

VII. STANDING COMMITTEES**B. Finance, Audit and Facilities Committee**University of Washington Bothell – Student Housing RatesRECOMMENDATION:

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Regents approve the rental rates for UW Bothell student housing.

BACKGROUND:

- The University of Washington Bothell began accepting freshmen in 2006.
- The freshman class has grown from 135 in the first year to an expected 340 for autumn 2009.
- Student recruitment has expanded to include the entire state of Washington.
- Freshman and sophomore students expect a more robust student life program.
- We are pursuing a student center, expanded food service and student housing to meet the needs of our growing student population.
- In the long run, UW Bothell intends to build or acquire student housing.

As a first step, the University of Washington Bothell is planning to master lease a small apartment building near the campus and manage the property for student housing beginning autumn quarter 2009.

A request for proposals (RFP) was sent out to apartment complexes within a 1.5 mile radius of campus in early winter. Twelve proposals were received. A team from the UW Real Estate Office, UW Bothell Administration and Planning, and UW Bothell Student Life reviewed the RFPs, toured facilities, and selected the preferred property. A Letter of Intent was signed with the property owner for a one year lease, with five one year options.

During the past several months, UW Bothell representatives have consulted with the Provost's Office, the Office of Planning and Budgeting (including the Capital and Space Planning Office), the Attorney General's Office, Risk Management, the Real Estate Office and representatives from UW Housing and Food Services to ensure that necessary analysis has been completed and all appropriate steps taken prior to implementing this initial housing program. The Chancellor and Vice Chancellor have also discussed this plan with the Mayor and City Manager of Bothell and have ensured that applicable city codes and zoning support the proposal.

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The apartment complex will house up to 44 students, plus two undergraduate or graduate community advisors (similar to a resident advisor). All apartments are one bedroom, one bathroom and will be furnished. The complex is approximately one quarter mile from campus and is within walking distance to shops, restaurants, and bus lines. There will be student life programming specifically designed for the residential community.

A financial pro forma has been prepared to ensure that the housing program can operate on a self-sustaining basis including facility costs, student life programming, insurance, community advisory expenses and other expenses. The cost of furniture, roughly \$120,000, will be depreciated over ten years. The pro forma shows positive net revenue by year two, and recouping initial start-up costs by year three. Based on this pro forma the following rental rates are proposed:

Annual Contract

For the period Sept 25, 2009 to September 17, 2010

Double Occupancy	\$ 625/mo (\$ 1,875/quarter)
Single Occupancy	\$ 1,100/mo (\$ 3,300/quarter)

Academic Year Contract

For the period Sept 25, 2009 to June 13, 2010

Double Occupancy	\$ 775/mo (\$ 2,325/quarter)
Single Occupancy	\$ 1,350/mo (\$ 4,050/quarter)

Rates are per person and include all utilities (water, sewer, garbage, electricity, basic cable, and Internet) except phone service.

Attachment
Pro forma

UNIVERSITY OF WASHINGTON BOTHELL
Student Housing
For the 2009-2010 Academic Year

6-Year Housing Model						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Expenses						
Rent	\$ 236,160	\$ 236,160	\$ 240,883	\$ 248,110	\$ 255,553	\$ 263,220
Utilities	50,400	51,912	53,469	55,073	56,726	58,427
Furniture	12,000	12,000	12,000	12,000	12,000	12,000
Liability Insurance	-	5,000	10,000	10,000	10,000	10,000
Other Expenses	6,975	5,475	4,975	4,975	4,475	4,475
Startup costs	25,000					
Total Expenses	\$ 330,535	\$ 310,547	\$ 321,328	\$ 330,158	\$ 338,754	\$ 348,122
Revenue						
Application Fee	\$ 1,950	\$ 1,268	\$ 1,268	\$ 1,268	\$ 1,268	\$ 1,268
Rent (Single Occupied)	62,700	65,835	69,127	74,104	79,291	84,049
Rent (Double Occupied)	242,250	254,363	267,081	287,112	306,348	321,666
Total Revenue	\$ 306,900	\$ 321,465	\$ 337,475	\$ 362,483	\$ 386,907	\$ 406,982
Net Income (Loss)	\$ (23,635)	\$ 10,918	\$ 16,147	\$ 32,325	\$ 48,153	\$ 58,860
Cumulative Net Income (Loss)	\$ (23,635)	\$ (12,717)	\$ 3,430	\$ 35,755	\$ 83,908	\$ 142,768
Student Monthly Rent--12 months	\$ 625 / \$ 1100	\$ 655 / \$ 1155	\$ 690 / \$ 1210	\$ 740 / \$ 1300	\$ 790 / \$ 1390	\$ 830 / \$ 1475
Student Monthly Rent--9 months	\$ 775 / \$ 1350	\$ 814 / \$ 1418	\$ 854 / \$ 1488	\$ 897 / \$ 1563	\$ 942 / \$ 1641	\$ 989 / \$ 1723