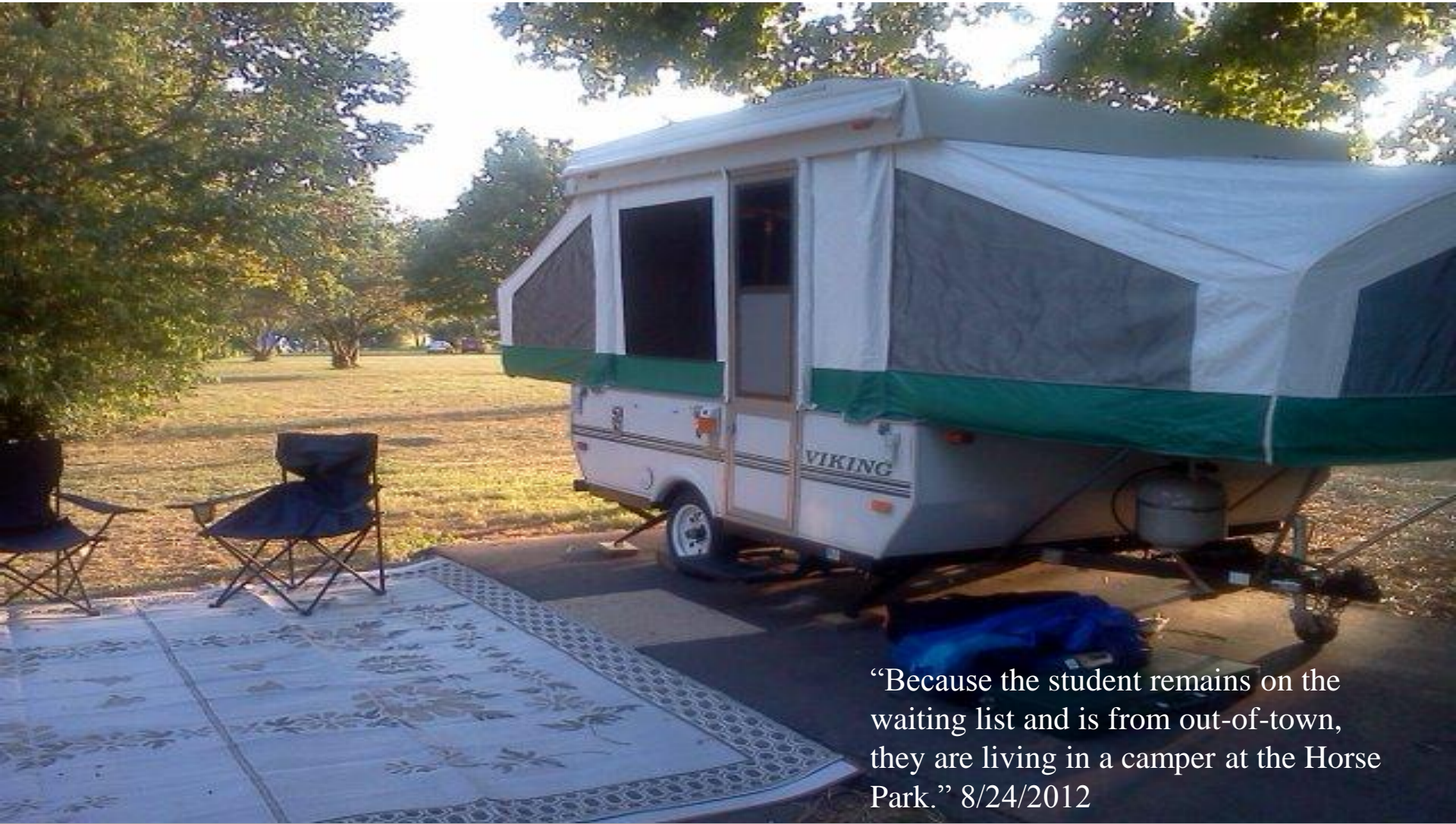




Student Housing Development Plan – Phase II-A Board of Trustees

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

2009-14 Strategic Plan

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.

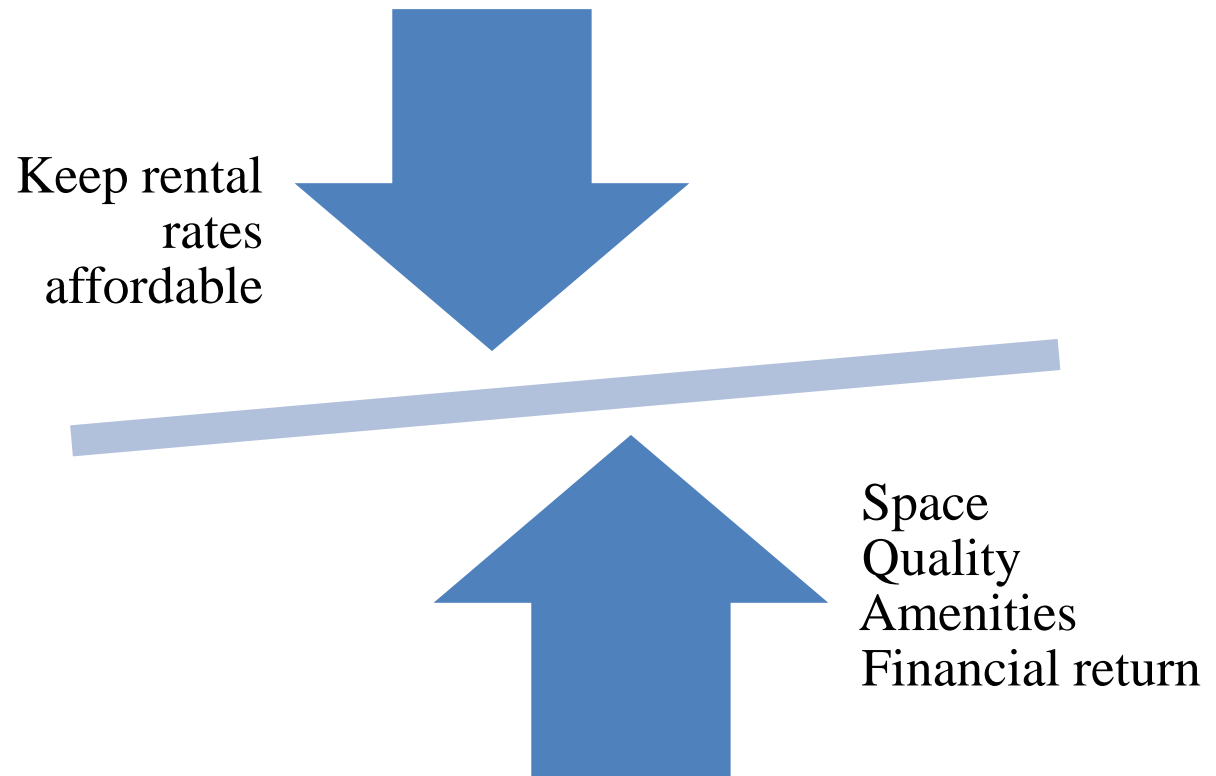
Penny Cox, Housing Project Implementation Director (Chair)

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



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



Learning Communities

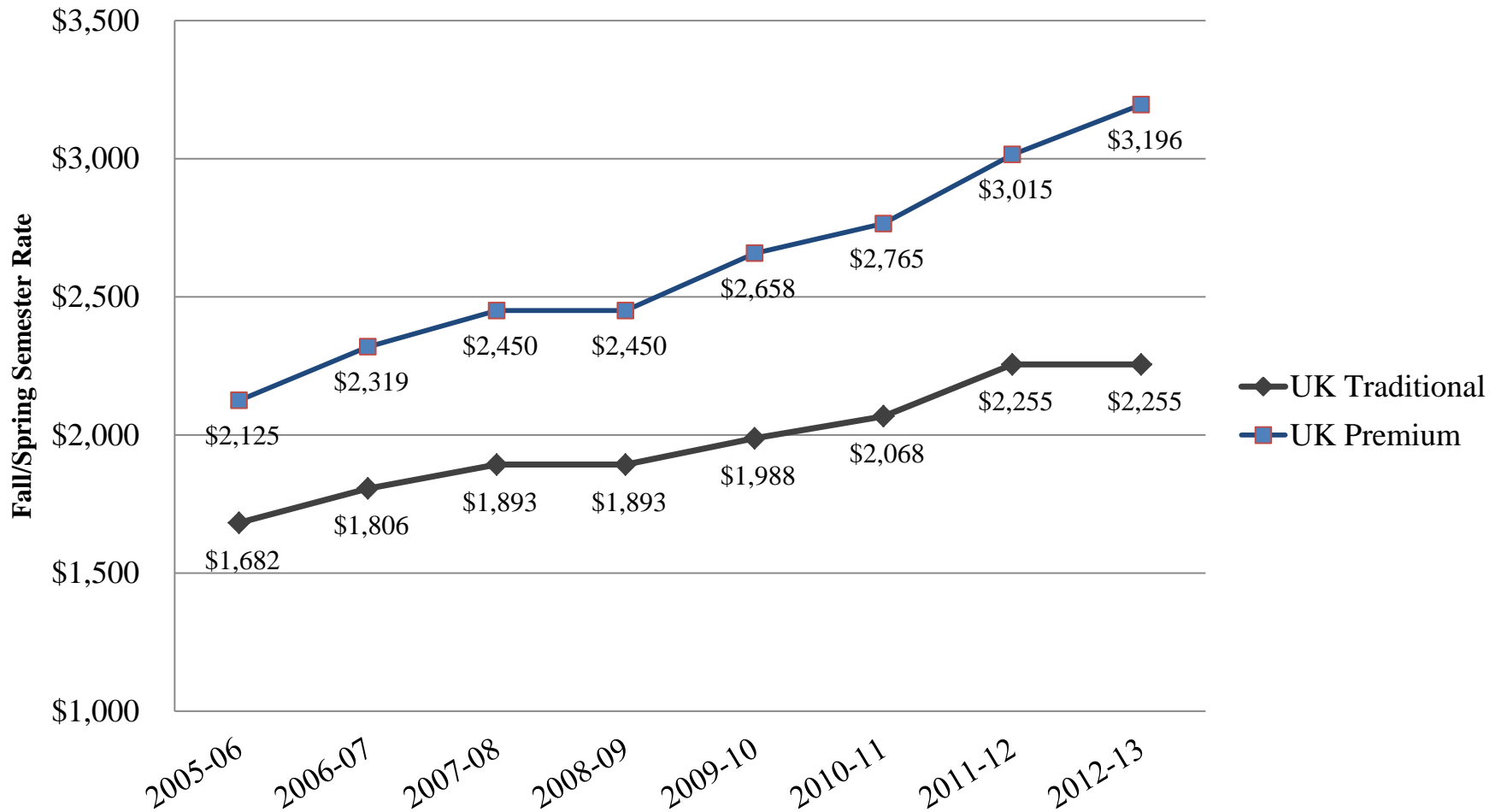


FALL 2012

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

<http://www.uky.edu/Housing/undergraduate/llp.html>

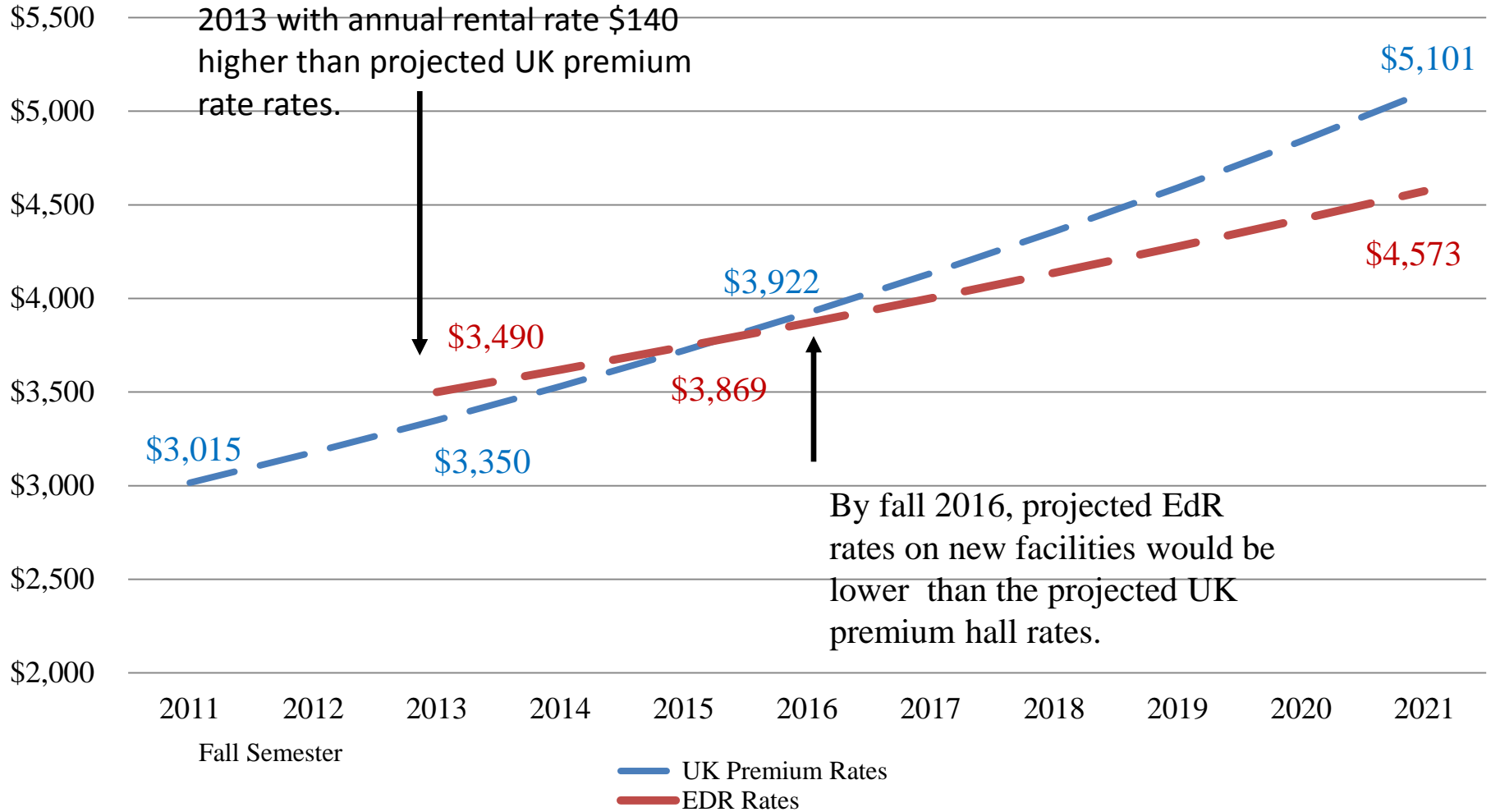
UK Housing Rates Per Semester



THEN -- February 2012

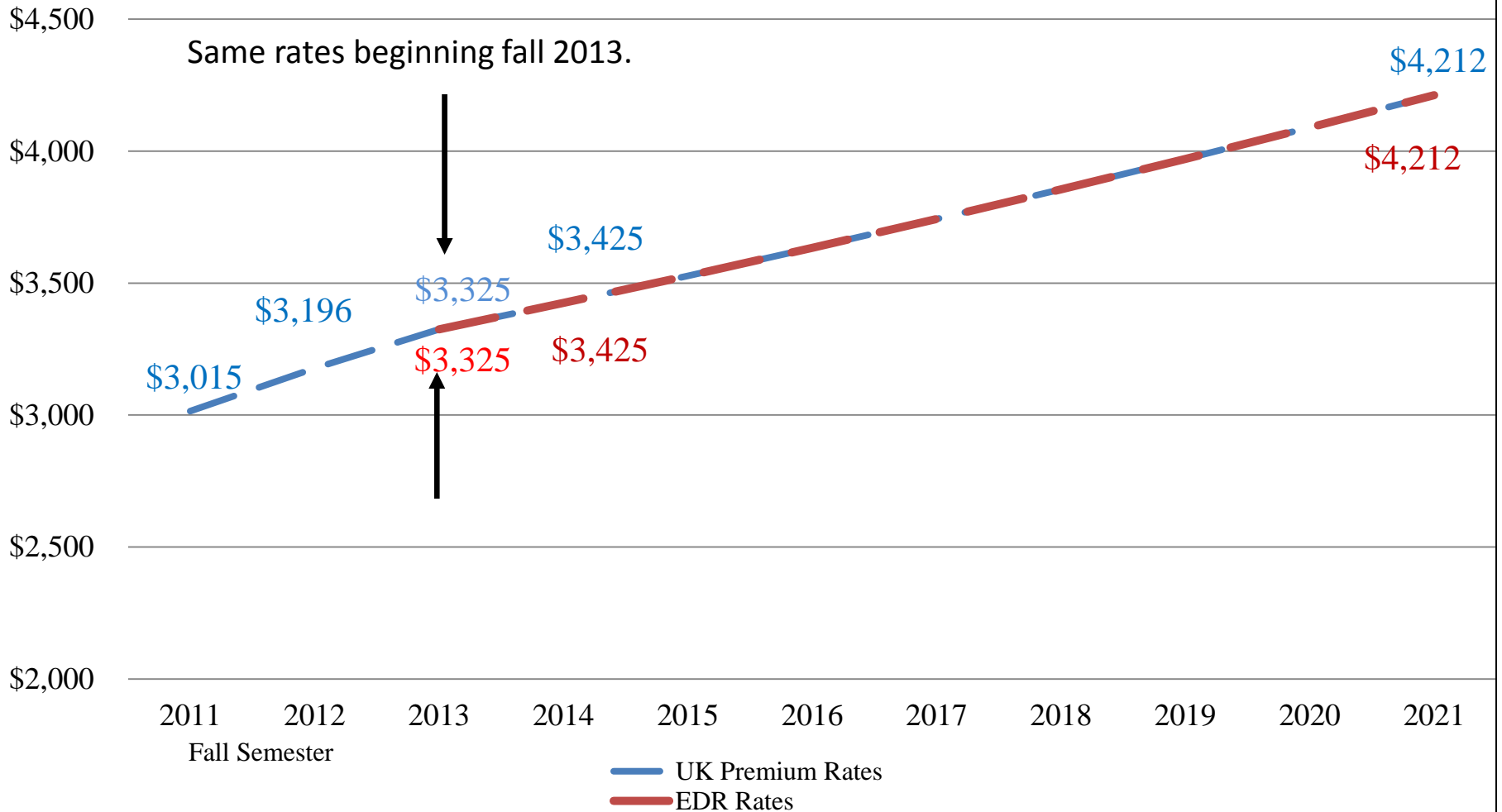
Projected Fall/Spring Housing Rate Comparison

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



NOW – Projected Fall 2013

Projected Fall/Spring Housing Rate Comparison



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		Undergrad	Grad	Total
Number of Beds/Apartments		5,154	818	5,972
Fall 2013		Undergrad	Grad	Total
Phase I, New Central		601		601
				-
<u>Less Demolition</u>				-
Wildcat Lodge	Oct-12	Note 1		-
Cooperstown D&E (Grad)	Oct-12		-88	(88)
Haggin Hall	May-13	-540		(540)
Net Change		61	-88	-27
Total Beds - August 2013		5,215	730	5,945
Note 1: Wildcat Lodge bed count of 35 not included in the undergraduate bed base.				
Fall 2014		Undergrad	Grad	Total
<u>Phase II-A - Begin Construction October 2012, Open August 2014</u>				
Blazer Lot Site		740		740
Wildcat Lodge Site		427		427
Haggin Hall Site		332		332
Cooperstown (D&E Site)		818		818
Net Change		2,317	-	2,317
Maximum Total Beds - August 2014		7,532	730	8,262
Less Anticipated Demolition for Phase II-B		(410)	(177)	(587)
Total Anticipated Beds - August 2014		7,122	553	7,675
Fall 2015				
Phase II-B - Begin Construction May 2013, Open August 2015				

Aerial Map Phase I and II-A

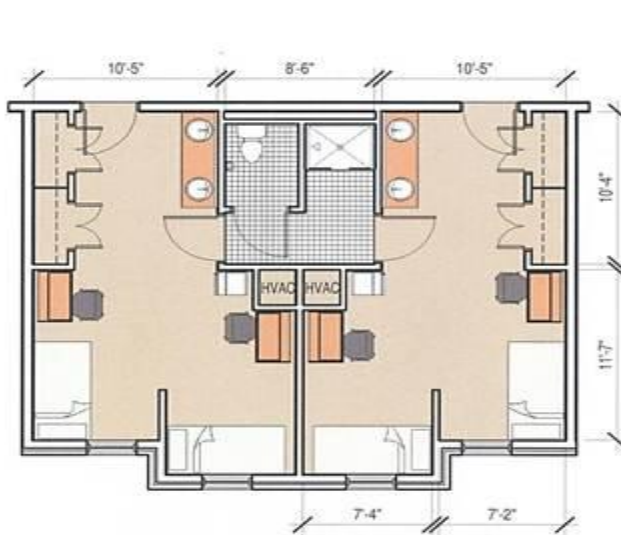


	Beds
Blazer (740) and Wildcat (427)	1,167
Haggin I (601) and II (332)	933
Cooperstown D and E	818
<hr/> Total	<hr/> 2,918

UNIT TYPES

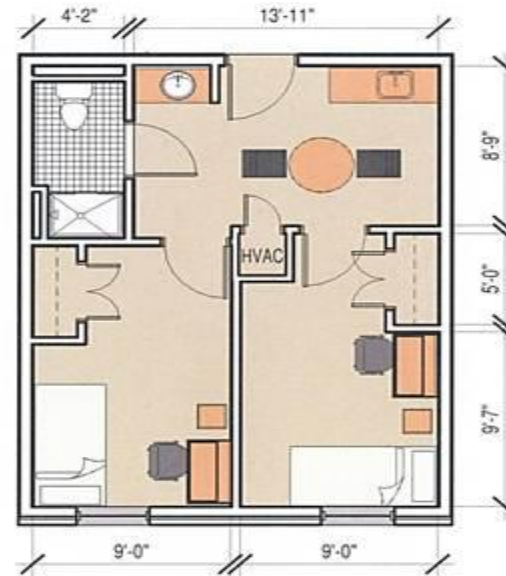
Double Type A —
771 sf
193 sf per bed

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



Blazer Lot Site



Wildcat Lodge Site



North Campus Perspective



Martin Luther King Elevation - Option 2



Avenue of Champions Elevation - Option 2

Cooperstown D Site



Cooperstown E Site



Cooperstown Building E - Woodland Avenue & Cooperstown Drive Perspective

Cooperstown D&E Site



Haggin Site Phase I and II



Haggin Site Phase I & II Elevation - Huguelet Drive

Haggin Site – Phase I and II



Haggin Site Phase I & II - Huguelet Drive Perspective

Dining Pavilion Concept



SAMPLE Anticipated Average Useful Life Schedule

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

- (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

Recap

Facility Highlights							
Facility	Project Scope	Online Date	Gross Sq Ft	Residential SF	Bldg Efficiency		
New Central	Phase I	\$ 25,200,138	Fall 2013	172,064	108,632	63.13%	
New Haggin - "L"		\$ 19,479,329	Fall 2014	121,600	75,761	62.30%	
Blazer Lot - "E"		\$ 45,924,372	Fall 2014	285,000	182,538	64.05%	
Wildcat Lodge Site - "h"		\$ 23,808,384	Fall 2014	154,100	110,771	71.88%	
Cooperstown D&E		\$ 44,491,151	Fall 2014	291,400	207,039	71.05%	
Phase II / Average		\$ 133,703,236		852,100	576,109	67.61%	
Total / Average		\$ 158,903,374		1,024,164	684,741	66.86%	

Housing Bed Inventory by Unit Type								
Facility	Number of Beds	Type A	Type B	Type C	RA Units	Dir Apts	Sq Ft / Bed	
New Central	Phase I	601	584		16	1	173	
New Haggin - "L"		332	140	182	9	1	234	
Blazer Lot - "E"		740		720	19	1	251	
Wildcat Lodge Site - "h"		427		304	112	1	261	
Cooperstown D&E		818		788	28	2	253	
Phase II / Average		2,317	140	1,994	112	5	250	
Total / Average		2,918	724	1,994	112	6	234	
Percent of Total Beds		100.0%	24.8%	68.3%	3.8%	0.2%		

RA = Resident Assistant

Type B = Two private bedrooms, one bath; 224 SF per bed

Type A = Standard two double-occupancy rooms with shared bath: 198 SF per bed

Type C = Four private bedrooms, two baths, kichenette, and living area; 281 SF per bed

Number of Rooms by Use Type							
Facility	Classrooms	Study Rooms	Multipurpose	Total Living/Learning	Kitchens	Laundry	
New Central	Phase I	3	14	2	19	2	2
New Haggin - "L"		2	6	11	19	1	1
Blazer Lot - "E"		3	17	14	34	1	2
Wildcat Lodge Site - "h"		-	15	4	19	1	1
Cooperstown D&E		3	20	10	33	2	2
Phase II / Average		8	58	39	105	5	6
Total / Average		11	72	41	124	7	8
Square Footage Range		787 to 1000	416 to 564	294 to 504	294 to 1000	297 to 625	364 to 625

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)
- May 2013: Demolition of Haggin Hall and K-Lair.
- 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