
<u>ASSETS (Uses of Funds)</u>		
Current Assets		
Cash/Cash Equivalents/Investments	\$ 57,457,154	\$ 59,593,062
Adjustments to Fair Market Value	18,376,473	12,448,429
Total Current Assets	\$ 75,833,627	\$ 72,041,491
Noncurrent Assets		
Due from Component Units/University		
Parking Deferred Payment Plan	\$ 85,863	\$ 211,326
Athletics Operations Loan	4,805,526	4,805,526
Stadium Expansion Loan	-	-
Total Non-Current Assets	\$ 4,891,389	\$ 5,016,852
TOTAL ASSETS	\$ 80,725,016	\$ 77,058,343
<u>LIABILITIES AND CAPITAL (Sources of Funds)</u>		
Accounts Payable	\$ -	\$ 3,888
Accrued Salaries & Wages	-	17,580
Due to/ (from) Component Units	-	-
Total Liabilities	\$ -	\$ 21,468
Total Capital (Net Assets)	\$ 80,725,016	\$ 77,036,875
TOTAL LIABILITES AND CAPITAL	\$ 80,725,016	\$ 77,058,343