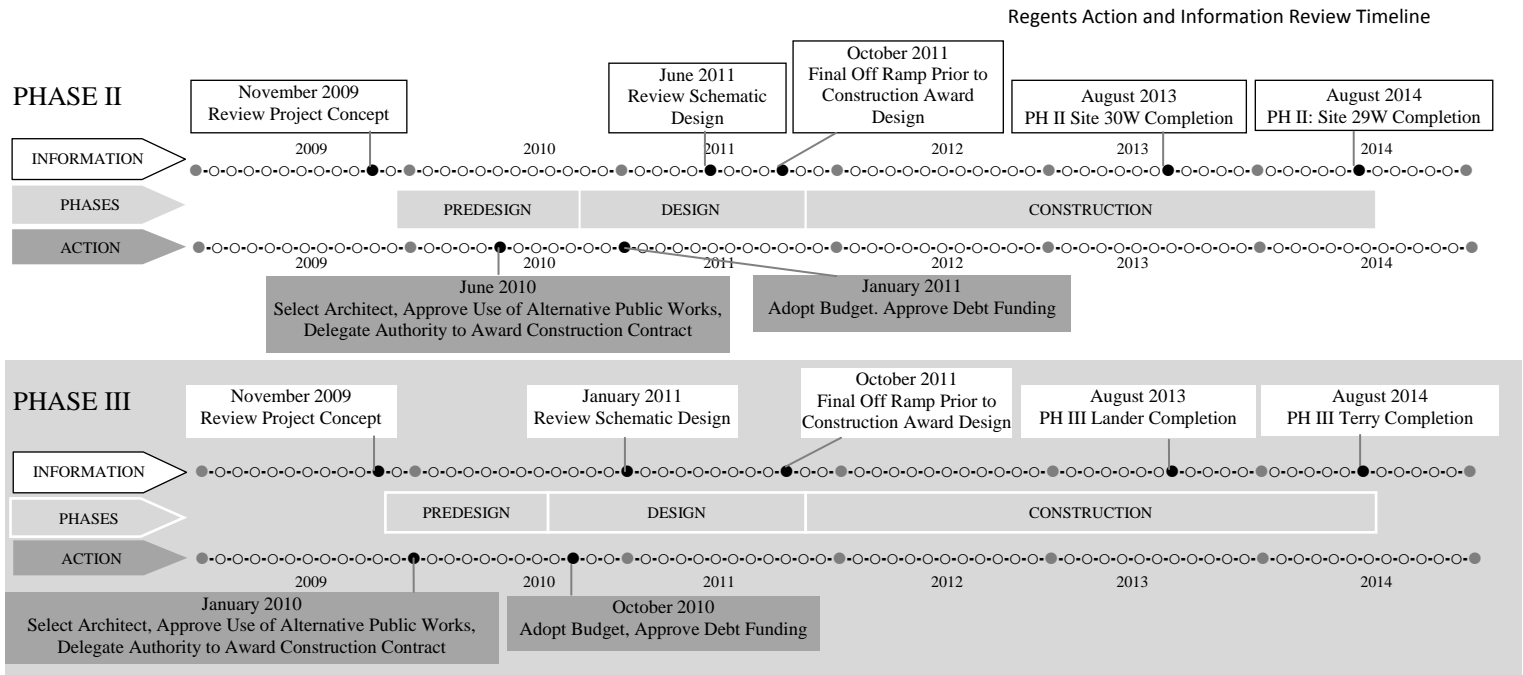


VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Housing & Food Services (HFS) Master Plan Phase II and III Update



Note for duration of project: written semi-annual reports in January & July, oral semi-annual updates in March & October

INFORMATION:

Housing and Food Services (HFS) plans to optimize the implementation of the Housing Master Plan (HMP) by accelerating the renovation schedule for existing residence halls by one year and adjusting the order in which buildings are removed from service for renovation. The revised implementation plan levels the change in the number of bed spaces from one year to the next and does not change the overall number of beds.

The differences in the revised implementation plan are shown in Attachment A, which compares the revised plan with the version incorporated in the April 2009 Phase I credit report in a timeline perspective (calendar year basis). Attachments B and C compare the revised plan with the version presented to the Board in May 2009 in a bed-count perspective (fiscal year basis).

The revised plan will not incur debt above the level outlined in the Housing Master Plan and is expected to ease financial risk by reducing the dramatic shifts in overall on-campus bed count associated with the earlier implementation plan.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Housing & Food Services (HFS) Master Plan Phase II and III Update (continued p. 2)

As with Phase I of the Housing Master Plan, HFS will work with the Treasury Office in conducting a detailed financial analysis of the revised implementation plan and incorporating project off-ramps at appropriate points in the implementation schedule for risk management purposes. Project construction will continue to be phased in and Board approval will be secured for each construction phase. HFS will also work closely with the University's Capital and Space Planning Office to ensure alignment with comprehensive institutional capital planning priorities.

Though the revised plan compresses implementation by up to two years, it does not preclude HFS from exercising existing project scheduling flexibility in response to situational adversity. In the short term, new apartment construction on sites 29 and 30 (scheduled for construction in the 2013-2014 timeframe) could be postponed, resulting in an extension of the entire Housing Master Plan for an additional one year. In the longer term, Phase IV (adding a total of 1,000 apartment-style beds beginning in 2015) could be postponed indefinitely, since these beds are not needed to support the renovation of existing residence halls. In any event, construction on Phases II and IV will be guided by demand and financial feasibility in order to avoid excess capacity in the student housing system.

FUTURE BOARD OF REGENTS ACTION

The revised implementation plan requires Board approval of architect selection, use of alternative public works (GC/CM), and delegation of authority to award the construction contract for Lander and Terry residence halls in January 2010. Renovation of Lander Hall is expected to begin in mid-2012; renovation of Terry Hall is expected to begin a year later. HFS plans to employ the services of a single architect for both projects in order to capture full financial benefit in this development activity. HFS will use existing reserves to fund the initial design phase, which is estimated to cost approximately \$1.5 million.

Project budget approval for Terry-Lander, along with a project financing plan, is currently expected to be brought before the Board in October 2010, following the completion of a detailed credit analysis to be performed jointly with the Treasury Office. The financing plan for Terry-Lander will include the identification of off-ramps for both projects and will coincide with the October 2010 reporting date for the second set of off-ramps for the Housing Master Plan's Phase I that was approved by the Board in May 2009.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Housing & Food Services (HFS) Master Plan Phase II and III Update (continued p. 3)

HFS expects to seek Board approval of architect selection, use of alternative public works (GC/CM), and delegation of authority to award the construction contract for Phase II in June 2010. Project budget approval for Phase II, along with a project financing plan, is currently expected to be brought before the Board in January 2011, again following the completion of a detailed credit analysis to be performed jointly with the Treasury Office.

Attachments:

Attachment A – HFS HMP Timeline Comparison

Attachment B – Previous Schedule from Regents May 2009 Meeting

Attachment C – Proposed Schedule with Phase II Revisions

HFS HMP Timeline Comparison

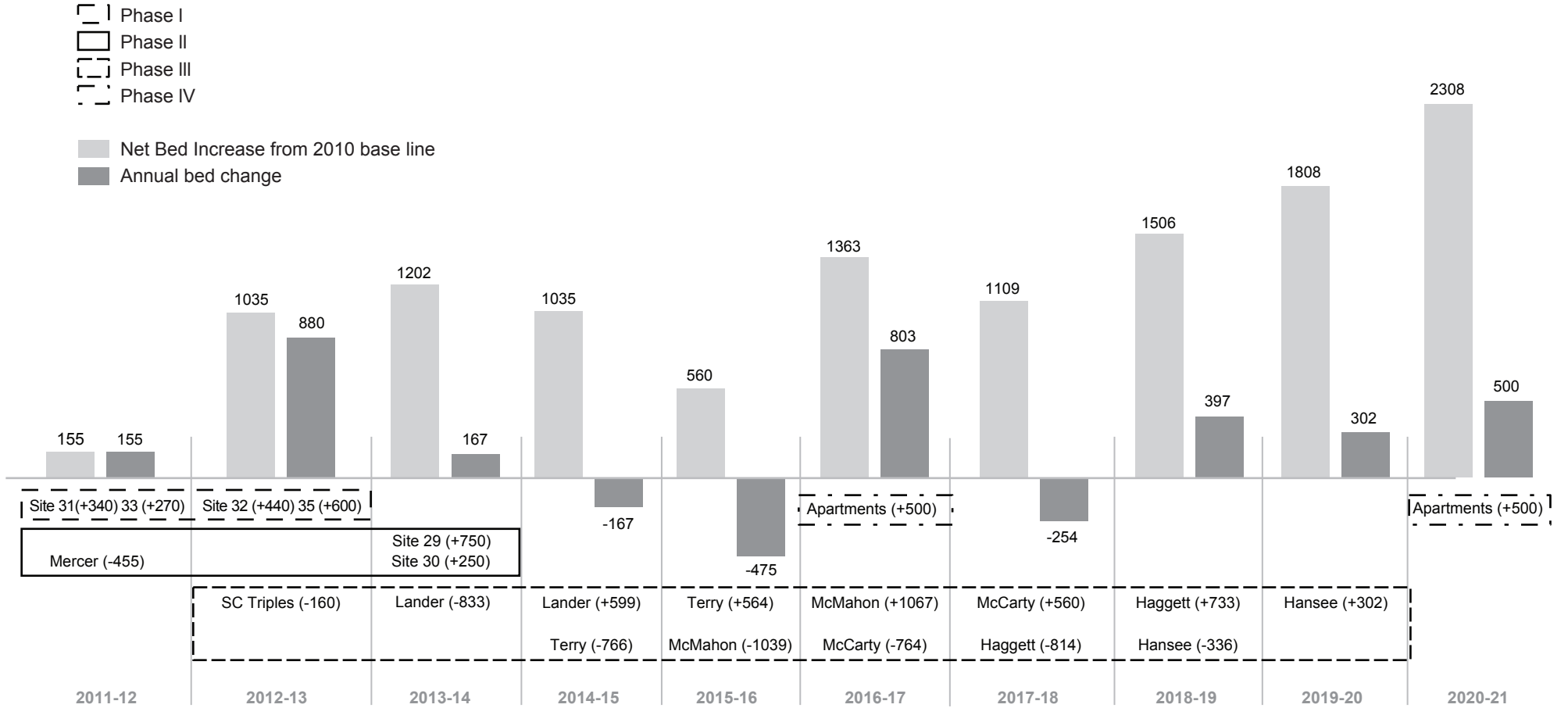
Project phasing in HFS Phase 1 credit report (April 2009)

<u>Begin construction:</u>	2010 <i>Apartment (31)</i>	2010 <i>Residence Hall (33)</i>	2011 <i>Residence Hall (32)</i>	2011 <i>Residence Hall (35)</i>	2012 <i>Mercer Demolition</i>	2012 <i>Apartment (29)</i>	2012 <i>Apartment (30)</i>	2013 <i>Lander (Renov)</i>	2014 <i>Terry (Renov)</i>	2015 <i>McMahon (Renov)</i>	2015 <i>Apartment A</i>	2016 <i>McCarty (Renov)</i>	2017 <i>Haggett (Renov)</i>	2018 <i>Hansee (Renov)</i>	2019 <i>Apartment B</i>
<u>Phase:</u>	1	1	1	1	2	2	2	3	3	3	4	3	3	3	4
<u>Calendar year:</u>	2010		2011		2012			2013	2014	2015		2016	2017	2018	2019

Adjusted project phasing for HFS Phase 2 forward (November 2009)

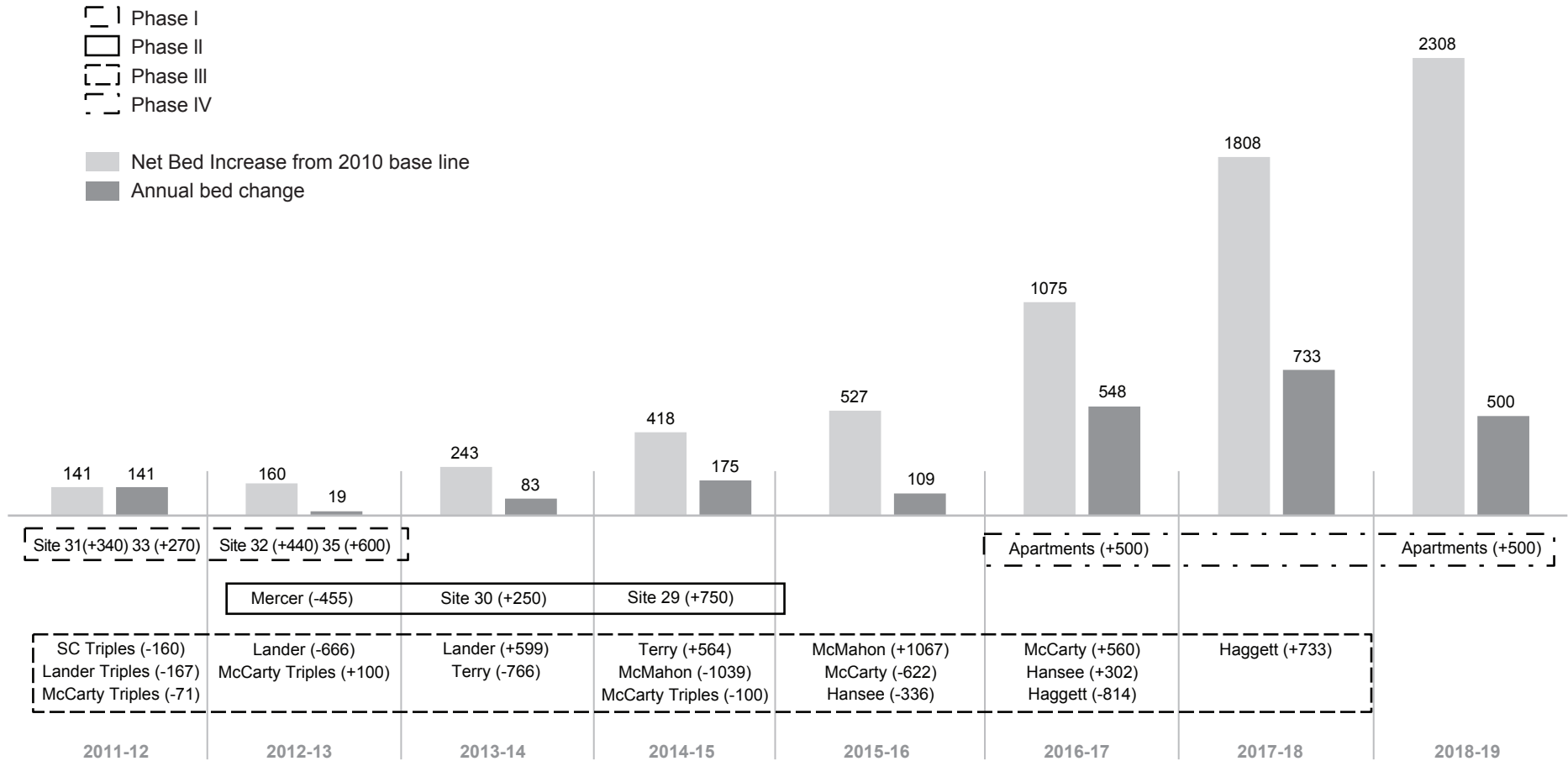
<u>Begin construction:</u>	2010 <i>Apartment (31)</i>	2010 <i>Residence Hall (33)</i>	2011 <i>Residence Hall (32)</i>	2011 <i>Residence Hall (35)</i>	2012 <i>Mercer Demolition</i>	2012 <i>Apartment (29)</i>	2012 <i>Apartment (30)</i>	2012 <i>Lander (Renov)</i>	2013 <i>Terry (Renov)</i>	2014 <i>McMahon (Renov)</i>	2015 <i>McCarty (Renov)</i>	2015 <i>Hansee (Renov)</i>	2015 <i>Apartment A</i>	2016 <i>Haggett (Renov)</i>	2017 <i>Apartment B</i>
<u>Phase:</u>	1	1	1	1	2	2	2	3	3	3	3	3	4	3	4
<u>Calendar year:</u>	2010		2011		2012			2013	2014	2015		2016	2017	2018	2019

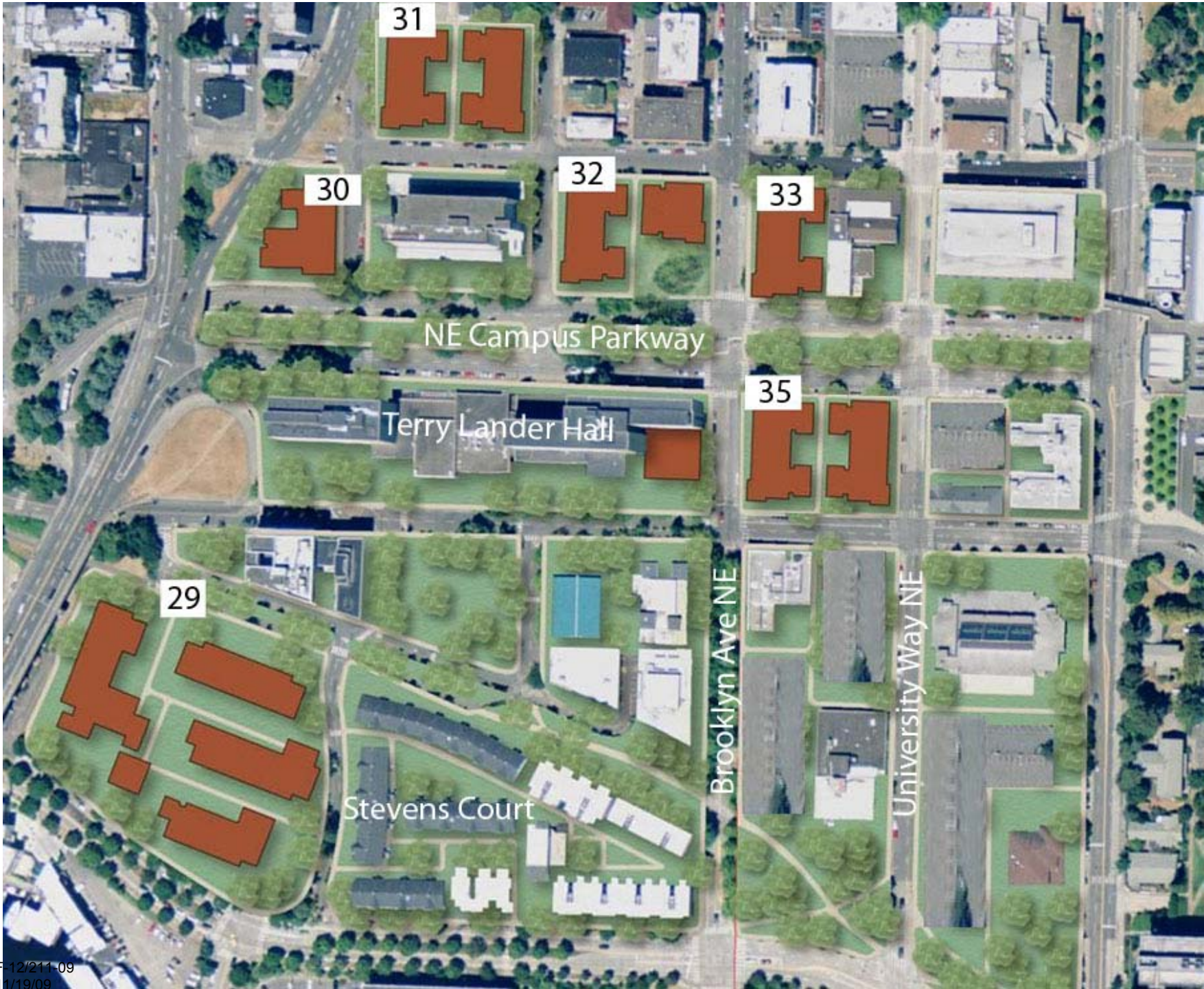
Previous Schedule from Regents May 2009 Meeting



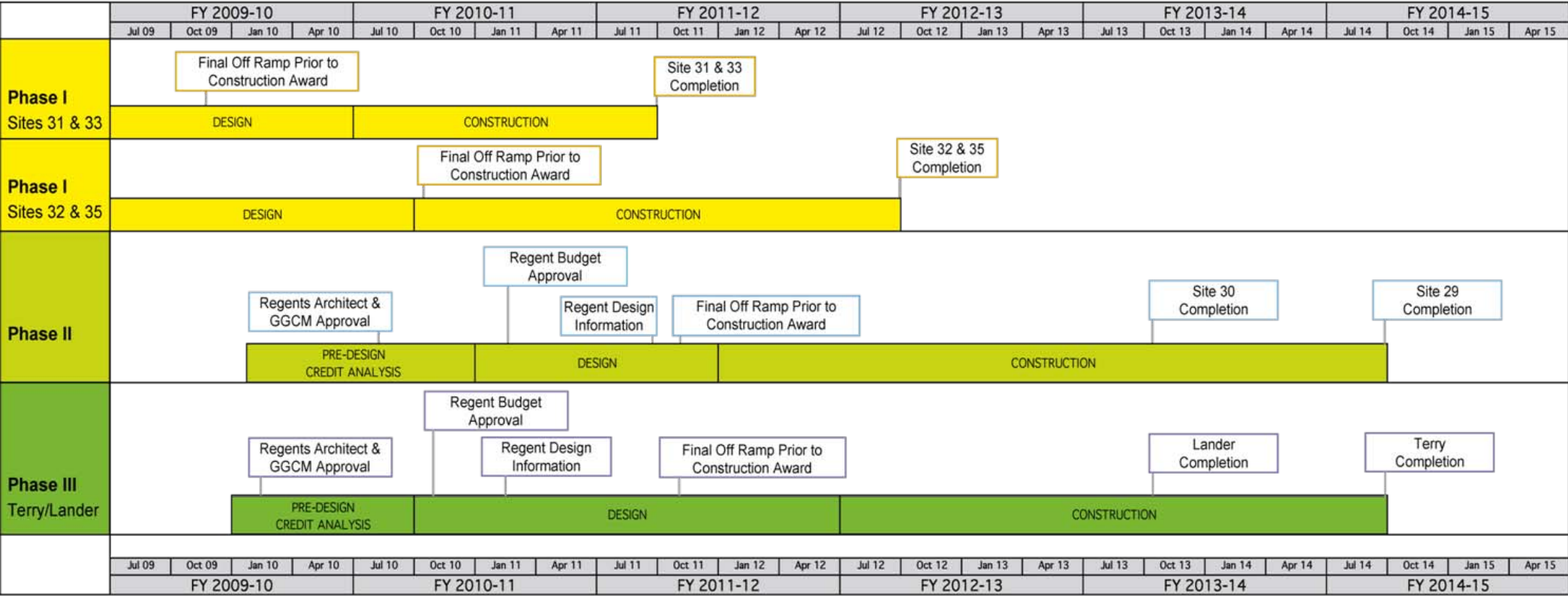
Attachment B

Proposed Schedule with Phase II Revisions



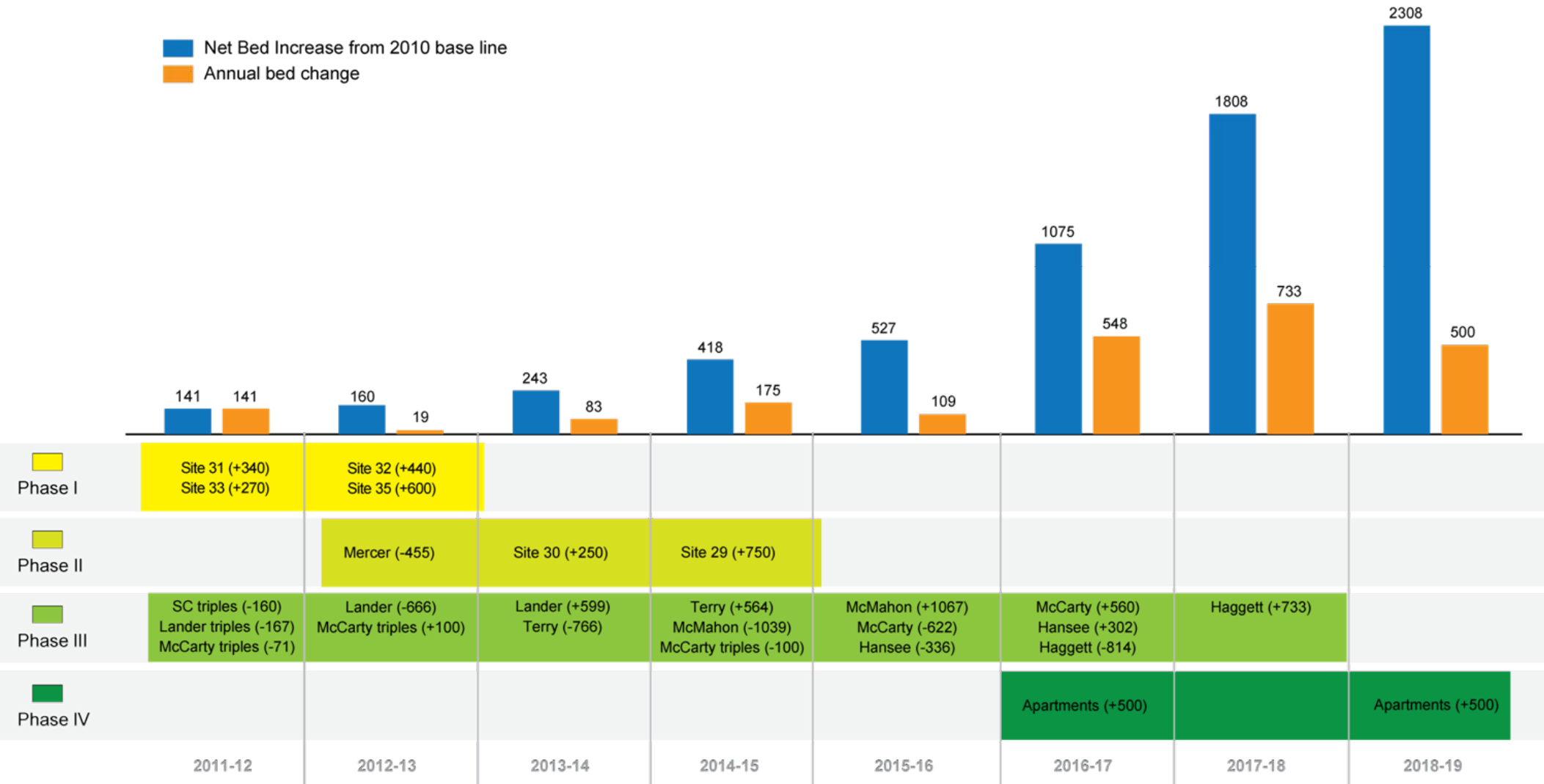


Housing Master Plan Timeline



Proposed Schedule with Phase II Revisions

■ Net Bed Increase from 2010 base line
■ Annual bed change

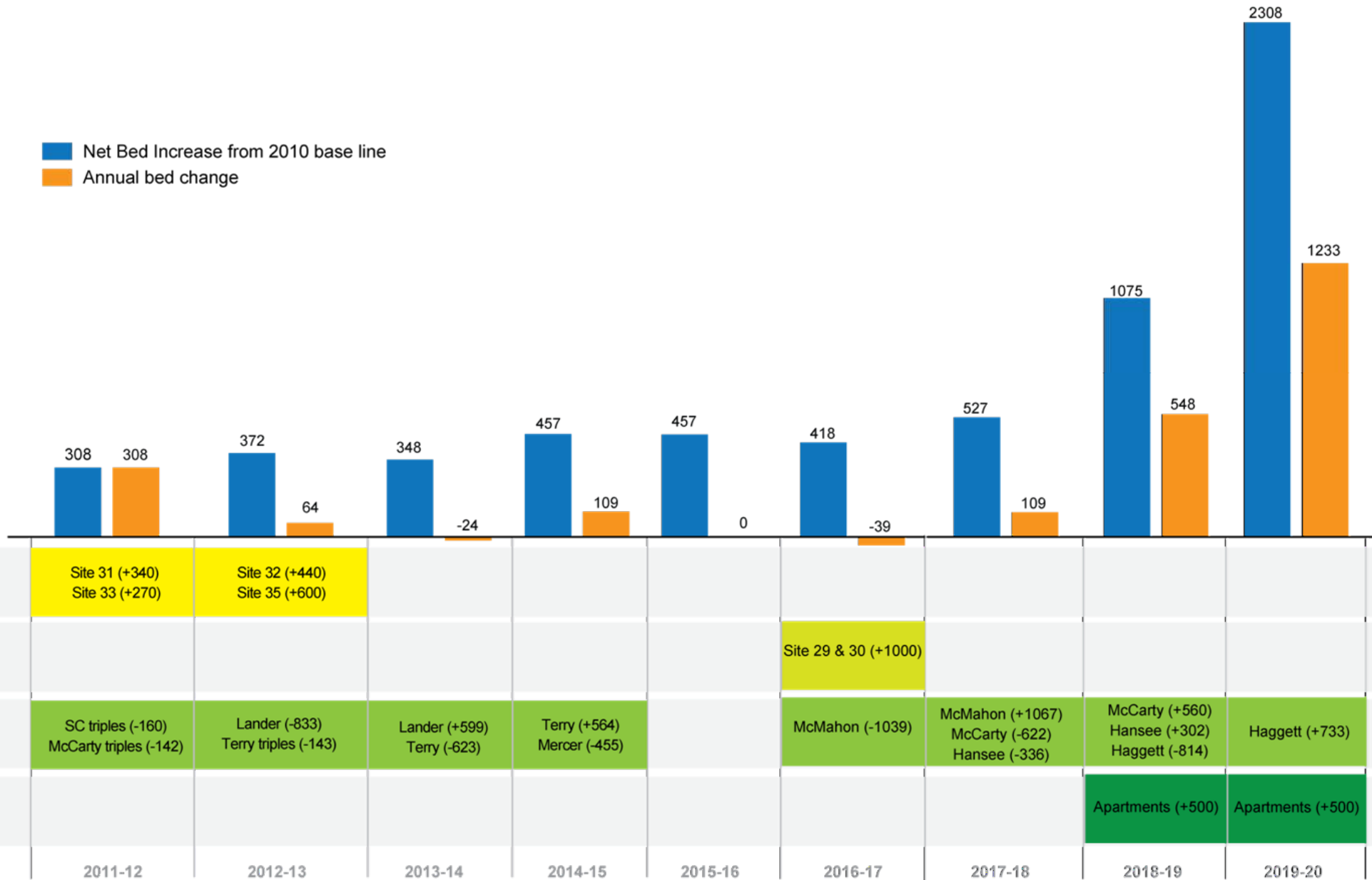


Previous Schedule from Regents May 2009 Meeting



Lander in 2013 / Site 29 & 30 in 2016 Secondary Option

■ Net Bed Increase from 2010 base line
■ Annual bed change



HFS HMP Timeline for 11-09 Regents

