

BOARD OF REGENTS
BRIEFING PAPER

1. Agenda Item Title: New Residence Hall Construction Approval

Meeting Date: December 5-6, 2013

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

The University of Nevada, Reno proposes to build a residence hall to be located on the main campus of the University. The University has been oversubscribed in its existing housing facilities for the past four years. Continued growth in the incoming freshman class, increased rates of retention and a desire by returning students to remain in University housing have all contributed to the increased demand. The new facility will add 400 bed spaces to the University's overall housing inventory, increasing the total number of beds to 2,744. This project represents the next step in the implementation of the University's strategic housing plan as reviewed with the Board in September of 2011. The following is a summary of the major highlights associated with the proposed project:

Size: A 5-story, 117,000 sq. ft., 400 bed residence hall, reflecting the current campus architectural style (see Exhibit 1).

Location: The new residence hall will be located between Virginia and Sierra Streets, west of the Continuing Education Building and north of the Sierra residence hall (see Exhibit 2). This site was identified as one of the potential locations for the next residence hall in the Housing Master Plan presented to the Board at the September 2011 meeting.

Estimated Cost: The total project cost for the proposed residence hall, based upon initial pre-design services, is estimated to be approximately \$38.8 million.

Financing Plan: The current financing plan for the estimated \$38.8 million project calls for the Residential Life, Housing and Food Services Reserve account to contribute \$12.5 million upfront, with the remaining \$26.3 million balance financed by a 30-year, fixed rate, tax-exempt NSHE revenue bond. Debt service on the revenue bond will come from annual room rental income.

Cooper Court Residence Hall Project
Financing Plan Summary (Dollars in Millions)

Estimated Total Construction Cost	\$36.8
Estimated Capitalized Interest/Financing Costs	<u>2.0</u>
Estimated Total Project Cost	\$38.8
University Housing Reserves	\$12.5
NSHE Revenue Bonds	\$26.3
Total All Sources	\$38.8

Schedule: Pending approval, construction of the new residence hall is expected to commence in the spring of 2014 with completion projected in time for the fall semester of 2015. The project will require the demolition of several existing structures on the site which will be completed in early 2014. All impacted occupants have been notified and assisted with relocation. Of particular note, the University has arranged for the relocation of the child care center to the campus Raggio Education Building.

The project encompasses the institution's key goals to create an environment that will encourage students to stay connected with the University community, and to provide affordable housing options that will attract and retain students and positively impact their graduation within four years. The residence hall will also have a healthy lifestyle focus to promote academic success. Examples include offering yoga classes, programs geared toward making better choices with food, along with additional programming in the fitness area.

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

President Marc Johnson requests approval to construct a new 5-story, 400 bed residence hall on the main campus.

4. IMPETUS (WHY NOW?):

The University has been oversubscribed in its existing facilities for the past four years. In order to meet the increased demand for on-campus housing by fall of 2015, approval for financing and construction of the new residence hall is needed now.

5. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- The construction of the new residence hall will eliminate the need for converted "triple occupancy" in rooms in Argenta Hall, which has occurred for the past four years.
- Nationally, and on our campus, there is consistent evidence that new students of all backgrounds living on campus are more likely to persist and graduate than students who live off-campus.
- The four-year graduation rate for students who reside on campus for at least one year is higher than the campus rate for all other students.
- The residence hall includes community lounges and study spaces to support the academic mission.
- The construction of the residence hall will aid in the recruitment of more academically oriented students.
- The residence hall will have a healthy lifestyle focus to promote academic success.
- The building is designed for LEED Silver certification.
- The building design is in full compliance with Americans with Disabilities Act (ADA).
- The 50 surface-lot parking spaces that will be displaced by this project will be reassigned to other, under-utilized parking areas on campus.

6. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

- Additional bonded indebtedness and the partial use of Residential Life, Housing and Food Services Reserve account funds.
- The need to relocate 50 parking spaces to accommodate this project.

7. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

Do not construct the new residence hall and:

- Decide to no longer guarantee on-campus housing to new freshmen.

- Continue to operate Argenta Hall as triple occupancy rooms.
- Allow only freshmen to live in residence halls.

8. COMPLIANCE WITH BOARD POLICY:

- Consistent With Current Board Policy: Title #__ __ Chapter #_____ Section #_____
- Amends Current Board Policy: Title #_____ Chapter #_____ Section #_____
- Amends Current Procedures & Guidelines Manual: Chapter #_____ Section #_____
- Other: _____

✓ Fiscal Impact: Yes X No _____

Explain: Project will require the University of Nevada, Reno to issue a 30-year, fixed rate, tax-advantaged revenue bond of up to \$26.3 million, and use \$12.5 million from UNR Student Housing Reserves.

Exhibit 1



Cooper Court Residence Hall Project

Exhibit 2

