APPENDIX 12 | STUDENT HOUSING - PRO FORMAS

Shippensburg State University of Pennsylvania
Student Housing Master Plan - Phase I - Fall 2010 Occupancy
Operating Pro Forma

Operating Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Total Beds including Non Revenue Beds	**865**	**865**	**865**	**865**	**865**	**865**	**865**	**865**	**865**	**865**	**865**	**865**	**865**	**865**	**865**
Total Residential Square Footage	**285,318**	**285,318**	**285,318**	**285,318**	**285,318**	**285,318**	**285,318**	**285,318**	**285,318**	**285,318**	**285,318**	**285,318**	**285,318**	**285,318**	**285,318**
Total Non-Residential Square Footage	**33,000**	**33,000**	**33,000**	**33,000**	**33,000**	**33,000**	**33,000**	**33,000**	**33,000**	**33,000**	**33,000**	**33,000**	**33,000**	**33,000**	**33,000**
Academic Year Rental Revenues:															
Unit Type B - Shared Semi-Suite	$1,753,000	$1,823,000	$1,896,000	$1,972,000	$2,051,000	$2,133,000	$2,218,000	$2,307,000	$2,399,000	$2,495,000	$2,595,000	$2,699,000	$2,807,000	$2,919,000	$3,036,000
Unit Type C - Private Semi-Suite	$1,646,000	$1,711,000	$1,780,000	$1,851,000	$1,925,000	$2,002,000	$2,082,000	$2,165,000	$2,252,000	$2,342,000	$2,436,000	$2,533,000	$2,634,000	$2,739,000	$2,849,000
Unit Type D - Shared Suite															
Two Person Unit	$58,000	$60,000	$62,000	$64,000	$67,000	$70,000	$73,000	$76,000	$79,000	$82,000	$85,000	$88,000	$92,000	$96,000	$100,000
Four Person Unit	$1,239,000	$1,288,000	$1,340,000	$1,394,000	$1,450,000	$1,508,000	$1,568,000	$1,631,000	$1,696,000	$1,764,000	$1,835,000	$1,908,000	$1,984,000	$2,063,000	$2,146,000
Unit Type E - Private Suite															
Two Person Unit	$585,000	$608,000	$632,000	$657,000	$683,000	$710,000	$738,000	$768,000	$799,000	$831,000	$864,000	$899,000	$935,000	$972,000	$1,011,000
Four Person Unit	$462,000	$480,000	$499,000	$519,000	$540,000	$562,000	$584,000	$607,000	$631,000	$656,000	$682,000	$709,000	$737,000	$766,000	$797,000
Sub-Total	**$5,743,000**	**$5,970,000**	**$6,209,000**	**$6,457,000**	**$6,716,000**	**$6,985,000**	**$7,263,000**	**$7,554,000**	**$7,856,000**	**$8,170,000**	**$8,497,000**	**$8,836,000**	**$9,189,000**	**$9,555,000**	**$9,939,000**
Summer Rental Revenues:															
Unit Type B - Shared Semi-Suite	$21,000	$21,000	$22,000	$23,000	$24,000	$25,000	$26,000	$27,000	$28,000	$29,000	$30,000	$31,000	$32,000	$33,000	$34,000
Unit Type C - Private Semi-Suite	$19,000	$20,000	$21,000	$22,000	$23,000	$24,000	$25,000	$26,000	$27,000	$28,000	$29,000	$30,000	$31,000	$32,000	$33,000
Unit Type D - Shared Suite															
Two Person Unit	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
Four Person Unit	$14,000	$15,000	$16,000	$17,000	$18,000	$19,000	$20,000	$21,000	$22,000	$23,000	$24,000	$25,000	$26,000	$27,000	$28,000
Unit Type E - Private Suite															
Two Person Unit	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000
Four Person Unit	$5,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000
Sub-Total	**$67,000**	**$70,000**	**$73,000**	**$76,000**	**$79,000**	**$82,000**	**$85,000**	**$88,000**	**$91,000**	**$94,000**	**$97,000**	**$100,000**	**$103,000**	**$106,000**	**$109,000**
Other Revenues:															
Rent from University for Non-Residential Spaces	$739,000	$749,000	$760,000	$771,000	$783,000	$795,000	$807,000	$821,000	$834,000	$848,000	$863,000	$878,000	$894,000	$911,000	$928,000
Commons Fee	$164,000	$169,000	$174,000	$179,000	$184,000	$190,000	$196,000	$202,000	$208,000	$214,000	$220,000	$227,000	$234,000	$241,000	$248,000
Interest Earned on Debt Service Reserve	$165,000	$165,000	$165,000	$165,000	$165,000	$165,000	$165,000	$165,000	$165,000	$165,000	$165,000	$165,000	$165,000	$165,000	$165,000
Damages	$9,500	$9,800	$10,100	$10,400	$10,700	$11,000	$11,300	$11,600	$11,900	$12,300	$12,700	$13,100	$13,500	$13,900	$14,300
Vending/Laundry	$21,000	$21,000	$22,000	$23,000	$24,000	$25,000	$26,000	$27,000	$28,000	$29,000	$30,000	$31,000	$32,000	$33,000	$34,000
Sub-Total	**$1,098,500**	**$1,113,800**	**$1,131,100**	**$1,148,400**	**$1,166,700**	**$1,186,000**	**$1,205,300**	**$1,226,600**	**$1,246,900**	**$1,268,300**	**$1,290,700**	**$1,314,100**	**$1,338,500**	**$1,363,900**	**$1,389,300**
Total Revenues:	**$6,908,500**	**$7,153,800**	**$7,413,100**	**$7,681,400**	**$7,961,700**	**$8,253,000**	**$8,553,300**	**$8,868,600**	**$9,193,900**	**$9,532,300**	**$9,884,700**	**$10,250,100**	**$10,630,500**	**$11,024,900**	**$11,437,300**
Residential Space Expenses															
Utilities															
Electricity	$155,000	$163,000	$171,000	$180,000	$189,000	$198,000	$208,000	$218,000	$229,000	$240,000	$252,000	$265,000	$278,000	$292,000	$307,000
Heat	$446,000	$468,000	$491,000	$516,000	$542,000	$569,000	$597,000	$627,000	$658,000	$691,000	$726,000	$762,000	$800,000	$840,000	$882,000
Water and Sewer	$59,000	$62,000	$65,000	$68,000	$71,000	$75,000	$79,000	$83,000	$87,000	$91,000	$96,000	$101,000	$106,000	$111,000	$117,000
Physical Plan Dept. Costs															
Maintenance Supplies	$73,000	$77,000	$81,000	$85,000	$89,000	$93,000	$98,000	$103,000	$108,000	$113,000	$119,000	$125,000	$131,000	$138,000	$145,000
Maintenance Labor	$215,000	$226,000	$237,000	$249,000	$261,000	$274,000	$288,000	$302,000	$317,000	$333,000	$350,000	$368,000	$386,000	$405,000	$425,000
Administrative Overhead															
Salaries and Benefits	$369,000	$384,000	$399,000	$415,000	$432,000	$449,000	$467,000	$486,000	$505,000	$525,000	$546,000	$568,000	$591,000	$615,000	$640,000
Services & Supplies (Other)	$193,000	$201,000	$209,000	$217,000	$226,000	$235,000	$244,000	$254,000	$264,000	$275,000	$286,000	$297,000	$309,000	$321,000	$334,000
Miscellaneous Charges															
Student Telephone Service	$73,000	$74,000	$75,000	$77,000	$79,000	$81,000	$83,000	$85,000	$87,000	$89,000	$91,000	$93,000	$95,000	$97,000	$99,000
Conference Office Operation	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Worker's Compensation	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000
Insurance	$234,000	$241,000	$248,000	$255,000	$263,000	$271,000	$279,000	$287,000	$296,000	$305,000	$314,000	$323,000	$333,000	$343,000	$353,000
Ground Lease	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000
PASSHE (@ 0.50% of Gross Revenues, excl. University Rent)	$31,000	$32,000	$33,000	$35,000	$36,000	$37,000	$39,000	$40,000	$42,000	$43,000	$45,000	$47,000	$49,000	$51,000	$53,000
Sub-Total	**$1,876,000**	**$1,956,000**	**$2,037,000**	**$2,125,000**	**$2,216,000**	**$2,310,000**	**$2,410,000**	**$2,513,000**	**$2,621,000**	**$2,733,000**	**$2,853,000**	**$2,977,000**	**$3,106,000**	**$3,241,000**	**$3,383,000**
Non-Residential Space Expenses															
Utilities															
Electricity	$18,000	$18,900	$19,800	$20,800	$21,800	$22,900	$24,000	$25,200	$26,500	$27,800	$29,200	$30,700	$32,200	$33,800	$35,500
Heat	$51,600	$54,200	$56,900	$59,700	$62,700	$65,800	$69,100	$72,600	$76,200	$80,000	$84,000	$88,200	$92,600	$97,200	$102,100
Water and Sewer	$6,900	$7,200	$7,600	$8,000	$8,400	$8,800	$9,200	$9,700	$10,200	$10,700	$11,200	$11,800	$12,400	$13,000	$13,700
Physical Plan Dept. Costs															
Maintenance Supplies	$8,400	$8,800	$9,200	$9,700	$10,200	$10,700	$11,200	$11,800	$12,400	$13,000	$13,700	$14,400	$15,100	$15,900	$16,700
Maintenance Labor	$24,800	$26,000	$27,300	$28,700	$30,100	$31,600	$33,200	$34,900	$36,600	$38,400	$40,300	$42,300	$44,400	$46,600	$48,900
Administrative Overhead															
Salaries and Benefits	$42,700	$44,400	$46,200	$48,000	$49,900	$51,900	$54,000	$56,200	$58,400	$60,700	$63,100	$65,600	$68,200	$70,900	$73,700
Services & Supplies (Other)	$22,300	$23,200	$24,100	$25,100	$26,100	$27,100	$28,200	$29,300	$30,500	$31,700	$33,000	$34,300	$35,700	$37,100	$38,600
Miscellaneous Charges															
Telephone Service	$8,400	$8,600	$8,800	$9,000	$9,200	$9,400	$9,600	$9,800	$10,000	$10,200	$10,400	$10,600	$10,800	$11,000	$11,200
Conference Office Operation	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Worker's Compensation	$450	$460	$470	$480	$490	$500	$510	$520	$530	$540	$550	$560	$570	$580	$590
Insurance	$27,000	$27,800	$28,600	$29,500	$30,400	$31,300	$32,200	$33,200	$34,200	$35,200	$36,300	$37,400	$38,500	$39,700	$40,900
Ground Lease	$2,800	$2,900	$3,000	$3,100	$3,200	$3,300	$3,400	$3,500	$3,600	$3,700	$3,800	$3,900	$4,000	$4,100	$4,200
PASSHE (@ 0.50% of University Rent Revenue)	$3,600	$3,700	$3,800	$4,000	$4,200	$4,400	$4,600	$4,800	$5,000	$5,200	$5,400	$5,600	$5,800	$6,000	$6,200
Sub-Total	**$217,000**	**$226,000**	**$236,000**	**$246,000**	**$257,000**	**$268,000**	**$279,000**	**$292,000**	**$304,000**	**$317,000**	**$331,000**	**$345,000**	**$360,000**	**$376,000**	**$392,000**
Total Expenses	**$2,093,000**	**$2,182,000**	**$2,273,000**	**$2,371,000**	**$2,473,000**	**$2,578,000**	**$2,689,000**	**$2,805,000**	**$2,925,000**	**$3,050,000**	**$3,184,000**	**$3,322,000**	**$3,466,000**	**$3,617,000**	**$3,775,000**
Residential Spaces Capital Reserves (@ $190 per bed)	$164,000	$169,000	$174,000	$179,000	$184,000	$190,000	$196,000	$202,000	$208,000	$214,000	$220,000	$227,000	$234,000	$241,000	$248,000
Non-Residential Spaces Capital Reserves	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Net Operating Income (NOI)	**$4,651,500**	**$4,802,800**	**$4,966,100**	**$5,131,400**	**$5,304,700**	**$5,485,000**	**$5,668,300**	**$5,861,600**	**$6,060,900**	**$6,268,300**	**$6,480,700**	**$6,701,100**	**$6,930,500**	**$7,166,900**	**$7,414,300**
Residential Spaces Annual Debt Service*	$3,327,838	$3,551,426	$3,668,224	$3,787,777	$3,909,597	$4,033,144	$4,162,963	$4,163,555	$4,160,806	$4,164,670	$4,164,721	$4,160,897	$4,163,193	$4,161,103	$4,164,654
Non-Residential Spaces Annual Debt Service**	$462,000	$462,000	$462,000	$462,000	$462,000	$462,000	$462,000	$462,000	$462,000	$462,000	$462,000	$462,000	$462,000	$462,000	$462,000
Ending Cash Balance^^	**$861,662**	**$789,374**	**$835,876**	**$881,623**	**$933,103**	**$989,856**	**$1,043,337**	**$1,236,045**	**$1,438,094**	**$1,641,630**	**$1,853,979**	**$2,078,203**	**$2,305,307**	**$2,543,797**	**$2,787,646**
Residential Spaces Additional Operating Expenses^	$515,000	$525,000	$536,000	$547,000	$558,000	$569,000	$580,000	$592,000	$604,000	$616,000	$628,000	$641,000	$654,000	$667,000	$680,000
Non-Residential Spaces Additional Operating Expenses^	$60,000	$61,000	$62,000	$63,000	$64,000	$65,000	$66,000	$67,000	$68,000	$69,000	$70,000	$71,000	$72,000	$73,000	$74,000
Cumulative Cash Flow	**$286,662**	**$490,036**	**$727,912**	**$999,535**	**$1,310,638**	**$1,666,494**	**$2,063,831**	**$2,640,877**	**$3,406,971**	**$4,363,601**	**$5,519,580**	**$6,885,782**	**$8,465,089**	**$10,268,886**	**$12,302,532**
Less Payment to University per Ground Lease Agreement	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**
Cumulative Cash Flow After Ground Lease Payment to University	**$204,662**	**$408,036**	**$645,912**	**$917,535**	**$1,228,638**	**$1,584,494**	**$1,981,831**	**$2,558,877**	**$3,324,971**	**$4,281,601**	**$5,437,580**	**$6,803,782**	**$8,383,089**	**$10,186,886**	**$12,220,532**
Debt Coverage Ratio	**1.23**	**1.20**	**1.20**	**1.21**	**1.21**	**1.22**	**1.23**	**1.27**	**1.31**	**1.35**	**1.40**	**1.45**	**1.50**	**1.55**	**1.60**

Note: * Amortization schedule provided by underwriter.
** Based on a flat amortization schedule.
^ Underwriting for similar in-state projects has allowed cumulative cash flow / ending cash balances to be used "below the line" to account for additional operating expenses.

^^ A ground lease agreement will be set up between the 501c3 and University to outline revenue sharing policies for end of year cash balances. It is anticipated that the ground lease revenue transfer to the University will provide sufficient funds to retire the housing system's annual debt payments.

Shippensburg State University of Pennsylvania
Student Housing Master Plan - Phase I - Fall 2010 Occupancy
Operating Pro Forma

Operating Year	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Total Beds including Non Revenue Beds	**865**	**865**	**865**	**865**	**865**	**865**	**865**	**865**	**865**	**865**	**865**	**865**	**865**	**865**	**865**
Total Residential Square Footage	**285,318**	**285,318**	**285,318**	**285,318**	**285,318**	**285,318**	**285,318**	**285,318**	**285,318**	**285,318**	**285,318**	**285,318**	**285,318**	**285,318**	**285,318**
Total Non-Residential Square Footage	**33,000**	**33,000**	**33,000**	**33,000**	**33,000**	**33,000**	**33,000**	**33,000**	**33,000**	**33,000**	**33,000**	**33,000**	**33,000**	**33,000**	**33,000**
Academic Year Rental Revenues:															
Unit Type B - Shared Semi-Suite	$3,157,000	$3,283,000	$3,414,000	$3,551,000	$3,693,000	$3,841,000	$3,995,000	$4,155,000	$4,321,000	$4,494,000	$4,674,000	$4,861,000	$5,055,000	$5,257,000	$5,467,000
Unit Type C - Private Semi-Suite	$2,963,000	$3,082,000	$3,205,000	$3,333,000	$3,466,000	$3,605,000	$3,749,000	$3,899,000	$4,055,000	$4,217,000	$4,386,000	$4,561,000	$4,743,000	$4,933,000	$5,130,000
Unit Type D - Shared Suite															
Two Person Unit	$104,000	$108,000	$112,000	$116,000	$121,000	$126,000	$131,000	$136,000	$141,000	$147,000	$153,000	$159,000	$165,000	$172,000	$179,000
Four Person Unit	$2,232,000	$2,321,000	$2,414,000	$2,511,000	$2,611,000	$2,715,000	$2,824,000	$2,937,000	$3,054,000	$3,176,000	$3,303,000	$3,435,000	$3,572,000	$3,715,000	$3,864,000
Unit Type E - Private Suite															
Two Person Unit	$1,051,000	$1,093,000	$1,137,000	$1,182,000	$1,229,000	$1,278,000	$1,329,000	$1,382,000	$1,437,000	$1,494,000	$1,554,000	$1,616,000	$1,681,000	$1,748,000	$1,818,000
Four Person Unit	$829,000	$862,000	$896,000	$932,000	$969,000	$1,008,000	$1,048,000	$1,090,000	$1,134,000	$1,179,000	$1,226,000	$1,275,000	$1,326,000	$1,379,000	$1,434,000
Sub-Total	**$10,336,000**	**$10,749,000**	**$11,178,000**	**$11,625,000**	**$12,089,000**	**$12,573,000**	**$13,076,000**	**$13,599,000**	**$14,142,000**	**$14,707,000**	**$15,296,000**	**$15,907,000**	**$16,542,000**	**$17,204,000**	**$17,892,000**
Summer Rental Revenues:															
Unit Type B - Shared Semi-Suite	$35,000	$36,000	$37,000	$38,000	$40,000	$42,000	$44,000	$46,000	$48,000	$50,000	$52,000	$54,000	$56,000	$58,000	$60,000
Unit Type C - Private Semi-Suite	$34,000	$35,000	$36,000	$37,000	$38,000	$40,000	$42,000	$44,000	$46,000	$48,000	$50,000	$52,000	$54,000	$56,000	$58,000
Unit Type D - Shared Suite															
Two Person Unit	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
Four Person Unit	$29,000	$30,000	$31,000	$32,000	$33,000	$34,000	$35,000	$36,000	$37,000	$38,000	$40,000	$42,000	$44,000	$46,000	$48,000
Unit Type E - Private Suite															
Two Person Unit	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000
Four Person Unit	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000
Sub-Total	**$112,000**	**$115,000**	**$118,000**	**$121,000**	**$125,000**	**$130,000**	**$135,000**	**$140,000**	**$145,000**	**$150,000**	**$156,000**	**$162,000**	**$168,000**	**$174,000**	**$180,000**
Other Revenues:															
Rent from University for Non-Residential Spaces	$946,000	$966,000	$987,000	$1,009,000	$1,031,000	$1,054,000	$1,079,000	$1,104,000	$1,130,000	$1,158,000	$1,187,000	$1,217,000	$1,248,000	$1,281,000	$1,315,000
Commons Fee	$255,000	$263,000	$271,000	$279,000	$287,000	$296,000	$305,000	$314,000	$323,000	$333,000	$343,000	$353,000	$364,000	$375,000	$386,000
Interest Earned on Debt Service Reserve	$165,000	$165,000	$165,000	$165,000	$165,000	$165,000	$165,000	$165,000	$165,000	$165,000	$165,000	$165,000	$165,000	$165,000	$165,000
Damages	$14,700	$15,100	$15,600	$16,100	$16,600	$17,100	$17,600	$18,100	$18,600	$19,200	$19,800	$20,400	$21,000	$21,600	$22,200
Vending/Laundry	$35,000	$36,000	$37,000	$38,000	$39,000	$40,000	$41,000	$42,000	$43,000	$44,000	$45,000	$46,000	$47,000	$48,000	$49,000
Sub-Total	**$1,415,700**	**$1,445,100**	**$1,475,600**	**$1,507,100**	**$1,538,600**	**$1,572,100**	**$1,607,600**	**$1,643,100**	**$1,679,600**	**$1,719,200**	**$1,759,800**	**$1,801,400**	**$1,845,000**	**$1,890,600**	**$1,937,200**
Total Revenues:	**$11,863,700**	**$12,309,100**	**$12,771,600**	**$13,253,100**	**$13,752,600**	**$14,275,100**	**$14,818,600**	**$15,382,100**	**$15,966,600**	**$16,576,200**	**$17,211,800**	**$17,870,400**	**$18,555,000**	**$19,268,600**	**$20,009,200**
Residential Space Expenses															
Utilities															
Electricity	$322,000	$338,000	$355,000	$373,000	$392,000	$412,000	$433,000	$455,000	$478,000	$502,000	$527,000	$553,000	$581,000	$610,000	$641,000
Heat	$926,000	$972,000	$1,021,000	$1,072,000	$1,126,000	$1,182,000	$1,241,000	$1,303,000	$1,368,000	$1,436,000	$1,508,000	$1,583,000	$1,662,000	$1,745,000	$1,832,000
Water and Sewer	$123,000	$129,000	$135,000	$142,000	$149,000	$156,000	$164,000	$172,000	$181,000	$190,000	$200,000	$210,000	$221,000	$232,000	$244,000
Physical Plan Dept. Costs															
Maintenance Supplies	$152,000	$160,000	$168,000	$176,000	$185,000	$194,000	$204,000	$214,000	$225,000	$236,000	$248,000	$260,000	$273,000	$287,000	$301,000
Maintenance Labor	$446,000	$468,000	$491,000	$516,000	$542,000	$569,000	$597,000	$627,000	$658,000	$691,000	$726,000	$762,000	$800,000	$840,000	$882,000
Administrative Overhead															
Salaries and Benefits	$666,000	$693,000	$721,000	$750,000	$780,000	$811,000	$843,000	$877,000	$912,000	$948,000	$986,000	$1,025,000	$1,066,000	$1,109,000	$1,153,000
Services & Supplies (Other)	$347,000	$361,000	$375,000	$390,000	$406,000	$422,000	$439,000	$457,000	$475,000	$494,000	$514,000	$535,000	$556,000	$578,000	$601,000
Miscellaneous Charges															
Student Telephone Service	$101,000	$103,000	$105,000	$107,000	$109,000	$111,000	$113,000	$115,000	$117,000	$119,000	$121,000	$123,000	$125,000	$128,000	$131,000
Conference Office Operation	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Worker's Compensation	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000
Insurance	$364,000	$375,000	$386,000	$398,000	$410,000	$422,000	$435,000	$448,000	$461,000	$475,000	$489,000	$504,000	$519,000	$535,000	$551,000
Ground Lease	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000
PASSHE (@ 0.50% of Gross Revenues, excl. University Rent)	$55,000	$57,000	$59,000	$61,000	$64,000	$66,000	$69,000	$71,000	$74,000	$77,000	$80,000	$83,000	$87,000	$90,000	$93,000
Sub-Total	**$3,530,000**	**$3,684,000**	**$3,844,000**	**$4,013,000**	**$4,191,000**	**$4,373,000**	**$4,566,000**	**$4,767,000**	**$4,977,000**	**$5,196,000**	**$5,427,000**	**$5,666,000**	**$5,918,000**	**$6,182,000**	**$6,457,000**
Non-Residential Space Expenses															
Utilities															
Electricity	$37,300	$39,200	$41,200	$43,300	$45,500	$47,800	$50,200	$52,700	$55,300	$58,100	$61,000	$64,100	$67,300	$70,700	$74,200
Heat	$107,200	$112,600	$118,200	$124,100	$130,300	$136,800	$143,600	$150,800	$158,300	$166,200	$174,500	$183,200	$192,400	$202,000	$212,100
Water and Sewer	$14,400	$15,100	$15,900	$16,700	$17,500	$18,400	$19,300	$20,300	$21,300	$22,400	$23,500	$24,700	$25,900	$27,200	$28,600
Physical Plan Dept. Costs															
Maintenance Supplies	$17,500	$18,400	$19,300	$20,300	$21,300	$22,400	$23,500	$24,700	$25,900	$27,200	$28,600	$30,000	$31,500	$33,100	$34,800
Maintenance Labor	$51,300	$53,900	$56,600	$59,400	$62,400	$65,500	$68,800	$72,200	$75,800	$79,600	$83,600	$87,800	$92,200	$96,800	$101,600
Administrative Overhead															
Salaries and Benefits	$76,600	$79,700	$82,900	$86,200	$89,600	$93,200	$96,900	$100,800	$104,800	$109,000	$113,400	$117,900	$122,600	$127,500	$132,600
Services & Supplies (Other)	$40,100	$41,700	$43,400	$45,100	$46,900	$48,800	$50,800	$52,800	$54,900	$57,100	$59,400	$61,800	$64,300	$66,900	$69,600
Miscellaneous Charges															
Telephone Service	$11,400	$11,600	$11,800	$12,000	$12,200	$12,400	$12,600	$12,900	$13,200	$13,500	$13,800	$14,100	$14,400	$14,700	$15,000
Conference Office Operation	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Worker's Compensation	$600	$610	$620	$630	$640	$650	$660	$670	$680	$690	$700	$710	$720	$730	$740
Insurance	$42,100	$43,400	$44,700	$46,000	$47,400	$48,800	$50,300	$51,800	$53,400	$55,000	$56,700	$58,400	$60,200	$62,000	$63,900
Ground Lease	$4,300	$4,400	$4,500	$4,600	$4,700	$4,800	$4,900	$5,000	$5,100	$5,200	$5,300	$5,400	$5,500	$5,600	$5,700
PASSHE (@ 0.50% of University Rent Revenue)	$6,400	$6,700	$7,000	$7,300	$7,600	$7,900	$8,200	$8,500	$8,800	$9,200	$9,600	$10,000	$10,400	$10,800	$11,200
Sub-Total	**$409,000**	**$427,000**	**$446,000**	**$466,000**	**$486,000**	**$507,000**	**$530,000**	**$553,000**	**$577,000**	**$603,000**	**$630,000**	**$658,000**	**$687,000**	**$718,000**	**$750,000**
Total Expenses	**$3,939,000**	**$4,111,000**	**$4,290,000**	**$4,479,000**	**$4,677,000**	**$4,880,000**	**$5,096,000**	**$5,320,000**	**$5,554,000**	**$5,799,000**	**$6,057,000**	**$6,324,000**	**$6,605,000**	**$6,900,000**	**$7,207,000**
Residential Spaces Capital Reserves (@ $190 per bed)	$255,000	$263,000	$271,000	$279,000	$287,000	$296,000	$305,000	$314,000	$323,000	$333,000	$343,000	$353,000	$364,000	$375,000	$386,000
Non-Residential Spaces Capital Reserves	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Net Operating Income (NOI)	**$7,669,700**	**$7,935,100**	**$8,210,600**	**$8,495,100**	**$8,788,600**	**$9,099,100**	**$9,417,600**	**$9,748,100**	**$10,089,600**	**$10,444,200**	**$10,811,800**	**$11,193,400**	**$11,586,000**	**$11,993,600**	**$12,416,200**
Residential Spaces Annual Debt Service*	$4,163,305	$4,162,061	$4,160,650	$4,163,847	$4,161,119	$4,162,454	$4,162,342	$4,160,558	$4,161,799	$4,160,575	$4,161,610	$4,164,410	$4,163,454	$4,163,478	$4,163,967
Non-Residential Spaces Annual Debt Service**	$462,000	$462,000	$462,000	$462,000	$462,000	$462,000	$462,000	$462,000	$462,000	$462,000	$462,000	$462,000	$462,000	$462,000	$462,000
Ending Cash Balance^^	**$3,044,395**	**$3,311,039**	**$3,587,950**	**$3,869,253**	**$4,165,481**	**$4,474,646**	**$4,793,258**	**$5,125,542**	**$5,465,801**	**$5,821,625**	**$6,188,190**	**$6,566,990**	**$6,960,546**	**$7,368,122**	**$7,790,233**
Residential Spaces Additional Operating Expenses^	$694,000	$708,000	$722,000	$736,000	$751,000	$766,000	$781,000	$797,000	$813,000	$829,000	$846,000	$863,000	$880,000	$898,000	$916,000
Non-Residential Spaces Additional Operating Expenses^	$75,000	$77,000	$79,000	$81,000	$83,000	$85,000	$87,000	$89,000	$91,000	$93,000	$95,000	$97,000	$99,000	$101,000	$103,000
Cumulative Cash Flow	**$14,577,926**	**$17,103,965**	**$19,890,915**	**$22,943,168**	**$26,274,650**	**$29,898,295**	**$33,823,553**	**$38,063,095**	**$42,624,896**	**$47,524,521**	**$52,771,711**	**$58,378,701**	**$64,360,247**	**$70,729,369**	**$77,500,602**
Less Payment to University per Ground Lease Agreement	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**
Cumulative Cash Flow After Ground Lease Payment to University	**$14,495,926**	**$17,021,965**	**$19,808,915**	**$22,861,168**	**$26,192,650**	**$29,816,295**	**$33,741,553**	**$37,981,095**	**$42,542,896**	**$47,442,521**	**$52,689,711**	**$58,296,701**	**$64,278,247**	**$70,647,369**	**$77,418,602**
Debt Coverage Ratio	**1.66**	**1.72**	**1.78**	**1.84**	**1.90**	**1.97**	**2.04**	**2.11**	**2.18**	**2.26**	**2.34**	**2.42**	**2.50**	**2.59**	**2.68**

Note: * Amortization schedule provided by underwriter.
** Based on a flat amortization schedule.
^ Underwriting for similar in-state projects has allowed cumulative cash flow / ending cash balances to be used "below the line" to account for additional operating expenses.

^^ A ground lease agreement will be set up between the 501c3 and University to outline revenue sharing policies for end of year cash balances. It is anticipated that the ground lease revenue transfer to the University will provide sufficient funds to retire the housing system's annual debt payments.

Residential Space	Quantity	Beds Per Unit	Total Beds
Unit Type B - Shared Semi-Suite	135	2	270
Unit Type B (RA Room) - Semi-Suite Single Rooms for RAs	19	1	19
Unit Type C - Private Semi-Suite	118	2	236
Unit Type D.1 - Two Person Shared Suite	4	2	8
Unit Type D.2 - Four Person Shared Suite	46	4	184
Unit Type E.1 - Two Person Private Suite	38	2	76
Unit Type E.2 - Four Person Private Suite	16	4	64
Unit Type F - Professional Staff / Resident Director Apartment	4	2	8
Total Residential Spaces	361	x	865
		Revenue Generating Beds	838

Total Residential GSF (Incl. Mail Area & Staff Apartments)	285,318
Gross Square Feet Per Bed	330

Shippensburg State University of Pennsylvania
Student Housing Master Plan - Phase I - Fall 2010 Occupancy
Residential Spaces Project Development Budget

Project Budget			Notes
Hard Costs			
1	Residential Hard Cost of Construction	$41,371,000	
2	Residential Furniture, Fixtures, & Equipment	$2,030,400	
3	Abate/Demo Bookstore Annex	$75,443	2,105 gsf @ $40 per square foot.
4	Abate/Demo Seavers	$1,025,356	114,437 gsf @ $10 per square foot.
5	Abate/Demo Etter	$159,488	8,900 gsf @ $20 per square foot.
6	Abate/Demo Faculty Office Building	$125,440	7,000 gsf @ $20 per square foot.
7	Inflation Allowance @ 5%	$0	
	Subtotal - Hard Costs	**$44,787,127**	
Soft Costs			
8	Architectural & Engineering Base Fees	$2,239,356	
9	Additional Architectural & Engineering Services	$224,000	
10	Development & Legal Fees	$2,363,000	
11	Miscellaneous (test fees, surveys, start up costs, etc)	$96,527	
12	Project Contingency	$1,491,300	
	Subtotal - Soft Costs	**$6,414,184**	
Bond Financing Costs			
13	Less Construction Period Interest	($1,156,440)	An allowance has been provided and final figures would be based on draw down schedule.
14	Capitalized Interest, Issuance, and Insurance	$8,404,838	Based on comments from underwriter.
15	Deposit to Debt Service Reserve	$4,125,173	Assumed @ one year debt service payment on flat amortization schedule.
	Subtotal - Financing Costs	**$11,373,571**	
	Total Project Cost	**$62,574,881**	
	Total Project Cost/Bed	**$72,341**	

Assumptions		
New Square Footage	285,318	
Residential Cost/Square Foot	$145	Cost per square foot provided by WTW and is expressed in 2010 dollars; assumes minimal site work.
Residential FF&E Cost/Bed	$2,400	Cost per bed provided by WTW.
Annual Inflation Rate	0%	
Years to Midpoint of Construction	0	
Project Contingency	3.0%	
Development & Legal Fees	5.0%	
Miscellaneous @ % of AE & PM/Development Fees	2.0%	
A/E Design Fees	5.0%	

Shippensburg State University of Pennsylvania
Student Housing Master Plan - Phase I - Fall 2010 Occupancy
Non-Residential Spaces Project Development Budget

Project Budget			Notes
Hard Costs			
1	Furniture, Fixtures, & Equipment	$0	
2	New Health Center 1A Ground Floor w/o FFE	$1,708,800	Provided by WTW.
3	New Counseling Center 1A Ground Floor w/o FFE	$480,000	Provided by WTW.
4	Unassigned Area 1 A Ground Floor w/o FFE	$2,361,600	Provided by WTW.
5	Honors College Buildout	$729,600	Provided by WTW.
6	Non-Residential Spaces Site Prep Cost @ 10.4% of Total Site Prep Cost	$160,843	
7	Inflation Allowance @ 5%	$0	
	Subtotal - Hard Costs	**$5,440,843**	
Soft Costs			
8	Architectural & Engineering Base Fees	$272,042	
9	Additional Architectural & Engineering Services	$27,000	
10	Development & Legal Fees	$287,000	
11	Miscellaneous (test fees, surveys, start up costs, etc)	$11,721	
12	Project Contingency	$181,158	
	Subtotal - Soft Costs	**$778,921**	
Bond Financing Costs (@ 18% of total project cost)			
13	Less Construction Period Interest	($1,156,440)	An allowance has been provided and final figures would be based on draw down schedule.
14	Capitalized Interest, Issuance, and Insurance	$8,404,838	Based on comments from underwriter.
15	Deposit to Debt Service Reserve	$4,125,173	Assumed @ one year debt service payment on flat amortization schedule.
	Subtotal - Financing Costs	**$1,300,000**	
	Total Project Cost	**$7,519,764**	

Assumptions		
New Square Footage	33,000	
Non-Residential Cost/Square Foot	$160	Cost per square foot provided by WTW and is expressed in 2010 dollars; assumes minimal site work.
Non-Residential FF&E Cost/square foot	$0	Cost per bed provided by WTW.
Annual Inflation Rate	0%	
Years to Midpoint of Construction	0	
Project Contingency	3.0%	
Development & Legal Fees	5.0%	
Miscellaneous @ % of AE & PM/Development Fees	2.0%	
A/E Design Fees	5.0%	

Non-Residential Spaces Annual Debt Service (@ 4.5% for 30 years)	**($461,650)**

Shippensburg State University of Pennsylvania
Student Housing Master Plan - Phase I - Fall 2010 Occupancy
Revenue Assumptions

Years Until Building Opening:	**3**	
Annual Rental Rate Escalation:	**4%**	
Annual Other Revenue Escalation:	**3%**	
Damages per bed per semester:	**$5**	
Laundry/Vending Revenue Per Student Per Year (at opening)	**$25**	Dependent on contract with laundry and food service vendors.
Commons Fee Per Student Per Year (at opening)	**$200**	Other PA projects charge this fee as a non-refundable deposit for usage of common area amenities.
Number of Students per Resident Assistant:	**47**	
Number of Non-Revenue Generating Beds:	**18**	

Unit Type	Rental Rate (2007 dollars)#	Rental Rate (at opening)*	Lease Term (# months)^	Year 1 Occupancy Rate	Year 2 Occupancy Rate	Stabilized Years Occupancy Rate	Year 1 Rental Revenue	Year 2 Rental Revenue	Year 3 Rental Revenue*	Academic Year Rent Per Bed**
Unit Type B - Shared Semi-Suite										
Double Occupancy	$675	$759	9	95%	95%	95%	$1,753,000	$1,823,000	$1,896,000	$6,834
Summary Occupancy (Double)	$675	$759	2	5%	5%	5%	$21,000	$21,000	$22,000	x
Unit Type B (RA Room) - Semi-Suite Single Rooms for RAs										
Single Occupancy	$0	$0	x	x	x	x	x	x	x	x
Summary Occupancy (Single)	$0	$0	x	x	x	x	x	x	x	x
Unit Type C - Private Semi-Suite										
Single Occupancy	$725	$816	9	95%	95%	95%	$1,646,000	$1,711,000	$1,780,000	$7,340
Summer Occupancy (Single)	$725	$816	2	5%	5%	5%	$19,000	$20,000	$21,000	x
Unit Type D - Shared Suite										
Two Person Unit	$750	$844	9	95%	95%	95%	$58,000	$60,000	$62,000	$7,593
Four Person Unit	$700	$787	9	95%	95%	95%	$1,239,000	$1,288,000	$1,340,000	$7,087
Summer Occupancy (Two Person)	$750	$844	2	5%	5%	5%	$1,000	$1,000	$1,000	x
Summer Occupancy (Four Person)	$700	$787	2	5%	5%	5%	$14,000	$15,000	$16,000	x
Unit Type E - Private Suite										
Two Person Unit	$800	$900	9	95%	95%	95%	$585,000	$608,000	$632,000	$8,099
Four Person Unit	$750	$844	9	95%	95%	95%	$462,000	$480,000	$499,000	$7,593
Summer Occupancy (Two Person)	$800	$900	2	5%	5%	5%	$7,000	$7,000	$7,000	x
Summer Occupancy (Four Person)	$750	$844	2	5%	5%	5%	$5,000	$6,000	$6,000	x
Unit Type E - Staff Apartment										
Single Occupancy	$0	$0	x	x	x	x	x	x	x	x
Double Occupancy	$0	$0	x	x	x	x	x	x	x	x
Summer Occupancy (Single)	$0	$0	x	x	x	x	x	x	x	x
Summer Occupancy (Double)	$0	$0	x	x	x	x	x	x	x	x
						TOTAL:	**$5,810,000**	**$6,040,000**	**$6,282,000**	

 # Rental rates represent highest end of range tested on survey.
^ 10 month lease similar to other in-state projects.
*** Year 3 rental revenue is calculated using "Stabilized Years Occupancy Rate"**
**** Assumes "Rental Rate (at opening)"**

Shippensburg State University of Pennsylvania
Student Housing Master Plan - Phase I - Fall 2010 Occupancy
Residential Spaces Expense Assumptions

Yearly Residential Expenses	Annual Inflation Factor	Calculation Basis	Per SF 2007/2008	Total 2007/2008	Notes
Utilities	-	Per SF	-		Utilities costs will need to be further verified assuming geothermal systems, which will likely lower utility costs.
Electricity	5.00%	Per SF	$0.47	$134,000	Reflects current University owned housing cost.
Heat	5.00%	Per SF	$1.35	$385,000	Reflects current University owned housing cost.
Water and Sewer	5.00%	Per SF	$0.18	$51,000	Reflects current University owned housing cost.
Physical Plan Dept. Costs	-	Per SF	-		
Maintenance Supplies	5.0%	Per SF	$0.22	$63,000	Inflation rate more aggressive given rising maintenance costs as property ages.
Maintenance Labor	5.0%	Per SF	$0.65	$185,000	Assumes property will cover its own maintenance labor costs plus some University owned housing costs.
Administrative Overhead	-	Per SF	-		
Salaries and Benefits	4%	Per SF	$1.15	$328,000	Assumes that certain University owned housing administrative costs would not be carried by project.
Services & Supplies (Other)	4%	Per SF	$0.60	$171,000	Assumes that property will cover its own services & supplies plus some University owned housing costs.
Miscellaneous Charges	-	Per SF	-		
Student Telephone Service	2%	Per SF	$0.24	$68,000	
Conference Office Operation	5%	Per SF	$0.00	$0	Assumes that conference operations would be carried by University owned housing.
Worker's Compensation	2%	Per SF	$0.01	$4,000	
Insurance	3%	Per SF	$0.75	$214,000	Based on other similar state projects.
Ground Lease	2%	Per SF	$0.08	$23,000	Based on other similar state projects.
Total		**Total Expenses:**	**$5.70**	**$1,626,000**	Aggressive operating cost per square foot. As is practiced at other in-state projects a portion of expenses may be carried "below the line" using cash surpluses created by accommodating the 1.20 debt coverage ratio.

Additional Expenses ("below the line")	2%	Per SF	$1.70	$485,000

Other Notes:

Expenses related to lease payments to Shippensburg University Foundation, University owned housing capital expenditures, Chancellor's office payment, and bad debts are not included.

Assumes that management expenses are included in the "Salaries and Benefits" cost category. University should confirm that management of facility could occur for these dollars.

Shippensburg State University of Pennsylvania
Student Housing Master Plan - Phase I - Fall 2010 Occupancy
Non-Residential Spaces Expense Assumptions

Yearly Non-Residential Expenses	Annual Inflation Factor	Calculation Basis	Per SF 2007/2008	Total 2007/2008	Notes
Utilities	-	Per SF	-		Utilities costs will need to be further verified assuming geothermal systems, which will likely lower utility costs.
Electricity	5.00%	Per SF	$0.47	$16,000	Reflects current University owned housing cost.
Heat	5.00%	Per SF	$1.35	$45,000	Reflects current University owned housing cost.
Water and Sewer	5.00%	Per SF	$0.18	$6,000	Reflects current University owned housing cost.
Physical Plan Dept. Costs	-	Per SF	-		
Maintenance Supplies	5%	Per SF	$0.22	$7,000	Inflation rate more aggressive given rising maintenance costs as property ages.
Maintenance Labor	5%	Per SF	$0.65	$21,000	Assumes property will cover its own maintenance labor costs plus some University owned housing costs.
Administrative Overhead	-	Per SF	-		
Salaries and Benefits	4%	Per SF	$1.15	$38,000	Assumes that certain University owned housing administrative costs would not be carried by project.
Services & Supplies (Other)	4%	Per SF	$0.60	$20,000	Assumes that property will cover its own services & supplies plus some University owned housing costs.
Miscellaneous Charges	-	Per SF	-		
Telephone Service	2%	Per SF	$0.24	$8,000	
Conference Office Operation	5%	Per SF	$0.00	$0	Assumes that conference operations would be carried by University owned housing.
Worker's Compensation	2%	Per SF	$0.01	$400	
Insurance	3%	Per SF	$0.75	$25,000	Based on other similar state projects.
Ground Lease	2%	Per SF	$0.08	$3,000	Based on other similar state projects.
Total		**Total Expenses:**	**$5.70**	**$189,400**	Aggressive operating cost per square foot. As is practiced at other in-state projects a portion of expenses may be carried "below the line" using cash surpluses created by accommodating the 1.20 debt coverage ratio.
Additional Expenses ("below the line")	2%	Per SF	$1.70	$56,000	

Other Notes:

Expenses related to lease payments to Shippensburg University Foundation, University owned housing capital expenditures, Chancellor's office payment, and bad debts are not included.

Assumes that management expenses are included in the "Salaries and Benefits" cost category. University should confirm that management of facility could occur for these dollars.

Shippensburg State University of Pennsylvania
Student Housing Master Plan - Phase II, Fall 2011 Occupancy
Operating Pro Forma

Operating Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Total Beds including Non-Revenue Beds	876	876	876	876	876	876	876	876	876	876	876	876	876	876	876
Total Residential Square Footage	281,896	281,896	281,896	281,896	281,896	281,896	281,896	281,896	281,896	281,896	281,896	281,896	281,896	281,896	281,896
Total Non-Residential Square Footage	16,920	16,920	16,920	16,920	16,920	16,920	16,920	16,920	16,920	16,920	16,920	16,920	16,920	16,920	16,920
Academic Year Rental Revenues:															
Unit Type B - Shared Semi-Suite	$2,674,000	$2,781,000	$2,892,000	$3,008,000	$3,128,000	$3,253,000	$3,383,000	$3,518,000	$3,659,000	$3,805,000	$3,957,000	$4,115,000	$4,280,000	$4,451,000	$4,629,000
Unit Type C - Private Semi-Suite	$1,392,000	$1,448,000	$1,506,000	$1,566,000	$1,629,000	$1,694,000	$1,762,000	$1,832,000	$1,905,000	$1,981,000	$2,060,000	$2,142,000	$2,228,000	$2,317,000	$2,410,000
Unit Type D - Shared Suite															
Two Person Unit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Four Person Unit	$896,000	$932,000	$969,000	$1,008,000	$1,048,000	$1,090,000	$1,134,000	$1,179,000	$1,226,000	$1,275,000	$1,326,000	$1,379,000	$1,434,000	$1,491,000	$1,551,000
Unit Type E - Private Suite															
Two Person Unit	$608,000	$632,000	$658,000	$684,000	$711,000	$739,000	$769,000	$800,000	$832,000	$865,000	$900,000	$936,000	$973,000	$1,012,000	$1,052,000
Four Person Unit	$480,000	$499,000	$519,000	$540,000	$562,000	$584,000	$607,000	$631,000	$656,000	$682,000	$709,000	$737,000	$766,000	$797,000	$829,000
Sub-Total	**$6,050,000**	**$6,292,000**	**$6,544,000**	**$6,806,000**	**$7,078,000**	**$7,360,000**	**$7,655,000**	**$7,960,000**	**$8,278,000**	**$8,608,000**	**$8,952,000**	**$9,309,000**	**$9,681,000**	**$10,068,000**	**$10,471,000**
Summer Rental Revenues:															
Unit Type B - Shared Semi-Suite	$31,000	$33,000	$34,000	$35,000	$36,000	$37,000	$38,000	$40,000	$42,000	$44,000	$46,000	$48,000	$50,000	$52,000	$54,000
Unit Type C - Private Semi-Suite	$16,000	$17,000	$18,000	$19,000	$20,000	$21,000	$22,000	$23,000	$24,000	$25,000	$26,000	$27,000	$28,000	$29,000	$30,000
Unit Type D - Shared Suite															
Two Person Unit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Four Person Unit	$10,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000
Unit Type E - Private Suite															
Two Person Unit	$7,000	$7,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000
Four Person Unit	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000
Sub-Total	**$70,000**	**$74,000**	**$77,000**	**$79,000**	**$81,000**	**$83,000**	**$85,000**	**$88,000**	**$91,000**	**$94,000**	**$97,000**	**$100,000**	**$103,000**	**$106,000**	**$109,000**
Other Revenues:															
Rent from University for Non-Residential Spaces	$396,000	$402,000	$408,000	$414,000	$421,000	$428,000	$435,000	$443,000	$450,000	$458,000	$467,000	$475,000	$484,000	$494,000	$503,000
Commons Fee	$166,000	$171,000	$176,000	$181,000	$186,000	$192,000	$198,000	$204,000	$210,000	$216,000	$222,000	$229,000	$236,000	$243,000	$250,000
Interest Earned on Debt Service Reserve	$178,000	$178,000	$178,000	$178,000	$178,000	$178,000	$178,000	$178,000	$178,000	$178,000	$178,000	$178,000	$178,000	$178,000	$178,000
Damages	$9,900	$10,200	$10,500	$10,800	$11,100	$11,400	$11,700	$12,100	$12,500	$12,900	$13,300	$13,700	$14,100	$14,500	$14,900
Vending/Laundry	$21,000	$21,000	$22,000	$23,000	$24,000	$25,000	$26,000	$27,000	$28,000	$29,000	$30,000	$31,000	$32,000	$33,000	$34,000
Sub-Total	**$770,900**	**$782,200**	**$794,500**	**$806,800**	**$820,100**	**$834,400**	**$848,700**	**$864,100**	**$878,500**	**$893,900**	**$910,300**	**$926,700**	**$944,100**	**$962,500**	**$979,900**
Total Revenues:	**$6,890,900**	**$7,148,200**	**$7,415,500**	**$7,691,800**	**$7,979,100**	**$8,277,400**	**$8,588,700**	**$8,912,100**	**$9,247,500**	**$9,595,900**	**$9,959,300**	**$10,335,700**	**$10,728,100**	**$11,136,500**	**$11,559,900**
Residential Space Expenses															
Utilities															
Electricity	$161,000	$169,000	$177,000	$186,000	$195,000	$205,000	$215,000	$226,000	$237,000	$249,000	$261,000	$274,000	$288,000	$302,000	$317,000
Heat	$463,000	$486,000	$510,000	$536,000	$563,000	$591,000	$621,000	$652,000	$685,000	$719,000	$755,000	$793,000	$833,000	$875,000	$919,000
Water and Sewer	$62,000	$65,000	$68,000	$71,000	$75,000	$79,000	$83,000	$87,000	$91,000	$96,000	$101,000	$106,000	$111,000	$117,000	$123,000
Physical Plan Dept. Costs															
Maintenance Supplies	$75,000	$79,000	$83,000	$87,000	$91,000	$96,000	$101,000	$106,000	$111,000	$117,000	$123,000	$129,000	$135,000	$142,000	$149,000
Maintenance Labor	$223,000	$234,000	$246,000	$258,000	$271,000	$285,000	$299,000	$314,000	$330,000	$347,000	$364,000	$382,000	$401,000	$421,000	$442,000
Administrative Overhead															
Salaries and Benefits	$379,000	$394,000	$410,000	$426,000	$443,000	$461,000	$479,000	$498,000	$518,000	$539,000	$561,000	$583,000	$606,000	$630,000	$655,000
Services & Supplies (Other)	$198,000	$206,000	$214,000	$223,000	$232,000	$241,000	$251,000	$261,000	$271,000	$282,000	$293,000	$305,000	$317,000	$330,000	$343,000
Miscellaneous Charges															
Student Telephone Service	$73,000	$74,000	$75,000	$77,000	$79,000	$81,000	$83,000	$85,000	$87,000	$89,000	$91,000	$93,000	$95,000	$97,000	$99,000
Conference Office Operation	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Worker's Compensation	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000
Insurance	$238,000	$245,000	$252,000	$260,000	$268,000	$276,000	$284,000	$293,000	$302,000	$311,000	$320,000	$330,000	$340,000	$350,000	$361,000
Ground Lease	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000
PASSHE (@ 0.50% of Gross Revenues excl. University Rent)	$34,000	$36,000	$37,000	$38,000	$40,000	$41,000	$43,000	$45,000	$46,000	$48,000	$50,000	$52,000	$54,000	$56,000	$58,000
Sub-Total	**$1,934,000**	**$2,016,000**	**$2,100,000**	**$2,190,000**	**$2,285,000**	**$2,384,000**	**$2,487,000**	**$2,595,000**	**$2,706,000**	**$2,825,000**	**$2,947,000**	**$3,075,000**	**$3,208,000**	**$3,348,000**	**$3,494,000**
Non-Residential Space Expenses															
Sub-Total	**$117,000**	**$122,000**	**$127,000**	**$132,000**	**$138,000**	**$144,000**	**$150,000**	**$157,000**	**$163,000**	**$170,000**	**$178,000**	**$185,000**	**$193,000**	**$202,000**	**$210,000**
Total Expenses	**$2,051,000**	**$2,138,000**	**$2,227,000**	**$2,322,000**	**$2,423,000**	**$2,528,000**	**$2,637,000**	**$2,752,000**	**$2,869,000**	**$2,995,000**	**$3,125,000**	**$3,260,000**	**$3,401,000**	**$3,550,000**	**$3,704,000**
Residential Spaces Capital Reserves (@ $190 per bed)	$166,000	$171,000	$176,000	$181,000	$186,000	$192,000	$198,000	$204,000	$210,000	$216,000	$222,000	$229,000	$236,000	$243,000	$250,000
Non-Residential Spaces Capital Reserves	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Net Operating Income (NOI)	**$4,673,900**	**$4,839,200**	**$5,012,500**	**$5,188,800**	**$5,370,100**	**$5,557,400**	**$5,753,700**	**$5,956,100**	**$6,168,500**	**$6,384,900**	**$6,612,300**	**$6,846,700**	**$7,091,100**	**$7,343,500**	**$7,605,900**
Residential Spaces Annual Debt Service*	$3,381,920	$3,627,047	$3,749,322	$3,879,108	$4,010,621	$4,143,419	$4,281,904	$4,280,697	$4,281,115	$4,282,966	$4,280,941	$4,285,036	$4,284,743	$4,285,107	$4,280,827
Non-Residential Spaces Annual Debt Service**	$248,000	$248,000	$248,000	$248,000	$248,000	$248,000	$248,000	$248,000	$248,000	$248,000	$248,000	$248,000	$248,000	$248,000	$248,000
Ending Cash Balance	**$1,043,980**	**$964,153**	**$1,015,178**	**$1,061,692**	**$1,111,479**	**$1,165,981**	**$1,223,796**	**$1,427,403**	**$1,639,385**	**$1,853,934**	**$2,083,359**	**$2,313,664**	**$2,558,357**	**$2,810,393**	**$3,077,073**
Residential Spaces Additional Operating Expenses^	$519,000	$529,000	$540,000	$551,000	$562,000	$573,000	$584,000	$596,000	$608,000	$620,000	$632,000	$645,000	$658,000	$671,000	$684,000
Non-Residential Spaces Additional Operating Expenses^	$31,000	$32,000	$33,000	$34,000	$35,000	$36,000	$37,000	$38,000	$39,000	$40,000	$41,000	$42,000	$43,000	$44,000	$45,000
Cumulative Cash Flow	**$493,980**	**$897,133**	**$1,339,311**	**$1,816,003**	**$2,330,482**	**$2,887,463**	**$3,490,259**	**$4,283,662**	**$5,276,047**	**$6,469,981**	**$7,880,339**	**$9,507,004**	**$11,364,361**	**$13,459,754**	**$15,807,827**
Less Payment to University per Ground Lease Agreement	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**
Cumulative Cash Flow After Ground Lease Payment to University	**$411,980**	**$815,133**	**$1,257,311**	**$1,734,003**	**$2,248,482**	**$2,805,463**	**$3,408,259**	**$4,201,662**	**$5,194,047**	**$6,387,981**	**$7,798,339**	**$9,425,004**	**$11,282,361**	**$13,377,754**	**$15,725,827**
Debt Coverage Ratio	**1.29**	**1.25**	**1.25**	**1.26**	**1.26**	**1.27**	**1.27**	**1.32**	**1.36**	**1.41**	**1.46**	**1.51**	**1.56**	**1.62**	**1.68**

Note: * Amortization schedule provided by underwriter.
** Based on a flat amortization schedule.

^ Underwriting for similar in-state projects has allowed cumulative cash flow / ending cash balances to be used "below the line" to account for additional operating expenses.

^^ A ground lease agreement will be set up between the 501c3 and University to outline revenue sharing policies for end of year cash balances. It is anticipated that the ground lease revenue transfer to the University will provide sufficient funds to retire the housing system's annual debt payments.

Shippensburg State University of Pennsylvania
Student Housing Master Plan - Phase II, Fall 2011 Occupancy
Operating Pro Forma

Operating Year	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Total Beds including Non-Revenue Beds	**876**	**876**	**876**	**876**	**876**	**876**	**876**	**876**	**876**	**876**	**876**	**876**	**876**	**876**	**876**
Total Residential Square Footage	**281,896**	**281,896**	**281,896**	**281,896**	**281,896**	**281,896**	**281,896**	**281,896**	**281,896**	**281,896**	**281,896**	**281,896**	**281,896**	**281,896**	**281,896**
Total Non-Residential Square Footage	**16,920**	**16,920**	**16,920**	**16,920**	**16,920**	**16,920**	**16,920**	**16,920**	**16,920**	**16,920**	**16,920**	**16,920**	**16,920**	**16,920**	**16,920**
Academic Year Rental Revenues:															
Unit Type B - Shared Semi-Suite	$4,814,000	$5,007,000	$5,207,000	$5,415,000	$5,632,000	$5,857,000	$6,091,000	$6,335,000	$6,588,000	$6,852,000	$7,126,000	$7,411,000	$7,707,000	$8,015,000	$8,336,000
Unit Type C - Private Semi-Suite	$2,506,000	$2,606,000	$2,710,000	$2,818,000	$2,931,000	$3,048,000	$3,170,000	$3,297,000	$3,429,000	$3,566,000	$3,709,000	$3,857,000	$4,011,000	$4,171,000	$4,338,000
Unit Type D - Shared Suite															
Two Person Unit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Four Person Unit	$1,613,000	$1,678,000	$1,745,000	$1,815,000	$1,888,000	$1,964,000	$2,043,000	$2,125,000	$2,210,000	$2,298,000	$2,390,000	$2,486,000	$2,585,000	$2,688,000	$2,796,000
Unit Type E - Private Suite															
Two Person Unit	$1,094,000	$1,138,000	$1,184,000	$1,231,000	$1,280,000	$1,331,000	$1,384,000	$1,439,000	$1,497,000	$1,557,000	$1,619,000	$1,684,000	$1,751,000	$1,821,000	$1,894,000
Four Person Unit	$862,000	$896,000	$932,000	$969,000	$1,008,000	$1,048,000	$1,090,000	$1,134,000	$1,179,000	$1,226,000	$1,275,000	$1,326,000	$1,379,000	$1,434,000	$1,491,000
Sub-Total	**$10,889,000**	**$11,325,000**	**$11,778,000**	**$12,248,000**	**$12,739,000**	**$13,248,000**	**$13,778,000**	**$14,330,000**	**$14,903,000**	**$15,499,000**	**$16,119,000**	**$16,764,000**	**$17,433,000**	**$18,129,000**	**$18,855,000**
Summer Rental Revenues:															
Unit Type B - Shared Semi-Suite	$56,000	$58,000	$60,000	$62,000	$64,000	$67,000	$70,000	$73,000	$76,000	$79,000	$82,000	$85,000	$88,000	$92,000	$96,000
Unit Type C - Private Semi-Suite	$31,000	$32,000	$33,000	$34,000	$35,000	$36,000	$37,000	$38,000	$40,000	$42,000	$44,000	$46,000	$48,000	$50,000	$52,000
Unit Type D - Shared Suite															
Two Person Unit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Four Person Unit	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000
Unit Type E - Private Suite															
Two Person Unit	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000
Four Person Unit	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000
Sub-Total	**$112,000**	**$115,000**	**$118,000**	**$121,000**	**$124,000**	**$128,000**	**$132,000**	**$136,000**	**$141,000**	**$146,000**	**$151,000**	**$156,000**	**$161,000**	**$167,000**	**$173,000**
Other Revenues:															
Rent from University for Non-Residential Spaces	$514,000	$524,000	$535,000	$547,000	$558,000	$571,000	$584,000	$598,000	$612,000	$627,000	$642,000	$658,000	$675,000	$692,000	$710,000
Commons Fee	$258,000	$266,000	$274,000	$282,000	$290,000	$299,000	$308,000	$317,000	$327,000	$337,000	$347,000	$357,000	$368,000	$379,000	$390,000
Interest Earned on Debt Service Reserve	$178,000	$178,000	$178,000	$178,000	$178,000	$178,000	$178,000	$178,000	$178,000	$178,000	$178,000	$178,000	$178,000	$178,000	$178,000
Damages	$15,300	$15,800	$16,300	$16,800	$17,300	$17,800	$18,300	$18,800	$19,400	$20,000	$20,600	$21,200	$21,800	$22,500	$23,200
Vending/Laundry	$35,000	$36,000	$37,000	$38,000	$39,000	$40,000	$41,000	$42,000	$43,000	$44,000	$45,000	$46,000	$47,000	$48,000	$49,000
Sub-Total	**$1,000,300**	**$1,019,800**	**$1,040,300**	**$1,061,800**	**$1,082,300**	**$1,105,800**	**$1,129,300**	**$1,153,800**	**$1,179,400**	**$1,206,000**	**$1,232,600**	**$1,260,200**	**$1,289,800**	**$1,319,500**	**$1,350,200**
Total Revenues:	**$12,001,300**	**$12,459,800**	**$12,936,300**	**$13,430,800**	**$13,945,300**	**$14,481,800**	**$15,039,300**	**$15,619,800**	**$16,223,400**	**$16,851,000**	**$17,502,600**	**$18,180,200**	**$18,883,800**	**$19,615,500**	**$20,378,200**
Residential Space Expenses															
Utilities															
Electricity	$333,000	$350,000	$368,000	$386,000	$405,000	$425,000	$446,000	$468,000	$491,000	$516,000	$542,000	$569,000	$597,000	$627,000	$658,000
Heat	$965,000	$1,013,000	$1,064,000	$1,117,000	$1,173,000	$1,232,000	$1,294,000	$1,359,000	$1,427,000	$1,498,000	$1,573,000	$1,652,000	$1,735,000	$1,822,000	$1,913,000
Water and Sewer	$129,000	$135,000	$142,000	$149,000	$156,000	$164,000	$172,000	$181,000	$190,000	$200,000	$210,000	$221,000	$232,000	$244,000	$256,000
Physical Plan Dept. Costs															
Maintenance Supplies	$156,000	$164,000	$172,000	$181,000	$190,000	$200,000	$210,000	$221,000	$232,000	$244,000	$256,000	$269,000	$282,000	$296,000	$311,000
Maintenance Labor	$464,000	$487,000	$511,000	$537,000	$564,000	$592,000	$622,000	$653,000	$686,000	$720,000	$756,000	$794,000	$834,000	$876,000	$920,000
Administrative Overhead															
Salaries and Benefits	$681,000	$708,000	$736,000	$765,000	$796,000	$828,000	$861,000	$895,000	$931,000	$968,000	$1,007,000	$1,047,000	$1,089,000	$1,133,000	$1,178,000
Services & Supplies (Other)	$357,000	$371,000	$386,000	$401,000	$417,000	$434,000	$451,000	$469,000	$488,000	$508,000	$528,000	$549,000	$571,000	$594,000	$618,000
Miscellaneous Charges															
Student Telephone Service	$101,000	$103,000	$105,000	$107,000	$109,000	$111,000	$113,000	$115,000	$117,000	$119,000	$121,000	$123,000	$125,000	$128,000	$131,000
Conference Office Operation	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Worker's Compensation	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000
Insurance	$372,000	$383,000	$394,000	$406,000	$418,000	$431,000	$444,000	$457,000	$471,000	$485,000	$500,000	$515,000	$530,000	$546,000	$562,000
Ground Lease	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000	$24,000
PASSHE (@ 0.50% of Gross Revenues excl. University Rent)	$60,000	$62,000	$65,000	$67,000	$70,000	$72,000	$75,000	$78,000	$81,000	$84,000	$88,000	$91,000	$94,000	$98,000	$102,000
Sub-Total	**$3,646,000**	**$3,804,000**	**$3,971,000**	**$4,144,000**	**$4,326,000**	**$4,517,000**	**$4,716,000**	**$4,924,000**	**$5,142,000**	**$5,370,000**	**$5,609,000**	**$5,858,000**	**$6,117,000**	**$6,392,000**	**$6,677,000**
Non-Residential Space Expenses															
Sub-Total	**$220,000**	**$229,000**	**$239,000**	**$250,000**	**$260,000**	**$272,000**	**$284,000**	**$297,000**	**$310,000**	**$324,000**	**$338,000**	**$353,000**	**$369,000**	**$385,000**	**$402,000**
Total Expenses	**$3,866,000**	**$4,033,000**	**$4,210,000**	**$4,394,000**	**$4,586,000**	**$4,789,000**	**$5,000,000**	**$5,221,000**	**$5,452,000**	**$5,694,000**	**$5,947,000**	**$6,211,000**	**$6,486,000**	**$6,777,000**	**$7,079,000**
Residential Spaces Capital Reserves (@ $190 per bed)	$258,000	$266,000	$274,000	$282,000	$290,000	$299,000	$308,000	$317,000	$327,000	$337,000	$347,000	$357,000	$368,000	$379,000	$390,000
Non-Residential Spaces Capital Reserves	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Net Operating Income (NOI)	**$7,877,300**	**$8,160,800**	**$8,452,300**	**$8,754,800**	**$9,069,300**	**$9,393,800**	**$9,731,300**	**$10,081,800**	**$10,444,400**	**$10,820,000**	**$11,208,600**	**$11,612,200**	**$12,029,800**	**$12,459,500**	**$12,909,200**
Residential Spaces Annual Debt Service*	$4,281,895	$4,282,795	$4,283,319	$4,283,160	$4,282,079	$4,284,791	$4,280,848	$4,280,186	$4,282,303	$4,281,690	$4,283,101	$4,281,012	$4,285,148	$4,284,760	$4,284,587
Non-Residential Spaces Annual Debt Service**	$248,000	$248,000	$248,000	$248,000	$248,000	$248,000	$248,000	$248,000	$248,000	$248,000	$248,000	$248,000	$248,000	$248,000	$248,000
Ending Cash Balance	**$3,347,405**	**$3,630,005**	**$3,920,981**	**$4,223,640**	**$4,539,221**	**$4,861,009**	**$5,202,452**	**$5,553,614**	**$5,914,097**	**$6,290,310**	**$6,677,499**	**$7,083,188**	**$7,496,652**	**$7,926,740**	**$8,376,613**
Residential Spaces Additional Operating Expenses^	$698,000	$712,000	$726,000	$741,000	$756,000	$771,000	$786,000	$802,000	$818,000	$834,000	$851,000	$868,000	$885,000	$903,000	$921,000
Non-Residential Spaces Additional Operating Expenses^	$46,000	$47,000	$48,000	$49,000	$50,000	$51,000	$52,000	$53,000	$54,000	$55,000	$56,000	$57,000	$58,000	$59,000	$60,000
Cumulative Cash Flow	**$18,411,232**	**$21,282,236**	**$24,429,217**	**$27,862,857**	**$31,596,078**	**$35,635,087**	**$39,999,538**	**$44,698,152**	**$49,740,249**	**$55,141,560**	**$60,912,059**	**$67,070,247**	**$73,623,899**	**$80,588,639**	**$87,984,252**
Less Payment to University per Ground Lease Agreement	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**
Cumulative Cash Flow After Ground Lease Payment to University	**$18,329,232**	**$21,200,236**	**$24,347,217**	**$27,780,857**	**$31,514,078**	**$35,553,087**	**$39,917,538**	**$44,616,152**	**$49,658,249**	**$55,059,560**	**$60,830,059**	**$66,988,247**	**$73,541,899**	**$80,506,639**	**$87,902,252**
Debt Coverage Ratio	**1.74**	**1.80**	**1.87**	**1.93**	**2.00**	**2.07**	**2.15**	**2.23**	**2.31**	**2.39**	**2.47**	**2.56**	**2.65**	**2.75**	**2.85**

Note: * Amortization schedule provided by underwriter.

** Based on a flat amortization schedule.

^ Underwriting for similar in-state projects has allowed cumulative cash flow / ending cash balances to be used "below the line" to account for additional operating expenses.

^^ A ground lease agreement will be set up between the 501c3 and University to outline revenue sharing policies for end of year cash balances. It is anticipated that the ground lease revenue transfer to the University will provide sufficient funds to retire the housing system's annual debt payments.

Residential Space	Quantity	Beds Per Unit	Total Beds
Unit Type B - Shared Semi-Suite	198	2	396
Unit Type B (RA Room) - Semi-Suite Single Rooms for RAs	16	1	16
Unit Type C - Private Semi-Suite	96	2	192
Unit Type D.1 - Two Person Shared Suite	0	2	0
Unit Type D.2 - Four Person Shared Suite	32	4	128
Unit Type E.1 - Two Person Private Suite	38	2	76
Unit Type E.2 - Four Person Private Suite	16	4	64
Unit Type F - Professional Staff / Resident Director Apartment	2	2	4
Total Residential Spaces	382	x	876

Revenue Generating Beds **856**

Total Residential GSF (Incl. Mail Area & Staff Apartments)	281,896
Gross Square Feet Per Bed	322

Shippensburg State University of Pennsylvania
Student Housing Master Plan - Phase II, Fall 2011 Occupancy
Residential Spaces Project Development Budget

Project Budget			Notes
Hard Costs			
1	Residential Hard Cost of Construction	$40,875,000	
2	Residential Furniture, Fixtures, & Equipment	$2,064,000	
3	Abate/Demo Mowery	$884,468	93,793 gsf @ $10 per square foot.
4	Inflation Allowance @ 5%	$2,191,000	
	Subtotal - Hard Costs	**$46,014,468**	
Soft Costs			
6	Architectural & Engineering Base Fees	$2,300,723	
7	Additional Architectural & Engineering Services	$230,000	
8	Development & Legal Fees	$2,427,000	
9	Miscellaneous (test fees, surveys, start up costs, etc)	$99,154	
10	Project Contingency	$1,532,140	
	Subtotal - Soft Costs	**$6,589,018**	
Bond Financing Costs			
11	Less Construction Period Interest	($1,251,920)	An allowance has been provided and final figures would be based on draw down schedule.
12	Capitalized Interest, Issuance, and Insurance	$9,025,293	Information provided by underwriter.
13	Deposit to Debt Service Reserve	$4,461,507	Assumed @ one year debt service payment on flat amortization schedule.
	Subtotal - Financing Costs	**$12,234,880**	
	Total Project Cost	**$64,838,366**	
	Total Project Cost/Bed	**$74,016**	

Assumptions		
New Square Footage	281,896	
Residential Cost/Square Foot	$145	Cost per square foot provided by WTW and is expressed in 2010 dollars; assumes minimal site work.
Residential FF&E Cost/Bed	$2,400	Cost per bed provided by WTW.
Annual Inflation Rate	5%	
Number of Years Inflation	1	
Project Contingency	3.0%	
Development & Legal Fees	5.0%	
Miscellaneous @ % of AE & PM/Development Fees	2.0%	
A/E Design Fees	5.0%	

Shippensburg State University of Pennsylvania
Student Housing Master Plan - Phase II, Fall 2011 Occupancy
Non-Residential Spaces Project Development Budget

Project Budget			Notes
Hard Costs			
1	Furniture, Fixtures, & Equipment	$0	
2	Unassigned Area 2A Gr. Floor	$1,053,600	Number provided by WTW.
3	Unassigned Area 2B Gr. Floor	$1,653,600	Number provided by WTW.
4	Non-Residential Spaces Site Prep Cost @ 5.7% of Total Site Prep Cost	$53,462	
5	Inflation Allowance @ 5%	$138,000	
	Subtotal - Hard Costs	**$2,898,662**	
Soft Costs			
6	Architectural & Engineering Base Fees	$144,933	
7	Additional Architectural & Engineering Services	$14,000	
8	Development & Legal Fees	$153,000	
9	Miscellaneous (test fees, surveys, start up costs, etc)	$6,239	
10	Project Contingency	$96,505	
	Subtotal - Soft Costs	**$414,677**	
Bond Financing Costs			
	Subtotal - Financing Costs	**$725,000**	
	Total Project Cost	**$4,038,339**	

Assumptions		
New Square Footage	16,920	
Non-Residential Cost/Square Foot	$160	Cost per square foot provided by WTW and is expressed in 2010 dollars; assumes minimal site work.
Non-Residential FF&E Cost	$0	
Annual Inflation Rate	5%	
Number of Years Inflation	1	
Project Contingency	3.0%	
Development & Legal Fees	5.0%	
Miscellaneous @ % of AE & PM/Development Fees	2.0%	
A/E Design Fees	5.0%	

Non-Residential Spaces Annual Debt Service (@ 4.5% for 30 years)	**($247,920)**

Shippensburg State University of Pennsylvania
Student Housing Master Plan - Phase II, Fall 2011 Occupancy
Revenue Assumptions

Years Until Building Opening:	**4**	
Annual Rental Rate Escalation:	**4%**	
Annual Other Revenue Escalation:	**3%**	
Damages per bed per semester:	**$5**	
Laundry/Vending Revenue Per Student Per Year (at opening)	**$25**	Dependent on contract with laundry and food service vendors.
Commons Fee Per Student Per Year (at opening)	**$200**	Other PA projects charge this fee as a non-refundable deposit for usage of common area amenities.
Number of Students per Resident Assistant:	**55**	
Number of Non-Revenue Generating Beds:	**16**	

Unit Type	Rental Rate (2007 dollars)#	Rental Rate (at opening)*	Lease Term (# months)^	Year 1 Occupancy Rate	Year 2 Occupancy Rate	Stabilized Years Occupancy Rate	Year 1 Rental Revenue	Year 2 Rental Revenue	Year 3 Rental Revenue*	Academic Year Rent Per Bed**
Unit Type B - Shared Semi-Suite										
Double Occupancy	$675	$790	9	95%	95%	95%	$2,674,000	$2,781,000	$2,892,000	$7,107
Summary Occupancy (Double)	$675	$790	2	5%	5%	5%	$31,000	$33,000	$34,000	x
Unit Type B (RA Room) - Semi-Suite Single Rooms for RAs										
Double Occupancy	$0	$0	x	x	x	x	x	x	x	x
Summary Occupancy (Double)	$0	$0	x	x	x	x	x	x	x	x
Unit Type C - Private Semi-Suite										
Single Occupancy	$725	$848	9	95%	95%	95%	$1,392,000	$1,448,000	$1,506,000	$7,633
Summer Occupancy (Single)	$725	$848	2	5%	5%	5%	$16,000	$17,000	$18,000	x
Unit Type D - Shared Suite										
Two Person Unit	$750	$877	9	95%	95%	95%	$0	$0	$0	$7,897
Four Person Unit	$700	$819	9	95%	95%	95%	$896,000	$932,000	$969,000	$7,370
Summer Occupancy (Two Person)	$750	$877	2	5%	5%	5%	$0	$0	$0	x
Summer Occupancy (Four Person)	$700	$819	2	5%	5%	5%	$10,000	$11,000	$11,000	x
Unit Type E - Private Suite										
Two Person Unit	$800	$936	9	95%	95%	95%	$608,000	$632,000	$658,000	$8,423
Four Person Unit	$750	$877	9	95%	95%	95%	$480,000	$499,000	$519,000	$7,897
Summer Occupancy (Two Person)	$800	$936	2	5%	5%	5%	$7,000	$7,000	$8,000	x
Summer Occupancy (Four Person)	$750	$877	2	5%	5%	5%	$6,000	$6,000	$6,000	x
Unit Type E - Staff Apartment										
Single Occupancy	$0	$0	x	x	x	x	x	x	x	x
Double Occupancy	$0	$0	x	x	x	x	x	x	x	x
Summer Occupancy (Single)	$0	$0	x	x	x	x	x	x	x	x
Summer Occupancy (Double)	$0	$0	x	x	x	x	x	x	x	x
						TOTAL:	**$6,120,000**	**$6,366,000**	**$6,621,000**	

 # Rental rates represent highest end of range tested on survey.
^ 10 month lease similar to other in-state projects.
*** Year 3 rental revenue is calculated using "Stabilized Years Occupancy Rate"**
**** Assumes "Rental Rate (at opening)"**

Shippensburg State University of Pennsylvania
Student Housing Master Plan - Phase II, Fall 2011 Occupancy
Residential Spaces Expense Assumptions

Yearly Residential Expenses	Annual Inflation Factor	Calculation Basis	Per SF 2007/2008	Total 2007/2008	Notes
Utilities	-	Per SF	-		Utilities costs will need to be further verified assuming geothermal systems, which will likely lower utility costs.
Electricity	5%	Per SF	$0.47	$132,000	Reflects current University owned housing cost.
Heat	5%	Per SF	$1.35	$381,000	Reflects current University owned housing cost.
Water and Sewer	5%	Per SF	$0.18	$51,000	Reflects current University owned housing cost.
Physical Plan Dept. Costs	-	Per SF	-		
Maintenance Supplies	5%	Per SF	$0.22	$62,000	Inflation rate more aggressive given rising maintenance costs as property ages.
Maintenance Labor	5%	Per SF	$0.65	$183,000	Assumes property will cover its own maintenance labor costs plus some University owned housing costs.
Administrative Overhead	-	Per SF	-		
Salaries and Benefits	4%	Per SF	$1.15	$324,000	Assumes that certain University owned housing administrative costs would not be carried by project.
Services & Supplies (Other)	4%	Per SF	$0.60	$169,000	Assumes that property will cover its own services & supplies plus some University owned housing costs.
Miscellaneous Charges	-	Per SF	-		
Student Telephone Service	2%	Per SF	$0.24	$68,000	
Conference Office Operation	5%	Per SF	$0.00	$0	Assumes that conference operations would be carried by University owned housing.
Worker's Compensation	2%	Per SF	$0.01	$4,000	
Insurance	3%	Per SF	$0.75	$211,000	Based on other similar state projects.
Ground Lease	2%	Per SF	$0.08	$23,000	Based on other similar state projects.
Total		**Total Expenses:**	**$5.70**	**$1,608,000**	Aggressive operating cost per square foot. As is practiced at other in-state projects a portion of expenses may be carried "below the line" using cash surpluses created by accommodating the 1.20 debt coverage ratio.

Additional Expenses ("below the line")	2%	Per SF	$1.70	$479,000

Other Notes:

Expenses related to lease payments to Shippensburg University Foundation, University owned housing capital expenditures, Chancellor's office payment, and bad debts are not included.

Assumes that management expenses are included in the "Salaries and Benefits" cost category. University should confirm that management of facility could occur for these dollars.

Shippensburg State University of Pennsylvania
Student Housing Master Plan - Phase II, Fall 2011 Occupancy
Non-Residential Spaces Expense Assumptions

Yearly Non-Residential Expenses	Annual Inflation Factor	Calculation Basis	Per SF 2007/2008	Total 2007/2008	Notes
Utilities	-	Per SF	-		Utilities costs will need to be further verified assuming geothermal systems, which will likely lower utility costs.
Electricity	5%	Per SF	$0.47	$8,000	Reflects current University owned housing cost.
Heat	5%	Per SF	$1.35	$23,000	Reflects current University owned housing cost.
Water and Sewer	5%	Per SF	$0.18	$3,000	Reflects current University owned housing cost.
Physical Plan Dept. Costs	-	Per SF	-		
Maintenance Supplies	5%	Per SF	$0.22	$4,000	Inflation rate more aggressive given rising maintenance costs as property ages.
Maintenance Labor	5%	Per SF	$0.65	$11,000	Assumes property will cover its own maintenance labor costs plus some University owned housing costs.
Administrative Overhead	-	Per SF	-		
Salaries and Benefits	4%	Per SF	$1.15	$19,000	Assumes that certain University owned housing administrative costs would not be carried by project.
Services & Supplies (Other)	4%	Per SF	$0.60	$10,000	Assumes that property will cover its own services & supplies plus some University owned housing costs.
Miscellaneous Charges	-	Per SF	-		
Telephone Service	2%	Per SF	$0.24	$4,000	
Conference Office Operation	5%	Per SF	$0.00	$0	Assumes that conference operations would be carried by University owned housing.
Worker's Compensation	2%	Per SF	$0.01	$200	
Insurance	3%	Per SF	$0.75	$13,000	Based on other similar state projects.
Ground Lease	2%	Per SF	$0.08	$1,000	Based on other similar state projects.
Total		**Total Expenses:**	**$5.70**	**$96,200**	Aggressive operating cost per square foot. As is practiced at other in-state projects a portion of expenses may be carried "below the line" using cash surpluses created by accommodating the 1.20 debt coverage ratio.

Additional Expenses ("below the line")	2%	Per SF	$1.70	$29,000

Other Notes:

Expenses related to lease payments to Shippensburg University Foundation, University owned housing capital expenditures, Chancellor's office payment, and bad debts are not included.

Assumes that management expenses are included in the "Salaries and Benefits" cost category. University should confirm that management of facility could occur for these dollars.

Shippensburg State University of Pennsylvania
Student Housing Master Plan - Phase III, Fall 2012 Occupancy
Operating Pro Forma

Operating Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Total Beds including Non Revenue Beds	**930**	**930**	**930**	**930**	**930**	**930**	**930**	**930**	**930**	**930**	**930**	**930**	**930**	**930**	**930**
Total Square Footage	**297,700**	**297,700**	**297,700**	**297,700**	**297,700**	**297,700**	**297,700**	**297,700**	**297,700**	**297,700**	**297,700**	**297,700**	**297,700**	**297,700**	**297,700**
Academic Year Rental Revenues:															
Unit Type B - Shared Semi-Suite	$2,542,000	$2,643,000	$2,749,000	$2,859,000	$2,973,000	$3,092,000	$3,216,000	$3,345,000	$3,479,000	$3,618,000	$3,763,000	$3,914,000	$4,071,000	$4,234,000	$4,403,000
Unit Type C - Private Semi-Suite	$2,021,000	$2,102,000	$2,186,000	$2,273,000	$2,364,000	$2,459,000	$2,557,000	$2,659,000	$2,765,000	$2,876,000	$2,991,000	$3,111,000	$3,235,000	$3,364,000	$3,499,000
Unit Type D - Shared Suite															
Two Person Unit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Four Person Unit	$816,000	$848,000	$882,000	$917,000	$954,000	$992,000	$1,032,000	$1,073,000	$1,116,000	$1,161,000	$1,207,000	$1,255,000	$1,305,000	$1,357,000	$1,411,000
Unit Type E - Private Suite															
Two Person Unit	$583,000	$606,000	$630,000	$655,000	$681,000	$708,000	$736,000	$765,000	$796,000	$828,000	$861,000	$895,000	$931,000	$968,000	$1,007,000
Four Person Unit	$718,000	$746,000	$776,000	$807,000	$839,000	$873,000	$908,000	$944,000	$982,000	$1,021,000	$1,062,000	$1,104,000	$1,148,000	$1,194,000	$1,242,000
Sub-Total	**$6,680,000**	**$6,945,000**	**$7,223,000**	**$7,511,000**	**$7,811,000**	**$8,124,000**	**$8,449,000**	**$8,786,000**	**$9,138,000**	**$9,504,000**	**$9,884,000**	**$10,279,000**	**$10,690,000**	**$11,117,000**	**$11,562,000**
Summer Rental Revenues:															
Unit Type B - Shared Semi-Suite	$30,000	$31,000	$32,000	$33,000	$34,000	$35,000	$36,000	$37,000	$38,000	$40,000	$42,000	$44,000	$46,000	$48,000	$50,000
Unit Type C - Private Semi-Suite	$24,000	$25,000	$26,000	$27,000	$28,000	$29,000	$30,000	$31,000	$32,000	$33,000	$34,000	$35,000	$36,000	$37,000	$38,000
Unit Type D - Shared Suite															
Two Person Unit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Four Person Unit	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000
Unit Type E - Private Suite															
Two Person Unit	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000
Four Person Unit	$8,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000
Sub-Total	**$79,000**	**$82,000**	**$84,000**	**$86,000**	**$88,000**	**$90,000**	**$92,000**	**$94,000**	**$96,000**	**$99,000**	**$102,000**	**$105,000**	**$108,000**	**$111,000**	**$114,000**
Other Revenues:															
Commons Fee	$177,000	$182,000	$187,000	$193,000	$199,000	$205,000	$211,000	$217,000	$224,000	$231,000	$238,000	$245,000	$252,000	$260,000	$268,000
Interest Earned on Debt Service Reserve	$199,000	$199,000	$199,000	$199,000	$199,000	$199,000	$199,000	$199,000	$199,000	$199,000	$199,000	$199,000	$199,000	$199,000	$199,000
Damages	$11,000	$11,300	$11,600	$11,900	$12,300	$12,700	$13,100	$13,500	$13,900	$14,300	$14,700	$15,100	$15,600	$16,100	$16,600
Vending/Laundry	$22,000	$23,000	$23,000	$24,000	$25,000	$26,000	$27,000	$28,000	$29,000	$30,000	$31,000	$32,000	$33,000	$34,000	$35,000
Sub-Total	**$409,000**	**$415,300**	**$420,600**	**$427,900**	**$435,300**	**$442,700**	**$450,100**	**$457,500**	**$465,900**	**$474,300**	**$482,700**	**$491,100**	**$499,600**	**$509,100**	**$518,600**
Total Revenues:	**$7,168,000**	**$7,442,300**	**$7,727,600**	**$8,024,900**	**$8,334,300**	**$8,656,700**	**$8,991,100**	**$9,337,500**	**$9,699,900**	**$10,077,300**	**$10,468,700**	**$10,875,100**	**$11,297,600**	**$11,737,100**	**$12,194,600**
Expenses															
Utilities															
Electricity	$179,000	$188,000	$197,000	$207,000	$217,000	$228,000	$239,000	$251,000	$264,000	$277,000	$291,000	$306,000	$321,000	$337,000	$354,000
Heat	$513,000	$539,000	$566,000	$594,000	$624,000	$655,000	$688,000	$722,000	$758,000	$796,000	$836,000	$878,000	$922,000	$968,000	$1,016,000
Water and Sewer	$69,000	$72,000	$76,000	$80,000	$84,000	$88,000	$92,000	$97,000	$102,000	$107,000	$112,000	$118,000	$124,000	$130,000	$137,000
Physical Plan Dept. Costs															
Maintenance Supplies	$84,000	$88,000	$92,000	$97,000	$102,000	$107,000	$112,000	$118,000	$124,000	$130,000	$137,000	$144,000	$151,000	$159,000	$167,000
Maintenance Labor	$247,000	$259,000	$272,000	$286,000	$300,000	$315,000	$331,000	$348,000	$365,000	$383,000	$402,000	$422,000	$443,000	$465,000	$488,000
Administrative Overhead															
Salaries and Benefits	$417,000	$434,000	$451,000	$469,000	$488,000	$508,000	$528,000	$549,000	$571,000	$594,000	$618,000	$643,000	$669,000	$696,000	$724,000
Services & Supplies (Other)	$217,000	$226,000	$235,000	$244,000	$254,000	$264,000	$275,000	$286,000	$297,000	$309,000	$321,000	$334,000	$347,000	$361,000	$375,000
Miscellaneous Charges															
Student Telephone Service	$79,000	$81,000	$83,000	$85,000	$87,000	$89,000	$91,000	$93,000	$95,000	$97,000	$99,000	$101,000	$103,000	$105,000	$107,000
Conference Office Operation	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Worker's Compensation	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000
Insurance	$259,000	$267,000	$275,000	$283,000	$291,000	$300,000	$309,000	$318,000	$328,000	$338,000	$348,000	$358,000	$369,000	$380,000	$391,000
Ground Lease	$26,000	$27,000	$28,000	$29,000	$30,000	$31,000	$32,000	$33,000	$34,000	$35,000	$36,000	$37,000	$38,000	$39,000	$40,000
PASSHE (@ 0.50% of Gross Revenues)	$36,000	$37,000	$39,000	$40,000	$42,000	$43,000	$45,000	$47,000	$48,000	$50,000	$52,000	$54,000	$56,000	$59,000	$61,000
Total Expenses	**$2,130,000**	**$2,222,000**	**$2,318,000**	**$2,418,000**	**$2,523,000**	**$2,632,000**	**$2,746,000**	**$2,866,000**	**$2,990,000**	**$3,120,000**	**$3,256,000**	**$3,399,000**	**$3,547,000**	**$3,703,000**	**$3,864,000**
Capital Reserves (@ $190 per bed)	$177,000	$182,000	$187,000	$193,000	$199,000	$205,000	$211,000	$217,000	$224,000	$231,000	$238,000	$245,000	$252,000	$260,000	$268,000
Net Operating Income (NOI)	**$4,861,000**	**$5,038,300**	**$5,222,600**	**$5,413,900**	**$5,612,300**	**$5,819,700**	**$6,034,100**	**$6,254,500**	**$6,485,900**	**$6,726,300**	**$6,974,700**	**$7,231,100**	**$7,498,600**	**$7,774,100**	**$8,062,600**
Interest Payment*	$170,000	$475,000	$645,000	$825,000	$1,020,000	$1,235,000	$1,465,000	$1,540,000	$1,620,000	$1,700,000	$1,790,000	$1,880,000	$1,980,000	$2,080,000	$2,185,000
Principle Payment*	$3,639,738	$3,630,227	$3,605,382	$3,571,774	$3,528,878	$3,475,908	$3,411,849	$3,336,363	$3,257,009	$3,173,544	$3,085,941	$2,993,713	$2,896,833	$2,794,814	$2,687,643
Annual Debt Service*	$3,809,738	$4,105,227	$4,250,382	$4,396,774	$4,548,878	$4,710,908	$4,876,849	$4,876,363	$4,877,009	$4,873,544	$4,875,941	$4,873,713	$4,876,833	$4,874,814	$4,872,643
Ending Cash Balance	**$1,051,262**	**$933,073**	**$972,218**	**$1,017,126**	**$1,063,422**	**$1,108,792**	**$1,157,251**	**$1,378,137**	**$1,608,891**	**$1,852,756**	**$2,098,759**	**$2,357,387**	**$2,621,767**	**$2,899,286**	**$3,189,957**
Additional Operating Expenses^	$559,000	$570,000	$581,000	$593,000	$605,000	$617,000	$629,000	$642,000	$655,000	$668,000	$681,000	$695,000	$709,000	$723,000	$737,000
Cumulative Cash Flow	**$492,262**	**$855,336**	**$1,246,554**	**$1,670,679**	**$2,129,102**	**$2,620,894**	**$3,149,145**	**$3,885,282**	**$4,839,173**	**$6,023,929**	**$7,441,688**	**$9,104,076**	**$11,016,842**	**$13,193,128**	**$15,646,085**
Less Payment to University per Ground Lease Agreement	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**
Cumulative Cash Flow After Ground Lease Payment to University	**$410,262**	**$773,336**	**$1,164,554**	**$1,588,679**	**$2,047,102**	**$2,538,894**	**$3,067,145**	**$3,803,282**	**$4,757,173**	**$5,941,929**	**$7,359,688**	**$9,022,076**	**$10,934,842**	**$13,111,128**	**$15,564,085**
Debt Coverage Ratio	**1.28**	**1.23**	**1.23**	**1.23**	**1.23**	**1.24**	**1.24**	**1.28**	**1.33**	**1.38**	**1.43**	**1.48**	**1.54**	**1.59**	**1.65**

Note: * Amortization schedule provided by underwriter.
** Based on a flat amortization schedule.

^ Underwriting for similar in-state projects has allowed cumulative cash flow / ending cash balances to be used "below the line" to account for additional operating expenses.

^^ A ground lease agreement will be set up between the 501c3 and University to outline revenue sharing policies for end of year cash balances. It is anticipated that the ground lease revenue transfer to the University will provide sufficient funds to retire the housing system's annual debt payments.

Shippensburg State University of Pennsylvania
Student Housing Master Plan - Phase III, Fall 2012 Occupancy
Operating Pro Forma

Operating Year	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Total Beds including Non Revenue Beds	930	930	930	930	930	930	930	930	930	930	930	930	930	930	930
Total Square Footage	297,700	297,700	297,700	297,700	297,700	297,700	297,700	297,700	297,700	297,700	297,700	297,700	297,700	297,700	297,700
Academic Year Rental Revenues:															
Unit Type B - Shared Semi-Suite	$4,579,000	$4,762,000	$4,952,000	$5,150,000	$5,356,000	$5,570,000	$5,793,000	$6,025,000	$6,266,000	$6,517,000	$6,778,000	$7,049,000	$7,331,000	$7,624,000	$7,929,000
Unit Type C - Private Semi-Suite	$3,639,000	$3,785,000	$3,936,000	$4,093,000	$4,257,000	$4,427,000	$4,604,000	$4,788,000	$4,980,000	$5,179,000	$5,386,000	$5,601,000	$5,825,000	$6,058,000	$6,300,000
Unit Type D - Shared Suite															
Two Person Unit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Four Person Unit	$1,467,000	$1,526,000	$1,587,000	$1,650,000	$1,716,000	$1,785,000	$1,856,000	$1,930,000	$2,007,000	$2,087,000	$2,170,000	$2,257,000	$2,347,000	$2,441,000	$2,539,000
Unit Type E - Private Suite															
Two Person Unit	$1,047,000	$1,089,000	$1,133,000	$1,178,000	$1,225,000	$1,274,000	$1,325,000	$1,378,000	$1,433,000	$1,490,000	$1,550,000	$1,612,000	$1,676,000	$1,743,000	$1,813,000
Four Person Unit	$1,292,000	$1,344,000	$1,398,000	$1,454,000	$1,512,000	$1,572,000	$1,635,000	$1,700,000	$1,768,000	$1,839,000	$1,913,000	$1,990,000	$2,070,000	$2,153,000	$2,239,000
Sub-Total	**$12,024,000**	**$12,506,000**	**$13,006,000**	**$13,525,000**	**$14,066,000**	**$14,628,000**	**$15,213,000**	**$15,821,000**	**$16,454,000**	**$17,112,000**	**$17,797,000**	**$18,509,000**	**$19,249,000**	**$20,019,000**	**$20,820,000**
Summer Rental Revenues:															
Unit Type B - Shared Semi-Suite	$52,000	$54,000	$56,000	$58,000	$60,000	$62,000	$64,000	$67,000	$70,000	$73,000	$76,000	$79,000	$82,000	$85,000	$88,000
Unit Type C - Private Semi-Suite	$40,000	$42,000	$44,000	$46,000	$48,000	$50,000	$52,000	$54,000	$56,000	$58,000	$60,000	$62,000	$64,000	$67,000	$70,000
Unit Type D - Shared Suite															
Two Person Unit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Four Person Unit	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000
Unit Type E - Private Suite															
Two Person Unit	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000
Four Person Unit	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000
Sub-Total	**$118,000**	**$122,000**	**$126,000**	**$130,000**	**$134,000**	**$138,000**	**$142,000**	**$147,000**	**$152,000**	**$157,000**	**$162,000**	**$167,000**	**$172,000**	**$178,000**	**$184,000**
Other Revenues:															
Commons Fee	$276,000	$284,000	$293,000	$302,000	$311,000	$320,000	$330,000	$340,000	$350,000	$361,000	$372,000	$383,000	$394,000	$406,000	$418,000
Interest Earned on Debt Service Reserve	$199,000	$199,000	$199,000	$199,000	$199,000	$199,000	$199,000	$199,000	$199,000	$199,000	$199,000	$199,000	$199,000	$199,000	$199,000
Damages	$17,100	$17,600	$18,100	$18,600	$19,200	$19,800	$20,400	$21,000	$21,600	$22,200	$22,900	$23,600	$24,300	$25,000	$25,800
Vending/Laundry	$36,000	$37,000	$38,000	$39,000	$40,000	$41,000	$42,000	$43,000	$44,000	$45,000	$46,000	$47,000	$48,000	$49,000	$50,000
Sub-Total	**$528,100**	**$537,600**	**$548,100**	**$558,600**	**$569,200**	**$579,800**	**$591,400**	**$603,000**	**$614,600**	**$627,200**	**$639,900**	**$652,600**	**$665,300**	**$679,000**	**$692,800**
Total Revenues:	**$12,670,100**	**$13,165,600**	**$13,680,100**	**$14,213,600**	**$14,769,200**	**$15,345,800**	**$15,946,400**	**$16,571,000**	**$17,220,600**	**$17,896,200**	**$18,598,900**	**$19,328,600**	**$20,086,300**	**$20,876,000**	**$21,696,800**
Expenses															
Utilities															
Electricity	$372,000	$391,000	$411,000	$432,000	$454,000	$477,000	$501,000	$526,000	$552,000	$580,000	$609,000	$639,000	$671,000	$705,000	$740,000
Heat	$1,067,000	$1,120,000	$1,176,000	$1,235,000	$1,297,000	$1,362,000	$1,430,000	$1,502,000	$1,577,000	$1,656,000	$1,739,000	$1,826,000	$1,917,000	$2,013,000	$2,114,000
Water and Sewer	$144,000	$151,000	$159,000	$167,000	$175,000	$184,000	$193,000	$203,000	$213,000	$224,000	$235,000	$247,000	$259,000	$272,000	$286,000
Physical Plan Dept. Costs															
Maintenance Supplies	$175,000	$184,000	$193,000	$203,000	$213,000	$224,000	$235,000	$247,000	$259,000	$272,000	$286,000	$300,000	$315,000	$331,000	$348,000
Maintenance Labor	$512,000	$538,000	$565,000	$593,000	$623,000	$654,000	$687,000	$721,000	$757,000	$795,000	$835,000	$877,000	$921,000	$967,000	$1,015,000
Administrative Overhead															
Salaries and Benefits	$753,000	$783,000	$814,000	$847,000	$881,000	$916,000	$953,000	$991,000	$1,031,000	$1,072,000	$1,115,000	$1,160,000	$1,206,000	$1,254,000	$1,304,000
Services & Supplies (Other)	$390,000	$406,000	$422,000	$439,000	$457,000	$475,000	$494,000	$514,000	$535,000	$556,000	$578,000	$601,000	$625,000	$650,000	$676,000
Miscellaneous Charges															
Student Telephone Service	$109,000	$111,000	$113,000	$115,000	$117,000	$119,000	$121,000	$123,000	$125,000	$128,000	$131,000	$134,000	$137,000	$140,000	$143,000
Conference Office Operation	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Worker's Compensation	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000
Insurance	$403,000	$415,000	$427,000	$440,000	$453,000	$467,000	$481,000	$495,000	$510,000	$525,000	$541,000	$557,000	$574,000	$591,000	$609,000
Ground Lease	$41,000	$42,000	$43,000	$44,000	$45,000	$46,000	$47,000	$48,000	$49,000	$50,000	$51,000	$52,000	$53,000	$54,000	$55,000
PASSHE (@ 0.50% of Gross Revenues)	$63,000	$66,000	$68,000	$71,000	$74,000	$77,000	$80,000	$83,000	$86,000	$89,000	$93,000	$97,000	$100,000	$104,000	$108,000
Total Expenses	**$4,033,000**	**$4,211,000**	**$4,395,000**	**$4,590,000**	**$4,793,000**	**$5,005,000**	**$5,226,000**	**$5,457,000**	**$5,698,000**	**$5,951,000**	**$6,217,000**	**$6,494,000**	**$6,782,000**	**$7,085,000**	**$7,402,000**
Capital Reserves (@ $190 per bed)	$276,000	$284,000	$293,000	$302,000	$311,000	$320,000	$330,000	$340,000	$350,000	$361,000	$372,000	$383,000	$394,000	$406,000	$418,000
Net Operating Income (NOI)	**$8,361,100**	**$8,670,600**	**$8,992,100**	**$9,321,600**	**$9,665,200**	**$10,020,800**	**$10,390,400**	**$10,774,000**	**$11,172,600**	**$11,584,200**	**$12,009,900**	**$12,451,600**	**$12,910,300**	**$13,385,000**	**$13,876,800**
Interest Payment*	$2,300,000	$2,420,000	$2,545,000	$2,675,000	$2,810,000	$2,955,000	$3,110,000	$3,270,000	$3,440,000	$3,615,000	$3,800,000	$4,000,000	$4,205,000	$4,420,000	$4,650,000
Principle Payment*	$2,575,049	$2,456,533	$2,331,836	$2,200,701	$2,062,873	$1,918,080	$1,765,810	$1,605,560	$1,437,062	$1,259,814	$1,073,545	$877,731	$671,624	$454,956	$227,199
Annual Debt Service*	$4,875,049	$4,876,533	$4,876,836	$4,875,701	$4,872,873	$4,873,080	$4,875,810	$4,875,560	$4,877,062	$4,874,814	$4,873,545	$4,877,731	$4,876,624	$4,874,956	$4,877,199
Ending Cash Balance	**$3,486,051**	**$3,794,067**	**$4,115,264**	**$4,445,899**	**$4,792,327**	**$5,147,720**	**$5,514,590**	**$5,898,440**	**$6,295,538**	**$6,709,386**	**$7,136,355**	**$7,573,869**	**$8,033,676**	**$8,510,044**	**$8,999,601**
Additional Operating Expenses^	$752,000	$767,000	$782,000	$798,000	$814,000	$830,000	$847,000	$864,000	$881,000	$899,000	$917,000	$935,000	$954,000	$973,000	$992,000
Cumulative Cash Flow	**$18,380,136**	**$21,407,204**	**$24,740,468**	**$28,388,367**	**$32,366,694**	**$36,684,414**	**$41,352,004**	**$46,386,443**	**$51,800,981**	**$57,611,367**	**$63,830,722**	**$70,469,591**	**$77,549,267**	**$85,086,311**	**$93,093,912**
Less Payment to University per Ground Lease Agreement	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**	**($82,000)**
Cumulative Cash Flow After Ground Lease Payment to University	**$18,298,136**	**$21,325,204**	**$24,658,468**	**$28,306,367**	**$32,284,694**	**$36,602,414**	**$41,270,004**	**$46,304,443**	**$51,718,981**	**$57,529,367**	**$63,748,722**	**$70,387,591**	**$77,467,267**	**$85,004,311**	**$93,011,912**
Debt Coverage Ratio	**1.72**	**1.78**	**1.84**	**1.91**	**1.98**	**2.06**	**2.13**	**2.21**	**2.29**	**2.38**	**2.46**	**2.55**	**2.65**	**2.75**	**2.85**

Note: * Amortization schedule provided by underwriter.

** Based on a flat amortization schedule.

^ Underwriting for similar in-state projects has allowed cumulative cash flow / ending cash balances to be used "below the line" to account for additional operating expenses.

^^ A ground lease agreement will be set up between the 501c3 and University to outline revenue sharing policies for end of year cash balances. It is anticipated that the ground lease revenue transfer to the University will provide sufficient funds to retire the housing system's annual debt payments.

Shippensburg State University of Pennsylvania
Student Housing Master Plan - Phase III, Fall 2012 Occupancy
Outline Program

Residential Space	Quantity	Beds Per Unit	Total Beds
Unit Type B - Shared Semi-Suite	181	2	362
Unit Type B (RA room) - Semi-Suite Single Room for RAs	22	1	22
Unit Type C - Private Semi-Suite	134	2	268
Unit Type D.1 - Two Person Shared Suite	0	2	0
Unit Type D.2 - Four Person Shared Suite	28	4	112
Unit Type E.1 - Two Person Private Suite	35	2	70
Unit Type E.2 - Four Person Private Suite	23	4	92
Unit Type F - Professional Staff / Resident Director Apartment	2	2	4
Total Residential Spaces	403	x	930
		Revenue Generating Beds	904

Total Residential GSF (Incl. Mail Area & Staff Apartments)	297,700
Gross Square Feet Per Bed	320

Shippensburg State University of Pennsylvania
Student Housing Master Plan - Phase III, Fall 2012 Occupancy
Project Development Budget

Project Budget			Notes
Hard Costs			
1	Residential Hard Cost of Construction	$43,167,000	
2	Residential Furniture, Fixtures, & Equipment	$2,179,200	
3	Demo Water Tower	$200,000	To be confirmed.
4	Abate/Demo McCune	$332,570	33,257 gsf @ $10 per square foot.
5	Abate/Demo Harley	$589,790	58,979 gsf @ $10 per square foot.
6	Abate/Demo Kieffer	$515,290	51,529 gsf @ $10 per square foot.
7	Abate/Demo Lockhove	$512,150	51,215 gsf @ $10 per square foot.
8	Abate/Demo McLean	$0	Assumes McLean costs are funded w/ surplus cash or unused contingency.
9	Inflation Allowance @ 5%	$4,868,000	
	Subtotal - Hard Costs	**$52,364,000**	
Soft Costs			
10	Architectural & Engineering Base Fees	$2,618,200	
11	Additional Architectural & Engineering Services	$262,000	
12	Development & Legal Fees	$2,762,000	
13	Miscellaneous (test fees, surveys, start up costs, etc)	$112,844	
14	Project Contingency	$1,743,571	
	Subtotal - Soft Costs	**$7,498,615**	
Bond Financing Costs			
15	Less Construction Period Interest	($1,396,667)	An allowance has been provided and final figures would be based on draw down schedule.
16	Capitalized Interest, Issuance, and Insurance	$9,972,652	Information provided by underwriter.
17	Deposit to Debt Service Reserve	$4,984,195	Assumed @ one year debt service payment on flat amortization schedule.
	Subtotal - Financing Costs	**$13,560,180**	
	Total Project Cost	**$73,422,795**	
	Total Project Cost/Bed	**$78,949**	

Assumptions		
New Square Footage	297,700	
Residential Cost/Square Foot	$145	Cost per square foot provided by WTW and is expressed in 2010 dollars; assumes minimal site work.
Residential FF&E Cost/Bed	$2,400	Cost per bed provided by WTW.
Annual Inflation Rate	5%	
Number of Years Inflation	2	
Project Contingency	3.0%	
Development & Legal Fees	5.0%	
Miscellaneous @ % of AE & PM/Development Fees	2.0%	
A/E Design Fees	5.0%	

Shippensburg State University of Pennsylvania
Student Housing Master Plan - Phase III, Fall 2012 Occupancy
Revenue Assumptions

Years Until Building Opening:	**5**	
Annual Rental Rate Escalation:	**4%**	
Annual Other Revenue Escalation:	**3%**	
Damages per bed per semester:	**$5**	
Laundry/Vending Revenue Per Student Per Year (at opening)	**$25**	Dependent on contract with laundry and food service vendors.
Commons Fee Per Student Per Year (at opening)	**$200**	Other PA projects charge this fee as a non-refundable deposit for usage of common area amenities.
Number of Students per Resident Assistant:	**43**	
Number of Non-Revenue Generating Beds:	**22**	

Unit Type	Rental Rate (2007 dollars)#	Rental Rate (at opening)*	Lease Term (# months)^	Year 1 Occupancy Rate	Year 2 Occupancy Rate	Stabilized Years Occupancy Rate	Year 1 Rental Revenue	Year 2 Rental Revenue	Year 3 Rental Revenue*	Academic Year Rent Per Bed**
Unit Type B - Shared Semi-Suite										
Double Occupancy	$675	$821	9	95%	95%	95%	$2,542,000	$2,643,000	$2,749,000	$7,391
Summary Occupancy (Double)	$675	$821	2	5%	5%	5%	$30,000	$31,000	$32,000	x
Unit Type B (RA room) - Semi-Suite Single Room for RAs										
Double Occupancy	$0	$0	x	x	x	x	x	x	x	x
Summary Occupancy (Double)	$0	$0	x	x	x	x	x	x	x	x
Unit Type C - Private Semi-Suite										
Single Occupancy	$725	$882	9	95%	95%	95%	$2,021,000	$2,102,000	$2,186,000	$7,939
Summer Occupancy (Single)	$725	$882	2	5%	5%	5%	$24,000	$25,000	$26,000	x
Unit Type D - Shared Suite										
Two Person Unit	$750	$912	9	95%	95%	95%	$0	$0	$0	$8,212
Four Person Unit	$700	$852	9	95%	95%	95%	$816,000	$848,000	$882,000	$7,665
Summer Occupancy (Two Person)	$750	$912	2	5%	5%	5%	$0	$0	$0	x
Summer Occupancy (Four Person)	$700	$852	2	5%	5%	5%	$10,000	$10,000	$10,000	x
Unit Type E - Private Suite										
Two Person Unit	$800	$973	9	95%	95%	95%	$583,000	$606,000	$630,000	$8,760
Four Person Unit	$750	$912	9	95%	95%	95%	$718,000	$746,000	$776,000	$8,212
Summer Occupancy (Two Person)	$800	$973	2	5%	5%	5%	$7,000	$7,000	$7,000	x
Summer Occupancy (Four Person)	$750	$912	2	5%	5%	5%	$8,000	$9,000	$9,000	x
Unit Type E - Staff Apartment										
Single Occupancy	$0	$0	x	x	x	x	x	x	x	x
Double Occupancy	$0	$0	x	x	x	x	x	x	x	x
Summer Occupancy (Single)	$0	$0	x	x	x	x	x	x	x	x
Summer Occupancy (Double)	$0	$0	x	x	x	x	x	x	x	x
						TOTAL:	**$6,759,000**	**$7,027,000**	**$7,307,000**	

 # Rental rates represent highest end of range tested on survey.
^ 10 month lease similar to other in-state projects.
*** Year 3 rental revenue is calculated using "Stabilized Years Occupancy Rate"**
**** Assumes "Rental Rate (at opening)"**

Shippensburg State University of Pennsylvania
Student Housing Master Plan - Phase III, Fall 2012 Occupancy
Expense Assumptions

Yearly Housing Expenses

	Annual Inflation Factor	Calculation Basis	Per SF 2007/2008	Total 2007/2008	Notes
Utilities	-	Per SF	-		Utilities costs will need to be further verified assuming geothermal systems, which will likely lower utility costs.
Electricity	5%	Per SF	$0.47	$140,000	Reflects current University owned housing cost.
Heat	5%	Per SF	$1.35	$402,000	Reflects current University owned housing cost.
Water and Sewer	5%	Per SF	$0.18	$54,000	Reflects current University owned housing cost.
Physical Plan Dept. Costs	-	Per SF	-		
Maintenance Supplies	5%	Per SF	$0.22	$65,000	Inflation rate more aggressive given rising maintenance costs as property ages.
Maintenance Labor	5%	Per SF	$0.65	$194,000	Assumes property will cover its own maintenance labor costs plus some University owned housing costs.
Administrative Overhead	-	Per SF	-		
Salaries and Benefits	4%	Per SF	$1.15	$342,000	Assumes that certain University owned housing administrative costs would not be carried by project.
Services & Supplies (Other)	4%	Per SF	$0.60	$179,000	Assumes that property will cover its own services & supplies plus some University owned housing costs.
Miscellaneous Charges	-	Per SF	-		
Student Telephone Service	2%	Per SF	$0.24	$71,000	
Conference Office Operation	5%	Per SF	$0.00	$0	Assumes that conference operations would be carried by University owned housing.
Worker's Compensation	2%	Per SF	$0.01	$4,000	
Insurance	3%	Per SF	$0.75	$223,000	Based on other similar state projects.
Ground Lease	2%	Per SF	$0.08	$24,000	Based on other similar state projects.
Total		**Total Expenses:**	**$5.70**	**$1,698,000**	Aggressive operating cost per square foot. As is practiced at other in-state projects a portion of expenses may be carried "below the line" using cash surpluses created by accommodating the 1.20 debt coverage ratio.

Additional Expenses ("below the line")	2%	Per SF	$1.70	$506,000

Other Notes:

Expenses related to lease payments to Shippensburg University Foundation, University owned housing capital expenditures, Chancellor's office payment, and bad debts are not included.

Assumes that management expenses are included in the "Salaries and Benefits" cost category. University should confirm that management of facility could occur for these dollars.