



Conceptual Plan to Convert Women's Pentaplex into a Mixed-Use P-3 Development

PRESENTED BY

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Executive Summary

Long-Term Development Strategy

- FAMU is poised to serve as a catalyst for the revitalization of the Monroe-Adams Corridor and the “main street” of campus.
- We envision a transformational development that will help to make FAMU a best in class university.
- This catalyst project will resolve critical housing issues, aesthetic concerns, and simultaneously create a viable marketplace that could promote the long-term sustainability of the University.





Executive Summary (Cont'd)

Long-Term Development Strategy

- One of the University's long-term strategic initiatives is to develop communities that promote a 21st century living and learning environment. Creating such communities require modern facilities that provide not only the academic programs needed to spur retention and graduation, but also amenities that Millennials and their parents demand as part of their educational experience.
- Studies have also shown that students graduate at a higher rate when they reside on campus.





Executive Summary (Cont'd)

Aerial View of Vacant Residential Facilities





Executive Summary (Cont'd)

Four vacant former women's residential facilities and one occupied women's residential facility occupy the "main street" of FAMU's campus in Tallahassee:

- McGuinn Hall, which opened in 1938
- Diamond and Cropper Halls, which opened in 1947
- Wheatley Hall, which opened in 1953
- Truth Hall, which opened in 1958





Executive Summary (Cont'd)

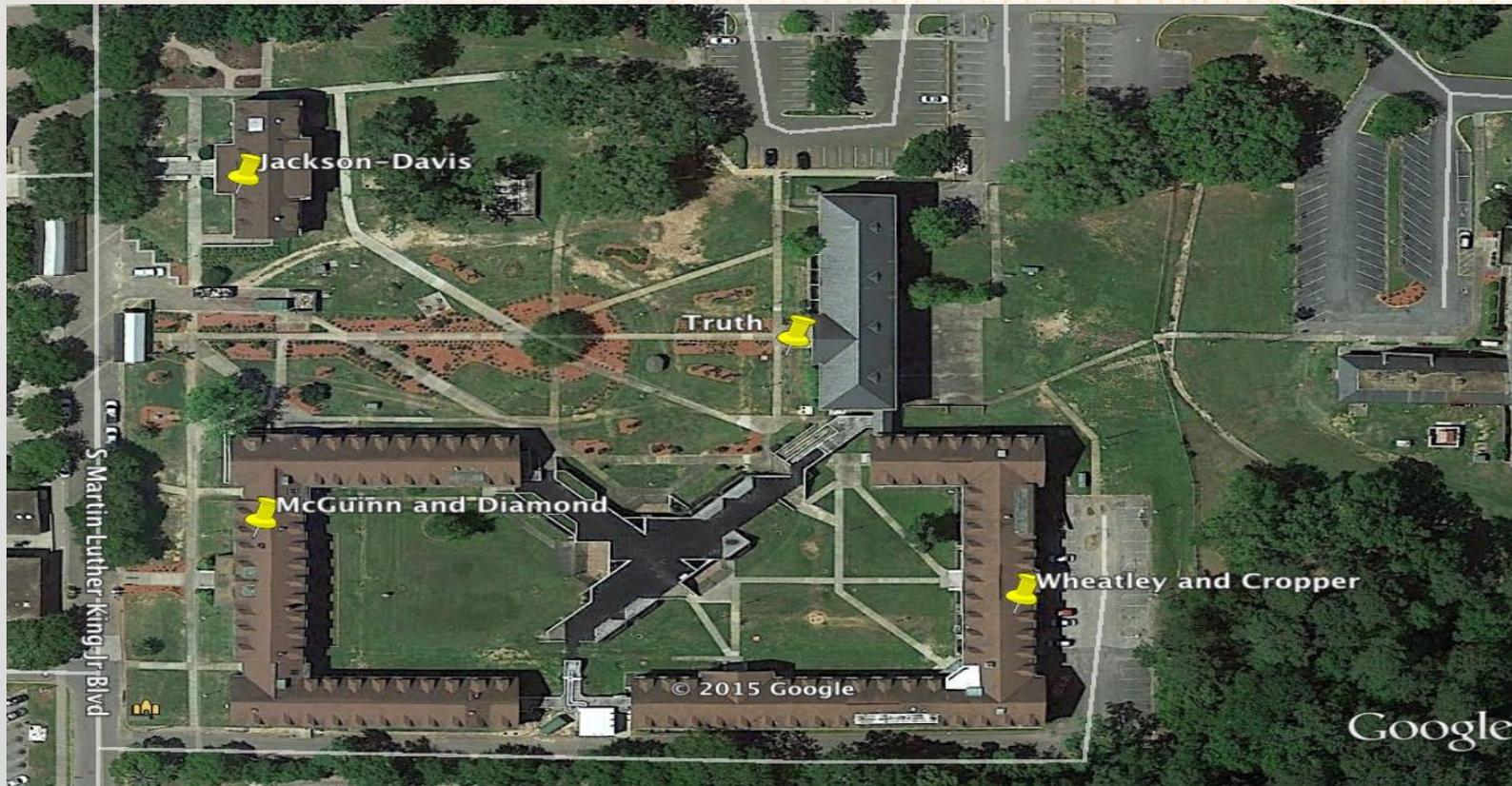
- McGuinn, Diamond, Cropper, and Wheatley have been closed since the completion of the 800 bed FAMU Village.
- These vacant facilities are not only located on the main street of the campus, but are in a historic district as well. Additionally, they are located at the Eastern entrance to the campus near the Monroe-Adams Corridor of the City of Tallahassee.
- Revitalization of this corridor is part of the long-range community and economic revitalization strategy of the City of Tallahassee and Leon County.





Executive Summary (Cont'd)

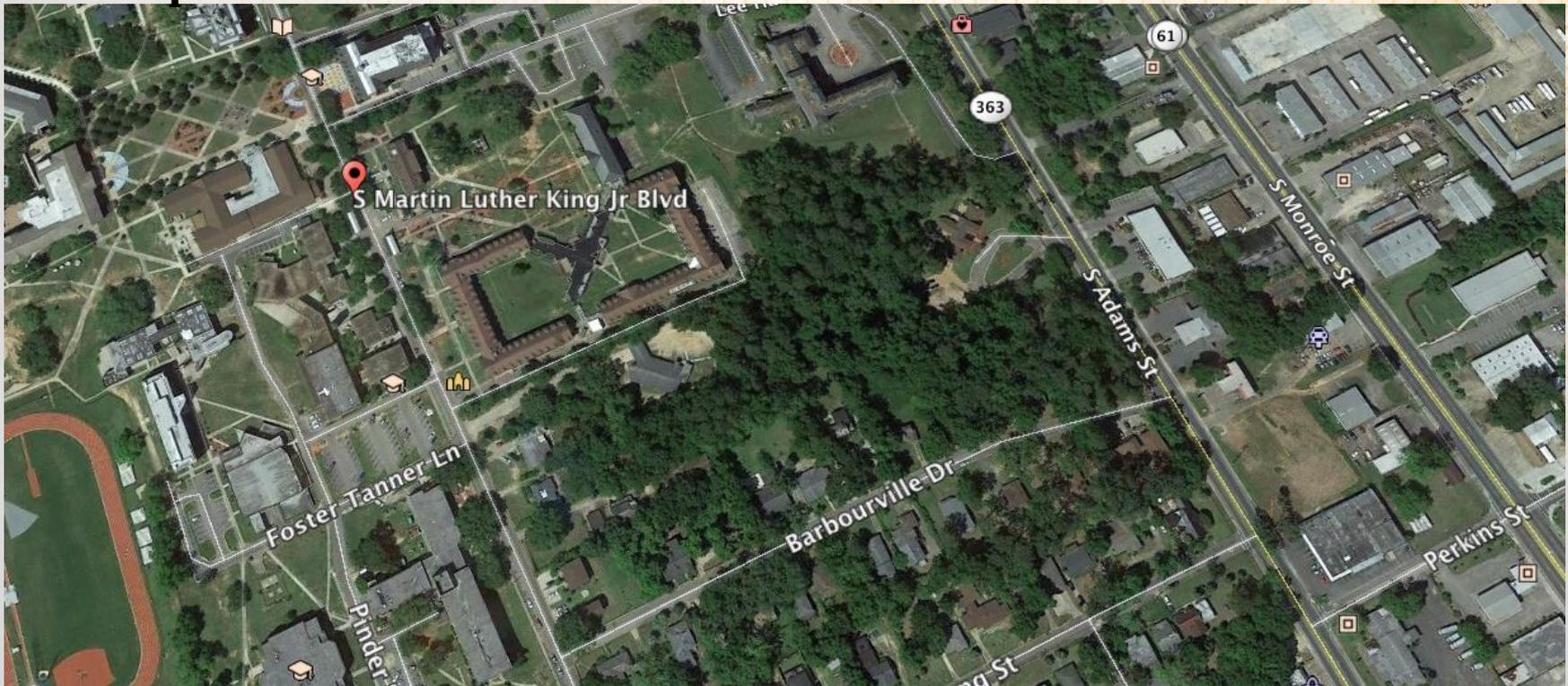
Aerial View with highlight of Women's Pentaplex and Jackson-Davis





Executive Summary (Cont'd)

Aerial view showing Monroe-Adams Corridor and eastern entrance to campus





Executive Summary (Cont'd)

Basis of Need

- The University currently has 2,382 beds
- 1,398 Considered to be marketable*
 - 800 FAMU Village
 - 360 Palmetto III
 - 157 Sampson Hall
 - 81 Young Hall

*Marketable here is defined as being a unit of comparable size, quality, location and having amenities needed to compete with housing in primary and secondary market areas.





Executive Summary (Cont'd)

Basis of Need (Cont'd)

- 1519 FTIC Freshman
 - 1256 FTIC Sophomores
 - 2775 Total
 - 1377 Gap (Need for marketable beds)
-
- Additional commercial/retail space also needed to serve Millennials





Executive Summary (Cont'd)

Street view on McGuinn and Diamond Halls





P – 3 Guidelines (Cont'd)

- The Women's Pentaplex will be converted to a mixed-use living and learning environment in accordance with the Board of Governors Public-Private Partnership (P-3) Guidelines
- The P-3 Guidelines allow a university to enter into an agreement with a third party whereby the third party provides construction and capital financing for a "Project."
- A Project is defined as construction and financing of a "Facility" by a "Private Party" on the campus of the university where the the cost of the Project is paid for with revenues from the Project.
- A Project may only include a facility for housing, transportation, health care, research, food service, retail sales, or student activities.
- A university must solicit proposals from private parties to construct and finance a Project.





P – 3 Guidelines (Cont'd)

Invitation to Negotiate (ITN) or Other Procurement Process

- Procurements for P-3 development shall include:
 1. Safeguards against the risk of future costs or service disruptions if there is a default or cancellation by the Private Partner Partnership
 2. Safeguards to ensure that the university's bond rating will not be adversely affected
 3. A financing plan sufficient enough to enable the university to determine the feasibility of the Project.





Project Scope

- In accordance with the P-3 regulations, the long-range goal is to revitalize the main street area of the campus and to provide living and learning facilities that promote retention and graduation.
- The first phase of the overall redevelopment effort would be the conversion of Diamond and McGuinn Halls to a modern student affairs (CASS) complex with appurtenant retail space.
- The second phase would involve the conversion of the remaining Women's Pentaplex and Jackson-Davis with a focus on student housing, student health, parking, and administrative and retail space.
- The third phase would involve the acquisition of land and the revitalization of the "main street" corridor in conjunction with the revitalization of Adams Street.
- **The fourth phase would be the construction of a new football stadium complex. Approval of State Legislature is required to include an athletic facility in a P-3 Project.**





Project Scope (Cont'd)

The total project is estimated at \$210 - \$235 million (includes \$60 million for the construction of a new football stadium complex).

- Center for Access and Student Services (CASS) – 72,000 square feet
- 1,400 new bed spaces
- Administrative offices
- Commercial outlets – Approximately 50,000 square feet
- Parking – 300 spaces
- Site acquisition
- New Stadium – 35,000 seats & additional parking





Project Scope

Elevation Diagram of Women's Pentaplex Revitalization





Project Scope

Rendering for New Stadium Complex





Project Financing

- Private financing
- PECO
- New Market Tax Credits
- Historic Tax Credits
- Tax Increment Financing (TIF)
- Subject to legislative authorization, the financing plan could include cross collateralization of a new athletic complex with excess income from the mixed-use housing and commercial development.





Project Financing (Cont'd)

Cash Flow

- Revenues – \$15,441,400
- Expenses – \$7,930,000
- NOI – \$7,511,400
- Debt Service – \$5,791,500 (coverage ratio must be at least 1.20x)
- Net Cash Flow – \$1,152,120

Assumptions: \$900 per unit for rent per month for 12 months; \$15 per rentable square foot for commercial space; 30 year fixed rate debt at 4.5% per annum.





Project Timeline

	Start	Finish
Preliminary Program	June 2015	August 2015
P-3 ITN	August 2015	September 2015
Negotiations	October 2015	December 2015
BOT Approval	January	
BOG Approval	February	
Predevelopment	August 2015	September 2016
Financing	January 2016	August 2016
Closing Phase 1	October 2016	
Construction Phase 1	November 2016	May 2018
Phase 2	November 2017	May 2019
Phase 3 & 4	November 2018	November 2020





Potential Impediments

- The complexity of private-public partnership deals
- Need to hire third party consultant to protect FAMU's interest
- Need to remove liens and encumbrances on subject properties to ensure private debt
- Potential environmental issues
- Existing land use restrictions and covenants
- Need to change policy regarding who must reside on campus
- Need to develop a clear path for future student enrollment
- Need to ascertain market for commercial space
- Complexity involved with financing commercial space
- Requires legislative approval to include athletic facility
- Requires clarification that a Project can include multiple sites.





Legislative Action Required

- Under P-3 Guidelines, Facility does not include hotels, convention centers, and stadiums or like buildings absent specific legislative authorization.
- LBR for 2015-2016 could include a request for authorization for construction of a stadium.

THANK YOU

