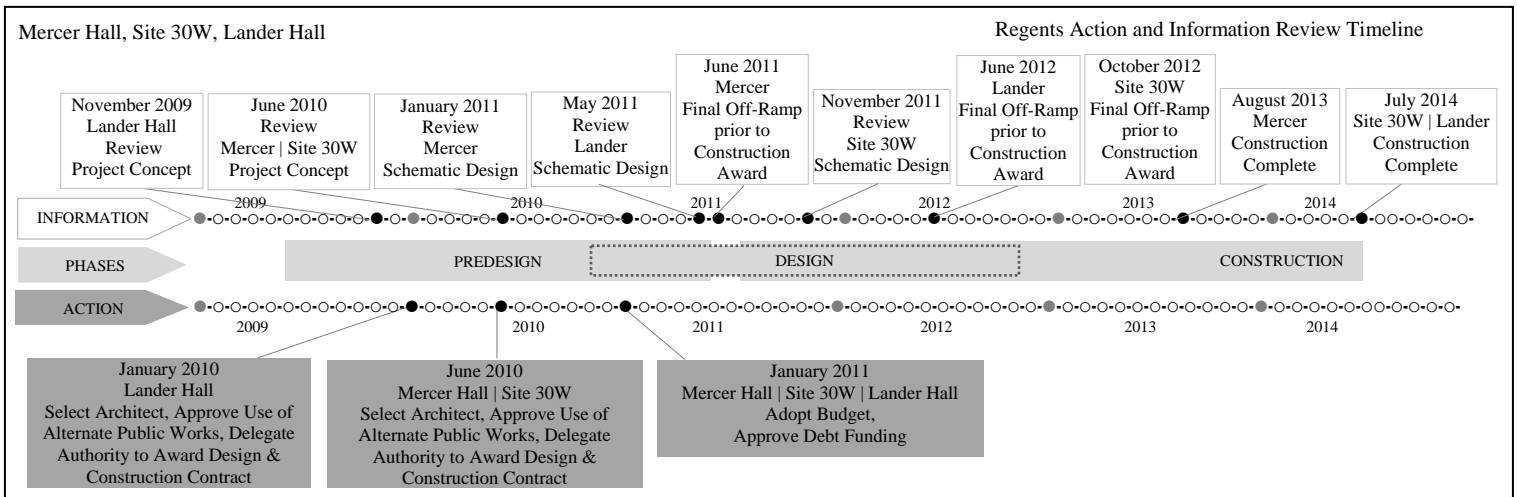


VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Housing and Food Services (HFS) Housing Master Plan Update and Student Housing Phase II: Mercer Hall, Site 30W, and Lander Hall Project Update



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

INFORMATION:

The purpose of this presentation is to provide an update on the Housing and Food Services Housing Master Plan and the status of the Student Housing Phase II project concepts and funding plan. This update is for information only.

The pre-design effort has been completed on the Phase II projects, which include the replacement of Mercer Hall with new student apartments, a new student apartment building on site 30W, and the replacement of Lander Hall with a new residence hall. The Phase II project budget and financing plan will be presented to the Board of Regents (Board) for approval at the January 2011 meeting.

BACKGROUND:

The University of Washington has a goal of providing quality housing for its students and encouraging on-campus residency. Residential on-campus housing provides a community of young scholars immersed in a carefully structured living and learning environment with the opportunity to mature and be successful in their educational pursuits.

To achieve this goal, the department of Housing and Food Services (HFS) developed a comprehensive Housing Master Plan that describes the addition of

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approximately 2,365 new beds over a ten-year period. The master plan has a total project budget of approximately \$833.5 million. The plan was first presented to the Board in March 2008 and identified several crucial issues with student housing at the University. These include extensive deferred maintenance needs in the current stock of mid-20th century high-rise residence halls, the need for additional beds to alleviate the overcrowding in existing student housing facilities, and a demand for on-campus residency from upper division undergraduate and graduate students. The master plan has since been updated to address the need to accommodate increased out-of-state and international enrollments.

The individual projects in the master plan are sequenced to achieve three specific objectives: 1) to alleviate existing overcrowding, 2) to provide the surge space necessary to accommodate renovation of the existing residence halls, and 3) to increase the number of new beds to respond to student demand. The phased implementation of the housing plan provides for managing project risk through the use of off-ramps at key points throughout each phase of implementation. The off-ramps are based on expected student occupancy and the financial analysis tests for the independent financial feasibility of each phase.

MASTER PLAN IMPROVEMENTS:

The master plan outlines the addition of approximately 2,365 net new beds over a ten-year period. Attachment B shows the sequencing of buildings and projected annual bed counts presented to the Board at the last master plan update in November 2009 (the bed counts are shown on a fiscal year basis). Attachment C shows the revised sequencing and beds counts. The scheduled completion of the program in 2021 remains unchanged from the original plan.

In the original master plan, approximately 1,000 beds were planned for apartment units on sites that had yet to be identified. HFS has since identified opportunities to construct most of these 1,000 new beds on existing sites, which increases the rate at which new beds are constructed in the middle part of the master plan (rather than near the end as was reflected in the original plan). Cedar Apartments in Phase I will construct 340 of the total 1,000 beds that had been planned for the unidentified sites, leaving a balance of 660 beds. By increasing the density on site 30W, the Mercer Hall site, and the Terry-Lander complex, it is possible to construct nearly all of the remaining 660 beds.

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This revised project sequencing increases housing density and maintains the same overall project budget and debt financed amount as estimated in the original master plan, with an estimated overall project budget of approximately \$833.5 million and a debt financed amount of approximately \$842 million. The debt will be repaid with student rental revenues.

The redevelopment of the Terry-Lander complex includes the replacement of Lander Hall and the 1101 Café building with new residence and apartment units, along with the construction of an addition to a renovated Terry Hall. This reconfiguration of the existing Terry-Lander complex has three important advantages. First, it is more economical on a square-foot basis to replace Lander Hall than it is to renovate it, using the proposed design approach of five floors of wood-framed construction over two floors of concrete. Second, site utilization is greatly improved with the higher bed density of the proposed Terry-Lander-1101 Café configuration, which yields an increase in the current design capacity of 1,200 beds to 1,750 beds. Third, the proposed configuration accommodates the University's ongoing west of 15th Ave NE planning initiative by foregoing the need for additional west campus sites in favor of sites that have already been confirmed for student housing uses.

With this revision, the total proposed net new beds in the master plan is 2,195, which is very close to the original proposal of 2,365 net new beds. HFS will continue to examine the feasibility of increased density in one or more future projects in order to meet the overall goal of 2,365 net new beds.

<u>Phase/Project</u>	<u>Budget (\$M)</u>
Phase I	\$ 162.0
Cedar Apartments (Site 31W)	
Poplar Hall (Site 33W)	
Elm Hall (Site 32W)	
Alder Hall (Site 35W)	
Phase II	\$ 245.5
Site 30W	
Mercer Hall Replacement (Site 29)	
Lander Hall Replacement	

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Housing and Food Services (HFS) Housing Master Plan Update and Student Housing Phase II: Mercer Hall, Site 30W, and Lander Hall Project Update
(continued p. 4)

Phase III		\$ 237.0
	Terry Hall Renovation	
	Terry Hall Addition	
	1101 Café Replacement	
	McMahon Hall Renovation	
Phase IV		\$ 189.0
	McCarty Hall Renovation	
	Hanse Hall Renovation	
	Haggett Hall Renovation	
TOTAL, HOUSING MASTER PLAN		\$ 833.5

PHASE I PROJECT STATUS:

Phase I of the master plan was approved by the Board in May 2009 and will provide a total of 1,650 new student apartment and residence hall beds at a project budget of \$162 million. Phase I includes four sites that are being developed in pairs. The first pair, Cedar Apartments and Poplar Hall, is approximately forty percent complete and scheduled for occupancy at the start of Autumn Quarter 2011. The second pair, Elm Hall and Alder Hall, will start construction in January 2011, with occupancy scheduled for the start of Autumn Quarter 2012. Phase I will provide a net increase of 362 beds after accounting for the removal of Mercer Hall and Lander Hall as part of Phase II.

PHASE II PROJECT STATUS:

Phase II of the master plan proposes to replace both Mercer Hall and Lander Hall and to construct a new apartment building on site 30W. These projects will add 1,830 new and replacement beds for a net addition of 762 beds after accounting for the elimination of overcrowding and the vacating of Terry Hall for renovation as part of Phase III. Phase II has an estimated project budget of \$245.5 million.

Mercer Hall: The Mercer Hall site (considered a single site for project planning purposes) presently encompasses the existing Mercer residence hall, an adjacent parking lot (site 29W), and open space (site 42W). The redevelopment of the Mercer Hall site includes the master planned replacement of Mercer Hall with approximately 930 student apartment beds in

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Housing and Food Services (HFS) Housing Master Plan Update and Student Housing Phase II: Mercer Hall, Site 30W, and Lander Hall Project Update (continued p. 5)

five separate buildings above a 150-200 space below-grade parking garage. The buildings will take advantage of the 65 foot height limit for this site. The Mercer site is envisioned as part of a student village focusing on upper-division undergraduate and graduate students living in apartment-style housing.

Lander Hall: Lander Hall was described to the Board in January 2010 as a renovation project along with Terry Hall. These two buildings were to be the first renovation projects identified as Phase III (old phasing) in the original master plan. Lander Hall currently provides approximately 833 residence hall beds. The replacement of Lander Hall as part of Phase II will include a combination of approximately 550 residence style and student apartment beds. The new Lander Hall will also contain kitchen and dining facilities for the west of 15th Ave residence halls, a regional information and service desk, and entry to new below-grade parking to replace the existing surface and below-grade parking.

Site 30W: Site 30W is an existing University parking lot located west of Condon Hall that will support the development of approximately 350 student apartment beds. Parking for the site 30W apartment building will be accommodated in the Cedar Apartments parking lot located diagonally across from site 30W. A ten-story building will take advantage of the 105 foot height limit for this site.

FUTURE PHASES:

Phase III

Phase III encompasses the renovation of and addition to Terry Hall, the replacement of the 1101 Café (situated between Terry and Lander Halls) with a new residence hall (the "New Center" building), replacement of the below-grade parking garage, and the renovation of McMahan Hall. Phase III has an estimated project budget of \$237 million.

Terry Hall Renovation and Addition: Terry Hall currently provides approximately 623 residence hall beds. The renovated Terry Hall will provide approximately 600 residence hall beds, while the Terry Hall addition (the "New Terry" building) will provide an additional 120 residence hall beds. The New Terry building will be constructed on an existing parking lot to the

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south of Terry Hall and will include replacement of HFS office space that is currently located in Lander Hall.

New Center Building: This project will replace the existing 1101 Café building with a new seven-story building offering approximately 500 new student apartment units. The project also includes a 150-space parking garage under the New Center Building and Lander Hall.

McMahon Hall Renovation: Completion of the Terry Hall renovation/addition and the New Center Building will provide the necessary bed capacity to allow renovation of the existing McMahon residence hall. The renovation of McMahon Hall is the final element in Phase III and will provide approximately 1,067 residence hall beds (a slight increase of 28 beds from McMahon Hall's current 1,039 bed capacity).

Phase IV

Phase IV encompasses the renovation of the remaining residence halls over the latter years of the housing master plan. These include Haggett Hall (730 beds), McCarty Hall (560 beds), and Hansee Hall (300 beds). Phase IV has an estimated project budget of \$189 million.

As noted above, each phase is assumed to be financially independent and the revised plan will not incur debt above the level assumed in the housing master plan. As with Phase I, the Treasury office will conduct a detailed financial analysis of each phase and recommend project off-ramps at key points for managing risk. HFS will work closely with the University's Capital Resource Planning Office to ensure alignment with comprehensive institutional capital planning priorities.

The revised plan does not preclude HFS from exercising project scheduling flexibility in response to situational adversity. In the short term, new apartment construction on site 30W (scheduled for construction in the 2012-2014 time frame) could be postponed. In the longer term, the New Center Building and Terry Hall addition could also be postponed. Construction on Phase II will be guided by demand and financial feasibility in order to avoid excess capacity in the student housing system.

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Housing and Food Services (HFS) Housing Master Plan Update and Student Housing Phase II: Mercer Hall, Site 30W, and Lander Hall Project Update (continued p. 7)

Continued implementation of the Housing Master Plan is critical to addressing the over-crowding that currently exists in the University's student housing system, renovating out-of-date facilities, and supporting the University's enrollment goals by providing more students with the option of living on-campus. HFS continues to collect and analyze data that guide decisions pertaining to demand, design, costs, and services and amenities. National, regional, and local trends are carefully considered and students have been consulted throughout the development of the master plan. The current schedule of events capitalizes on market conditions and is supported by current and projected student demand.

PHASE II PROJECT SCHEDULE:

Phase II (Mercer Hall)

Architect selection	June 2010
Predesign	June 2010 – October 2010
Design	November 2010 – October 2011
Construction	July 2011 – July 2013
Occupancy	August 2013

Phase II (Site 30W)

Architect selection	June 2010
Predesign	June 2010 – June 2011
Design	July 2011 – October 2012
Construction	December 2012 – July 2014
Occupancy	August 2014

Phase II (Lander Hall replacement)

Architect selection	January 2010
Predesign	March 2010 – October 2010
Design	November 2010 – May 2012
Construction	July 2012 – July 2014
Occupancy	August 2014

PHASE II PROJECT BUDGET AND FUNDING:

Housing and Food Services is funding the predesign and early portion of the schematic design for each of the phases with operating reserves. These expenses are estimated at \$3.2 million. The University's Internal Lending Program will

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provide project financing. Repayment will be from student housing rents. The following represents preliminary total project costs for Phase II:

Phase II - Mercer Hall site	\$ 108.0 million
Phase II - Site 30W	\$ 60.5 million
Phase II - Lander Hall replacement	\$ 77.0 million
<u>TOTAL</u>	<u>\$ 245.5 million</u>

PREVIOUS ACTIONS:

- January 2010 – Terry and Lander Halls architect appointment approved, GC/CM alternative public works contracting approved, and delegation to award a construction contract
- June 2010 – Mercer Hall Site and Site 30W architect appointment approved, GC/CM alternative public works contracting approved, and delegation to award a construction contract

FUTURE BOARD OF REGENTS ACTION

Project budget approval for Phase II is planned for January 2011. The Treasury office will complete a detailed financial analysis of these projects prior to Board action. The financing plan for Phase II will include off-ramps for both projects before proceeding with construction.

Attachments

- Attachment A – Student Housing Locations Map
- Attachment B – Housing Master Plan Schedule November 2009
- Attachment C – Housing Master Plan Schedule November 2010

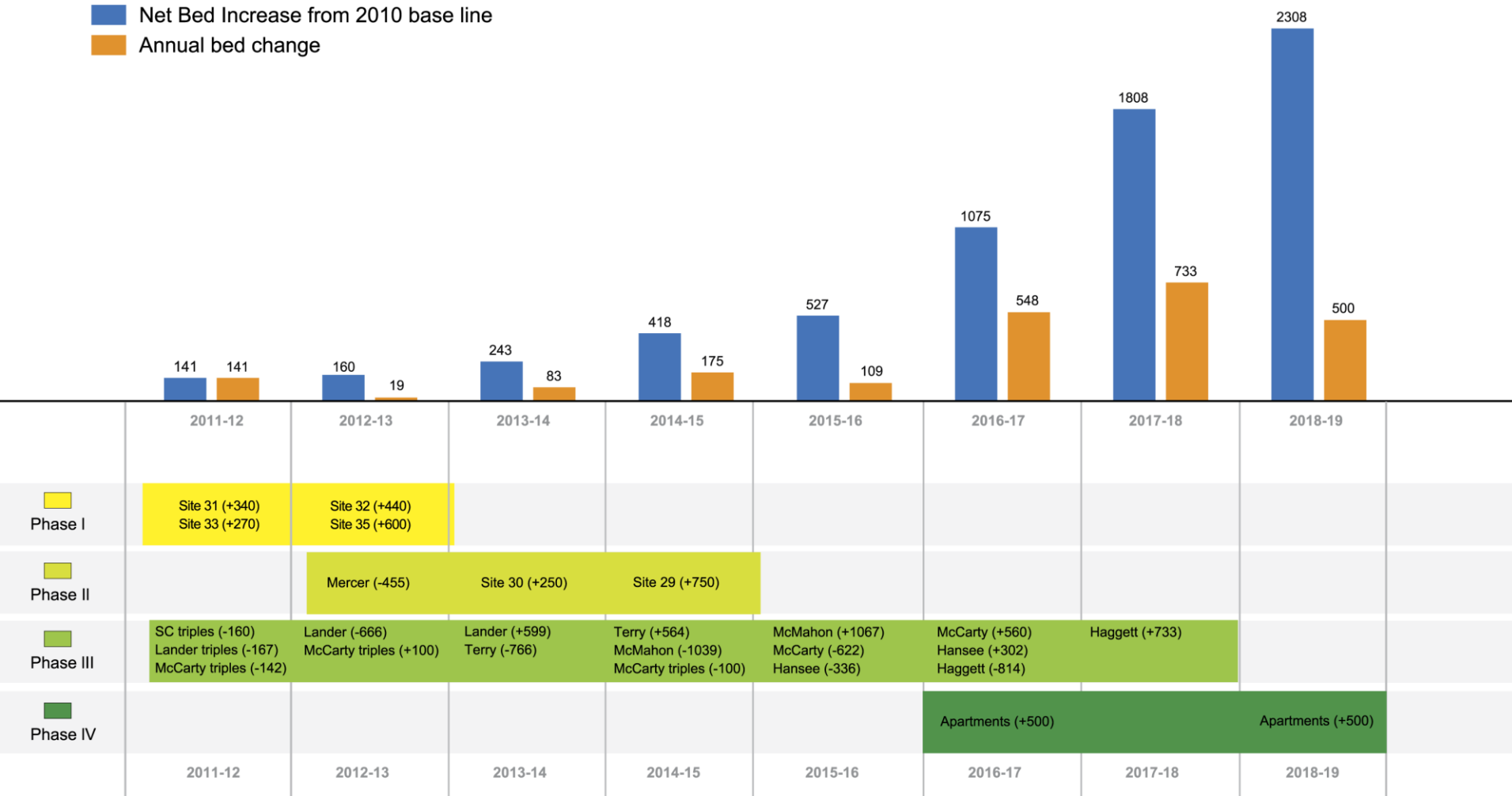
Student Housing Site Map



Attachment A

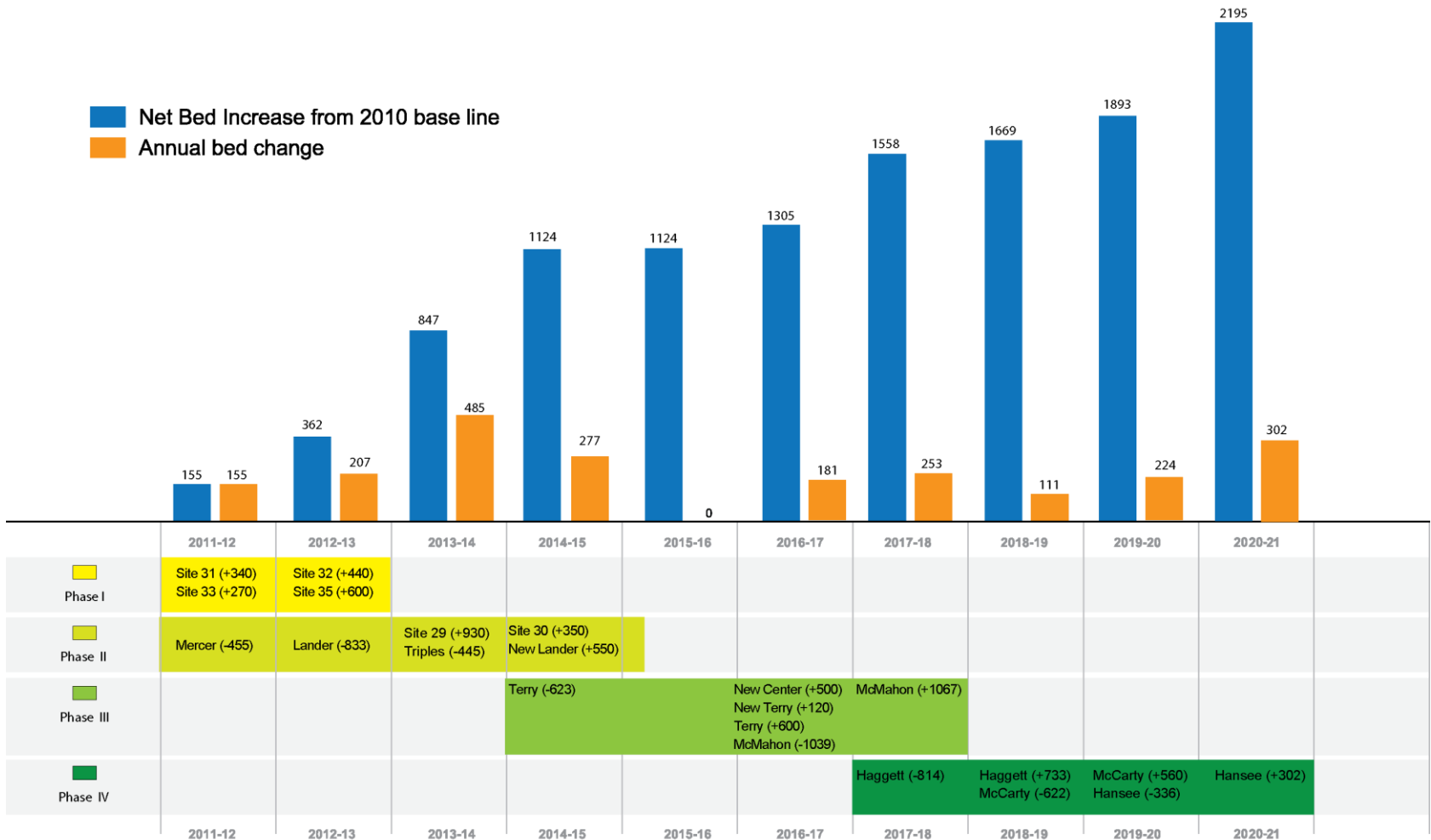
Housing Master Plan Schedule November 2009

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



F-11.2/211-10
11/18/10

Housing Master Plan Schedule November 2010



HFS Housing Master Plan and Phase II Update

Board of Regents
November 18, 2010

Purpose and Importance

1. Support the University's mission
2. Improve our existing residence halls
3. Respond to high demand for on-campus housing

Supporting the Mission

Leadership

Collaboration

Diversity

Personal Development

Academic Success

Improving our Existing Residence Halls

Average age of current residence halls:

52 years

Responding to Demand

- 104% Occupancy of design capacity >10 years
- 404 New Freshmen in Housing by 2015
- 464 Graduate student beds eliminated
- 662 Beds oversubscribed
- 2,195 Net new beds in Master Plan
- 3,400 Potential new customers, if beds available

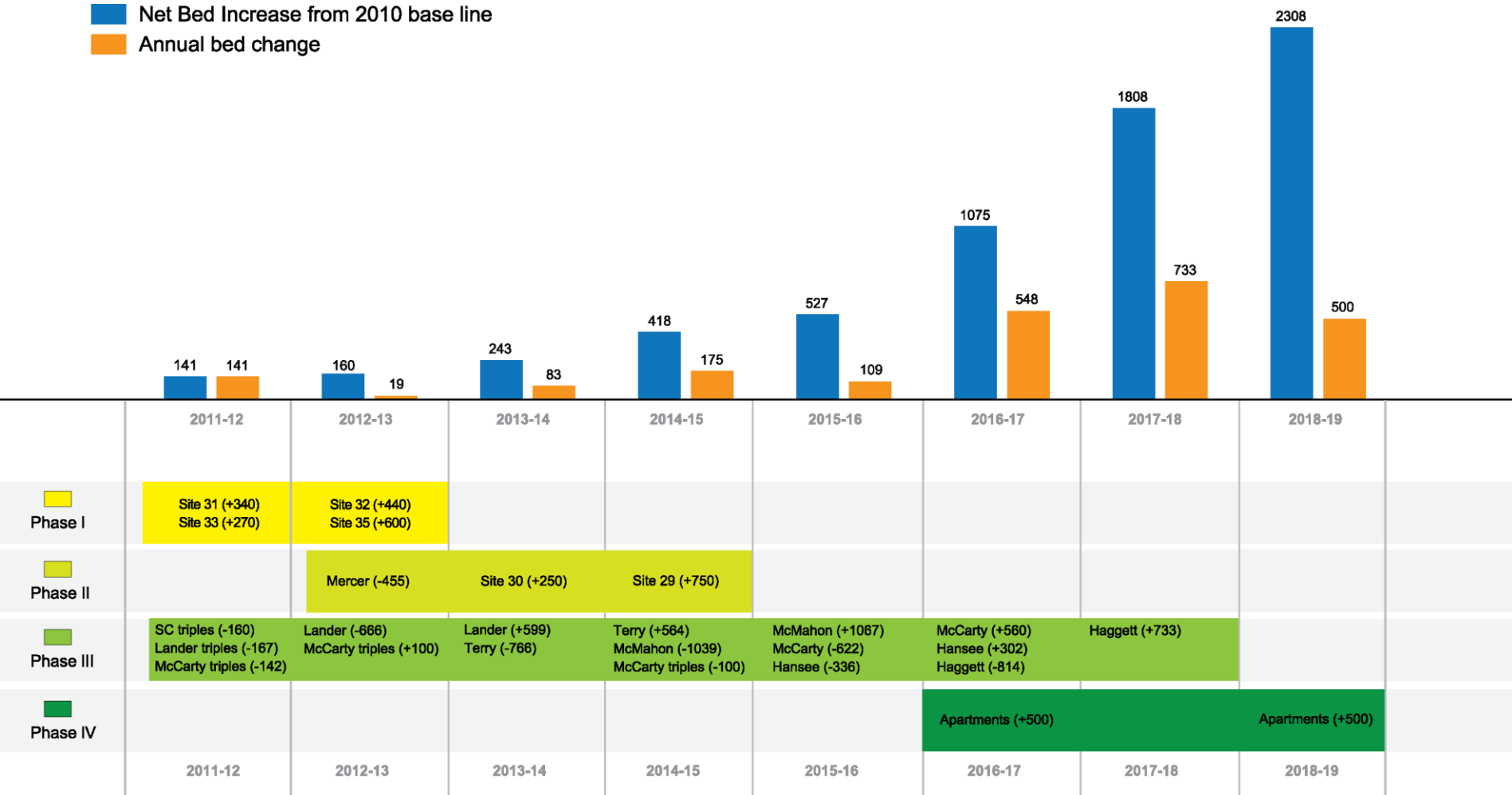
Master Plan Refinements

- No additional sites needed
- Responds to planned increase in Freshman class
- Best product for the price

Housing Master Plan Schedule

November 2009

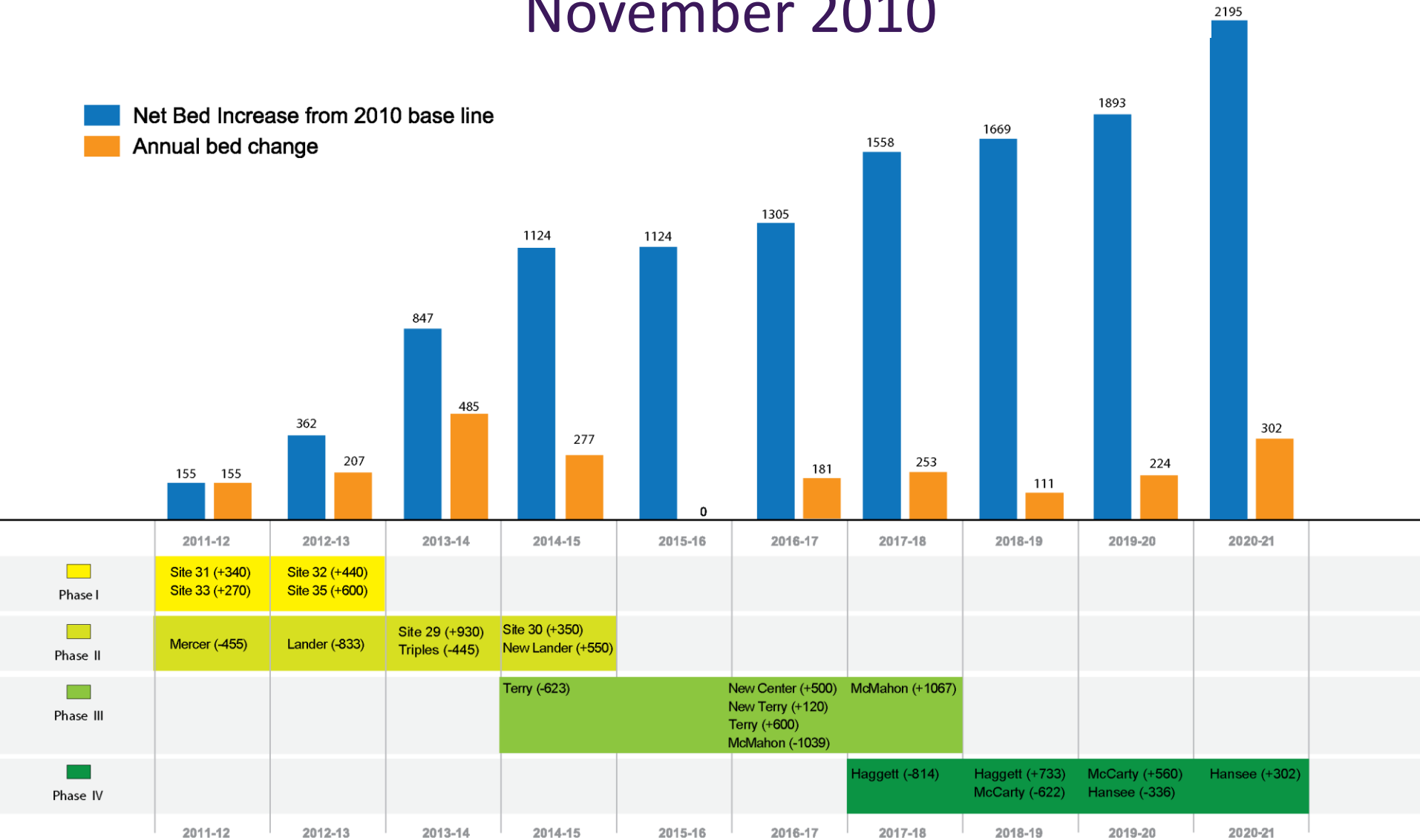
■ Net Bed Increase from 2010 base line
■ Annual bed change



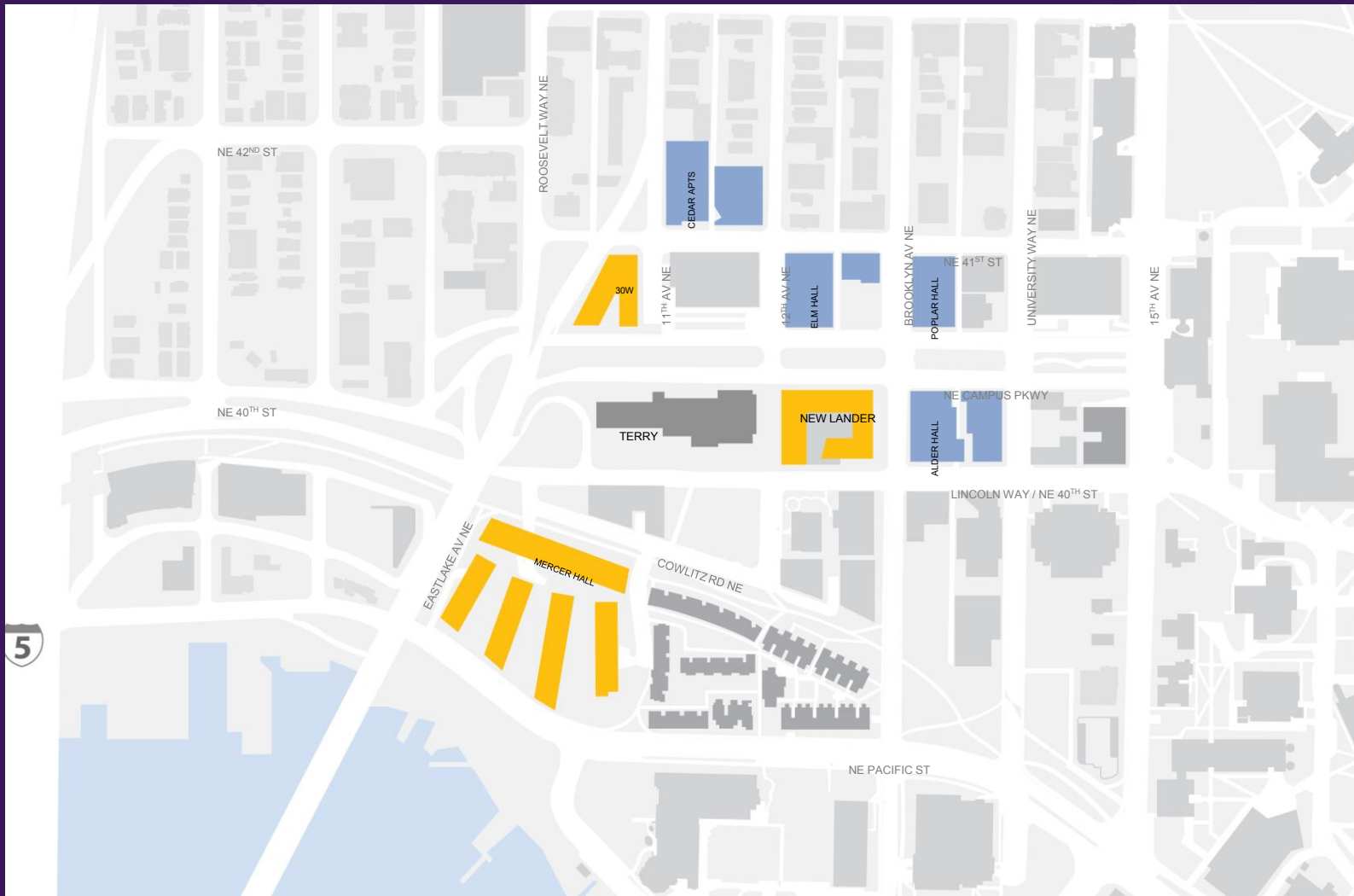
Housing Master Plan Schedule

November 2010

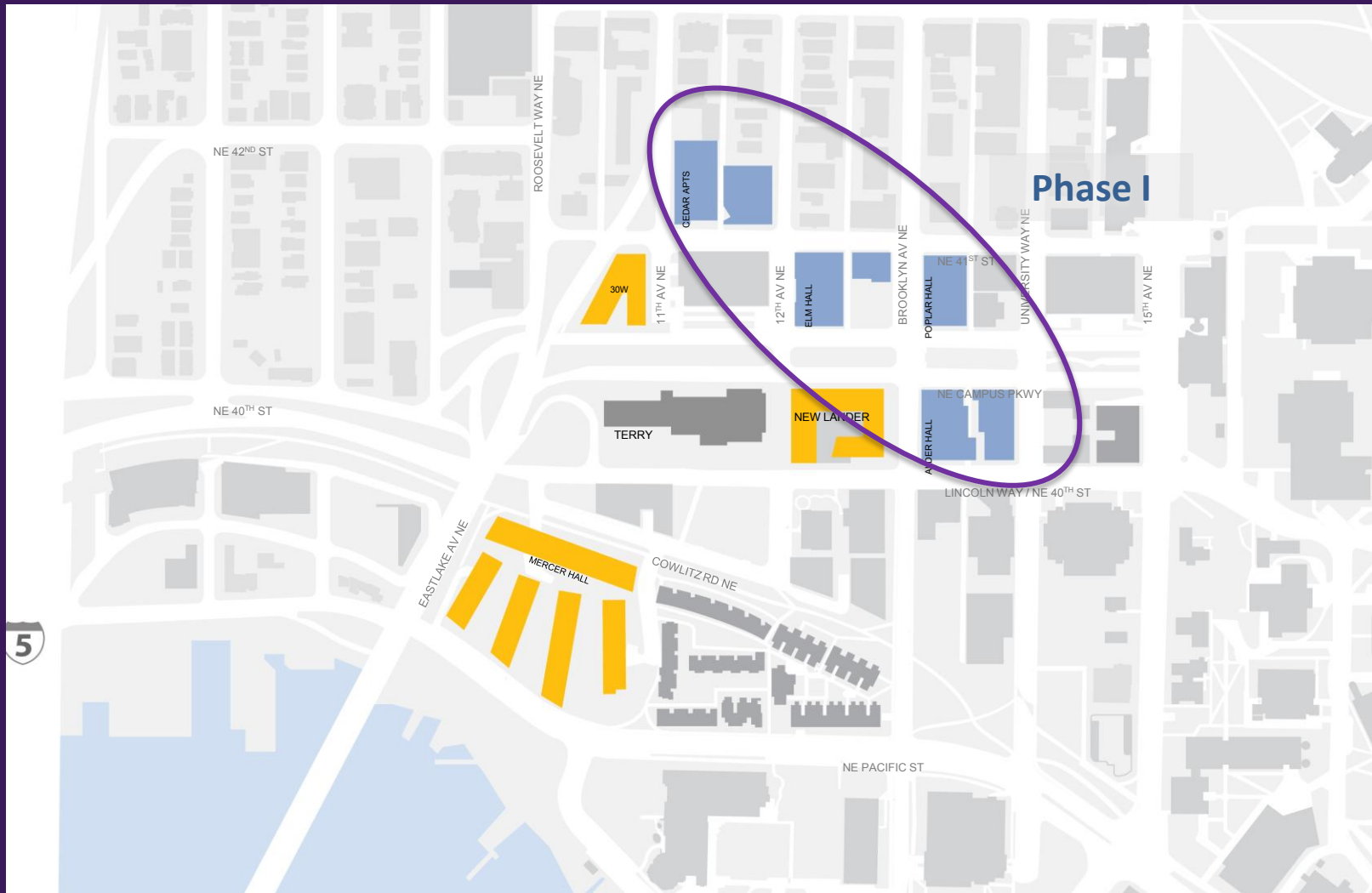
■ Net Bed Increase from 2010 base line
■ Annual bed change



Phase I and Phase II Student Housing West of 15th Ave NE



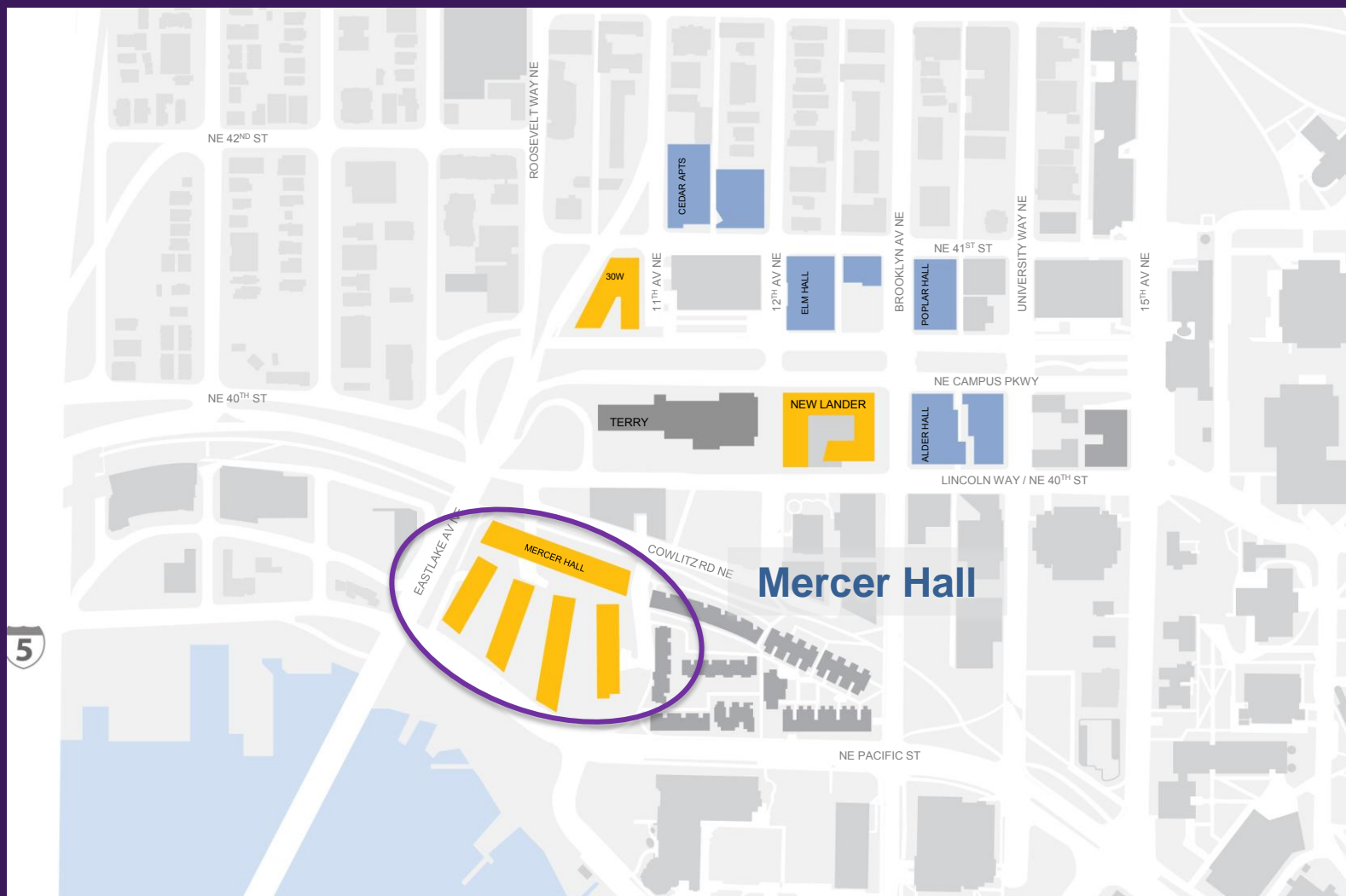
Phase I and Phase II Student Housing West of 15th Ave NE



Phase I Student Housing View Looking Northwest



Mercer Hall



Mercer Hall

View Looking Northwest

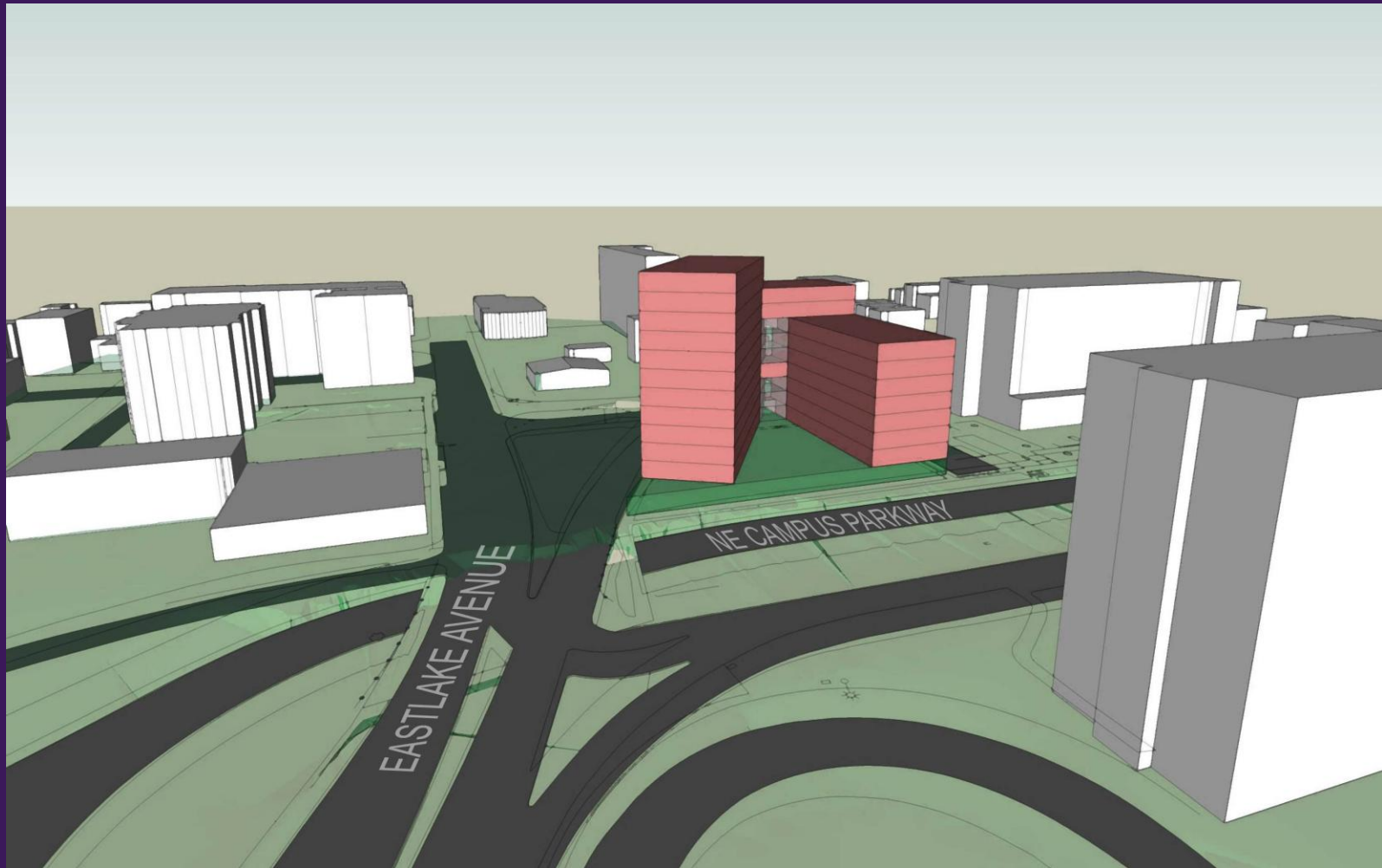


Site 30W



Site 30W

Proposed Building Massing Looking Northeast

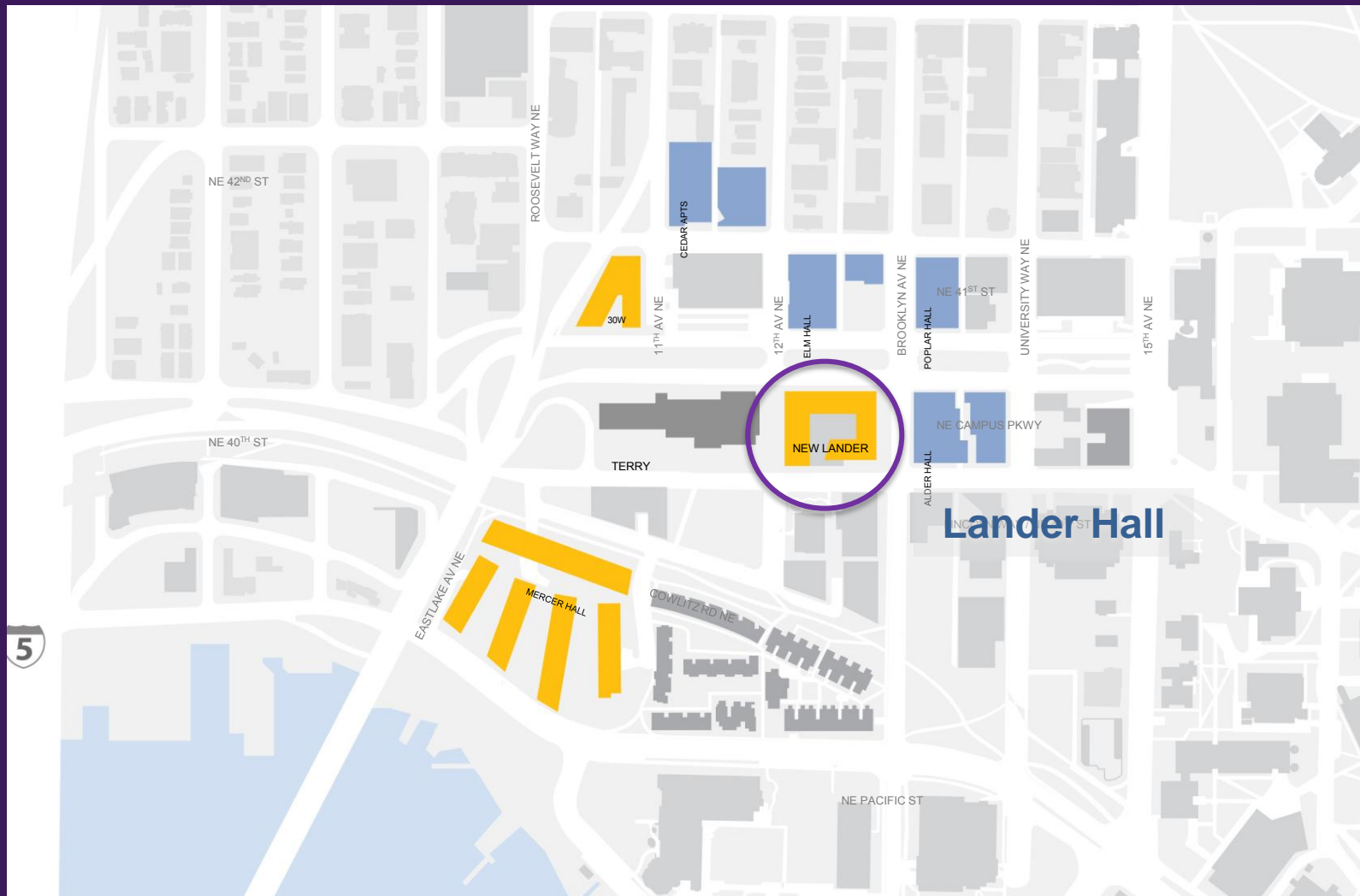


Site 30W and Mercer Hall

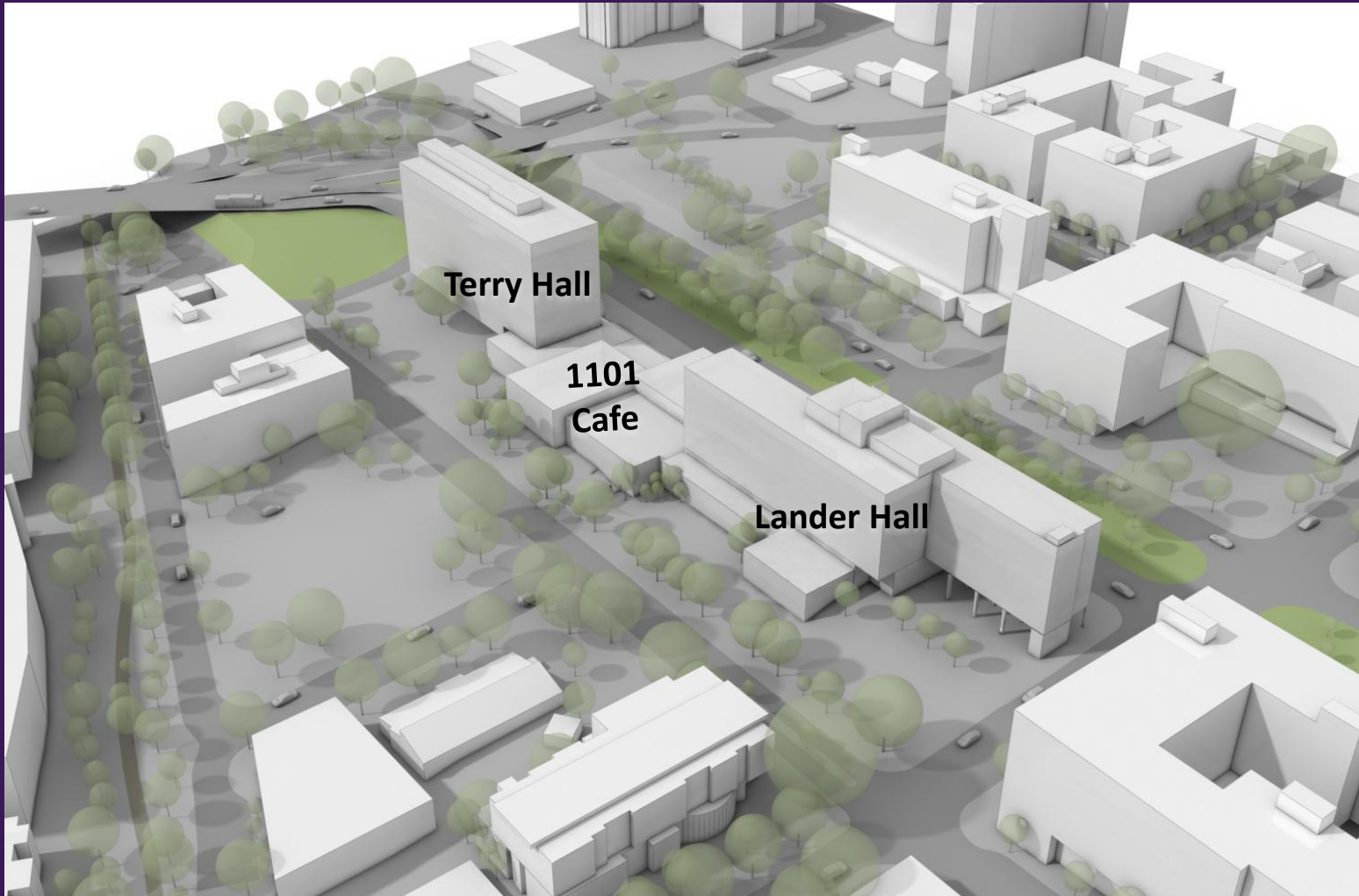
View from University Bridge Looking Northeast



Lander Hall

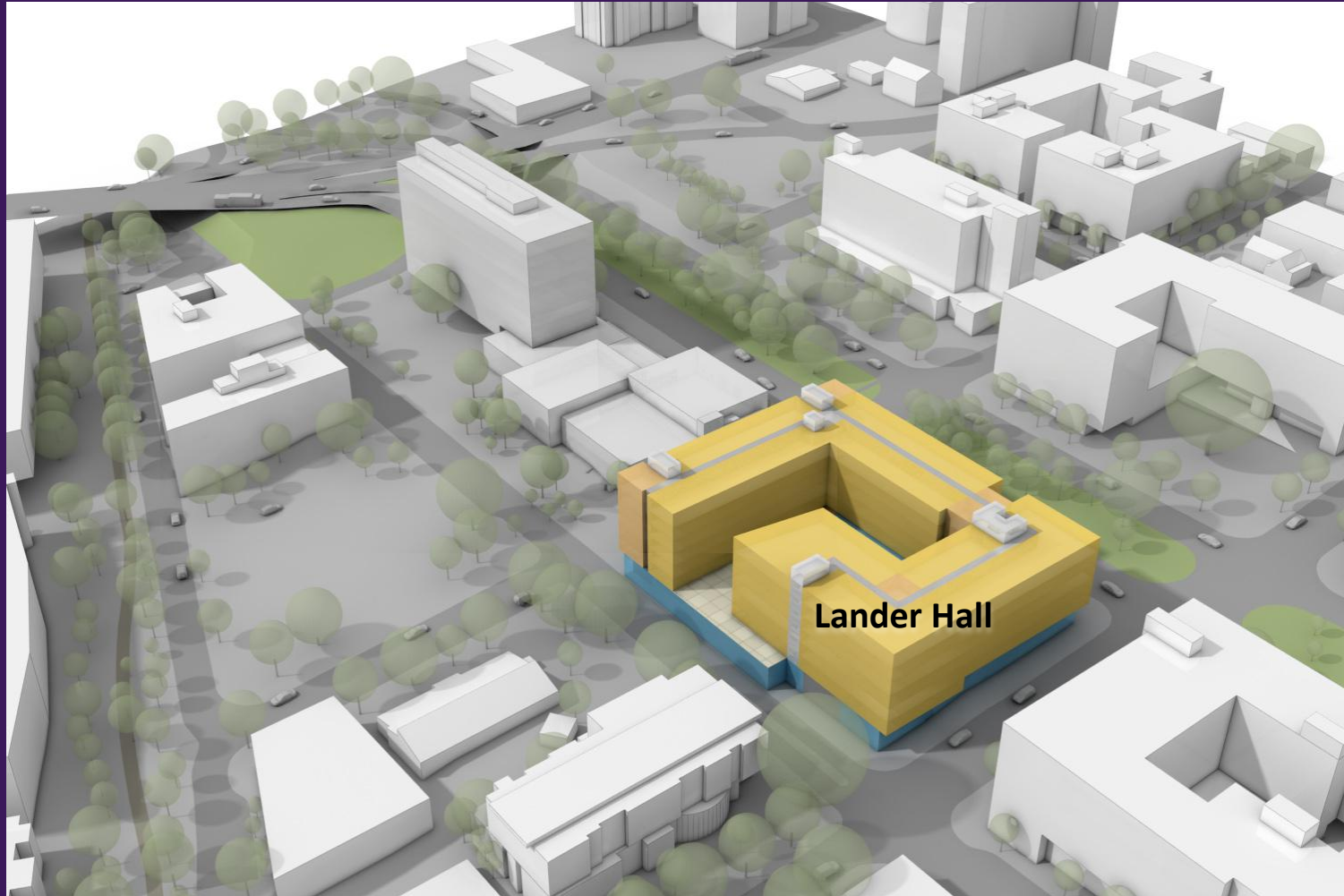


Existing Terry and Lander Halls View Looking Northeast



Lander Hall

View Looking Northeast



Lander Hall, New Center Building, Terry Hall and Addition View Looking Northeast



Next Steps

January 2011 Board of Regents

1. Approval of Project Budgets
2. Approval of Project Financing
3. Review of Mercer Hall Schematic Design

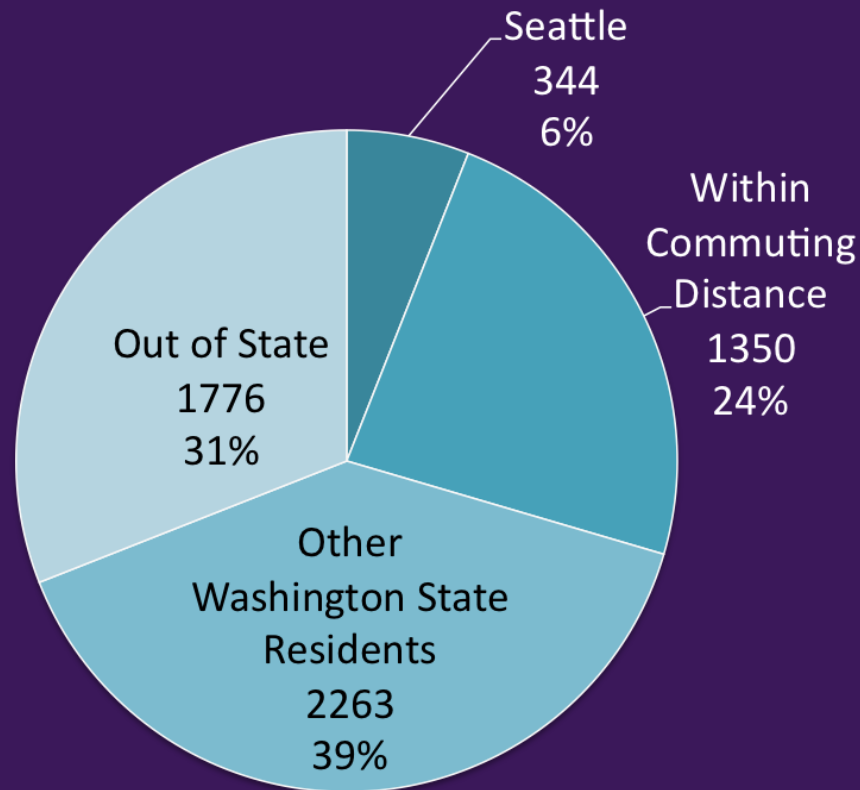
Purpose and Importance

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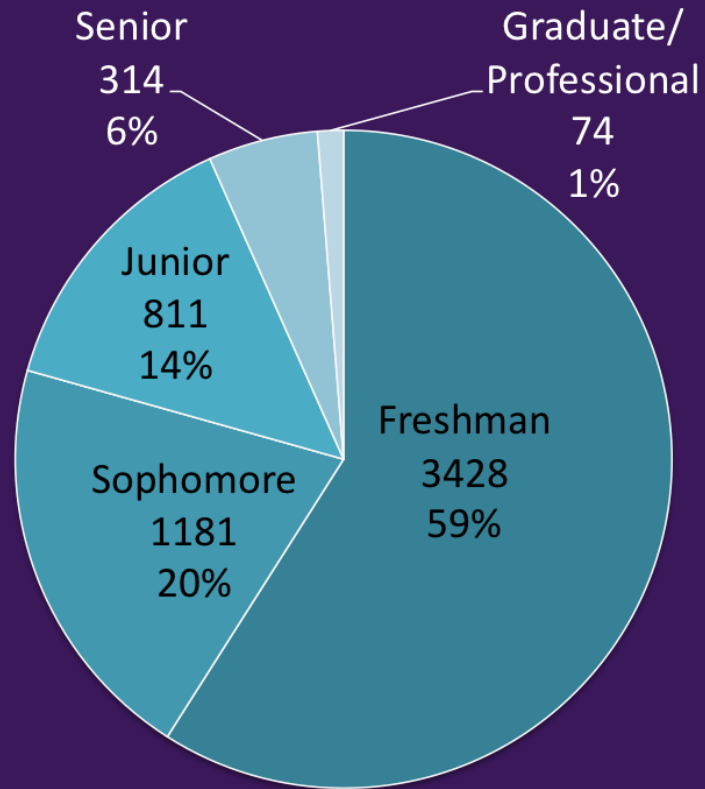
Mercer Hall Site Plan



Autumn 2010 Residence Hall Population by Permanent Address



Autumn 2010 Residence Hall Population by Class



Budget & Costs in Check

- Phase I
 - \$97,500 per bed
 - \$260 per square foot