

Contact: Jean Friedrich

REGISTER OF UNIVERSITY OF NORTHERN IOWA
CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS

Actions Requested: Consider approval of:

1. The following actions for the **Apartment Housing – Phase I** project, a major capital project as defined by Board policy.
 - a. Acknowledge receipt of the University’s initial submission of information to address the Board’s capital project evaluation criteria (see Attachment A);
 - b. Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
 - c. Authorize permission to proceed with project planning, including the architectural selection process.

Executive Summary: The **Apartment Housing – Phase I** project would provide additional housing to meet the needs of junior and senior students, while enhancing the housing inventory with the first phase of a new apartment community. The current dormitories are, on average, forty-nine years old. The trend at the University of Northern Iowa shows a higher percentage of students living on campus and higher occupancy rates for the system. The occupancy rate for FY 2009 was 94.9% and is projected at 95% for FY 2010. Two market studies completed by Brailsford & Dunlavey and INVISION (2004) and Anderson Strickler, LLC (2007) support the need for additional housing.

A feasibility study completed in fall 2008 by Mackey Mitchell and INVISION shows a potential site for a 788 apartment community of primarily 2 and 4 person units at a total estimated cost of approximately \$64 million. In order to have manageable debt and to insure conservative growth, the project is being divided into three phases. The estimated project cost of \$16.4 million for Phase I (180 beds) would be funded by Residence System Funds and Residence System Revenue Bonds. The University will provide a detailed financing plan to the Board at a later date.

Apartment Housing – Phase I

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed		August 2009	Requested

The evaluation criteria for the project are included as Attachment A to this Agenda Item. A map showing the proposed location of the Apartment Housing is included as Attachment B.

Attachment A

**Apartment Housing – Phase 1
Evaluation Criteria**

1. How does this project help fulfill the institution's mission and strategic plan?

This project supports the institution's mission and strategic plan by providing safe and supportive living environments for students. The current inventory of dormitory rooms is housed in buildings which are, on average, forty-nine years old. Trending at UNI shows a higher percentage of students living on campus and higher occupancy rates for the system. The occupancy rate for FY 2009 is 94.9% and is projected at 95% for FY 2010.

In order to meet the changing needs of students and to begin replenishing housing stock, apartment-style housing on central campus is needed. This is evidenced by two market studies. Apartments on campus will attract additional juniors and seniors to stay on campus.

2. What other alternatives were explored to meet the needs identified in number 1 above?

A consultant was hired in 2004 to evaluate use of residence facilities. The consultant suggested spending \$9.5M to renovate an existing dormitory building and make it suite-style housing. The University decided not to pursue this option as it would end up with students in double rooms when the overwhelming demand is for single bedrooms. In addition, after renovation the project would operate at a loss of \$450,000. Instead the University spent about \$2M on the facility to provide single bedrooms and improved bathrooms meeting student demands. The building contributed over \$360,000 to the system in FY 2008.

A feasibility study was completed in 2008 showing a potential site for a 788 apartment community at a total estimated cost of approximately \$64M. In order to have manageable debt and to insure conservative growth, the project was divided into three phases.

3. When this project is completed, what facilities and total square footage will be abandoned, transferred, or demolished and how does this compare to the new or renovated square footage?

Phase 1 of the project will not result in the immediate abandonment, transfer, or demolition of existing facilities.

4. What financial resources are available to build/remodel renovate the proposed capital project?

Funding for this project will come from Residence System funds and bonding or similar financing backed by Residence System funds.

5. What resources are available to operate and maintain the proposed capital project without compromising current programs and operations?

The source of funds used to support the operations and maintenance of this residential facility will be Residence System revenues.

6. Identification of any compelling external forces that justify approval of this capital project.

None to our knowledge.

