

VII. STANDING COMMITTEES**B. Finance, Audit & Facilities Committee**University of Washington Bothell – Student Housing Rate AdjustmentRECOMMENDATION:

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 360 for Autumn Quarter 2010. Student recruitment has expanded to include the entire state of Washington, other states, and international students. UW Bothell launched its student housing program last fall by master leasing an apartment building near the campus. The student housing availability was advertised to students at the end of spring quarter 2009 and opened full in fall 2009 with 42 student residents and three community advisors (similar to resident advisors). Demand for student housing continues to grow beyond what the current facility can provide, and, consistent with the goals established last year, UW Bothell plans to expand student housing capacity gradually over the next several years. In the long run, UW Bothell intends to build or acquire student housing.

In order to continue to meet the demonstrated growth in housing demand, the University of Washington Bothell is planning to expand its program by master leasing a second small apartment building near the campus and to manage the property for student housing beginning autumn quarter 2010. This second master leased property would house up to 28 students, plus two undergraduate or graduate community advisors. All apartments are two bedrooms, one and a half bathrooms and will be furnished. The complex is approximately one quarter mile from campus and is in close proximity to the first master leased property, and is under the same ownership as the first property. It is also within walking distance to shops, restaurants, and bus lines. There will be student life programming specifically designed for these two residential communities. This additional property would bring the total student housing population to 70 including community advisors.

This second master leased property was included in an original list from a 2009 Request for Proposals (RFP) which was sent out to apartment complexes within a 1.5 mile radius of campus. Twelve proposals were received. A third small facility is being considered in the event that demand warrants additional beds and

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the facility can be leased within a price range that can be supported by proposed rental rates.

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 financial proforma 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 \$200,000 for both facilities, will be depreciated over ten years, although the furniture, which is typical dormitory style, has an expected useful life of approximately 30 years. For the inaugural year of the UW Bothell student housing program, housing rates for the period September 25, 2009 to September 17, 2010 were \$625/month for double occupancy/shared bedrooms, and \$1,100/month for single occupancy.

The proforma shows positive net revenue for the overall housing program by FY 2012, and recouping initial start-up costs by FY 2014. Based on this proforma the following rental rates are proposed:

<u>Annual 12-Month Contract*</u>	
<u>For All Quarters 2010-2011</u>	
Double Occupancy, shared bedroom.	\$675/mo (\$2,025/quarter)
Single Occupancy, no roommate.	\$1,200/mo (\$ 3,600/quarter)

* Rates are per person and include all utilities (water, sewer, garbage, electricity, basic cable, and Internet) except phone service. We do not expect to offer 9 month contracts in the coming year.

REVIEW & APPROVAL

The proposed housing rates have been reviewed and recommended for approval by the UW Bothell Housing Team, the Assistant Vice Chancellor for Enrollment

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Manager and Registrar, the UW Bothell Auxiliary Services Manager, the Vice
Chancellor for Administration and Planning, and the Chancellor.

Attachment
Proforma

UNIVERSITY OF WASHINGTON BOTHELL
Proforma - UWB Housing System
FY 2010 - FY 2015

6 Year Housing Model, Campus View and Chapman Manor, 70 rentable beds (excluding CA's)						
	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
REVENUE						
Application Fee	\$ 2,900	\$ 2,830	\$ 2,830	\$ 2,830	\$ 2,830	\$ 2,830
Late Fees	50	-	-	-	-	-
Rent	327,200	538,650	565,583	593,862	623,555	654,732
Total Revenue	\$ 330,150	\$ 541,480	\$ 568,413	\$ 596,692	\$ 626,385	\$ 657,562
EXPENSES						
Rent	\$ 236,160	\$ 353,280	\$ 361,517	\$ 372,362	\$ 383,533	\$ 395,039
Utilities	\$ 29,151	\$ 44,426	\$ 45,759	\$ 47,131	\$ 48,545	\$ 50,002
Common Area Custodial	\$ 5,200	\$ 9,200	\$ 9,200	\$ 9,200	\$ 9,200	\$ 9,200
Liability Insurance	\$ -	\$ 10,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Student Life Programming	13,415	23,260	22,760	22,260	22,260	21,760
Total Expenses	\$ 283,927	\$ 440,166	\$ 454,236	\$ 465,954	\$ 478,539	\$ 491,001
Net Operating Income (Loss)	\$ 46,223	\$ 101,314	\$ 114,177	\$ 130,738	\$ 147,846	\$ 166,561
Startup costs (non furniture)	\$ 44,873	\$ 18,391	\$ -	\$ -	\$ -	\$ -
Furniture (Campus View) Depreciated over 10 yrs	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
Furniture (Chapman Manor) Depr. over 10 yrs	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
Administrative Costs	\$ 20,583	\$ 61,750	\$ 63,603	\$ 65,511	\$ 67,476	\$ 69,500
Net Operating Income (Loss) including Admin and Start Up Costs	\$ (31,232)	\$ 1,173	\$ 30,574	\$ 45,227	\$ 60,370	\$ 77,061
Cummulative Net Income (Loss) including Admin and Start Up Costs	\$ (31,232)	\$ (30,059)	\$ 515	\$ 45,743	\$ 106,113	\$ 183,174