

# **Task Force on University of Wyoming Housing**



*Prepared by the  
Legislative Service Office*

**November 1, 2018**

# Task Force on University of Wyoming Housing

The Task Force was created by 2018 Session Laws, Chapter 136, Section 13.

## Task Force Members

### Legislative Members

Senator Glenn Moniz, Cochairman  
Representative Steve Harshman, Cochairman  
Senator Tara Nethercott  
Representative Bob Nicholas

### Non-Legislative Members

Sean Blackburn  
Kermit Brown  
Patrick Fleming  
Clayton Hartman  
Mary Kay Hill  
John McKinley  
JT Walsh

## Legislative Service Office Staff

Matt Obrecht, Director  
Dawn Williams, Senior Fiscal Analyst  
Ryan Frost, Legislative Editor

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**Appendix C (Initial Report of the Subcommittee on Financing Options)**

# Executive Summary

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The University of Wyoming (UW) has not built a new dormitory on the Laramie campus since 1967. Two of the existing dormitories with approximately 500 beds are no longer fit for use as student living facilities, resulting in a shortage of on-campus housing at UW. Each member of the Task Force agreed that the current student housing stock has become outdated and inadequate to meet the needs of today's dynamic University. New student housing is needed to create a vibrant student living environment on the UW campus. The UW Board of Trustees and University administration took the first step to address this need in the University master housing plan, completed in December 2017. The Legislature worked to further develop the plan and address funding mechanisms for new student housing by creating this University of Wyoming Student Housing Task Force during the 2018 legislative session.

The Task Force took its charge seriously. Holding seven formal meetings and multiple informal meetings of working groups and subcommittees, members of the Task Force grappled with issues critical to determination of student housing, such as: location, size, scope, room configurations, student life experience, infrastructure, and parking. The list goes on. With just under 2,000 existing, usable dormitory beds and the need for more as enrollment increases at UW, the task to build new housing is significant. There are many options available. The members of the Task Force certainly did not agree on every minor aspect of their charge, but the Task Force did agree on its major charge. New student housing is desperately needed at the University of Wyoming to keep more Wyoming students in-state for college and to attract quality applicants from around the region, the nation and the world. The current student housing facilities are wholly inadequate. It is absolutely imperative that new state-of-the-art student living space is created at UW. Student housing is critical to long-term student success, as well as for the long-term success of UW.

To further the mission of the University, and to make it a vibrant learning community for the 21<sup>st</sup> century and beyond, the Task Force recommends the following<sup>1</sup>:

- UW should construct as soon as practicable, approximately two thousand (2,000) replacement beds for existing University on-campus housing;
- The newly constructed student housing should strive to create, enhance and sustain living and learning communities on the UW campus;
- All necessary support facilities for the new student housing should be included in the planning and construction of the new student housing;
- The new replacement student housing should be located within the core of the Laramie campus;

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<sup>1</sup> For the Task Force's full recommendations, please see page 11 of this Report.

- The new student housing development should conform to the UW Board of Trustees' historic preservation plan; be approved by the UW Board of Trustees' exterior design committee's standards; and be approved by the full UW Board of Trustees;
- The new student housing should be built in a construction method consistent with an expected useful life span that is appropriate for the mission of the student housing and is similar to the useful life expectancy of the campus buildings in proximity to the new student housing on the UW campus;
- The University Board of Trustees should plan for, and the Legislature should support, the development and construction of an Upperclassmen Village on the UW campus to include up to two thousand (2,000) additional beds for which development and construction is expected to proceed in phases;
- The total construction cost of new student housing at UW is not to exceed five hundred million dollars (\$500,000,000.000) for all phases of the project;
- Potential funding options for new housing include: (1) loan of state funds; (2) UW- issued bonds to finance the student housing projects; and (3) utilization of a Public-Private Partnership (P3). These options are not mutually exclusive and a combination of two or more of these options could ultimately produce the best choice for the State; and
- When deciding how to finance the new student housing, the Legislature and UW select the option that best promotes the policy considerations of the State and the University while protecting the State's financial strength.

The Task Force appreciates the multiple demands and priorities placed on the State's funds and borrowing capacity. New student housing projects at the University of Wyoming offer an opportunity to fundamentally increase the marketability of our only state University, significantly enhance the student life/learning experience at the University and benefit a large percentage of Wyoming population. Quality living space is fundamental to the future of UW. If done correctly, new student housing at UW is a win/win for the University and the State.

# Part 1

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## *Enabling Legislation, Task Force Members, and Meetings*

### Enabling Legislation

2018 Session Laws, Chapter 136, Section 13.

*[TASK FORCE ON UNIVERSITY OF WYOMING HOUSING]*

*(a) There is created a task force on University of Wyoming housing comprised of the following members, appointed not later than March 31, 2018:*

- (i) Two (2) members of the senate, appointed by the president of the senate;*
- (ii) Two (2) members of the house of representatives, appointed by the speaker of the house;*
- (iii) One (1) employee or elected official of the executive branch appointed by the governor to serve as his designee;*
- (iv) One (1) member appointed by the treasurer who shall be informed of state funding options, state investment goals and public purpose investments;*
- (v) Two (2) members of the board of trustees of the University of Wyoming appointed by the University of Wyoming board of trustees;*
- (vi) One (1) member appointed by the president of the University of Wyoming;*
- (v) One (1) member appointed by the governor with experience in providing large scale private student housing in Laramie;*
- (vi) One (1) member appointed by the governor from the University of Wyoming foundation with experience in public and private finance.*

*(b) The cochairmen of the task force shall be appointed by the president of the senate and the speaker of the house, respectively. The task force shall meet at the call of either the cochairmen or a majority of the membership of the task force.*

*(c) The task force shall review the housing master plan submitted to the joint appropriations committee by the University of Wyoming in January 2018 on file with the legislative service office and shall provide recommendations regarding implementation of the plan, revisions to the plan and potential financing alternatives, including state support, to implement the plan or a revised plan including:*

- (i) Investment of the permanent Wyoming mineral trust fund, other permanent funds administered by the state of Wyoming or nonpermanent funds of the state available for long-term investment in projects undertaken in furtherance of the plan whether directly or through the purchase of bonds issued by the university. The review shall consider:*

(A) *Potential state investment in refunding of existing University of Wyoming bonds in order to reduce interest incurred by the university;*

(B) *Interest rates which may be incurred by the university with and without such state investments;*

(C) *Potential gains or reductions of state investment returns through state funding of projects, including the potential for capital gains and losses in comparison to investment of the state funds pursuant to the state master investment policies, and overall benefits to the state of Wyoming under each alternative.*

(ii) *The feasibility of public/private partnerships in financing and operating projects under the plan, including tax revenue implications, potential impact on state funding, liabilities and the availability of revenues to the university under those partnerships as compared to funding and operation of the projects through exclusive public means;*

(iii) *Timeframes for undertaking components of the plan in consideration of other state funded capital construction projects, including university, community college, school district and state capital facility projects;*

(iv) *Whether the housing master plan as submitted to the joint appropriations committee has the capacity to meet the long-term needs and demands identified in the student surveys, including parking;*

(v) *The feasibility of providing financial assistance to the fraternity and sorority system as an incentive to reinvest and relocate fraternity and sorority housing to Harney Street, allowing for a larger footprint for the ten (10) year housing plan;*

(vi) *Whether the housing master plan will provide competitively priced housing to students mandated to use provided housing;*

(vii) *Whether the housing master plan will not discourage construction of private off-campus housing for students not mandated to use on-campus housing;*

(viii) *Options for the joint appropriations committee to consider regarding different levels of general fund appropriations to augment the appearance and contribution to the architecture of the University of Wyoming.*

(d) *The task force shall provide a report of its findings to the University of Wyoming board of trustees, joint appropriations committee and the select committee on capital financing and investment not later than November 1, 2018. The report may include recommendations for legislative action, including whether the moratorium provided in subsection (h) of this section should be extended.*

(e) *The task force shall be staffed by the legislative service office. The University of Wyoming shall serve in an advisory capacity to the task force and shall provide technical and other relevant information as requested.*

(f) *The task force shall terminate on June 30, 2019.*

(g) *Members of the task force who are government employees or public officials shall be considered on official business of their agency or of the legislature when performing duties as members of the task force. There is appropriated sixteen thousand dollars (\$16,000.00) from the general fund to the legislative service office. This appropriation shall be for the period beginning with the effective date of this section and ending June 30, 2019. This appropriation shall only be expended for the purpose of funding salary, mileage and per diem of legislative members of the task force for attendance at meetings of the task force. Notwithstanding any other provision of law, this*

*appropriation shall not be transferred or expended for any other purpose and any unexpended, unobligated funds remaining from this appropriation shall revert as provided by law on June 30, 2019.*

*(h) There is imposed a moratorium on the expenditure of funds for demolition or construction in furtherance of the university's January 2018 housing master plan on file with the legislative service office and no university owned real property that is within, adjacent to, contiguous with or east of the university campus in Laramie, Wyoming shall be sold, traded or transferred until after adjournment of the 2019 legislative general session.*

Under the law the Task Force exists until June 30, 2019.

## Task Force Members

**Senator Glenn Moniz, Cochairman** (appointed by the President of the Senate)

**Representative Steve Harshman, Cochairman** (appointed by the Speaker of the House)

**Senator Tara Nethercott** (appointed by the President of the Senate)

**Representative Bob Nicholas** (appointed by the Speaker of the House)

**Sean Blackburn** is the Vice President for Student Affairs at the University of Wyoming (appointed by the President of UW)

**Kermit Brown** serves as the Secretary for the University of Wyoming Board of Trustees. Mr. Brown is a former Speaker of the House of Representatives (appointed by the UW Board of Trustees)

**Patrick Fleming** is the Chief Investment Officer for the State of Wyoming's Treasurer's Office (appointed by the State Treasurer)

**Clayton Hartman** is an Emeritus Board Member of the University of Wyoming Foundation. Mr. Hartman has more than 35 years experience as a financial advisor (appointed by the Governor)

**Mary Kay Hill** is the Policy Director for Governor Matthew H. Mead (Executive branch representative, appointed by the Governor to serve as his designee)

**John McKinley** serves as the Treasurer for the University of Wyoming Board of Trustees (appointed by the UW Board of Trustees)

**JT Walsh** is the owner of Real Estate 1 where he manages over 700 rental units in Laramie. Mr. Walsh provides professional expertise in providing large scale private student housing in Laramie (appointed by the Governor)

## Task Force Meetings

The Task Force held seven (7) formal meetings in Laramie, Wyoming, and several informal subcommittee meetings via conference call. Task Force members took two (2) comprehensive tours of the UW campus and buildings. At each meeting, in addition to the agenda topics, interested parties and the public were invited to address the Task Force. Copies of the meeting minutes for all meeting are attached to this report as Appendix A, and submissions to the Task Force including all the materials from the University of Wyoming and audio recordings of the meetings, are available on the Wyoming Legislature's website at: <http://www.wyoleg.gov/Committees/2018/S4>

Items specifically addressed as agenda topics:

- History of UW housing
- Review of 2015 UW housing plan
- Review of 2017 UW Master Plan
- UW's bonding capacity
- Financing, cash flow, interest rates
- Review of UW's infrastructure
  - Comprehensive campus tour
  - IT building
  - Wyoming Hall
  - Energy needs required to accommodate new residence halls; expansion of the West Campus Energy Plant
- Parking
- Public financing options
- Public Purpose Investments (PPIs)
- Public / Private Partnerships
- Food Service and Various Dining Options
- Creating Living-Learning Communities
- Demolition of current buildings

The Task Force invited and heard from many representatives at the University of Wyoming and numerous organizations including:

- Associated Student of University of Wyoming (ASUW)
- Balfour Beatty Campus Solutions
- Bison Run Village
- CRAFT Collaborative
- Haselden Construction
- George K. Baum and Company
- Kappa Kappa Gamma
- Louisiana State University
- Louisiana Public Facilities Authority
- Signet
- Sigma Nu
- Wyoming Community Development Authority (WCDA)

## Part 2

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### *Task Force Charge and Recommendations*

#### **Item 1 – Review the Housing Master Plan**

##### **Recommendation #1:**

In response to its charge, the Task Force makes the following recommendation for revising the UW housing master plan:

- (a) UW should construct as soon as practicable, approximately two thousand (2,000) replacement beds for existing University on-campus housing;
- (b) The newly constructed student housing should strive to create, enhance and sustain living and learning communities on the UW campus. The student housing should achieve these goals by providing the appropriate percentage of room types, living spaces and communities, with flexibility for fit and varying price points (An example of this is provided in the presentation titled “The Future of Student Housing at UW” presented to the Task Force on October 18, 2018 and attached to this report as Appendix B);
- (c) Included within this recommendation is the planning and construction of all necessary support facilities for the new student housing including: construction of appropriate dining facilities to support the new housing and the overall mission of UW; demolition of existing student housing; adequate and appropriate parking, infrastructure; and a traffic plan to accommodate the project;
- (d) To meet the needs of the students and UW, the replacement student housing should be located within the core of the Laramie campus to maintain a walkable, pedestrian friendly campus;
- (e) The new student housing development should conform to the UW Board of Trustees’ historic preservation plan; be approved by the UW Board of Trustees’ exterior design committee’s standards; and be approved by the full UW Board of Trustees;
- (f) The new student housing should be built in a construction method consistent with an expected useful life span that is appropriate for the mission of the student housing and is similar to the useful life expectancy of the campus buildings in proximity to the new student housing on the UW campus;

- (g) The University Board of Trustees should plan for the development and construction of an Upperclassmen Village on the UW campus to include up to two thousand (2,000) additional beds;
- (h) Development and construction of this future housing is expected to proceed in phases; and
- (j) Continued monitoring/advising by this Task Force or a similar group as planning and construction commences on Phase I.

## **Item 2 – Financing Options**

### **Recommendation #2:**

The Task Force recommends new student housing at UW be constructed in phases and that total construction costs are not to exceed five hundred million dollars (\$500,000,000.000). The Task Force considered various funding options for the new student housing and discussed, at length, three possible financing options for the Legislature and UW to consider: (1) loan of state funds; (2) UW-issued bonds to finance the student housing projects; and (3) utilization of a Public-Private Partnership (P3) (See the Initial Report of the Subcommittee on Financing Options, attached hereto as Appendix C). The Task Force acknowledges that these options are not mutually exclusive and a combination of two or more of these options could ultimately produce the best choice for the State. The Task Force recommends that, when deciding how to finance the new student housing, the Legislature and UW select the option that best promotes the policy considerations of the State and the University while protecting the State's financial strength.

#### **(A) Financing Option I – Loan of State Funds:**

- (i) Phase I - **Replacement of Existing Student Housing:**
  - (a) For fiscal years 2019 and 2020, the legislature should adopt legislation to direct the execution of a loan to UW of up to one hundred million dollars (\$100,000,000.00) from nonpermanent funds of the State of Wyoming for the defeasance of UW's existing bond obligations and to provide other necessary initial costs of the student housing project. This loan should be made for a term of twenty (20) years and should include an annually adjusted interest rate one-quarter of a percent (.25%) higher than the return received by the State in the immediately preceding fiscal year on the fund from which the loan was made.
  - (b) In each fiscal year beginning in fiscal year 2021, the legislature may loan the University up to fifty million dollars (\$50,000,000.00) at the same terms as the initial loan. These loans shall not exceed two hundred fifty million dollars (\$250,000,000.00) in total.
  - (c) The Task Force recommends Phase I planning, financing, and construction commence immediately after the 2019 legislative session

(ii) Phase II - Upperclassmen Village

The construction for this phase of the student housing plan is estimated to begin in fiscal year 2023. Additional planning is required to finalize this student housing development. The Task Force recommends additional collaboration between the Legislature and UW on the development of Phase II.

(B) Financing Option II – Issuing Securities

- (i) If the University was to finance the entire cost of both phases of the student living project through issuance of municipal bonds with a term of thirty (30) years, the University will need twenty-five to thirty million dollars (\$25,000,000.00 to \$30,000,000.00) per year to commit to those bond payments. Dedicating this amount of funds under the current budget structure is not financially possible for UW. Due to constitutional debt limits, the university cannot use its block grant to make these payments. Payments must come from funds generated outside of the State’s general taxing authority. Those funds include, among other sources, revenue raised from the student housing projects and federal mineral royalties. UW currently receives approximately \$13.5 million a year in “under the cap” FMR payments. If bonding is utilized, the Legislature should consider increasing UW’s share of FMR payments, preferably by providing UW another \$13 to \$16 million a year in “over the cap” payments, with a corresponding reduction in UW’s block grant.
- (iii) The Task Force recommends that the Legislature reinstitute and make the recommended changes to the existing UW Supplemental Revenue Bond Coverage Program.
  - (a) In 2011, the Legislature enacted the University revenue bond supplemental coverage program at W.S. 9-4-1003. The program provided State coverage for UW-issued revenue bonds to ensure that bonds were issued at the most competitive, lowest rate possible. The program authorized up to eighteen million dollars (\$18,000,000.00) in federal mineral royalties which would otherwise have been deposited in the Budget Reserve Account to guarantee payments in each fiscal year only in the event the University was unable to meet its bond repayment obligations (W.S. 9-4-601(d)(vii)). The statutory program required a pledged-resources to bond payment ratio of 2.5 to 1 for the University to take advantage of the State guarantee. W.S. 9-4-1003 is still in effect, but by its very terms is only available for bonds issued prior to November 1, 2015.
  - (b) The Task Force recommends a 1-to-1 ratio of required available revenues to debt in order to benefit from this state program. The Task Force also recommends the program be re-authorized, including total supplemental coverage of up to thirty million dollars (\$30,000,000.00) from the “over-the-cap” federal mineral royalty annual payments. The original program was underutilized for several reasons, including the relatively high required ratio of revenues to debt payments. That ratio is considerably higher than requirements available elsewhere under alternative bonding and lending mechanisms, as presented to the Task Force.

(C) Financing Option III – Public-Private Partnership

A Public-Private Partnership (P3) is a financing structure whereby UW would enter into a contract with a private entity to construct and possibly operate a student housing development for a set period of time. A P3 is generally defined as "a long-term contract between a private party and a government entity, for providing a public asset or service, in which the private party bears significant risk and management responsibility, and remuneration is linked to performance." P3s typically do not include service contracts or turnkey construction contracts, which are categorized as public procurement projects, however, a contract may be structured according to whatever specifications the university deems appropriate. Public-Private Partnerships are generally entered into by a university because the arrangement is affordable, provides a means of long-term financing that does not require bonding or state financing, and the resulting asset(s) is retained by the university.

P3 contracts are complex and long-term. They typically span 15, 20, 25 years, sometimes more, depending on the nature of the project. In that period of time, technology, demographics, environment, and politics can all change, so contracts need to be flexible to adjust to the project's life cycle. The art of a P3 resides in the allocation of risks of the project and in the definition of the framework, principles, and rules to deal with change, because it will occur. The structure of a P3 contract needs to articulate a set of incentives and penalties of potential actions of the parties to ensure the stability and sustainability of the project. (Yale Insights, Yale School of Management, 5-16-17).

There are certainly strengths and weaknesses of the P3 process (see Appendix C for a list compiled by the Task Force's Subcommittee on Financing options). The Task Force cautions that if the Legislature or UW utilizes a P3 to develop and construct new student housing, care and time be spent drafting and negotiating the contract to ensure the project conforms to the building requirements of UW; there is quality of craftsmanship and consideration of long-term durability; and that the student housing will provide a long-term benefit to the mission of the University. Furthermore, the Task Force suggests that any building constructed under a P3 arrangement where the University does not have full control over the materials, quality of the construction, and fulfillment of the requirements of recommendation 1 be placed on property adjacent to the core of campus.

# Appendix A

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## *Meeting Minutes*

Draft Only  
Approval Pending  
**SUMMARY of  
PROCEEDINGS**



**TASK FORCE ON UNIVERSITY OF WYOMING HOUSING**

**TASK FORCE MEETING INFORMATION**

May 01, 2018 | 9:00 AM  
University of Wyoming School of Energy Resources, BP Collaboration Center  
1020 E. Lewis St.  
Laramie, Wyoming

**TASK FORCE MEMBERS PRESENT**

Representative Steve Harshman, Co-chairman  
Senator Glenn Moniz, Co-chairman  
Senator Tara Nethercott  
Representative Bob Nicholas  
Sean Blackburn  
Kermit Brown  
Clayton Hartman  
Mary Kay Hill  
John McKinley  
JT Walsh

**LEGISLATIVE SERVICE OFFICE STAFF**

Dawn Williams, Senior Fiscal Analyst  
Ryan Frost, Legislative Editor

**OTHERS PRESENT AT MEETING**

Please refer to ([Appendix 1-02](#)) to review the Task Force Sign-in Sheet for a list of other individuals who attended the meeting.

*The Committee Meeting Summary of Proceedings (meeting minutes) is prepared by the Legislative Service Office (LSO) and is the official record of the proceedings of a legislative committee meeting. This document does not represent a transcript of the meeting; it is a digest of the meeting and provides a record of official actions taken by the Committee. All meeting materials and handouts provided to the Committee by the Legislative Service Office, public officials, lobbyists, and the public are on file at the Legislative Service Office and are part of the official record of the meeting. An index of these materials is provided at the end of this document and these materials are on file at the Legislative Service Office. For more information or to review meeting materials, please contact the Legislative Service Office at (307) 777-7881 or by e-mail at [lso@wyoleg.gov](mailto:lso@wyoleg.gov). The Summary of Proceedings for each legislative committee meeting can be found on the Wyoming Legislature's website at [www.wyoleg.gov](http://www.wyoleg.gov).*

## EXECUTIVE SUMMARY

The Task Force on University of Wyoming (UW) Housing met for one day on May 1, 2018 to begin its work outlined in 2018 Session Laws, Chapter 136, Section 13.

## CALL TO ORDER

Chairman Steve Harshman called the meeting to order at 9:00 AM. The following sections summarize the Task Force proceedings by topic. Please refer to [\(Appendix 1-01\)](#) to review the Task Force Meeting Agenda.

## HISTORY OF UW HOUSING

Sean Blackburn, UW Vice President for Student Affairs, presented a history of housing and buildings at the university. [\(Appendix 3-01\)](#)

Task Force members discussed goals of the task force and directives of the enabling legislation. Notable outcomes included:

- Inclusion of dining facilities;
- Ensuring community spaces, both within facilities and through usage of green space;
- Consideration of walking distances between residences and classrooms;
- Development of a vision of larger experience, i.e. identify factors that inspire students to live in campus housing;
- Honor traditions of the university, e.g. architecture, events like homecoming;
- Study peer universities;
- Consideration of housing requirements, e.g. students live on campus two years, limit waivers; and
- Compare costs of living off-campus to on-campus.

## TOUR OF UW HOUSING FACILITIES (RESIDENCE HALLS, GREEK HOUSING, DINING, OFF-CAMPUS HOUSING, MARRIED STUDENT HOUSING, UNIVERSITY APARTMENTS, OTHER RESIDENTIAL UW PROPERTIES, ETC.)

## DISCUSSION

After the tour, discussion focused on topics for examination at subsequent meetings. Specifically, the Task Force asked for a presentation of how the newer student apartments, referred to as Bison Run, were funded and modeled. There is interest in studying student housing at other university campuses, including potential on-site visits and/or invitations to other universities for presentation at UW.

The Task Force further discussed how the University of Wyoming compares and competes with other schools to fill its academic space. Members indicated student feedback would be crucial, though since the spring semester ended it may be challenging.

## REVIEW OF HOUSING PLANS

Rian Rabideau, Associate Director of Residence Life and Dining Services, presented the 2015 Mahlum Housing and Dining Study. [\(Appendix 7-03\)](#)

Mr. Blackburn presented the 2017 UW Housing Master Plan. [\(Appendix 7-04\)](#) Ultimately, the cost to renovate existing buildings is comparable to, and in some cases exceeds, the cost to construct new residence halls. In addition, new buildings may be designed to ensure modification of space in the future as student

requirements change over time, which is not possible through refurbishment of the existing structures. Maintenance costs would also be considerably reduced.

### **PRESENTATION OF FACT SHEET (E.G. NUMBER OF STUDENTS; COST PER STUDENT, INCLUDING GREEKS; NUMBER OF RESIDENTIAL BEDS REQUIRED/DESIRED; ETC.)**

Mr. Blackburn led the Task Force through UW Housing Fact Sheet. (Appendix 8-01) Much of the discussion centered around types of living spaces, e.g. suites, one-bedroom units, two-bedroom units, community space, etc.

### **UW BONDING CAPACITY**

David Jewell, Associate Vice President for Financial Affairs, and Ashlie Reese, Financial Services Manager, gave an overview of outstanding debt and bonding capacity at the university. (Appendix 9-01) Essentially, UW pledges a certain percentage of its revenue streams to service debt. UW could increase its debt but it would have to find revenue streams to cover payments. Mr. Jewell cautioned the group to ensure future maintenance costs are accommodated in development of plans for new buildings. The task force members requested that Mr. Jewell attend the June meeting and to prepare some borrowing scenarios and revenue raising measures.

### **REVIEW FUTURE MEETING DATES AND POTENTIAL AGENDA ITEMS**

The Task Force established future meeting dates as follows:

- June 19
- July 10
- August 2
- August 23
- September 20
- October 18

Members requested a large map of the entire campus to be available at the June 19 meeting so that it could study the campus in its entirety as it considers new buildings. The Task Force decided that the June meeting will focus on financing options. In addition, members requested a list of fraternity and sorority properties, to include the ownership of each and their conditions.

Action items for future meetings include:

- Discussion of the parking master plan
  - Tour “south lot”
- Functions of buildings that surround Prexy’s Pasture
- Identify similar schools that have renovated traditional spaces into modern residence halls
- Discussion of UW infrastructure including housing, academic spaces, administrative spaces, parking, etc.
  - Existing
  - Requirements for future builds
  - Further discussion of the UW Housing Fact Sheet. (Appendix 8-01)

### **MEETING ADJOURNMENT**

There being no further business, Chairman Harshman adjourned the meeting at 5:25 PM.

Respectfully submitted,

Chairman Steve Harshman

# Committee Meeting Materials Index

Index Number	Agenda Item	Document Description	Document Provider
1-01		Agenda	LSO
1-02		Sign-in Sheet	LSO
3-01	History of UW housing	History of UW Housing	067 - University of Wyoming
7-01	Review of housing plans	2015 Residence Halls Reconstruction Report	067 - University of Wyoming
7-02	Review of housing plans	2017 UW Housing Master Plan	067 - University of Wyoming
7-03	Review of housing plans	2015 Mahlum Housing & Dining Study	067 - University of Wyoming
7-04	Review of housing plans	2017 KSQ Housing Master Plan	067 - University of Wyoming
8-01	Presentation of Fact Sheet (e.g. number of students; cost per student, including Greeks; number of residential beds required/desired; etc.)	UW Housing Fact Sheet	067 - University of Wyoming
8-02	Presentation of Fact Sheet (e.g. number of students; cost per student, including Greeks; number of residential beds required/desired; etc.)	Residence Hall Info Sheet	067 - University of Wyoming
8-03	Presentation of Fact Sheet (e.g. number of students; cost per student, including Greeks; number of residential beds required/desired; etc.)	On-Campus Living & Dining Info Sheet	067 - University of Wyoming
8-04	Presentation of Fact Sheet (e.g. number of students;	UW Apartments Brochure	067 - University of Wyoming

## TASK FORCE ON UNIVERSITY OF WYOMING HOUSING *Summary of Proceedings*

	cost per student, including Greeks; number of residential beds required/desired; etc.)		
8-05	Presentation of Fact Sheet (e.g. number of students; cost per student, including Greeks; number of residential beds required/desired; etc.)	UW Bison Run Village Brochure	067 - University of Wyoming
9-01	UW bonding capacity	UW Bonding Capacity	067 - University of Wyoming

Draft Only  
Approval Pending  
**SUMMARY of  
PROCEEDINGS**



**TASK FORCE ON UNIVERSITY OF WYOMING HOUSING**

**COMMITTEE MEETING INFORMATION**

June 19, 2018 | 8:00 AM  
University of Wyoming Marian H. Rochelle Gateway Center, Boyd Conference Room  
222 S. 22nd St.  
Laramie, Wyoming

**COMMITTEE MEMBERS PRESENT**

Representative Steve Harshman, Co-chairman  
Senator Glenn Moniz, Co-chairman  
Senator Tara Nethercott  
Representative Bob Nicholas  
Sean Blackburn  
Kermit Brown  
Patrick Fleming  
Clayton Hartman  
Mary Kay Hill  
John McKinley  
JT Walsh

**LEGISLATIVE SERVICE OFFICE STAFF**

Matt Obrect, Director  
Dawn Williams, Senior Fiscal Analyst  
Ryan Frost, Legislative Editor

**OTHERS PRESENT AT MEETING**

Please refer to [\(Appendix 1-02\)](#) to review the Committee Sign-in Sheet for a list of other individuals who attended the meeting.

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## **EXECUTIVE SUMMARY**

The Task Force on University of Wyoming (UW) Housing met for one day on June 19, 2018 to review UW housing infrastructure and to discuss financing options for UW housing.

## **CALL TO ORDER**

Chairman Glenn Moniz called the meeting to order 8:10 AM. The following sections summarize the Task Force proceedings by topic. Please refer to ([Appendix 1-01](#)) to review the Meeting Agenda.

## **UNIVERSITY OF WYOMING INFRASTRUCTURE**

Bill Mai, UW Vice President for Administration, presented a historical overview of campus infrastructure. Mr. Mai highlighted the importance of utilities and the delivery of power to certain areas of campus. The Task Force discussed the implementation of the west campus power plant, which will, among other things, deliver power to the new Science Initiative building and free up capacity for other parts of campus. Mr. Mai pointed out that the development of new student housing, especially on the east side of campus, would likely need a new power source that included cooling tank capacity.

## **PUBLIC FINANCING OPTIONS**

Betsy Anderson, General Counsel, State Treasurer's Office, walked the Task Force through various public financing options, including Public Purpose Investments. ([Appendix 3-02](#) and [Appendix 3-03](#)). The Task Force discussed whether UW is considered a political subdivision for purposes of loan eligibility for the Permanent Wyoming Mineral Trust Fund (PWMTF).

Patrick Fleming, Chief Investment Officer, State Treasurer's Office, presented UW Housing Task Force Financing Options ([Appendix 3-01](#)) including: loans from state funds, use of state credit rating, municipal bonds, and public-private partnerships (P3). Mr. Fleming discussed advantages and disadvantages of P3 models, and emphasized that there are many types of structures to P3s.

## **UNIVERSITY OF WYOMING FINANCING OPTIONS**

David Jewell, UW Associate Vice President for Financial Affairs, presented the University of Wyoming's bonding capacity ([Appendix 4-01](#)) and provided the task force members with an update to information presented at the previous meeting. Mr. Jewell highlighted the fact that UW currently pledges approximately \$22 million of revenues to servicing its debt. Mr. Jewell cautioned the group that UW's ability to generate additional revenue with upgraded student dormitories would present challenges once current beds went offline during construction.

## **UW EXPERIENCE WITH PUBLIC-PRIVATE PARTNERSHIPS (BISON RUN)**

Sean Blackburn, UW Vice President for Student Affairs, and Eric Webb, UW Executive Director of Residence Life and Dining Services, presented slides highlighting UW's main experience with P3s at Bison Run. ([Appendix 5-01](#)). Essentially, Bison Run is very popular with students and consistently maintains a 100% occupancy rate; however, it operates at a net loss for the university.

## **PUBLIC-PRIVATE PARTNERSHIPS (INFORMATION SHARING)**

Amy Aponte, Vice President, and Josh Smith, Senior Vice President of Balfour Beatty Campus Solutions, presented P3s in Higher Education ([Appendix 7-01](#)). Ms. Aponte and Mr. Smith presented examples of various P3 models used in student housing projects. Mr. Smith discussed three major factors in P3s:

affordability, long-term facilities (life cycle), and return to the university. Mr. Smith pointed out that one of the primary advantages to using a P3 is speed to market.

### **PUBLIC-PRIVATE PARTNERSHIPS (LSU EXPERIENCE)**

Martin Walke, Vice President of Economic & Program Development, Louisiana Public Facilities Authority, Jim Parks, President & CEO, Louisiana Public Facilities Authority, Donovan Hicks, Executive Vice President, Provident Resources Group, and Patrick Martin, Assistant Vice President, Real Estate, Public Partnerships & Compliance, Louisiana State University, presented information via video conference of Louisiana State University's (LSU) recent experience using a P3 to develop a 1,900 bed student housing facility. (Appendix 8-01). Mr. Martin led the discussion and provided a timeline and explanation for the development of LSU's project. Mr. Martin stated that one of the major advantages to using a P3 was the speed at which they completed the large-scale project.

### **NEXT STEPS AND JULY/AUGUST MEETING SCHEDULE**

Task Force members discussed the financing options presented at the meeting and the need for a campus master plan. Co-Chairman Harshman moved to create a finance subcommittee to make recommendations to the task force at the next meeting. The motion passed. The next meeting will be held at the Gateway Center in Laramie on Monday, July 9<sup>th</sup>.

### **MEETING ADJOURNMENT**

There being no further business, Chairman Moniz adjourned the meeting at 4:55 PM.

Respectfully submitted,

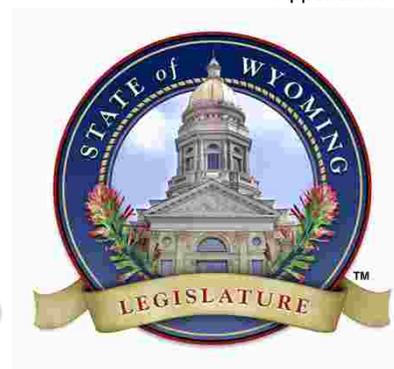
Senator Glenn Moniz

# Committee Meeting Materials Index

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Index Number	Agenda Item	Document Description	Document Provider
1-01		Agenda	LSO
1-02		Sign In Sheet	LSO
2-01	University of Wyoming Infrastructure	West Campus Energy Plant Heating and Cooling Analysis	UW
2-02	University of Wyoming Infrastructure	West Campus Energy Plant Supplemental Data	UW
3-01	Public Financing Options	UW Housing Financing Options	STO
3-02	Public Financing Options	Public Purpose Investments 1	STO
3-03	Public Financing Options	Public Purpose Investments 2	STO
4-01	University of Wyoming Financing Options	UW Bonding Capacity	UW
5-01	UW Experience with Public-Private Partnerships (Bison Run)	Bison Run	University of Wyoming
7-01	Public-Private Partnerships (Information Sharing)	P3's in Higher Education	Balfour Beatty Campus Solutions
8-01	Public-Private Partnerships (LSU experience)	LSU Nicholson Gateway Development Project	Louisiana State University

Draft Only  
Approval Pending  
**SUMMARY of  
PROCEEDINGS**



**TASK FORCE ON UNIVERSITY OF WYOMING HOUSING**

**COMMITTEE MEETING INFORMATION**

July 09, 2018 | 9:00 AM  
University of Wyoming Marian H. Rochelle Gateway Center, Boyd Conference Room  
222 S. 22nd St.  
Laramie, Wyoming

**COMMITTEE MEMBERS PRESENT**

Representative Steve Harshman, Co-chairman  
Senator Glenn Moniz, Co-chairman  
Senator Tara Nethercott  
Representative Bob Nicholas  
Sean Blackburn  
Kermit Brown  
Patrick Fleming  
Clayton Hartman  
Mary Kay Hill  
John McKinley  
JT Walsh

**LEGISLATIVE SERVICE OFFICE STAFF**

Matt Obrecht, Director  
Dawn Williams, Senior Fiscal Analyst  
Ryan Frost, Legislative Editor

**OTHERS PRESENT AT MEETING**

Please refer to [\(Appendix 1-02\)](#) to review the Committee Sign-in Sheet for a list of other individuals who attended the meeting.

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## **EXECUTIVE SUMMARY**

The Task Force on University of Wyoming (UW) Housing met for one day on July 9, 2018 to receive recommendations from the finance subcommittee and to resume discussions of housing requirements at the university.

## **CALL TO ORDER**

Chairman Steve Harshman called the meeting to order at 9:10 AM. The following sections summarize the Task Force proceedings by topic. Please refer to ([Appendix 1-01](#)) to review the Task Force Meeting Agenda.

## **FINANCE SUBCOMMITTEE REPORT**

Matt Obrecht, Director, Legislative Service Office, presented the Subcommittee on Financing Options' memorandum of initial findings ([Appendix 2-01](#)). The Subcommittee's report discussed the costs associated with the housing project, and contained two case studies that outlined Louisiana State University's and Colorado State University's recent student housing project developments and financing. The Subcommittee's report highlights the pros and cons of using a Public-Private Partnership (P3) and state funding options, including three basic categories: direct appropriation, bonding, or public purpose investments. The report concluded that while there are benefits and drawbacks of funding from the State or through a P3, the Subcommittee believes that State funding is likely the better option for the project. Additional information was provided to augment the report ([Appendix 2-02](#), [Appendix 2-03](#), [Appendix 2-04](#), [Appendix 2-05](#)).

## **DETERMINATION OF TASK FORCE GOALS**

Task Force members discussed desired outcomes and reviewed a campus map to consider possible locations for new housing. Sean Blackburn, UW Associate Vice President for Student Affairs, circulated a document that outlined financial and occupancy projections. ([Appendix 3-01](#))

## **TASK FORCE TOUR OF CAMPUS BUILDINGS**

Members of the Task Force toured the following buildings: Wyoming Hall, McWhinnie Hall, Physical Plant, and UW Police Facility.

## **CONTINUE REVIEW OF UW HOUSING MASTER PLAN**

Discussion continued regarding the types and total number of beds needed at UW, and whether there is need for additional beds or upgraded replacement beds. Representative Nicholas moved to recommend demolition of Crane Hall, Hill Hall, and the cafeteria located between. His motion also indicated the Crane/Hill footprint should only be used as "green space" and cannot be built upon until UW determines its final plan for housing on campus. There were no objections to the motion. Finally, Chairman Harshman formed two subcommittees. The first subcommittee is to determine room configurations and the costs thereof, with correlating financial proposals. The second subcommittee is a working group to determine location and building placement of new student housing.

## **MEETING ADJOURNMENT**

There being no further business, Chairman Steve Harshman adjourned the meeting at 4:35 PM.

Respectfully submitted,

Chairman Steve Harshman

# Committee Meeting Materials Index

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Index Number	Agenda Item	Document Description	Document Provider
1-01		Agenda	LSO
1-02		Sign In Sheet	LSO
2-01	Finance subcommittee report	Financing Options, Initial Report	LSO
2-02	Finance subcommittee report	Housing Data	Balfour Beatty
2-03	Finance subcommittee report	Pro Forma Project Scenario 1	STO
2-04	Finance subcommittee report	Pro Forma Project Scenario 2	STO
2-05	Finance subcommittee report	LSU Comparison Spreadsheet	STO
3-01	Determination of Task Force goals	Financial and Occupancy Projections	UW

Draft Only  
Approval Pending  
**SUMMARY of  
PROCEEDINGS**



**TASK FORCE ON UNIVERSITY OF WYOMING HOUSING**

**COMMITTEE MEETING INFORMATION**

August 02, 2018  
University of Wyoming Marian H. Rochelle Gateway Center, Boyd Conference Room  
222 S. 22nd St.  
Laramie, Wyoming

**COMMITTEE MEMBERS PRESENT**

Senator Glenn Moniz, Co-chairman  
Representative Steve Harshman, Co-chairman  
Senator Tara Nethercott  
Representative Bob Nicholas  
Sean Blackburn  
Kermit Brown  
Patrick Fleming  
Clayton Hartman  
Mary Kay Hill  
John McKinley  
JT Walsh

**LEGISLATIVE SERVICE OFFICE STAFF**

Matt Obrecht, Director  
Dawn Williams, Senior Fiscal Analyst  
Ryan Frost, Legislative Editor

**OTHERS PRESENT AT MEETING**

Please refer to [Appendix 1-02](#) to review the Committee Sign-in Sheet for a list of other individuals who attended the meeting.

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## **EXECUTIVE SUMMARY**

The Task Force on University of Wyoming Housing met for one day on August 2, 2018 to resume discussion on financing options and housing requirements at the University of Wyoming (UW).

## **CALL TO ORDER**

Senator Moniz called the meeting to order at 9:10 AM. The following sections summarize the Task Force proceedings by topic. Please refer to [Appendix 1-01](#) to review the Meeting Agenda.

## **FINANCE SUBCOMMITTEE UPDATE**

Patrick Fleming, Chief Investment Officer, State Treasurer's Office, indicated he needed additional data from UW in order to calculate accurate financing numbers and cash flow projections. UW pledged to provide Mr. Fleming the necessary information by August 10, 2018.

## **UW FOLLOW UP**

Laurie Nichols, UW President, offered remarks about where UW currently finds itself and where it wants to go in the future. President Nichols referenced UW's five-year strategic plan [Appendix 3-01](#), and how the goals of the Task Force are critical to the future growth at UW.

David Jewell, UW Associate Vice President for Financial Affairs, walked the committee through [Appendix 3-02](#) and [Appendix 3-03](#), which outlines UW's debt portfolio and outstanding bonds.

## **BUILDING PLACEMENT SUBCOMMITTEE UPDATE**

Matt Kibbon, UW Deputy Director, Planning & Construction, presented the Task Force with a 3-D printed campus map that included moveable tiles to illustrate the footprint for student housing buildings. Additionally, the map showed the location of underground utility tunnels for consideration of the Task Force when making building placement recommendations.

After discussion, the group agreed to recommend placement of buildings in two phases; the first of which will construct 2,000 replacement beds, and the second would be a sophomore village. Task Force members also discussed the need to incorporate green space, fire pits, and other similar features around the new housing structures. JT Walsh moved to recommend UW interns develop renderings of the buildings and where they would be placed. Motion passed.

## **MEETING ADJOURNMENT**

There being no further business, Senator Glenn Moniz adjourned the meeting at 8/2/2018 1:05 PM.

Respectfully submitted,

Senator Glenn Moniz

# Committee Meeting Materials Index

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Index Number	Agenda Item	Document Description	Document Provider
1-01		Agenda	LSO
1-02		Sign In Sheet	LSO
3-01	UW Follow Up	Breaking Through Strategic Plan	UW
3-02	UW Follow Up	Outstanding Bonds and Current Debt Portfolio	UW
3-03	UW Follow Up	Bond Interest Rates	UW
3-04	UW Follow Up	Fraternity and Sorority Mall	UW

Draft Only  
Approval Pending  
**SUMMARY of  
PROCEEDINGS**



**TASK FORCE ON UNIVERSITY OF WYOMING HOUSING**

**COMMITTEE MEETING INFORMATION**

August 23, 2018  
University of Wyoming Marian H. Rochelle Gateway Center, Boyd Conference Room  
222 S. 22nd St.  
Laramie, Wyoming

**COMMITTEE MEMBERS PRESENT**

Senator Glenn Moniz, Co-chairman  
Representative Steve Harshman, Co-chairman  
Senator Eli Bebout (alternate)  
Senator Tara Nethercott  
Senator Chris Rothfuss (alternate)  
Representative Bob Nicholas  
Sean Blackburn  
Kermit Brown  
Patrick Fleming  
Clayton Hartman  
John McKinley  
JT Walsh

**COMMITTEE MEMBERS NOT PRESENT**

Mary Kay Hill

**LEGISLATIVE SERVICE OFFICE STAFF**

Matt Obrecht, Director  
Dawn Williams, Senior Fiscal Analyst  
Ryan Frost, Legislative Editor

**OTHERS PRESENT AT MEETING**

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## EXECUTIVE SUMMARY

The Task Force on University of Wyoming Housing met for one day on August 23, 2018 to resume discussions of housing requirements at the university, including follow up information from UW student affairs and facilities management, financing options, and a discussion on draft legislation.

## CALL TO ORDER

Representative Steve Harshman called the meeting to order at 9:10 AM. The following sections summarize the Task Force proceedings by topic. Please refer to [Appendix 1-01](#) to review the Meeting Agenda.

## UNIVERSITY OF WYOMING (UW) FOLLOW UP

### *Information Technology (IT) Building*

Robert Aylward, UW Vice President for Information Technology, summarized the history of the IT building. Mr. Aylward estimates replacement of the IT building at \$40 million. ([Appendix 2-01](#))

### *Cost comparisons to peer universities*

Neil Theobald, UW Vice President for Finance and Administration, presented cost comparison to peer universities including room and board costs, resident and non-resident tuition rates, and total cost information. ([Appendix 2-02](#), [Appendix 2-10](#))

### *Residence hall occupancy projections*

Eric Webb, UW Executive Director of Residence Life and Dining Services, informed the Task Force that UW is realistically projecting 3% growth in resident hall occupancy. ([Appendix 2-09](#))

### *Review financial material provided to Finance subcommittee*

David Jewell, UW Associate Vice President for Financial Affairs, summarized UW's financials related to its outstanding bonds, overall debt profile, and bond interest rates. ([Appendix 2-05](#), [Appendix 2-06](#), [Appendix 2-07](#), [Appendix 2-08](#))

## UW FACILITIES MANAGEMENT UPDATE

Matt Kibbon, UW Deputy Director for Planning & Construction, presented a facilities management update on the following areas: parking, potential work spaces for displaced Wyoming Hall employees, changes to the West Campus Energy Plant required to accommodate new residence halls, and cost estimates of demolition of campus buildings. ([Appendix 3-01](#))

Matt Newman, an architect at Craft Collaborative, presented preliminary architectural renderings of the building designs discussed and requested by the Task Force at the August 2, 2018 meeting. ([Appendix 3-02](#))

## PUBLIC COMMENT

Laurie Nichols, UW President, cautioned the Task Force to not be overly prescriptive in their recommendations and emphasized the need for amenities such as laundry rooms, kitchens, and an overall living/learning environment.

John Hursh, former Wyoming legislator, appeared on behalf of Sigma Nu to voice the fraternity's concern over new student housing encroaching upon fraternity and sorority row. Mr. Hursh encouraged the Task Force to preserve the historic vision of the campus.

Sandy Hoy Helzer appeared on behalf of Kappa Kappa Gamma to relate the sorority's concerns over new student housing encroaching upon the welcoming features on the front of their house, and fraternity and sorority row in general.

### **FINANCING & CASH FLOW UPDATE**

Representative Nicholas moved that the Task Force resolve itself into executive session at 12:45 pm, seconded by Senator Nethercott. The Task Force concluded executive session at 1:39 pm.

Patrick Fleming, Chief Investment Officer for the State Treasurer's Office, and Mahdi Chahkandi, Senior Investment Analyst for the State Treasurer's Office, presented information on financing and cash flow.

### **BILL DRAFT OUTLINE**

The Task Force took no action related to 19LSO-0127 UW student housing. (Appendix 6-01)

### **MEETING ADJOURNMENT**

There being no further business, Representative Steve Harshman adjourned the meeting at 2:45 PM.

Respectfully submitted,

Representative Steve Harshman

# Committee Meeting Materials Index

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Index Number	Agenda Item	Document Description	Document Provider
1-01		Agenda	LSO
1-02		Sign In Sheet	LSO
2-01	UW Follow Up	Information Technology Center	UW
2-02	UW Follow Up	UW follow up information	UW
2-03	UW Follow Up	UWs desired outcomes for P3	UW
2-04	UW Follow Up	2009 Student Housing Market Demand	UW
2-05	UW Follow Up	Outstanding Bonds	UW
2-06	UW Follow Up	UW Debt Profile	UW
2-07	UW Follow Up	Bonds to Call date graph	UW
2-08	UW Follow Up	Bond interest rates	UW
2-09	UW Follow Up	Residence Hall Occupancy Projections	UW
2-10	UW Follow Up	Cost Comparisons to Peer Universities	UW
3-01	UW Facilities Management Update	Facilities Management Update	UW
3-02	UW Facilities Management Update	UW Housing Presentation	Craft Collaborative
6-01	Bill draft outline	19LSO-0127	LSO

Draft Only  
Approval Pending  
**SUMMARY of  
PROCEEDINGS**



**TASK FORCE ON UNIVERSITY OF WYOMING HOUSING**

**COMMITTEE MEETING INFORMATION**

September 20, 2018  
University of Wyoming Washakie Dining Center, Shoshone Room  
1000 E. University Ave.  
Laramie, Wyoming

**COMMITTEE MEMBERS PRESENT**

Senator Glenn Moniz, Co-chairman  
Representative Steve Harshman, Co-chairman  
Representative Bob Nicholas  
Sean Blackburn  
Kermit Brown  
Patrick Fleming  
Clayton Hartman  
Mary Kay Hill  
John McKinley  
JT Walsh

**COMMITTEE MEMBERS NOT PRESENT**

Senator Tara Nethercott

**LEGISLATIVE SERVICE OFFICE STAFF**

Matt Obrecht, Director  
Dawn Williams, Senior Fiscal Analyst  
Ryan Frost, Legislative Editor

**OTHERS PRESENT AT MEETING**

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## **EXECUTIVE SUMMARY**

The purpose of this meeting is to resume discussions of housing requirements at the university, including information from local bonding, real estate, construction, and community development groups; an update from the UW Board of Trustees facilities subcommittee; and final task force recommendations and draft legislation.

## **CALL TO ORDER**

Senator Glenn Moniz called the meeting to order at 9:16 AM. The following sections summarize the Task Force proceedings by topic. Please refer to [Appendix 1-01](#) to review the Meeting Agenda.

## **GEORGE K. BAUM & COMPANY**

Lee White, Executive Vice President, and Joan Evans, First Vice President, George K. Baum & Company, presented information on the University of Wyoming's (UW) debt profile and bonding capacity. Based on his analysis, Mr. White believes that UW has the capacity to take on \$180 million in additional debt. ([Appendix 2-01](#))

## **HASELDEN CONSTRUCTION**

Ken Baumgartner, Regional Director at Haselden Construction, presented general cost information on construction materials and how they affect the overall costs of a project. Mr. Baumgartner also discussed public-private partnership (P3) projects and how using a P3 can impact a project from a construction perspective.

## **SIGNET REAL ESTATE GROUP**

Jason Perry, President of Signet Real Estate's Development Group, provided a project development services overview to the group, including details on how various P3 models are structured. ([Appendix 4-01](#))

## **WYOMING COMMUNITY DEVELOPMENT AUTHORITY**

Lesli Wright, Deputy Executive Director, and DJ Whitaker, Director of Finance, Wyoming Community Development Authority, presented information on their organization and described their role as a financing conduit in various P3 projects, including Bison Run Village.

## **PUBLIC COMMENT**

No public comment.

## **REPORT FROM UW BOARD OF TRUSTEES FACILITIES SUBCOMMITTEE**

John McKinley, Treasurer, UW Board of Trustees and Task Force member, provided an update from the UW Board of Trustees Facilities Subcommittee meeting on September 11, 2018. The Subcommittee assigned a variety of tasks to be completed or evaluated by Neil Theobald, UW Vice President for Finance and Administration, and Sean Blackburn, UW Vice President for Student Affairs and Task Force member. The Subcommittee will report on its actions at the next Task Force meeting on October 18.

## **TASK FORCE DRAFT REPORT**

The Task Force discussed final recommendations to be included in its report due to the UW Board of Trustees, Joint Appropriations Committee, and the Select Committee on Capital Financing and Investments on November 1, 2018.

**Task Force Recommendations**

Representative Harshman moved that UW should construct, as soon as practicable, approximately 2,000 replacement beds for primarily freshman housing. The motion was adopted by voice vote.

Sean Blackburn moved to include within the Task Force's recommendation that UW should strive to create, enhance, and sustain a living/learning community. The motion was adopted by voice vote.

Representative Harshman moved to endorse the recommendations by UW for percentage of room types, with flexibility for fit and varying price points. The motion was adopted by voice vote.

Representative Harshman moved to incorporate adequate parking infrastructure and the West Campus Energy Plant expansion as part of the Task Force recommendations. The motion was adopted by voice vote.

John McKinley moved to include all necessary support facilities for the new student housing including appropriate dining facilities to support 2,000 beds and the overall mission of UW. The motion was adopted by voice vote.

John McKinley moved that the appropriate location(s) for the 2,000 replacement beds meet the needs of the students and UW. The motion was adopted by voice vote.

John McKinley moved that the new student housing development comply with the UW Board of Trustees historic exterior design committee's standards. The motion was adopted by voice vote.

Representative Nicholas moved that the new student housing should be built using high quality construction materials in a construction method with an expected useful life span which is appropriate for the mission of the student housing and is similar to the useful life expectancy of the buildings in proximity to the new student housing on the UW campus. The motion was adopted by voice vote.

The Task Force discussed recommending two phases of construction for student housing. The first phase would include approximately 2,000 replacement freshman beds; the second phase would include up to 2,000 additional beds for an Upperclassmen Village.

The Task Force discussed various options for financing including maximization of UW's bonding authority and loans from the State's non-permanent funds. The Task Force adopted these ideas as conceptual financing to be further considered at the next meeting.

**MEETING ADJOURNMENT**

There being no further business, Senator Glenn Moniz adjourned the meeting at 3:45 PM.

Respectfully submitted,

Senator Glenn Moniz

# Committee Meeting Materials Index

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Index Number	Agenda Item	Document Description	Document Provider
1-01		Agenda	LSO
1-02		Sign In Sheet	LSO
2-01	George K. Baum & Company	Revenue Bond Debt Presentation	George K. Baum & Company
4-01	Signet Real Estate Group	Development Services Overview	Signet

Draft Only  
Approval Pending  
**SUMMARY of**  
**PROCEEDINGS**



**TASK FORCE ON UNIVERSITY OF WYOMING HOUSING**

**COMMITTEE MEETING INFORMATION**

October 18, 2018  
University of Wyoming, Marian H. Rochelle Gateway Center, Boyd Conference Room (203)  
222 S. 22nd St.  
Laramie, Wyoming

**COMMITTEE MEMBERS PRESENT**

Senator Glenn Moniz, Co-chairman  
Representative Steve Harshman, Co-chairman  
Senator Tara Nethercott (via phone)  
Senator Chris Rothfuss (alternate)  
Representative Bob Nicholas  
Sean Blackburn  
Kermit Brown  
Patrick Fleming  
Clayton Hartman  
Mary Kay Hill  
John McKinley  
JT Walsh

**LEGISLATIVE SERVICE OFFICE STAFF**

Matt Obrecht, Director  
Dawn Williams, Senior Fiscal Analyst  
Ryan Frost, Legislative Editor

**OTHERS PRESENT AT MEETING**

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*The Committee Meeting Summary of Proceedings (meeting minutes) is prepared by the Legislative Service Office (LSO) and is the official record of the proceedings of a legislative committee meeting. This document does not represent a transcript of the meeting; it is a digest of the meeting and provides a record of official actions taken by the Committee. All meeting materials and handouts provided to the Committee by the Legislative Service Office, public officials, lobbyists, and the public are on file at the Legislative Service Office and are part of the official record of the meeting. An index of these materials is provided at the end of this document and these materials are on file at the Legislative Service Office. For more information or to review meeting materials, please contact the Legislative Service Office at (307) 777-7881 or by e-mail at [lso@wyoleg.gov](mailto:lso@wyoleg.gov). The Summary of Proceedings for each legislative committee meeting can be found on the Wyoming Legislature's website at [www.wyoleg.gov](http://www.wyoleg.gov).*

## **EXECUTIVE SUMMARY**

The Task Force on University of Wyoming (UW) Housing met for one day in Laramie, Wyoming to receive updated information from the UW Board of Trustees Facilities Subcommittee, including site location recommendations; discuss the Task Force's draft report and final recommendations; and review draft legislation.

## **CALL TO ORDER**

Representative Steve Harshman called the meeting to order at 9:10 AM. The following sections summarize the Task Force proceedings by topic. Please refer to [Appendix 1-01](#) to review the Meeting Agenda.

## **REPORT FROM UW BOARD OF TRUSTEES FACILITIES SUBCOMMITTEE**

John McKinley, Treasurer, UW Board of Trustees, offered a brief overview on the UW Board of Trustees Facilities Subcommittee meeting on October 16, 2018.

Neil Theobald, UW Vice President for Finance and Administration provided a history of buildings on the UW campus and how the architectural theme for the buildings impacted the development of the campus. Looking forward, Mr. Theobald discussed potential site locations for new student housing, including advantages and considerations of each site location. ([Appendix 2-03](#))

Sean Blackburn, UW Vice President for Student Affairs, presented information on the potential interior design of future student housing buildings and an updated breakdown of percentages of room types. Mr. Blackburn discussed on-campus dining services and how his staff is evaluating updated meal plans for students. Mr. Blackburn also noted that the UW Board of Trustees may review the new student live-in policy. ([Appendix 2-01](#))

Laurie Nichols, UW President, discussed her efforts to reach out to housing directors at other universities and learn about their housing projects. Ms. Nichols emphasized the need for UW to have a mix of housing options and wondered about renovating some of the current housing in order to offer a lower price point. ([Appendix 2-04](#))

## **DISCUSSION OF DRAFT REPORT AND FINAL RECOMMENDATIONS**

The Task Force reviewed and amended the draft report. ([Appendix 3-01](#)). The Task Force directed staff to incorporate the revisions for consideration and final vote via email in order to comply with the statutory deadline.

## **PUBLIC COMMENT**

John Houghton, Director of Governmental Affairs, Associated Students of University of Wyoming (ASUW), thanked the Task Force for making progress on new student housing and indicated that ASUW passed multiple resolutions in support of UW adopting a master housing plan.

## **MEETING ADJOURNMENT**

There being no further business, Representative Steve Harshman adjourned the meeting at 12:45 PM.

Respectfully submitted,

Representative Steve Harshman

# Committee Meeting Materials Index

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Index Number	Agenda Item	Document Description	Document Provider
1-01		Agenda	LSO
1-02		Sign In	LSO
2-01	Report from UW Board of Trustees Facilities Subcommittee	Preliminary FCC board update	UW
2-02	Report from UW Board of Trustees Facilities Subcommittee	Peer and Aspirant New Construction Costs	UW
2-03	Report from UW Board of Trustees Facilities Subcommittee	UW Freshman Housing draft update	UW
2-04	Report from UW Board of Trustees Facilities Subcommittee	Interviews with housing directors	UW
3-01	Discussion of draft report and final recommendations	Draft report	LSO

# Appendix B

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## *The Future of Student Housing at UW*



# *The Future of Student Housing at UW*



**Preliminary updates to the Facilities Contracting Committee of the Board of Trustees  
Monday, October 15, 2018**



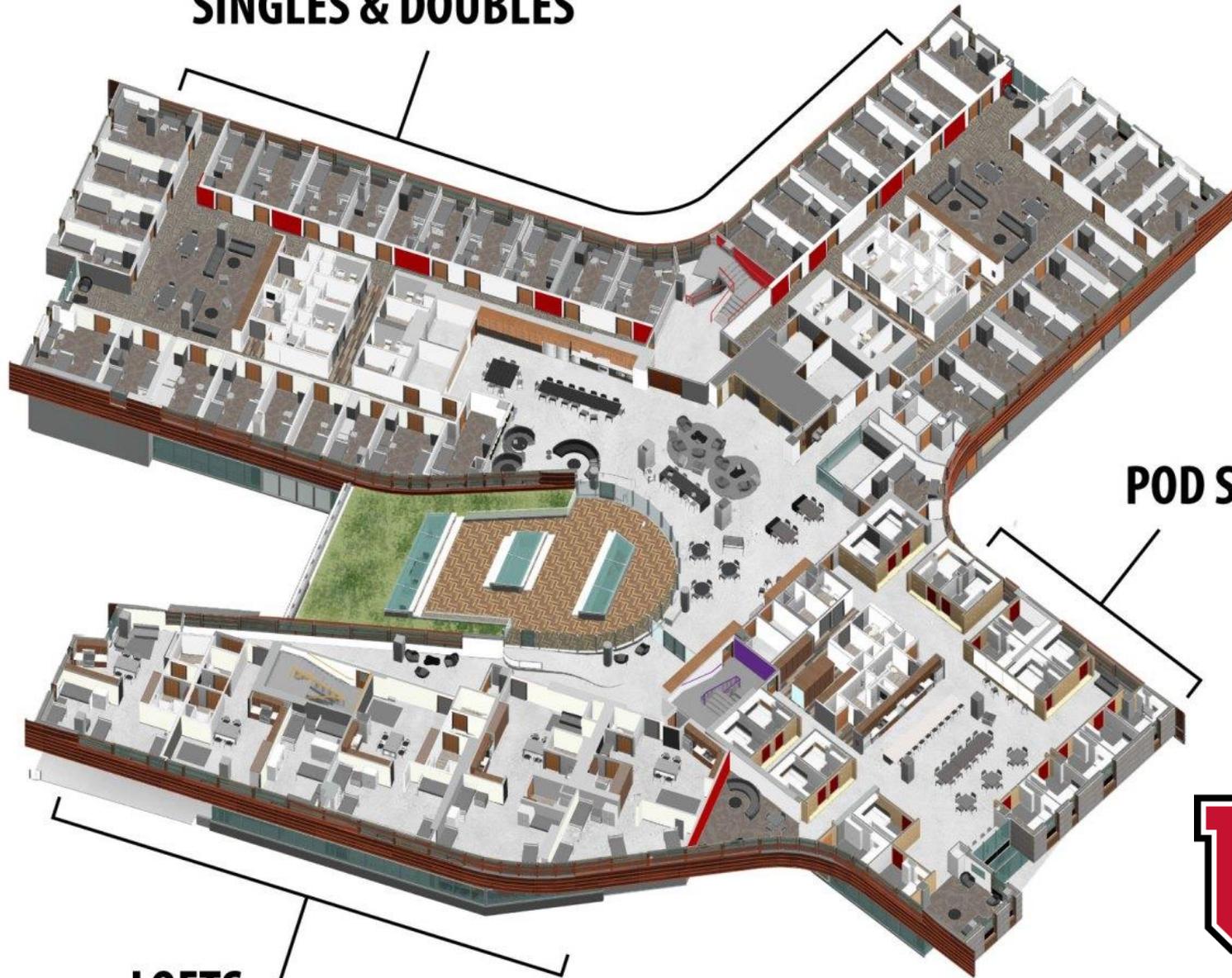
## Residence Hall Interiors & Percentage Breakdown

- Studying layouts that include doubles, singles, suites, pod suites, and lofts
- Surveying students for updated preferences and needs
- Visiting innovative programs
- Studying Close and Stretch Peers new housing offerings (see pricing)

Room Type	Draft Percentage
Double traditional rooms with sink	30%
Double rooms with private baths	20%
2 person suites	10%
4 person suites	20%
Pod Rooms	18%
Singles with baths for ADA Accommodations	2%

**DRAFT**

# SINGLES & DOUBLES



# POD SUITE

# LOFTS



## Student Feedback

- Developed a 30 question survey on housing preferences, room configuration, amenities, and desired locations with ASUW
- All students, anonymous
- Will include demographics and those who moved off campus
- October 22-November 2
- November 12 -Initial Data would be available





## *The Future of Student Housing at UW*

# Dining Services

- Since 1997, Envision Strategies has been recognized as a premier consulting firm specializing in strategic planning and operations consulting for foodservice and hospitality organizations
- Offices in Colorado, Michigan, Montana, New Jersey, Pennsylvania & Tennessee





## *The Future of Student Housing at UW*

# Dining Services

Engaged in:

- Meal Plan Study
- Review of Self Op vs. Outsourced Food Service Programs
- Dining Service Master Plan



ENVISION  
STRATEGIES





## *The Future of Student Housing at UW*

# Dining Services Vision



Students want:

- Meal plan portability and multiple venues with a variety of options
- More Dining Dollars
- Semester Block Meal Plans
- More retail selection



## *The Future of Student Housing at UW*

# Dining Services Vision

Current Meal Plan Options	MEALS PER WEEK	DINING DOLLARS	CURRENT SEMESTER PRICE
Unlimited Plan	--	\$50	\$2,913.50
ANY 15 ACCESS PLAN	15	\$50	\$2,514
ANY 12 ACCESS PLAN	12	\$50	\$2,237.50



## *The Future of Student Housing at UW*

**DRAFT**

# Dining Services Vision

MEAL PLAN OPTIONS		DINING DOLLARS	CURRENT SEMESTER PRICE	PROPOSED PRICE
Unlimited Plan	--	\$75	\$2,913.50	\$2,972
ANY 15 ACCESS PLAN	15 Weekly	\$100	\$2,514	\$2,565
ANY 12 ACCESS PLAN	12 Weekly	\$125	\$2,237.50	\$2,282
BLOCK 280 MEALS	Semester	\$75	NEW	\$2,795
BLOCK 230 MEALS	Semester	\$150	NEW	\$2,595
COMMUTER BLOCK 50 Meals	Annual	\$50	NEW	\$555
COMMUTER BLOCK 25 Meals	Annual	\$35	NEW	\$345



## *The Future of Student Housing at UW*

**DRAFT**

# Dining Services Vision



### **Meal Plan Changes 2019-2020**

- *2 NEW block (semester) meal plan options for student flexibility*
- *Increase the amount of Dining Dollars for flexible spending to be used at other dining locations*



## *The Future of Student Housing at UW*

**DRAFT**

# Dining Services Vision

### **Meal Plan Changes 2019-2020:**

- *Drive late night service to the Wyoming Union Food Court to offer students variety*
- *Extend operating hours in the Wyoming Union Food Court until 9pm*
- *Develop a marketing plan to offer discounted Dining Dollars to all students*
- *Introduce payroll deduction for commuter meal plans*





## *The Future of Student Housing at UW*

# Opening March 1, 2019

## Michael B. Enzi STEM Facility



- Open to F/S, Students, and community
- Will accept Dining Dollars, Cash, and Credit.





## *The Future of Student Housing at UW*

**DRAFT**

# Dining Services Vision

- *Add new national brands*
- *Build à la carte dining venues with new residence halls*
- *Increase dining dollars and student flexibility as we add new locations*
- *Use student feedback to create venues that appeal to students. Current examples: Sustainability, Farm-to-Table, and the “locavore” movement*
- *Connect dining to the Living and Learning Communities*





## *The Future of Student Housing at UW*

# Site Visits:

### ***Phone Conferences with:***

- *University of Utah – Site visit on 10/3*
- Purdue University
- University of Nebraska - Lincoln
- Vanderbilt University
- University of Oklahoma
- Iowa State University

### ***On Site Visits:***

- *Will narrow down to 2 or 3 to visit as a group*

## *The Future of Student Housing at UW*



- High-impact practices that improve learning and retention
- Require more than simply acknowledging academics, instead call for INTENTIONAL integration of the two
- Community and student engagement are a primary component



## *The Future of Student Housing at UW*

# Hallmarks of LLCs:

- Cohort – students on a shared journey
- Living together in a close knit community – physical environment must match the LCC
- Shared identity
- Shared academic experience
- Faculty Involvement (teaching, advising, mentoring, programming, in residence, offices, office hours, research, and learning labs)
- Co-curricular learning experiences: unified, out-of-the-classroom programs and activities among PEERS



## *The Future of Student Housing at UW*

### **Residential Colleges (RC) Defined**

- Residential colleges unite students with similar educational goals in designated residence halls, which create distinctive educational atmospheres.
- Faculty offices, academic advisors, classrooms, labs, libraries, and galleries are also located in the halls giving students unique access to campus resources and creating a learning environment that transcends classroom walls



## Theme Housing (TH) Defined

- Theme communities are centered on a variety of shared academic, cultural, and personal interests.
- Theme housing allows students with common interests and lifestyle preferences to live together and support each other through thoughtful engagement, informal interactions, and planned events.
- **Examples: Women in STEM, Sustainability, and Innovation**



# The Future of Student Housing at UW

## Pricing:

New Residence Hall Construction - Close Peers				
Institution	Hall Name	Date Opened	Facility Type	Semester Cost**
University of Idaho			No new housing	
University of Nevada - Reno	<a href="#">Great Basin Hall</a>	Fall 2018	Suite-style; for STEM majors only; computer lab and maker's space in-hall	<a href="#">\$3405 - \$4675</a>
New Mexico State University	<a href="#">Unnamed Hall</a>	Fall 2019	\$21.5M suite-style for freshmen	TBD
University of Rhode Island	<a href="#">Hillside Hall</a>	Fall 2012	All triple rooms; community bathrooms	<a href="#">\$4,546</a>
Utah State University	<a href="#">Central Suites</a>	Fall 2018	Suite-style	<a href="#">\$1915 - \$2340</a>
University of Maine			No new housing	
Oklahoma State University	<a href="#">University Commons</a>	Fall 2015	Three building complex (designed by KSQ); traditional double rooms/community bathrooms	<a href="#">\$2,840</a>
Montana State University	<a href="#">Gallatin Hall</a>	Fall 2013	Double and single rooms (sophomore and above)	<a href="#">\$5301 - \$5517*</a>
	<a href="#">Yellowstone Hall</a>	Fall 2016	Mix of single, double, and suite-style	<a href="#">\$5248 - \$5517*</a>
	<a href="#">Unnamed Hall</a>	Broke Ground 2018; Open Fall 2020	Mix of single, double, triple, and suite-style	TBD
South Dakota State University	<a href="#">Jackrabbit Village (Honors, Schultz, Ben Reifel, and Hyde Halls)</a>	Fall 2013	Mix of traditional double rooms w/ community bathrooms, and suites	<a href="#">\$2,833</a>
University of Montana			No new housing	
North Dakota State University	<a href="#">Cater Hall</a>	Fall 2019	Suite-style; sophomores and above	<a href="#">Est. \$2027 - \$2286</a>



## The Future of Student Housing at UW

# Pricing:

New Residence Hall Construction - Stretch Peers				
Institution	Hall Name	Date Opened	Facility Type	Semester Cost**
Kansas State University	<a href="#">Wefald Hall</a>	Fall 2016	Traditional double/single rooms; single-occupancy bathroom/shower stalls	<a href="#">\$3500 - \$4200</a>
University of Nebraska - Lincoln	<a href="#">Massengale Residential Center</a>	Fall 2017	Traditional double/single rooms with community bathrooms	<a href="#">\$5947 - \$6253*</a>
West Virginia University	<a href="#">Oakland Hall</a>	Fall 2015	Traditional double rooms; single-occupancy bathroom/shower stalls	<a href="#">\$4,057</a>
Colorado State University	<a href="#">Laurel Village</a>	Fall 2014	Mix of traditional double rooms/community bathrooms and suites; all students in LLC	<a href="#">\$5507 - \$7288*</a>
Clemson University	<a href="#">Core Campus A-D</a>	Fall 2016	Mix of traditional double rooms with single-occupancy bathroom/shower stalls, and suites	<a href="#">\$4055 - \$4840</a>
Texas Tech University	<a href="#">Honors Hall</a>	Fall 2017	Pod-style (8 double rooms with shared bathroom and community space); Honors students only	<a href="#">\$3,570</a>
University of New Mexico	<a href="#">Casas del Rio</a>	Fall 2015	P3 (completely managed by ACC, but satisfies live-on requirement); suite-style	<a href="#">\$2545 - \$3995</a>
Washington State University	<a href="#">Global Scholars Hall</a>	Fall 2014	Mix of traditional double/single with community bathroom, suite-style, and apartments; global interest LLC	<a href="#">\$4812 - \$5462</a>



# *The Future of Student Housing at UW*

## Housing Policy

**DRAFT**

### **UW REGULATION 1-102**

#### **Attachment E.**

#### **New Student Live-In Policy:**

- Initial discussions only
- Goal: To increase retention and student success
- Potentially phased in with new construction
- Considerations for current students would be reviewed
- Must be vetted and approved by the Board of Trustees
- New housing will help alleviate some of these challenges





## *The Future of Student Housing at UW*

# Housing Policy

**DRAFT**

### UW REGULATION 1-102

#### Attachment E.

#### New Student Live-In Policy:

- **AMEND:** The University of Wyoming Board of Trustees requires all new incoming freshmen to live in the residence halls their first academic year on campus and to contract for a minimum of a 12-accesses-per-week dining plan (or equivalent semester plan).
- **Amend:** Student plans to live in Laramie (or within a 30 mile driving distance from Laramie) with parent(s), grandparent(s), or legal guardian(s)
- **Delete:** Student will live on property purchased by parent(s) or legal guardian(s) while attending UW

# Appendix C

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## *Initial Report of the Subcommittee on Financing Options*




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**WYOMING LEGISLATIVE SERVICE OFFICE**


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# Memorandum

**DATE** July 9, 2018

**TO** Task Force on UW Housing

**FROM** Subcommittee on Financing Options

**SUBJECT** Initial Report on Financing Options for UW Housing

The UW Housing Task Force's Subcommittee on Financing Options met by person in Cheyenne and via teleconference on June 28<sup>th</sup> to discuss and explore various options that may be available to UW to fund a proposed student housing project. Attending the meeting were Chairman Harshman, Rep. Bob Nicholas, UW Trustee John McKinley, State CIO Patrick Fleming, UW VP for Student Affairs Sean Blackburn, and UW Director of Residence Life and Dining Eric Webb, and LSO staff Dawn Williams and Matt Obrecht. Handouts were provided by Mr. Fleming, Mr. Blackburn and Mr. Webb, and by LSO (attached and incorporated herein where relevant).

The Subcommittee determined that while there are benefits and drawbacks of funding from the State or through a Public-Private Partnership (P3), State funding is likely the better option for the project.

### **Costs of the Housing Project**

The Subcommittee discussed what level of funding would be needed. The consensus is that construction cost per bed is likely to be around \$100,000. Depending on the number of beds constructed, the costs of infrastructure, demolition of existing facilities, etc. are likely \$50,000,000 to \$100,000,000. If the retirement of existing UW bonds is included in the financing calculation (\$87,000,000), the likely cost for 1000 new beds is approximately \$250,000,000 to \$300,000,000 and the cost for 2000 new beds is \$350,000,000 to \$400,000,000.

Patrick Fleming and Amy Aponte of Balfour Beatty both provided budget/funding scenarios of student housing for consideration of the task force in separate documents.

### **Case Studies of LSU and CSU**

The Subcommittee also asked for information on why Louisiana State University chose a P3 structure for their recent housing expansion and why Colorado State University instead chose state

issued bonds for its funding. Patrick Fleming reached out to Patrick H. Martin, Assistant Vice President Real Estate, Public Partnerships, and Compliance at LSU for his perspective. Following is an excerpt from Mr. Martin's response:

The speed for us was huge. Cutting 2 years off of planning/approval time means 2 years less of construction cost inflation and interest rate risk. We also got a better rate for architects, 4% versus the Louisiana state standard for government jobs of 7%. Some of that is offset by the developer payment, which for us was a total of 4%. Our planning, design, and construction staff also have found very positive results by using a design-build method of contracting, where you hire the contractor as a Construction Manager at Risk... the general contractor essentially bids for the job on what percentage he will charge as a management fee, and then bids out all the subcontractor work. The CMAR gets his percentage of the sum of the subcontractor bids. Here in Louisiana, we can't really do design-build in the state contract realm, but we could in the P3 world. With design-build, you get the contractor and the architect sitting together at the design table, which we found generated some cost savings, but also substantially increased our speed to construction.

The other key is long-term operations. The true idea of the P3 is that you transfer the costs and risks of long-term maintenance to the developer. That is not feasible in the traditional state construction contract process. You want the private partner to make the decisions that lead to the lowest total cost of ownership over the life of the buildings. Personally, I find that the university still needs to pay close attention to those trade offs, and if you're not careful, you end up with a developer that will soak you over time. But not always, and you can get real benefit here with (again) proper planning.

In general, you are absolutely correct that looking purely at construction costs, you won't get real savings from the P3 model. The savings come in from design efficiencies, cutting time off the project, and transferring some risks to the developer, both up front and long-term.

Matt Obrecht and Dawn Williams spoke with Mari Strombom, Executive Director of Housing and Dining Services at CSU concerning the university's decision to issue bonds rather than build with a P3. Ms. Strombom stated that CSU never considered a P3 option because it had the support of the administration to bond student housing projects. Ms. Strombom further related that in speaking with colleagues at other institutions around the country, it appeared that P3 was utilized only when other funding was not available. Furthermore, state funding was the more attractive option for CSU because the university could have more control over the project. Ms. Strombom stressed the importance of designing a project for student success as the primary goal rather than profit motivation. This allowed CSU to focus more on co-learning centers within student housing and other public areas like group kitchens, over an attempt to maximize the number of beds. She also stated the importance to CSU of staffing and maintaining the buildings with university personnel to ensure that they are maintained to CSU's standards. Ms. Strombom related an experience at Northern Arizona University where it was assumed that student housing located on the main campus area, which was managed by the P3 developer, was a university managed property. Complaints about the property were directed to the university, only to be redirected to the P3 operator. This led to confusion and frustration.

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WYOMING LEGISLATIVE SERVICE OFFICE *Memorandum*

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### **Pros and Cons of P3 v. State Funding**

The Subcommittee developed a list of pros and cons of utilizing some form of P3 structure for the UW Housing Project.

#### **Pros:**

1. P3 is an attractive option to fund a project when the institution does not have readily available cash or borrowing capacity.
2. The structure of a P3 is flexible in many ways to provide the institution with varying levels of involvement to suit its needs.
3. The developer of a P3 project is likely to have expertise in the field and a long and successful track record of developing and managing these types of projects around the country. The UW Housing Project could benefit from this expertise.
4. Utilizing a P3 structure to build student housing would allow for available cash or bonding capacity to be used for other projects that don't have a revenue source.
5. P3 can finalize a project quickly, potentially in much less time than a State/UW managed project.

#### **Cons:**

1. With a P3 there is likely a greater cost than with issuing bonds or utilizing some form of a loan from the State. Bonds currently carry an interest rate of between 3% to 3.5% and most P3 projects have an additional 5% financing cost in consideration of the additional risk the private developer is assuming.
2. Utilizing the P3 structure would create a profit center for a private company on the core grounds of the only university in the state. This would put many local residential developers and managers at a substantial disadvantage.
3. With a P3 contract, because it is not technically a "state" project for the purposes of the Wyoming procurement statutes, there is no requirement for Wyoming contractors, subcontractors, or materials to be used on the project.
4. A P3 project could result in less involvement in key decision making by UW Trustees, the Legislature, and Laramie/Wyoming residents.
5. Currently, at the one existing P3 on the UW campus, rental revenues do not cover annual costs, which results in UW having to annually supplement payments to the P3 developer with other sources of funds. There is a potential for this to happen with the new UW housing project.
6. There is the potential that the developer of the P3 could sell the project to another operator, which would require UW to work with a new operator that may not deliver the same level of service as the original developer.
7. A P3 project could negatively impact current employees of UW who would lose their jobs and may or may not be offered private positions, likely at different terms of employment.
8. With a P3 project, because there is a profit motive, the quality of the construction and maintenance of the facility may not be at the same level as a UW constructed and managed facility.

9. Financing a P3 requires a higher debt service ratio than is required for general obligation bonds or revenue bonds.

### **State Funding Options**

If State funding is utilized for the project, there are likely a multitude of paramutations, procedures, terms and conditions available for the State to fund the UW housing project, but all of those options really boil down to three core principles: 1) Direct appropriation; 2) Bonding; or 3) a Public Purpose Investment. Of course, the Task Force could recommend, and the Legislature could decide, to adopt a combination of these options, as well. These three options are presented below.

#### **(A). Direct Appropriation:**

On its face this is the most straightforward funding option, but there are still significant variables available to the Legislature when exercising this option. The Legislature could appropriate all of the needed project funding at one time, likely from the Legislative Stabilization Reserve Account (LSRA), with no requirement for a payback. The Legislature could dedicate funding from a revenue stream or streams, to an account created for the specific purpose of funding the UW Housing Project. Potential available sources of revenue include federal mineral royalties (FMRs), the statutory 1% severance tax (approximately \$90 to \$100 million a year as of FY 2018), or the earnings from the Permanent Wyoming Mineral Trust Fund (PWMTF), which are directed to either the LSRA or the Strategic Investment and Projects Account (SIPA) (roughly \$87 million right now is directed to both accounts if earnings on the PWMTF reach or exceed the spending policy). Depending on the magnitude and proportion of each dedication, it could take multiple biennia to reach the total funding level. Another option with a direct appropriation (or really any funding option) would include creating “phases” of the project. The phases of construction could be spread over several years, with funding from revenue streams becoming available when each “phase” is ready for construction to commence or contracts to be let.

Another direct appropriation option is to provide UW a loan for the housing project. Such a loan would not have the same potential constitutional implications of a Public Purpose Investment (PPI) from the PWMTF, and a lower interest rate may be available, potentially as low as 0%. The legislation could also dedicate a stream of revenue for repayment of the loan, just like a PPI, such as UW’s FMR stream or the student lease revenue from the new residence halls.

#### **(B). Bonding:**

There are two forms of bonds available for this project: general obligation or revenue bonds. General obligation bonds are paid by pledging future tax revenues. Revenue bonds are paid by pledging future non-tax revenues. Each type of bond has its own legal requirements and limitations.

General obligation bonds create debt in the constitutional use of that term because there is the present legal potential that the issuing governmental entity will have to exercise its power to tax

to pay such bonds. Thus, the issuance of state general obligation bonds triggers the State's debt limit under Article 16, Section 1 of the Wyoming Constitution, which prohibits the State from creating debt more than 1% of the total statewide assessed property valuation as shown by the last general assessment. The last certified total statewide assessed valuation was \$18,825,099,205. The current 1% general obligation limit, then, is \$188,250,992.05. The issuance of state general obligation bonds also triggers the election requirement in Article 16, Section 2.

Revenue bonds entail payment pledges that do not create debt in the constitutional use of that term because there is no present legal potential that the issuing governmental entity will have to exercise its power to tax to pay such bonds. Revenue bondholders can seek repayment only from pledged revenue sources. The issuance of state revenue bonds, therefore, does not trigger the debt limitation under Article 16, Section 1 or the election requirement in Section 2. Non-tax state revenue sources that are available to pledge include federal mineral royalties and coal lease bonus payments, as well as earnings from investments, e.g., a pledge of general fund revenues from the Permanent Wyoming Mineral Trust Fund or a pledge of earnings from the corpus of other permanent land fund accounts, if the earnings are not constitutionally dedicated to another use.

As outlined by Patrick Fleming in his report to the Task Force on June 19, tax-exempt municipal bonds are trading at rates less than US Treasuries if the issuer has a AA+ rating or better. Bonding the amount of funds needed for the UW Housing Project would require a substantial dedication of revenue streams from UW and the State to receive the necessary credit rating. It's also not clear whether the UW Supplemental Coverage Program would yield any appreciable benefits in this scenario given the magnitude of the funding under consideration.

### **(C). Public-Purpose Investment:**

This option would require legislation to authorize a public purpose investment (PPI) from the PWMTF. Public purpose investments are those authorized or directed by state law for investment of state funds for purposes other than for pure investment return purposes. That is, the investment has some additional indirect public purpose. There are examples of PPIs that would fall in the same category of UW housing bonds as precedent: industrial development bonds, mortgage backed securities, time-deposit open accounts (benefiting Wyoming banks) and farm loans. A PPI from the PWMTF is different than a loan to a public subdivision from the PWMTF in that there likely has to be some form of financial return to the State on its investment in a PPI. How that return is realized is open for discussion.

By statute the Legislature has stated that the Uniform Prudent Investor Act shall govern state investments. (W.S. 9-4-715(d)(i)) Within that Act, W.S. 4-10-911 provides: "This article applies to public funds of the state of Wyoming unless a different investment standard is specifically provided for the investment of specified public funds." Generally, in accord with the Prudent Investor Act is the common law duty of the Treasurer - as a fiduciary to exercise diligent and prudent care over public funds under his purview. (See, Wyo. Att. Gen'l op. 77-19, citing State v. Gramm, 52 P. 533 (Wyo. 1898)).

Public purpose investments have carried interest rate ranges from 0% (until the project was built) to over 8%. The lowest overall rate from the PWMTF was 1.5% for the Laramie Territorial Park (which started at 6%). While by no means making all public purpose return rates uniform, the Legislature in the past ten years or so has often used a more uniform standard, tied in some manner to the rate of return foregone by not investing solely in accordance with the state investment policy. The Legislature could determine that the return on investing in university housing can outweigh the return on investments in securities or other investments which might appear greater on their face. This general proposition, that the immediately identifiable return need not be the sole consideration in managing trust funds, finds support in Wyoming caselaw concerning school trust lands. Frolander v. Ilsley, 264 P.2d 790 (Wyo. 1953).

In this instance, similar to a loan, the Legislature could dedicate a stream of revenue for repayment of the PPI to the PWMTF, such as UW's FMR stream or the student leases.