



El Centro Relocation Project

**Presentation to the Commission on
Government Forecasting and Accountability**

Certificates of Participation (COPS) Series 2012

March 22, 2012



El Centro - Background

- NEIU academic center for over 40 years
- Traditionally a gateway to higher education for Latino students and communities
- Comprehensive academic support services
- Continued growth – currently 200 courses and over 1,000 students
- Always located in leased facilities
- A true success story

El Centro – Current Location

- Current location for 10 years
- Share space (and lease from) ASPIRA charter high schools
- Change in ownership of current leased facility
- Both programs, El Centro and ASPIRA, are expanding and outgrowing the facility



El Centro – RFI Process

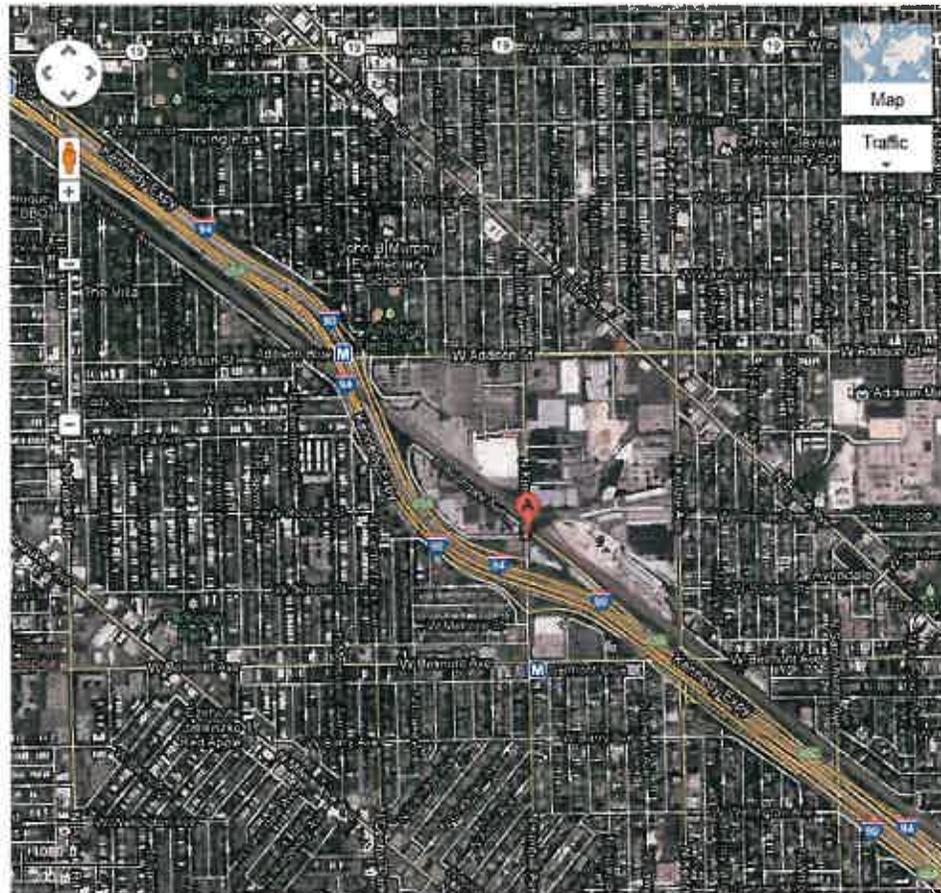
- Initial plan was to secure a new lease
- Issue RFI in March 2011
- Location driven
 - Communities served by current facility
 - Latino students/populations
 - Near public transportation (train and bus)
 - Available parking
- 4 Responses



El Centro – Best and Final Proposals

- Two locations for final consideration
- Needed strong aldermanic support
- Location/transportation
- Moved from lease option to purchase

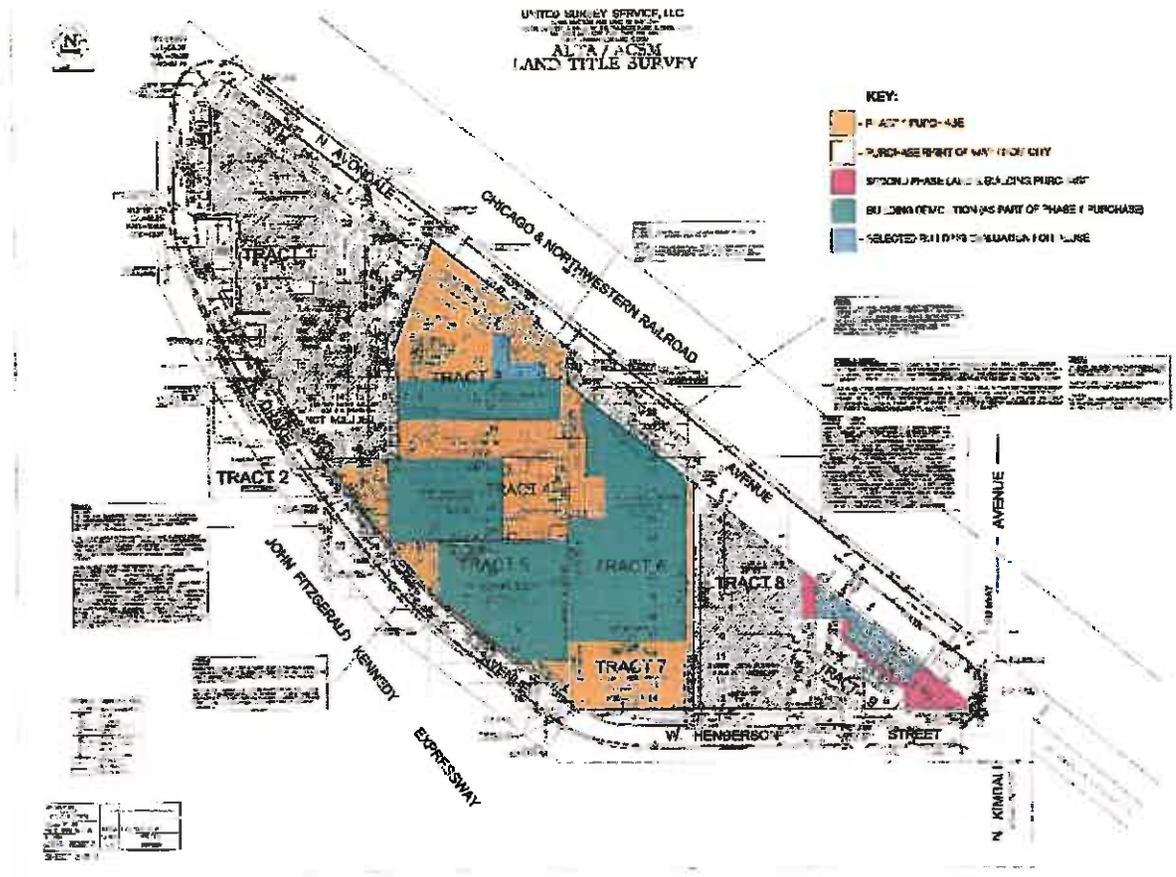
El Centro – Chicago Location



El Centro – High Visibility Location



El Centro – Land Acquisition and Demolition Plans

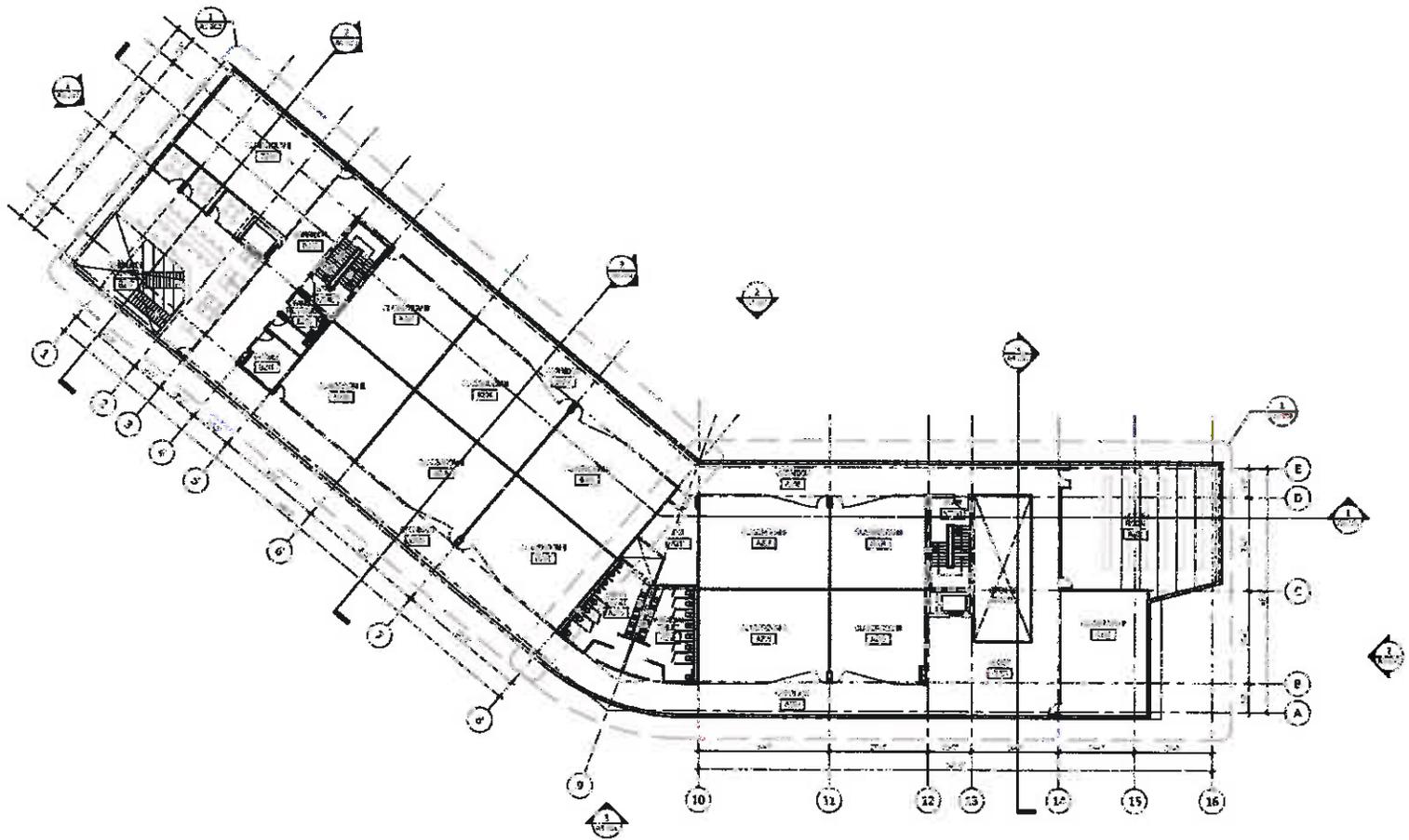




El Centro – Planned Building/Student Capacity

<u>ROOM TYPE</u>	<u>NUMBER OF ROOMS</u>	<u>STUDENT CAPACITY</u>
CLASSROOMS	19	600
LECTURE CLASSROOMS	1	50
RESOURCE CENTER	1	30
ART CLASSROOM	1	18
DAMP/WET LABS	2 (1 each)	24/24
<u>SEMINAR ROOMS</u>	<u>3</u>	<u>54</u>
TOTAL	27	800

El Centro – Typical Floor Layout



El Centro – Rendering





El Centro – Financing Overview

- The University has the business plan and financing capacity to support this project
- Per Standard and Poor's rating review issued on September 19, 2011:
"NEIU's overall debt burden remains manageable in our view at under 2% of 2010 operating expenses"



El Centro – Financing Plan

	FY2010 Current Facility	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Number of Student Credit Hours	10,192	15,288	17,836	20,384	22,932	25,480	28,028	28,028
Total Tuition Revenue	\$ 2,097,984	\$ 3,669,120	\$ 4,459,000	\$ 5,299,840	\$ 6,191,640	\$ 7,159,880	\$ 8,184,176	\$ 8,520,512
Overhead Recovery	5% \$ -	\$ 183,456	\$ 222,950	\$ 264,992	\$ 309,582	\$ 357,994	\$ 409,209	\$ 426,026
Available Tuition Revenue	2,097,984	3,485,664	4,236,050	5,034,848	5,882,058	6,801,886	7,774,967	8,094,486
Average Tuition Per Credit Hour	\$ 206	\$ 240	\$ 250	\$ 260	\$ 270	\$ 281	\$ 292	\$ 304
Expenditures								
Estimated teaching salaries	\$ 838,397	\$ 1,467,648	\$ 1,783,600	\$ 2,119,936	\$ 2,476,656	\$ 2,863,952	\$ 3,273,670	\$ 3,408,205
Facility Operations/Utilities	108,225	303,600	315,744	328,374	341,509	355,169	369,376	384,151
Administrative/Support Costs	238,740	513,677	624,260	741,978	866,830	1,002,383	1,145,785	1,192,872
Relocation costs - El Centro	-	700,000	-	-	-	-	-	-
Teaching, Support, Facilities Costs	1,185,362	2,984,925	2,723,604	3,190,288	3,684,995	4,221,504	4,788,831	4,985,228
Lease/Debt Service	221,000	959,646	1,446,049	1,456,240	1,475,490	1,488,699	1,500,935	1,516,858
Net of ASPIRA	(110,500)							
Total Expenditures	\$ 1,295,862	\$ 3,944,571	\$ 4,169,653	\$ 4,646,528	\$ 5,160,485	\$ 5,710,203	\$ 6,289,766	\$ 6,502,086
Net Margin	\$ 802,122	\$ (458,907)	\$ 66,397	\$ 388,320	\$ 721,573	\$ 1,091,683	\$ 1,485,201	\$ 1,592,401
Size of Facility (gross square feet)	22,500	55,000	55,000	55,000	55,000	55,000	55,000	55,000

Notes:

Based on current enrollments, assumes 50% enrollment increase in FY13, 75% increase in second year, 100% increase in third year, 125% increases in fourth year through sixth years and level enrollments thereafter.

Teaching salaries estimated at 40% of tuition revenue

Assumes an annual increase of 4% in tuition and facilities, utilities, administrative, and support costs

Financing assumption is \$27 million borrowed for 30 years.



El Centro – Outstanding COP Debt With New Issue

Fiscal Year Ending	Certificates of Participation						Combined	Statutory Limit on NEIU COPS	Percent of Limit Committed
	Series 2012 ¹		Series 2010		Series 2006				
	Principal	Interest	Principal	Interest	Principal	Interest			
6/30/2012				303,406	635,000	550,288	1,488,694	5,000,000	29.8%
6/30/2013		959,646	155,000	301,856	660,000	525,594	2,602,096	5,000,000	52.0%
6/30/2014	355,000	1,091,049	170,000	298,288	685,000	499,106	3,098,443	5,000,000	62.0%
6/30/2015	370,000	1,086,240	185,000	293,725	715,000	471,106	3,121,071	5,000,000	62.4%
6/30/2016	395,000	1,080,490	205,000	287,850	740,000	442,006	3,150,346	5,000,000	63.0%
6/30/2017	415,000	1,073,699	225,000	280,300	775,000	411,222	3,180,221	5,000,000	63.6%
6/30/2018	435,000	1,065,935	250,000	270,925	805,000	378,131	3,204,991	5,000,000	64.1%
6/30/2019	460,000	1,056,858	275,000	259,581	840,000	343,175	3,234,614	5,000,000	64.7%
6/30/2020	490,000	1,045,788	300,000	246,269	880,000	306,075	3,268,131	5,000,000	65.4%
6/30/2021	515,000	1,032,581	330,000	230,894	915,000	266,238	3,289,713	5,000,000	65.8%
6/30/2022	550,000	1,017,250	365,000	213,291	960,000	224,050	3,329,591	5,000,000	66.6%
6/30/2023	580,000	999,865	395,000	193,569	1,005,000	179,838	3,353,271	5,000,000	67.1%
6/30/2024	615,000	980,583	435,000	171,509	1,050,000	132,288	3,384,379	5,000,000	67.7%
6/30/2025	655,000	959,300	470,000	146,894	1,105,000	81,106	3,417,300	5,000,000	68.3%
6/30/2026	695,000	936,003	510,000	119,625	1,155,000	27,431	3,443,059	5,000,000	68.9%
6/30/2027	735,000	910,610	550,000	89,469			2,285,079	5,000,000	45.7%
6/30/2028	780,000	882,950	595,000	56,178			2,314,128	5,000,000	46.3%
6/30/2029	825,000	852,845	645,000	19,350			2,342,195	5,000,000	46.8%
6/30/2030	875,000	820,108					1,695,108	5,000,000	33.9%
6/30/2031	930,000	784,445					1,714,445	5,000,000	34.3%
6/30/2032	985,000	745,653					1,730,653	5,000,000	34.6%
6/30/2033	1,045,000	703,515					1,748,515	5,000,000	35.0%
6/30/2034	1,110,000	656,040					1,766,040	5,000,000	35.3%
6/30/2035	1,180,000	603,370					1,783,370	5,000,000	35.7%
6/30/2036	1,255,000	547,365					1,802,365	5,000,000	36.0%
6/30/2037	1,330,000	487,910					1,817,910	5,000,000	36.4%
6/30/2038	1,410,000	424,890					1,834,890	5,000,000	36.7%
6/30/2039	1,500,000	357,585					1,857,585	5,000,000	37.2%
6/30/2040	1,590,000	285,743					1,875,743	5,000,000	37.5%
6/30/2041	1,685,000	209,599					1,894,599	5,000,000	37.9%
6/30/2042	1,780,000	129,038					1,909,038	5,000,000	38.2%
6/30/2043	1,885,000	43,826					1,928,826	5,000,000	38.6%
	27,430,000	23,830,775	6,060,000	3,782,978	12,925,000	4,837,653	78,866,406		

¹ Estimated, subject to change.



El Centro – Project Summary

Sound business plan

Good for our students

Good for the university

Good for the community/city/state