

## Housing Plan: Update and Options

Board of Trustees Retreat July 2010



## History of the Housing Plan

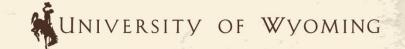
- 2001-2002: Ira Fink & Assoc. Conducts Review
- 2003: Housing Plan receives support by UW BOT
- 2004-2005: Construction on McIntyre and Orr
- 2005: Design team hired for White; project placed on hold due to construction inflation
- 2006: Financial Philosophy behind Room and Board Fees presented to board
- 2009: Scion Group Conducts Housing Review as part of LRDP--reinforces findings from Fink Study

## Key Elements of Housing Plan

- Based on gaps (between student needs and UW housing inventory) identified in Fink and Scion studies, take steps to address student housing needs
- Fund Washakie Halls out of Room & Board Fees and Bonds
- Explore privatization for Summit View replacement and Hill/Crane renovation or replacement
- Eventual mix would include White Hall as suites or one bath per bedroom
- Room and Board rates increased a total of 19% over nine years (2005-2013) to cover the plan
- As part of 2009 LRDP, consider selling Spanish Walk

## Demand for Housing Space

Student Demographic	Desired Housing	Demand	Currently Configured	Gap between Configured and Demand
	Traditional Residence			
New Freshmen	Hall Rooms	1,650	2,283	633
	Suite or Hotel			
Sophomore/Junior	<b>Residence Hall Rooms</b>	691	-	(691)
	Suite or Hotel			
	Residence Hall			
Senior and Above	Rooms/ more privacy	37	-	(37)
Single Student Apartment	Apartments rented by			()
Beds	bed	386	-	(386)
	Apartments rented by	4.60	210	
Family Apartment Units	unit	162	210	48
Total		2,926	2,493	(433)



## Privatization Option: Key Assumptions

- Execute long term ground lease with 501(c)(3) to develop property
- Develop up to 325 new beds in apartments rented by the bed
- Project must be financially self-sustaining
- Rents will be market driven
- Property may be managed by UW or by a third party
- Less impact to bond rating if privatized (preserves debt capacity for other projects)

## Scenario A: Existing Plan

Project	Cost	Funding	Impact on Room/Board Rates	Net Change: Traditional Beds	Net Change: Suite Beds	Net Change: Single Student Apartment Beds
White Hall Suites	\$32M	Cash: \$7M, Bond: \$25M	2.25% increase 15% Premium for White Rooms	-600	500	
Summit View Replacement	\$20M	Private: Must be self- sustaining. Ground lease cash flows may kick in year five forward.	N/A			325
Sell Spanish Walk Project Cost: N/A	-\$5.45M	Appraisal \$6.1M less \$650K owed Net: \$5.45M Current net revenues: \$475K	N/A			-114
Refurbish Landmark Apartments Staged annually: one building at a time.	\$9.6M	Spanish Walk Sales proceeds plus Net Pledged Revenue funding	N/A			
Renovate Hill/Crane Complex to Suites	\$35M (both)	Private: Must be self- sustaining. Ground lease cash flows may kick in year five forward. Loss of \$1.1M in R&B fees	N/A	-400	400	

# Scenario B: Modified Timing of Existing Plan

Project	Cost	Funding	Impact on Room/Board Rates	Net Change: Traditional Beds	Net Change: Suite Beds	Net Change: Single Student Apartment Beds
Summit View Replacement	\$20M	Private: Must be self- sustaining. Ground lease cash flows may kick in year five forward.	N/A			325
White Hall Suites	\$32M	Cash: \$7M, Bond: \$25M	2.25% increase 15% Premium for White Rooms	-600	500	
Sell Spanish Walk Project Cost: N/A	-\$5.45M	Appraisal \$6.1M less \$650K owed Net: \$5.45M Current net revenues: \$475K	N/A			-114
Refurbish Landmark Apartments Staged annually: one building at a time.	\$9.6M	Spanish Walk Sales proceeds plus Net Pledged Revenue funding	N/A			
Renovate Hill/Crane Complex to Suites	\$35M (both)	Private: Must be self- sustaining. Ground lease cash flows may kick in year five forward. Loss of \$1.1M in R&B fees	N/A	-400	400	

# Meeting Demand When Fully Renovated

Optimal Bed Mix	Demand	Proposed New Configuration	Gap between Configured and Demand
New Freshmen	1,650	1,303	(347)
Sophomore/Junior	691	965	274
Senior and Above	37	-	(37)
Single Student Apartment Beds	386	325	(61)
Family Apartment Units	162	210	48
Total	2,926	2,803	(123)

### Summary of Advantages for Two Options

#### Scenario A

- Lower construction costs due to the economy mitigates fee increases
- White Hall becomes a "feeder" to new apartments
- Immediate recruiting impact of new-style housing that will accommodate some freshmen

#### Scenario B

- No institutional funding allows cash to continue to accumulate toward White Hall
- Immediate impact of construction on 1/3 of vacant Summit View site
- Does not use debt capacity in FY2011-2012