Student Housing Development Plan – Phase II-A
Board of Trustees

October 14, 2012
Temporary Student Housing . . .

“Because the student remains on the waiting list and is from out-of-town, they are living in a camper at the Horse Park.” 8/24/2012
Goal 1: Prepare Students for Leading Roles in an Innovation-driven Economy and Global Society

Objective 1.3: Ensure that graduates at all levels are able to demonstrate expertise in their disciplines and are prepared to success in professional and community settings.

- **Strategy 1.3.2** – Expand opportunities for interdisciplinary and inter-professional learning and training; create appropriate space and facilities.

- **Strategy 1.3.4** – Extend opportunities for high-impact academic and cultural activities for students at all levels; develop cohesion between the curricular, co-curricular, and community service activities, particularly with regard to leadership, internationalization, diversity, and inclusion.
2009-14 Strategic Plan

**Goal 3:** Develop the Human and Physical Resources of the University to Achieve the Institution’s Top 20 Goals

**Objective 3.7:** Increase building space available to academic programs and for research and support functions.

- **Strategy 3.7.2** – Construct new residence halls through private partnership

**Objective 3.3:** Improve the suitability, sustainability, efficiency, accessibility, and quality of existing facilities.

- **Strategy 3.8.1** – Continue classroom and research laboratory renovations and upgrades and modernization of residence halls.
Housing Committees

FINANCIAL ADVISORY COMMITTEE:
Jim Hardymon, Community Member and Former Chair, UK Board of Trustees
Merl Hackbart, Interim Director, Martin School of Public Policy and Administration
Angie Martin, Treasurer and Vice President for Financial Operations
Beth Patrick, Assistant Vice President, Financial Operations

ACADEMIC ADVISORY COMMITTEE:
Jeannine Blackwell, Dean, Graduate School
Mark Kornbluh, Dean, College of Arts & Sciences
Mary John O’Hair, Dean, College of Education
Michael Tick, Dean, College of Fine Arts
Robert Mock, Vice President for Student Affairs (Chair)
Ben Withers, Interim Associate Provost for Undergraduate Education
Don Witt, Associate Provost for Enrollment Management

PROJECT IMPLEMENTATION TEAM: 21 members meeting weekly since July 1.
Penny Cox, Housing Project Implementation Director (Chair)
Project Development - Consultations

- Housing Committees
- Students
- Executive Branch
- General Assembly
- Council on Postsecondary Education
- Neighborhood / Community
- University experts
- Professional advice
  - Legal counsel
  - External auditors
- Bond rating agencies
Successful Partnership

- Alignment of Interests
- Transparency
- Trust

Keep rental rates affordable

Space
Quality
Amenities
Financial return

Fulfilling the Kentucky Promise
What we are asking you to do …

- Authorize the President to negotiate and execute leases and an affiliation agreement with Education Realty Trust, Inc. to construct and manage five undergraduate residence halls on four sites with 2,317 beds.

- Amend the long-term ground lease with EdR for the Phase I student housing project to reflect a decrease in the rental rate due to an anticipated reduction in expenses:
  - reduce the fall 2013 rental rate from $3,490 to $3,325
  - UK assumes project demolition costs of $518,000 and project reimbursement of $50,000.
Investment in Undergraduate Student Success

- Housing Facilities
  - Undergraduate housing average age is 45 years for 1.5M gross square feet in 22 residence halls.
  - Infrastructure systems are starting to fail
  - Only 684 modern undergraduate beds

- Growing Enrollment
  - 5,184 undergraduate students reside on campus – 25%

- Living & Learning Communities make a difference
  - 88.4% Retention rate
  - 3.26 GPA

- Students that live on campus perform better
  - Higher retention rates
    - 82.8% on campus compared to 75.9% off campus
  - Higher GPA for first semester
    - 2.86 on campus compared to 2.50 off campus
LIVING & LEARNING PROGRAMS

Residential Colleges

FALL 2012

- 13 academic courses
- 56 course sections
- 1074 students
- 10 Classrooms

http://www.uky.edu/Housing/undergraduate/llp.html
UK Housing Rates
Per Semester

Fall/Spring Semester Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>UK Traditional</th>
<th>UK Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-06</td>
<td>$2,125</td>
<td>$1,682</td>
</tr>
<tr>
<td>2006-07</td>
<td>$2,319</td>
<td>$1,806</td>
</tr>
<tr>
<td>2007-08</td>
<td>$2,450</td>
<td>$1,893</td>
</tr>
<tr>
<td>2008-09</td>
<td>$2,450</td>
<td>$1,893</td>
</tr>
<tr>
<td>2009-10</td>
<td>$2,658</td>
<td>$1,988</td>
</tr>
<tr>
<td>2010-11</td>
<td>$2,765</td>
<td>$2,068</td>
</tr>
<tr>
<td>2011-12</td>
<td>$3,015</td>
<td>$2,255</td>
</tr>
<tr>
<td>2012-13</td>
<td>$3,196</td>
<td>$2,255</td>
</tr>
</tbody>
</table>
Projected Fall/Spring Housing Rate Comparison

By fall 2016, projected EdR rates on new facilities would be lower than the projected UK premium hall rates.

New 601 bed facility to open in fall 2013 with annual rental rate $140 higher than projected UK premium rate rates.

$2,000 $2,500 $3,000 $3,500 $4,000 $4,500 $5,000 $5,500
Fall Semester

Fall Semester
UK Premium Rates
EDR Rates

THEN -- February 2012
NOW – Projected Fall 2013

Projected Fall/Spring Housing Rate Comparison

- Same rates beginning fall 2013.
- $3,015
- $3,325
- $3,425
- $4,212

Fall Semester

- 2011
- 2012
- 2013
- 2014
- 2015
- 2016
- 2017
- 2018
- 2019
- 2020
- 2021

UK Premium Rates
- $3,015
- $3,325
- $3,425

EDR Rates
- $3,196
- $3,325
- $3,425
- $4,212
- $4,212

NOW – Projected Fall 2013
Planning Overview

- **Used Sasaki Masterplan Team to Guide Planning**
  - Identified four undergraduate housing districts each with areas supporting student life, open space, and dining
  - Neighborhood meetings
  - Student focus groups
  - Greek organization focus groups
  - Opportunities for sustainable initiatives

- **Key Issues**
  - Mix of room configurations
  - Land capacity
  - Vision for Residential Life
    - Active living & learning programs
  - Transition for demolition of outdated residence halls
### Preliminary Schedule for Construction/Demolition

#### Fall 2012

<table>
<thead>
<tr>
<th></th>
<th>Undergrad</th>
<th>Grad</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Beds/Apartments</td>
<td>5,154</td>
<td>818</td>
<td>5,972</td>
</tr>
</tbody>
</table>

#### Fall 2013

<table>
<thead>
<tr>
<th></th>
<th>Undergrad</th>
<th>Grad</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase I, New Central</td>
<td>601</td>
<td></td>
<td>601</td>
</tr>
<tr>
<td><strong>Less Demolition</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wildcat Lodge</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Cooperstown D&amp;E (Grad)</td>
<td>Oct-12</td>
<td>Note 1</td>
<td>540</td>
</tr>
<tr>
<td>Haggin Hall</td>
<td></td>
<td>May-13</td>
<td>-540</td>
</tr>
</tbody>
</table>

**Net Change**

<table>
<thead>
<tr>
<th></th>
<th>Undergrad</th>
<th>Grad</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>61</td>
<td>-88</td>
<td>-27</td>
</tr>
</tbody>
</table>

**Total Beds - August 2013**

<table>
<thead>
<tr>
<th></th>
<th>Undergrad</th>
<th>Grad</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5,215</td>
<td>730</td>
<td>5,945</td>
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</tbody>
</table>

*Note 1: Wildcat Lodge bed count of 35 not included in the undergraduate bed base.*

#### Fall 2014

<table>
<thead>
<tr>
<th></th>
<th>Undergrad</th>
<th>Grad</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase II-A - Begin Construction October 2012, Open August 2014</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Blazer Lot Site</td>
<td>740</td>
<td></td>
<td>740</td>
</tr>
<tr>
<td>Wildcat Lodge Site</td>
<td>427</td>
<td></td>
<td>427</td>
</tr>
<tr>
<td>Haggin Hall Site</td>
<td>332</td>
<td></td>
<td>332</td>
</tr>
<tr>
<td>Cooperstown (D&amp;E Site)</td>
<td>818</td>
<td></td>
<td>818</td>
</tr>
</tbody>
</table>

**Net Change**

<table>
<thead>
<tr>
<th></th>
<th>Undergrad</th>
<th>Grad</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,317</td>
<td></td>
<td>2,317</td>
</tr>
</tbody>
</table>

**Maximum Total Beds - August 2014**

<table>
<thead>
<tr>
<th></th>
<th>Undergrad</th>
<th>Grad</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7,532</td>
<td>730</td>
<td>8,262</td>
</tr>
</tbody>
</table>

**Less Anticipated Demolition for Phase II-B**

<table>
<thead>
<tr>
<th></th>
<th>Undergrad</th>
<th>Grad</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(410)</td>
<td></td>
<td>(177)</td>
<td>(587)</td>
</tr>
</tbody>
</table>

**Total Anticipated Beds - August 2014**

<table>
<thead>
<tr>
<th></th>
<th>Undergrad</th>
<th>Grad</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7,122</td>
<td>553</td>
<td>7,675</td>
</tr>
</tbody>
</table>

#### Fall 2015

**Phase II-B - Begin Construction May 2013, Open August 2015**
<table>
<thead>
<tr>
<th>Building</th>
<th>Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blazer (740) and Wildcat (427)</td>
<td>1,167</td>
</tr>
<tr>
<td>Haggin I (601) and II (332)</td>
<td>933</td>
</tr>
<tr>
<td>Cooperstown D and E</td>
<td>818</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,918</strong></td>
</tr>
</tbody>
</table>
UNIT TYPES

Double Type A — 771 sf
193 sf per bed
4 beds in double suite, 1 bath

Double Type B — 488 sf
224 sf per bed, 16% more than Type A
2 bedrooms, 1 bath suite, living area

Double Type C — 1,125 sf
281 sf per bed, 46% more than Type A; 26% more than Type B
4 bedrooms, 2 bath, kitchenette, living area
Cooperstown D Site

Cooperstown Buildings D - Woodland Avenue Perspective

Fulfilling the Kentucky Promise
Cooperstown E Site

Fulfilling the Kentucky Promise
Haggin Site Phase I and II

Haggin Site Phase I & II Elevation - Huguely Drive
Haggin Site – Phase I and II
Dining Pavilion Concept
### SAMPLE Anticipated Average Useful Life Schedule

<table>
<thead>
<tr>
<th>Building Components/Services</th>
<th>Longevity in Yrs.</th>
<th>Specific Interior</th>
<th>Longevity in Yrs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corridor Carpeting</td>
<td>5</td>
<td>Interior Paint</td>
<td>5</td>
</tr>
<tr>
<td>Ceiling Finishes</td>
<td>10</td>
<td>Room Carpet Flooring</td>
<td>7</td>
</tr>
<tr>
<td>Interior Renovations</td>
<td>10</td>
<td>Interior Doors &amp; Hardware</td>
<td>10</td>
</tr>
<tr>
<td>Interior Construction</td>
<td>10</td>
<td>Window Coverings</td>
<td>10</td>
</tr>
<tr>
<td>Electrical</td>
<td>20</td>
<td>Vinyl Flooring</td>
<td>10</td>
</tr>
<tr>
<td>Elevators</td>
<td>20</td>
<td>Countertops (laminate)</td>
<td>15</td>
</tr>
<tr>
<td>Plumbing</td>
<td>20</td>
<td>Interior Trim</td>
<td>20</td>
</tr>
<tr>
<td>Fire Systems</td>
<td>25</td>
<td>Wood Flooring</td>
<td>25</td>
</tr>
<tr>
<td>Roof Cover</td>
<td>25</td>
<td>Tile Flooring</td>
<td>25</td>
</tr>
<tr>
<td>Exterior Walls</td>
<td>50</td>
<td>Interior Walls</td>
<td>35</td>
</tr>
<tr>
<td>Permanent Structures</td>
<td>50</td>
<td>Steel Entry Doors</td>
<td>40</td>
</tr>
<tr>
<td><strong>Specific Exterior</strong></td>
<td></td>
<td>Cabinets (wood construction)</td>
<td>50</td>
</tr>
<tr>
<td>Exterior Paint</td>
<td>5</td>
<td><strong>Mechanicals</strong></td>
<td></td>
</tr>
<tr>
<td>Exterior Caulk/Sealant</td>
<td>5</td>
<td>Water Heaters</td>
<td>13</td>
</tr>
<tr>
<td>Downspouts</td>
<td>10</td>
<td>Plumbing Fixtures/Accessories</td>
<td>15</td>
</tr>
<tr>
<td>Windows</td>
<td>20</td>
<td>HVAC Systems</td>
<td>15</td>
</tr>
<tr>
<td>Gutters</td>
<td>20</td>
<td><strong>Appliances</strong></td>
<td></td>
</tr>
<tr>
<td>Brick Siding</td>
<td>50</td>
<td>Microfridge</td>
<td>13</td>
</tr>
</tbody>
</table>

(1) The time frames above are intended to set forth guidelines for replacement on capital renewal as covered by Ground Lease Article 7
(2) Years are calculated from date of occupancy of buildings
(3) The above schedule is to be met by the annual replacement reserves.
Recommended Phase II-A Lease

- Approval for President to negotiate contracts with EdR for construction and management of 2,317 beds.
- Leases and Affiliation Agreement - $133.7M
  - 75 year term
  - University’s financial return:
    - Average 16.1% of gross revenue
    - 25% of net income following EdR’s realization of 9% Internal Rate of Return
  - Rental rate parameters
  - University provides Residential Life Living Learning Programs
  - Replacement reserve of $200 per bed per year to maintain facilities in a first class manner
  - LEED-Silver certification for sustainability
  - Geothermal at Haggin II
  - Prevailing wage rates during construction
  - Land and improvements exempt from ad valorem property taxes
Phase II-A Lease

- Residential Rental rates:
  - 2014-15 per bed per semester:
    - Type A; standard two double-occupancy rooms, 1 bath: $3,425
    - Type B; 2 bedrooms, 1 bath suite, living area: $3,904
    - Type C; 4 bedrooms, 2 bath, kitchenette, living area: $4,216
  - 2015-17 to 2017-18: Annual rate increase limited to the greater of:
    - 3%
    - Student resident rent CPI percentage increase, or
    - Percentage rate increase of existing UK housing
Other Factors

- 100% equity contribution/No debt
- Public company ensures transparency
- Use of local Kentucky materials and workers
- Collaborative input on design, materials and construction of projects
- No development fees
- No construction oversight fees
- No loan commitment fees
- No construction interest
- EdR assumes 100% construction risk
- Open book relationship on costs
- Management fee reduced to 2% from 4%
- Zero rent on classrooms, visitor center, and other commercial shell-space.
- Women and Minority Business Enterprise (WMBE) Program participation

- State-of-the-art design based on the most successful unit type demand at peer institutions
- Blend of living-learning and private bedrooms to enhance student satisfaction
- Improved retention
- Units accommodate UK’s standard RA/RD ratio mix
- Current design of Phase II-A includes significant living/learning space composed of:
  - 58 Study Rooms
  - 39 Multi-Purpose Rooms
  - 8 Classrooms
  - Space provided for potential Visitor Center or other UK programs
<table>
<thead>
<tr>
<th>Facility</th>
<th>Project Scope</th>
<th>Online Date</th>
<th>Gross Sq Ft</th>
<th>Residential SF</th>
<th>Bldg Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Central</td>
<td>Phase I</td>
<td>Fall 2013</td>
<td>172,064</td>
<td>108,632</td>
<td>63.13%</td>
</tr>
<tr>
<td>New Haggin - &quot;L&quot;</td>
<td></td>
<td>Fall 2014</td>
<td>121,600</td>
<td>75,761</td>
<td>62.30%</td>
</tr>
<tr>
<td>Blazer Lot - &quot;E&quot;</td>
<td></td>
<td>Fall 2014</td>
<td>285,000</td>
<td>182,538</td>
<td>64.05%</td>
</tr>
<tr>
<td>Wildcat Lodge Site - &quot;h&quot;</td>
<td></td>
<td>Fall 2014</td>
<td>154,100</td>
<td>110,771</td>
<td>71.88%</td>
</tr>
<tr>
<td>Cooperstown D&amp;E</td>
<td></td>
<td>Fall 2014</td>
<td>291,400</td>
<td>207,039</td>
<td>71.05%</td>
</tr>
<tr>
<td>Phase II / Average</td>
<td></td>
<td></td>
<td>852,100</td>
<td>576,109</td>
<td>67.61%</td>
</tr>
<tr>
<td>Total / Average</td>
<td></td>
<td></td>
<td>1,024,164</td>
<td>684,741</td>
<td>66.86%</td>
</tr>
</tbody>
</table>

### Housing Bed Inventory by Unit Type

<table>
<thead>
<tr>
<th>Facility</th>
<th>Number of Beds</th>
<th>Type A</th>
<th>Type B</th>
<th>Type C</th>
<th>RA Units</th>
<th>Dir Apts</th>
<th>Sq Ft / Bed</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Central</td>
<td>601</td>
<td>584</td>
<td>140</td>
<td>182</td>
<td>16</td>
<td>1</td>
<td>173</td>
</tr>
<tr>
<td>New Haggin - &quot;L&quot;</td>
<td>332</td>
<td>140</td>
<td>182</td>
<td>9</td>
<td>1</td>
<td>1</td>
<td>234</td>
</tr>
<tr>
<td>Blazer Lot - &quot;E&quot;</td>
<td>740</td>
<td>720</td>
<td>720</td>
<td>19</td>
<td>1</td>
<td>1</td>
<td>251</td>
</tr>
<tr>
<td>Wildcat Lodge Site - &quot;h&quot;</td>
<td>427</td>
<td>304</td>
<td>112</td>
<td>10</td>
<td>1</td>
<td>1</td>
<td>261</td>
</tr>
<tr>
<td>Cooperstown D&amp;E</td>
<td>818</td>
<td>788</td>
<td>112</td>
<td>28</td>
<td>2</td>
<td>2</td>
<td>253</td>
</tr>
<tr>
<td>Phase II / Average</td>
<td>2,317</td>
<td>140</td>
<td>1,994</td>
<td>112</td>
<td>66</td>
<td>5</td>
<td>250</td>
</tr>
<tr>
<td>Total / Average</td>
<td>2,918</td>
<td>724</td>
<td>1,994</td>
<td>112</td>
<td>82</td>
<td>6</td>
<td>234</td>
</tr>
</tbody>
</table>

Percent of Total Beds: 100.0% 24.8% 68.3% 3.8% 2.8% 0.2%

RA = Resident Assistant
Type A = Standard two double-occupancy rooms with shared bath: 198 SF per bed
Type B = Two private bedrooms, one bath; 224 SF per bed
Type C = Four private bedrooms, two baths, kichenette, and living area; 281 SF per bed

### Number of Rooms by Use Type

<table>
<thead>
<tr>
<th>Facility</th>
<th>Classrooms</th>
<th>Study Rooms</th>
<th>Multipurpose</th>
<th>Total Living/Learning</th>
<th>Kitchens</th>
<th>Laundry</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Central</td>
<td>3</td>
<td>14</td>
<td>2</td>
<td>19</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>New Haggin - &quot;L&quot;</td>
<td>2</td>
<td>6</td>
<td>11</td>
<td>19</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Blazer Lot - &quot;E&quot;</td>
<td>3</td>
<td>17</td>
<td>14</td>
<td>34</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Wildcat Lodge Site - &quot;h&quot;</td>
<td>3</td>
<td>15</td>
<td>4</td>
<td>19</td>
<td>1</td>
<td>1</td>
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<tr>
<td>Cooperstown D&amp;E</td>
<td>3</td>
<td>20</td>
<td>10</td>
<td>33</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Phase II / Average</td>
<td>8</td>
<td>58</td>
<td>39</td>
<td>105</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Total / Average</td>
<td>11</td>
<td>72</td>
<td>41</td>
<td>124</td>
<td>7</td>
<td>8</td>
</tr>
</tbody>
</table>

Square Footage Range: 787 to 1000 116 to 564 294 to 504 294 to 1000 297 to 625 364 to 625

Fulfilling the Kentucky Promise
Project Timeline

- October 2012: Board of Trustees approves Phase II-A
- November 2012: Demolition of Wildcat Lodge and Cooperstown D&E buildings
- January 2013: Request authorization from General Assembly for additional facilities (Phase II-B)
- August 2013: Open 601 new beds on Haggin Field
- August 2014: Open 2,317 new beds on four sites
- 2012 – 2018: Complete remaining facilities
Student Housing Development Plan – Phase II-A
Board of Trustees

October 14, 2012

Fulfilling the Kentucky Promise